

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Date: November 23, 2016

Memorandum To: Council
Town of Dumfries, Virginia

From: Robinson, Farmer, Cox Associates

Regarding: Audit for fiscal year ended June 30, 2016

In planning and performing our audit of the financial statements of the Town of Dumfries, Virginia for the year ended June 30, 2016, we considered the Town'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 fieldwork tests we noted certain matters involving the internal control structure and other operational matters that are presented herewith for your consideration. This letter does not affect our report dated November 23, 2016. 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. 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.

VDOT Grant Revenue Received in Advance

In the fiscal year ended June 30, 2009 the Town received Urban Construction grant revenue in the amount of \$579,601 from the Virginia Department of Transportation (VDOT). Through inquiry of staff it was noted that the monies were received in advance and the project that the monies were received did not go forward. These funds have been kept in a separate bank account and the initial amount received is reported as unearned revenue in the Town's financial statements. We recommend the Town follow-up with VDOT to coordinate the process for applying these funds to ongoing Town roads related projects.

Supporting Documentation - Permit Revenue

During the course of our audit, we noted that supporting documentation was not on file for one item selected for testing in our test of permit revenues. We recommend that adequate supporting documentation such as applications be kept on file for all permit related revenues collected by the Town.