



December 4, 2024

To the Honorable Members of the Board of Supervisors
County of Augusta, Virginia

In connection with our audit of the financial statements of the County of Augusta, Virginia (County) for the year ended June 30, 2024, we have the following comments and suggestions for your consideration.

County

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.

Compliance with the State and Local Government Conflict of Interest Act

The *State and Local Government Conflict of Interest Act* is designed to ensure the judgement of public employees is not compromised or affected by inappropriate conflicts. The *State and Local Government Conflict of Interest Act*, contained in Chapter 31 (Section 2.2-3100 et seq.) of the Title 2.2 of the *Code of Virginia*, prohibits local government officers or employees from participating in certain transactions in which they or their family members have a material financial interest. Certain local government employees are required to file Real Estate Disclosure forms with their respective local body. Submissions were due February 1, 2024.

During the current year audit, we noted one statement was not filed timely and one statement was not filed. We recommend all statements be signed and filed timely to ensure compliance with state requirements.

Compliance with the Virginia Disposition of Unclaimed Property Act

The *Virginia Disposition of Unclaimed Property Act* is designed to ensure that all intangible property held for the owner that remains unclaimed for more than a year is presumed abandoned. The *Virginia Disposition of Unclaimed Property Act*, contained in Chapter 25 (Section 55.1-2500 et seq.) of Title 55.1, Subtitle V of the *Code of Virginia*, requires local governments to file an annual report with the State Treasurer listing all unclaimed property. The local government must then remit the property to the State Treasurer for final disposition.

During the current audit year, we noted outstanding checks that remained unclaimed for more than a year were not properly submitted to the State Treasurers office. We recommend reviewing all outstanding checks during the process of filing the annual report to ensure that all checks that meet the requirements are properly disposed of to ensure compliance with state requirements.

Federal Compliance

During our Single audit, we noted an instance where a deed of easement acquired through federal grants was not properly identified and recorded within the capital asset listing. We recommend tracking all federal capital expenditures and marking them within the capital asset listing in order to identify all capital assets purchased with federal grants.

County and Schools

Additionally, we noted insufficient documentation over the verification of the lack of suspended and debarred vendors. We recommend maintaining documentation of all vendor searches when total Federal expenditures exceed \$25k for both the County and Schools.

New GASB Pronouncements

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

GASB 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.

The requirements related to GASB Statement 101 will be effective for the County beginning with its year ending June 30, 2025.

GASB 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 makes a government vulnerable to a substantial impact.

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

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 County 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 asset 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.

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

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This report is intended solely for the information and use of management, the Board of Supervisors, and others within the County 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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Representation Letter