

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy Number 21 – Continuing Disclosure and Post Issuance Policy

- I. **Purpose.** The Northern Virginia Transportation Authority (the "Authority") issues tax-exempt and other tax-advantaged bonds (collectively "Tax-Advantaged Bonds") to obtain funds to finance portions or all of various capital improvements. The Authority has adopted this policy and procedure (the "Post-Issuance Compliance Policy and Procedure") to ensure that the Authority's continuing disclosures are accurate and comply with all applicable federal and state securities laws, and to assist in monitoring the Authority's compliance with the continuing disclosure obligations specified in Rule 15c2-12 under the Securities Exchange Act of 1934.
- II. **Designation of Responsibilities.** The Chief Financial Officer (CFO) shall be designated as the Chief Compliance Officer and shall be responsible for the administration and supervision of the Authority's post-issuance compliance management program. The Chief Compliance Officer shall review the Post Compliance Issuance procedure document at least annually. Material changes to this document shall only be made after recommendation by the Finance Committee and approval of the Authority.
- III. **Records Retention.**
- A. **The Records.** The Tax Compliance Officer shall retain records demonstrating compliance with the Post-Issuance Compliance Policy and Procedure. These records may consist of, but shall not be limited to, the documents listed on Appendix A (the "Records").
- B. **The Annual Compliance File.** The Tax Compliance Officer shall retain an electronic or paper file for each continuing disclosure annual filing the Authority completes (the "Annual Compliance File"). Each Annual Compliance File shall include, but not be limited to:
1. Final versions of the Authority's Official Statement;
 2. Audited financial statements; written confirmations of the annual filings made by the Authority with the MSRB;
 3. Any related letters and legal opinions;
 4. A list of individuals to whom they have been distributed and the dates of such distributions; and
 5. Any other specific records relating to tax and other post-issuance compliance as enumerated in Appendix B attached hereto.
- C. The Annual Compliance File shall be maintained in a central repository by the Authority in accordance with the length of time as specified by federal requirements applicable to Tax-Advantaged Bonds or Virginia Record Retention Requirements, whichever is longer.

- D. Electronic media will be the preferred method for storage of all documents and other records maintained by the Authority in connection with tax and other post-issuance compliance.

IV. **Continuing Disclosure.**

- A. Under the provisions of the Securities and Exchange Commission (the "SEC") Rule 15c2-12 (the "Rule"), underwriters of Authority bonds are typically required to obtain an agreement for ongoing disclosure in connection with the public offering of bonds. The transcript for each such issue of bonds will include a Continuing Disclosure Certificate or another undertaking by the Authority to comply with the Rule (the "Undertaking").
- B. **Annual Filings.** Pursuant to each Undertaking, the Authority is required each year to file annual reports with the Municipal Securities Rulemaking Board's (the "MSRB") Electronic Municipal Market Access ("EMMA") system in accordance with such Undertakings. Such annual reports are required to include certain updated financial and operating information identified on Appendix B, and the Authority's audited financial statements.
- C. **Event Notices.** As set forth in each Undertaking, the Authority must provide notice (an "Event Notice") to the MSRB of the events identified in and listed in Appendix C attached hereto. Weekly, the CFO or appropriate Designee shall monitor such list for the occurrence of such an event and, if needed, shall prepare an Event Notice that complies with the Rule and shall file such Event Notice with EMMA as required by the Rule.
- D. **Financial Statements.** The CFO or Designee shall submit the Authority's audited financial statements ("Financial Statements") to EMMA on an annual basis as required under each Undertaking.

- V. **Public Statements of Financial Information.** Whenever the Authority makes statements or releases information relating to its finances to the public that are reasonably expected to reach investors and the trading markets (including without limitation, all Event Notices, statements in the audited financial statements and other financial reports and statements of the Authority), the Authority is obligated to ensure that such statements and information contained therein are complete, true and accurate in all material respects. The CFO or appropriate designee shall determine whether such statements or releases should be provided to the MSRB as voluntary disclosure, and if so, the CFO or appropriate designee shall prepare and make a filing on EMMA of such statements or releases.

- VI. **Remedial Action.** In the event the Authority discovers that it has become non-compliant with its continuing disclosure obligations, the CFO shall work with the Authority's attorney and/or bond counsel to remedy the noncompliance and file the necessary notices to the MSRB with EMMA.

- VII. Training.** Authority personnel are to periodically obtain training with regard to the Authority's continuing disclosure obligations and retention of the records set forth in Section III of this Continuing Disclosure & Post Issuance Compliance Policy. The training shall include a review of the Authority's recent compliance initiatives and discussions relating to post-issuance compliance requirements. Training is especially warranted in the event of changes in law or changes in Authority staff.

Approved by the Finance Committee: December 5, 2014

Approved by Northern Virginia Transportation Authority: December 11, 2014

APPENDIX A

LIST OF POST-ISSUANCE COMPLIANCE RECORDS (TO BE AMENDED BY THE AUTHORITY AS NECESSARY)

1. Preliminary and Final Official Statements.
2. Audited Financial Statements.
3. Filings made by the Authority with the MSRB, whether made pursuant to a continuing disclosure undertaking to which the Authority is a party or otherwise.
4. Press releases and other information distributed by the Authority for public dissemination to the extent that such releases are reasonably expected, in the determination of the Chief Financial Officer, the Authority Attorney and/or bond counsel, to reach investors and the trading markets for municipal securities.
5. Rating Agency Presentations.
6. Such portions of the Authority's published annual Adopted Budget as the CFO, the Authority Attorney and/or bond counsel deem to be appropriate, which shall at a minimum include the Executive Summary.
7. Any other communications that are reasonably expected, in the determination of the CFO, the Authority Attorney and/or bond counsel, to reach investors and the trading markets for municipal securities.

Appendix B

Operating Data

Below is the list of operating data that must be updated annually and filed with the MSRB in accordance with Section IV.B. of the Policy.

This list is current as of December 31, 2014, and must be updated by the CFO or appropriate designee annually.

FY2014 Regional Revenues

	FY20__ Budget	FY20__ Actual	Percentage Change Budget / Actual
Additional Sales and Use Tax			
Regional Congestion Relief Fee			
Regional Transient Occupancy Tax			
Total:			

FY20__ Regional Revenues by Member Locality and By Source

Member Locality	Additional Retail Sales and Use Tax	Regional Congestion Relief Fee	Transient Occupancy Tax	Total
City of Alexandria				
Arlington County				
City of Fairfax				
Fairfax County				
City of Falls Church				
Loudoun County				
City of Manassas				
City of Manassas Park				
Prince William County				
Total FY 20__ Regional Revenues:				

Budgeted and Projected Regional Revenues⁽¹⁾

	20__	20__	20__	20__	20__	20__
Additional Retail Sales and Use Tax						
Regional Congestion Relief Fee						
Additional Transient Occupancy Tax						
Total:						

Note: (1) Preliminary estimates and actual results may vary.

Appendix C

LIST OF EVENT NOTICES

The Chief Financial Officer should review this list at least weekly to determine whether any event has occurred that may require a filing with EMMA.

For Tax-Advantaged Bonds subject to Rule 15c2-12, the following events automatically trigger a requirement to file with EMMA within ten (10) business days of their occurrence:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, if material.
3. Unscheduled draws on debt service reserves reflecting financial difficulty.
4. Unscheduled draws on credit enhancements reflecting financial difficulty.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions or events affecting the tax-exempt status of the security.
7. Modifications to rights of security holders, if material.
8. Bond calls or tender offers, if material.
9. Defeasances.
10. Release, substitution or sale of property securing repayment of the securities, if material.
11. Rating Changes.
12. Bankruptcy, insolvency, receivership or similar event of the obligated person as set forth in §17 CFR 240 15c2-12.
13. Merger, acquisition or sale of all or substantially all of issuer assets.
14. Appointment of successor trustee or additional trustee or name changes of a trustee, if material.
15. Failure to provide, in a timely manner, notice to provide required annual financial information by the date specified in any continuing disclosure undertaking.