



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

DATE: November 12, 2021

MEMORANDUM TO: Rockbridge Area Community Services Board
FROM: Robinson, Farmer, Cox Associates
REGARDING: For FY 2021 Audit

In planning and performing our audit of the financial statements of the Rockbridge Area Community Services Board for the year ended June 30, 2021, we considered the Board's internal control over financial reporting 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.

During our audit, we noted certain operational matters that are presented for your consideration. This letter does not affect our report dated November 12, 2021, on the financial statements of the Rockbridge Area Community Services Board. Our comments and recommendations, all of which have been discussed with management are designed to keep management abreast of current accounting standards or result in 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.

Data Security Internal Controls

As a result of a ransomware attack in August 2021, the CSB experienced a loss of data from the Great Plains accounting software. Based on our inquiries from past audits, we understood that daily backups of the accounting data were stored offsite to ensure that data could be restored in the event of a breach or loss of data. However, an offsite backup was not maintained in a secure location at the time of the ransomware attack and as a result data was lost. Without an off-site backup, any loss of the on-site original data files would cause a significant interruption of the business activities and potentially leading to a substantial expense. We recommend that backups be performed at least monthly and preferably daily and stored in an off-site, secure location to prevent a major loss of data due to unforeseen circumstances. Adequate and reliable backup systems of IT information are critically important to ensure that business operations can continue on an uninterrupted basis.

Governmental Accounting Standards Board Pronouncements

In order to assist your staff in preparing for upcoming accounting changes, we have included the following summary of Governmental Accounting Standards Board (GASB) pronouncements that will affect the Board in upcoming years.

Statement No. 87, Leases, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 92, Omnibus 2021, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics such as leases, assets related to pension and postemployment benefits, and reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. The effective dates differ by topic, ranging from January 2021 to periods beginning after June 15, 2021.

Governmental Accounting Standards Board Pronouncements (Continued)

Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.