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To the Honorable Members of the Town Council
Town of Farmville, Virginia

In planning and performing our audit of the financial statements of the Town of Farmville, Virginia for the year ended June 30, 2018, we considered the Town's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements.

During our audit, we became aware of matters that need addressing. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. We reported on the Town's internal control in our report dated November 27, 2018. This letter does not affect our report dated November 27, 2018, on the financial statements of the Town of Farmville, Virginia.

We will review the status of these comments during our next audit engagement. We have discussed this with management 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 recommendation.

This report is intended solely for the information and use of the Town Council, management, and others within the Town and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Creedle Jones & Alga, P.C.

Creedle Jones & Alga, P.C.
Certified Public Accountants

South Hill, Virginia
November 27, 2018

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MEMORANDUM

TOWN OF FARMVILLE, VIRGINIA

Management Letter Points

Timely Operating Transportation Grant Request

The Town should prepare request for reimbursements for all grants on a timely basis (i.e., monthly and at year-end).

Timely Fuel Usage Updates

The Town should update and reconcile fuel usage between the Shop's software and Town's financial reporting software on a timely basis in order to properly and accurately record fuel expense in the Town's monthly financial reports.

General Journal Entries

The Town should implement a formal approval process for general journal entries. Currently, Carol Anne records all journal entries with no oversight.

Segregation of Duties

A third party not involved in the tax billing process should review and approve all tax abatements.

Payroll

All forms of compensation need to be properly reported on the W-2's, this includes taxable income from excess life insurance and auto use.