**NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**

**M E M O R A N D U M**

**TO:** Chairman Martin E. Nohe and Members

Northern Virginia Transportation Authority

**FROM:** Mayor Rishell, Vice Chair – NVTA Finance Committee

**DATE:** November 2, 2018

**SUBJECT:** Finance Committee Report of the October 18, 2018 Meeting

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

1. **Purpose:** To provide the Northern Virginia Transportation Authority (NVTA) with a report of NVTA Finance Committee (Committee) activities.
2. **Background:** The Finance Committee last met on October 18, 2018. The next meeting is scheduled for November 15, 2018 at 1:00PM. The following summarizes the October 18th meeting:
3. **Presentation:** The Committee received a presentation from Mr. Michael Garber, Partner with PBMares LLP. Mr. Garber presented the FY2018 Draft Financial and Compliance Audit reports, noting the authority received an unmodified (clean) audit opinion.
4. **Action Items:** 
   1. **FY2018 Draft Financial and Compliance Audit Reports –** The draft reports were received and reviewed by the audit committee. The Auditor made two recommendations in their Management Letter both of which are agreed to by NVTA management. The Committee recommends Authority acceptance of the audit reports.
   2. **Investment Monitoring and Management Subscriptions –** TheCommittee received and reviewed a staff recommendation for a FY2019 budget transfer. This transfer will allow the implementation of investment monitoring and management subscription services in FY2019. The service implementation is supported by a FY2018 audit recommendation to increase the ability of the Authority to monitor the credit ratings of investments within its portfolio. The Committee recommends Authority approval of the budget transfer.

* 1. **Investment Portfolio Report.** The Committee received reports and provided comments on investment activity and performance. NVTA staff certified that the investment portfolio is in compliance with legal and policy requirements and further noted performance is on target with budgeted revenue projections.
  2. **Monthly Revenue Report.** The Committee received reports on the Authority’s revenue received through September. The revenue sources are now limited to Sales Tax. While we are currently 2.24% behind estimate, the September receipts only represent one month of revenue transactions and staff recommended no changes to the estimate at this time.
  3. **NVTA Operating Budget.** The report received by the Committee noted all of the Authority’s operating revenue for FY2019 has been received. On the expenditure side, the reports through September reflect 25% of the year and the Authority has utilized 22% of the operating budget.
  4. **Other Financial Activity Updates.** The Committee received verbal updates on:
     + 1. Draft Policy 29, jurisdiction and agency comment consolidation and recirculation.
       2. Revenue estimate preparations for FY2019 through FY2025 (adding two years).
       3. RFP development on Investment Custody Services.