

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Date: January 29, 2019

MEMORANDUM TO: Charlottesville-Albemarle Airport Authority
FROM: Robinson, Farmer, Cox Associates
REGARDING: FY 17-18 Audit

In planning and performing our audit of the financial statements of Charlottesville-Albemarle Airport Authority for the year ended June 30, 2018, we considered the Authority'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 January 29, 2019, on the financial statements of Charlottesville-Albemarle Airport Authority. 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.

Capital Asset Activity

The surface parking expansion project is recorded in an expense account during the year for budget purposes, since it is not funded by state or federal grants. At year-end, an audit adjustment was required to reclassify this activity to construction in process. We recommend management review expense accounts for possible capital assets and record adjustments as appropriate prior to finalizing the trial balance.

Late Fees

One check selected for testing on our random test of disbursements included \$57.49 in late fees and service charges. The Code of Virginia §2.2-4352 requires that every agency of local government that acquires goods or services, or conducts any other type of contractual business with a nongovernmental, privately owned enterprise, shall promptly pay for the completed delivered goods or services by the required payment date. We recommend that all bills be paid on or before due dates to avoid unnecessary fees and service charges.

Unclaimed Property

In accordance with the Unclaimed Property Act, items outstanding for more than one year, regardless of dollar amount, must be submitted to the Virginia Department of Treasury. In addition, there is a due diligence requirement for items exceeding \$100, for which a letter must be sent to the payee prior to filing with the State. Staff misinterpreted this requirement and only submitted items exceeding \$100 as Unclaimed Property. We recommend staff responsible for submitting unclaimed property review the State's requirements to ensure the appropriate information is being reported. All checks outstanding for more than one year should be filed as Unclaimed Property, after due diligence requirements have been met.

VNav Input

Annual entity-wide increases are approved by the board and reviewed for accuracy before submission into the payroll system. Employee change forms are completed and reviewed by HR and supervisors. However, there is no procedure for verifying the accurate information has been uploaded to VNav other than monthly reconciliations of EE contributions. We recommend a formal review process be implemented for entering changes into VNav.