



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: December 23, 2019

MEMORANDUM TO: Charlottesville-Albemarle Airport Authority
FROM: Robinson, Farmer, Cox Associates
REGARDING: FY 18-19 Audit

In planning and performing our audit of the financial statements of Charlottesville-Albemarle Airport Authority for the year ended June 30, 2019, we considered the Authority'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 December 23, 2019, on the financial statements of Charlottesville-Albemarle Airport Authority. 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.

Bank Reconciliations and Transfers

The June and July 2019 bank reconciliations for the revenue (operating) account included several general journal entries as uncleared, reconciling items. Transactions totaling \$305.83 dated 7/14/17 and 3/31/18 were listed as outstanding checks and a general journal entry dated 9/1/17 in the amount of \$94.32 was reported as a deposit in transit. Similarly, an EFT from 2/14/19 for an ICMA-RC payment was reported as an outstanding item in June and July. The business lounge account reported two deposits in transit dated 4/18/19 and 6/25/19 totaling \$105 on the June and July 2019 bank reconciliations. Deposits should clear the bank within 3 to 5 business days. During the monthly reconciliation and review process, reconciling items should be reviewed for reasonableness and uncleared deposits should be researched and resolved in a timely manner.

Several June 2019 bank reconciliations reported reconciling items for transfers that were not made or for transfers made in error. We also noted that in overdraft fees of \$72 were charged to the capital bank account in October 2018 when checks of \$15,631.46 and \$14,742.45 cleared. We recommend management review internal control procedures for reviewing cash balances prior to issuing checks. In addition, procedures for transferring funds between bank accounts should be reviewed to ensure transfers are made when necessary and that transfers are made between the appropriate accounts.

Credit Card Usage

Several charges on the credit card statement from August 2018 were missing receipts or other supporting documentation. In one instance, a signed explanation was submitted. Also, in some cases, sales tax was charged and paid. In the event receipts are lost, we recommend the individual who made the charge provide a written statement detailing the expense, including who was involved, the business purpose, the amount, etc. In addition, to the extent possible, the sales tax exemption certificate should be provided to vendors to avoid paying unnecessary taxes.