



ROBINSON, FARMER, COX ASSOCIATES, PLLC
Certified Public Accountants

MEMORANDUM TO: County of Rockbridge, Virginia
FROM: Robinson, Farmer, Cox Associates
REGARDING: FY 24 Audit

DATE: January 23, 2025

In planning and performing our audit of the financial statements of the County of Rockbridge, Virginia for the year ended June 30, 2024, we considered the County's internal controls to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal controls.

However, during our audit, we noted certain matters involving the internal controls and other operational matters that are presented for your consideration. This letter does not affect our report dated January 23, 2025, on the financial statements of the County of Rockbridge, Virginia. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal controls 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.

Timely Reconciliation of Bank Accounts

During our audit we noted that the bank reconciliations for the months of April 2024 through June 2024 for two operating accounts of the County were not completed until January 2025. While the accounts were fully reconciled in January 2025, we observed numerous transfers between cash accounts, and other items carried as reconciling items from month to month rather than being investigated and corrected. We recommend that the County adheres to the established procedure of reconciling all bank accounts on a timely basis, with any reconciling items researched and resolved.

Security for Public Deposits Act Requirements

The Commonwealth of Virginia amended its Security for Public Deposits Act ("SPDA") regulations and now requires Virginia public depositors to use the Treasury web-based Public Funds Search feature to ensure the banks they use are accurately reporting their public funds to the Treasury Board. This verification process must be completed each quarter. We recommend that the Treasurer implement a quarterly process to verify bank balances reported as public funds as required by Virginia Treasury.

Governmental Accounting Standards Board Pronouncements

The following Governmental Accounting Standards Board Pronouncements will be effective in the coming years:

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

Statement No. 102, *Certain Risk Disclosures*, provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

Governmental Accounting Standards Board Pronouncements (Continued)

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.