



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: December 2, 2025

Memorandum to: Allen Dressler, City Manager
David Bryant, Finance Director
City of Covington, Virginia

From: Robinson, Farmer, Cox Associates

Regarding: Audit Recommendations for the Year Ended June 30, 2025

In planning and performing our audit of the financial statements of the City of Covington, Virginia for the year ended June 30, 2025, we considered the City'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 internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated December 2, 2025, on the financial statements of the City of Covington, 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.

Securities for Public Deposit Act (SPDA):

The SPDA report provided by the Treasurer's office did not include two bank accounts. The accounts in question were a People's Bank CD and an EMS bank account at Bank First. The Code of Virginia requires all accounts that include public funds to be collateralized in accordance with Act. It is recommended that the Treasurer's office work to correct these accounts.

Revenues:

Our reconciliation disclosed two revenues from the State that were not posted to the City's books. While the City's consultant posted entries to correct the posting, we're not convinced it was corrected. Timely bank reconciliations are the best defense to discovering these types of posting errors.

Our analytical of revenues disclosed a large increase in the consumer utility tax revenue. A closer look into the payments disclosed untimely payments from one company. It is recommended that someone track these payments (and other local revenues) in a spreadsheet to ensure all payments are made timely.

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