



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: December 2, 2024

Memorandum To: Board of Directors
Northern Virginia Regional Park Authority

From: Robinson, Farmer, Cox Associates

Regarding: Audit for fiscal year ended June 30, 2024

In planning and performing our fieldwork as part of the audit of the financial statements of the Northern Virginia Regional Park Authority for the year ended June 30, 2024, we considered the Authority'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, 2024 on the financial statements of the Northern Virginia Regional Park Authority. Our comments and recommendations are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss the comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

License Renewals

During the course of our audit, it was noted that the fiber-optic license agreement for the Lumen/Level 3 linear license, covering the period beginning January 1, 2020, was not executed in a timely manner. This same issue was highlighted in our Management Letter to the Board dated November 9, 2020 for the audit of the fiscal year ended June 30, 2020.

Key details include:

1. Execution of Lumen/Level 3 License Agreement:

The 20-year Lumen/Level 3 license renewal, effective from January 1, 2020, to January 1, 2040, along with the rate adjustment for the period January 1, 2020, through December 31, 2022, was not executed before the start date of the renewal period. An agreement was drafted and emailed to the licensee on May 29, 2024, and executed on Oct 28, 2024, a significant delay from January 1, 2020, which was the start of the renewal period.

2. CPI Escalation Notification by Letter:

A contemporaneous letter documenting the CPI escalation for the period beginning January 1, 2023, through December 31, 2025, was not sent before the start of the period noted. Instead, this was documented in the agreement sent to the licensee on May 29, 2024.

We recommend that internal controls related to the renewals of fiber-optic license agreements be strengthened to ensure that new agreements are fully executed prior to the expiration of a given agreement, with agreements being negotiated well in advance of the termination of existing agreements. Further, license agreement modifications, renewals, terminations, and name changes should be promptly communicated to the Finance and Budget teams to maintain compliance with governmental accounting standards and internal budgetary requirements.