



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

DATE: January 21, 2026

MEMORANDUM TO: Andre Villiard - Chief Financial Officer
Karen Mullins - Interim County Administrator
County of Wise, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: Audit for the Year Ended June 30, 2025

In planning and performing our audit of the financial statements of County of Wise, Virginia for the year ended June 30, 2025, we considered the County's internal control structure to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated January 21, 2026 on the financial statements of the County of Wise, Virginia. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

County and School Board

Budget for County Appropriation

The School Board's original and final budgeted amounts for the contribution from the County do not agree to the County's budget for same. We recommend that the School Board and County work together to ensure that budgeted amounts for the contributions between entities agree.

School Board

Account Integrity

There is a bank account in the School Board's EIN that is a clearing account for SFO funds to be deposited and disbursed to the various schools. The bank account is not reported on the School Board's trial balance. The account should either be included in the ledger at the School Board or at the School Activity Fund level to ensure that same is included in the audit process and appropriately reported.

PPEA Reporting to Auditor of Public Accounts (APA)

Per Code section 56-575.18, PPEA agreements and supporting documents must be electronically filed with the APA. We noted that documents were not provided to the APA as required. We recommend that information be sent to the APA and that going forward, information be provided in a timely manner at the onset of the project and as the project is ongoing. We noted that reports were provided to and accepted by the APA in December 2025.

BLACKSBURG OFFICE:

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(540) 552-7322

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County

Minimum Fund Balance Policy Shortfall

Per resolution 21-2019, the County has a minimum unassigned fund balance policy to maintain 15% of the total annual operating budget. As of June 30, 2025, unassigned fund balance reported for the General Fund totals \$6,539,901 and 15% of the operating budget for the General Fund is \$11,645,875, which leaves a shortfall of \$5,105,974. We recommend that management and the Board review the budget and determine what adjustments might be needed to ensure that required minimum fund balance totals are met.

LODA (Line of Duty Act) Census Data

Census data for volunteers covered under the County's LODA insurance is not sufficient to complete the required testing per the Auditor of Public Accounts specifications for Counties, Cities, and Towns. We recommend that management work with volunteer organizations to obtain the necessary information in order for testing to be completed in its entirety.

Statements of Economic Interest

Certain individuals are required to file Conflict of Interest or Real Estate Disclosure forms in accordance with Section 2.2-3115(G) of the Code of Virginia. Two members of the Board of Zoning did not complete forms. We recommend that someone continue to work with individuals on the various Boards and Commissions to help ensure required forms are completed in full.

Expenditures Exceeding Appropriations

As disclosed in the Note 2 to the financial statements, several departments within the General and Asset Forfeiture Funds had expenditures that exceeded appropriations during the year. We recommend that care be taken to ensure that budget to actual reports are reviewed routinely and supplemental appropriations are requests as needed to ensure that expenditures do not exceed appropriated amounts.

Department of Social Services Recommendations

EBT Card Authorization and Access

Per inquiry, individuals that have access to EBT cards also have authorization authority. EBT Cards should be treated as cash and adequate controls should be in place to ensure that they are appropriately safeguarded. No individual should have access to the cards and also have authorization authority over same.

Payment of Board Members

During testing, it was noted that Social Services and CPMT Board members were paid through accounts payable. Per IRS guidelines, Board members should be considered employees and should be paid through payroll. We recommend that management evaluate its payment processes and update as considered appropriate.

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