

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Date: November 16, 2018

Memorandum To: Piedmont Community Services

From: Robinson, Farmer, Cox Associates

Regarding: Audit for Year Ended June 30, 2018

In planning and performing our audit of the financial statements of Piedmont Community Services for the year ended June 30, 2018, we considered the 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 November 16, 2018 on the financial statements of Piedmont Community Services. 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.

Depreciation Schedule

An excel file is used to track depreciation. This spreadsheet requires significant manual entries each year to reflect acquisitions and disposals. Many assets are grouped and tracked by fiscal year instead of by individual asset since there is a separate inventory system. We recommend the agency explore using a fixed asset accounting system to track and record depreciation. This should be maintained for financial statement purposes, whereas the inventory system is used to maintain accountability over all equipment including those that do not meet the capitalization criteria.