



**OFFICE OF FINANCIAL AND PROGRAM AUDIT
JUNE 2021 QUARTERLY REPORT**

**BOARD OF SUPERVISORS
AUDITOR OF THE BOARD**

www.fairfaxcounty.gov/boardauditor

**Fairfax County
Office of Financial and Program Audit**



Jim L. Shelton, Jr., MBA, CRP (Auditor of the Board)

Jim.Shelton@FairfaxCounty.gov

Mathew S. Geiser, Office Project Manager (Financial & Program Auditor)

Mathew.Geiser@FairfaxCounty.gov

**Fairfax County
Office of Financial and Program Audit**

Table of Contents

REPORT ABSTRACT.....4

FUTURE CONSTRUCTION, BONDS & CONSERVATION ESCROWS STUDY.....5

- LDS AGED ESCROWS TRANSFERRED FROM FAMIS WITH BALANCES.....6
- LDS AGED BOND & CONSERVATION WITH BALANCES RECORDED IN FOCUS.....9
- LDS AGED FUTURE CONSTRUCTION ESCROWS WITH BALANCES RECORDED IN FOCUS.....14
- LDS COMPLETED ESCROWS.....17

LDS CASH PROFFERS STUDY.....18

- LDS AGED CASH PROFFERS WITH CASH BALANCES.....19

FCPA CASH PROFFERS STUDY.....22

- FCPA AGED CASH PROFFERS WITH CASH BALANCES.....23
- FCPA AGED CASH PROFFERS WITH COMMITTED AMOUNTS.....28
- FCPA CASH PROFFERS PROJECT STATUS.....32
- FCPA COMPLETED CASH PROFFERS.....33

DPWES CASH PROFFERS STUDY.....35

- CAPITAL FACILITIES OPEN CASH PROFFERS.....36
- STORMWATER OPEN CASH PROFFERS.....37

MARCH 2021 AC MEMBERS’ INQUIRIES.....38

ADDENDUM SHEET.....42

LIST OF ACRONYMS.....43

**Fairfax County
Office of Financial and Program Audit**

REPORT ABSTRACT

Working under the guidance and direction of the Audit Committee (AC), the Auditor of the Board provides an independent means for assessing management's compliance with policies, programs and resources authorized by the Board of Supervisors (BOS). Further to this process, efforts are made to gain reasonable assurance that management complies with all appropriate statutes, ordinances and directives.

This agency plans, designs, and conducts studies, surveys, evaluations and investigations of County agencies as assigned by the BOS or the AC. For each study conducted, the agency focuses primarily on the County's Corporate Stewardship vision elements. The agency does this by developing, whenever possible, information during the studies performed which are used to maximize County revenues or reduce County expenditures.

To assist the Office of Financial and Program Audit (OFPA) with executing the responsibilities under our charge, members of the Fairfax County BOS submit study recommendations of which the findings and management responses are included in published studies. This process is utilized to provide the constituents, BOS and management reasonable assurance that fiscal and physical controls exist within the County.

Additionally, this agency conducts follow-up work on prior period studies. As part of the post study work conducted, we review the agreed upon managements' action plans. To facilitate the process, we collaborate with management prior to completion of studies. Through this collaboration, timelines for the implementation of corrective action and status updates are documented for presentation at the upcoming AC Meetings.

The results of studies may not highlight all the risks/exposures, process gaps, revenue enhancements and/or expense reductions which could exist. Items reported are those which could be assessed within the scheduled timeframe, and overall organization's data-mining results. The execution of the OFPA's studies are facilitated through various processes such as; sample selections whereby documents are selected and support documentation is requested for compliance and other testing attributes. Our audit approach includes interviewing appropriate staff and substantive transaction testing. OFPA staff employs a holistic approach to assess agencies/departments whereby the review is performed utilizing a flow from origination to closeout for the areas under review.

There are several types of studies performed by OFPA, e.g.; operational, financial, compliance, internal controls, etc. To that end, it is important to note; OFPA staff reserves the option to perform a holistic financial and analytical data-mining process on all data for the organization being reviewed where appropriate. This practice is most often employed to perform reviews for highly transactional studies.

Our office performed proffer and escrow studies four years ago in June and September 2017 whereby we noted several recommendations made across four agencies. This quarter's studies covered three of the previously reviewed agencies. The results of this report revealed significant improvements in tracking, escheating, returning and repurposing funds for proffers and escrows across these agencies. We did note one agency whereby all proffers are current as of 2018.

FUTURE CONSTRUCTION, BONDS, & CONSERVATION ESCROWS STUDY

OVERVIEW AND UPDATES

The results of this study may not highlight all the risks/exposures, process gaps, revenue enhancements and/or expense reductions which could exist. Items reported are those which could be assessed within the scheduled timeframe, and overall organization's data-mining results. Office of Financial and Program Audit (OFPA's) studies are facilitated through several processes such as: sample selections, compliance support documentation and various testing approaches. There are several types of studies performed by OFPA, e.g.: performance, operational, financial, compliance, etc. To that end, it is important to note OFPA staff reserves the option to perform a holistic financial and analytical data-mining process on all data for the organization being reviewed where appropriate. This practice is most often employed to perform reviews for highly transactional studies.

Our office performed proffer and escrow studies four years ago in June and September 2017 whereby we noted several recommendations made across four agencies. This quarter's studies covered three of the previously reviewed agencies. The results of this report revealed significant improvements in tracking, escheating, returning and repurposing funds for proffers and escrows across these agencies. We did note one agency whereby all proffers are current as of 2018.

Land Development Services (LDS) manages three types of escrows: future construction, bond, and conservation. Future construction escrows are provided to ensure adequate funds exist to construct improvements at a future date. Conservation escrow deposits are funds deposited for erosion and sediment controls. Bonds are funds held until public improvements are completed per approved plans. LDS receives two types of escrow funding directly from developers: cash and letters of credit (LOC). The financial instruments vary by escrow type: future construction (cash), bonds (cash & LOC), and conservation (cash). LDS releases escrow funds when projects are completed to developers.

At the time of our study, LDS escrow balances were ~\$73.71M aged between calendar years 1972-2021. The LDS escrow study included assessing: aged escrow balances, reconciliation of drawdowns, developers' operating status, project statuses, and revenue recognition.

Based on the support provided and discussions with LDS staff, we identified several areas whereby enhancements could be made. Our fieldwork revealed opportunities to review aged escrow balances and inactive developers to identify possible future use of funds. We also reviewed a sample of LDS completed escrows; no reportable items were identified for that section of the study. The testing results are documented in the report-out tables below. Included in these report-out tables is the testing performed, support provided by staff, and the list of escrows reviewed.

OBSERVATIONS AND ACTION PLANS

The following table details the observation and recommendation for this study along with management's action plan to address it.

**Fairfax County
Office of Financial and Program Audit**

LDS AGED ESCROWS TRANSFERRED FROM FAMIS WITH BALANCES

Risk Ranking

HIGH

We reviewed the full population of LDS escrows transferred from the legacy system FAMIS. We data-mined the LDS escrows report, extracting balances transferred from FAMIS. We identified **848** aged escrows transferred from FAMIS with individual balances ranging from \$4.97 to ~\$976k between calendar years 1997 to 2011. The escrow receipt date, in most cases, do not reflect the Escrow Agreement/Transfer Date. There are instances where the dates age back to 1972. These aged escrow balances totaled ~\$9.29M. The **848** aged escrow balances represent ~13% of the total tracked balance of ~\$73.71M. The fieldwork for this section of the study revealed aged balances and developers that may require agency follow-up. The full population of escrows in this section were transferred from FAMIS, an opportunity exists for staff to review the full population to identify support and next steps. The data-mined list of LDS aged escrows transferred from FAMIS is too large for this report, it can be provided to staff upon request. This is a summary of the aged escrows with balances:

Summary <i>LDS Escrows Transferred from FAMIS</i>				
Escrow Type	Escrow Receipt Years (1)	Aged Years	Count	Available Balances
Conservation	1997 - 2011	9.55 - 23.61 Yrs	495	\$3,905,024.60
Bonds	1997 - 2011	10.17 - 23.61 Yrs	102	\$1,699,957.17
Future Construction	1997 - 2011	9.49 - 23.61 Yrs	251	\$3,683,568.82
Totals:			848	\$9,288,550.59

1) The escrow receipt date in most cases do not reflect the Escrow Agreement/Transfer Date. There are instances where the dates reflect back to 1972.

Also included in our current analysis was a review of escrow developers' operating status. Due to the volume of escrows transferred from FAMIS, this review was performed on a sample of **20** aged escrows. Escrow agreements and staff research were used to identify developer names. We utilized three resources to identify developer operating status: Virginia Company Website, Open Corporates Website, and developer default program staff. **11 out of 20** developers were active, **6 out of 20** were inactive, **2 out of 20** the agency could not provide support, and **1 out of 20** is in the escheatment process. The full details of developer names and operating statuses for the sample reviewed are in **Appendix A**.

To estimate the magnitude of inactive developers across the full population of **848** escrows transferred from FAMIS, we extrapolated the potential exposure utilizing the results of the sample of **20** reviewed. We calculated an exposure rate based on the **17** active and inactive developers identified from our sample of **20**. We identified **6** inactive developers which resulted in an exposure rate of **35%**. This rate was applied across the full population of **848** escrows with a balance of ~\$9.29M. The potential exposure for this extrapolation is: **297** potential escrows with inactive developers with a financial impact of ~\$3.25M.

**Fairfax County
Office of Financial and Program Audit**

Item of Note: Developers' status assessments may require additional work as the analysis was based on the two websites mentioned above using name searches for a large portion of the testing. Companies may: merge, be acquired, or go through name changes. Therefore, additional agency work may be required to address the recommendation below. 58 developers were reviewed by staff from the developer default program. Given the volume of developers reviewed, the remainder of the full population of developers were reviewed by OFPA. For proffers and escrows with inactive developers, we recommend the agency liaise with the County Attorney on how to address the stewardship of these funds.

Recommendation

We recommend staff perform an analysis on the **848** escrows transferred from FAMIS to assess the status of these aged balances and inactive or not located developers for possible future use of funds. If projects are no longer considered to be a going concern or completed; staff should review the outstanding balance to determine if the monies can be repurposed, escheated, or returned to the developer. Upon completion, LDS should liaise with the appropriate agencies (e.g., DOF, OCA) to take the appropriate action based on the analysis.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Bill Hicks (LDS, Director)	8/31/2022	William.Hicks@fairfaxcounty.gov
Devi Ogden (LDS, Fin. Mgmt. Branch Chief)		Aarthi.Ogden@fairfaxcounty.gov
Rochanie Perera (LDS, Fin. Mgmt. Rev. Mngr.)		Rochanie.Perera@fairfaxcounty.gov
Beth Teare (County Attorney)		Elizabeth.Teare@fairfaxcounty.gov
Chris Pietsch (DOF, Director)		Christopher.Pietsch@fairfaxcounty.gov

MANAGEMENT RESPONSE:

As a result of a prior year study, LDS began conducting research on the aged escrow deposits, and regularly reviews aged escrows including the 848 escrows transferred from FAMIS. Balances are reviewed monthly, and deposits are released weekly. Regarding this recommendation, LDS will first focus on the 20 escrows that were sampled with the plan to review all 848 based on the original results. LDS is working with County Attorney to address stewardship of funds that are from inactive developers, and unreturned balances are escheated to the State. Assistance from the appropriate agencies is coordinated as needed.

**Fairfax County
Office of Financial and Program Audit**

Appendix A

LDS Active Escrows (as of 4/30/21): Transferred from FAMIS Sample - Count: 20 of 848 (or 2.4%) Data Source for Developer Status: Virginia Company Website/Open Corporates Website 848 Escrows Transferred from FAMIS to FOCUS (as of 2011) w/Date Ranges from 9.49 - 23.61 Years Old							
DE Number	LDS - FAMIS Create Date	Escrow Agrmnt / Trans Date	Escrow Age - Years	Developer Name	Developer Status	Escrow Balance	
DE40298	LDS - FAMIS Create Date 7/28/2011	7/26/2011	9.77	Scannell Properties 117 LLC	Active	(\$1,880,800.00)	
DE39916	LDS - FAMIS Create Date 8/10/2009	8/7/2009	11.74	Saudi Arabian Cultural Mission	Active	(\$975,700.00)	
DE39725	LDS - FAMIS Create Date 5/23/2008	5/22/2008	12.95	Hamaker Ventures LLC	Inactive	(\$411,000.00)	
DE35634	LDS - FAMIS Create Date 3/16/1999	4/8/1999	22.08	Fairfax County Public Schools	Active	(\$119,000.00)	
DE39355	LDS - FAMIS Create Date 9/14/2006	9/13/2006	14.64	Copt Opportunity Invest 1 LLC	Active	(\$102,300.00)	
DE36499	LDS - FAMIS Create Date 9/5/2001	8/28/2001	19.68	Uniwest Construction Inc.	Active	(\$92,200.00)	
DE36954	LDS - FAMIS Create Date 3/27/2003	3/25/2003	18.11	Tavares Concrete Company Inc.	Active	(\$88,000.00)	
DE32906	LDS - FAMIS Create Date 9/10/1997	1/3/1991	30.34	Phoenix Management Services Inc. a Virginia	Inactive	(\$72,300.00)	
DE34687	LDS - FAMIS Create Date 9/10/1997	5/28/1996	24.94	Edgemoore-Brookside Limited Partnership	Inactive	(\$69,800.00)	
DE35603	LDS - FAMIS Create Date 2/26/1999	2/12/1999	22.23	Fairfax County	Active	(\$61,000.00)	
DE36795	LDS - FAMIS Create Date 8/29/2002	8/23/2002	18.70	Trinity Christian School of Fairfax	Active	(\$61,000.00)	
DE36807	LDS - FAMIS Create Date 9/19/2002	9/10/2002	18.65	Gunston Richmond LLC	Active	(\$60,600.00)	
DE30739	LDS - FAMIS Create Date 9/10/1997	10/31/1986	34.52	Tycon Beltway Limited Partnership	Inactive	(\$57,500.00)	
DE37140	LDS - FAMIS Create Date 12/31/2003	12/11/2003	17.40	Pulte Home Corporation	Inactive	(\$55,430.00)	
DE36203	LDS - FAMIS Create Date 9/26/2000	9/15/2000	20.64	MEGG III LLC	Active	(\$48,500.00)	
DE35620	LDS - FAMIS Create Date 3/11/1999	1/8/1998	23.32	Mount Vee LLC.	Inactive	(\$44,000.00)	
DE00259	LDS - FAMIS Create Date 9/10/1997	10/11/1972	48.58	Shareholders Construction General Inc.	Active	(\$43,600.00)	
DE33474	LDS - FAMIS Create Date 9/10/1997	10/22/1992	28.54	Town & Country Developers Inc.	Prepare for Escheatment	(\$30,372.00)	
DE90051	LDS - FAMIS Create Date 9/10/1997	No Support per LDS					(\$15,200.00)
DE26081	LDS - FAMIS Create Date 9/10/1997	No Support per LDS					(\$11,800.00)
Total:						(\$4,300,102.00)	

Fairfax County
Office of Financial and Program Audit

LDS AGED BOND & CONSERVATION ESCROWS WITH BALANCES RECORDED IN FOCUS

Risk Ranking

HIGH

The full reported population of bond & conservation escrows (**719** totaling **~\$9.29M**) aged 2015 and older was used to sample **122** items for fieldwork. These **122** bond and conservation escrows represent the balance of the full reported population of escrows which were not converted over from FAMIS. These escrow individual balances range from \$100 to ~\$310k between calendar years 2011 to 2015 with balances totaling **~\$3.69M**. The **122** aged bond & conservation escrow balances represent **~5%** of the total tracked balance of **~\$73.71M**. The fieldwork for this section revealed aged balances and developers that may require agency follow-up. The data-mined list of LDS aged bond & conservation escrows is too large for this report, it can be provided to staff upon request. This is a summary of the aged bond & conservation escrows with balances:

Summary			
<i>LDS Bond & Conservation Escrows (excluding FAMIS) - Count: 122</i>			
<i>Bond Escrows - Count: 6</i>			
Escrow Receipt Years	Aged Years	Count	Available Balances
2013	7.80 - 8.19 Yrs	6	\$702,300.00
<i>Conservation Escrows - Count: 116</i>			
Escrow Receipt Years	Aged Years	Count	Available Balances
2011	9.30 - 9.36 Yrs	6	\$91,760.00
2012	8.39 - 9.19 Yrs	19	\$278,980.00
2013	7.40 - 8.27 Yrs	24	\$764,000.00
2014	6.30 - 7.18 Yrs	21	\$678,000.00
2015	5.30 - 6.25 Yrs	46	\$1,171,400.00
<i>Bond & Conservation Totals:</i>		122	\$3,686,440.00

In our prior LDS escrows study (June 2017), we identified **887** aged bond & conservation escrows totaling **~\$6.39M**. In comparison with the current study of **719** totaling **~\$9.29M**, the Net Count Downward Change is **168** LDS bond & conservation escrows with the Net Balance Upward Change of **~\$2.90M**. The decrease in aged escrows appears to be a result of our recommendation in the prior study being implemented.

Also, we reviewed **122** bond and conservation escrows of which fieldwork was performed on **6** bond and **32** conservation escrows for developer operating status. Escrow agreements and staff research were used to identify developer names. We utilized three resources to identify developer operating status: Virginia Company Website, Open Corporates Website, and developer default program staff. **6 out of 6** bond escrow developers were active, **27 out of 32** conservation escrow developers were active, **3 out of 32** conservation escrows were inactive, **2 out of 32** conservation escrow projects were completed and funds were released to developers. The full details of developer names and operating statuses for the

**Fairfax County
Office of Financial and Program Audit**

sample reviewed are in **Appendices B & C**.

Item of Note: Developers' status assessments may require additional work as the analysis was based on the two websites mentioned above using name searches for a large portion of the testing. Companies may: merge, be acquired, or go through name changes. Therefore, additional agency work may be required to address the recommendation below. 58 developers were reviewed by staff from the developer default program. Given the volume of developers reviewed, the remainder of the full population of developers were reviewed by OFPA. For proffers and escrows with inactive developers, we recommend the agency liaise with the County Attorney on how to address the stewardship of these funds.

Recommendation

We recommend staff perform an analysis on the **122** bond & conservation escrows to assess the status of these aged balances and inactive or not located developers for possible future use of funds. If projects are no longer considered to be a going concern or completed; staff should review the outstanding balance to determine if the monies can be repurposed, escheated, or returned to the developer. Upon completion, LDS should liaise with the appropriate agencies (e.g., DOF, OCA) to take the appropriate action based on the analysis.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Bill Hicks (LDS, Director)	8/31/2022	William.Hicks@fairfaxcounty.gov
Devi Ogden (LDS, Fin. Mgmt. Branch Chief)		Aarthi.Ogden@fairfaxcounty.gov
Rochanie Perera (LDS, Fin. Mgmt. Rev. Mngr.)		Rochanie.Perera@fairfaxcounty.gov
Beth Teare (County Attorney)		Elizabeth.Teare@fairfaxcounty.gov
Chris Pietsch (DOF, Director)		Christopher.Pietsch@fairfaxcounty.gov

MANAGEMENT RESPONSE:

Since a prior year study, LDS has been conducting research on the aged bonds and conservation escrow deposits. In accordance with established protocol, LDS has decreased aged bonds and conservation escrows

**Fairfax County
Office of Financial and Program Audit**

from 887 to 719, resulting in a reduction of 168 aged bonds and escrows. LDS will continue researching the 122 balances identified in this study and will contact developers as needed. In the instance where developers are inactive, LDS will continue escheating unreturned balances to the State. Assistance from the appropriate agencies is coordinated as needed.

**Fairfax County
Office of Financial and Program Audit**

Appendix B

LDS Conservation Escrows Balances (as of 4/15/21): Aged 2015 & Older - Count 32					
<i>Data Sources for Developer Status: FOCUS/Virginia Company Website/Open Corporates Website</i>					
DE Number	Doc Date	Escrow Age - Years	Developer Name	Developer Status	Available Balance
DE40919	11/5/2015	5.45	Lcor/Cal Assoc LLC	Active	(\$79,300.00)
DE41104	8/4/2015	5.70	Amherst Property LLC	Active	(\$74,000.00)
DE41093	7/21/2015	5.74	Crp Belvoir, LLC	Active	(\$105,300.00)
DE41059	5/20/2015	5.91	Carrhomes Inc	Active	(\$47,600.00)
DE41046	4/24/2015	5.98	Boston Properties Limited Partnership	Active	(\$63,400.00)
DE41042	4/22/2015	5.99	Dulles Greene	Active	(\$30,900.00)
DE41030	3/23/2015	6.07	Bozzuto Development Company	Active	(\$47,900.00)
DE40996	1/21/2015	6.24	Van Metre Homes At Park Glen LLC	Active	(\$144,600.00)
DE40987	1/14/2015	6.25	Relux Homes	Active	(\$80,800.00)
DE40978	12/1/2014	6.38	Newmark & Company Real Estate Inc	Active	(\$310,400.00)
DE40972	11/18/2014	6.41	Sunoco, Inc. (R&M)	Inactive	(\$45,300.00)
DE40940	9/23/2014	6.56	Arep-Amt 7901 Westpark LLC	Active	(\$84,600.00)
DE40903	7/14/2014	6.76	Artisan Builders III LLC	Active	(\$73,100.00)
DE40776	11/6/2013	7.44	Newmark & Company Real Estate Inc	Active	(\$84,800.00)
DE40681	5/24/2013	7.90	Sabina Rolling Estates LLC	Active	(\$140,000.00)
DE40716	8/7/2013	7.69	Drh Inc South Disb Account	Active	(\$430,600.00)
DE40978	12/1/2014	6.38	Newmark & Company Real Estate Inc	Active	(\$310,400.00)
DE40871	5/20/2014	6.91	Turner Construction Company	Active	(\$193,600.00)
DE40728	8/23/2013	7.65	Jag Associates Llc	Active	(\$154,700.00)
DE40749	9/26/2013	7.56	Macerich	Active	(\$107,400.00)
DE40940	9/23/2014	6.56	Arep-Amt 7901 Westpark Llc	Inactive	(\$84,600.00)
DE40896	7/3/2014	6.79	Greystar Development Llc	Active	(\$75,600.00)
DE41030	3/23/2015	6.07	Bozzuto Development Company	Active	(\$47,900.00)
DE41059	5/20/2015	5.91	Carrhomes Inc	Active	(\$47,600.00)
DE40601	1/9/2013	8.27	NVP Inc	Inactive	(\$45,500.00)
DE40632	2/22/2013	8.15	Timber Ridge	Released	(\$110,500.00)
DE40620	2/12/2013	8.18	Palisades at Telegraph Road, LLC	Active	(\$56,800.00)
DE40568	11/14/2012	8.42	Eden and Avant	Active	(\$32,300.00)
DE40431	3/12/2012	9.10	Radley Management, LLC	Active	(\$30,200.00)
DE34511	12/29/2011	9.30	BPG Hotel Partners LP	Released	(\$3,080.00)
DE72829	12/9/2011	9.36	Karan Bakshi	Active	(\$17,700.00)
DE40383	12/6/2011	9.36	Radley Management, LLC	Active	(\$25,100.00)
				Total:	(\$3,185,580.00)

**Fairfax County
Office of Financial and Program Audit**

Appendix C

LDS Bond Escrow Balances (as of 4/15/21): Aged 2015 & Older - Count 6					
<i>Data Sources for Developer Status: FOCUS/Virginia Company Website/Open Corporates Website</i>					
DE Number	Doc Date	Escrow Age - Years	Developer Name	Developer Status	Available Balance
DE40826	3/6/2014	7.12	Gupta, Ambrish	Active	(\$593,700.00)
DE40810	1/30/2014	7.21	Dublin Llc	Active	(\$259,400.00)
DE40615	2/6/2013	8.19	Advanced Design and Construction Co	Active	(\$88,300.00)
OCA903702130216	6/28/2013	7.80	Arch Insurance Company	Active	(\$40,000.00)
DE40622	2/13/2013	8.17	M&A L.C.	Active	(\$198,700.00)
DE40615	2/6/2013	8.19	Maroun and Barbara Bechara	Active	(\$88,300.00)
				Total:	(\$1,268,400.00)

**Fairfax County
Office of Financial and Program Audit**

LDS AGED FUTURE CONSTRUCTION ESCROWS WITH BALANCES RECORDED IN FOCUS

Risk Ranking

MEDIUM

We reviewed the full reported population of **273** future construction escrows which totaled **~\$4.19M**. Of that report, we extracted **22** escrows not transferred from FAMIS. These escrows were aged past 2015 & older and used to complete our fieldwork. These escrow individual balances range from \$1.2k to ~\$100k between calendar years 2011 to 2015 with balances totaling **~\$510k**. The **22** aged future construction escrow balances represent **~0.7%** of the total tracked balance of **~\$73.71M**. The fieldwork for this section revealed aged balances and developers that may require agency follow-up. The full list of LDS aged future construction escrows identified are in **Appendix D**. This is a summary of the aged future construction escrows with balances:

Summary			
LDS Future Construction Escrows (excluding FAMIS) - Count: 22			
Escrow Receipt Years	Aged Years	Count	Available Balances
2011	9.31 Yrs	1	\$9,200.00
2012	8.33 - 8.92 Yrs	7	\$121,030.00
2013	7.32 - 7.50 Yrs	6	\$189,200.00
2014	6.32 - 7.00 Yrs	6	\$166,577.64
2015	5.54 - 5.68 Yrs	2	\$24,300.00
Totals:		22	\$510,307.64

In our prior LDS escrows study (June 2017), we identified **920** aged future construction escrows totaling **~\$6.40M**. In comparison with the current study of **273** totaling **~\$4.19M**, the Net Count Downward Change is **647** LDS future construction escrows with the Net Balance Downward Change of **~\$2.21M**. The decrease in aged escrows appears to be a result of our recommendation in the prior study being implemented.

Also included in our current analysis was a review of future construction escrow developers' operating status. This review was performed on all **22** aged future construction escrows identified. Escrow agreements and staff research were used to identify developer names. We utilized three resources to identify developer operating status: Virginia Company Website, Open Corporates Website, and developer default program staff. **18 out of 22** future construction escrow developers were active, **2 out of 22** were inactive, and projects were completed with funds released to **2 out of 22** developers. The full details of developer names and operating statuses for the sample reviewed are in **Appendix D**.

Item of Note: Developers' status assessments may require additional work as the analysis was based on the two websites mentioned above using name searches for a large portion of the testing. Companies may: merge, be acquired, or go through name changes. Therefore, additional agency work may be required to address the recommendation below. 58 developers were reviewed by staff from the developer default

**Fairfax County
Office of Financial and Program Audit**

program. Given the volume of developers reviewed, the remainder of the full population of developers were reviewed by OFPA. For proffers and escrows with inactive developers, we recommend the agency liaise with the County Attorney on how to address the stewardship of these funds.

Recommendation

We recommend staff perform an analysis on the **22** future construction escrows to assess the status of these aged balances and inactive or not located developers for possible future use of funds. If projects are no longer considered to be a going concern or completed; staff should review the outstanding balance to determine if the monies can be repurposed, escheated, or returned to the developer. Upon completion, LDS should liaise with the appropriate agencies (e.g., DOF, OCA) to take the appropriate action based on the analysis.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Bill Hicks (LDS, Director)	8/31/2022	William.Hicks@fairfaxcounty.gov
Devi Ogden (LDS, Fin. Mgmt. Branch Chief)		Aarthi.Ogden@fairfaxcounty.gov
Rochanie Perera (LDS, Fin. Mgmt. Rev. Mngr.)		Rochanie.Perera@fairfaxcounty.gov
Beth Teare (County Attorney)		Elizabeth.Teare@fairfaxcounty.gov
Chris Pietsch (DOF, Director)		Christopher.Pietsch@fairfaxcounty.gov

MANAGEMENT RESPONSE:

Since the prior year study, LDS has been reviewing the aged FCE deposits, including the 22 balances recorded in FOCUS. In 2020, 282 FCE balances (DEs) were escheated to the State, totaling approximately \$545,000. In accordance with established procedures, LDS will continue the review process in which balances are reviewed monthly and deposits are released on a weekly basis. LDS will continue escheating unreturned balances to the State. Assistance from the appropriate agencies is coordinated as needed.

**Fairfax County
Office of Financial and Program Audit**

Appendix D

LDS Future Construction Escrows Balances (as of 4/15/21): Aged 2015 & Older - Count 22 <i>Data Sources for Developer Status: FOCUS/Virginia Company Website/Open Corporates Website</i>					
DE Number	Doc Date	Escrow Age - Years	Developer Name	Developer Status	Available Balance
DE40394	12/27/2011	9.31	Building Group Inc	Active	(\$9,200.00)
DE34012	5/15/2012	8.92	Oakbrook Knolls LP	Active	(\$19,300.00)
DE40484	6/21/2012	8.82	Gayfield Roads Associates, LLC	Active	(\$5,500.00)
DE35758	8/13/2012	8.68	EQR Lincoln Fairfax LLC	Released	(\$16,830.00)
DE34480	8/13/2012	8.68	Bowl America	Released	(\$13,500.00)
DE40569	11/14/2012	8.42	J Thomas and Darlene Futch	Active	(\$14,000.00)
DE40578	11/26/2012	8.39	Nyse Joint Venture	Active	(\$23,600.00)
DE40588	12/18/2012	8.33	Marx Realty and Improvement Co-Agi	Active	(\$28,300.00)
DE40764	10/17/2013	7.50	Paolozzi Investments, Inc	Active	(\$16,800.00)
DE40772	10/30/2013	7.46	Seven Corners Hospitality LLC	Active	(\$72,300.00)
DE40772	10/30/2013	7.46	Seven Corners Hospitality Llc	Active	(\$72,300.00)
DE40773	10/31/2013	7.46	Dhanireddy, Sumalatha	Active	(\$13,400.00)
DE40798	12/20/2013	7.32	Cantwell Cnstrctn LLC	Inactive	(\$5,300.00)
DE40799	12/20/2013	7.32	Cantwell Construction Llc	Inactive	(\$9,100.00)
DE40850	4/17/2014	7.00	Regency Centers	Active	(\$100,000.00)
DD00009	6/23/2014	6.82	Richmond American Homes of Virginia	Active	(\$8,077.64)
DE40893	6/27/2014	6.81	Federal City Group Inc	Active	(\$12,700.00)
DE40951	10/9/2014	6.52	The Springs Inc	Active	(\$12,800.00)
DE40967	11/13/2014	6.42	Evergreene Companies	Active	(\$15,400.00)
DE40983	12/22/2014	6.32	Evg - Rr Ventures LLC	Active	(\$17,600.00)
DE41107	8/11/2015	5.68	Timber Ridge Homes	Active	(\$1,200.00)
DE41121	10/2/2015	5.54	Georgetown Cnstrctn Group LLC	Active	(\$23,100.00)
				Total:	(\$510,307.64)

**Fairfax County
Office of Financial and Program Audit**

LDS COMPLETED ESCROWS - NO EXCEPTIONS TO REPORT

Risk Ranking

FOR INFORMATIONAL PURPOSES ONLY

We performed a review on a sample of 5 LDS completed escrows to assess the following areas: reconciliation of drawdowns to zero balances, release authorizations, and escrow close-outs. The full population of completed escrows could not be identified, the record maintenance format does not clearly delineate information in a way that we could compile the data needed. The escrow amounts for the 5 reviewed ranged between **\$15.8k** to **\$199k**. To perform our testing LDS staff provided support to include escrow agreements, DOF payment request forms with authorizations, and escrow liquidation vouchers. The results of our review are below:

LDS Closed Escrows (as of 4/29/21) : Sample - Count: 5 - PFAW Fully Expensed					
DE Number	Funds Release Date	Original Amount	Current Balance	Escrow Closed-Out in Financial System	Escrow Status Per LDS
DE41189	9/24/2018	\$199,000.00	\$0.00	<i>Closed in FOCUS</i>	<i>Released to Developer</i>
DE40632F	10/22/2018	\$62,137.76	\$0.00	<i>Closed in FOCUS</i>	<i>Released to Developer</i>
DE41671	3/3/2020	\$51,000.00	\$0.00	<i>Closed in FOCUS</i>	<i>Released to Developer</i>
DE51306	7/17/2019	\$47,500.00	\$0.00	<i>Closed in FOCUS</i>	<i>Released to Developer</i>
DE40546	12/17/2014	\$15,800.00	\$0.00	<i>Closed in FOCUS</i>	<i>Released to Developer</i>

Based on support provided and discussions with LDS staff, all 5 escrows were completed, closed, and funds were released to the developers. PFAW

Fairfax County
Office of Financial and Program Audit

LDS CASH PROFFERS STUDY

OVERVIEW AND UPDATES

The results of this study may not highlight all the risks/exposures, process gaps, revenue enhancements and/or expense reductions which could exist. Items reported are those which could be assessed within the scheduled timeframe, and overall organization's data-mining results. Office of Financial and Program Audit (OFPA's) studies are facilitated through several processes such as: sample selections, compliance support documentation and various testing approaches. There are several types of studies performed by OFPA, e.g.: performance, operational, financial, compliance, etc. To that end, it is important to note OFPA staff reserves the option to perform a holistic financial and analytical data-mining process on all data for the organization being reviewed where appropriate. This practice is most often employed to perform reviews for highly transactional studies.

Our office performed proffer and escrow studies four years ago in June and September 2017 whereby we noted several recommendations made across four agencies. This quarter's studies covered three of the previously reviewed agencies. The results of this report revealed significant improvements in tracking, escheating, returning and repurposing funds for proffers and escrows across these agencies. We did note one agency whereby all proffers are current as of 2018.

Cash Proffers are part of the rezoning process in Fairfax County. As part of this process, private developers, and individual property owners proffer funds with conditions which sometimes limits how the funds will be used. Land Development Services (LDS) is the gatekeeper for cash proffer funds. Developers submit proffer funds to LDS. After review of the proffer documentation, LDS transfers the proffer funds to the intended agencies. At the time of this study, LDS cash proffer balances are ~\$2.3M aged between calendar years 1997-2021. The LDS cash proffer study included assessing: aged balances, reconciliation of original proffer amounts to LDS tracker, developers' operating status, and revenue recognition.

Based on the support provided and discussions with LDS staff, we identified several areas whereby enhancements could be made. Our fieldwork revealed opportunities to review these aged balances and inactive developers to identify possible future use of funds. The results are documented in the report-out table below. Included in this report-out table is the testing performed, support provided by staff, and the list of proffers reviewed.

OBSERVATION AND ACTION PLAN

The following table details the observation and recommendation for this study along with management's action plan to address it.

Fairfax County
Office of Financial and Program Audit

LDS AGED CASH PROFFERS WITH CASH BALANCES

Risk Ranking

MEDIUM

We reviewed the full population of LDS cash proffers which revealed aged balances and developers that may require agency follow-up. Total cash proffer balances tracked by LDS were ~\$2.3M. We data-mined the LDS cash proffers report, extracting balances 2015 and older. We identified **14** aged cash proffers with individual balances ranging from ~\$1.2k to ~\$149k between calendar years 1997 to 2015. These aged cash proffer balances totaled ~\$356k. The **14** aged cash proffer balances represent ~15% of the total tracked balance. The full list of LDS aged cash proffers identified are in **Appendix A**. This is a summary of the aged cash proffers with balances:

Summary LDS Cash Proffers 2015 & Older			
Proffer Receipt Years	Aged Years	Count	Available Balances
1997	23.61 Yrs	1	\$10,000.00
2001	19.7 Yrs	1	\$1,250.00
2010 - 2015	5.46 - 10.8 Yrs	12	\$344,730.00
Totals:		14	\$355,980.00

In our prior LDS proffers study (June 2017), we identified **138** aged LDS cash proffers totaling ~\$2.9M. In comparison with the current study, the Net Count Downward Change is **124** LDS cash proffers with the Net Balance Downward Change of ~\$2.6M. The decrease in aged proffers appears to be a result of our recommendation in the prior study being implemented.

In the current study, **13 out of 14** aged cash proffers were not included in our prior study totaling ~\$355k that are between **5.46 to 23.61** years old. Additionally, **1 out of 14** aged cash proffers was included in our prior study totaling ~\$1k that is **19.7** years old. This item remains unresolved.

Also included in our current analysis was a review of proffer developers' operating status. This review was performed on all **14** aged cash proffers identified. Proffer statements and staff research were used to identify developer names. We utilized three different resources to identify developer operating status: Virginia Company Website, Open Corporates Website, and developer default staff. **9 out of 14** of the developers were active, **4 out of 14** were inactive, and **1 out of 14** the agency did not have information. The full details of developer names and operating statuses for the proffers reviewed in this study are in **Appendix A**.

Item of Note: Developers' status assessments may require additional work as the analysis was based on the two websites mentioned above using name searches for a large portion of the testing. Companies may merge, be acquired, or go through name changes. Therefore, additional agency work may be required to address the recommendation below. 58 developers were reviewed by staff from the developer default program. Given the volume of developers reviewed, the remainder of the full population of developers were

**Fairfax County
Office of Financial and Program Audit**

reviewed by OFPA. For proffers and escrows with inactive developers, we recommend the agency liaise with the County Attorney on how to address the stewardship of these funds.

Recommendation

We recommend staff perform an analysis to assess the status of these aged proffer balances and inactive or not located developers for possible future use of funds. If projects are no longer considered to be a going concern or completed; staff should review the outstanding balance to determine if the monies can be repurposed, escheated, or returned to the developer. Upon completion, LDS should liaise with the appropriate agencies (e.g., DOF, OCA) to take the appropriate action based on the analysis.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Bill Hicks (LDS, Director)	8/31/2022	William.Hicks@fairfaxcounty.gov
Devi Ogden (LDS, Fin. Mgmt. Branch Chief)		Aarthi.Ogden@fairfaxcounty.gov
Rochanie Perera (LDS, Fin. Mgmt. Rev. Mngr.)		Rochanie.Perera@fairfaxcounty.gov
Beth Teare (County Attorney)		Elizabeth.Teare@fairfaxcounty.gov
Chris Pietsch (DOF, Director)		Christopher.Pietsch@fairfaxcounty.gov

MANAGEMENT RESPONSE:

Based on a prior year study, LDS has been reviewing proffer activity and balances monthly. In accordance with protocol, LDS has identified and resolved 124 cash proffers, totaling approximately \$2.6 million. LDS works with the corresponding department to determine proffer compliance and fund allocation. Aged proffer balances are reviewed, and the developer is contacted. Unreturned balances will continue to be escheated to the State. Assistance from the appropriate agencies is coordinated as needed.

**Fairfax County
Office of Financial and Program Audit**

Appendix A

LDS Cash Proffers Balances (as of 4/16/2021) : Aged 2015 & Older - Count 14 <i>Data Sources for Developer Status: FOCUS/Virginia Company Website/Open Corporates Website</i>								
DE Number	LDS FAMIS Create/ Cash Sheet Date	Available Balance	Developer Name	Developer Status	Proffer Status	Proffer Age - Years	Intended Transfer Agency	
DE06432	9/10/1997	(\$10,000.00)	No Proffer Statement Available		Under Review	23.61	No Proffer Statement Available	
DE14545	8/9/2001	(\$1,250.00)	Towneplace Management Corp	Inactive	Active	19.70	FCDOT	
DE50174	7/2/2010	(\$9,440.00)	PF2 LLC	Active	Active	10.80	STW Mntnc	
DE51048	10/28/2010	(\$22,000.00)	INOVA Health Care Services	Active	Active	10.47	FCPA & FCPS	
DE51172	9/26/2012	(\$149,400.00)	Pohanka Stonecroft LLC	Active	Active	8.56	DPWES	
DE51175	10/2/2012	(\$1,225.00)	Eskridge (E&A) LLC	Active	Active	8.54	DPWES	
DE37542	12/3/2012	(\$19,200.00)	K Hovnanian	Active	Active	8.37	STW Mntnc	
DE50230	3/25/2014	(\$35,868.00)	Plaseied & Associates Inc	Inactive	Active	7.07	DPWES	
DE50235	6/3/2014	(\$7,500.00)	NCL-Sun Up, LLC	Inactive	Active	6.87	STW Mntnc	
DE51395	6/12/2014	(\$12,000.00)	Memorial Venture LLC	Inactive	Active	6.85	DPWES	
DE51486	4/17/2015	(\$6,982.00)	Fairfax Plaza L.L.C.	Active	Active	6.00	DPWES	
DE51579	7/1/2015	(\$30,000.00)	Chik-Fil A Inc	Active	Active	5.80	DPWES	
DE51606	9/22/2015	(\$19,646.00)	The Evergreene Companies LLC	Active	Active	5.57	BOS	
DE51615	11/2/2015	(\$31,469.00)	LCOR/Cal Associates LLC	Active	Active	5.46	FCDOT/DPWES	
		Total:	(\$355,980.00)					

**Fairfax County
Office of Financial and Program Audit**

FCPA CASH PROFFERS STUDY

OVERVIEW AND UPDATES

The results of this study may not highlight all the risks/exposures, process gaps, revenue enhancements and/or expense reductions which could exist. Items reported are those which could be assessed within the scheduled timeframe, and overall organization's data-mining results. **Office of Financial and Program Audit (OFPA's) studies** are facilitated through several processes such as: sample selections, compliance support documentation and various testing approaches. There are several types of studies performed by OFPA, e.g.: performance, operational, financial, compliance, etc. To that end, it is important to note OFPA staff reserves the option to perform a holistic financial and analytical data-mining process on all data for the organization being reviewed where appropriate. This practice is most often employed to perform reviews for highly transactional studies.

Our office performed proffer and escrow studies four years ago in June and September 2017 whereby we noted several recommendations made across four agencies. This quarter's studies covered three of the previously reviewed agencies. The results of this report revealed significant improvements in tracking, escheating, returning and repurposing funds for proffers and escrows across these agencies. We did note one agency whereby all proffers are current as of 2018.

Cash Proffers are part of the rezoning process in Fairfax County. As part of this process, private developers, and individual property owners proffer funds with conditions which sometimes limits how the funds will be used. At the time of this study, Fairfax County Park Authority (FCPA) cash proffer balances were ~**\$4.98M** aged between calendar years 1986-2021 based on Board Approval dates. The FCPA cash proffer study included assessing: aged balances, earmarked vs general fund use, proffer tracking, reconciliation of drawdowns, developers' operating status, project activity/status, close-out, and revenue recognition.

Based on the support provided and discussions with FCPA staff, we identified several areas whereby enhancements could be made. Our fieldwork revealed opportunities to review these aged balances, committed balances without project activity, revenue recognition of earmarked vs general use proffer funds, and inactive developers to identify possible future use of funds. We also reviewed a sample of FCPA completed cash proffers, no reportable items were identified. The results are documented in the report-out tables below. Included in these report-out tables is the testing performed, support provided by staff, and the list of proffers reviewed.

OBSERVATIONS AND ACTION PLANS

The following tables detail the observations and recommendations for this study along with management's action plan to address it.

**Fairfax County
Office of Financial and Program Audit**

FCPA AGED CASH PROFFERS WITH CASH BALANCES

Risk Ranking

HIGH

We reviewed the full population of FCPA cash proffers which revealed aged balances and developers that may require agency follow-up. Total cash proffer balances tracked by FCPA were **~\$4.98M**. We data-mined the FCPA cash proffers report, extracting balances 2015 and older. We identified **43** aged cash proffers with individual balances ranging from **~\$87 - \$236k** between calendar years 1988 to 2015 based on Board Approval Dates. Post fieldwork we discussed the use of agency receipt date of proffer monies, using this data we identified 13 proffers with no receipt dates and 4 proffers aged past 2015. Additionally, 17 of the developers sampled in this section of the study were inactive. The **43** aged cash proffer balances based on Board Approval Dates represent **~\$1.39M or ~28%** of the total tracked balance. The full list of FCPA aged cash proffers identified are in **Appendix A**. This is a summary of the aged cash proffers with balances:

Summary FCPA Cash Proffers 2015 & Older			
BOS Approval Years	Aged Years	Count	Available Balances
1988 - 1998	22.31 - 32.92 Yrs	3	\$25,330.00
2000 - 2007	13.5 - 21.18 Yrs	25	\$945,253.84
2010 - 2015	5.43 - 10.84 Yrs	15	\$427,578.60
<i>Totals:</i>		43	\$1,398,162.44

In our prior FCPA proffers study (June 2017), we identified **80** aged FCPA cash proffers totaling **~\$2.54M**. In comparison with the current study, the Net Count Downward Change is **37** FCPA cash proffers with the Net Balance Downward Change of **~\$1.15M**. The decrease in aged proffers appears to be a result of our recommendation in the prior study being implemented.

In the current study, **27 out of 43** aged cash proffers were not included in our prior study totaling **~\$1.11M** that are between **5.43 to 32.92** years old. Additionally, **16 out of 43** aged cash proffers were included in our prior study totaling **~\$289k** that are between **10.66 to 23.15** years old. These items remain unresolved.

Also included in our current analysis was a review of proffer developers' operating status. This review was performed on all **43** aged cash proffers identified. Proffer statements and staff research were used to identify developer names. We utilized three different resources to identify developer operating status: Virginia Company Website, Open Corporates Website, and developer default program staff. **24 out of 43** of the developers were active, **17 out of 43** were inactive, **1 out of 43** were homeowners (*non-businesses*), and **1 out of 43** could not be located. The full details of developer names and operating statuses for the proffers reviewed are in **Appendix A**.

Item of Note: Developers' status assessments may require additional work as the analysis was based on the

**Fairfax County
Office of Financial and Program Audit**

two websites mentioned above using name searches for a large portion of the testing. Companies may: merge, be acquired, or go through name changes. Therefore, additional agency work may be required to address the recommendation below. 58 developers were reviewed by staff from the developer default program. Given the volume of developers reviewed, the remainder of the full population of developers were reviewed by OFPA. For proffers and escrows with inactive developers, we recommend the agency liaise with the County Attorney on how to address the stewardship of these funds.

Recommendation

We recommend staff perform an analysis to assess the status of these aged proffer balances, no receipt date of proffer monies, and inactive or not located developers for possible future use of funds. If projects are no longer considered to be a going concern or completed; staff should review the outstanding balance to determine if the monies can be repurposed, escheated, or returned to the developer. Upon completion, FCPA should liaise with the appropriate agencies (e.g., DOF, OCA) to take the appropriate action based on the analysis. A table below details the full analysis (**Appendix A**).

Action Plan

Point of Contact	Target Implementation Date	Email Address
Sara Baldwin (FCPA, Director)	8/15/2021	Sara.Baldwin@fairfaxcounty.gov
Michael Peter (FCPA, Dir. of Bus. Admin.)		Michael.Peter@fairfaxcounty.gov
Shashi Dua (FCPA, Fin. Spec. IV)		Shashi.Dua@fairfaxcounty.gov
Beth Teare (County Attorney)		Elizabeth.Teare@fairfaxcounty.gov
Chris Pietsch (DOF, Director)		Christopher.Pietsch@fairfaxcounty.gov

MANAGEMENT RESPONSE:

FCPA agrees that aged proffer payments and proffer payments for projects/initiatives that may not be completed should be considered for possible escheatment, or potential reallocation, according to Virginia Code § 15.2-2303.2. However, FCPA interpretation of aging has been based on § 15.2-2303.2.A, which specifies that the timeframe for using said funds begins at the point that cash proffer payments were received and not on the date that the rezoning approval was granted. In fact, there are numerous rezoning cases approved by the Board of Supervisors years, and sometimes decades

**Fairfax County
Office of Financial and Program Audit**

before development conditions are met that will trigger any payments (e.g. the first proffer payment listed in Appendix A was actually received by FCPA in 2019, which is the date that the clock starts ticking for usage, rather than the BOS approval date back in 1988). Further, proffer payments made may be for a project that is much larger than the individual payment and that payment may be combined with other funding sources to complete the project or initiative identified in the original proffer statement. With these parameters in mind, FCPA will continually review any aged proffer payments and will keep the status updated on the associated proffer payments, based on the date that the proffer payment was received. FCPA is currently coordinating with OCA on the proper processes to ensure that § 15.2-2303.2.C is followed regarding contacting original developers who submitted the proffer and/or going through a public process to request proffer payments be used for a different purpose, when the original purpose is no longer a going concern.

**Fairfax County
Office of Financial and Program Audit**

Appendix A

FCPA Cash Proffers Balances (as of 3/23/21): Aged 2015 & Older - Count: 43 Data Sources for Developer Status: Virginia Company Website/Open Corporates Website								
DE Number	BOS Apprvl	Proffer Age - Years	Developer Name	Developer Status	Orig Proffer Amount	Expense'd	Commit'd Amount	Current Balance
DE13104 DE13102	4/28/1988	32.92	Renaissance Housing Corp	Inactive	\$14,400.00	\$0.00	\$0.00	\$14,400.00
DE13870	2/3/1998	23.15	Centex Homes	Active	\$5,330.00	\$0.00	\$0.00	\$5,330.00
DE35886	12/7/1998	22.31	Madison Homes	Active	\$5,600.00	\$0.00	\$0.00	\$5,600.00
DE14460	1/24/2000	21.18	Landmark Prop Dvlpmnt Corp	Active	\$12,217.00	\$0.00	\$0.00	\$12,217.00
DE14785	5/22/2000	20.85	Hearthstone Vanguard JV	Inactive	\$19,500.00	\$476.00	\$0.00	\$19,024.00
DE14511	6/26/2000	20.75	Ivy Dvlpmnt LC	Active	\$25,200.00	\$9,039.00	\$16,074.00	\$87.00
DE14754	9/10/2001	19.55	South STA LLC	Active	\$2,050.00	\$0.00	\$0.00	\$2,050.00
DE14671	7/1/2002	18.74	Lewinsville Road Investors LLC	Inactive	\$1,000.00	\$0.00	\$0.00	\$1,000.00
DE36478	10/1/2002	18.49	Spring Hill Seniors LLC	Inactive	\$44,277.00	\$0.00	\$0.00	\$44,277.00
DE50637	1/6/2003	18.22	Park Crest SPE PH 1 LLC	Inactive	\$58,810.00	\$0.00	\$0.00	\$58,810.00
DE50638	1/6/2003	18.22	West Group Properties	Inactive	\$60,000.00	\$30,786.00	\$0.00	\$29,214.00
DE14894	2/10/2003	18.13	S & R Developers INC	Inactive	\$4,305.00	\$2,597.46	\$0.00	\$1,707.54
DE50676	5/5/2003	17.90	Fair Ridge LLC	Inactive	\$60,000.00	\$0.00	\$0.00	\$60,000.00
DE51697-01	5/5/2003	17.90	Spring Hill Seniors LLC	Inactive	\$60,000.00	\$0.00	\$0.00	\$60,000.00
DE50581	10/20/2003	17.44	Christopher Mngmnt INC	Active	\$7,375.00	\$0.00	\$0.00	\$7,375.00
DE50837	3/29/2004	16.99	Spring Hill Seniors LLC	Inactive	\$44,312.30	\$0.00	\$0.00	\$44,312.30
DE50713	3/29/2004	16.99	James S. Audia / Manuel G. Serra	Homeowners	\$17,964.00	\$0.00	\$0.00	\$17,964.00
DE50762/61	9/13/2004	16.53	Ntnl Cap Land Dvlpmnt INC	Active	\$54,520.00	\$44,358.08	\$0.00	\$10,161.92
DE52149 / Others	10/18/2004	16.44	TST Woodland LLC	Inactive	\$62,925.32	\$0.00	\$0.00	\$62,925.32
DE52207 / Others	10/18/2004	16.44	TST Woodland LLC	Inactive	\$38,081.70	\$0.00	\$0.00	\$38,081.70
DE50694	3/21/2005	16.02	Ivy Dvlpmnt L.C	Active	\$6,496.00	\$5,175.39	\$0.00	\$1,320.61
DE52135	6/6/2005	15.81	Hayfield Animal Clinic, LTD	Active	\$6,095.00	\$0.00	\$0.00	\$6,095.00

Table Continued Below

**Fairfax County
Office of Financial and Program Audit**

Appendix A (Cont'd)

FCPA Cash Proffers Balances (as of 3/23/21): <i>Aged 2015 & Older - Count: 43</i> Data Sources for Developer Status: <i>Virginia Company Website/Open Corporates Website</i> Table Cont'd from Above								
DE Number	BOS Apprvl	Proffer Age - Years	Developer Name	Developer Status	Orig Proffer Amount	Expense'd	Commit'd Amount	Current Balance
DE51703-01	7/31/2006	14.65	Brookfield Ridge Road LLC	Inactive	\$17,000.00	\$0.00	\$0.00	\$17,000.00
DE51135	1/22/2007	14.18	Tyson's Corner Holdings LLC	Active	\$100,000.00	\$26,000.00	\$0.00	\$74,000.00
DE51455	3/26/2007	14.00	Athena/Renaissance Reston LLC	Active	\$235,650.83	\$0.00	\$0.00	\$235,650.83
DE50133	5/17/2007	13.86	Brentwood Dulles Crnr LLC	Active	\$12,006.00	\$0.00	\$0.00	\$12,006.00
DE52162 DE52163	7/23/2007	13.68	Prospective Dvlpmnt Co, INC	Not Located	\$7,000.00	\$0.00	\$0.00	\$7,000.00
DE51867	9/24/2007	13.50	CRP GREP Fair Ridge Owner LC	Active	\$122,974.62	\$0.00	\$0.00	\$122,974.62
DE51668	5/25/2010	10.84	Comstock Reston STA Hldgs, LC	Active	\$533,826.56	\$472,775.88	\$59,218.62	\$1,832.06
DE39944	7/27/2010	10.66	Scannell Props #117	Active	\$57,100.00	\$23,841.74	\$0.00	\$33,258.26
DE51095	6/7/2011	9.80	WPPI Springfield HS, LLC	Inactive	\$32,400.00	\$0.00	\$0.00	\$32,400.00
DE51332	7/26/2011	9.67	Summits Oaks Sec 2, LLC	Inactive	\$13,075.00	\$0.00	\$0.00	\$13,075.00
DE50215	2/26/2013	8.07	8921 Props, LLC	Active	\$2,500.00	\$0.00	\$0.00	\$2,500.00
DE51815	4/30/2013	7.90	Arlington Blvd Dvlpmnt, LLC	Inactive	\$176,000.00	\$172,607.00	\$0.00	\$3,393.00
DE52122	9/24/2013	7.50	HITT Contracting, INC	Active	\$2,354.00	\$0.00	\$0.00	\$2,354.00
DE52367	1/14/2014	7.19	Eastwood Properties, INC	Active	\$34,013.01	\$0.00	\$0.00	\$34,013.01
DE51999	6/3/2014	6.81	The Alexander Company INC	Active	\$5,000.00	\$0.00	\$0.00	\$5,000.00
DE51677	12/2/2014	6.31	NVR, INC.	Active	\$117,071.95	\$83,371.37	\$33,260.58	\$440.00
DE51895	1/27/2015	6.16	Mcshay at Royal Ridge LLC	Active	\$116,090.00	\$82,469.00	\$0.00	\$33,621.00
DE51728	5/12/2015	5.87	Ausable LLC	Inactive	\$38,987.09	\$0.00	\$0.00	\$38,987.09
DE52366	6/2/2015	5.81	Trinity Land LLC	Active	\$43,049.00	\$0.00	\$0.00	\$43,049.00
DE52104	7/28/2015	5.66	The Evergreene Companies LLC	Active	\$8,656.18	\$0.00	\$0.00	\$8,656.18
DE51956	10/20/2015	5.43	Commonwealth Centre	Active	\$175,000.00	\$0.00	\$0.00	\$175,000.00
Totals:					\$2,460,212.56	\$953,496.92	\$108,553.20	\$1,398,162.44

**Fairfax County
Office of Financial and Program Audit**

FCPA AGED CASH PROFFERS WITH COMMITTED AMOUNTS

Risk Ranking

HIGH

We reviewed the full population of FCPA cash proffers which revealed aged items with committed amounts and developers that may require agency follow-up. Total cash proffer committed balances tracked by FCPA are ~**\$2.38M**. We data-mined the FCPA cash proffers report, extracting items 2015 and older. We identified **53** aged cash proffers with individual committed balances ranging from ~\$1.02 - \$550k between calendar years 1986 to 2015 based on Board Approval Dates. Post fieldwork we discussed the use of agency receipt date of proffer monies, using this data we identified 23 proffers with no receipt dates and 11 proffers aged past 2015. Additionally, 25 of the developers sampled in this section of the study were inactive. The **53** aged cash proffer balances based on Board Approval Dates represent ~**\$1.89M** or ~**79%** of the total tracked committed balance. These funds have been committed to these proffers without activity between **6 to 2,675 days**. The full list of FCPA aged cash proffers with committed balances identified are in **Appendix B**. This is a summary of the proffer committed balances:

Summary <i>FCPA Aged Cash Proffers w/Committed Balances 2015 & Older</i>			
BOS Approval Years	Aged Years	Count	Committed Balances
1986	34.70 Yrs	2	\$20,194.64
1991 - 1999	21.54 - 29.79 Yrs	15	\$117,781.28
2000 - 2007	13.45 - 21.08 Yrs	28	\$589,183.37
2011 - 2015	5.43 - 9.67 Yrs	8	\$1,162,440.91
Totals:		53	\$1,889,600.20

In the current study, **28 out of 53** aged cash proffers were not included in our prior study totaling ~**\$1.58M** that are between **5.43 to 34.70** years old. Additionally, **25 out of 53** aged cash proffers were included in our prior study totaling ~**\$308k** that are between **15.35 to 23.05** years old. These items remain unresolved.

Also included in our current analysis was a review of proffer developers' operating status. This review was performed on all **53** aged cash proffers with committed amounts identified. Proffer statements and staff research were used to identify developer names. We utilized three different resources to identify developer operating status: Virginia Company Website, Open Corporates Website, and developer default program staff. **22 out of 53** of the developers were active, **25 out of 53** were inactive, **3 out of 53** are homeowners (*non-businesses*), and **3 out of 53** could not be located. The full details of developer names and operating statuses for the proffers reviewed are in **Appendix B**.

Item of Note: Developers' status assessments may require additional work as the analysis was based on the two websites mentioned above using name searches for a large portion of the testing. Companies may: merge, be acquired, or go through name changes. Therefore, additional agency work may be required to

**Fairfax County
Office of Financial and Program Audit**

address the recommendation below. 58 developers were reviewed by staff from the developer default program. Given the volume of developers reviewed, the remainder of the full population of developers were reviewed by OFPA. For proffers and escrows with inactive developers, we recommend the agency liaise with the County Attorney on how to address the stewardship of these funds.

Recommendation

We recommend staff perform an analysis to assess the status of these aged proffer committed balances, no receipt date of proffer monies, and inactive or not located developers for possible future use of funds. If projects are no longer considered to be a going concern or completed; staff should review the outstanding committed balance to determine if the monies can be repurposed, escheated, or returned to the developer. Upon completion, FCPA should liaise with the appropriate agencies (e.g., DOF, OCA) to take the appropriate action based on the analysis.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Sara Baldwin (FCPA, Director)	8/15/2021	Sara.Baldwin@fairfaxcounty.gov
Michael Peter (FCPA, Dir. of Bus. Admin.)		Michael.Peter@fairfaxcounty.gov
Shashi Dua (FCPA, Fin. Spec. IV)		Shashi.Dua@fairfaxcounty.gov
Beth Teare (County Attorney)		Elizabeth.Teare@fairfaxcounty.gov
Chris Pietsch (DOF, Director)		Christopher.Pietsch@fairfaxcounty.gov

MANAGEMENT RESPONSE:

FCPA will review the balances and provide an update on the status. FCPA is using Virginia Code § 15.2-2303.2 as the guide for determining the aging of these proffer payments and, by those standards, will continue to review and update as necessary. FCPA is committed to ensuring that the improvements for which proffer payments were made are completed in a timely manner. When individual payments are pieced together to support a large project that is being built or modified because of the increased usage due to development (e.g. new athletic playing fields), it often takes time to pool the funding, plan, design, and build the project. For the items listed in Appendix B and similar items in the ongoing business of FCPA, staff will review open encumbrances and update the status to identify next steps.

**Fairfax County
Office of Financial and Program Audit**

Appendix B

FCPA Cash Proffers w/Committed Amounts (as of 3/23/21): Aged 2015 & Older - Count: 53 Data Sources for Developer Status: FOCUS/Virginia Company Website/Open Corporates Website										
DE Number	BOS Apprvl	Proffer Age - Years	Developer Name	Developer Status	Date of Last Financial Activity	Days Since Last Fin. Actv. (as of 5/11/21)	Orig Proffer Amount	Expense'd	Commit'd Amount	Current Balance
DE51293	7/10/2012	8.71	Insight Property Group, LLC	Active	5/4/2021	7	\$339,628.61	\$313,213.83	\$26,414.78	\$0.00
DE50745	11/21/2005	15.35	Renaissance Housing Corp.	Inactive	12/26/2020	136	\$85,831.00	\$83,335.03	\$2,495.97	\$0.00
DE13286	3/17/1993	28.04	MVE Corp 1611	Not Located	4/14/2020	392	\$5,500.00	\$5,375.90	\$124.10	\$0.00
DE14653	10/1/2001	19.49	Ald Group, Inc.	Inactive	5/4/2021	7	\$30,000.00	\$29,739.87	\$260.13	\$0.00
DE13350	6/17/1991	29.79	K. Hovonian	Active	1/8/2021	123	\$5,100.00	\$5,098.98	\$1.02	\$0.00
DE32608	7/21/1986	34.70	Penderbrook LP	Active	5/5/2021	6	\$26,324.00	\$17,229.36	\$9,094.64	\$0.00
DE13125	7/21/1986	34.70	YWCA National Capital Area INC	Not Located	5/5/2021	6	\$11,100.00	\$0.00	\$11,100.00	\$0.00
DE14207	12/14/1992	28.29	Pulte Home Corp	Inactive	4/28/2020	378	\$7,958.00	\$5,458.00	\$2,500.00	\$0.00
DE13820 & Others	8/8/1994	26.64	Centex Homes	Inactive	3/5/2021	67	\$48,555.48	\$0.00	\$48,555.48	\$0.00
DE13801	8/8/1994	26.64	Centex Homes	Inactive	6/16/2020	329	\$7,376.88	\$4,122.58	\$3,254.30	\$0.00
DE13394	10/13/1994	26.46	Batman/McNair Associates LP	Inactive	6/24/2020	321	\$3,000.00	\$0.00	\$3,000.00	\$0.00
DE13478	10/13/1995	25.46	Rocks Engineering	Active	6/24/2020	321	\$33,800.00	\$20,474.00	\$13,326.00	\$0.00
DE13692	3/7/1997	24.06	WNB Corporation	Inactive	1/8/2021	123	\$12,000.00	\$10,450.00	\$1,550.00	\$0.00
DE14468	6/9/1997	23.80	Eastwood Properties, Inc.	Active	12/6/2019	522	\$7,350.00	\$1,888.72	\$5,461.28	\$0.00
DE14005	3/9/1998	23.05	Madison Homes, Inc.	Active	1/13/2014	2,675	\$14,674.00	\$9,503.00	\$5,171.00	\$0.00
DE50644	5/11/1998	22.88	Fairland Dvlpmnt & Invstmnt Corp.	Inactive	No Proj Activity	N/A	\$5,000.00	\$0.00	\$5,000.00	\$0.00
DE50077	7/27/1998	22.67	Coscan Washington, INC.	Not Located	No Proj Activity	N/A	\$19,500.00	\$0.00	\$19,500.00	\$0.00
DE50707	3/8/1999	22.06	Keswick Homes LLC	Inactive	No Proj Activity	N/A	\$1,550.00	\$0.00	\$1,550.00	\$0.00
DE50068	3/22/1999	22.02	Jade Dunn Loring Metro LLC	Inactive	No Proj Activity	N/A	\$8,412.00	\$0.00	\$8,412.00	\$0.00
DE14791	9/13/1999	21.54	Charles J Becherer Marie E Becherer	Homeowners	9/8/2015	2,072	\$5,730.00	\$5,353.90	\$376.10	\$0.00
DE14526	2/28/2000	21.08	Wallace B Bowman & Louise E Bowman	Homeowners	1/8/2021	123	\$4,221.00	\$1,018.30	\$3,202.70	\$0.00
DE14673	1/8/2001	20.22	Landmark Prprty Dvlpmnt, LLC	Active	3/9/2018	1,159	\$36,290.00	\$27,920.39	\$8,369.61	\$0.00
DE14731	3/19/2001	20.02	Keystone LLC	Active	7/1/2015	2,141	\$8,405.00	\$0.00	\$8,405.00	\$0.00
DE50623/22	5/20/2002	18.85	Pulte Home Corporation	Inactive	No Proj Activity	N/A	\$45,551.00	\$0.23	\$45,550.77	\$0.00
DE37531	11/18/2002	18.36	Plaseied Associates - Badreddin Plaseied	Inactive	No Proj Activity	N/A	\$2,210.00	\$0.00	\$2,210.00	\$0.00
DE50070	12/9/2002	18.30	Rocky Gorge Homes LLC	Active	1/8/2021	123	\$35,335.00	\$28,357.38	\$6,977.62	\$0.00
DE50552	6/16/2003	17.78	OMR, LLC	Inactive	7/1/2015	2,141	\$26,400.00	\$0.00	\$26,400.00	\$0.00

Table Continued Below

**Fairfax County
Office of Financial and Program Audit**

Appendix B (Cont'd)

FCPA Cash Proffers w/Committed Amounts (as of 3/23/21): Aged 2015 & Older - Count: 53 Data Sources for Developer Status: FOCUS/Virginia Company Website/Open Corporates Website Table Cont'd from Above										
DE Number	BOS Apprvl	Proffer Age - Years	Developer Name	Developer Status	Date of Last Financial Activity	Days Since Last Fin. Actv. (as of 5/11/21)	Orig Proffer Amount	Expense'd	Commit'd Amount	Current Balance
DE50608	9/29/2003	17.49	National Cap Land & Dvlpmnt, INC.	Active	No Proj Activity	N/A	\$19,179.68	\$0.00	\$19,179.68	\$0.00
DE50575	2/9/2004	17.13	Windsor Land Development LLC	Inactive	4/10/2020	396	\$3,650.27	\$3,496.03	\$154.24	\$0.00
DE50698	3/15/2004	17.03	Beazer Homes Corporation	Inactive	11/12/2020	180	\$150,000.00	\$9,607.18	\$140,392.82	\$0.00
DE50545	4/26/2004	16.92	Stanley Martin Companies, INC.	Inactive	7/1/2015	2,141	\$31,515.00	\$19,209.99	\$12,305.01	\$0.00
DE50679	4/26/2004	16.92	Stanley Martin Companies, INC.	Inactive	7/1/2015	2,141	\$28,809.00	\$0.00	\$28,809.00	\$0.00
DE50645	10/18/2004	16.44	Eastwood Properties, Inc.	Active	No Proj Activity	N/A	\$3,444.00	\$0.00	\$3,444.00	\$0.00
DE50673	11/5/2004	16.39	Stanley Martin Cos	Active	6/30/2017	1,411	\$46,640.00	\$15,202.00	\$31,438.00	\$0.00
DE50577	11/15/2004	16.36	Poplar Tree LLC	Inactive	No Proj Activity	N/A	\$42,665.00	\$0.00	\$42,665.00	\$0.00
DE50728 & DE50727	8/1/2005	15.65	Ivy Dvlpmnt Lc	Active	7/1/2015	2,141	\$11,920.00	\$0.00	\$11,920.00	\$0.00
DE50770	8/1/2005	15.65	Cranford Street LLC	Inactive	No Proj Activity	N/A	\$27,030.00	\$21,018.00	\$6,012.00	\$0.00
DE50979	8/1/2005	15.65	Robert A. Young Of Tysons 89, Llc	Inactive	12/6/2019	522	\$7,950.00	\$1,805.52	\$6,144.48	\$0.00
DE50775	9/12/2005	15.54	Sam H. Chung and Song H. Chung	Homeowners	6/30/2017	1,411	\$6,360.00	\$5,042.00	\$1,318.00	\$0.00
DE50820	11/21/2005	15.35	Bo-Bud Residential, Llc	Active	6/30/2017	1,411	\$6,360.00	\$0.00	\$6,360.00	\$0.00
DE50737	11/21/2005	15.35	Eastwood Properties, INC.	Active	6/28/2019	683	\$23,596.00	\$18,921.00	\$4,675.00	\$0.00
DE50106	3/27/2006	15.00	Pulte Home Corporation	Inactive	12/4/2020	158	\$25,000.00	\$7,935.00	\$17,065.00	\$0.00
DE51770	7/31/2006	14.65	Brookfield Ridge Road, LLC	Inactive	No Proj Activity	N/A	\$19,100.00	\$0.00	\$19,100.00	\$0.00
DE51238	12/4/2006	14.31	Dunn Loring Metro, LLC	Active	12/6/2019	522	\$23,951.00	\$16,657.38	\$7,293.62	\$0.00
DE51490	1/22/2007	14.18	Tysons Corner Holdings LLC	Active	5/4/2021	7	\$240,883.32	\$125,803.75	\$115,079.57	\$0.00
DE50132	10/15/2007	13.45	DSF Long Metro III LLC	Inactive	1/8/2021	123	\$225,000.00	\$213,043.85	\$11,956.15	\$0.00
MULTIPLE	7/26/2011	9.67	Summit Oaks Section 2, LLC	Inactive	5/4/2021	7	\$2,056.01	\$0.00	\$2,056.01	\$0.00
DE51598	1/8/2013	8.21	Eleven Oaks, LLC	Active	3/6/2020	431	\$50,401.71	\$41,639.00	\$8,762.71	\$0.00
DE51737	4/30/2013	7.90	Bozzuto/Veatch - RPB&M LLC and Section 913	Active	2/5/2021	95	\$751,906.00	\$201,490.02	\$550,415.98	\$0.00
DE52028	1/14/2014	7.19	Penn-Daw Associates LP	Active	3/6/2020	431	\$112,510.25	\$102,274.00	\$10,236.25	\$0.00
DE52009	7/1/2014	6.73	Elm Street Residential, L.L.C.	Inactive	5/4/2021	7	\$203,682.35	\$75,218.06	\$128,464.29	\$0.00
DE51865	7/28/2015	5.66	NR Preserve Prprty Owner LLC	Active	5/4/2021	7	\$608,958.33	\$226,719.49	\$382,238.84	\$0.00
DE52097	10/20/2015	5.43	JLB Realty LLC	Active	No Proj Activity	N/A	\$53,852.05	\$0.00	\$53,852.05	\$0.00
Totals:							\$3,563,221.94	\$1,673,621.74	\$1,889,600.20	\$0.00

**Fairfax County
Office of Financial and Program Audit**

FCPA CASH PROFFERS PROJECT STATUS

Risk Ranking

MEDIUM

We selected a sample of **21 (or 49%)** of FCPA open cash proffers from a full population of **43**. We reviewed these proffers to assess the project status. The proffers reviewed were extracted from the full proffer population based on items aged past 13 years using Board Approval Dates. **2 out of 21** proffers were active or completed projects and excluded from our testing. The remaining **19 out of 21** proffers are aged past 13 years with no active projects or current activity. **17 out of 19 (or 89%)** had no activity since the inception of the proffers. Inactivity for these proffers range between **13.5 to 32.92** years. For **2 out of 19 (or 11%)** the most recent activity was 2 years ago. Post fieldwork we discussed the use of agency receipt date of proffer monies, using this data we identified 6 proffers with no receipt dates. Additionally, 10 of the developers sampled in this section of the study were inactive. The balance of these **19** proffers is **~\$869k**, aged between **13.5 to 32.92** years based on Board Approval Dates.

Recommendation

We recommend staff review the **19** proffers for reasons with no activity, no receipt date of proffer monies, and inactive or not located developers for possible future use of funds. Staff should perform an analysis on these proffers to determine if the funds can be repurposed, escheated, or returned to the developer if the project is no longer considered to be a going concern.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Sara Baldwin (FCPA, Director)	8/15/2021	Sara.Baldwin@fairfaxcounty.gov
Michael Peter (FCPA, Dir. of Bus. Admin.)		Michael.Peter@fairfaxcounty.gov
Shashi Dua (FCPA, Fin. Spec. IV)		Shashi.Dua@fairfaxcounty.gov

MANAGEMENT RESPONSE:

FCPA will continue to work with OCA to clean aging balances, according to the law, and to update statuses on projects that have yet to begin.

**Fairfax County
Office of Financial and Program Audit**

FCPA COMPLETED CASH PROFFERS – NO EXCEPTIONS TO REPORT

Risk Ranking

FOR INFORMATIONAL PURPOSES ONLY

We performed a review on a sample of FCPA completed cash proffers to assess the following areas: reconciliation of drawdowns to zero balances, use of funds per proffer statement, expenditure authorizations & proffer close-out. Our sample size was **15** out a full population of **387** completed proffers. The original proffer amounts for the **15** reviewed ranged between **~\$22k to ~\$525k**. The results of our review are below:

FCPA Completed Cash Proffers: <i>Testing - Sample Count: 15 - PFAW</i> Fully Expensed Proffers							
DE Number	Proffer Amt. Rec'd to Date	Expense Amount	Current Balance	Drawdowns Reconcile to Current Balance	Funds Properly Used	Proffer Close-Out Memo Complete	Proffer Closed-Out in Financial System
DE52096	\$525,141.45	\$525,141.45	\$0.00	Expenditures Reconciled	General Use Proffer Used in District Per Proff Statement	Funds Authorization & Close-Out Memos Complete	Cleared in FOCUS w/ Cap Imprv Bal of \$651,399 Cmbnd w/other proffers
DE51924	\$189,994.12	\$189,994.12	\$0.00	Expenditures Reconciled	General Use Proffer Used in District Per Proff Statement	Funds Authorization & Close-Out Memos Complete	Cleared in FOCUS w/Cap Imprv Bal of \$451,655.12 Cmbnd w/other proffers
DE14884	\$133,393.00	\$133,393.00	\$0.00	Expenditures Reconciled	General Use Proffer Used in District Per Proff Statement	Funds Authorization & Close-Out Memos Complete	Cleared in FOCUS w/Cap Imprv Bal of \$451,655.12 Cmbnd w/other proffers
DE51740	\$123,549.90	\$123,549.90	\$0.00	Expenditures Reconciled	General Use Proffer Used in District Per Proff Statement	Funds Authorization & Close-Out Memos Complete	Cleared in FOCUS w/Cap Imprv Bal of \$651,399 Cmbnd w/other proffers
DE51767	\$107,102.00	\$107,102.00	\$0.00	Expenditures Reconciled	General Use Proffer Used in District Per Proff Statement	Funds Authorization & Close-Out Memos Complete	Cleared in FOCUS w/Cap Imprv Bal of \$451,655 Cmbnd w/other proffers
DE13695	\$58,559.00	\$58,559.00	\$0.00	Expenditures Reconciled	Earmarked Proffer Used Per Proff Statement	Funds Authorization & Close-Out Memos Complete	Cleared in FOCUS
DE51788	\$49,939.84	\$49,939.84	\$0.00	Expenditures Reconciled	General Use Proffer Used in District Per Proff Statement	Funds Authorization & Close-Out Memos Complete	Cleared in FOCUS w/Cap Imprv Bal of \$50,089.57 Cmbnd w/other proffers

Table Continued Below

**Fairfax County
Office of Financial and Program Audit**

FCPA Completed Cash Proffers: <i>Testing - Sample Count: 15 - PFAW</i> <i>Fully Expensed Proffers</i> <i>Table Cont'd from Above</i>							
DE Number	Proffer Amt. Rec'd to Date	Expense Amount	Current Balance	Drawdowns Reconcile to Current Balance	Funds Properly Used	Proffer Close-Out Memo Complete	Proffer Closed-Out in Financial System
DE51896	\$40,000.00	\$40,000.00	\$0.00	Expenditures Reconciled	General Use Proffer Used in District Per Proff Statement	Funds Authorization & Close-Out Memos Complete	Cleared in FOCUS w/Cap Imprv Bals of \$27,658 & \$12,342 Funds Used on Two Projects
DE14577	\$26,868.00	\$26,868.00	\$0.00	Data Missing from FAMIS Cannot Reconcile / PFAW	Earmaked Proffer Used Per Proff Statement	Funds Authorization & Close-Out Memos Complete	Cleared in FOCUS
DE51084	\$21,856.00	\$21,856.00	\$0.00	Expenditures Reconciled	General Use Proffer Used in District Per Proff Statement	Funds Authorization & Close-Out Memos Complete	Cleared in FOCUS w/Cap Imprv Bal of \$39,513.57 Cmbnd w/other proffers
DE51688	\$301,681.79	\$301,681.79	\$0.00	Expenditures Reconciled	Earmaked Proffer Used Per Proff Statement	Funds Authorization & Close-Out Memos Complete	Cleared in FOCUS
DE14261	\$75,656.00	\$75,656.00	\$0.00	Data Missing from FAMIS Cannot Reconcile / PFAW	General Use Proffer Used in District Per Proff Statement	Funds Authorization & Close-Out Memos Complete	Cleared in FOCUS w/Cap Imprv Bals of \$52,754; \$23,094.19; \$11,043.50 Funds Used on Mltpl Projs
MULTIPLE	\$63,444.42	\$63,444.42	\$0.00	Expenditures Reconciled	General Use Proffer Used in District Per Proff Statement	Funds Authorization & Close-Out Memos Complete	Cleared in FOCUS w/Cap Imprv Bal of \$63,444.42 Cmbnd w/other proffers
DE51825	\$50,008.00	\$50,008.00	\$0.00	Expenditures Reconciled	General Use Proffer Used in District Per Proff Statement	Funds Authorization & Close-Out Memos Complete	Cleared in FOCUS w/Cap Imprv Bal of \$50,008
DE50832	\$40,110.00	\$40,110.00	\$0.00	Expenditures Reconciled	Earmaked Proffer Used Per Proff Statement	Funds Authorization & Close-Out Memos Complete	Cleared in FOCUS w/Cap Imprv Bal of \$59,158 Cmbnd w/other proffers

All **15** completed cash proffers were closed-out in FOCUS and internally. Through our testing we gained reasonable assurance that the funds were used appropriately per the proffer statements and the projects were properly closed. **2 out of 15 (or 13%)** of the FCPA completed cash proffers, could not be reconciled to a zero balance from the original proffer amount. The data to support the analysis for these two items was originally housed in FAMIS and is no longer available. These two proffers included close-out memos. PFAW

The close-out memos were completed based on our recommendation in the prior study.

Fairfax County
Office of Financial and Program Audit

DPWES CASH PROFFERS STUDY

OVERVIEW AND UPDATES

The results of this study may not highlight all the risks/exposures, process gaps, revenue enhancements and/or expense reductions which could exist. Items reported are those which could be assessed within the scheduled timeframe, and overall organization's data-mining results. **Office of Financial and Program Audit (OFPA's) studies** are facilitated through several processes such as: sample selections, compliance support documentation and various testing approaches. There are several types of studies performed by OFPA, e.g.: performance, operational, financial, compliance, etc. To that end, it is important to note OFPA staff reserves the option to perform a holistic financial and analytical data-mining process on all data for the organization being reviewed where appropriate. This practice is most often employed to perform reviews for highly transactional studies.

Our office performed proffer and escrow studies four years ago in June and September 2017 whereby we noted several recommendations made across four agencies. This quarter's studies covered three of the previously reviewed agencies. The results of this report revealed significant improvements in tracking, escheating, returning and repurposing funds for proffers and escrows across these agencies. We did note one agency whereby all proffers are current as of 2018.

Cash Proffers are part of the rezoning process in Fairfax County. As part of this process, private developers, and individual property owners proffer funds with conditions which sometimes limits how the funds will be used. At the time of the Department of Public Works and Environmental Services (DPWES) Proffer review, June 2017, there were no proffer balances. This quarter the DPWES Proffer Study included two divisions: Capital Facilities and Stormwater Management. The balances for Capital Facilities and Stormwater are **~\$14.46M** and **\$777k**, respectively.

At the time of this study, there were **17** active cash proffers aged between calendar years 2018-2021. There were no excessively aged proffers or balances to review for this study. Testing was therefore limited to proffer drawdowns, project status, and revenue recognition for this section of the study.

Based on the support provided and discussions with DPWES staff, there were no reportable items identified in this study. We did document our testing results of the Capital Facilities and Stormwater cash proffers below in two "For Informational Purposes Only" report-out tables. Included in these report-out tables is the testing performed, support provided by staff, and the list of proffers with balances.

INFORMATIONAL TABLES

The following tables detail background information on the analyses performed.

**Fairfax County
Office of Financial and Program Audit**

CAPITAL FACILITIES OPEN CASH PROFFERS – NO EXCEPTIONS TO REPORT

Risk Ranking

FOR INFORMATIONAL PURPOSES ONLY

We performed a review on the full population of Capital Facilities open cash proffers. At the time our review, there were **9** open cash proffers totaling ~**\$14.46M** between calendars years 2018 – 2021. This study included reviews of the following areas: the reconciliation of drawdowns to proffer balances, use of proffer funds, project status, and revenue recognition. Capital Facilities staff provided support for our testing to include proffer statements, proffer fund transfer documents, proffer balance drawdowns, and project statuses. Capital Facilities staff also informed us these proffers are earmarked for specific projects. The proffer monies are placed within specific project funds. Proffers with the same intended purpose are placed within the same project fund. The results of our review are below:

Capital Facilities Earmarked Cash Proffers: <i>Testing No Reportable Items For Informational Purposes Only</i>				
Project Name	DE Number	Fiscal Year	Project Number	Proffer Original Amt
RESIDENCES @ SPRING HILL STA	DE51363	2018	FS-000042	\$612,667.50
SPRING HILL STATION LB D-A2	DE51689	2018		\$804,484.85
DRANESVILLE DIST	DE50311	2019	2G25-067-000	\$17,286.00
SPRINGHILL SUBSTN PARCEL	NO DATA	2020	GF-000062	\$3,875,520.00
TYSONS EAST FS44 FUND	DE51707	2019	FS-000079	\$651,204.50
SCOTTS RUN STATION	DE50322	2021		\$5,368,976.60
SCOTTS RUN S ARCHER HOTEL	DE52261	2021		\$202,380.84
SCOTTS RUN STATION S JHNSN	DE52477	2021		\$719,670.00
SCOTTS RUN STATION NORTH	DE50323	2021		\$2,205,000.00
			Total:	\$14,457,190.29

Based on our review of the support and discussions with Capital Facilities staff, no reportable items were identified. Proffer drawdowns reconciled, proffer amounts reconciled to proffer statements, revenues properly recorded, and all projects were active. PFAW

**Fairfax County
Office of Financial and Program Audit**

STORMWATER OPEN CASH PROFFERS – NO EXCEPTIONS TO REPORT

Risk Ranking

FOR INFORMATIONAL PURPOSES ONLY

We performed a review on the full population of Stormwater open cash proffers. At the time our review, there were **8** open cash proffers totaling **~\$777k** between calendar years 2018 – 2021. This study included reviews of the following areas: reconciliation of proffer amounts to proffer statements, project status, and revenue recognition. Drawdown testing was not performed on these proffers as no financial activity exist. Stormwater staff provided support for our testing to include proffer statements, proffer funded program numbers, and project statuses. The results of our review are below:

Stormwater Open Cash Proffers: <i>Testing - PFAW</i> <i>No Reportable Items For Informational Purposes Only</i>			
Project Name	DE Number	Fiscal Year	Available Balance
CHANTILLY PARK APT	DE50076	2018	\$24,000.00
2018-0221TO: DPWES SW	DE13300	2018	\$20,000.00
EDGEWATER LB 2&3	DE13212	2018	\$2,500.00
2675 & 2677 PROSPERITY AVE	DE50231	2018	\$10,000.00
HIGHLAND TYSONS EAST BLD	DE52052	2019	\$101,357.99
TYSONS CORNER CNTR	DE51138	2019	\$50,000.00
SCOTTS RUN SO PUB IMPROV	DE51708	2019	\$434,136.00
SCOTTS RUN S PUB IMPROV	DE52260	2021	\$134,920.56
Total:			\$776,914.55

Based on our review of the support and discussions with Stormwater staff, no reportable items were identified. Proffer amounts reconciled to proffer statements, revenues were properly recorded, and all projects were open. PFAW

**Fairfax County
Office of Financial and Program Audit**

MARCH 2021 AC MEMBERS' INQUIRIES

AC MEMBER	INQUIRIES
Supervisor Storck	Provide detail on services provided to the City of Falls Church and Fairfax for shelter services, domestic violence, case management and hypothermia.
Management Staff Response: Thomas Barnett (OPEH / Deputy Director)	
<u>Case Management/Housing Location Program:</u> Homelessness Prevention, Rehousing Assistance, Case Management, & Street Outreach.	
<u>Domestic Violence:</u> Shelter, Lethality Assessment, Case Management, & Transitional Housing.	
<u>Emergency Shelter:</u> Food, Clothing, Other Basic Needs.	
<u>Hypothermia Prevention Program:</u> Shelter and Case Management.	
<u>Permanent Supportive Housing:</u> Case Management, Life Skills, & Other Activities.	
Supervisor Storck	Assess if there is a mechanism to track newly onboarded services to ensure these services are incorporated into the MOA and/or billing processes.
Management Staff Response: Marijke Hannam (DFS / Deputy Director)	
No tracking mechanism currently exists for newly onboarded services. DFS is in preliminary stages of discussing a process whereby new services provided are included in cost recovery efforts. As further discussions are held, DFS will provide our office with updates re: a process to track these services.	
Supervisor Lusk	Assess feasibility of obtaining full recovery of Aging Services to City of Fairfax.
Management Staff Response: Terri Byers (DFS / Finance Manager)	
The agreements include language re: "City share" and most methodologies outlined within the cities' MOA's for social services appear to seek full cost recovery, tracking and billing full client costs, and/or billing cities for services based on its percentage of population compared to the County's population.	
Supervisor Lusk	Assess feasibility of obtaining full recovery of Aging Services to City of Falls Church.
Management Staff Response: Terri Byers (DFS / Finance Manager)	
The agreements include language re: "City share" and methodologies outlined within the cities' MOA's for social services appear to seek full cost recovery, tracking and billing full client costs, and/or billing cities for services based on its percentage of population compared to the County's population. The Falls Church agreement states that it is "in support" of AAA Services and transportation for older adults but does not indicate full recovery.	
Supervisor Lusk	Assess opportunities to collect inspection fee payments through ecommerce.
Management Staff Response: John Walser (FCFRD / Battalion Chief)	
The new PLUS system currently being implemented has ecommerce functionality. OFM inspection fees could be transitioned to ecommerce barring any County or State policies re: notifications for invoicing. Staff will be working with the Department of Finance (DOF) to review these policies prior to transitioning inspection fees to ecommerce.	
Supervisor Lusk	Include FCDOT Proffers in next quarter's Proposed AC Workplan.
Management Staff Response: Jim Shelton (Auditor of the Board)	
A review of the Fairfax County Department of Transportation (FCDOT) Cash Proffers has been included in next quarter's (September 2021) Proposed Audit Committee Work Plan.	

**Fairfax County
Office of Financial and Program Audit**

Citizen Member Les Myers	Assess if other service charges have remained unchanged for extended periods. Possible approach, review MOAs/General Service Agreements.
Management Staff Response: Jim Shelton (Auditor of the Board)	
This inquiry will be addressed through an incremental process whereby a select group of MOUs and agencies will be reviewed each quarter. This quarter's workplan will start the process by reviewing MOUs that may exist for the agencies being reviewed.	
Supervisor Storck	Benchmark payment relief for Inmate Room & Board charges.
Management Staff Response: OFPA	
OFPA contacted 10 Adult Detention Centers (ADC) located throughout Virginia to identify inmate room & board charge management practices. The results are:	

Inmate Room and Board: Virginia Comparative Analysis - <i>Summary of 10 Adult Detention Centers (ADC) Reviewed</i> Objective: To assess Inmate Room & Board Collection Processes Across VA						
Jurisdiction Count (Footnote 1)	ADC w/Active Collections (Footnote 2)	ADC % w/Active Collections	ADC w/Passive Collections (Footnote 3)	ADC % w/Passive Collections	ADC w/o Rspns/Chrgs	ADC % w/o Rspns/Chrgs
21	3	30%	3	30%	4	40%

Footnotes:

- 1) Some ADC's house inmates and collect inmate room & board for several jurisdictions.
- 2) ADC's actively bills and collects inmate room & board charges.
- 3) ADC's bill but only collect inmate room & board charges upon inmates return to the ADC.

Inmate Room and Board: Virginia Comparative Analysis - <i>Sample of 10 Adult Detention Centers Reviewed</i> Objective: To assess Inmate Room & Board Collection Processes Across VA						
Revenue Collection Centers	Revenue Generating Jurisdictions	Jurisdiction Populations	Financial Tracking System	Current Outstanding Balances	Fiscal Year 2020 Collections	Collection Processes
Prince-William-Manassas Regional Adult Detention Center	Prince William County	461,423	Offender Management System	No Data	No Data	Passive Collections
	Manassas City	41,174				
	Manassas Park City	16,986				
Virginia Beach Correctional	Virginia Beach City/County	450,201	Offender Management System	~\$12M	No Data	Active Collections
Loudoun County Adult Detention Center	Loudoun County	395,134	Offender Management System	~\$185k	~\$17k	Passive Collections
Chesterfield County Jail	Chesterfield County	343,551	Lockdown System	No Data	No Data	Passive Collections
Hampton Roads Regional Jail	Portsmouth City/County	95,097	Keef System	~\$2.2M	No Data	Active Collections
	Norfolk City/County	244,601				
	Chesapeake City/County	239,982				
	Hampton City/County	135,041				
Rappahannock Regional Jail	Newport News City/County	179,673	Lockdown System	~\$8.5M	~\$65k	Active Collections
	Stafford County	146,773				
	Spotsylvania County	132,833				
	King George County	26,229				
City of Fredericksburg	28,622					
Richmond City Jail	Richmond City/County	226,622	No Inmate Room & Board Charges			
Alexandria Detention Center	Alexandria City/County	157,613	No Inmate Room & Board Charges			
Regional Jail West Regional Jail East	Henrico County	327,535	No Data	No Data	No Data	Unable to Reach POC
	Goochland County	22,865				
	New Kent County	21,686				
Arlington County Detention Center	Arlington County	233,464	No Data	No Data	No Data	Unable to Reach POC

**Fairfax County
Office of Financial and Program Audit**

Supervisor Lusk	Provide update on open prior period recommendations between 2015 and 2020. This information will be reported out in a table which includes agencies, target dates, and summarized management responses.
Management Staff Response: OFPA	
The open prior period recommendations statuses are below:	

OPEN PRIOR PERIOD RECOMMENDATIONS (2010 - 2021)					
Report MM/YY	Agency	Observation Topic	Recommendation Outline	Management Update	Target Implementation Date
Mar-21	DFS	City of FFX Aging Services Billings	Document/Update Aging Service Billing Amount	Work In-Progress	Sept. 30, 2021
Mar-21	DFS	City of Falls Ch. Aging Services Billings	Update Aging Service Billing Amount	Work In-Progress	Sept. 30, 2021
Mar-21	OPEH	Shelter Services Provided to Cities	Bring Shelters Into Billing & Collection Profile	Work In-Progress	Sept. 30, 2021
Mar-21	OPEH	Dmstc. Vlnc. Shelter Services Prvd. to Cities	Implement Billing Methodology	Work In-Progress	Sept. 30, 2021
Mar-21	OPEH	OPEH Case Mngmnt. Srvc. Prvd. to Cities	Implement Billing Methodology	Work In-Progress	Sept. 30, 2021
Mar-21	OPEH	Hypothermia Prvntn. Srvc. Prvd. to Cities	Implement Billing Methodology	Work In-Progress	Sept. 30, 2021
Mar-21	FCFRD	Busn. Potentially Op. W/O BPOL Records	Permit files to DTA & BPOL Apps. to Busn.	Coordination In-Progress	March 31, 2021
Mar-21	FCFRD	Expired Permit Exception Reporting	Enhance Exception Reporting	Enhancing Exceptn. Rprtng.	Sept. 30, 2021
Mar-21	FCFRD	Active Busn. W/Exp. Op. Permits	Bring Businesses Into Compliance	Reviewing Expired Permits	Sept. 30, 2021
Nov-20	DTA	Sales and Use Tax Revenue Review	Review the Periods of Decline	Follow-up Not Required	May 31, 2021
Sep-20	FCPD	Citation Coding Training for Field Officers	Initiate Citation Coding & E-Summons Training	Updates In-Progress	Apprvd. Ext. 6-15-21
Sep-20	FMD	Vacant/Open Space Acrg Mntrng & Anlys	Implement a Centralized Parcel Repository	Updating Parcels Info	June 30, 2021
Jun-20	FCPD	Handwritten Parking Citation Processing	Develop Handwritten Citation Reconciliation	Reviewing Vendor System	June 30, 2021
Jun-20	FCPD	Parking Citation Dismissals	Standardized Parking Citation Dismissals	Reviewing Vendor System	June 30, 2021
Jun-20	DMB	Integrated Pest Management Program	Review Unspent Balances	Reviewing Program Offset	February 28, 2022
Jun-20	DTA	Parking Citation Duplicate Payments	Create System Check Requirements.	iNovah & UPSafety Intg.	October 1, 2021
Mar-20	DOF	3rd-Party Uncollected Balances	Enhance Review Process for All Claims	Docs In-Progress	Sept. 30, 2021
Mar-20	DOF	Open Claims Validation	Perform Periodic Reviews to Enhance Oversight	Docs In-Progress	Sept. 30, 2021
Mar-20	DOF	Disbursement Oversight - CorVel	Develop Disbursements Review	Docs In-Progress	Sept. 30, 2021
Mar-20	DOF	Interagency Expense Reimbursements	Realign Interagency Reimbursements	Direct Billing w/DVS	December 31, 2021
Mar-20	DOF	Agency Claim Submissions	Review of Claims Submissions	Claims Reporting Enhcmt.	Sept. 30, 2021
Mar-20	DPWES	W/O Tracking & Assessment	Track Work Order Receipts	Following-Up	March 31, 2021
Mar-20	DPWES	Backlogged SW Mntnc. Reqsts.	Work Order Oversight	Following-Up	March 31, 2021
Mar-20	DMB	STW Offset to the General Fund	Review General Fund Offset	Reviewing Program Offset	February 28, 2022
Nov-19	LDS	Developer Default Projects Analysis	Implement Inactivity Reporting	Implementing Oversight	May 31, 2021

**Fairfax County
Office of Financial and Program Audit**

OPEN PRIOR PERIOD RECOMMENDATIONS (2010 - 2021) Cont'd					
Report MM/YY	Agency	Observation Topic	Recommendation Outline	Management Update	Target Implementation Date
Nov-19	LDS	Developer Default Project Oversight	Enhance Coding Methodology	Being Built in PLUS	August 31, 2022
Nov-19	LDS	Developers Financial Instruments Expr.	Enhance Financial Tracking	Being Built in PLUS	August 31, 2022
Oct-19	FCHD	FCHD Aged Receivables W/Os	Oversight: Receivables & Write-offs	EMR Implementation	June 30, 2021
Oct-19	FCHD	Late Fees Tracking	Oversight: Health Late Fees in EMR	EMR Implementation	June 30, 2021
Jun-19	DVS	Direct Issue Parts Tracking	Implmnt. a Tracking Process	Hiring Invntry. Pstn.	Apprvd. Ext. 6-15-21
Jun-19	DHCD	FCRP 3rd Party Contactor Oversight	Contractor Exp Support	Support In-Progress	June 30, 2021
Jun-19	DHCD	Rental Revenue Maximization	Review Rental Rates	COVID-19 Delays	June 30, 2021
Feb-19	SWMP	Expensed Repairs Under Warranty	Warranty Exp. Oversight	No Repairs to Date	March 1, 2020
Feb-19	SWMP	Approvals for Non-Preventative Repairs	SWMP High-Dollar Repairs	Policy Revision	Apprvd. Ext. 6-15-21
Feb-19	SWMP	Contractr Repair Invoices Not Sent to DVS	Contractor Repair Oversight	Finalization of Process	Apprvd. Ext. 6-15-21
Feb-19	SWMP	Part Inventory Maintained by the SWMP	Inventory Oversight	Staffing Delays	Apprvd. Ext. 6-15-21
Feb-19	FCDOT	Transit Dvlpmnt. Mthdly. Enhancement	Ridership Assessment	Docs In-Progress	Apprvd. Ext. 6-15-21
Feb-19	FCDOT	Farebox Revenue Audit Frequency	Collection Audits	Docs In-Progress	Sept. 30, 2021
Feb-19	FCDOT	Farebox Collections and Bank Deposits	Farebox Collection Oversight	Docs In-Progress	Apprvd. Ext. 6-15-21
Oct-18	FCPD	Telestaff System Utilized by FCPD	Time Reporting Oversight	Reviewing	March 31, 2021
Oct-18	Off of Sheriff	Lack of Source Doc for OT	Time Reporting Oversight	Concluding Testing	June 30, 2021
Oct-18	DMB/DOF	Travel Costs Coded as Misc. Exp.	Account Coding Enhancement	Reviewing Processes	July 1, 2021
Jun-18	FCHD	FOCUS Recon to Extrnl. Systms.	External Systems Recon	Work In-Progress	June 30, 2021
Feb-18	DTA	Intgrtd. Tax & Finance Systms.	DTA Interface to FOCUS	Work In-Progress	July 1, 2021
Feb-18	DIT	Standardized IT Contracts	Contract Standardization	Based on Legisaltion	July 1, 2021
Sep-17	FCDOT	Aged Proffer Blncs.	Cash Proffers Oversight	Work In-Progress	Apprvd. Ext. 6-15-21
Sep-17	FCDOT	FCDOT Cash Proffers Oversight	Cash Proffers Oversight	Docs In-Progress	Sept. 30, 2021
Sep-17	FCPD	Court Case Status Tracking	Court Case Oversight	Work In-Progress	June 30, 2021
Jul-15	DTA	Tax Recovery & Collection	FIPS Coding Oversight	Work In-Progress	July 1, 2021
Jul-15	DTA	Tax Recovery & Collection	Collections Oversight	Work In-Progress	July 1, 2021

Fairfax County
Office of Financial and Program Audit

ADDENDUM SHEET

OFPA (June 2021 /Agency Report and/or Debriefing)

6/15/2021

The table below lists discussions from the Audit Committee.

<i>Location in Report</i>	<i>Comments</i>
Page 6	<i>Audit Committee Request:</i> Evaluate the full population of escrows transferred from FAMIS using processes identified through resolving anomalies in the sample tested by OFPA. These processes should be used to create a timeline for completing the review for the full population of escrows transferred from FAMIS, the timeline will be presented at the next report out.
Pages 5 - 19	<i>Audit Committee Request:</i> LDS to provide a document flow of how the 4 (Escrows: Future Constructions/Bonds/Conservations, and Proffers) financial instruments are managed to address issues of aging balances, developers, and continued use of funds. This information will be presented at the next report out.

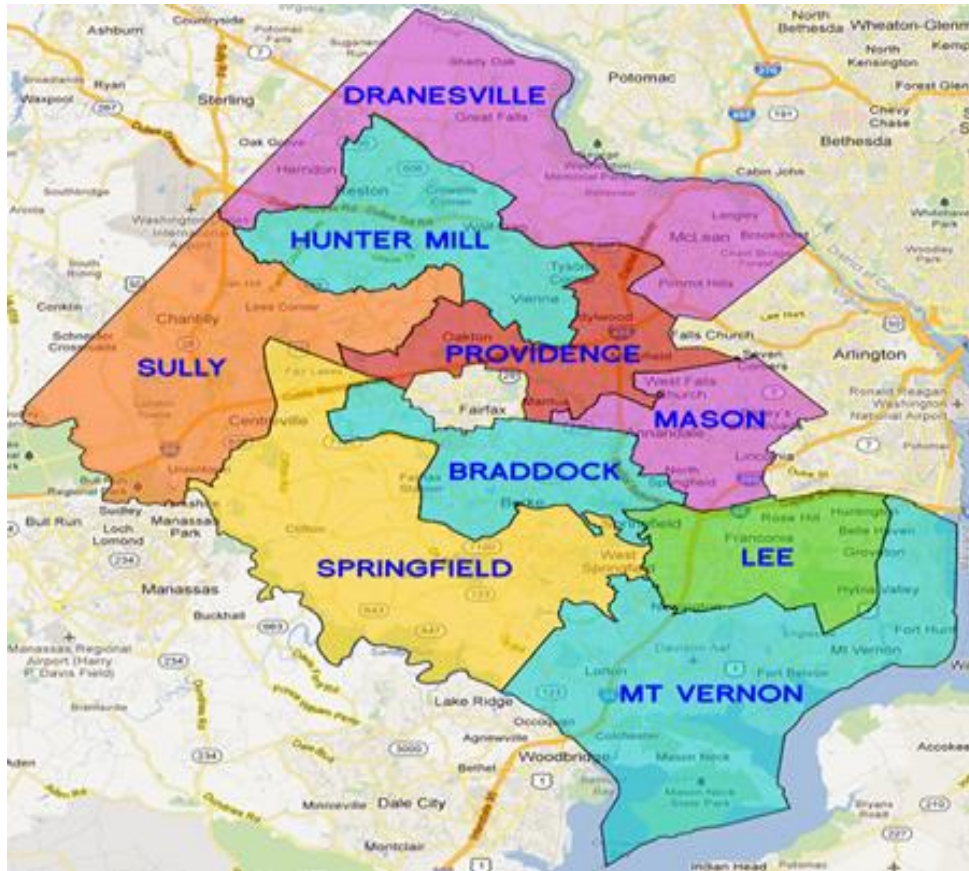
~End~

**Fairfax County
Office of Financial and Program Audit**

LIST OF ACRONYMS

AC	Audit Committee
ADC	Adult Detention Center
BOS	Board of Supervisors
DOF	Department of Finance
DPWES	Department of Public Works and Environmental Services
FCPA	Fairfax County Park Authority
FIDO	Fairfax Inspections Database Online
FY	Fiscal Year
LDS	Land Development Services
LOC	Letters of Credit
OCA	Office of the County Attorney
OFPA	Office of Financial and Program Audit
PFAW	Pass Futher Audit Work
WBS	Work Breakdown Structure

**Fairfax County
Office of Financial and Program Audit**



**FAIRFAX COUNTY BOARD OF SUPERVISORS
AUDITOR OF THE BOARD
www.fairfaxcounty.gov/boardauditor
Office of the Financial and Program Audit
12000 Government Center Parkway, Suite 233
Fairfax, Virginia 22035**