

November 13, 2025

Honorable Members of the Board
Pamunkey Regional Jail Authority

In connection with our audit of the financial statements of the Pamunkey Regional Jail Authority (Jail Authority) as of and for the year ended June 30, 2025, we have the following comments and suggestions for your consideration.

Compensated Absences

During our testing of compensated absences, we noted one employee whose pay rate was incorrect in the calculation. We recommend strengthening the review process to ensure all pay rates used are accurate and match payroll records. This will reduce the risk of errors in the accrued compensated absences calculation.

Capital Assets

During our audit, we noted the maintenance cost of a capital asset purchase was incorrectly capitalized. Since the cost of the service was not related to placing the asset into service, it should have been expensed rather than included in the asset's cost. We recommend reviewing invoices closely to ensure only costs that are directly attributable to getting the asset ready for use are capitalized. This will help maintain compliance with accounting standards and ensure accurate financial reporting.

New GASB Pronouncements

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

GASB Statement No. 103, *Financial Reporting Model Improvements*

This Statement will improve 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 the Jail Authority beginning with its year ending June 30, 2026.

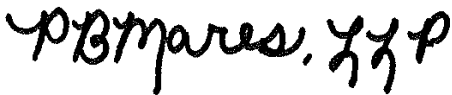
GASB Statement No. 104, *Disclosure of Certain Capital Assets*

This objective of this Statement is to provide users of government financial statements with essential information about certain types of 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 with Statement No. 94, *Public-Private and Public-Public Partnership and Availability Payment Arrangements*, should be disclosed separately by major class of underlying assets in 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 disclosure for capital assets held for sale.

Statement No. 104 will be effective for the Jail Authority beginning with its year ending June 30, 2026.

This report is intended solely for the information and use of management and the Pamunkey Regional Jail Authority Board. It 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