



April 23, 2026

To the Finance and Audit Committee
Fairfax County Water Authority
Fairfax, Virginia

In connection with our audit of the financial statements of Fairfax County Water Authority (Authority) for the year ended December 31, 2025, we have the following comments and suggestions for your consideration.

New GASB Pronouncements

At December 31, 2025, the Governmental Accounting Standards Board (GASB) had issued several statements not yet required to be implemented by the Authority. Statements which might impact the 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 Authority in fiscal year 2026.

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

This Statement will 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 No. 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 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.

Statement No. 104 will be effective for the Authority in fiscal year 2026.

GASB Statement No. 105, *Subsequent Events*

This Statement will improve the financial reporting requirements for subsequent events by defining subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed.

The requirements related to Statement No. 105 will be effective for the Authority in fiscal year 2027.

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This report is intended solely for the information and use of management and the Finance and Audit Committee 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 December 31, 2025 and express our appreciation to everyone for their cooperation during this engagement.

PBMares, LLP

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