



ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants

DATE: February 13, 2024

MEMORANDUM TO: Andre Villiard - Chief Financial Officer
Michael Hatfield - County Administrator
County of Wise, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: Audit for the Year Ended June 30, 2023

In planning and performing our audit of the financial statements of County of Wise, Virginia for the year ended June 30, 2023, we considered the County's internal control structure to plan our auditing procedures for the purpose of expressing our opinions 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 February 13, 2024 on the financial statements of the County of Wise, Virginia. 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.

County and School Board

Budget for County Appropriation

The School Board's final budgeted amount for the contribution from the County does not agree to the County's final budget for same. It appears that the debt service amount budgeted from the County was not included on the School Board's budget. We recommend that the School Board and County work together to ensure that budgeted amounts for the contributions between entities agree. Additionally, a budget should be adopted for debt service contributions and payments made.

Capitalization Thresholds

We recommend that a formal capitalization policy be established to include right-to-use intangible asset thresholds by types of assets to assist in evaluating leased assets for inclusion in the financial statements with the implementation of GASBs No. 87 during the fiscal year. The policy might also consider the allocation of equipment and maintenance/services for copier equipment when same is not specifically stated in the lease agreement to ensure consistency of reporting.

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

CONTACT:
Emily Viers, CPA
Member
eviers@rfca.com

School Board

Credit Card Documentation

We were unable to locate detailed receipts for all credit card purchases selected for testing. Care should be taken to ensure that detailed receipts are maintained for all purchases made on the credit card and that documentation is readily available for audit purposes.

Capital Asset Activity

During the year, we noted several ongoing construction in progress (CIP) projects that were tracked for grant purposes but not for GAAP reporting. We recommend that management rollforward the CIP detail and summary that was compiled from information as part of the audit for activity in 2024 to ensure appropriate reporting.

Annual School Report (ASR)

The annual school report is due annually by September 15 to the State Board of Education, unless a 15-day extension is granted. To our knowledge, an extension was requested and granted; however, the ASR was not filed by the extended deadline of September 30. Per inquiry, the report was significantly delayed to key personnel being out for an extended time period after year end and through the deadline. We recommend that management consider cross-training staff so that the report can be filed timely going forward.

County

LODA (Line of Duty Act) Census Data

Census data for volunteers covered under the County's LODA insurance is not sufficient to complete the required testing per the Auditor of Public Accounts specifications for Counties, Cities, and Towns. We recommend that management work with volunteer organizations to obtain the necessary information in order for testing to be completed in its entirety.

Statements of Economic Interest

Certain individuals are required to file Conflict of Interest or Real Estate Disclosure forms in accordance with Section 2.2-3115(G) of the Code of Virginia. Several of the Board Member's forms were not completed in their entirety. Additionally, three members of the Planning Commission did not remit forms and one member of the Board of Zoning did not remit a form. We recommend that someone continue to work with individuals on the various Boards and Commissions to help ensure required forms are completed in full.

ARPA Reporting

During review, it was noted that the P&E report filed in April 2023 included an amount paid to LENIWISCO for a broadband project. After the report was filed, it was determined that funds would instead be utilized for the payment of general government salaries. Since the report cannot be modified after filing, we recommend that the report be updated when filed in April 2024 to reflect the change in use of funds so that reporting accurately reflects expenditures under the program.

BLACKSBURG OFFICE:

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

CONTACT:

Emily Viers, CPA
Member
eviers@rfca.com