

October 23, 2025

To the Board of Directors
Goochland-Powhatan Community Services
Goochland, Virginia

In connection with our audit of the financial statements of the Goochland-Powhatan Community Services (Board), for the year ended June 30, 2025, we have the following comments and suggestions for your consideration.

Virginia Security for Public Deposits Act

During our audit, we noted cash balances were verified for only two out of four quarters within the Virginia Security for Public Deposit Act system. Verifications that cash account balances held in banks and other financial institutions have been properly reported as public funds should be performed on a quarterly basis. These verifications are required by Section 1VAC75-20-160 of the Virginia Security for Public Deposits Act.

Salary Changes

During our audit, we noted a lack of segregation of duties within the payroll transactions cycle. The finance director has the ability to change his salary in the Board's payroll system without additional approval. Modifying salaries within the payroll system should not be possible without additional approval, and the ability should be limited to only necessary personnel.

New Vendors

During our audit, we noted a lack of segregation of duties within the accounts payable/purchasing transactions cycle. The finance director has the ability to add new vendors without additional approval. Adding new vendors within the AP process should not be possible without additional approval, and the ability should be limited to only necessary personnel.

New GASB Pronouncements

At June 30, 2025, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the Board. The statements which might impact the Board are as follows:

GASB Statement No. 103, Financial Reporting Model Improvements

This Statement 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.

Statement No. 103 will be effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*

This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying assets in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

This report is intended solely for the information and use of management, the Board of Directors, and others within the Board, is not intended to be, and should not be used by anyone other than these specified parties.

If you have any questions concerning any of these items, or if we can be of further assistance, please contact us. We thank you for the opportunity to conduct your audit for the year ended June 30, 2025 and express our appreciation to everyone for their cooperation during this engagement.

A handwritten signature in black ink that reads "PBMares, LLP". The signature is written in a cursive, stylized font.

PBMares, LLP