



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

DATE: December 15, 2023

MEMORANDUM TO: Evan Vass, County Administrator
County of Shenandoah, Virginia

FROM: Robinson, Farmer, Cox Associates

In planning and performing our audit of the financial statements of the County of Shenandoah, Virginia for the year ended June 30, 2023, we considered the County's internal controls 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.

However, during our audit, we noted certain matters involving the internal controls and other operational matters that are presented for your consideration. This letter does not affect our report dated December 15, 2023, on the financial statements of the County of Shenandoah, Virginia. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal controls or result in other 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.

Vehicle License Fee Exemption

During our audit, we became aware of a situation regarding vehicle license fee discounts provided to active members of the volunteer fire departments and rescue squads throughout the County. During FY 23, all active members of the volunteer agencies were assessed the full vehicle license fee by the Commissioner of Revenue due to the fact that active rosters were not provided to the Commissioner before preparation of the tax assessment. As a result, abatements for qualified members were necessary to remove the assessments. However, these abatements were not performed by the Commissioner of Revenue and necessitated an adjustment by the County Treasurer. It is our recommendation that volunteer rosters be submitted to the Commissioner of Revenue to permit recording the exemptions before the tax roll is processed.

Governmental Accounting Standards Board Pronouncements

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

Statement No. 99, *Omnibus 2023*, enhances the comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The effective dates differ based on the requirements of the Statement, ranging from April 2023 to reporting periods beginning after June 15, 2023.

Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62, enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023.

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. It aligns the recognition and measurement guidance under a unified model and amends certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

Implementation Guide No. 2021-1, *Implementation Guidance Update—2021*, with dates ranging from reporting periods beginning after June 15, 2022 to reporting periods beginning after June 15, 2023.

Implementation Guide No. 2023-1, *Implementation Guidance Update—2023*, effective for fiscal years beginning after June 15, 2023.