



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: December 26, 2025

Memorandum To: Management and Members of the Board
Stafford Regional Airport Authority

From: Robinson, Farmer, Cox Associates

Regarding: Audit for fiscal year ended June 30, 2025

In planning and performing our audit of the financial statements of Stafford Regional Airport Authority as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Stafford Regional Airport Authority's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with Authority personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Financial Policies

There are no formal policies or procedures in place related to purchasing, determining which vendors qualify for 1099s, reporting unclaimed property in accordance with the Unclaimed Property Act, etc. We recommend that the Authority adopt formal policies to enhance the internal control environment. The policies should establish purchasing requirements, check signature requirements, a capitalization policy, compensated absences policy, formal review procedures, routine and year-end reconciliation procedures, and other general accounting practices.

General Ledger Posting

With the newly contracted consultant, management has begun to improve the financial statement preparation process. Some year-end accrual adjustments were identified and recorded by the consultant, however the Authority's financial statements required adjustments by the auditor to ensure compliance with generally accepted accounting principles (GAAP). Accruals such as prepaid expenses, correction of capital assets, and lease receivables and related deferred inflows, were adjusted with proposed audit entries.

General Ledger Posting: (Continued)

Year-end close procedures should be reviewed in order to create a formal schedule of tasks related to the annual close and audit preparation. We recommend that the Executive Director continue to work with the consultant and review and apply the annual adjustments proposed by the auditor in preparing the general ledger for financial statement purposes, prior to audit fieldwork.

Capital assets are currently listed on the general ledger in individual accounts for each asset along with individual accounts for each asset's related depreciation, which is cumbersome and prone to accounting errors. We recommend removing detailed capital asset information from the QuickBooks balance sheet, and instead maintain the balances by category (land, construction in progress, equipment, furniture, etc.) with the use of the depreciation schedule to track individual items within each category.

Supporting Documentation

The fiscal year 2025 tenant list was not updated to reflect current information such as lease start and end dates, which made it difficult to audit the related revenues. We recommend that a historical tenant list be maintained and kept up-to-date to provide a better audit trail.