



ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants

DATE: November 28, 2025

MEMORANDUM TO: Stephen Bear, County Administrator
County of Wythe

FROM: Robinson, Farmer, Cox Associates

REGARDING: Audit Comments

In planning and performing our audit of the County of Wythe, Virginia, for the year ended June 30, 2025, we considered the County of Wythe, Virginia'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. 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. **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

Public Deposit Confirmation:

During our review of the public deposit confirmation search, we noted the Lots Gap Project account was not being confirmed as part of the public deposit quarterly confirmation process. We recommend the Treasurer obtain the bank statement each quarter for this account and confirm the balances with the Virginia Treasury. Accounts registered as public deposits are offered additional protection above FDIC limits in the rare event of bank failure.

Opioid Funds:

During our reconciliation of the opioid funds, we noted the County has a dedicated fund (fund 1510) for opioid transactions. We noted the VOAA funds received were posted to the opioid fund, but the direct distribution funds received were posted to the general fund. In addition, we noted expenses reported to VOAA were posted to the school fund instead of the opioid fund. To allow for accurate reporting and usage of opioid funds, we recommend all opioid transactions be properly recorded in the opioid fund.

Reconciliation of Water/Sewer Billings:

As part of the audit, we attempted to reconcile water and sewer billings to actual collections. We noted that actual deposits for water and sewer collections exceeded our expected value based on audit procedures. While this is a positive (good) variance, we believe the County should resume performing a reconciliation of billings to collections on a monthly basis taking into account changes in accounts receivable balances monthly. This will increase controls over water/sewer revenues and will further identify any revenues (such as grants) that could be mis-posted.

BLACKSBURG OFFICE:
108 South Park Drive
Blacksburg, Virginia 24060
(540) 552-7322

CONTACT:
Corbin Stone, CPA
Director
cstone@rfca.com

Public Service Corporation Taxes

As part of the audit, we attempted to reconcile the public service corporation tax levy from the State Corporation Commission and Virginia Tax Statement of Assessed Values for Local Tax Purposes for Railroads and Interstate Pipeline Transmission Companies to the Commissioner of Revenue's tax book. During our review, we noted companies had been under billed by approximately \$148,000. We recommend the Commissioner of Revenue have someone reconcile the tax book to the levy provided by the state so the bills are accurate.

Reconciliation of Tax Billings:

As part of the audit, we attempted to reconcile tax billings to actual collections. We noted that actual deposits for tax collections exceeded our expected value based on audit procedures. While this is a positive (good) variance, we believe the County should resume performing a reconciliation of billings to collections on a monthly basis taking into account changes in accounts receivable balances monthly. This will increase controls over tax revenues.

Social Services

Special Welfare:

During our review of the special welfare accounts, we noted one child's account had a balance throughout the year; however, no interest income was credited to the child's account. We recommend the Treasurer allocate interest income to children accounts whose balances are accumulating.

Language Access Plan:

As part of the state and federal requirements for any entity receiving federal funding in the provision of services or programs, the locality/LDSS is required to establish and implement a formal Language Access Plan (LAP) to assist individuals with limited English proficiency. The plan should also include persons who have hearing and vision impairments. Additionally, the locality's documented Language Access Plan should meet or exceed the federal Civil Rights requirements specified by the Department of Justice. We noted the Social Services department has a procedure in place to accommodate individuals with limited English proficiency but does not have a formal, written policy. We recommend that a formal, written Language Access Plan (LAP) be created and adopted.

School Board

Holding of Checks:

In a review of the bank reconciliation and discussions with School Board employees, we determined that three checks written in June for a total of \$903,089 were held pending a contractor completing a few final items. The checks were ultimately released in the Fall of 2025. We recommend that the School Board refrain from drafting checks until they are satisfied with the goods and services provided. Holding checks for payment creates a risk that the checks may go stale (i.e. cannot be cashed after 60 or 90 days) or the checks could be lost or misplaced. In addition, should the contractor fail to perform and the check(s) are cancelled, expenditures for the year in which the checks were written will be overstated.

Duplicate Payment of Check:

During our review of rebates and refunds, we noted the School Board received a refund from a vendor in the amount of \$352,935 for a duplicate payment. The School Board made the first payment to the vendor on 6/24/2024 based on a pro-forma invoice and again on 10/1/2024 based on the actual invoice. In the future, payments to vendors should only be made based on final invoices after the goods/services have been received.