



DATE: October 21, 2025

MEMORANDUM TO: Mr. Bryan Chrisman, Town Manager
Ms. Danielle Babb, Clerk-Treasurer
Town of Luray, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: FY25 Audit

In planning and performing our audit of the financial statements of Town of Luray, Virginia for the year ended June 30, 2025, we considered the Town's internal controls to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving internal controls and other operational matters that are presented for your consideration. This letter does not affect our report dated October 21, 2025, on the financial statements of the Town of Luray, Virginia. Our comments and recommendations 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.

Security for Public Deposits Act Requirements

The Commonwealth of Virginia amended its Security for Public Deposits Act ("SPDA") regulations and now requires Virginia public depositors to use the Treasury web-based Public Funds Search feature to ensure the banks they use are accurately reporting their public funds to the Treasury Board. This verification process must be completed each quarter. We recommend that the Town implement a quarterly process to verify bank balances reported as public funds as required by Virginia Treasury.

Upcoming GASB Pronouncements

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

Statement No. 103, Financial Reporting Model Improvements, improves 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. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Statement No. 104, Disclosure of Certain Capital Assets, requires certain types of assets (lease assets, subscription assets, intangible right-to-use assets, and other intangible assets) to be disclosed separately in the capital asset note disclosures by major class of underlying asset. It also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Implementation Guide No. 2025-1, Implementation Guidance Update—2025, effective for fiscal years beginning after June 15, 2025.