



ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants

DATE: November 21, 2023

MEMORANDUM TO: Board of Supervisors
County of Charles City
Charles City, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: FY 23 Audit of County of Charles City, Virginia

In planning and performing our audit of the financial statements of the County of Charles City, Virginia for the year ended June 30, 2023, we considered the County'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 controls of the County.

However, during our audit, we noted certain matters that are opportunities for strengthening internal controls and operating efficiencies. Said matters are not deemed to be material weaknesses or significant deficiencies in internal control. Further, this letter does not affect our report dated November 21, 2023 on the financial statements of the County of Charles City, Virginia.

We have already discussed these recommendations with appropriate members of management, and we will review the status of these comments during our next audit engagement.

SCHOOL BOARD BUDGET COMPLIANCE

During our review of the School Board budget, we noted that the School Board was not in compliance with Section 22.1-92 of the *Code of Virginia*. A public hearing notice is to be published in a newspaper that will circulate to county residents within the school division at least 7 days prior to the hearing. The School Board circulated the notices 4 days prior to the hearing. We recommend procedures be implemented to ensure compliance with the Code of Virginia.

BUDGET

During our reconciliation of the budget, we noted that original budget and subsequent appropriations were either not entered correctly or missing entirely from the accounting system, including some interfund transfers. We also noted the county budget did not incorporate the school budget. We recommend that personnel be trained to properly enter these items into the accounting system and that personnel with knowledge and experience reconcile these amounts to supporting documentation. This is a repeat comment from FY22.

MATERIAL ADJUSTMENTS TO FINANCIAL STATEMENTS

During our audit, we became aware of material adjustments needed to the financial statements. Adjustments included, but were not limited to, proper recording of taxes due, adjustment to balance fund balances, and adjustments to revenues. We recommend that the County and School Boards obtain properly qualified personnel to oversee accounting functions.

DRAWDOWN OF FEDERAL FUNDS BY COMPONENT UNIT

During our audit of federal revenues associated with the School Board, we noted reimbursements for federal expenditures multiple months behind. These requests were completed (though not yet approved) in mid-November 2023. We recommend that School Board personnel request federal funding timelier to maintain a sustainable level of cash flow. This is a repeat comment from FY22.