

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Date: October 29, 2018

MEMORANDUM TO: Capital Region Airport Commission
FROM: Robinson, Farmer, Cox Associates
REGARDING: FY 17-18 Audit

In planning and performing our audit of the financial statements of Capital Region Airport Commission for the year ended June 30, 2018, we considered the Commission's internal control structure to plan our auditing procedures for the purpose of expressing our opinion 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 October 29, 2018, on the financial statements of Capital Region Airport Commission. 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.

Depreciation Schedule

Management performed a detailed review of the depreciation schedule during the year and made several corrections to the listing. Our review of the depreciation schedule indicated there are still some assets showing no depreciation reserve balance or assets in a non-depreciable category showing depreciation (for example, asset 2442-land acquisition shows accumulated depreciation of \$533,385.04, which is not reflected on the general ledger, a group of assets (items 390-393 and 398-399) show negative cost and depreciation reserve balances, etc.). Management should continue to review the depreciation schedule for completeness and accuracy and make annual adjustments reconciling the depreciation schedule to the general ledger. Management is continuing to analyze the system to identify and correct the issues carried forward from prior years.

Management Response

Management will continue the review of the items listed and make the appropriate adjustments in Fiscal year 2019.

Formal Documentation of Review Procedures

When payroll is processed by the Accountant I, a review is performed by the Accounting Manager. In instances where the Accounting Manager processes payroll, the Director of Finance, or his designee, should review the payroll, with documented approval, prior to completion.

Management Response

Management will review and update the appropriate policies and procedures.