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Robinson, Farmer, Cox Associates, PLLC
Certified Public Accountants

Date: October 29, 2021

MEMORANDUM TO: Capital Region Airport Commission

FROM: Robinson, Farmer, Cox Associates

REGARDING: FY 20-21 Audit

In planning and performing our audit of the financial statements of Capital Region Airport Commission for the year ended June 30, 2021, we considered the Commission'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 29, 2021, on the financial statements of Capital Region Airport Commission. 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.

Accrual Reporting

The Commission's financial statements are prepared on an accrual basis. This requires an analysis of activity subsequent to year-end in order to ensure all revenues and expenses are recorded in the correct fiscal year. We recommend that year-end procedures include a review of prior year accruals and proposed audit adjustments, with special attention paid to July and August activity for possible voided transactions, etc. Reimbursements requested subsequent to year-end for expenditures on or before June 30 should be reflected as accounts receivable on the general ledger. Payments for goods and services received, including checks voided and reissued after year-end, should be reflected as accounts payable on the general ledger.

Management Response

Management will review the year end closing procedures and make the necessary changes.

Filing of 941s

The September 2020 form 941 filed with the Internal Revenue Service (IRS) included Families First Coronavirus Response Act (FFCRA) credits in the amount of $11,755.39. According to IRS guidance, government employers are not eligible for the credit for qualified sick and family leave wages; however, government employers are not liable for the employer share of the social security tax on the qualified sick leave wages paid to employees. In the prior audit, we recommended that management work with ADP to amend 941s, as appropriate. This corrective action took place in fiscal year 2021 and the credit was not claimed on 941s filed after the conclusion of the prior audit.

Management Response

Management contacted the Commission's payroll processing company, ADP, after the fiscal year 2020 audit about this issue. Corrections to the payroll records were processed and corrected 941 forms were prepared by ADP as recommended.