



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: October 31, 2024

Memorandum To: Skyline Regional Criminal Justice Academy

From: Robinson, Farmer, Cox Associates

Regarding: Audit for year ended June 30, 2024

In planning and performing our audit of the financial statements of Skyline Regional Criminal Justice Academy for the year ended June 30, 2024, we considered the Academy'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 31, 2024 on the financial statements of Skyline Regional Criminal Justice Academy. 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.

Accruals and Audit Preparation

Issue

Several accrual journal entries were made during audit fieldwork, including those reflecting lease activity and various other assets and liabilities.

Recommendation

We recommend that the consultant assist with recording accrual activity prior to audit fieldwork, reviewing adjustments made during the prior audit. Ending asset and liability balances should be reviewed against prior year balances to identify adjustments that may be necessary and to determine if year-end balances are reasonable. This will limit the auditor's involvement in recording adjusting journal entries and making significant adjustments to the general ledger, which auditing standards consider to be an indicator of a material weakness.

Payment of Sales Tax

Issue

As a governmental entity, the Academy is exempt from paying sales tax on most purchases. Two payments selected for testing included sales tax charges. For example, two Truist statements included sales tax of \$34.38 (NTB Tire and Service Centers) and \$2.15 (Vista Print). Exemptions are not available for lodging, meals, and other local taxes.

Recommendation

We recommend that the sales tax exemption certificate be presented to all merchants and vendors to avoid paying unnecessary sales tax.

GL Recording of Payroll Expenses

Issue

Payroll entries were not recorded to expense accounts consistently during the year. Postings for July, September, and March were not properly allocated across the expenditure accounts.

Recommendation

We recommend that payroll entries be reviewed for accuracy and consistency each pay period.