



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

DATE: December 2, 2025

MEMORANDUM TO: City of Fairfax, Virginia

FROM: Robinson, Farmer, Cox Associates

REGARDING: FY 2025 Audit

In planning and performing our fieldwork as part of the audit of the financial statements of the City of Fairfax, Virginia ("City") for the year ended June 30, 2025, we considered the City's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated December 2, 2025 on the financial statements of the City. Our comments and recommendations are intended to improve the internal control structure and 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.

VDOT Grant Reimbursement Requests

During the course of our audit, we noted instances in which reimbursement requests were not submitted to the Virginia Department of Transportation in a timely manner. The Federal Office of Management and Budget recommends reimbursement requests be filed on a quarterly basis at minimum. We recommend funds be requested in a timely manner to provide adequate cash flow and the matching of revenue with the expenditures.

Payroll Processes

During the course of our audit we noted that excel spreadsheets are used heavily in the area of time entry/import. We recommend eliminating the use of excel spreadsheets for the time entry/import process to save employees time and decrease the risk of human error throughout the process.

In addition, we noted that several approvals related to the payroll process are outside of the automated accounting system via email or other approval documentation. We recommend the City consider using some of the "Work-Flow" elements of the automated accounting system for approvals.

Retirement Refunds

During the course of the audit, we noted that the City has pending refunds payable to former employees from the City retirement plans (General and Public Safety). The cumulative pending refunds has previously not been provided to the actuaries to be factored in as part of their calculations related to pension liabilities and corresponding deferred inflows and outflows. The City has gone to considerable effort to calculate an estimate for these pending refunds which has been included in the net pension liability for the year ended June 30, 2025. We recommend that the City continue to work through their processes related to these pending refunds and ensure that such information be provided to the actuaries moving forward.

Grant Management/Tracking

During the course of our audit, we noted that many of the processes related to grants are decentralized which requires a significant amount of collaboration between departments within the City. We recommend that the City develop a standardized form for reporting the receipt of a grant, reconciling the revenue and expenditure activity, and providing a status update on the grant at the end of each fiscal year.