



October 31, 2024

To the Board of Directors
Upper Occoquan Service Authority
Centreville, Virginia

In connection with our audit of the financial statements of the Upper Occoquan Service Authority (UOSA) for the year ended June 30, 2024, we have the following comments and suggestions for your consideration.

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.

New GASB Pronouncements

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

Statement No. 101, *Compensated Absences*

This Statement provides guidance to 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 UOSA beginning with its year ending June 30, 2025.

Statement No. 102, *Certain Risk Disclosures*

This Statement will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.

Statement No. 102 will be effective for UOSA beginning with its year ending June 30, 2025.

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 UOSA beginning with its year ending June 30, 2026.

Statement No. 104, *Disclosures of Certain Capital Assets*

This Statement will require certain types of capital assets to be disclosed separately in the capital assets note disclosure required by Statement 34. This statement also requires additional disclosures for capital assets held for sale.

Statement No. 104 will be effective for the UOSA for fiscal years beginning after June 15, 2025.

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This report is intended solely for the information and use of management, the Board of Directors of UOSA, and others within the organization and 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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