



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: December 17, 2025

Memorandum to: Brian Carter, CPA, Deputy County Administrator/CFO

From: Robinson, Farmer, Cox Associates

Regarding: Audit Recommendations

In planning and performing our audit 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 opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit fieldwork, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. 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. **In addition to the items addressed below, the County's audit report contains additional findings in the Schedule of Findings and Questioned Costs. Furthermore, we have issued a separate report on the County and School Board's compliance with certain requirements of the Virginia Retirement System.**

County

Disclosure Forms:

During our review of Statement of Economic Interest and Real Estate Disclosure Forms, we noted four forms that were not completed properly. We recommend that local government officials fully complete the required form(s) answering every question that applies.

Delinquent Tax Balances:

Currently, the County does not maintain control accounts in the general ledger to document the balance of outstanding taxes. We recommend that the County establish control accounts to track outstanding tax balances and reconcile those accounts (and collections) to delinquent tax reports periodically. We understand that the County is working toward implementation of this recommendation.

Delinquent Tax Balance Reports:

During our review of delinquent tax balance reports from the County's software, we noted that the detailed listing of balances due did not agree with the aged receivable summary reports. Given limited detail in the summary reports, we were unable to determine the cause for the difference(s). We recommend that the County reach out to the software vendor to determine the cause for these variances.

Prepaid Tax Balances:

During our review of prepaid tax balance reports from the County's software (UAC), we noted that the

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detailed listing of prepaid balances did not agree with the balance in the general ledger detail. Given limited detail in the general ledger detail, we were unable to determine the cause for the difference(s). We recommend that the County start doing a reconciliation of the UAC report and the general ledger detail to determine the cause for any variances.

Parks and Recreation Bank Account:

The Parks and Recreation Department has a bank account that is not recorded in the County books nor is the bank statement and reconciliation reviewed by anyone. We recommend the County obtain the bank statement and bank reconciliation monthly and same be reviewed and approved. Additionally, this account should be recorded in the County books and activity from the account should be recorded.

Public Deposit Confirmation:

During our review of the public deposit confirmation search, we noted the parks and recreation account and accounts held by the Sheriff were not being confirmed as part of the public deposit quarterly confirmation process. We recommend the Treasurer obtain the bank statements each quarter for these accounts and confirm the balances with the Virginia Treasury.

County and School Board

Review of Financial Reports:

As reported in the audited financial statements (schedule of findings and questioned costs), we noted a number of adjustments that were necessary for the School Board's books to be presented in accordance with current reporting standards. To improve financial reporting, we recommend that the County Finance Director begin performing a final review of the School Board financial reports to ensure the books agree with subsidiary detail ledgers and/or other supporting documentation.

School Board

Over Expenditure of Appropriations:

As reported in Note 2.B. of the notes to the County's financial statements, the School Board overspent their appropriation(s) during the 2025 fiscal year. Currently, the County Board appropriates funds for expenditure by the School Board. The County Board appropriates the entire School Board budget (not just the local contribution) and appropriations are monitored by comparing appropriations to actual expenditures by the School Board. We recommend that the County and School Board develop an appropriation monitoring process to ensure fiscal integrity going forward.

School Cafeteria Funds:

The School System maintains a checking account and savings account for the deposit of cafeteria collections at the School Board. Deposits to these accounts include cafeteria sales, rebates and miscellaneous revenues related to the operation of the various school cafeterias. We believe these accounts represent part of a centralized cafeteria fund and therefore should be maintained by the Treasurer's Office. We recommend that the School System work with the Treasurer's Office to get these accounts on the County's books. We also recommend that bank statements be sent directly to the Treasurer's Office and the School Board be provided with copies of these statements each month as needed for record keeping.

Employee Flexible Benefits Plan Bank Account:

During our review of the public deposit confirmation search, we noted the School Board has a bank account for employee flexible benefits plan that is not recorded in the School Board books. We

recommend this account and the activity be recorded in the School Board's books.

Original Budget:

While reviewing the School Board's budget, we noted the original budget is posted to only one revenue and one expense account when put into the Accounting Software and then transferred to various accounts at some point during the year. We recommend the School Board input the original budget to the expected revenue and expense line items instead of a bulk posting of the budget to one revenue and one expense line.

Social Services

Special Welfare:

During our review of the special welfare ledger, we noted payments received for one child were not being reimbursed to the County for expenses incurred for that child in a timely manner. The County should be reimbursed from the Special Welfare Account for expenses incurred as soon as practical (normally within 30 days).