



# ROBINSON, FARMER, COX ASSOCIATES, PLLC

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*Certified Public Accountants*

**Date:** December 2, 2025

**Memorandum To:** Nottoway County Board of Supervisors

**From:** Robinson, Farmer, Cox Associates

**Regarding:** Audit for fiscal year ended June 30, 2025

In planning and performing our audit of the financial statements of the County of Nottoway, Virginia 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.

During our audit fieldwork, we noted certain matters involving the internal control structure and other operational matters that are presented herewith 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 operational efficiencies.

## Cash

During our audit of the bank reconciliations, we noted that the Treasurer included checks written after the fiscal year-end date in the outstanding check listings used to reconcile cash balances. As a result, the reconciled cash balance does not accurately reflect the true cash position of the County as of year-end. In accordance with generally accepted accounting principles (GAAP) and sound financial management practices, only checks issued on or before the fiscal year-end date should be included in the reconciliation as outstanding items. Checks dated after year-end represent transactions of the subsequent fiscal period and should not affect the current year's cash balance. These amounts, if appropriate, should be included as accounts payable at year end. We recommend that management ensure only transactions dated on or before the fiscal year-end are included in the year-end reconciliation process. The Treasurer should review all disbursements to confirm proper cutoff and ensure that checks dated after year-end are recorded in the subsequent fiscal year. Additionally, a secondary review of the reconciliation by a finance officer would strengthen internal controls over cash reporting.

## Year-end Accruals

During our audit, we noted that accrual entries (such as accounts payable, receivables, and other year-end adjustments) are not being consistently recorded or reversed in the subsequent fiscal year. In some cases, prior year accruals were left on the books, while in other cases, current year accruals were not recorded at all. This condition appears to be the result of a lack of review procedures or misunderstanding of accrual accounting requirements, particularly regarding the reversal process at the start of a new fiscal year. Failure to properly record and reverse accruals may cause both revenues and expenditures to be misstated in the financial statements. This can result in incorrect year-end balances, distorted financial trends, and potential noncompliance with accounting standards. We recommend that management implement procedures to ensure all necessary accruals are identified, recorded, and reversed in a timely manner. Additionally, staff responsible for financial reporting should receive training to reinforce proper accrual accounting practices.

### **SNAP Accounts**

During our audit, we noted that the SNAP accounts maintained by the locality are not being recorded in the accounting system. As a result, related investment assets, income, and usages of those funds are not being reflected in the financial statements. The omission is due to a lack of reconciliation procedures between the statements and the accounting records. Failure to the SNAP accounts and related activity in the general ledger results in incomplete financial information. This can cause misstatement of assets, revenues, and expenditures, and may hinder the governing body's ability to make informed financial decisions. We recommend that management implement procedures to ensure all SNAP accounts are recorded in the general ledger and reconciled monthly to statements.