



November 18, 2024

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, 2024, we have the following comments and suggestions for your consideration.

Credit Card Approvals

During our audit, we noted that there was no formal process for the approval of credit card purchases made by the Accounts Payable staff. All credit card purchases and statements should be approved by someone other than the person who makes the purchase. We suggest establishing a formal review process for the credit card that is used by the Accounts Payable staff. This will establish clear segregation of duties over the process and help prevent the misuse of funds.

Federal Revenue Cutoff

During our federal revenue testing, we noted certain expenditures paid for with Federal funds were not adjusted for in the initial unearned revenue and accrual entries. A more thorough review should be performed to ensure revenue is recognized for all federal-related expenditures during the year.

Capital Asset Disposal

During our review of capital assets activity, we noted a portion of the gain on disposal was recorded in depreciation expense instead of a separate gain account. These amounts should be treated separately and should not be netted together.

New GASB Pronouncements

At June 30, 2024, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the Authority. The statements which might impact the Authority are as follows:

GASB Statement No. 101, *Compensated Absences*

This Statement will better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Statement No. 101 will be effective for fiscal years beginning after December 15, 2023.

GASB Statement No. 102, *Certain Risk Disclosures*

This Statement requires all state and local governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints.

Statement No. 102 will be effective for fiscal years beginning after June 15, 2024.

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 asset 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.

Virginia Security for Public Deposits Act

The Virginia Auditor of Public Accounts has introduced a new requirement regarding compliance with the Virginia Security for Public Deposits Act. Beginning with the quarter ending December 2023, entities are required to verify on a quarterly basis whether their cash account balances held in banks and other financial institutions have been properly reported as public funds.

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, 2024 and express our appreciation to everyone for their cooperation during this engagement.

PBMares, LLP

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