

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

DATE: November 28, 2016

MEMORANDUM TO: County of Louisa, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: FY 2016 Audit

In planning and performing our fieldwork as part of the audit of the financial statements of the County of Louisa, Virginia ("County") for the year ended June 30, 2016, 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.

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 28, 2016 on the financial statements of the County. Our comments and recommendations are intended to improve the internal control structure and 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.

Federal Reimbursement Requests - School Board

During the course of our audit, we noted instances in which Federal reimbursement requests prepared by the School finance department were not submitted in a timely manner. The Office of Management and Budget recommends reimbursement requests be filed on a quarterly basis at minimum. We recommend funds be requested in a timely manner to provide adequate cash flow and the matching of revenue with the expenditures.

Credit Card Purchases - Sales Tax

During the course of our audit, we noted instances in which expenditures made using credit cards included the payment of sales tax. This was noted in our samples of credit card purchases at the School Board as well as at Human Services. We recommend that the County sales tax exemption be utilized. In the instance that the payment of sales tax is unavoidable such as an emergency purchase we recommend the employee making the purchase provide a memo documenting the reason that sales tax was paid. The memo should be attached to the receipt.

Governmental Accounting Standards Board Pronouncements

In order to assist your staff in preparing for upcoming accounting changes, we have included the following summaries of Governmental Accounting Standards Board (GASB) pronouncements that will affect the County in upcoming years.

Governmental Accounting Standards Board Pronouncements (continued)

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, improves the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. No formal study or estimate of the impact of this standard has been performed.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. This Statement is effective for fiscal years beginning after June 15, 2017. No formal study or estimate of the impact of this standard has been performed.