



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

Thursday, October 13, 2016
7:00pm
3040 Williams Drive, Suite 200
Fairfax, VA 22031

AGENDA

- I. Call to Order** Chairman Nohe
- II. Roll Call** Ms. Speer, Clerk
- III. Minutes of the September 8, 2016 Meeting**
Recommended action: Approval [with abstentions from those who were not present]

Presentation

- IV. FY2016 Audit Presentation** Mr. Michael Garber, PBMares, LLP

Consent Agenda

- V. Acceptance of the FY2016 Audited Financial Statements**
- VI. Approval of Budget Adjustment – Exchange of Funding Source on FY2014 Projects**
- VII. Approval of Budget Adjustment – FY2017 Revenue and Working Capital Reserve**
- VIII. Approval of Fairfax County RSTP Reallocation Request**

Action

- IX. Adoption of Transportation Projects Reserve Policy**
Mayor Parrish, Chair, Finance Committee
Recommended Action: Adoption of Transportation Projects Reserve Policy
- X. Approval of Recommendation to Eliminate Contingency Reserve**
Mayor Parrish, Chair, Finance Committee
Recommended Action: Approval of Recommendation to Eliminate Contingency Reserve

XI. Approval of Legislative Services Contract

Mayor Parrish, Chair, Finance Committee

Recommended Action: Approval of Legislative Services Contract

XII. Adoption of Resolution 17-01 Smart Scale Project Endorsements

Ms. Backmon, Executive Director

*Recommended Action: Adoption of Resolution for Smart Scale Project
Endorsements*

XIII. Appointment of Vice-Chairman

Nominating Committee

Recommended Action: Appointment of Vice-Chairman

Discussion/Information

XIV. TransAction Fall Public Engagement Activities

Ms. Backmon, Executive Director

XV. FY2017 Program Plan of Finance

Mayor Parrish, Chairman

XVI. Finance Committee Report

Mayor Parrish, Chairman

XVII. Planning and Programming Committee Report

Chairman Nohe, Chair

XVIII. Planning Coordination Advisory Committee Report

Mayor Foreman, Chairman

XIX. Technical Advisory Committee Report

Mr. Boice, Chairman

XX. Monthly Revenue Report

Mr. Longhi, CFO

XXI. Operating Budget Report

Mr. Longhi, CFO

XXII. Executive Director's Report

Ms. Backmon, Executive Director

**A. Approval of City of Alexandria and Town of Dumfries CMAQ/RSTP
Reallocation Requests**

XXIII. Chairman's Comments

Closed Session

XXIV. Adjournment

Next Meeting: November 10, 2016

Northern Virginia Transportation Authority

3040 Williams Drive (Suite 200)

Fairfax, VA 22031

www.TheNovaAuthority.org



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

Thursday, September 8, 2016

7:00pm

3040 Williams Drive, Suite 200

Fairfax, VA 22031

MEETING MINUTES

I. Call to Order

Chairman Nohe

- Chairman Nohe called the meeting to order at 7:09pm.

II. Roll Call

Ms. Speer, Clerk

- Voting Members: Chairman Nohe; Chairman Bulova; Chair Randall; Mayor Silberberg; Mayor Stombres; Council Member Snyder (arrived 7:38pm); Council Member Rishell; Delegate Hugo; Delegate Minchew; Ms. Hynes; Mr. Kolb.
- Non-Voting Members: Ms. Cuervo; Mr. Horsley.
- Staff: Monica Backmon (Executive Director); Michael Longhi (CFO); Keith Jasper (Program Coordinator); Sree Nampoothiri (Program Coordinator); Carl Hampton (Investment & Debt Manager); Peggy Teal (Assistant Finance Officer); Camela Speer (Clerk); various jurisdictional staff.

III. Minutes of the July 14, 2016 Meeting

- Chairman Nohe stated that Council Member Snyder had requested a change to the meeting minutes by email, as he would arrive late to the meeting. Ms. Backmon shared Council Member Snyder's email request, noting that at the previous meeting Council Member Snyder had changed his abstention vote to a yeas vote in support of the adoption of the FY2017 Program. She stated that in his email he had requested the addition of "in order to provide a united front for Northern Virginia in dealing with Richmond", to his statement in the draft minutes regarding his vote change. It was agreed that he had said this and there were no objections to adding this statement.
- Delegate Minchew questioned the meaning of this statement. Chairman Nohe suggested he ask Council Member Snyder for clarification.
- Delegate Hugo requested the statement be reread. Ms. Backmon reread the statement.
- Chairman Bulova moved approval of the July 14, 2016 minutes, as amended; seconded by Chair Randall. Motion carried with eight (8) yeas and one (1)

abstention [with Mayor Stombres abstaining as he was not at the July 14, 2016 meeting].

Presentation

IV. Overview of NVRTA Regional Investments

Ms. Backmon, Executive Director

- Ms. Backmon presented the overview of the NVRTA regional investments presentation to be given to the Joint Commission on Transportation Accountability (JCTA) in October. Regarding the request by the JCTA for this presentation, she noted:
 - ✓ The Authority is required to report annually to the JCTA, by November 15th of each year, on how revenues were spent in accordance with the provisions of HB 2313. The November 2016 report will be filed for FY2016 and the Authority will receive a copy. This is different than the NVRTA Annual Report, which is a calendar year annual report.
 - ✓ Authority Member Delegate Hugo is the Chair of the JCTA.
 - ✓ The Authority has been asked to present to the JCTA in October, during the Governor's Transportation Conference, regarding the roles, responsibilities, revenues and expenditures, and future outlook for the Authority.
 - ✓ Authority members will receive the final presentation as part of the October Authority meeting packet.
- Ms. Backmon reviewed the responsibilities of the Authority.
 - ✓ Develop and update the long range transportation plan for the region.
 - ✓ Allocate funds made possible through HB 2313.
 - ✓ Make CMAQ/RSTP fund programming recommendations.
 - ✓ Serve as an advocate for transportation needs in Northern Virginia.
 - ✓ Develop, in coordination with localities, regional priorities and policies to improve air quality.
 - ✓ General oversight on regional transportation issues.
- Ms. Backmon noted that the Authority has statutory authority for other activities that it is not currently utilizing.
- Ms. Backmon highlighted additional items in the presentation:
 - ✓ Governing legislation.
 - ✓ Regional revenues allocated to projects.
 - ✓ Local revenues distributed to member localities.
 - ✓ Regional investments made to date - 79 projects for a total of \$990 million.
 - ✓ Congestion reduction impacts made by the 33 projects that have been evaluated through the HB 599 rating and evaluation process.
 - ✓ NVRTA's current activities focusing on updating TransAction and developing the first Six Year Program FY2018-2023.
 - ✓ Estimated \$1.7 billion in revenues to fund the Six Year Program.
 - ✓ Debt capacity over the next 20 years of \$1.6 billion.
 - ✓ Estimate that from FY2018-2023 \$721 million will be transferred to localities for 30% projects.

- Ms. Backmon noted that the budget shortfall that is impacting the State has not impacted the Authority's budget as we do not use the State revenue estimates, we use estimates provided by the localities. She added that the tax revenues the Authority has received to date are currently higher than budgeted.
- Ms. Backmon concluded that the NVTa will continue to focus on regional projects and priorities, not just local interests. She added that the Authority will continue to practice transparency and collaboration.
- Chairman Nohe asked for clarification that the congestion reduction data in the presentation is cumulative. Ms. Backmon responded that it is.
- Delegate Hugo expressed appreciation for the presentation and suggested that the question that will be raised by the JCTA will be in regard to the overlapping jurisdiction of the NVTa and the Northern Virginia Transportation Commission (NVTC). He noted that there has been past legislation to bring NVTC under NVTa and that this will likely continue to be a discussion item, suggesting the NVTa should be prepared for that discussion. Delegate Hugo added that another meeting agenda item is with regard to Metro and the need for more funding for operations and capital expenditures. He noted many of the jurisdictions share this concern and stated that Council Member Evans will be presenting to the JCTA on this matter.
- Chairman Bulova thanked Delegate Hugo for being forthcoming and giving the Authority a heads up regarding the issue of the NVTa and NVTC consolidation. She noted this has been examined previously and there are reasons for not doing this. Delegate Hugo stated that there are good reasons for and against the consolidation. Chairman Bulova suggested we look at this again and thanked Delegate Hugo.

Action

V. Appointment of NVTa Vice-Chairman

Chairman Nohe

- Chairman Nohe introduced and welcomed Mayor Stombres to the Authority as the new Mayor of the City of Fairfax.
- Chairman Nohe noted that with the resignation of Mayor Silverthorne, the Authority is absent a Vice-Chairman. He stated that he had appointed Chairman Bulova and Mayor Parrish to serve as the Nominating Committee to bring forth a recommendation for Vice-Chairman.
- Chairman Bulova stated that she and Mayor Parrish have collaborated on a number of occasions and are in agreement in nominating Chair Randall to serve out the remaining portion of the Vice-Chairman's term. She added that the nominating process and elections will be held again at the end of this year to elect new officers at the beginning of 2017.
- Chairman Bulova added that she is aware that there is interest in Delegate Minchew serving on the Planning and Programming Committee. She noted there will be an opportunity to review what committees individual members are interested in serving on.

- Chairman Bulova moved the election of Phyllis Randall as NVTA Vice-Chairman for the remainder of calendar year 2016.
- Delegate Minchew requested that since Senator Black was not present at the meeting, this be matter be passed by until next month.
- Delegate Minchew moved to defer this matter until the October Authority meeting; seconded by Delegate Hugo. Motion carried unanimously.

VI. Approval of Vision and Goals for Five-Year Strategic Plan

Ms. Backmon, Executive Director

- Ms. Backmon briefed the Authority on the proposed vision statement and goals for the Authority's Five-Year Strategic Plan. She stated that the Authority has undertaken many of the roles and responsibilities enabled by State, but has not undertaken all. Ms. Backmon added that the Five-Year Strategic Plan is intended to guide the Authority as it figures out "what it wants to be when it grows up." She reviewed the plan development process to date.
 - ✓ On April 11, 2016, a work session was held for Authority members to begin developing a vision statement and goals. Work session was well attended.
 - ✓ On May 26, 2016, a work session was held with NVTA staff and the Regional Jurisdiction and Agency Coordinating Committee (RJACC) to provide feedback on the input received from members at the April work session.
 - ✓ On July 7, 2016, a work session was held with NVTA staff and the RJACC to further refine the draft vision statement and goals.
- Ms. Backmon reviewed the draft vision statement and goals as presented. She added that the goals support and enable the Authority to fulfill the vision statement.
- Ms. Backmon noted the next steps in the process. She stated that based upon Authority approval of the vision and goals this evening, additional work sessions with the NVTA staff and the RJACC will be held on September 29, 2016, and November 3, 2016, to develop strategies, objectives and performance measures for each goal.
- Council Member Rishell questioned the appropriateness of using the phrase "economic prosperity" in the draft vision. She noted that economic prosperity is a by-product of a robust and strong transportation system, but it is not the prime purpose of the NVTA. She added that HB 599 and HB 2313 both reference congestion reduction and HB 599 references regional mobility. Council Member Rishell suggested that a locality could not advance a project even partially based on economic prosperity. Ms. Backmon responded that she believes the legislation speaks to the economic development of the region. She added that the TransAction Update vision statement states that "in the 21st century, Northern Virginia will develop and sustain a multimodal

transportation system that enhances quality of life and supports economic growth,” and that this is consistent with the previous transportation plan.

- Council Member Rishell suggested revising the vision statement to “Advance the overall quality of life and economic prosperity for the region through . . .”. She suggested this would take the emphasis off economic prosperity and make it a by-product of the actual purpose of the NVTa.
- Chair Randall suggested that economic prosperity and transportation are linked and asked Council Member Rishell for clarification on her suggested revision language. Council Member Rishell clarified the language as “Economic prosperity through congestion reduction”, or however one would want to work that. Council Member Rishell acknowledged that economic prosperity is linked to a robust infrastructure, but that she sees it as a byproduct rather than an equal. Chair Randall suggested that the statement says “to advance quality of life,” therefore, to promote it and transportation infrastructure does promote economic prosperity. She suggested that the vision statement as written does get to the point.
- Chairman Nohe stated that there is a lot of enabling legislation that defines what the Authority is and does. He noted that there is no question that HB 2313, which created the Authority’s funding, is entirely structured around congestion relief. He added that while congestion relief is reflected in the draft vision and goals, implementing HB 2313 is not the only thing the Authority is responsible for. Chairman Nohe stated that there are other funding streams that we currently administer and there are other things we could do in the future, but do not do at this time. He noted that the efforts that led to the passage of HB 2313 were justified by the notion of quality of life and economic prosperity. As a region, the consensus was that we need dedicated transportation funding for Northern Virginia so that we can maintain a high quality of life and continue to prosper economically. He suggested that the core mission of government generally in Northern Virginia, of which we are only one small part, is to advance quality of life and economic prosperity. The NVTa does that by improving multimodal transportation options for the community, etc. Chairman Nohe summarized that the value of this vision statement is what the NVTa does vis-a-vis what the community needs government generally to do. He then discussed how we do that under the laws that control NVTa funding. He noted it is the big picture and narrower picture in the same sentence. Council Member Rishell agreed that this makes sense and suggested that Chair Randall’s comment regarding the phrase “that advance” is pertinent.
- Ms. Hynes raised a question regarding the funding goal and asked what “maximizing opportunities from existing sources” means. Ms. Backmon responded that the intent was to acknowledge that there are funds other than regional revenues to fund projects, like state, federal, local or grant funds, and maximizing all the opportunities available to advance projects. Ms. Hynes suggested this is more like “leveraging multiple sources” to make best use, but if the intent is as Ms. Backmon stated, she is OK with the draft as written. She added that we want project sponsors to have “skin in the game” and we are not

the whole game. Ms. Hynes asked if “existing sources” is in reference to our sources or multiple sources. Ms. Backmon responded that it is in reference to multiple sources, whatever is available. Ms. Hynes suggested the colon is not necessary after “through” in the sentence.

- Chairman Bulova suggested maximizing and leveraging have different meanings. Maximizing means getting the most out of existing sources. Leveraging means taking existing sources and finding additional sources to add to them. She suggested you could say both “maximizing and leveraging opportunities”.
- Delegate Minchew stated that there are three sources of law that provide good authority as to who we are, what we are about, what we do and what our authorities are. He noted that the *Code of Virginia* §33.2-2500, §33.2-2508 and §33.2-2512 clearly provide the Authority’s goals, missions and authorities.

(Council Member Snyder arrived.)

- Delegate Minchew wondered whether the State code sections need to be rewritten because they are unclear. He suggested we do not need to rewrite the code and commended the three statutes as clearly laying out what the Authority does. He added that Ms. Backmon noted that the NVTa has authority that we do not exercise and we have chosen not to use this authority. Delegate Minchew concluded that these three statutes are clear in what the NVTa’s goals and missions are supposed to be by law. Ms. Backmon responded that this is a Five-Year Strategic Plan to address the question of “what the Authority wants to be when it grows up.” She added that this is not intended to rewrite the State code and we acknowledge what the NVTa’s roles and responsibilities are per code. The question is what does the Authority want to do over the next five years as far as the autonomies granted to the Authority per the code. Ms. Backmon stated that in order to be able to measure this, we wanted to start with a vision statement. She noted that there were good visions that came from the work session and that commentary was used to create the vision statement and then to develop the goals. Ms. Backmon added that the next step is to develop performance measures to allow tracking to ensure the Authority stays on track to address the goals. She concluded that we are definitely not planning to exceed the confines of the law.
- Chairman Bulova suggested the vision statement is more aspirational, while the law tells us what we can do. The vision statement states what we wish to accomplish with the legislation that gives us our abilities. Ms. Backmon added that the enabling legislation includes some performance measures like air quality and environment. She stated that this exercise is to set a framework for the Authority. She noted that the TransAction 2040 performance measures were pulled exactly from the State code and the enabling legislation, in regards to the elements to be considered when evaluating projects. Ms. Backmon added that this is just one step and the NVTa also has CMAQ/RSTP programming autonomy, tolling authority, and construction authority, among others. She stated that the goal is to determine how we get from where we are

to where we want to be. Ms. Backmon clarified that these are the Authority's vision and goals, therefore, if members decide not to proceed with this process, NVTa staff will regroup and come back to the Authority with a plan B. She add that this is the Authority's direction to NVTa staff on how to proceed.

- Chairman Nohe stated that an important question has been raised as to staying in compliance with the State code. He suggested that nothing in the draft vision and goals language is in conflict with or deviates from what the code requires of the Authority. He stated that the Authority members do need to provide feedback on the proposed language in the mobility goal as to the choice of manage, reduce or mitigate in the phrase "increase available transportation options, manage/reduce/mitigate congestion." He suggested that of the three choices, "reduce" is the word referenced in the State code, therefore, should be the word reflected in this goal. He acknowledged that there will be projects that get funded, but only reduce congestion relative to what would have happened had we not funded the project, suggesting congestion might get worse either way and it is just a question of how fast it will happen. Chairman Nohe reaffirmed that the State code mandates that the Authority must reduce congestion. He suggested that nothing in the draft language for the vision and goals calls on the Authority to do anything that it is not already tasked with doing.
- Council Member Snyder suggested there needs to be a reference in the vision or goals as to benefits and jurisdictional equity, due to this being in HB 2313. He stated that the NVTa exists under both state and federal law, and federal law has much to say about air quality in connection with transportation. He suggested environmental issues are something that both the State and this body are consistent with. He agreed that the vision and goals should stay within the confines of the law, but the law is both state and federal.
- Delegate Hugo concurred with Chairman Bulova and suggested that the vision and goals are aspirational. He added that they do not supersede the law and they do not limit the law. Delegate Hugo stated that he is fine with the draft language for the vision and goals as proposed, because the NVTa is limited by the law, there is nothing that supersedes the law and the vision and goals are totally aspirational. He acknowledged that the Committee did a great job.
- Delegate Hugo moved approval of the vision and goals for the Authority's Five-Year Strategic Plan; seconded by Delegate Minchew.
- Mayor Silberberg requested information on when and how public input would be requested on the vision and goals. Chairman Nohe suggested that these are the vision and goals for this body and public input is not required.
- Chairman Nohe noted the following suggested edits to the goal statements:
 - ✓ Strike colon in the funding goal.
 - ✓ Agreement to use the word "reduce" in the mobility goal.
- Council Member Snyder asked how the NVTa should address air quality and jurisdictional benefits in the vision and goals. Ms. Backmon responded that these elements, in coordination with the NVTa staff and the RJACC, can be

addressed under the objectives and performance measures that have not been developed. She noted that the projects being funded are regional and by being regional projects, they are evaluated by the Transportation Planning Board for air quality conformity determination, per federal requirements.

- Council Member Snyder suggested that air quality needs to be referenced in the vision and goals. He added that air quality is fundamental to the world we live in and if we do not meet air quality requirements, the federal funds will not be available. Chairman Bulova suggested that quality of life captures the air quality concerns, adding that quality of life is clean air, clean water, attractive and clean environment. Council Member Snyder suggested stating “quality of life and the environment” in the vision. Chairman Bulova stated that she does not have a problem with “quality of life and a clean environment and economic prosperity”. Council Member Rishell suggested, “quality of life, the environment and economic prosperity for the region.” Chairman Nohe asked if this is a proposed amendment to the motion. Council Member Snyder confirmed it was. Delegate Hugo accepted the proposed amendments to the motion.
- The motion was amended to include those amendments stated by Chairman Nohe and Council Member Snyder.
- Mr. Kolb noted that “safety” is not mentioned in the vision and goals. He suggested that safety is a concern and will be part of the performance measures required on a federal level and will feed into state plans. Chairman Nohe suggested that safety is a performance measure, as it should be imbedded in everything the NVTa does. Ms. Hynes suggested that a “sustainable transportation network” is by its definition safe.
- Motion carried unanimously.

Discussion/Information

VII. Technical Advisory Committee Report

Mr. Boice, Chairman

- No verbal report.

VIII. Executive Director’s Report

Ms. Backmon, Executive Director

A. Approval of CMAQ Transfer Requests for the City of Alexandria and the Town of Herndon, RSTP Transfer Requests for Fairfax and Prince William Counties

- Ms. Backmon noted that the NVTa has two upcoming groundbreakings:
 - ✓ West Ox Maintenance Facility on September 22, 2016 at 11am.
 - ✓ Belmont Ridge Road Project on September 27, 2016 at 1pm.

IX. Chairman's Comments

- Chairman Nohe stated that Mayor Silverthorne's resignation has left a vacancy for the Chairman of the Governance and Personnel Committee (GPC).
- Chairman Nohe appointed Ms. Hynes as Chairman of the Governance and Personnel Committee.

X. Adjournment

- Meeting adjourned at 7:48pm.

DRAFT



NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Mayor Parrish, Chairman, Finance Committee

DATE: October 5, 2016

SUBJECT: Fiscal Year 2016 Financial and Compliance Audit Reports

1. **Purpose.** As a political subdivision of the Commonwealth of Virginia, the Authority is required to complete an annual audit of its financial activities for each fiscal year following standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Specifications for Audits of Authorities, Boards and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. The Authority contracted with PBMares, LLP to complete the required audit for FY2016.
2. **Suggested motion.** *I move acceptance of the Northern Virginia Transportation Authority Financial and Compliance Audit Reports for the year ended June 30, 2016. (Attachment A).*
3. **Current Situation.** The Authority's audit firm PBMares, LLP issued an unqualified (clean) opinion. This opinion reflects that the Authority's financial statements, in all material respects, fairly and accurately present the financial position of the Authority for FY2016.

Attachment: Northern Virginia Transportation Authority, Financial and Compliance Reports,
Year Ended June 30, 2016

**NORTHERN VIRGINIA
TRANSPORTATION AUTHORITY
FINANCIAL AND COMPLIANCE REPORTS
Year Ended June 30, 2016**



**Northern Virginia
Transportation Authority**
The Authority for Transportation in Northern Virginia

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

TABLE OF CONTENTS

INTRODUCTORY SECTION	
Directory of Principal Officials	i
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	1 – 3
Management’s Discussion and Analysis	4 – 11
<i>Basic Financial Statements</i>	
Statement of Net Position	12
Statement of Activities	13
Balance Sheet – Governmental Funds	14
Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Position	15
Statement of Revenues, Expenditures and Change in Fund Balances – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Change in Fund Balances – Governmental Funds to the Statement of Activities	17
Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual – General Fund	18
Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual – Local Distribution	19
Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual – Regional Revenue Fund	20
Notes to Financial Statements	21 – 50
<i>Required Supplementary Information</i>	
Schedule of Authority Contributions – Virginia Retirement System	51
Schedule of Changes in Authority’s Net Pension Asset and Related Ratios – Virginia Retirement System	52
<i>Supplementary Information</i>	
Schedule of General and Administrative Expenses	53
Schedule of Changes in Net Position by Jurisdiction – Local Distribution Fund (30%)	54

COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

55 – 56

INTRODUCTORY SECTION

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

DIRECTORY OF PRINCIPAL OFFICIALS

Voting Members

Hon. Martin Nohe, NVTa Chairman; Prince William County
Hon. R. Scott Silverthorne, City of Fairfax, NVTa Vice Chairman;
Hon. Jay Fisette, Arlington County
Hon. Sharon Bulova, Fairfax County
Hon. Phyllis Randall, Loudoun County
Hon. Allison Silberberg, City of Alexandria
Hon. David Snyder, City of Falls Church
Hon. Harry J. "Hal" Parrish, II, City of Manassas
Hon. Jeanette Rishell, City of Manassas Park
Hon. Richard H. Black, Virginia Senate
Hon. Tim Hugo, Virginia House of Delegates
Hon. J. Randall Minchew, Virginia House of Delegates
Sandra Bushue, Governor's Appointee
Gary Garczynski, Governor's Appointee, Commonwealth Transportation Board Member

Non-Voting Members

Helen Cuervo, Virginia Department of Transportation
Jennifer Mitchell, Virginia Department of Rail and Public Transportation

Town Representative

Hon. Jerry Foreman, Town of Dumfries

Certain Authority Staff

Monica Backmon, Executive Director
Michael Longhi, Chief Financial Officer
Margaret Teal, CPA, Assistant Finance Officer

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Authority Board Members
Northern Virginia Transportation Authority
Fairfax, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the remaining fund information of the Northern Virginia Transportation Authority (Authority), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards, and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the remaining fund information of the Authority, as of June 30, 2016, and the respective changes in financial position, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis and the required supplementary information on pages 4-11 and 51-52, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedules listed in the table of contents as supplementary information and introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2016 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

PBMares, LLP

Harrisonburg, Virginia
October 6, 2016

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Northern Virginia Transportation Authority's (the Authority) financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2016.

The Authority is a political subdivision of the Commonwealth of Virginia, created in 2002 by the Northern Virginia Transportation Authority Act, Title 15.2, of the *Code of Virginia*. The Authority's primary function is to conduct project planning, prioritization and funding of transportation projects for its member jurisdictions in the Northern Virginia region.

In November 2012, the Authority developed its long-range plan, Transaction 2040. On April 3, 2013, the Governor's substitute for House Bill 2313 ("HB2313") was adopted by the Virginia General Assembly. HB2313 provided a dedicated funding stream for transportation projects in Northern Virginia. This legislation coupled with the successful bond validation suit (BVS) enabled the Authority to fund regional transportation projects. HB2313 provided a permanent, annual source of revenue for the Authority to implement its mandate. The HB2313 revenue stream began on July 1, 2013.

The Authority member jurisdictions are the counties of Arlington, Fairfax, Loudoun and Prince William, and the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park. The Authority has seventeen members as follows: the chief elected official, or their designees, of the nine cities and counties that are members of the Authority; two members of the House of Delegates appointed by the Speaker of the House; one member of the Senate appointed by the Senate Committee on Privileges and Elections; and two citizens who reside in counties and cities embraced by the Authority, appointed by the Governor. In addition, the Director of the Virginia Department of Rail and Public Transportation, or designee; the Commonwealth Transportation Commissioner, or designee; and the chief elected officer of one town in a county, which the Authority embraces, serve as non-voting members of the Authority.

All moneys received by the Authority and the proceeds of bonds and other debt instruments are required to be used solely for transportation purposes benefiting the member jurisdictions. Of the HB2313 revenues received, 30% are distributed to member jurisdictions based on revenues generated in the jurisdiction, for transportation projects and purposes authorized under Section 33.2-2510 and selected by the member jurisdiction. The remaining 70% of the HB 2313 revenues are first pledged to the payment of bonds and other debt instruments with the remaining revenues available to fund regional transportation projects and mass transit projects that increase capacity for the benefit of the member localities.

FINANCIAL HIGHLIGHTS

Highlights for Government-wide Financial Statements

The government-wide financial statements report information about the Authority's reporting entity as a whole using the economic resources measurement focus and accrual basis of accounting.

- Assets and deferred outflows of resources of the Authority exceeded its liabilities for the year ended June 30, 2016 by \$560,225,747 (net position). Of this amount, \$589,247 represents unrestricted net position, which may be used to meet the Authority's ongoing operating obligations. The implementation of GASB Statement No. 68, *Accounting, and Financial Reporting for Pensions*, on the fiscal year 2016 Statement of Net Position, resulted in an increase of \$81,549 to record the net pension asset, and \$50,409 of deferred outflows of resources. Restricted net position totaled approximately \$559,604,499 and can be used only for regional transportation purposes. It should be noted the funds composing this net restricted position have been appropriated by the Authority for the construction of specific regional transportation projects, which meet the goals, purposes, and mandates of the Authority.

- The Authority's total outstanding debt for the year ended June 30, 2016 was \$65.3 million with \$11 million in unamortized bond premium related to the series 2014 bonds. This outstanding debt was created in December 2014, when the Authority entered the capital bond market for the first time with bonds designated to replace a short term Line of Credit with fixed rate, long term, low cost, permanent financing.
- For the fiscal year ended June 30, 2016, contributions and intergovernmental revenue, for the Authority's governmental activities totaled \$320.4 million. Expenses totaled \$169 million of which \$95.1 million represents the 30% funds distributed to member jurisdictions in accord with HB2313, \$69.3 million represents reimbursement of authorized project.

Highlights for Fund Financial Statements

The fund financial statements provide detailed information about the Authority's funds using the current financial resources measurement focus and modified accrual basis of accounting.

- The Authority's General Fund reported a decrease in fund balance of \$80,850 due to an expense transfer for financial advisory and bond counsel services from the Regional Revenue Fund to the General Fund. The General Fund balance as of June 30, 2016 totaled \$486,801 compared with \$567,651 at the end of the previous fiscal year.
- The Authority's Special Revenue Funds (Local Distribution Fund and Regional Revenue Fund), reported an increase in fund balance of \$148,487,344 which has been appropriated by the Authority to transportation projects. This increases the overall balance to \$635,686,539 as of June 30, 2016 compared to \$487,199,195 at the end of the previous fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements consist of three components: government-wide financial statements, fund financial statements, and the notes to the financial statements. This report also includes required supplementary information and supplementary information intended to furnish additional detail to support the basic financial statements themselves.

The financial statements presented include all of the activities, which are part of the Authority reporting entity using the integrated approach as prescribed by the Governmental Accounting Standards Board (GASB). The government-wide financial statements present the financial picture of the Authority's governmental activities from the economic resources measurement focus using the accrual basis of accounting.

The fund financial statements include a separate column for each of the major governmental funds and the non-major Debt Service Fund. The governmental funds are prepared using the current financial resources measurement focus and modified accrual basis of accounting. A reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences created by the integrated approach.

Government-Wide Financial Statements

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities, with the governmental activities combined. The Statement of Net Position presents the assets, deferred outflows of resources, and liabilities with the difference reported as net position. The Statement of Activities shows in broad terms changes to net position during the fiscal year.

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or declining. Net position is one way to measure financial position but the reader should also consider other indicators, such as general economic conditions prevalent in geographic area the Authority serves.

The Statement of Activities presents information indicating how the Authority's net position changed during the fiscal year. All changes in net position are reported on an accrual basis as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will result in cash flows in future fiscal periods.

Revenue is classified as program or general revenues. Program revenue consists of contributions from the member jurisdictions used to cover the Authority's administrative expenses. General revenues include the four intergovernmental revenues received, collected, and remitted from the Commonwealth of Virginia: specifically sales tax, grantors tax, transient occupancy tax, and interest earned on the Commonwealth's Northern Virginia Transportation Authority Fund. These tax receipts commenced July 1, 2013.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources, which have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority only reports governmental funds. The Authority does not have proprietary funds nor does it maintain fiduciary funds at this time. The governmental funds of the Authority are divided into three categories: General Fund, Special Revenue Funds, and Debt Service Fund.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Change in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Authority maintains four governmental funds: the General Fund, two Special Revenue Funds, and a Debt Service Fund. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Change in Fund Balances for each of these funds. The General Fund includes the Authority's operating and administrative activities. The Local Distribution (30%), Special Revenue Fund reports 30% of the intergovernmental revenue received by the Authority under HB2313 and distributed to the member jurisdictions. The Regional Revenue (70%) Special Revenue Fund reports 70% of the intergovernmental revenue received by the Authority and used to fund transportation projects under HB2313. A Debt Service Fund is used to account for and report financial resources restricted to expenditures for debt service.

The Authority adopts annual appropriated budgets for its General Fund and the two special revenue funds. An internal budgetary comparison statement is maintained for the General Fund and Special Revenue Funds to demonstrate compliance with these budgets, which have been provided in the financial statements for fiscal year 2016.

Notes to the Basic Financial Statements

The notes to the financial statements provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The Required Supplementary Information, which includes the Schedule of Authority Contributions – Virginia Retirement System and the Schedule of Changes in the Authority’s Net Pension Asset and Related Ratios – Virginia Retirement System, provides additional information that is required by accounting principles generally accepted in the United States to be presented as a supplement to the basic financial statements.

Supplementary Information

Additional information is presented as a supplement to the basic financial statements. Although not required to be presented and not part of the basic financial statements, the schedules are included to provide additional information of interest to certain financial statement users.

FINANCIAL ANALYSIS OF THE AUTHORITY REPORTING ENTITY AS A WHOLE

An analysis of the Authority’s financial position begins with a review of the Statement of Net Position and the Statement of Activities. These two statements report the Authority’s net position and changes therein. It should be noted the Authority’s position could also be affected by non-financial factors, including economic conditions, population growth, and new regulations.

Statement of Net Position

The following table presents a summary of the Statement of Net Position for the Authority as of June 30, 2016. Comparable data for June 30, 2015 has been included for comparison purposes.

**Summary Statement of Net Position
June 30, 2016 and 2015**

	Governmental Activities		Increase (Decrease)	% Change
	2016	2015		
Assets:				
Current and other assets	\$ 668,806,577	\$ 506,949,822	\$ 161,856,755	31.9%
Capital assets, net	32,001	38,096	(6,095)	-16.0%
Total assets	668,838,578	506,987,918	161,850,660	31.9%
Deferred outflows of resources	50,409	-	50,409	100.0%
Liabilities:				
Current and other liabilities	34,784,107	21,318,634	13,465,473	63.2%
Long-term liabilities	73,879,133	76,880,572	(3,001,439)	-3.9%
Total liabilities	108,663,240	98,199,206	10,464,034	10.7%
Net position:				
Net investment in capital assets	32,001	38,096	(6,095)	-16.0%
Restricted	559,604,499	408,371,088	151,233,411	37.0%
Unrestricted	589,247	379,528	209,719	55.3%
Total net position	\$ 560,225,747	\$ 408,788,712	\$ 151,437,035	37.0%

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities by \$560,225,747 at June 30, 2016.

A significant portion of net position, \$559.6 million, or 99.9% represents funds that have been restricted by HB2313. The remaining balance of \$589,247 is unrestricted and may be used to meet the Authority's ongoing obligations to its citizens and creditors.

Current assets consist primarily of amounts due from the Commonwealth of Virginia, cash, and cash equivalents, and restricted cash, cash equivalents, and investments. As of June 30, 2016, approximately \$54.2 million was due from the Commonwealth of Virginia, of which \$5 million is for grantors tax, \$42.5 million is for sales tax, and \$6.7 million is for transient occupancy tax. Restricted cash, cash equivalents, and investments totaled \$613.9 million of which \$607.9 million is restricted for regional transportation projects benefiting the member jurisdictions and \$6 million is restricted for debt service.

Statement of Changes in Net Position

The following table presents the revenues, expenses and change in net position of the Authority for the fiscal year ended June 30, 2016. Comparable data for June 30, 2015 has been included for comparison purposes.

Summary Statement of Changes in Net Position Years Ended June 30, 2016 and 2015

	Governmental Activities		Increase (Decrease)	% Change
	2016	2015		
Revenues:				
Program revenues:				
Operating grants and contributions	\$ 1,100,262	\$ 1,149,473	\$ (49,211)	-4.28%
General revenue:				
Intergovernmental	316,946,738	307,264,149	9,682,589	3.15%
Interest income	2,368,579	391,165	1,977,414	505.52%
Miscellaneous	-	3,229	(3,229)	-100.00%
Total revenues	320,415,579	308,808,016	11,607,563	3.76%
Expenses:				
General and administration	1,944,222	1,007,439	936,783	92.99%
Jurisdictional distributions (30%)	95,093,539	92,183,027	2,910,512	3.16%
Project cost distributions	69,306,373	4,058,792	65,247,581	1607.56%
Interest on long-term debt	2,634,410	2,367,090	267,320	11.29%
Total expenses	168,978,544	99,616,348	69,362,196	69.63%
Change in net position	151,437,035	209,191,668	(57,754,633)	-27.61%
Beginning net position	408,788,712	199,597,044	209,191,668	104.81%
Ending net position	\$ 560,225,747	\$ 408,788,712	\$ 151,437,035	37.05%

For the fiscal year ended June 30, 2016, revenues totaled \$320.4 million. Expenses totaled \$169 million. A discussion of the key components of the revenue and expense is included in the funds analysis.

FINANCIAL ANALYSIS OF THE REPORTING ENTITY'S FUNDS

Governmental Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the needs of the Authority's financing requirements.

General Fund. The General Fund is the operating fund of the Authority. At the end of fiscal year 2016, the General Fund Nonspendable fund balance was \$23,366, unassigned fund balance was \$215,816, while total fund balance equaled \$486,801. Fiscal year 2016 total fund balance decreased due to a one-time expenditure transfer for financial advisory and bond counsel services from the Regional Revenue Fund to the General Fund.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 18% of total General Fund expenditures, while total fund balance represents approximately 41% of that same amount.

The fund balance of \$486,801 includes \$247,619 of committed fund balance. The debt policy adopted on December 12, 2013, revised June 19, 2015, requires the Authority to maintain an operating reserve sufficient to fund at a minimum 20% of the General Fund operating expenses. This operating reserve may be used at the discretion of the Executive Director, to cover unanticipated increases in the Authority's expenditures. If used, the Executive Director will present a plan to the Authority for restoring the reserve during the next fiscal year budget process.

The Authority adopts an annual operating budget for General Fund operating activities for the purpose of determining the annual contributions from the member jurisdictions required to fund these activities. Total contributions by the nine member jurisdictions equaled \$1,100,262 for fiscal year 2016.

Debt Service Fund. The debt service fund reports financial resources restricted to the payment of principal and interest for the outstanding related series of transportation bonds. The debt service fund is not one of the Authority's major governmental funds. The debt service fund had a fund balance of \$464,271 as of June 30, 2016 on deposit for fiscal year 2017 debt obligations. The Authority contributes monthly to the debt service fund for upcoming debt service payments.

Special Revenue Fund. The Authority maintains two special revenue funds; the Local Distribution Fund (30%) and the Regional Revenue Fund (70%), both of these funds are categorized as major funds in the governmental fund statements. These funds are used to report the intergovernmental revenue received from the Commonwealth of Virginia under HB2313.

The General Assembly of the Commonwealth of Virginia through HB2313 (2013) authorized three revenue sources for the Authority: a 0.7% increase in the sales tax; a 2% increase in the transient occupancy (hotel) tax; and a fifteen cents per hundred dollar of value increase in the grantor's tax (congestion relief fee). These taxes were made effective on July 1, 2013.

Of the revenues received, the Local Distribution Fund (30%) reports 30% of the intergovernmental revenue received by the Authority and distributed to the member jurisdictions in accord with HB2313. This revenue can be used by the recipient for additional urban or secondary road construction; capital improvements that reduce congestion; transportation capital improvements which have been approved by the most recent long-range transportation plan adopted by the Authority; or for public transportation purposes.

The remaining 70% is recorded in the Regional Revenue Fund (70%). These funds are to be used by the Authority solely for regional transportation projects and purposes benefiting the member jurisdictions and other entities to fund transportation projects approved by the Authority that are contained in the regional transportation plan and in accord with HB2313.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The details of capital assets as of June 30, 2016 and 2015 are as follows:

	Governmental Activities	
	2016	2015
Office furniture and equipment	\$ 42,668	\$ 42,668
Less accumulated depreciation and amortization	10,667	4,572
Total capital assets, net	\$ 32,001	\$ 38,096

The Authority's investment in capital assets as of June 30, 2016 amounted to \$32,001 (net of accumulated depreciation).

Debt Administration

In December 2014, the Authority entered the capital bond market for the first time with bonds designated to replace a short term Line of Credit obtained in fiscal year 2014 with fixed rate, long term, low cost, permanent financing. An initial bond sale is a significant undertaking. Actions include bond validation court proceedings, establishing internal policies and procedures, initial credit rating presentations on Wall Street and, finally, the marketing and sale of the bonds. Efforts to execute the Authority's approved finance plan resulted in very strong credit ratings of AA+, Aa1 and AA+ with stable outlooks from Fitch, Moody's and Standard & Poor's. The bonds garnered a favorable market reception on Wall Street, reflected by a 2.5 times subscription rate and a low true interest cost of 3.09%.

At the end of June 30, 2016, the Authority had total debt outstanding of \$65,250,000 for Transportation Special Tax Revenue Bonds, Series 2014. The Authority is amortizing the bond premium from the sale over the life of the bonds. The balance of unamortized bond premium at June 30, 2016 is \$11,034,132. The bonds are secured by the Authority's Regional Revenue and a debt service reserve of \$5,551,150 established from the proceeds upon issuance of the bonds. Assets of the debt service reserve fund are to be used solely to pay Series 2014 principal and interest.

Economic Factors and Fiscal Year 2017's Budget

- Northern Virginia is both a nationally and globally significant region.
- It is categorized as having a broad, diverse, and stable regional economy.
- The region is the driver of economic activity for the Commonwealth of Virginia.
- In aggregate, the Authority's nine member jurisdictions have experienced stable population growth since the 2010 Census with growth rates averaging 1.54% per year.

- Among the nine member jurisdictions, job growth has averaged 0.87 % per year over the last decade.
- In aggregate, the number of jobs in the Authority's jurisdictions are projected to experience continued growth. In 2016 the regional job growth was 2.73%.
- Unemployment rate in the Authority's jurisdictions is exceptionally low. At June 2016, the average preliminary unemployment rate not seasonally adjusted, in the Authority jurisdictions was 3.06% compared to 3.7% in the Commonwealth and 5.1% nationally.
- Per capita income average of the Authority's jurisdictions is approximately \$46,033 compared to the Commonwealth at \$33,958 and \$28,555 nationally per the U.S. Census Bureau, 2010-2014 5-Year American Community Survey. This represents a 1% increase from the 2009-2013 5-Year American Community Survey.
- Median family income average for the Authority's member jurisdictions is approximately \$116,896 compared to \$77,939 in the Commonwealth and \$65,443 nationally per the U.S. Census Bureau, 2010-2014 5-Year American Community Survey. This represents a 2% increase from the 2009-2013 5-Year American Community Survey.
- The fiscal year 2017 special revenue budgets include a projected 6% increase in sales tax revenue compared to the fiscal year 2016 budget; a 13% increase in transient occupancy tax revenue and a 17% increase in grantors tax. The increases for sales tax, grantor, and transient occupancy taxes are indicative of using updated estimation process to reflect actual fiscal year 2014 through fiscal year 2016 experience and are not indicative rates of increase projected for the long term. The Authority will continue to use conservative revenue estimation methods.
- The Authority's general fund operating budget will increase from \$1,485,717 in fiscal year 2016 to \$2,067,230 in fiscal year 2017. This increase is reflective of the addition of two staff positions and the procurement of a Legislative Services contract.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those interested. If you have any questions about this report or need additional financial information, contact Michael Longhi, Chief Financial Officer, Northern Virginia Transportation Authority, 3040 Williams Drive, Suite 200, Fairfax, Virginia 22031, or by email to michael.longhi@thenovaauthority.org.

BASIC FINANCIAL STATEMENTS

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

STATEMENT OF NET POSITION

June 30, 2016

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 505,008
Other receivables	24,478
Due from other governments	54,211,407
Deposits and prepaid items	23,366
Restricted cash, cash equivalents and investments	613,960,768
Pension asset	81,549
Capital assets (net of accumulated depreciation and amortization):	
Office furniture and equipment	32,001
Total assets	668,838,577
DEFERRED OUTFLOWS OF RESOURCES	
Pension plan	50,409
Total deferred outflows of resources	50,409
LIABILITIES	
Accounts payable	14,463,256
Accrued liabilities	1,309,818
Bond reserves	342,287
Due to other governments	16,263,746
Current portion of long-term debt	2,405,000
Noncurrent liabilities:	
Due in more than one year	73,879,132
Total liabilities	108,663,239
NET POSITION	
Net investment in capital assets	32,001
Restricted	559,604,499
Unrestricted	589,247
Total net position	\$ 560,225,747

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

STATEMENT OF ACTIVITIES

Year Ended June 30, 2016

		Program Revenues	Net (Expense) Revenue and Change in Net Position
		Operating Grants and Contributions	Governmental Activities
	Expenses		
Functions/Programs			
Governmental activities:			
General and administration	\$ 1,944,222	\$ 1,100,262	\$ (843,960)
Jurisdictional distributions (30%)	95,093,539	-	(95,093,539)
Project cost distributions	69,306,373	-	(69,306,373)
Interest and issuance costs	2,634,410	-	(2,634,410)
Total governmental activities	\$ 168,978,544	\$ 1,100,262	(167,878,282)
General revenues:			
Intergovernmental revenue:			
Grantors tax			48,055,730
Sales tax			240,567,760
Transient occupancy tax			28,192,077
NVTA fund interest income			131,171
Interest income			2,368,579
Total general revenues			319,315,317
Change in net position			151,437,035
Net Position, beginning of year			408,788,712
Net Position, end of year			\$ 560,225,747

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

BALANCE SHEET GOVERNMENTAL FUNDS June 30, 2016

		Special Revenue Funds		Non-Major	
	General	Local	Regional	Debt	Total
	Fund	Distribution	Revenue	Service	Governmental
	Fund	Fund	Fund	Fund	Funds
ASSETS					
Cash and cash equivalents	\$ 505,008	\$ -	\$ -	\$ -	\$ 505,008
Other receivables	-	-	24,478	-	24,478
Due from other governments	-	16,263,422	37,947,985	-	54,211,407
Deposits and prepaid items	23,366	-	-	-	23,366
Restricted cash, cash equivalents and investments	-	324	613,496,173	464,271	613,960,768
Total assets	\$ 528,374	\$ 16,263,746	\$ 651,468,636	\$ 464,271	\$ 668,725,027
LIABILITIES					
Accounts payable	\$ 2,916	\$ -	\$ 14,460,340	\$ -	\$ 14,463,256
Accrued liabilities	38,657	-	979,470	-	1,018,127
Bond reserves	-	-	342,287	-	342,287
Due to other governments	-	16,263,746	-	-	16,263,746
Total liabilities	41,573	16,263,746	15,782,097	-	32,087,416
FUND BALANCES					
Nonspendable	23,366	-	-	-	23,366
Restricted	-	-	518,262,489	464,271	518,726,760
Restricted - working capital reserve	-	-	109,107,511	-	109,107,511
Restricted - project contingency reserve	-	-	8,316,539	-	8,316,539
Committed	247,619	-	-	-	247,619
Unassigned	215,816	-	-	-	215,816
Total fund balances	486,801	-	635,686,539	464,271	636,637,611
Total liabilities and fund balances	\$ 528,374	\$ 16,263,746	\$ 651,468,636	\$ 464,271	\$ 668,725,027

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION June 30, 2016

Reconciliation of fund balances on the Balance Sheet for the governmental funds to the net position of the governmental activities on the Statement of Net Position:

Fund balances - governmental funds		\$ 636,637,611
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds:		
Capital assets	\$ 42,668	
Less: accumulated depreciation	<u>(10,667)</u>	
		32,001
Financial Statement elements related to pensions are applicable to future periods and, therefore, not reported in the governmental funds:		
Net pension asset	81,549	
Deferred outflows of resources employer contributions pension plan	48,913	
Deferred outflows of resources for the net difference between projected and actual investment earnings on pension plan investments	<u>1,496</u>	
		131,958
Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.		(262,179)
Compensated absences are liabilities not due and payable in the current period and, therefore, are not reported in the governmental funds.		(29,512)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Revenue bonds	(65,250,000)	
Premiums on bonds payable	<u>(11,034,132)</u>	
		<u>(76,284,132)</u>
Net position - governmental activities		<u>\$ 560,225,747</u>

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended June 30, 2016**

		Special Revenue Funds		Non-Major	
	General Fund	Local Distribution Fund	Regional Revenue Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Intergovernmental:					
Grantors tax	\$ -	\$ 14,416,719	\$ 33,639,011	\$ -	\$ 48,055,730
Sales tax	-	72,170,328	168,397,432	-	240,567,760
Transient occupancy tax	-	8,457,623	19,734,454	-	28,192,077
NVTa fund interest income	-	39,351	91,820	-	131,171
Interest income	-	9,518	2,357,045	2,016	2,368,579
Contribution member jurisdictions	1,100,262	-	-	-	1,100,262
Total revenues	1,100,262	95,093,539	224,219,762	2,016	320,415,579
Expenditures					
Current:					
General and administration	1,181,112	-	877,619	-	2,058,731
Jurisdictional distributions (30%)	-	95,093,539	-	-	95,093,539
Project cost distributions	-	-	69,306,373	-	69,306,373
Debt service:					
Principal	-	-	-	2,310,000	2,310,000
Interest	-	-	-	3,238,550	3,238,550
Total expenditures	1,181,112	95,093,539	70,183,992	5,548,550	172,007,193
Excess (deficiency) of revenues over (under) expenditures	(80,850)	-	154,035,770	(5,546,534)	148,408,386
Other Financing Sources (Uses)					
Transfers	-	-	(5,548,426)	5,548,426	-
Total other financing sources (uses)	-	-	(5,548,426)	5,548,426	-
Net change in fund balances	(80,850)	-	148,487,344	1,892	148,408,386
Fund Balances, beginning of year	567,651	-	487,199,195	462,379	488,229,225
Fund Balances, end of year	\$ 486,801	\$ -	\$ 635,686,539	\$ 464,271	\$ 636,637,611

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES Year Ended June 30, 2016

Amounts reported for governmental activities in the Statement of Activities are different because:

Net changes in fund balances - total governmental funds	\$ 148,408,386
---	----------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation. This is the amount by which depreciation exceeded capital outlays in the current period.

Deduct - depreciation expense	(6,095)
-------------------------------	---------

Government funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension Expense	131,958
-----------------	---------

The issuance of long-term debt (e.g., bonds, leases, line of credit) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items. A summary of items supporting this adjustment is as follows:

Principal payment on revenue bonds	2,310,000
------------------------------------	-----------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The following is a summary of items supporting this adjustment:

Compensated absences	\$ (11,354)	
Change in accrued interest payable	7,700	
Amortization of premiums on bonds payable	596,440	
		<u>592,786</u>

Change in net position of governmental activities	<u>\$ 151,437,035</u>
--	------------------------------

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
Revenues				
Contribution member jurisdictions	\$ 1,100,264	\$ 1,100,264	\$ 1,100,262	\$ (2)
Total revenues	<u>1,100,264</u>	<u>1,100,264</u>	<u>1,100,262</u>	<u>(2)</u>
Expenditures				
Current:				
General and administration	1,238,099	1,362,799	1,181,112	(181,687)
Total expenditures	<u>1,238,099</u>	<u>1,362,799</u>	<u>1,181,112</u>	<u>(181,687)</u>
Deficiency of revenues under expenditures	<u>(137,835)</u>	<u>(262,535)</u>	<u>(80,850)</u>	<u>181,685</u>
Net change in fund balance	<u>(137,835)</u>	<u>(262,535)</u>	<u>(80,850)</u>	<u>181,685</u>
Fund Balance, beginning of year	<u>137,835</u>	<u>262,535</u>	<u>567,651</u>	<u>305,116</u>
Fund Balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 486,801</u>	<u>\$ 486,801</u>

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - LOCAL DISTRIBUTION
Year Ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
Revenues				
Intergovernmental:				
Grantors tax	\$ 11,160,744	\$ 11,160,744	\$ 14,416,719	\$ 3,255,975
Sales tax	69,827,046	69,827,046	72,170,328	2,343,282
Transient occupancy tax	7,689,720	7,689,720	8,457,623	767,903
NVTa fund interest income	-	-	39,351	39,351
Interest income	-	-	9,518	9,518
Total revenues	88,677,510	88,677,510	95,093,539	6,416,029
Expenditures				
Current:				
Jurisdictional distributions (30%)	88,677,510	88,677,510	95,093,539	(6,416,029)
Total expenditures	88,677,510	88,677,510	95,093,539	(6,416,029)
Deficiency of revenues under expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund Balance, beginning of year	-	-	-	-
Fund Balance, end of year	\$ -	\$ -	\$ -	\$ -

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - REGIONAL REVENUE FUND
Year Ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
Revenues				
Intergovernmental:				
Grantors tax	\$ 26,041,736	\$ 26,041,736	\$ 33,639,011	\$ 7,597,275
Sales tax	162,929,773	162,929,773	168,397,432	5,467,659
Transient occupancy tax	17,942,678	17,942,678	19,734,454	1,791,776
NVTa fund interest income	-	-	91,820	91,820
Interest income	70,000	70,000	2,357,045	2,287,045
Total revenues	206,984,187	206,984,187	224,219,762	17,235,575
Expenditures				
Current:				
General and administration	2,500,000	2,500,000	877,619	1,622,381
Project cost distributions	528,862,681	519,326,153	69,306,373	450,019,780
Debt service:				
Issuance cost/fees	300,000	175,300	-	175,300
Total expenditures	531,662,681	522,001,453	70,183,992	451,817,461
Excess (deficiency) of revenues over (under) expenditures	(324,678,494)	(315,017,266)	154,035,770	469,053,036
Other Financing Uses				
Transfers for debt service	(5,548,550)	(5,548,550)	(5,548,426)	124
Total other financing uses	(5,548,550)	(5,548,550)	(5,548,426)	124
Net change in fund balance	(330,227,044)	(320,565,816)	148,487,344	469,053,160
Fund Balance, beginning of year	330,227,044	320,565,816	487,199,195	166,633,379
Fund Balance, end of year	\$ -	\$ -	\$ 635,686,539	\$ 635,686,539

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of the Northern Virginia Transportation Authority (“the Authority”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

A. Reporting Entity

The Authority is a political subdivision of the Commonwealth of Virginia, created in 2002 by the Northern Virginia Transportation Authority Act, Title 15.2, of the *Code of Virginia*. The Authority’s primary function is to conduct project planning, prioritization and funding for regional transportation purposes in the Northern Virginia region.

In November 2012, the Authority developed its long-range plan, Transaction 2040. On April 3, 2013, the Governor’s substitute for House Bill 2313 (the “HB2313”) was adopted by the Virginia General Assembly. HB2313 provided a dedicated funding stream for transportation projects in Northern Virginia. HB2313 provided a permanent, annual source of revenue for the Authority to implement its legislative mandates and the new revenue stream commenced on July 1, 2013.

The member jurisdictions of the Authority are the counties of Arlington, Fairfax, Loudoun and Prince William, and the cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park. The Authority has seventeen members as follows: the chief elected official, or their designees, of the nine cities and counties that are members of the Authority; two members of the House of Delegates appointed by the Speaker of the House; one member of the Senate appointed by the Senate Committee on Privileges and Elections; and two citizens who reside in counties and cities embraced by the Authority, appointed by the Governor. In addition, the Director of the Virginia Department of Rail and Public Transportation, or designee; the Commonwealth Transportation Commissioner, or designee; and the chief elected officer of one town in a county, which the Authority embraces, serve as non-voting members of the Authority.

All moneys received by the Authority and the proceeds of bonds and other debt instruments are required to be used solely for transportation purposes benefiting the member jurisdictions. Of the HB2313 revenues received, 30% are distributed to member jurisdictions based on revenues generated in the jurisdiction, for transportation projects and purposes authorized under Section 33.2-2510 and selected by the member jurisdiction. The remaining 70% of the HB 2313 revenues are first pledged to the payment of bonds and other debt instruments with the remaining revenues available to fund regional transportation projects and mass transit projects that increase capacity for the benefit of the member localities

B. Government-wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information of the governmental activities supported by intergovernmental revenues.

The government-wide Statement of Net Position reports net position as restricted when externally imposed constraints are in effect. Internally imposed designations of resources are not presented as restricted net position.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements (Continued)

The government-wide Statement of Activities is designed to report the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include grants and contributions that are restricted to meeting the operational requirements of a particular function.

Separate fund financial statements are provided for each of the governmental funds. In the fund financial statements, financial transactions and accounts of the Authority are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The governmental funds are reported on a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances (fund equity). Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented which briefly explains the adjustment necessary to reconcile the fund financial statements to the government-wide financial statements.

C. Measurement Focus and Basis of Accounting

Government-wide Financial Statements – Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Intergovernmental revenues, consisting of taxes and fees from the Commonwealth of Virginia and local operating contributions, are recognized in the period the funding is made available.

Governmental Fund Financial Statements – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 90 days after year end. Expenditures are recorded when a liability is incurred under the full accrual method of accounting. However, debt service expenditures, expenditures related to compensated absences, and claims and judgments are recorded only when payment is due. The individual Government Funds are:

General Fund – The General Fund is the primary operating fund of the Authority and is used to account for and report all revenues and expenditures applicable to the general operations of the Authority which are not accounted for in other funds. Revenues are derived primarily from contributions from member jurisdictions. The General Fund is considered a major fund for financial reporting purposes.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Special Revenue Funds – Special revenue funds account for and report the proceeds of specific revenue sources restricted or committed to expenditures for specified purposes other than debt service or capital projects. The Authority has two special revenue funds. The Local Distribution Fund (30%) reports 30% of the intergovernmental revenue received by the Authority. The 30% funds are distributed to the member jurisdictions on a pro rata basis with each localities' share being the total of the revenues received that are generated or attributable to the locality divided by the total for use according to HB2313. The Regional Revenue Fund (70%) includes amounts to be used by the Authority solely for regional transportation projects and other entities to fund transportation projects selected by the Authority that are contained in the regional transportation plan, or mass transit capital projects that increase capacity. Both special revenue funds are considered a major fund for financial reporting purposes.

Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted or committed for expenditures related to principal and interest.

D. Budgeting

The Authority adopts an annual operating budget for the planning and administrative activities of the General Fund. The budgeting process enables the Authority to determine the annual contributions required from the member jurisdictions to fund its planning and administrative activities. Accumulated fund balances in excess of anticipated minimum operating cash requirements are used as a revenue source in subsequent budgets. The Authority also adopts a budget for the Local Distribution Fund (30%) which promptly distributes 30% of the revenue from tax proceeds to the nine member jurisdictions based on their respective revenue contribution through the taxes collected by the Commonwealth.

To fund the various transportation projects approved by the Authority, the Regional Revenue Fund (70%) budget includes all debt service obligations costs of issuance and funding of the Working Capital Reserve as well as PayGo projects.

E. Other Significant Accounting Policies

1. Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less. The investment in the Local Government Investment Pool (LGIP or Pool) and the Virginia State Non-Arbitrage Program (SNAP or Pool), are 2a7-like pools and are reported at the Pool's share price.

2. Restricted Cash, Cash Equivalents and Investments

Restricted cash, cash equivalents and investments as reported in the Statement of Net Position are comprised of funds that shall be used solely for regional transportation purposes benefiting the member jurisdictions and funds related to bond compliance requirements. Bond proceeds are maintained in compliance with the provisions of the Tax Reform Act of 1986 and as required by the Authority's Master Indenture of Trust. Investments are stated at fair value based on quoted market prices.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the financial statements using the consumption method.

4. Capital Assets

Capital assets include property and equipment and computer hardware with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. For constructed assets, all costs necessary to bring assets to the condition and location necessary for the intended use are capitalized. Repairs and maintenance are charged to operations as they are incurred. Additions and betterments are capitalized. The costs of assets retired and accumulated depreciation are removed from the accounts.

Depreciation and amortization of all exhaustible equipment, leasehold improvements, and intangibles is charged as an expense against operations using the straight-line method over the following estimated useful lives:

<u>Asset Category</u>	<u>Useful Life (years)</u>
Computer Hardware & Peripherals	4
Office Furniture	7-10
Office Equipment	5-10
Leasehold Improvements	Life of the lease

When, in the opinion of management, certain assets are impaired, any estimated decline in value is accounted for as a non-operating expense. There were no impaired assets as of June 30, 2016.

Funding of transportation capital projects: For projects approved and funded by the Authority with regional revenue funds (70%), either as a PayGo or financed project, the Authority does not take ownership of such projects. Therefore, these projects are not reflected on the Authority's financial statements.

5. Pensions

The Virginia Retirement System (VRS) Political Subdivision Retirement Plan is a multi-employer, agent plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Political Subdivision's Retirement Plan and the additions to/deductions from the Political Subdivision's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Net pension assets and deferred outflows of resources are reported in the government-wide fund financial statements.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

6. Compensated Absences

The Authority's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from the Authority's service. The liability for such leave is reported as incurred in the government-wide statements. Vacation leave for the Authority employees is granted to all full and part-time employees and is earned based upon the length of employment. Employees with zero to ten (10) years of service may carryover a maximum of 240 hours of accumulated leave. Employees with more than 10 years of service may carryover 360 hours of leave. The allowed accumulated leave earned yet not paid has been recorded as a liability on the Statement of Net Position.

Accumulated sick leave lapses when employees leave the Authority and, therefore, upon separation from service, no monetary obligation exists.

7. Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. The Authority does recognize bond issuance costs in the governmental funds as a current period expense in accordance with GASB Statement No. 65.

8. Deferred Outflows of Resources

In addition to assets, the statements that present net position report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has two items that qualify for reporting in this category. The first consists of pension contributions subsequent to the measurement date. These will be applied to the net pension asset in the next fiscal year. The second item, the net difference between projected and actual earnings on the Virginia Retirement System's plan investments, is reported in the government-wide Statement of Net Position.

9. Fund Equity

The Authority reports fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance classification includes amounts that are not in spendable form (such as prepaid items) or are required to be maintained intact (corpus of a permanent fund).

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

9. Fund Equity (Continued)

Restricted fund balance classification includes amounts constrained to specific purposes by their providers (higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance classification includes amounts constrained to specific purposes by the government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint. To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the action to remove or change the constraint.

Assigned fund balance classification includes amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance classification includes the residual balance of the General Fund that has not been restricted, committed, or assigned to specific purposes within the General Fund.

The General Fund balance includes \$247,619 categorized as committed fund balance as of June 30, 2016. The debt policy adopted by the Authority on December 12, 2013 and revised June 19, 2015, requires the Authority to maintain an operating reserve sufficient to fund at least 20% of the General Fund operating expenses. The operating reserve may be used at the discretion of the Executive Director, to cover unanticipated increases in the Authority's expenditures. If used, the Executive Director will present a plan to the Authority for restoring the reserve during the next fiscal year budget process.

When fund balance resources are available for a specific purpose in more than one classification, the Authority will consider the use of restricted, committed, or assigned funds prior to the use of unassigned fund balance as they are needed.

10. Net Position

Net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows. The net position caption "net investment in capital assets" consists of capital assets, net of accumulated depreciation and amortization. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Authority first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

11. Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

12. Inter-fund Transfers

Transactions among the Authority's funds would be treated as revenues and expenditures or expenses if they involved organizations external to the Authority government are accounted for as revenues and expenditures or expenses in funds involved.

Transactions, which constitute reimbursements to a fund for expenditures initially made from it, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended, are separately reported in the respective funds' operating statements.

13. Subsequent Events

The Authority has evaluated subsequent events through October 6, 2016, which was the date the financial statements were available to be issued.

Note 2. Deposits and Investments

At June 30, 2016, cash, cash equivalents, and investments consisted of the following, at cost, which approximates fair value:

Governmental Activities

Cash	<u>\$ 505,008</u>
Restricted:	
Demand Deposits	34,148,564
LGIP	375,947,136
SNAP	75,405,074
Regions Bank	52,556,358
Virginia Investment Pool	<u>75,903,636</u>
Total restricted	<u>613,960,768</u>
Total	<u><u>\$ 614,465,776</u></u>

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et., seq. of the *Code of Virginia*. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or its agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes; bankers’ acceptances, repurchase agreements and the State Treasurer’s Local Government Investment Pool (LGIP). Investments are presented at fair market value on a quoted price basis.

Investment Policy

The Authority adopted a formal investment policy in December 2014. The goal of the policy is to minimize risk and to ensure the availability of cash to meet Authority expenditures, while generating revenue from the use of funds, which might otherwise remain idle. The primary objectives of the Authority’s investment activities in priority order are safety, liquidity, and yield. The policy specifies eligible and ineligible investments; diversification requirements; maximum length of time for various types of investments; and the process for purchasing securities.

Credit Risk

The investment policy specifies credit quality for certain types of investments, as described below, in accordance with the *Code of Virginia*, and the policy specifies the qualifications for institutions providing depository and investment services. In addition, the Chief Financial Officer must conduct a quarterly review of the condition of each authorized financial institution and broker/dealer.

Investment	Credit Quality
Savings account or CD’s of any bank or savings and loan association within the Commonwealth of Virginia	Bank or savings and loan association must be a “qualified public depository”
Bankers’ acceptances	Institution must be “prime quality” as determined by one or more recognized rating services
Commercial paper	Must be “prime quality” as rated by two of the following: Moody’s (prime 1); S&P (A-1); Fitch (F-1); Duff and Phelps (D-1)
Corporate notes	Must be “high quality” as defined by ratings of at least AA by S&P and Aa by Moody’s
Negotiable certificates of deposit and negotiable bank deposit notes	Must have ratings of at least A-1 by S&P and P-1 by Moody’s for short-term instruments and AA by S&P and Aa by Moody’s for long-term instruments

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of a failure of a depository financial institution, deposits may not be recovered. All cash of the Authority is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act (Act), Section 2.2-4400 et. seq. of the *Code of Virginia* or covered by federal depository insurance. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. If any member bank fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. With the ability to make additional assessments, the multiple bank collateral pool functions similarly to depository insurance. The Commonwealth of Virginia Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act.

Interest Rate Risk

In accordance with its investment policy, the Authority manages its exposure to declines in fair values by limiting the maturity of various investment vehicles, as indicated in the chart below.

Concentration of Credit Risk

The Authority's investment policy provides limitations on the percentage of the portfolio that can be invested in each type of security, as indicated in the following chart.

The limitations provided in the investment policy for maximum maturity and percentage of the portfolio for each category of investment are as follows:

Class	Length	Percent of Total Portfolio and Cash
Stocks, bonds, notes and other evidences of indebtedness of the Commonwealth of Virginia	60 months or less	75%
Stocks, bonds, notes and other evidences of indebtedness of the United States	60 months or less	100%
Stocks, bonds, notes and other evidences of indebtedness of any county, city, town, district, authority or other public body of the Commonwealth of Virginia	36 months or less	75%
Legally authorized stocks, bonds, notes and other evidences of indebtedness of any city, county, town or district situated in any one of the states of the United States	36 months or less	75%
Savings accounts or time deposits (CDs) in any bank or savings and loan association within the Commonwealth of Virginia	24 months or less	60%

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Concentration of Credit Risk (Continued)

Class	Length	Percent of Total Portfolio & Cash
Repurchase Agreements	12 months or less	20%
Bankers' Acceptances	12 months or less	10%
Prime Quality Commercial Paper	270 days or less	35% with a 5% per issuer limit
High Quality Corporate Notes	36 months or less	50%
Certificates representing ownership in either treasury bond principal at maturity or its coupons for accrual periods	36 months or less	25%
The Local Government Investment Pool (LGIP)	N/A	100%
Open End Mutual Funds	N/A	Maximum 20% in any one fund. Prior three year history must exceed internal performance by 25bps, net of management fee
The State Non-Arbitrage Pool (SNAP)	N/A	100% of bond proceeds or debt related reserve account
Negotiable certificates of deposit and negotiable bank deposit notes	24 months or less	25%
External Management Contract	3 years or less	25% of net balance of pooled investments, using lowest portfolio amount as target point. Prior three year history must exceed internal performance by 25bps, net of management fee

As of June 30, 2016, the Authority had investments of \$375,947,136 in the LGIP for governmental activities. The LGIP is a professionally managed money market fund which invests in qualifying obligations and securities as permitted by Virginia statutes. Pursuant to Section 2.2-4605 *Code of Virginia*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. The fair value of the position of the LGIP is the same as the value of the pool shares, i.e., the LGIP maintains a stable net asset value of \$1 per share. The LGIP has been assigned an "AAAm" rating by Standard & Poor's.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

As of June 30, 2016, the Authority had investments of \$75,405,074 in the Commonwealth of Virginia State Non-Arbitrage Program (“SNAP”). SNAP has been established by the Treasury Board of the Commonwealth of Virginia pursuant to the SNAP Act (Chapter 47, Title 2.2, *Code of Virginia* 1950, as amended) to provide comprehensive investment management, accounting and arbitrage rebate calculation services for proceeds of tax-exempt borrowings and other financings of Virginia Issuers subject to Section 148 (and related sections) of the Internal Revenue Code. The SNAP Fund is managed to maintain a dollar-weighted average portfolio maturity of 60 days or less and seeks to maintain a constant net asset value per share of \$1. The SNAP Fund invests in obligations of the United States Government and its agencies, high quality debt obligations of U.S. companies and obligations of financial institutions, and is rated “AAAm” by Standard & Poor’s.

As of June 30, 2016, the Authority had investments of \$75,903,636, stated at fair market value on a quoted price basis, in the Virginia Municipal League/ Virginia Association of Counties (VML/VACo) – Investment Pool. The quoted price basis used to calculate fair market value increased investment income \$450,714 as of June 30, 2016. VML/VACo’s pooled investment program is used by local governments to invest assets they expect to hold longer than one year. Participants are invested in high quality corporate and government securities with an average duration of one to two years. VML/VACo is rated AAf/S1 by Standard & Poor’s. “S1” indicates the lowest level of volatility. The weighted effective duration at June 30, 2016 is 1.94 years.

Bond Proceeds

Bond proceeds shall be invested in accordance with the requirements and restrictions outlined in the Master Indenture of Trust and the First Supplemental Indenture of Trust both dated December 1, 2014. Bond proceeds shall be invested in SNAP and alternate investment pools that provide assistance to local governments in the investment of bond proceeds and the preparation of rebate calculations in compliance with treasury arbitrage regulations in accordance with the *Code of Virginia* requirements or the Authority’s own investment policy. As of June 30, 2016, the Authority had \$52,556,358 held by the bond trustees, Regions Bank. Of this amount, \$46,518,062 was in the 2014 Project Fund account, \$5,574,025 was in the Debt Service Reserve account, and \$464,271 is the debt service account for payment of principal and interest.

Note 3. Fair Value Measurement

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The three levels of the fair value hierarchy are described below.

Level 1	Valuation based on quoted prices in active markets for identical assets or liabilities.
Level 2	Valuation based on quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets and liabilities.
Level 3	Valuations based on unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of assets or liabilities.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 3. Fair Value Measurement (Continued)

The following table shows the Authority's investments by fair value level as of June 30, 2016:

Investments by Fair Value Level	Total	Level 1	Level 2	Level 3
Money market:				
John Marshall Bank	\$ 14,113,321	\$ 14,113,321	\$ -	\$ -
Access National Bank	20,035,241	20,035,241	-	-

The remaining investments maintained by the Authority are held in external investment pools which are exempt from the fair value disclosure.

Note 4. Due To/From Other Governments

At June 30, 2016, due from other governments consisted of the following:

Due from Commonwealth of Virginia:	Local Distribution Fund	Regional Revenue Fund	Total
Grantors Tax	\$ 1,485,525	\$ 3,466,226	\$ 4,951,751
Sales Tax	12,762,525	29,779,224	42,541,749
Transient Occupancy Tax	2,003,355	4,674,494	6,677,849
NVTA Fund Interest	12,017	28,041	40,058
Total	\$ 16,263,422	\$ 37,947,985	\$ 54,211,407

Amounts due to other governments as of June 30, 2016 consisted of the following:

	Amount
City of Alexandria	\$ 1,053,140
Arlington County	2,154,902
City of Fairfax	437,398
Fairfax County	7,038,994
City of Falls Church	153,210
Loudoun County	2,852,083
City of Manassas	294,319
City of Manassas Park	70,419
Prince William County	2,209,281
Total	\$ 16,263,746

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 5. Intergovernmental Revenues, Commonwealth of Virginia

Intergovernmental revenues from the Commonwealth of Virginia include additional fees or taxes imposed in each of the Member Jurisdictions as follows:

An additional Retail Sales Tax of 0.7% is added to the standard rate of retail sales tax imposed by the Virginia Code. The additional tax is not levied upon food purchased for human consumption.

A Regional Congestion Relief Fee (Grantors Tax) equivalent to \$0.15 for each \$100 of value imposed on every deed and deed of trust admitted to record in the Commonwealth subject to certain exceptions and exemptions.

An additional Regional Transient Occupancy Tax (Hotel) is added at a rate of 2% of the amount of the charge for the occupancy of any room or space.

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated and amortized:				
Office furniture and equipment	\$ 42,668	\$ -	\$ -	\$ 42,668
Less accumulated depreciation and amortization	4,572	6,095	-	10,667
Total capital assets being depreciated and amortized, net	\$ 38,096	\$ (6,095)	\$ -	\$ 32,001

Note 7. Pension Plan

A. Plan Description

Name of Plan: Virginia Retirement System (VRS)

Identification of Plan: Agent Multiple-Employer Pension Plan

Administering Entity: Virginia Retirement System (System)

All full-time, salaried permanent employees of the Authority are automatically covered by VRS Retirement Plan upon employment. This plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

A. Plan Description (Continued)

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

Plan 1	Plan 2	Hybrid Retirement Plan
About Plan 1 Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.	About Plan 2 Plan 2 is a defined plan. The retirement benefit is based on a member's age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 2 if their membership date is on or after July 1, 2010 or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.	About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as Plan 1 and Plan 2 members who were eligible and opted into the plan during a special election window. (See "Eligible Members") <ul style="list-style-type: none">• The defined benefit is based on a member's age, creditable service and average final compensation at retirement using a formula.• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

B. Plan Description (Continued)

Plan 1	Plan 2	Hybrid Retirement Plan
<p>Eligible Members</p> <p>Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</p> <p>Hybrid Opt-In Election</p> <p>VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p>Eligible Members</p> <p>Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p>Hybrid Opt-In Election</p> <p>Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p>Eligible Members</p> <p>Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <p>Political subdivision employees.*</p> <ul style="list-style-type: none"> Members in Plan 1 or Plan 2 who elect to opt into the plan during the election window held January 1 – April 30, 2014; in the plan's effective date for opt-in members was July 1, 2014. <p>* Non-Eligible Members</p> <p>Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> Political subdivision employees who are covered by enhanced benefits for hazardous duty employees. <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

A. Plan Description (Continued)

Plan 1	Plan 2	Hybrid Retirement Plan
<p>Retirement Contributions</p> <p>Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions elected to phase in the required 5% member contribution; all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of a retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p> <p>Creditable Service</p> <p>Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p>Retirement Contributions</p> <p>Employees contribute 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions elected to phase in the required 5% member contribution; all employees will be paying the full 5% by July 1, 2016.</p> <p>Creditable Service</p> <p>Same as Plan 1.</p>	<p>Retirement Contributions</p> <p>A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p> <p>Creditable Service</p> <p><u>Defined Benefit Component</u></p> <p>Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member's total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><u>Defined Contribution Component</u></p> <p>Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.</p>

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

A. Plan Description (Continued)

Plan 1	Plan 2	Hybrid Retirement Plan
<p>Vesting</p> <p>Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions they make.</p>	<p>Vesting</p> <p>Same as Plan 1.</p>	<p>Vesting</p> <p><u>Defined Benefit Component</u></p> <p>Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><u>Defined Contribution Component</u></p> <p>Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p>

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

A. Plan Description (Continued)

Plan 1	Plan 2	Hybrid Retirement Plan
		Vesting (Continued)
		<u>Defined Contribution Component (Continued)</u>
		<ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.
		Distribution is not required by law until age 70½.
Calculating the Benefit	Calculating the Benefit	Calculating the Benefit
The Basic Benefit is calculated based on a formula using the member's average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.	See definition under Plan 1.	<u>Defined Benefit Component</u> See definition under Plan 1.
		<u>Defined Contribution Component</u> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.
An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.		
Average Final Compensation	Average Final Compensation	Average Final Compensation
A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

A. Plan Description (Continued)

Plan 1	Plan 2	Hybrid Retirement Plan
<p>Service Retirement Multiplier The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.7% or 1.85% as elected by the employer.</p>	<p>Service Retirement Multiplier Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members, the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.</p>	<p>Service Retirement Multiplier The retirement multiplier for the defined benefit component is 1.0%. For members that opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p>
<p>Normal Retirement Age Age 65.</p>	<p>Normal Retirement Age Normal Social Security retirement age.</p>	<p>Normal Retirement Age</p>
		<p><u>Defined Benefit Component</u> Same as Plan 2.</p>
		<p><u>Defined Contribution Component</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Unreduced Retirement Eligibility Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.</p>	<p>Earliest Unreduced Retirement Eligibility Normal Social Security retirement age with at least 5 years (60 months) of creditable service or when their age and service equal 90.</p>	<p>Earliest Unreduced Retirement Eligibility</p>
		<p><u>Defined Benefit Component</u> Normal Social Security retirement age and have at least 5 years (60 months) of creditable service or when their age and service equal 90.</p>
		<p><u>Defined Contribution Component</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

A. Plan Description (Continued)

Plan 1	Plan 2	Hybrid Retirement Plan
Earliest Reduced Retirement Eligibility <p>Age 55 with at least five years (60 months) of creditable service or age 50 with at least 10 years of creditable service.</p>	Earliest Reduced Retirement Eligibility <p>Age 60 with at least five years (60 months) of creditable service.</p>	Earliest Reduced Retirement Eligibility <p><u>Defined Benefit Component</u> Members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.</p> <p><u>Defined Contribution Component</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
Cost-of-Living Adjustment (COLA) in Retirement <p>The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><u>Eligibility:</u> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p>	Cost-of-Living Adjustment (COLA) in Retirement <p>The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%) for a maximum COLA of 3%.</p> <p><u>Eligibility:</u> Same as Plan 1.</p>	Cost-of-Living Adjustment (COLA) in Retirement <p><u>Defined Benefit Component</u> Same as Plan 2.</p> <p><u>Defined Contribution Component</u> Not applicable.</p> <p><u>Eligibility:</u> Same as Plan 1 and Plan 2.</p>

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

A. Plan Description (Continued)

Plan 1		Plan 2		Hybrid Retirement Plan	
Cost-of-Living (COLA) in Retirement (Continued)	Adjustment in Retirement	Cost-of-Living (COLA) in Retirement (Continued)	Adjustment in Retirement	Cost-of-Living (COLA) in Retirement (Continued)	Adjustment in Retirement
<u>Exceptions to COLA Effective Dates:</u>		<u>Exceptions to COLA Effective Dates:</u>		<u>Exceptions to COLA Effective Dates:</u>	
The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:		Same as Plan 1.		Same as Plan 1 and Plan 2.	
<ul style="list-style-type: none"> The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. The member retires on disability. The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP). The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program. The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins. 					

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

A. Plan Description (Continued)

Plan 1	Plan 2	Hybrid Retirement Plan
<p>Disability Coverage</p> <p>Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service regardless of when it was earned, purchased or granted.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>	<p>Disability Coverage</p> <p>Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service regardless of when it was earned, purchased or granted.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>	<p>Disability Coverage</p> <p>Eligible political subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides an employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>
<p>Purchase of Prior Service</p> <p>Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.</p>	<p>Purchase of Prior Service</p> <p>Same as Plan 1.</p>	<p>Purchase of Prior Service</p> <p><u>Defined Benefit Component</u></p> <p>Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> • Hybrid Retirement Plan members are ineligible for ported services. • The cost for purchasing refunded service is the higher of 4% of creditable compensation or average final compensation. • Plan members have one year from their date of hire or return from leave to purchase all but refunded prior service at approximate normal cost. After that one year period, the rate for most categories of service will change to actuarial cost. <p><u>Defined Contribution Component</u></p> <p>Not applicable.</p>

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

A. Plan Description (Continued)

VRS issues a publicly available CAFR that includes financial statements and required supplementary information for the plans which it administers. A copy of that report may be obtained by writing to Virginia Retirement System, P.O. Box 2500, Richmond, Virginia 23218-2500, or from their website at www.varetire.org.

Employees Covered by Benefit Terms

As of June 30, 2016, the following employees were covered by the benefit terms of the pension plan:

Active Members

6

Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. From the commencement of the Authority's plan in October 2014, employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The Authority's contractually required contribution rate for the year ended June 30, 2016 was 6.79% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were \$48,913 and \$46,327 for the years ended June 30, 2016 and 2015, respectively.

B. Net Pension Asset

The Authority's net pension asset was measured as of June 30, 2015. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2014, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

B. Net Pension Asset (Continued)

Actuarial Assumptions

The total pension asset for General Employees in the Authority's Retirement Plan was based on an actuarial valuation as of June 30, 2014, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

Inflation	2.5 percent
Salary increases, including inflation	3.5 percent – 5.35 percent
Investment rate or return	7.0 percent, net of pension plan investment expense, including inflation*

* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates: 14% of deaths are assumed to be service related.

Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females were set back 2 years.

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

B. Net Pension Asset (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
U.S. Equity	19.50%	6.46%	1.26%
Developed Non-U.S. Equity	16.50%	6.28%	1.04%
Emerging Market Equity	6.00%	10.00%	0.60%
Fixed Income	15.00%	0.09%	0.01%
Emerging Debt	3.00%	3.51%	0.11%
Rate Sensitive Credit	4.50%	3.51%	0.16%
Non-Rate Sensitive Credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public Real Estate	2.25%	6.12%	0.14%
Private Real Estate	12.75%	7.10%	0.91%
Private Equity	12.00%	10.41%	1.25%
Cash	1.00%	-1.50%	-0.02%
Total	100.00%		5.83%
		Inflation	2.50%
		* Expected arithmetic nominal return	8.33%

* Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one-year results produces an expected real return of 8.33% but also has a high standard deviation, which means there is high volatility. Over larger time horizons, the volatility declines significantly and provides a median return of 7.44%, including expected inflation of 2.50%.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

B. Net Pension Asset (Continued)

Discount Rate

The discount rate used to measure the total pension asset was 7.0%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, the rate contributed by the employer for the Authority retirement plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

C. Changes in the Net Pension Asset

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at June 30, 2014	\$ -	\$ -	\$ -
Changes for the year:			
Service cost	-	-	-
Interest	-	-	-
Changes in benefit terms	-	-	-
Changes in assumptions	-	-	-
Difference between expected and actual experience	-	-	-
Contributions – employer	-	30,617	(30,617)
Contributions – employee	-	49,918	(49,918)
Net investment income	-	951	(951)
Benefit payments, including refunds of employee contributions	-	-	-
Administrative expense	-	65	(65)
Other changes	-	(2)	2
Net changes	-	81,549	(81,549)
Balances at June 30, 2015	\$ -	\$ 81,549	\$ (81,549)

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 7. Pension Plan (Continued)

C. Changes in the Net Pension Asset (Continued)

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the Net Pension Asset of the Authority using the discount rate of 7.00%, as well as what the Authority's Net Pension Asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
The Authority's Net Pension Asset	\$ (81,549)	\$ (81,549)	\$ (81,549)

D. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2016, the Authority recognized pension expense of \$(52,428). At June 30, 2016, the Authority reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,496
Employer contributions subsequent to measurement date	48,913
Total	\$ 50,409

The \$48,913 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as an increase of the Net Pension Asset in the fiscal year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ending June 30,	Amount
2017	\$ 374
2018	374
2019	374
2020	374
	\$ 1,496

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 8. Operating Leases and Agreements

Governmental Activities

The Authority leases office space under a 60-month agreement, which commenced on October 6, 2014 and expires October 31, 2019. The lease was amended effective July 18, 2016 in consideration for additional office space. The lease provides for 2.5% annual increases in base rent over the term of the lease, and the pass through of a proportionate share of the building core factor and common areas. Rent expense for Governmental Activities as reported in the government wide financial statements totaled \$103,619.

As of June 30, 2016, the minimum long-term lease commitments were as shown below:

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 117,763
2018	120,724
2019	<u>123,728</u>
Total	<u><u>\$ 362,215</u></u>

Note 9. Long-Term Debt Obligations

In December 2014, the Authority issued \$69,045,000 of Transportation Special Tax Revenue Bonds to pay (i) certain transportation projects in the Authority member localities or (ii) certain mass transit capital projects serving the Authority member localities, (iii) the issuance and financing costs of the bonds, and (iv) to a fund debt service reserve fund for the bonds. The bonds were issued at a premium of \$11,928,792, which will be amortized over the life of the bonds.

Transportation Special Tax Revenue Bonds

The special tax revenue bonds are direct obligations of the Authority and secured by the Authority's Regional Revenue and a debt service reserve of \$5,551,150 based on the maximum annual debt service calculation. These bonds were issued pursuant to the Master Indenture of Trust dated December 1, 2014 and the First Supplemental Indenture of Trust dated December 1, 2014. The bonds are issued as serial bonds and are the first series of transportation bonds to be issued under the Master Indenture.

\$69,045,000 2014 Transportation Special Tax Revenue Bonds due in annual principal payments of \$2,450,000 to \$5,285,000 through June 2034, interest at 4.00% to 5.00%

\$ 65,250,000

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 9. Long-Term Debt Obligations (Continued)

Changes in Long-Term Debt Obligations

The following is a summary of long-term liability activity for the year ended June 30, 2016:

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Compensated Absences	\$ 18,158	\$ 35,669	\$ 24,315	\$ 29,512	\$ 29,512
Transportation Special Tax					
Revenue Bonds	67,560,000	-	2,310,000	65,250,000	2,405,000
Unamortized Premiums	11,630,572	-	596,440	11,034,132	-
Total governmental activities	\$ 79,208,730	\$ 35,669	\$ 2,930,755	\$ 76,313,644	\$ 2,434,512

Federal arbitrage regulations apply to the Authority's special tax revenue bonds.

Funds are invested by the Trustee pursuant to the provisions of the Master Indenture and the First Supplemental Indenture of Trust. The Authority's Series 2014 Project Fund and Debt Service Reserve Fund are invested by the Trustee with SNAP, the Debt Service Fund is invested directly with Regions and is classified as restricted.

The debt service requirements for the Authority's bonds are as follows:

Year(s) Ending June 30,	Principal	Interest	Totals
2017	\$ 2,405,000	\$ 3,146,150	\$ 5,551,150
2018	2,500,000	3,049,950	5,549,950
2019	2,600,000	2,949,950	5,549,950
2020	2,730,000	2,819,950	5,549,950
2021	2,865,000	2,683,450	5,548,450
2022-2026	16,285,000	11,456,750	27,741,750
2027-2031	20,750,000	6,992,250	27,742,250
2032-2034	15,115,000	1,536,000	16,651,000
	\$ 65,250,000	\$ 34,634,450	\$ 99,884,450

Note 10. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. To reduce insurance costs and the need for self-insurance, the Authority has joined with other political subdivisions in the Commonwealth of Virginia in the VML Insurance Programs. The Authority has coverage with the VML Insurance Programs. Each Program member jointly and severally agrees to assume, pay and discharge any liability. The Authority pays VML the contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Program and claims and awards are to be paid.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

Note 11. Pending GASB Statements

At June 30, 2016, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by the Authority. The statements which might impact the Authority are as follows:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will improve accounting and financial reporting by state and local governments for OPEB. It will also require the recognition of the entire OPEB liability and a comprehensive measure of OPEB expense. Statement No. 75 will be effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, will improve the accounting and financial reporting for certain external investment pools and pool participants. It establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. Statement No. 79 will be effective for fiscal years beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015.

GASB Statement No. 82, *Pension Issues – an Amendment of GASB Statements No. 67, No. 68, and No. 73*, the objective of this Statement is to address certain issues that have been raised with respect to Statement No. 67, *Financial Reporting for Pension Plans*, Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Statement No. 82 will be effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

Management has not yet determined the effect these statements will have on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF AUTHORITY CONTRIBUTIONS - VIRGINIA RETIREMENT SYSTEM

	Fiscal Year June 30, 2015
Contractually required contribution (CRC)	\$ 33,173
Contributions in relation to the CRC	<u>33,173</u>
Contribution deficiency (excess)	<u>\$ -</u>
Employer's covered-employee payroll	\$ 488,557
Contributions as a percentage of covered-employee payroll	6.79%

Notes to Schedule:

- (1) Valuation date: June 30, 2015
- (2) Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.
- (3) Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20-29 years
Asset valuation method	5-year smoothed market
Cost-of-living adjustments	2.25%-2.50%
Projected salary increases	3.50%-5.35%, including inflation at 2.50%
Investment rate of return	7.0%, including inflation at 2.50%
- (4) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF CHANGES IN THE AUTHORITY'S NET PENSION ASSET AND RELATED RATIOS - VIRGINIA RETIREMENT SYSTEM

	As of June 30, 2015
Total Pension Liability	
Service cost	\$ -
Interest	-
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	-
Net change in total pension liability	-
Total pension liability - beginning	-
Total pension liability - ending (a)	<u>\$ -</u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 30,617
Contributions - employee	49,918
Net investment income	951
Administrative expense	65
Other	(2)
Net change in plan fiduciary net position	81,549
Plan fiduciary net position - beginning	-
Plan fiduciary net position - ending (b)	<u>\$ (81,549)</u>
The Authority's net pension asset - ending (a) - (b)	<u>\$ (81,549)</u>
Plan fiduciary net position as a percentage of the total pension liability	0%
Covered-employee payroll	\$ 488,557
The Authority's net pension asset as a percentage of covered-employee payroll	-17%

Notes to Schedule:

- (1) **Changes of benefit terms:** There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation. The 2014 valuation includes Hybrid Retirement Plan members for the first time. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. Because this was a new benefit and the number of participants was relatively small, the impact on the liabilities as of the measurement date of June 30, 2015 is not material.
- (2) **Changes of assumptions:** The following changes in actuarial assumptions were made effective June 30, 2013 based on the most recent experience study of the System for the four-year period ending June 30, 2012:
 - a. Update mortality table
 - b. Decrease in rates of service retirement
 - c. Decrease in rates of disability retirement
 - d. Reduce rates of salary increases by 0.25% per year
- (3) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

SUPPLEMENTARY INFORMATION

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENDITURES

Year Ended June 30, 2016

Expenditures	
Professional services	\$ 984,570
Salaries and wages	693,608
Employee group insurance	138,931
Office rent	103,620
Employer payroll taxes	47,303
Technical and technology hosting services	37,471
Copier printing and duplication	15,336
Miscellaneous	9,571
Professional development, industry conferences and training	7,776
Phone services	5,460
Mileage and transportation	4,794
Insurance and liability bonds	3,759
Meeting	2,904
Office supplies	2,041
Computer and software purchases	<u>1,586</u>
Total expenditures	<u><u>\$ 2,058,730</u></u>

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF CHANGES IN NET POSITION BY JURISDICTION

LOCAL DISTRIBUTION FUND (30%)

Year Ended June 30, 2016

	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	Totals
Revenues										
Intergovernmental:										
Commonwealth of Virginia										
Grantors tax	\$ 1,115,583	\$ 1,786,812	\$ 133,636	\$ 6,102,580	\$ 79,734	\$ 2,877,818	\$ 168,114	\$ 46,842	\$ 2,105,600	\$ 14,416,719
Sales tax	4,546,228	7,269,589	2,151,596	31,910,559	694,824	13,420,279	1,459,779	383,733	10,333,741	72,170,328
Transient occupancy tax	879,864	2,893,777	104,957	3,106,892	49,402	946,358	18,123	-	458,250	8,457,623
NVTA fund interest income	2,744	4,961	980	17,039	347	7,088	685	179	5,328	39,351
Interest Income	666	1,237	285	3,998	96	1,714	190	-	1,332	9,518
Total revenues	6,545,085	11,956,376	2,391,454	41,141,068	824,403	17,253,257	1,646,891	430,754	12,904,251	95,093,539
Expenditures										
Distribution of 30% local funds										
Total expenditures	6,545,085	11,956,376	2,391,454	41,141,068	824,403	17,253,257	1,646,891	430,754	12,904,251	95,093,539
Net change in fund balance	-	-	-	-	-	-	-	-	-	-
Fund Balance, beginning of year	-	-	-	-	-	-	-	-	-	-
Fund Balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

COMPLIANCE SECTION



**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Honorable Authority Board Members
Northern Virginia Transportation Authority
Fairfax, Virginia

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, each major fund and the remaining fund information of Northern Virginia Transportation Authority (Authority), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 6, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PBMares, LLP

Harrisonburg, Virginia
October 6, 2016

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Mayor Parrish, Chairman, Finance Committee

DATE: October 5, 2016

SUBJECT: Budget Adjustment – Exchange of Funding Source on FY2014 Projects

- 1. Purpose:** A budget adjustment to transfer bond proceeds to projects actively requesting reimbursements thus ensuring expenditure of Series 2014 bond proceeds in time to meet Internal Revenue Service (IRS) regulations. This action is intended to ensure compliance with Federal Tax Regulations generally requiring 85% of tax exempt bond proceeds be spent within three years of the issuance of tax exempt bonds.
- 2. Suggested Motion:** *I move Authority approval of the budget transfer of bond proceeds from Series 2014 bond funded projects into cash funded projects and the replacement of these proceeds by the transfer of Authority FY2014 PayGo funding (cash) as presented in Attachment A.*
- 3. Background:**
 - a. In December 2014 the Authority issued Tax Exempt Revenue Bonds to support the construction of transportation improvement projects in the region (the FY2014 Program).
 - b. As of September 2016, four of the projects initially assigned funding from the Series 2014 bonds have not submitted any requests for reimbursements, and the jurisdictions/agencies which are managing these projects have indicated that these projects will not request reimbursement for all, or most of, the bond proceeds by December 2017.
 - c. The Internal Revenue Service regulations require an issuer to certify its reasonable expectation to spend a minimum of 85% of bond proceeds within 3 years of the bond sale.
 - d. Transferring a portion of the Authority's 2014 Revenue Bond proceeds to fund a set of projects that were initially cash funded is appropriate and will enable the expenditure of the Series 2014 proceeds in time to comply with the IRS regulations.
 - e. Authority staff have identified cash funded projects which are eligible for capital financing pursuant to Resolution 07-24-13-C adopted July 24, 2013, and the Authority's financial policies and either have incurred, or are expected to incur, the required level of expenditure prior to December 2017.

- f. The transfer of the funding sources for these projects is effectively a budget transfer which makes no changes in the total amount funded or any of the terms of the subject projects.
- g. Current information on the projects originally selected for use of bond proceeds is contained in Attachment B. This information was provided to NVTa staff from the project sponsors.
- h. Details of the projects originally funded through PayGo are presented in Attachment C Project Descriptions – Projects Originally Funded with PayGo.
- i. Standard Project Agreements (SPAs) for projects using bond proceeds include a Tax Covenant as Appendix D. VDOT included the Appendix D Tax Covenant in the Rt. 28 Widening (SB Dulles Toll Rd to Rt. 50) and Rt. 28 Hot Spot Improvements SPAs.
- j. Loudoun County, following the direction provided at the time, did not include the Appendix D Tax Certificate in the Belmont Ridge Road Project. The Loudoun County Board of Supervisors authorized the Tax Certificate on September 22, 2016 amending the project SPA packet to include Appendix D.

Coordination:

- a. NVTa Finance Committee
- b. Bond Counsel
- c. Council of Counsel
- d. NVTa's Financial Advisor (PFM)
- e. Arlington County
- f. Virginia Railway Express
- g. Virginia Department of Transportation
- h. Loudoun County
- i. Prince William County

Attachments:

- A. Budget Transfer – Series 2014 Bond Projects.
- B. Notes on Projects Originally Funded Through Series 2014 Bonds.
- C. Project Descriptions – Projects Originally Funded With Bond Proceeds

Transfer of FY2014 Project Funding Sources:

Project Sponsor	Project	Transfer From PayGo to Bond Funded	Transfer From Bond Funded To PayGo
Arlington	Boundary Channel Drive		\$ 4,335,000
Prince William	Rt. 28, Linton Hall to Fitzwater		28,000,000
VRE	Lorton Station 2nd Platform		7,900,000
VRE	Alexandria Station Tunnel Platform Extension		1,300,000
Loudoun	Widening of Belmont Ridge Road	\$20,000,000	
VDOT	Rt. 28 Widening (SB Dulles Toll Rd to Rt. 50)	20,000,000	
VDOT	Rt. 28 Hot Spot Improvements	<u>1,535,000</u>	
		<u>\$ 41,535,000</u>	<u>\$ 41,535,000</u>

Notes on Projects Originally Funded Through Series 2014 Bonds

1. **Arlington County - Boundary Channel Drive (\$4,335,000)** - The Boundary Channel Drive Interchange was approved for \$4,335,000 in funding by NVTB in FY2014. At that time, the anticipated start date for construction was in FY2015, with completion by FY2017. Since the time that schedule was developed, more refined concept plans and estimates necessitated the incorporation of project elements which were not previously included due to lack of a completed transportation analysis, in-depth site analysis, and stakeholder input. Additionally, we experienced longer than anticipated review times from stakeholders such as the Pentagon and National Park Service, and a longer than expected NEPA process. The project is now anticipated to begin construction in FY2019 with completion in FY2021.
2. **Virginia Railway Express - Alexandria Pedestrian Tunnel Project (\$1,300,000)** - In 2013, the Alexandria Pedestrian Tunnel Project Feasibility Study recommended retaining the existing at-grade pedestrian crossing for ADA access to the East Platform. Review of the Feasibility Study recommendations with stakeholders at the start of engineering design determined that retaining the at-grade crossing was not desirable or appropriate, particularly since the majority of the project funding was coming from an FHWA railroad at-grade crossing elimination program. Conceptual studies indicated the need to add an elevator on the West Platform for access to the tunnel, change the access to the tunnel from the west side and completely eliminate the at-grade pedestrian crossing.

In addition, more extensive construction coordination than expected has been required with CSXT, the host railroad for VRE and Amtrak service. The Feasibility Study recommended construction using the Sequential Excavation Method, which has been used successfully by WMATA and others in the region. CSXT is comfortable with the tunneling methodology but had concerns regarding the construction of the vertical circulation elements at three locations along the tunnel in close proximity to active tracks where support of excavation (SOE) is required. Typically, the construction contractor is responsible for the design and execution of SOE during construction upon approval by CSXT and VRE. In this case, however, CSXT required more details regarding anticipated SOE performance in the engineering design phase, adding significantly more time and effort than was anticipated. The SOE approach, in conjunction with the additional time and effort needed for conceptual studies and coordination with CSXT and the other stakeholders (WMATA, City of Alexandria and VDOT) has caused the schedule to slip. When the project was initiated in 2012, it was estimated that it would take 12 months for the design and 12 months for the construction. We now estimate completing design in spring 2017 and beginning construction in mid-2017. Current estimates for construction range from 2½ to 4 years, which will have a pronounced effect on the overall schedule and cost of the project. VRE is exploring opportunities to pre-qualify construction contractors possibly resulting in a reduced construction duration for the project.

3. **Virginia Railway Express - Lorton Platform Project (\$7,900,000)** - Before work on the Lorton Platform Project could proceed, VRE was contacted by DRPT, which was in the midst of the DC2RVA study for higher speed rail. DRPT was concerned the existing platform, and the proposed improvements, might need to be demolished to make way for a future rail alignment. Therefore, Notice to Proceed (NTP) was delayed while that was evaluated. Lorton Engineering Study 2015 was initiated to reconcile the projected DC2RVA alignments. Ultimately it showed the alternatives shown by the DC2RVA study could be accomplished without demolishing the existing platform. However, this delay has significantly impacted the original schedule. Engineering for the Lorton Second Platform was bundled with several other similar platform projects in what has been named the Penta-Platform Corridor Improvement Project. That RFP was issued May 6, 2016. The Board authorized entering into the contract July 15, 2016 with NTP given in August, 2016. Preliminary Engineering and NEPA is estimated to take 24 months, along with a potentially concurrent design phase at some of the more strategic and site ready locations such as Lorton and Franconia Springfield. Construction is anticipated to begin no later than summer 2018.
4. **Prince William County – Route 28 Linton Hall to Fitzwater Drive (\$28,000,000)** – NVTA staff have observed very active construction activity related to this project. Prince William County staff report the project is proceeding using non-NVTA funds at this time. Some of the non-NVTA funding sources require earlier expenditure on the project.

Project Descriptions – Projects Originally Funded With PayGo

1. **Route 28 from Route 50 to the Dulles Toll Road (\$20,000,000)** – This project, when complete, will widen Route 28 southbound from the Dulles Toll Road to Route 50 by one traffic lane. This project will provide additional capacity on a highly congested north-south corridor that provides travel within and between three counties in this region as well as connections to the Dulles International Airport and major east-west highways such as I-66, Route 50, and the Dulles Toll Road/Greenway.
2. **Route 28 Hot Spot Improvements (\$12,400,000)** – Four Route 28 Hot Spot Improvements in Loudoun County from Sterling Boulevard to the Dulles Toll Road are being executed to relieve congestion. Route 28 is a major regional roadway connecting north and south areas of Northern Virginia, and connecting to the Dulles Toll Road and Dulles International Airport.
3. **Belmont Ridge Road (\$20,000,000)** – Widening of approximately 10,200 linear feet of Belmont Ridge Road between Gloucester Parkway and Hay Road, including a grade separation structure to carry the Washington & Old Dominion (W&OD) trail over Belmont Ridge Road. This is a 2 lane widening for reducing congestion for commuters and school related traffic, it will also improve the operation and safety of this corridor. Safety at several intersections will be enhanced, particularly at the intersection with Route 7.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Mayor Parrish, Chairman, Finance Committee

DATE: October 5, 2016

SUBJECT: Budget Adjustment – FY2017 Revenue and Working Capital Reserve

1. **Purpose:** Outline proposed adjustments to the FY2017 Regional Revenue Budget as outlined below.
2. **Suggested Motion:** *I move Authority approval of a \$7,472,264.85 increase to the FY2017 Regional Revenue Fund Budget – Working Capital Reserve, with this increase to be funded from FY2016 carryover.*
3. **Background:**
 - a. Revenue amounts for FY2016 have been finalized and have recorded a positive variance to budget of \$21.4 million. Of this variance, 30% has been disbursed to member jurisdictions in accord with HB2313. The balance, or 70% of the variance, is recognized within the Regional Revenue Fund. The 70% (Regional Revenue Fund) amount is \$14,948,530
 - b. The variance amount triggers a change in the starting balance for the adopted FY2017 Regional Revenue Fund budget. The revised starting balance changes the policy required amount of the Working Capital Reserve (WCR).
4. **FY2017 Regional Revenue Fund Budget Adjustments:**
 - a. Recognize FY2016 Year End Performance. Increase carryover for FY2016 from \$0 to \$14,948,529.69
 - b. Working Capital Reserve Required Incremental Adjustment. Increase the WCR contribution for FY2017 by \$7,472,264.85 to maintain compliance with the Authority's Debt Policy.

Coordination: NVTa Finance Committee

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Monica Backmon, Executive Director

SUBJECT: Approval of Reallocation of Regional Surface Transportation Program (RSTP)
funds for Fairfax County

DATE: October 7, 2016

1. **Purpose.** To seek Northern Virginia Transportation Authority approval for Regional Surface Transportation Program (RSTP) Reallocation Request for Fairfax County.
2. **Suggested Motion:** *I move Authority approval of the reallocation of Regional Surface Transportation Program funds for Fairfax County.*
3. **Background:** On September 11, 2008, the Authority delegated the authority to approve requests to reallocate Congestion Mitigation and Air Quality (CMAQ) and Regional Surface Transportation Program (RSTP) funding between projects that were previously approved by the NVTa to the Regional Jurisdiction and Agency Coordinating Committee (RJACC). However, the Authority will need to approve the transfer requests for new projects before any funds can be reallocated.

On September 29, 2016, Fairfax County requested the following reallocation:

- \$6,000,000 in previous year RSTP funds from the Vaden Ramp project (UPC 81009) to a new I-66 Trail Project (UPC To Be Determined). The Vaden Ramp project has been incorporated into the I-66 Express Lanes project.

At its meeting on September 29, 2016, the RJACC recommended approval of the reallocation request for Fairfax County.

Attachment(s): DRAFT Letter to VDOT NOVA District Administrator Cuervo
Request Letter from Fairfax County

Coordination: Regional Jurisdiction and Agency Coordinating Committee



Northern Virginia Transportation Authority
The Authority for Transportation in Northern Virginia

October 13, 2016

Ms. Helen Cuervo
District Administrator
Virginia Department of Transportation
4975 Alliance Dr. Suite 4E-342
Fairfax, Virginia 22030

Reference: Request to Reallocate Regional Surface Transportation Program (RSTP) funds for Fairfax County

Dear Ms. Cuervo:

On September 11, 2008, the Northern Virginia Transportation Authority (NVTA) delegated the authority to approve requests to reallocate Congestion Mitigation and Air Quality (CMAQ) and Regional Surface Transportation Program (RSTP) funding between projects that were previously approved by the NVTA to the Regional Jurisdiction and Agency Coordinating Committee (RJACC). However, since the receiving projects are new, the Authority needs to approve the transfer requests before any funds can be reallocated.

On September 29, 2016, Fairfax County requested the following reallocation:

- \$6,000,000 in previous year RSTP funds from the Vaden Ramp project (UPC 81009) to a new I-66 Trail Project (UPC To Be Determined). The Vaden Ramp project has been incorporated into the I-66 Express Lanes project.

On October 13, 2016, the Authority approved the request noted above. Please take the necessary steps to reallocate these funds in the Transportation Improvement Program and the State Transportation Improvement Program. Thank you very much.

Sincerely,

Martin E. Nohe
Chairman

cc: Monica Backmon, Executive Director, NVTA
Tom Biesiadny, Director, Fairfax County Department of Transportation (FCDOT)



County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

September 29, 2016

Ms. Noelle Dominguez, Chairman
Regional Jurisdiction and Agency Coordinating Committee
Northern Virginia Transportation Authority
3040 Williams Drive, Suite 200
Fairfax, Virginia 22031

Re: Reallocation of Regional Surface Transportation Program (RSTP) Funds

Dear Ms. Dominguez: *Noelle*

Fairfax County requests the approval of the Regional Jurisdiction and Agency Coordinating Committee (RJACC) and the Northern Virginia Transportation Authority (NVTA) to transfer a total of \$6,000,000 in RSTP funds from the Vaden Ramp Project (UPC 81009) to a new I-66 Trail Project. The UPC for this new project is to be determined. The Vaden Ramp has been incorporated into the I-66 Express Lanes project.

If you have any questions or concerns about this request please contact Ray Johnson at (703) 877-5617.

Sincerely,


Tom Biesiadny
Director

cc. Todd Wigglesworth, Fairfax County Department of Transportation (FCDOT)
Brent Riddle, Fairfax County Department of Transportation (FCDOT)
Carole Bondurant, Virginia Department of Transportation (VDOT)
Bethany Mathis, VDOT
Jan Vaughan, VDOT

CMAQ/RSTP Transfer Request Form

(One Sheet Needed Per Donor Project)

Date: 9/29/2016

Name of Jurisdiction/Agency Requesting: Fairfax County

Current Balance of CMAQ/RSTP Funds Currently Allocated to Donor Project (Prior to this Transfer): (UPC 81009) \$15,921,789

From (Donor):

To (Recipient):

UPC	Project Description	Type of Funds	Transfer from Previous Fiscal Years	If No, Year Requested	Transfer Amount	UPC	Project Description	Previously Approved by NVTA	If Yes, Year Approved	JACC Approval (NVTA)	Authority Approval (NVTA)	Funds Verified (VDOT)	Completed (VDOT)
81009	GMU/Vienna, Vaden Ramp	RSTP	Y		\$6,000,000.00	TBD	I-66 Trail Project (New)	N					

TOTAL OF TRANSFER \$6,000,000.00

Attach Signed Request of Transfer Letter

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Mayor Parrish, Chairman, Finance Committee

DATE: October 5, 2016

SUBJECT: Transportation Projects Reserve – Advisory Panel Proposed Policy

1. **Purpose:** Present Advisory Panel draft Transportation Projects Reserve Policy for the Regional Revenue Fund as reviewed and recommended by the NVTa Finance Committee.
2. **Suggested Motion:** *I move the Authority approval of the draft Transportation Projects Reserve Policy in a form approved by the Council of Counsels.*
3. **Background:** The Finance Committee requested staff research and report on the establishment of two reserve funds. One reserve would be for project contingency (Contingency Reserve) and the other to set aside funds for future large scale projects (Transportation Project Reserve). The Executive Director established an Advisory Panel to examine and make recommendations on both reserves. Participation on the Advisory Panel was open to representatives of all member jurisdictions. Participation of jurisdiction transportation and finance representatives was especially welcomed.

After several meetings the Advisory Panel prepared a draft policy for the Transportation Projects Reserve utilizing a reserve of debt capacity as an alternative to reserving PayGo capacity in the form of a cash reserve. The Advisory Panel also formulated a recommendation on the Contingency Reserve which is presented in a separate report.

4. **Comments:** The Finance Committee expressed an interest in establishing a cash reserve (Transportation Projects Reserve) within the Regional Revenue Fund to permit the Authority to set aside funds for future large scale projects. The Advisory Panel made the following observations related to such a reserve:
 - a. **Funding the Reserve** – The reserve is recommended to be established through a reservation of debt capacity. Since the debt capacity is supported by the Regional Revenue Fund, the reserve can only be used for transportation projects or debt service payments, consistent with the provisions in HB 2313 (2013).
 - b. **Reserve Level** - A reserve size of at least \$100 million was considered as a bench mark as that amount is indicative of a large transportation project.
 - c. **Project Eligibility** - To ensure compliance with HB 2313 projects must undergo all required screening and ranking processes before funding from the reserve could be approved by the Authority.

- d. **PayGo Impact** – Using FY2017 as an example, the current FY2017 Regional Revenue Fund budget has \$267 million for PayGo after paying debt service on the Series 2014 Bonds and other obligations:
 - i. If the reserve were to be funded at \$100 million in 1 year, PayGo availability for that year would be reduced by approximately 38%.
 - ii. If the reserve were to be funded over three years, (\$33.3 million per year totaling \$100 million), PayGo availability would be reduced by approximately 13% a year for three years.
- e. **Debt Capacity** – Debt financing is typically employed for projects with significant project costs and/or for which PayGo resources are not available in a single year. As shown in the May 19, 2016 ‘Debt Capacity Analysis’ presentation prepared for the Authority by our Financial Advisor PFM, the Authority currently has a significant amount of unused debt capacity.
- f. **Reserving Debt Capacity** – Reserving a percentage of debt capacity for transportation projects would hold resources in reserve for future large scale projects.
 - i. Establishing this reserve by reserving debt capacity would eliminate any immediate impact on PayGo projects.
 - ii. As shown in the May 19, 2016 ‘Debt Capacity Analysis’ prepared for the Authority by PFM (Attachment A), the Authority’s estimated debt capacity through 2037 is approximately \$1.8 billion. For example, if the Authority were to reserve 5.5% of its total debt capacity for the reserve, that amount would be equal to \$99 million.
 - iii. Any project under consideration would be required to go through the mandatory screening processes. Therefore, determining and executing a plan of finance for that project could be done concurrently with the project screening. The plan of finance would only be executed if the project received Authority approval.
 - iv. The long term impact on PayGo available funds for projects would be attributable to the annual debt service payments on future bond issuances.
- g. **Reserve Capacity Evaluation** – The Transportation Projects Reserve and amount of debt capacity reserved for its use will be evaluated as part of the annual Regional Revenue Fund budget evaluation and adoption process.

5. Advisory Panel Recommendation. The Advisory Panel recommends a strategy of reserving debt service capacity in an amount of \$100,000,000, or 5.6% of the Authority’s FY2016 through FY2037 estimated capacity of \$1.8 billion as the funding mechanism for the reserve, as shown in Attachment B.

Coordination:

NVTA Finance Committee

Contingency and Transportation Project Reserve Advisory Panel

NVTA Financial Advisor – Public Financial Management (PFM)

Council of Counsel

Attachments:

A: Debt Scenarios & Capacity Analysis, prepared by PFM, May 19, 2016

B: Transportation Projects Reserve – Debt Capacity Reserve



Debt Capacity Analysis

prepared for

Northern Virginia Transportation Authority

Finance Committee

May 19, 2016

Presented by
JoAnne Carter, Managing Director

Public Financial Management, Inc.
4350 N. Fairfax Dr., Suite 580
Arlington, VA 22203



The PFM Group
Public Financial Management, Inc.
PFM Asset Management LLC
PFM ADVISORS

Key Assumptions

- Assumes bond issuance during FY 2018
 - Timing of issuance would be planned to match construction cash flow
- Issuance of senior lien bonds with fully bond-funded Debt Service Reserve Fund (“DSRF”)
- 20 year amortization with a level debt service structure
- Current interest rates plus a 50bps cushion
- Preliminary revenue estimate for FY 2016 totaling \$218.2 million (70% Regional Revenues)
- Revenue forecasts for out years reflect recent estimates developed with revenue estimation committee

Scenario Summary

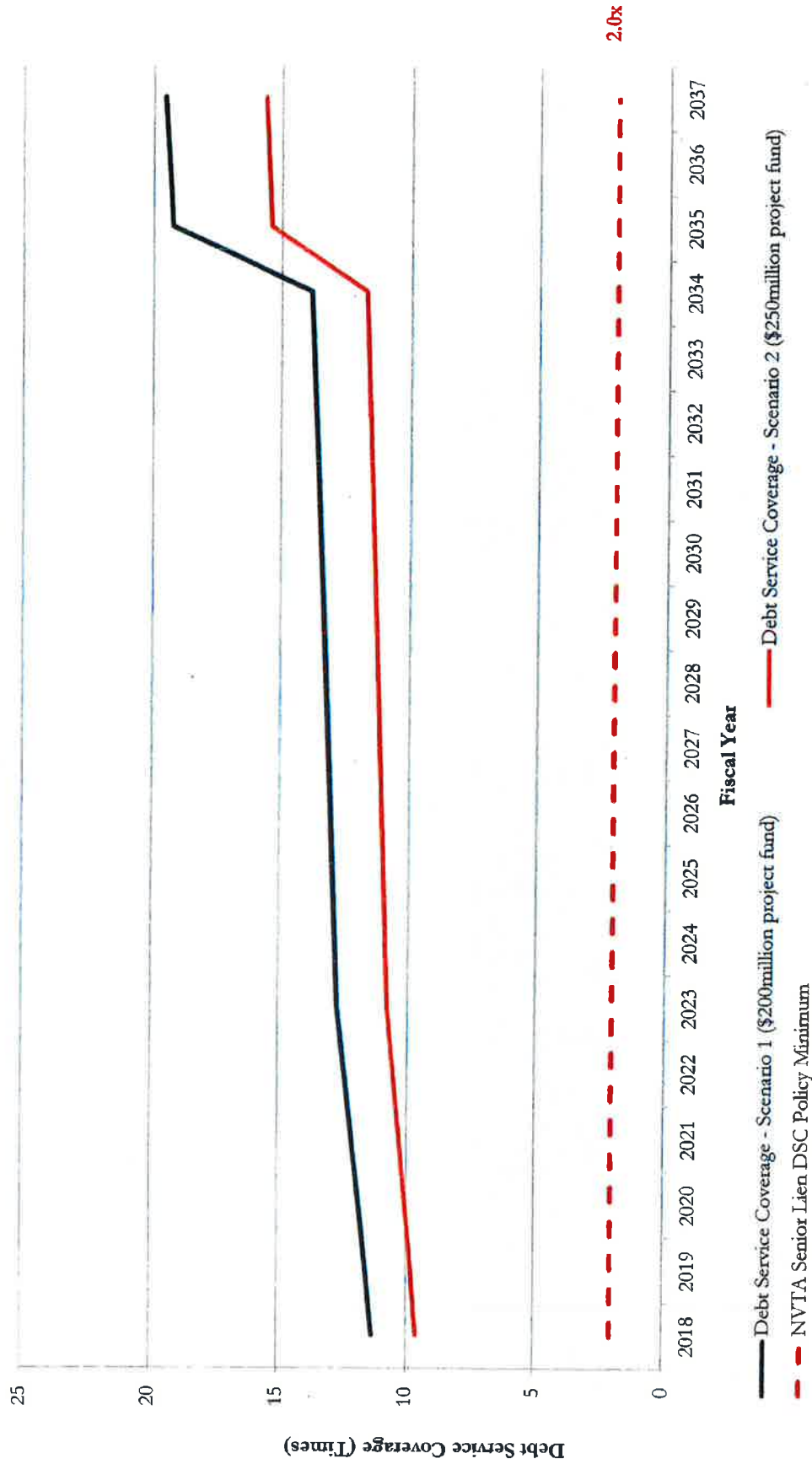
NVTA's debt policy uses debt service coverage ("DSC") as the primary metric for measuring the affordability of its debt and capacity for new debt.

	Existing Only	Scenario 1 (\$200 million)	Scenario 2 (\$250 million)
Min DSC	41.3x	11.3x	9.6x
Avg DSC	46.9x	13.8x	11.6x
Max DSC	50.5x	19.5x	15.6x

$$\text{Debt Service Coverage} = \frac{\text{NVTA Regional Revenue (70\%)}}{\text{Debt Service}}$$

Forecasted Debt Service Coverage

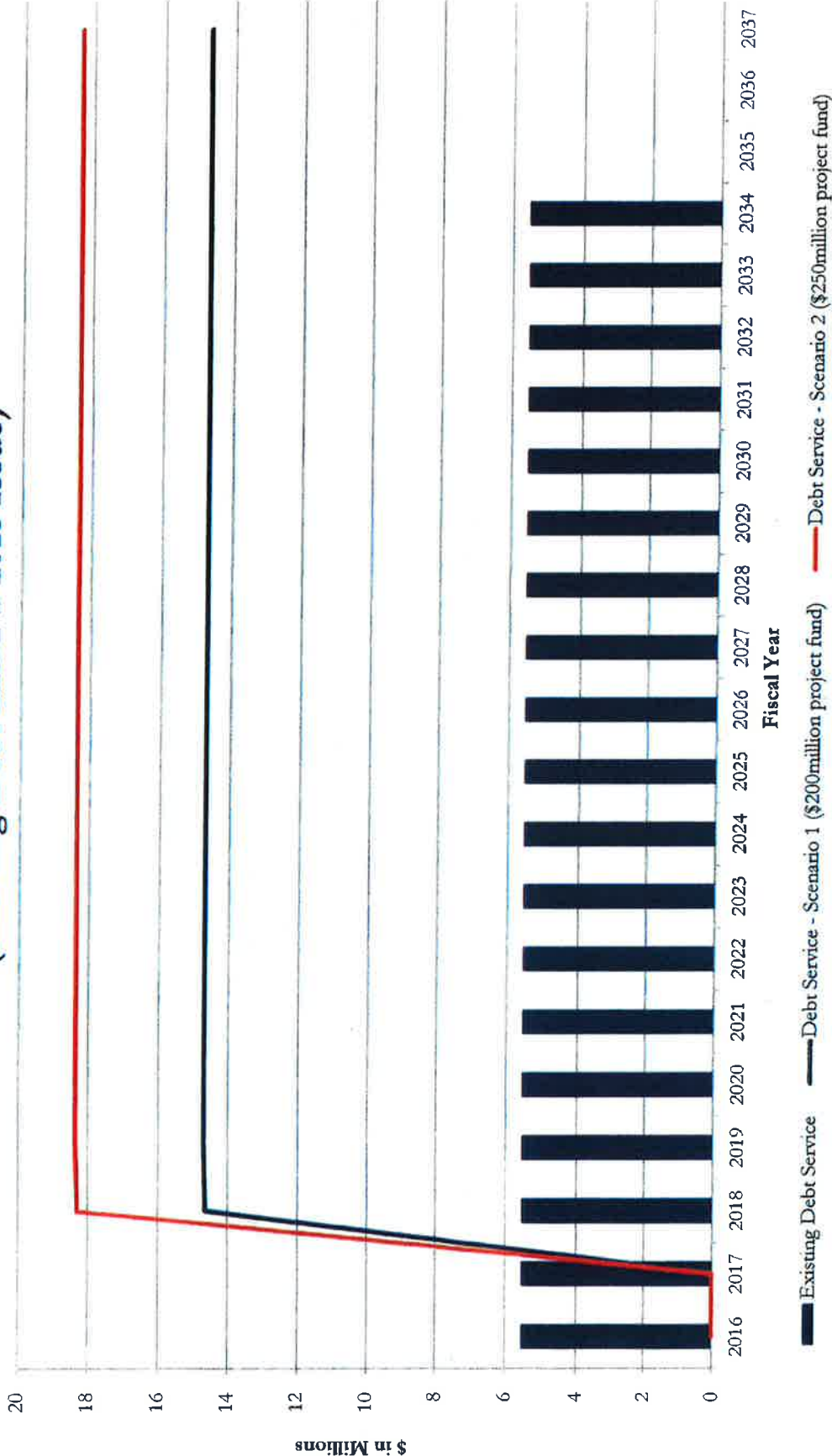
Forecasted Debt Service Coverage
(Existing Debt and FY 2018 Issue)



Note: Assumes only the existing Series 2014 debt service and the assumed FY 2018 bond issue's debt service (at varying project fund amounts). No additional debt is assumed beyond FY 2018.

Forecasted Debt Service

Existing & Forecasted Debt Service
(Existing Debt and FY 2018 Issue)



Note: Assumes only the existing Series 2014 debt service and the assumed FY 2018 bond issue's debt service (at varying project fund amounts). No additional debt is assumed beyond FY 2018.

Estimated Debt & PAYGO Capacity

- Senior lien bonds with fully funded bond-funded DSRF
- 20 year amortization, level debt service structure
- 20 year historical average interest rates plus a spread of 50bps
- Next issuance in FY 2019 and assumed issuance every other year in equal amounts
- Debt service coverage maintained at or above 2.1x

	FY 2018 Bond Issue			Estimated Remaining Bonding Capacity through 2037	FY 2017-FY2037 Estimated Remaining PAYGO Capacity ¹	Estimated Biennial Issuance
	FY 2018 Project Fund	Maximum Annual Debt Service ("MADS")	Min DSC			
Scenario 1	\$200 million	\$14.7 million	11.3x	\$1.6 billion	\$3.9 billion	\$163 million
Scenario 2	\$250 million	\$18.4 million	9.6x	\$1.6 billion	\$3.9 billion	\$158 million

¹ Total of 70% revenues remaining after debt service is paid.

Debt Capacity Summary

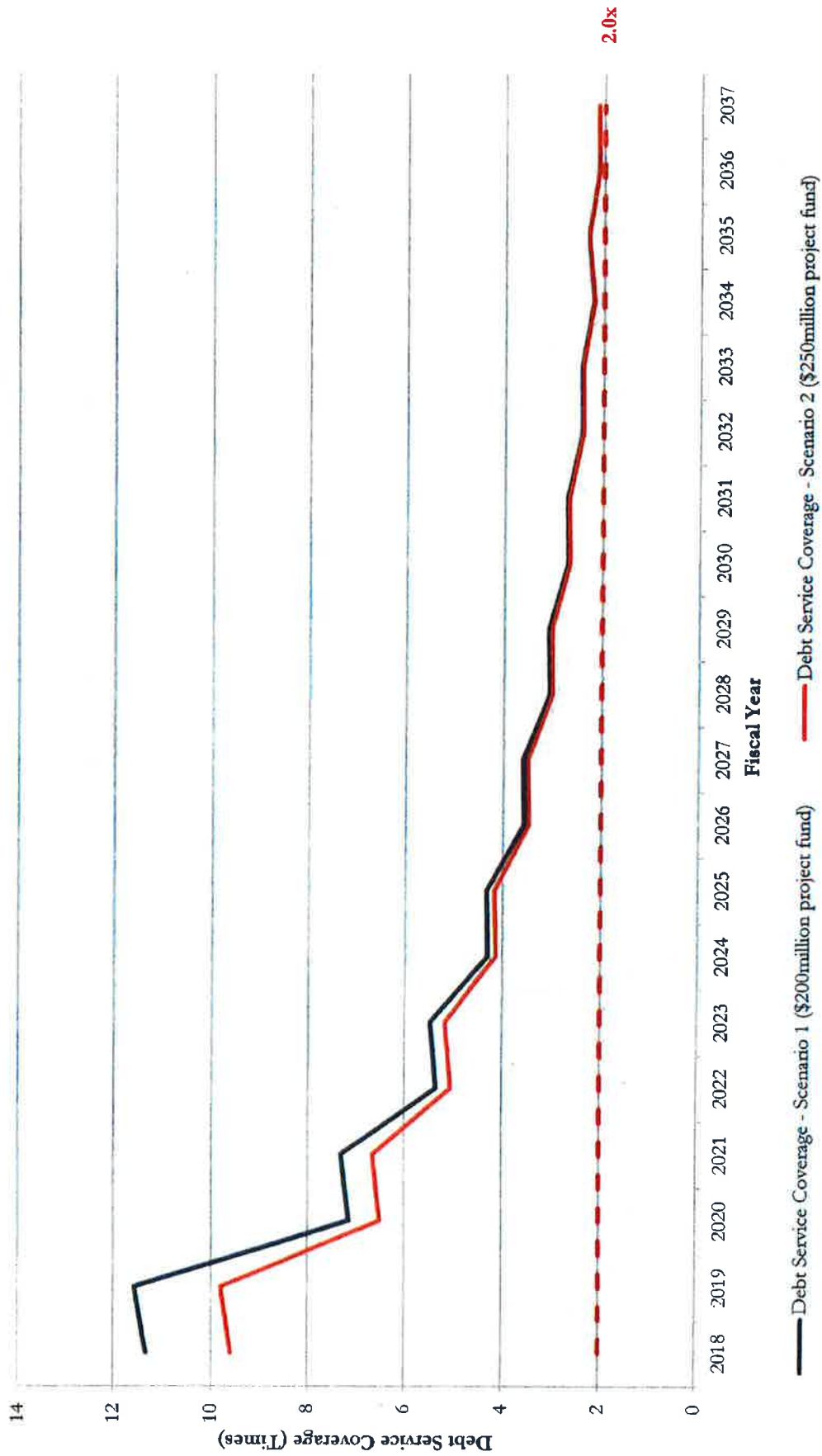
Debt capacity analysis assumes NVTa remains above its 2.0x debt policy threshold for debt service coverage.

	Existing Only	Scenario 1 (\$200 million)	Scenario 2 (\$250 million)
Min DSC	41.3x	2.1x	2.1x
Avg DSC	46.9x	4.5x	4.2x
Max DSC	50.5x	11.6x	9.8x

$$\text{Debt Service Coverage} = \frac{\text{NVTa Regional Revenue (70\%)}}{\text{Debt Service}}$$

Forecasted Debt Service Coverage Multi-Year Issuance

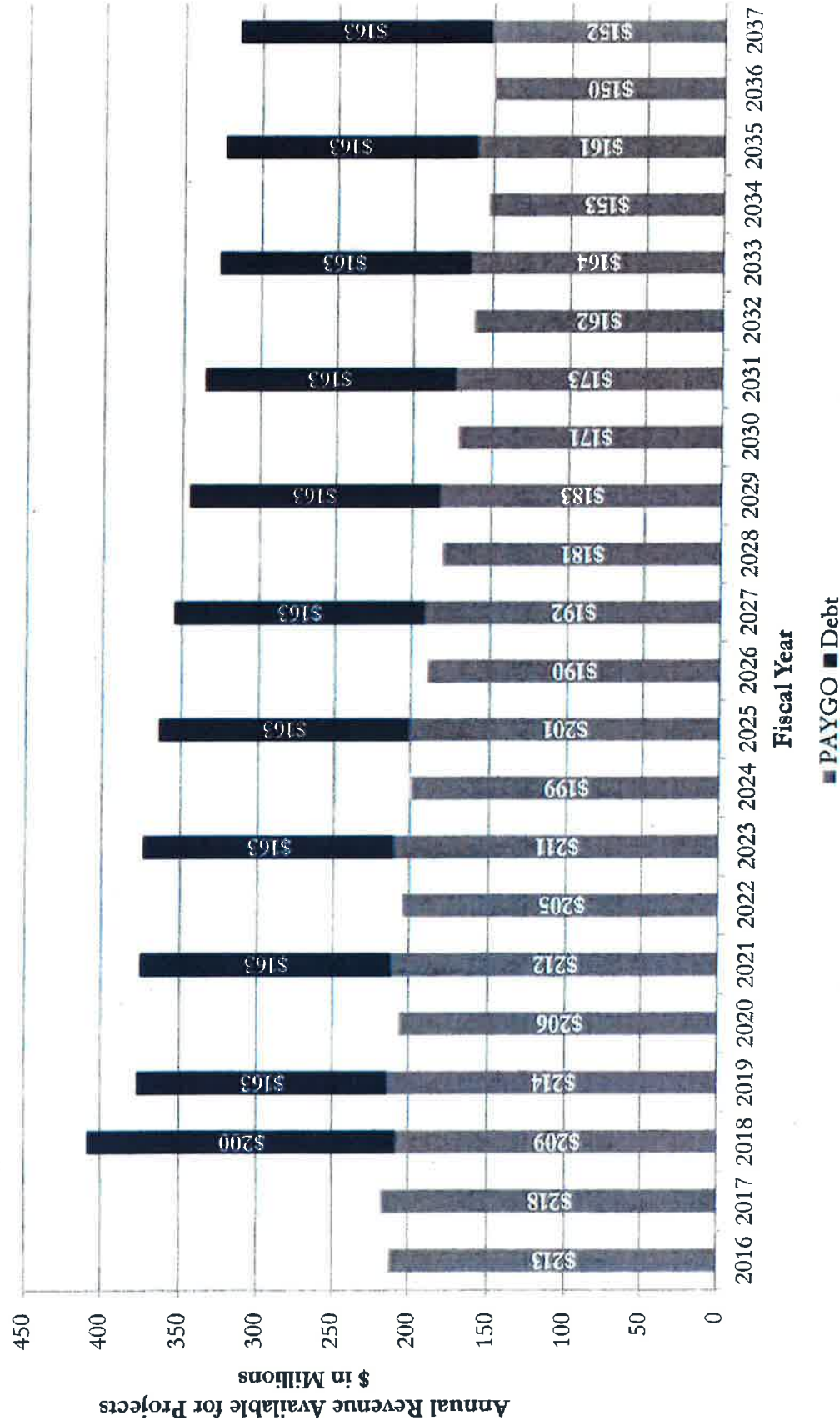
Forecasted Debt Service Coverage
(Existing Debt & New Issue + Future Issues)



Note: Assumes bond issuance every other year between 2019 and 2037 (at varying project fund amounts).

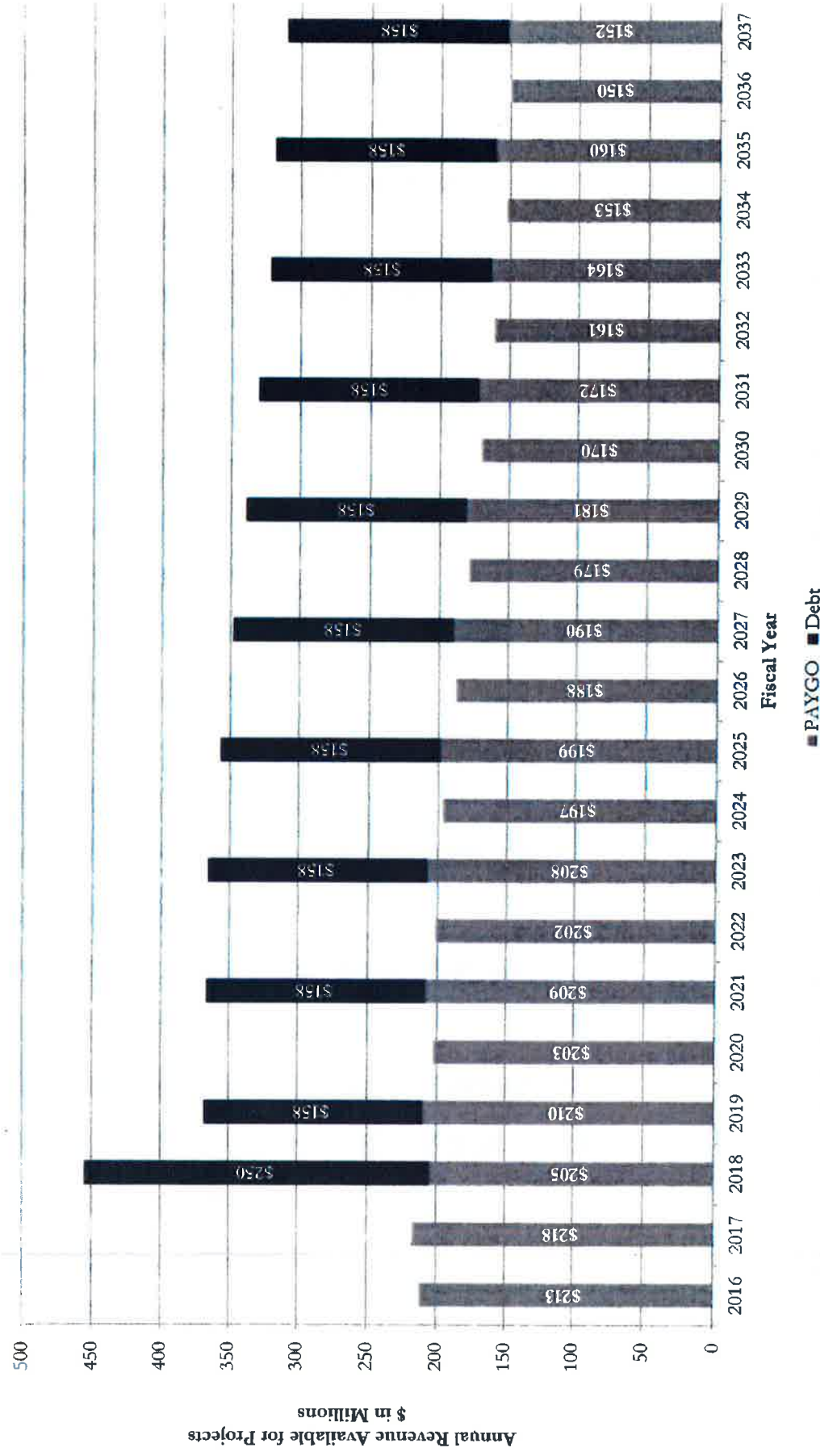
Future Debt & PAYGO Capacity under Scenario 1

Total Amounts Available for NVT A Projects
Scenario 1 (\$200 million project fund in FY 2018)



Future Debt & PAYGO Capacity under Scenario 2

Total Amounts Available for NVT A Projects
Scenario 2 (\$250 million project fund in FY 2018)



Credit Considerations

- NVTAs additional bonds test in the Indenture and its debt service coverage threshold adopted debt policy protects NVTAs & investors from over-leveraging
- Rating agencies fully anticipated NVTAs to actively leverage its revenue stream in the future as its CIP evolves
 - Moody's: "While coverage levels are expected to decline ...even if NVTAs fully funded 100% of projects that are currently under evaluation, debt service coverage would still remain a strong 3.1 times, exceeding NVTAs's senior lien debt service target of 2.0 times."
 - Fitch: "Risk to overleveraging is addressed through a fairly strong additional bonds test (ABT)...currently roughly \$840 million in projects identified for such review...if entirely bond financed, would result in MADS close to \$70 million according to Fitch estimates and DSC of 2.9x from fiscal 2014 pledged revenues..."
 - S&P: "...projects under consideration for funding in fiscal years 2015 and 2016 total \$769.6 million. If NVTAs were to fund 100% of currently identified projects in full with debt only, we understand projected DSC would remain more than 3.1x."
- Communication with credit analysts regarding the Authority's capital improvement plan is important
- PFM believes no negative credit pressure exists based on preliminary analysis

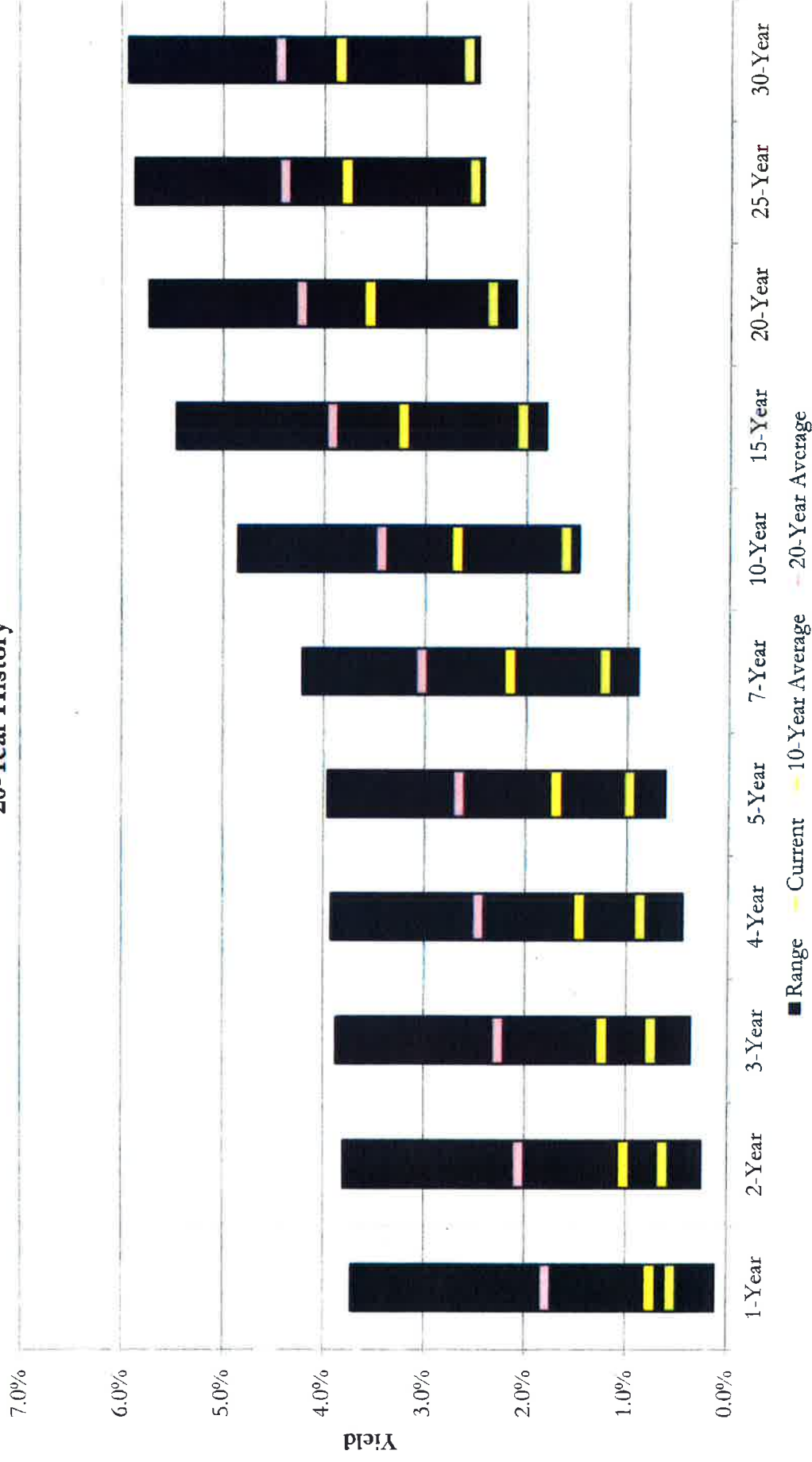
Conclusion

- NVTa has significant debt capacity
- Even with a bond issue at various amounts contemplated, NVTa would maintain debt and PAYGO capacity for future projects
- Debt service coverage would remain healthy above 2.0x under any scenario
- While communication with credit agencies is critical, PFM views no negative credit pressure based on range of current borrowing scenarios

Appendix

Municipal Yield Curve Changes

Triple-A Rated GO Bond Yields
20-Year History



Note: Market conditions as of May 9, 2016.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Policy XXX – Transportation Projects Reserve

Debt Capacity Reserve Policy

- I. **Purpose.** The purpose of this policy is to ensure resources are available for future large scale projects as approved by the Authority in accordance with HB 2313 (2013).
- II. **Policy.** The Authority establishes a Transportation Projects Reserve to ensure capacity for future large scale projects as approved by the Authority in accordance with HB 2313 (2013).
- III. **Specific Provisions of Policy.**
- a. **Transportation Project Reserve Priority** – The Transportation Projects Reserve will be in addition to and will only be permitted when all other reserves required in the NVTa Debt Policy (Policy Number 9) are at or above their policy requirements.
 - b. **Funding the Reserve** – The reserve will be funded through a reservation of debt capacity in an amount of \$100,000,000 which is currently 5.6% of the Authority's estimated debt capacity of \$1.8 billion, calculated as of FY2016, and measured through FY2037.
 - c. **Reserve Capacity Evaluation** – The Transportation Projects Reserve and amount of debt capacity reserved for its use will be evaluated as part of the annual Regional Revenue Fund budget evaluation and adoption process.
 - d. **Project Eligibility** - To ensure compliance with HB 2313 all projects must undergo all required screening and ranking processes before funding through the reserve will be approved by the Authority. All projects funded through this reserve must otherwise also be eligible for funding through the NVTa's Debt Policy.

Approved by the Finance Committee:

Approved by Northern Virginia Transportation Authority:

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Mayor Parrish, Chairman, Finance Committee

DATE: October 5, 2016

SUBJECT: Recommendation to Eliminate Contingency Reserve

1. **Purpose:** Present Advisory Panel Contingency Reserve Recommendations.
2. **Suggested Motion:** *I move the Authority approval of the elimination of the Contingency Reserve in the Regional Revenue Fund as recommended by the NVTa Advisory Panel and reviewed by the NVTa Finance Committee.*
3. **Background:** The Finance Committee requested staff research and report on the establishment of two reserve funds. One reserve for project contingency (Contingency Reserve) and the other to set aside funds for future large scale projects (Transportation Project Reserve). The Executive Director established an Advisory Panel to examine and make recommendations on both reserves. Participation on the Advisory Panel was open to representatives of all member jurisdictions. Participation of jurisdiction transportation and finance representatives was especially welcomed.

After several meetings the Advisory Panel prepared this recommendation for the Contingency Reserve. The Advisory Panel also formulated a recommendation on the Transportation Project Reserve which is presented in a separate report.

4. **Comments:** The Finance Committee expressed an interest in establishing a Contingency Reserve within the Regional Revenue Fund to provide funding to achieve completion of approved Authority projects encountering cost overruns.

Initial funding of the reserve occurred with the FY2016 budget adoption with the provision that the reserve could not be utilized until a policy covering its use was adopted by the Authority. In FY2017, the reserve level was funded at \$8,573,894 in keeping with an objective of maintaining the reserve at 3.8% of Regional Revenue Fund annual revenues. The Advisory Panel, through policy development meetings made the following observations related to the reserve:

- a. A contingency reserve has the potential to shift project risk in some measure from the project sponsor to the NVTa. The Advisory Panel believes the NVTa should not absorb this risk.

- b. Past project performance would need to be made a formal part of the contingency request and possibly future project evaluation processes.
- c. The Contingency Reserve had been referred to as a 'last resort' option. The Advisory Panel questioned how the NVTa, at current staffing levels would be able to ensure other options are exhausted.
- d. If a Contingency Reserve were to be offered, the Advisory Panel recommended localities be required to commit their 30% funds as part of the 'other options' noted above prior to making a contingency request. However this raised additional questions:
 - 1. What if the locality 30% funds are already committed by contract or other governing body action?
 - 2. Are there equity issues with Agencies since they do not receive 30% funds?
 - 3. Should and how will project sponsors be required to affirm they have no other financial options other than to request contingency use? (Given the complexity and scope of the various fund structures and budgeting as well as accounting methods, this could be extraordinarily complex, intrusive and staff time consuming.)
- e. Having a contingency reserve and thus a portion of project risk being transferred to the NVTa would necessitate the requirement for project contingency assumptions to be disclosed as part of the project descriptions. This disclosure would then become part of the project assessment process.
- f. The Advisory Panel questioned if contingency costs could be meaningfully disclosed without the additional disclosure of all cost components. Such disclosure would be expensive, time consuming, while potentially adding little value to the actual project.
- g. The Advisory Panel cautioned that in an environment of broad economic changes such as inflationary labor, raw and finished material cost increases, a significant number of projects could face escalating costs at the same time for the same reasons. This potential raised questions as to:
 - 1. The sufficiency of the funding level of the Contingency Reserve.
 - 2. How will NVTa staff recommendations be formulated?
 - 3. Is there an equity issue when some project sponsors may have committed additional local funds to the project contingency while others are depending on the NVTa contingency reserve?
- h. The Advisory Panel recognized NVTa project evaluation and selection processes could be impacted through the application of Contingency Reserve funds:
 - 1. Cost is a consideration in the NVTa project selection decision, additional costs would impact the score and may have changed the initial funding decisions.
 - 2. The existence of a NVTa contingency reserve may induce project submitters to reduce their project contingency or other cost factors in their project estimates. Therefore, the existence of a contingency reserve with a stated purpose of reducing the risk of not achieving completion of a project, may unintentionally cause a broader risk shift.

3. Multi-phase projects have an opportunity to absorb cost increases through future requests for sequential phase funding. Those costs would then be part of the next project description, evaluation and rating.
 - i. The Advisory Panel recognized that few if any project grants from other sources came with the expectation that a contingency fund would be available to a project sponsor.
 - j. The Advisory panel noted that under the terms of the NVTAs Standard Project Agreement (SPA) the project sponsor agrees to provide a complete project as described in the SPA and therefore has already agreed to and conceivably planned for contingencies.
 - k. While no formal requests for use of the Contingency Reserve has been received by the NVTAs, project status discussions have indicated there is approximately \$24 million in potential project cost overruns, which is almost 3 times the current targeted contingency level.
 - l. Increasing the contingency level to \$24 million would have reduced FY2017 PayGo by almost 10% and increased the need for debt financing.
 - m. Replenishing a contingency reserve on an annual basis will make a significant reduction in PayGo resources, thereby delaying future NVTAs project awards or forcing a greater reliance on debt financing.
5. **Advisory Panel Recommendation:** After careful consideration of the benefits and drawbacks related to a NVTAs Contingency Reserve and in light of the above considerations, the Advisory Panel recommended to the NVTAs Finance Committee that a Contingency Reserve not be established.
6. **Next Steps:** If the Authority eliminates the Contingency Reserve, the reserve funding designation of \$8,573,893.78 will become fund balance in the Regional Revenue Fund. These funds will then be available for future FY2018 Project Program decisions by the Authority.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Monica Backmon, Executive Director

SUBJECT: NVTa Endorsement of Smart Scale Project Submissions

DATE: October 7, 2016

1. **Recommendation:** Approval of Northern Virginia project submissions for the Commonwealth's Smart Scale prioritization process.
2. **Suggested Motion:** *I move Authority adoption of Resolution 17-01, A Resolution for the Support of Northern Virginia Projects to the Commonwealth of Virginia's Smart Scale Prioritization Process, in a form approved by the Council of Counsels.*
3. **Background:**
 - a. The Authority, as a regional entity, can submit projects for evaluation for the Smart Scale (formerly House Bill 2) prioritization process without further action.
 - b. Projects in Northern Virginia within a Corridor of Statewide Significance (CoSS) must have a resolution of support from the Authority, as the regional entity for Northern Virginia, to be considered for the Smart Scale prioritization process.
 - c. Public Transit Agencies are required to have a resolution of support from the Authority or local government for projects located in the Regional Network to be eligible for Smart Scale evaluation.
 - d. Projects within a CoSS that do not have a resolution of support from NVTa will not be evaluated under the Smart Scale prioritization process.
 - e. Projects are not required to be in the Authority's long range transportation plan for submission for the Smart Scale process.
 - f. NVTa staff have worked with member jurisdictions and agencies in receiving project submissions for the Smart Scale process.
 - g. NVTa approval of the submission of the projects requires a resolution of support by the Authority.
 - h. NVTa support of submission of projects to the Commonwealth for the Smart Scale process does not infer nor commit NVTa Regional Revenues to the project.
 - i. The deadline to submit the resolution is December 1, 2016.

4. Next Steps:

- a. The Commonwealth Transportation Board will have public meetings on proposed local and regional projects submitted for scoring through the Smart Scale prioritization process in the fall.
- b. The draft Six Year Program is expected to be released for public comment in March 2017.
- c. The CTB is scheduled to adopt the Six Year Program in June 2017.

Attachments:

- A.** Northern Virginia project submissions for the Commonwealth's Smart Scale prioritization list
- B.** Resolution 17-01 - A Resolution for the Support of Northern Virginia Projects to the Commonwealth of Virginia's Smart Scale Prioritization Process

XII.A

Northern Virginia project submissions for the Commonwealth's Smart Scale prioritization list:

City of Alexandria:

- West End Transitway: The project will construct two permanent Bus Rapid Transit (BRT) stations for the West End Transitway and future planned BRT services; two local streets through Southern Towers that will provide a permanent alignment for existing and future transit service and support ongoing redevelopment efforts; and a consolidated transit center for local buses that will be located between the two towers closest to I-395 that front Seminary Road. The approximate Smart Scale request is \$10,640,000.

Fairfax County:

- Richmond Highway Widening (Mount Vernon Highway to Napper Road): The project will increase the number of traffic lanes from 4 to 6 along 2.9 miles of Route 1 (Richmond Highway), provide a median reservation for future Bus Rapid Transit (BRT), and will provide buffered lanes for bicycles, and secured crossings and sidewalks for pedestrians. The approximate Smart Scale request is \$90,000,000.
- Richmond Highway Bus Rapid Transit (BRT) Phase I: The Richmond Highway (Route 1) Bus Rapid Transit (BRT) project includes median running BRT from Huntington Metro Area to Hybla Valley. The project will include: new transit stations, facilities for bicycle, pedestrian and vehicle travel modes. The approximate Smart Scale request is \$100,000,000.
- Route 29 Widening (Union Mill Road to Buckley's Gate Drive): The project will widen this segment of Route 29 (Lee Highway) from 4 to 6 lanes, including intersections improvements and pedestrian and bicycle facilities. The approximate Smart Scale request is \$49,200,000.
- Seven Corners Ring Road (Phase 1A Segment 1A): The project provides improvements to existing interchange at Seven Corners to reduce congestion on Route 7, improve access between Seven Corners, Falls Church, and Bailey's Crossroads, and facilitate redevelopment of the area. The approximate Smart Scale request is \$52,100,000.

Loudoun County:

- Northstar Boulevard between Shreveport Drive and Braddock Road: Northstar Boulevard is planned to open as a 4-lane controlled access divided road within a 6-lane right of way from Braddock Road to Shreveport Drive, including a 10-foot wide shared use path. This segment will complete a missing link of the planned North-South Corridor of Statewide Significance and a missing north-south link between US 50 and Route 7. The project will be developed in three separate phases: Shreveport Drive to Route 50,

Route 50 to Tall Cedars Parkway, and Tall Cedars Parkway to the Prince William County Line. The approximate Smart Scale request for all three phases is \$73,811,000.

Prince William County:

- Route 234 and Balls Ford Interchange; Relocation and Widening of Balls Ford Road: The project will provide a new grade separated interchange proposed at Route 234-Prince William Parkway and relocated Route 621 (Balls Ford Road). The approximate Smart Scale request is \$124,020,000.
- Route 15 Improvements with Railroad Overpass: This 0.6 mile long project will widen Route 15 from 2 to 4 lanes and build an overpass over the existing Norfolk Southern Railway (NSRR) tracks. The approximate Smart Scale request is \$44,710,000.
- Route 1 & Route 123 Interchange: The project involves constructing Route 123 overpass over Route 1 and the CSXT railroad tracks and widening Route 123, connecting Route 123 to Belmont Bay Drive. The approximate Smart Scale request is \$72,140,000.
- Route 234 Bypass at Route 234 (Dumfries Road), Prince William Parkway, and Brentsville Road: The project will provide a new grade separated interchange proposed at Route 234 (Prince William Parkway) and relocated Route 621 (Balls Ford Road). The approximate Smart Scale request is \$104,820,000.
- Route 1 Widening from Neabsco Road/Cardinal Drive to Route 234 (Dumfries Rd): The project will widen Route 1 (Jefferson Davis Highway) to 6 lanes between Neabsco Road and Route 234 (Dumfries Road) in Prince William County. The approximate Smart Scale request is \$189,500,000.
- I-95 General Purpose Lanes Widening from Occoquan River Bridge to Route 234 (exit 152): The project will widen I-95 to 4 lanes from the Occoquan River Bridge to Route 234 (Exit 152). The construction of a fourth general purpose lane has been recommended to assist in handling the increasing commuter traffic. The approximate Smart Scale request is \$415,800,000.
- Wellington Road Widening from Devlin Road to Route 234 (Prince William Parkway): The project involves the widening of Wellington Road from 2 to 6 lanes from Devlin Road to Route 234 (Prince William Parkway) at a distance of 2.2 miles. The approximate Smart Scale request is \$81,100,000.

Town of Dumfries:

- Route 1/ Fraley Boulevard Widening: The project will widen Route 1 northbound from a 2-lane undivided roadway to a 6-lane divided roadway, from Brady's Hill Road to Possum Point Road, so both northbound and southbound traffic will be on the existing Route 1 northbound alignment. The approximate Smart Scale request is \$184,040,000.

Virginia Railway Express (VRE)/ Northern Virginia Transportation Commission (NVTC):

- Fredericksburg Line Capacity Expansion Project: The project combines several projects in the VRE CIP. It will include necessary station, parking, and storage yard expansions along the Line as well as rolling stock to complete implementation of Phase I of the System Plan 2040, including operating longer trains. The approximate Smart Scale request is \$75,000,000.
- Gainesville-Haymarket Extension: The project is an 11-mile extension of the VRE Manassas Line from the City of Manassas to the Haymarket area in Prince William County along the Norfolk Southern B-Line rail corridor, and increased VRE service along the Manassas Line to provide 20 min headways in the peak period and peak direction in FY 2025. The project will be resubmitted with information developed through the ongoing study. The approximate Smart Scale request is \$270,000,000.

XII.B

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

RESOLUTION 17-01

A RESOLUTION FOR THE SUPPORT OF NORTHERN VIRGINIA PROJECTS TO THE COMMONWEALTH OF VIRGINIA'S SMART SCALE TRANSPORTATION PROJECT PRIORITIZATION PROCESS.

WHEREAS, Virginia House Bill 2, signed by the Governor on April 6, 2014 and effective as of July 1, 2014, required the development of a prioritization process and directed the Commonwealth Transportation Board to develop and use a scoring process for project selection by July 2016; and

WHEREAS, the Authority, as a regional entity for Northern Virginia, can submit projects located in a Corridor of Statewide Significance (CoSS) and those in the Regional Network, for consideration for the HB2 now referred to as Smart Scale evaluation process; and,

WHEREAS, localities and agencies that wish to submit projects within a Corridor of Statewide Significance must have a resolution of support from the Authority, as the regional entity for Northern Virginia, to be considered for the Smart Scale prioritization process; and,

WHEREAS, public transit agencies are required to have a resolution of support from the Authority or relevant entity for projects located in the Regional Network to be eligible for Smart Scale evaluation; and,

WHEREAS, Authority staff have worked with member jurisdictions and agencies in receiving project submissions for the Smart Scale process; and,

WHEREAS, submission of projects to the Commonwealth for the Smart Scale process does not infer nor commit NVTAR Regional Revenues to the project; and,

WHEREAS, Authority approval of the submission of the projects requires a resolution of support by the Authority;

NOW, THEREFORE, BE IT RESOLVED BY THE NORTHERN VIRGINIA TRANSPORTATION AUTHORITY THAT THE FOLLOWING NORTHERN VIRGINIA PROJECTS ARE SUBMITTED TO THE COMMONWEALTH OF VIRGINIA SMARTSCALE PROJECT PRIORITIZATION PROCESS:

City of Alexandria:

- West End Transitway

Fairfax County:

- Richmond Highway Widening (Mount Vernon Highway to Napper Road)
- Richmond Highway Bus Rapid Transit (BRT) Phase I
- Route 29 Widening (Union Mill Road to Buckley's Gate Drive)
- Seven Corners Ring Road (Phase 1A Segment 1A)

Loudoun County:

- Northstar Boulevard between Shreveport Drive and Braddock Road

Prince William County:

- Route 234 and Balls Ford Interchange; Relocation and Widening of Balls Ford Road
- Route 15 Improvements with Railroad Overpass
- Route 1 & Route 123 Interchange
- Route 234 Bypass at Route 234 (Dumfries Road), Prince William Parkway, and Brentsville Road
- Route 1 Widening from Neabsco Road/Cardinal Drive to Route 234 (Dumfries Rd)
- I-95 General Purpose Lanes Widening from Occoquan River Bridge to Route 234 (exit 152)
- Wellington Road Widening from Devlin Road to Route 234 (Prince William Parkway)

Town of Dumfries:

- Route 1/ Fraley Boulevard Widening

Virginia Railway Express (VRE)/ Northern Virginia Transportation Commission (NVTC):

- Fredericksburg Line Capacity Expansion Project
- Gainesville-Haymarket Extension

Adopted by the Northern Virginia Transportation Authority on this 13th day of October, 2016.

BY: _____
Chairman

ATTEST: _____
Clerk

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
REGIONAL JURISDICTION AND AGENCY COORDINATING COMMITTEE
(TransAction Subcommittee)

MEMORANDUM

FOR: Members, Northern Virginia Transportation Authority

FROM: Monica Backmon, Executive Director

DATE: October 7, 2016

SUBJECT: TransAction Fall Public Engagement Activities

1. **Purpose.** To provide a status report on the public engagement activities regarding the update to TransAction.
2. **Background.** This TransAction update is the first since the implementation of HB 2313 (2013). Per the legislation, the Authority can only fund regional projects that are included in its current long range transportation plan (TransAction 2040) or subsequent updates and have undergone the HB 599 (2012) evaluation. TransAction, when adopted, will provide a multi-decadal vision for transportation improvements in Northern Virginia and will guide the development of the Authority's FY2018-23 Six Year Program.

The TransAction Subcommittee continues to provide valuable inputs to the development process.

3. **Public Engagement Activities.** The first round of TransAction public engagement activities, comprised five workshops and multiple pop up events across Northern Virginia. These activities took place during Spring 2016, and were focused on understanding transportation challenges faced by Northern Virginians. This provided an opportunity for hundreds of Northern Virginians to engage with Authority and jurisdictional staff, and the TransAction consultant team on a one-on-one basis. In conjunction with 'virtual' engagement through the TransAction website, this approach provided important information for the TransAction development process.

The second round of public engagement will take place during Fall 2016, with a focus on understanding prioritization factors. This will support technical activities scheduled during late Fall 2016 and Winter 2016/17. Specific activities include:

- a. An online survey

- b. Focus groups
- c. A workshop with members of the business community and other stakeholders.

The Benchmark Survey will be repeated with a Tracking Survey during December 2016. This will identify how public perceptions about transportation in the region have changed over the previous year.

- 4. **Status.** The TransAction update remains on schedule for the release of a draft plan in Spring 2017 and plan adoption in Fall 2017.
- 5. **Next Steps.** Additional project status updates will be provided to the Authority on a regular basis.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

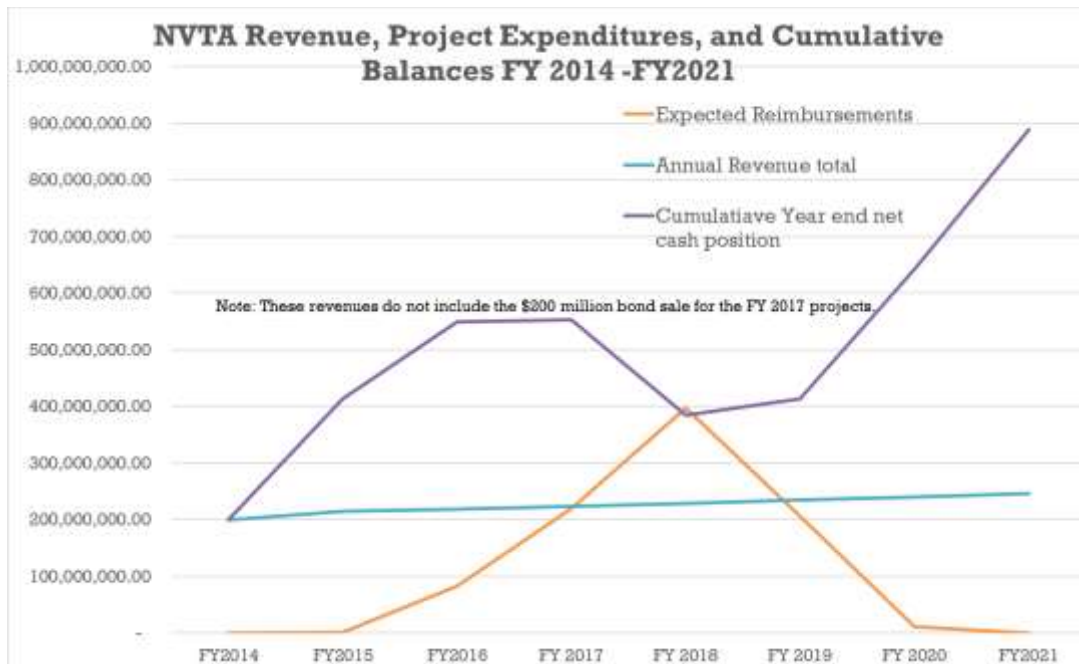
TO: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Michael Longhi, Chief Financial Officer

SUBJECT: Plan of Finance for FY2017 Program

DATE: October 5, 2016

1. **PURPOSE:** Discussion of Plan of Finance for FY2017 Program. This briefing was presented to the NVTa Finance Committee on September 22, 2016.
2. **BACKGROUND:**
 - a. The FY2017 Program of \$466 million adopted by the Authority on July 14, 2016, incorporate funding of approximately \$200 million from bonds.
 - b. Using the draft spending plans submitted with some project requests, NVTa staff estimate that bond funds to support the FY2017 Program will not be needed until the latter part of FY2018.
 - c. Although the Commonwealth has not yet tendered a spending plan for the I-66 project (\$300 million), based on general experience, expenditure timing is currently anticipated to be approximately \$10 million in FY2017, \$190 million in FY2018 and \$100 million in FY2019. The NVTa staff projections have been shared with VDOT.
 - d. NVTa staff have reviewed the draft cash flow projections of all approved projects and the estimated Regional Revenue Fund revenues of the Authority.
 - e. This review has demonstrated that the current and future cash balances of the Authority are, and will remain, very strong. (See chart below.)
 - f. Indications from the review of the revenues, project cash flows, and projected cash balances currently point toward the earliest need for the issuance of bonds being late FY2018.
 - g. As cash flow data is updated through receipt of Standard Project Agreements (SPAs) for the FY 2017 program and cash flows are updated for the FY2014 through FY2015/16 programs, the convergence point on the graph will more likely move right, to a later point in time.



- h. The final SPA submissions (due by January 2017) will provide better cash flow projections and will become the basis of future recommendations.
- i. Deferring the issuance of bonds into FY2018 or later will create several beneficial effects:
 - i. Elimination of any FY2017 debt service obligations.
 - ii. Significant reduction, or elimination, of debt service in FY2018 of upwards of \$14.7 million.
 - iii. The spend down timing (an IRS imposed requirement) will be deferred until later, making it easier for project sponsors to comply with this regulation.
 - iv. Creating greater flexibility in dealing with the overall funding of the entire set of FY2017 projects.
- j. A review of the final SPAs (by January 2017) will also indicate whether the Authority would be well served to initiate a short term interim financing program to support the project expenditures pending the issuance of \$200 million of long term bonds.
- k. Interim financing options include establishing a line of credit, a short term variable rate note, or using a commercial paper program.
- l. Some reasons to consider interim financing are:
 - i. It would create flexibility for dealing with variations in project scheduling and expenditures.
 - ii. Properly employed, it may lower the overall cost of borrowing.
 - iii. It may defer some debt service expenses.
 - iv. It would ensure the Authority achieves compliance with the Internal Revenue Service (IRS) regulations.

3. Next Steps:

- a. Staff will continue to monitor the FY2017 and earlier project spending patterns and projections, while also evaluating available financing options including interim financing and the timing for permanent, fixed rate, tax exempt long term financing.
- b. The Authority's Financial Advisor will be consulted as additional project expenditure cash flow information becomes available.
- c. Further recommendations to the Finance Committee on the timing and any financing options will be made after the FY2017 Project Program SPAs are received and evaluated.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Mayor Parrish, Chairman, Finance Committee

DATE: October 5, 2016

SUBJECT: Finance Committee Report of September 22, 2016 Meeting

1. **Purpose:** To provide a report of the monthly activities of the Northern Virginia Transportation Authority Finance Committee.
2. **Background:** The Finance Committee last met on September 22, 2016. The next meeting is scheduled for October 27, 2016 at 2:00PM. This is a revised date and time intended to avoid schedule conflicts with the Governor's Transportation Conference. The following summarizes the September 22nd meeting:
 - a. **Action Items**
 - i. **Transportation Projects Reserve – Advisory Panel Proposed Policy.**
 1. The Committee reviewed and discussed the Advisory Panel staff report, recommendations and draft policy.
 2. The Committee unanimously agreed to recommend Authority approval of the draft policy.
 - ii. **Contingency Reserve – Advisory Panel Recommendation**
 1. The Committee reviewed and discussed the Advisory Panel staff report and recommendation. The Advisory Panel recommended that a Contingency Reserve not be established.
 2. The Committee unanimously agreed to recommend Authority approval of the elimination of the Contingency Reserve.
 3. The elimination of the Contingency Reserve will result in \$8.6 million being available for the FY2018 Project Program.
 - iii. **Budget Adjustment – Exchange of Funding Source on FY2014 Projects**
 1. The Committee reviewed and discussed a staff report presenting funding budget adjustments for FY2014 projects.
 2. The purpose of the adjustments is to ensure compliance with Federal Tax Regulations requiring 85% of tax exempt bond proceeds be spent within three years of the issuance of the bonds.
 3. The proposed adjustments do not make any changes to Authority approved project descriptions or funding levels.

4. The Committee unanimously agreed to recommend Authority approval of the Budget Adjustment - Exchange of Funding Source on FY2014 Projects.

iv. Budget Adjustment – FY2017 Revenue and Working Capital Reserve

1. The Committee reviewed and discussed a staff report on proposed adjustments to the FY2017 Regional Revenue Budget.
2. The FY2016 final revenue results were \$21.4 million greater than estimate.
3. The greater than estimated revenues resulted in an additional \$6.5 million being distributed to member jurisdictions as 30% funds in FY2016.
4. The balance of the increased revenue (70%) resulted in an increase in the starting balance of the Regional Revenue Fund for FY2017 of \$14.9 million.
5. The increase in the Regional Revenue Fund for FY2017 results in the need to adjust the Working Capital Reserve by \$7.5 million.
6. The Committee unanimously agreed to recommend Authority approval of the Budget Adjustment - FY2017 Revenue and Working Capital Reserve.

v. Legislative Service Contract

1. The Authority approved and funded the acquisition of Legislative Services in the FY2017 Operating Budget.
2. The Committee reviewed and discussed a staff report presenting the procurement steps, proposal evaluation and resulting recommended selection of a firm to provide Legislative Services as presented in NVTARFP 2017-01.
3. The Committee unanimously agreed to recommend Authority approval of the proposed Legislative Service Agreement subject to satisfactory conclusion of contract terms.

b. Discussion Items

i. Plan of Finance for FY2017 Program. The Committee received and discussed a staff report setting an initial timeline for the entering the bond market for the FY2017 Program. Significant discussion items were:

1. The FY2017 Program was approved by the Authority anticipating \$200 million in financed funds (bond proceeds).
2. Initial staff analysis indicates financing activity will not be required until the latter part of FY2018.
3. Interim financing strategies maybe deployed to:
 - a. Reduce overall costs
 - b. Increase project financing flexibility
 - c. Defer debt services expenses

4. The current Plan of Finance will eliminate FY2017 debt service obligations and defer or eliminate FY2018 debt service expenses of approximately \$14.7 million.
5. The Plan of Finance will be reviewed again once the FY2017 Project Program cash flows are received (approximately January 2017).

ii. Draft Project Advancement Policy

1. The Committee received and discussed the processes and draft policy the Authority may use to potentially remove appropriations from projects which are not advancing to completion.
2. The Committee provided comments and guidance on the proposals and instructed those items be included in the discussions with other committees and interested parties.

iii. Monthly Revenue Report. The Committee received a report on Authority revenues for FY2016 and total FY2016 30% transfers to member jurisdictions. This was the closeout report of revenues for FY2016.

iv. Monthly Operating Budget Report. The Committee received a report on the Authority FY2016 Operating Budget. This was the closeout report for FY2016.

v. Financial Activities Update. The Committee discussed major activities and initiatives with the Chief Financial Officer covering the following topics:

1. FY2016 Financial Statement Audit
2. Investment Program Implementation
3. Upcoming review of revenue estimates for FY2018 through FY2024.
4. Initial preparation of the FY2018 budgets.
5. Drafting a set of Financial Principles for future consideration of the Authority.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Members, Northern Virginia Transportation Authority

FROM: Martin E. Nohe, Chairman, Planning and Programming Committee

DATE: October 6, 2016

SUBJECT: Planning and Programming Committee Report

1. Purpose. To inform the Northern Virginia Transportation Authority on recent activities of the NVTa Planning and Programming Committee (PPC).

2. Background. The PPC met on September 30, 2016 with all members present. The Committee received a presentation on the development of the draft 2018-23 Six Year Program, including its relationship with TransAction. The Committee also received a briefing on candidate performance measures to be used in the evaluation of projects/packages of projects in TransAction. It is noted that NVTa staff has been working with VDOT staff to incorporate the principles of the HB 599 (2012) evaluation and rating process into the development of TransAction. This will provide for an enhanced level of regional transportation planning while enabling resource and schedule efficiencies.

This was the first opportunity for the Committee to discuss these topics. The following provides a summary of the discussion.

3. Development of FY2018-23 Six Year Program. The Committee provided initial inputs on the development of the Six Year Program, and will be returning to this topic at a subsequent meeting. It is envisioned that the Committee will make a recommendation regarding the development of a framework for the FY2018-23 Six Year Program to the Authority at its February 2017 meeting.

4. Candidate TransAction Measures/Weightings. Members received a briefing on candidate performance measures to be used in the evaluation of projects/packages of projects in TransAction. The Committee will discuss this topic in more detail at its October meeting. It is envisioned that the Committee will make a recommendation regarding measures and associated weightings to the Authority at its December 2016 meeting.

5. Next Steps. The next meetings of the PPC are scheduled for 10:00am on October 28, 2016 and 10:30am on November 30, 2016.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Mayor Foreman, Chairman, Planning Coordination Advisory Committee

DATE: October 6, 2016

SUBJECT: Report from the Planning Coordination Advisory Committee

- 1. Purpose.** To inform the Northern Virginia Transportation Authority on recent activities of the NVTa Planning Coordination Advisory Committee (PCAC).
- 2. Background.** The PCAC met on September 28, 2016 attended with 7 members attending. The Committee discussed the development of the Authority's 2017 Legislative Program, and received a presentation on the development of the draft 2018-23 Six Year Program, including its relationship with TransAction. The Committee also received a briefing on candidate performance measures to be used in the evaluation of projects/packages of projects in TransAction.

This was the first meeting at which the Committee had an opportunity to discuss these topics, as the PCAC meetings in July and August were cancelled due to a lack of quorum. Consequently, per the NVTa Bylaws, the Committee was unable to consider any formal action items. The following provides a summary of the discussion.

- 3. 2017 Legislative Program.** While recognizing that the development of the Authority's 2017 Legislative Program is at a very early stage, two primary concerns were expressed by Committee members. The first concern is the impact on transit providers of the absence of a 'floor' on the gas tax. While the recent decline in the price of oil has resulted in lower fuel costs for transit agencies, this has been more than offset by the decline in tax revenues derived from the sale of gasoline. The second concern is the impact of recent legislation on the ability of local jurisdictions to apply revenues from development proffers to related transportation infrastructure improvements. The Committee also suggested potential enhancements to the Smart Scale process.
- 4. Development of FY2018-23 Six Year Program.** The Committee appreciates the opportunity to provide inputs on the development of the Six Year Program, and will be returning to this topic at a subsequent meeting.

5. **Candidate TransAction Measures/Weightings.** Members received a briefing on candidate performance measures to be used in the evaluation of projects/packages of projects in TransAction. The Committee plans to discuss this topic in more detail, and take action to provide recommendations, at its October meeting.
6. **Next steps.** I envision the PCAC will continue to be engaged in the process to update TransAction, and the development of NVTA's FY2018-23 Six Year Program.

The next meeting of the PCAC is scheduled for 6:30pm on October 26.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Randy Boice, PE, Chairman, Technical Advisory Committee

DATE: September 30, 2016

SUBJECT: Report from the Technical Advisory Committee

1. Purpose. To inform the Northern Virginia Transportation Authority on the recent activities of the Northern Virginia Transportation Authority's Technical Advisory Committee (TAC).

2. Background. The TAC met on September 21, 2016. The Committee received an update on the groundbreaking ceremonies for the West Ox Bus Garage Expansion (Fairfax County) and the Belmont Ridge Road Construction (Loudoun County) projects funded in part with NVTa 70% regional funds, meetings of the Planning Coordination Advisory Committee (PCAC) on September 28th and the Planning and Programming Committee (PPC) on September 30th, and the public outreach activities planned for the TransAction update in fall 2016.

The committee also was presented with a preliminary set of nearly twenty draft performance measures for consideration in the plan evaluation as part of the TransAction update. The discussion focused on arriving at a set of key performance measures that can utilize a data-driven evaluation process for the plan and project evaluations. The committee will deliberate on this further at the next meeting before developing recommendations to the PPC and the Authority, potentially to be presented in their November/December meetings.

3. Next steps. We will continue to be engaged with the TransAction update and provide technical input and advice as needed. The next meeting of the Technical Advisory Committee is scheduled for October 12, 2016, 7:00PM at the NVTa offices.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**MEMORANDUM**

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Michael Longhi, Chief Financial Officer

DATE: October 5, 2016

SUBJECT: Monthly Revenue Report

1. **Purpose:** Monthly report of revenue receipts and 30% funds distribution to member localities.
2. **Background:** The attached reports reflect funding received through August 2016. August receipts represent FYE June 30, 2016 final accrued revenues.
3. **Comments:**
 - a. **FY 2016 Revenues (Attachment A)**
 - i. The Authority has received or accrued approximately \$317.1 million through the August 2016 transfers from the Commonwealth. These are effectively the unaudited ending revenue numbers for FY2016.
 - ii. Actual to estimate comparison for revenues through June show a 29.2% positive variance in Grantors Tax, a 3.4% positive variance in Sales Tax and a 10.8% positive variance in Transient Occupancy Tax compared to the adopted revenue estimates.
 - iii. This report reflects 12 months of collections (accrual basis) for Sales Tax and Grantors Tax.
 - iv. Overall revenue receipts are 7.25% above estimates for FYE June 30, 2016.
 - b. **FY 2016 Distribution to localities (Attachment B)**
 - i. Through the month of August the Authority was still receiving FY2016 Sales Tax and Transient Occupancy Tax revenues.
 - ii. Of the \$314.5 million actually received by the Authority through August for FY2016, approximately \$94.4 million represents 30% local funds. The difference between the \$314.5 million received and the \$317.1 million noted above is the revenue accruals.
 - iii. All \$94.4 million eligible to be distributed has been transferred to the member jurisdictions as of the end of August. As the accrued revenue amounts for FY2016 arrived, those funds were transferred to the appropriate jurisdictions.
 - c. **FY2014 to FY2016 Year over Year Revenue Comparison (Attachment C).**
 - i. This chart reflects a month to month comparison of revenue by tax type and a year to year comparison of total revenues received through August 2016.

Attachments:

- A. Revenues Received By Tax Type, Compared to NVTAs Estimates, Through August 2016
- B. FY2016 30% Distribution by Jurisdiction, through August 2016
- C. Month to Month Comparison By Tax Type and YTD Receipts for August 2016, 2015 and 2014

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
REVENUES RECEIVED, BY TAX TYPE AND JURISDICTION, COMPARED TO NVTA BUDGET
Based on: Revenue Data Through August 2016
FYE June 30, 2016

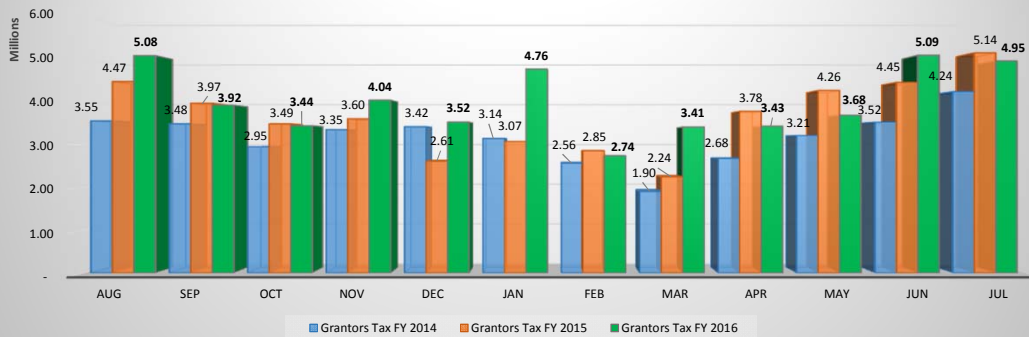
Grantors Tax			Received		NVTA		Projected Variance
Transaction Months	12		To Date	Annualized	FY 2016 Budget	Annualized - Actual To Budget	
City of Alexandria		\$	3,718,612	\$ 3,718,612	\$ 3,226,950	\$ 491,662	
Arlington County		\$	5,956,038	\$ 5,956,038	\$ 4,574,287	\$ 1,381,751	
City of Fairfax		\$	445,454	\$ 445,454	\$ 292,916	\$ 152,538	
Fairfax County		\$	20,341,934	\$ 20,341,934	\$ 15,169,980	\$ 5,171,954	
City of Falls Church		\$	265,779	\$ 265,779	\$ 265,235	\$ 544	
Loudoun County		\$	9,592,727	\$ 9,592,727	\$ 8,635,320	\$ 957,407	
City of Manassas		\$	560,381	\$ 560,381	\$ 274,904	\$ 285,477	
City of Manassas Park		\$	156,139	\$ 156,139	\$ 150,781	\$ 5,358	
Prince William County		\$	7,018,666	\$ 7,018,666	\$ 4,612,105	\$ 2,406,561	
Total Grantors Tax Revenue		\$	48,055,731	\$ 48,055,731	\$ 37,202,478	\$ 10,853,253	29.17%
Regional Sales Tax			Received		FY 2016		Projected Variance
Transaction Months	12		To Date	Annualized	Budget	Annualized - Actual To Budget	
City of Alexandria		\$	15,153,759	\$ 15,153,759	\$ 15,039,910	\$ 113,849	
Arlington County		\$	24,231,454	\$ 24,231,454	\$ 23,984,390	\$ 247,064	
City of Fairfax		\$	7,171,835	\$ 7,171,835	\$ 6,626,350	\$ 545,485	
Fairfax County		\$	106,366,189	\$ 106,366,189	\$ 103,110,900	\$ 3,255,289	
City of Falls Church		\$	2,316,028	\$ 2,316,028	\$ 2,532,963	\$ (216,935)	
Loudoun County		\$	44,733,333	\$ 44,733,333	\$ 40,887,720	\$ 3,845,613	
City of Manassas		\$	4,865,823	\$ 4,865,823	\$ 4,684,053	\$ 181,770	
City of Manassas Park		\$	1,279,082	\$ 1,279,082	\$ 943,681	\$ 335,401	
Prince William County		\$	34,445,071	\$ 34,445,071	\$ 34,946,852	\$ (501,781)	
Total Sales Tax Revenue		\$	240,562,575	\$ 240,562,575	\$ 232,756,819	\$ 7,805,756	3.35%
Transient Occupancy Tax (TOT)			Received		FY 2016		Projected Variance
Transaction Months			To Date	Annualized	Budget	Annualized - Actual To Budget	
City of Alexandria	Months	12.00	\$ 2,932,880	\$ 2,932,880	\$ 3,397,640	\$ (464,760)	
Arlington County	Months	12.00	\$ 9,645,925	\$ 9,645,925	\$ 8,890,830	\$ 755,095	
City of Fairfax	Quarters	4.00	\$ 349,855	\$ 349,855	\$ 354,803	\$ (4,948)	
Fairfax County *	Quarters	4.00	\$ 10,564,520	\$ 10,564,520	\$ 9,234,774	\$ 1,329,746	
City of Falls Church	Months	12.00	\$ 164,674	\$ 164,674	\$ 145,473	\$ 19,201	
Loudoun County	Quarters	4.00	\$ 3,154,528	\$ 3,154,528	\$ 2,040,200	\$ 1,114,328	
City of Manassas	Months	12.00	\$ 60,411	\$ 60,411	\$ 79,732	\$ (19,321)	
City of Manassas Park	n/a		\$ -			\$ -	
Prince William County	Quarters	4.00	\$ 1,527,501	\$ 1,527,501	\$ 1,488,946	\$ 38,555	
Total TOT Revenue			28,400,293	28,400,293	\$ 25,632,398	2,767,895	10.80%
Total Revenue Received			\$ 317,018,599	\$ 317,018,599	\$ 295,591,695	\$ 21,426,904	7.25%

*Fairfax County TOT includes accrual of \$2,622,154.23 which will be received & 30% distributed in Sept 2016

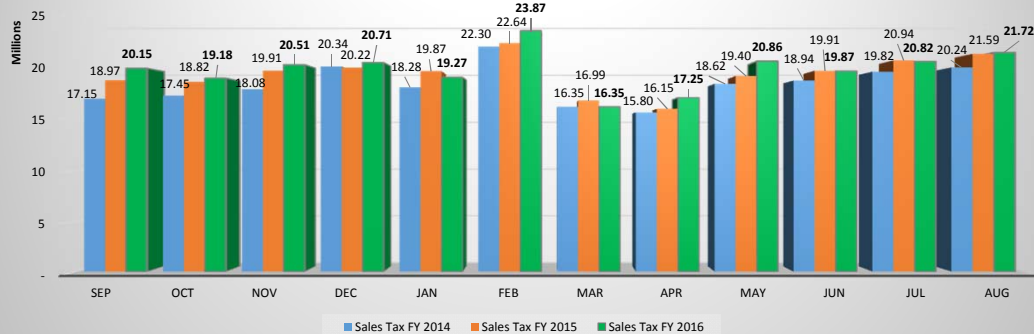
NORTHERN VIRGINIA TRANSPORTATION AUTHORITY FY 2016 30% DISTRIBUTION BY JURISDICTION											
Based on: Receipts through August 2016											
Jurisdiction	Grantor's Tax	*Regional Sales Tax (1)	Transient Occupancy Tax (2)	NVTA Fund Interest	Total	30% Funds	NVTA Operational Budget FY2017	Accrued Interest (3)	Prior Distributions	Current Month Distribution	Total Funds Transferred
								(+)			
City of Alexandria	\$ 3,718,611.60	\$ 15,153,759.06	\$ 2,932,880.24	\$ 9,145.38	\$ 21,814,396.28	\$ 6,544,318.88	-	666.24	\$ 6,097,972.91	\$ 447,012.21	\$ 6,544,985.12
Arlington County	\$ 5,956,038.40	\$ 24,231,454.42	\$ 9,645,924.68	\$ 16,535.92	\$ 39,849,953.42	\$ 11,954,986.03	159,344.00	1,237.30	\$ 10,833,920.50	\$ 962,958.83	\$ 11,796,879.33
City of Fairfax	\$ 445,454.40	\$ 7,171,835.42	\$ 349,854.62	\$ 3,266.03	\$ 7,970,410.47	\$ 2,391,123.14	15,719.00	285.53	\$ 2,166,271.24	\$ 209,418.43	\$ 2,375,689.67
Fairfax County (4)	\$ 20,341,933.96	\$ 106,366,188.84	\$ 10,564,519.66	\$ 56,801.09	\$ 137,329,443.55	\$ 41,198,333.07	767,265.00	3,997.45	\$ 36,752,338.89	\$ 3,683,226.64	\$ 40,435,565.53
City of Falls Church	\$ 265,779.35	\$ 2,316,027.89	\$ 164,674.08	\$ 1,161.37	\$ 2,747,642.69	\$ 824,292.81	9,597.00	95.18	\$ 751,174.56	\$ 63,616.43	\$ 814,790.99
Loudoun County	\$ 9,592,726.59	\$ 44,733,333.29	\$ 3,154,527.56	\$ 23,628.87	\$ 57,504,216.31	\$ 17,251,264.89	-	1,713.19	\$ 15,857,756.96	\$ 1,395,221.12	\$ 17,252,978.08
City of Manassas	\$ 560,381.10	\$ 4,865,822.81	\$ 60,411.34	\$ 2,278.31	\$ 5,488,893.56	\$ 1,646,668.07	-	190.35	\$ 1,507,155.91	\$ 139,702.51	\$ 1,646,858.42
City of Manassas Park	\$ 156,139.00	\$ 1,279,081.60	\$ -	\$ 598.35	\$ 1,435,818.95	\$ 430,745.69	10,590.00	-	\$ 386,790.12	\$ 33,365.57	\$ 420,155.69
Prince William County	\$ 7,018,666.35	\$ 34,445,071.45	\$ 1,527,501.07	\$ 17,756.36	\$ 43,008,995.23	\$ 12,902,698.57	301,148.00	1,332.48	\$ 11,550,907.95	\$ 1,051,975.10	\$ 12,602,883.05
Total Revenue	\$ 48,055,730.75	\$ 240,562,574.78	\$ 28,400,293.25	\$ 131,171.68	\$ 317,149,770.46	\$ 95,144,931.15	\$ 1,263,663.00	\$ 9,517.72	\$ 85,904,289.04	\$ 7,986,496.84	\$ 93,890,785.88
1 Net of Dept. of Taxation Fees											
2 County TOT includes any town collections											
3 Interest earned through 6/30/2016											
4 Fairfax County TOT includes accrual of \$2,622,154.23 which will be received & 30% distributed in Sept 2011											

August 2016-FY2016

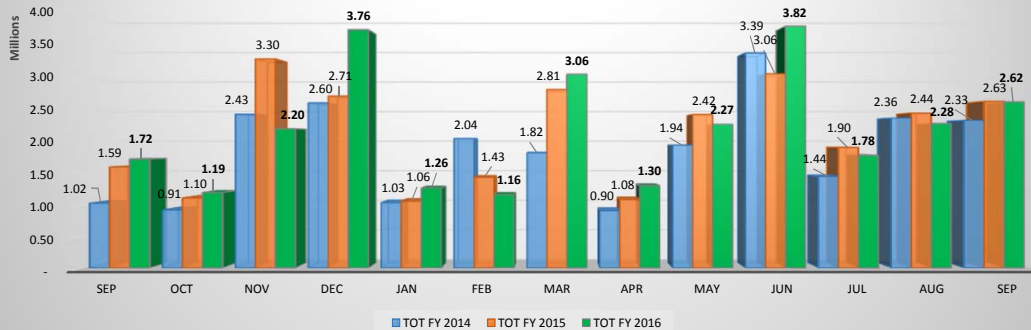
Grantors Tax (month received)



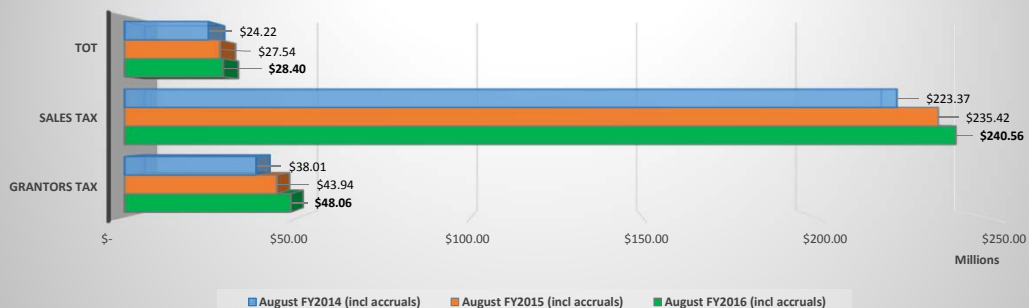
Sales Tax (month received)



Transient Occupancy Tax (month received)



YTD Receipt Comparison August FY2014, FY2015 & FY2016



NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Michael Longhi, Chief Financial Officer

DATE: October 5, 2016

SUBJECT: NVTa Operating Budget

1. **Purpose:** To update the Authority on the Operating Budget for FY2016.
2. **Background:** The Authority operating budget is funded through the participating jurisdictions. All jurisdictions have contributed their respective share of the FY2016 operating budget. This is the final monthly recap of FY2016 activities.
3. **Comments:** The FY2017 budget was developed with estimates of the ending budget performance from FY2016. The Operating Budget produced the following results:
 - a. Operating revenue is at 100% of estimate.
 - b. On March 10, 2016 the Authority approved a budget adjustment consisting of an expenditure transfer of \$124,700 for Financial Advisor Services, Bond Counsel and Bond Trustee Fees from the Regional Revenue Fund Budget to the Operating Fund Budget.
 - c. As approved by the Authority, the expenditure transfer to the Operating Budget required the use of \$80,850 of excess fund balance rather than being allocated to and paid by member jurisdictions.
 - d. Total expenditures at FYE June 30, 2016, were \$181,687 less than the adjusted budget.
 - e. Carryforward to FY2016 was projected to be \$412,571. Actual carryforward is \$486,800 including the Operating Reserve of \$247, 619.
 - f. The Operating Reserve was not used in FY2016 and rolls forward in total to FY2017.
 - g. The attached statement shows the total operating budget income and expenditure activity for FY2016.

Attachment: FY2016 Operating Budget through FYE June 30, 2016

09/02/16
09:49:38

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
Income Statement
For the Accounting Period: 13 / 16

Page: 2 of 2
Report ID: LB170A

1000 General Fund

		----- Current Year -----				
Account	Object Description	Current Month	Current YTD	Budget	Variance	%
417	Office Lease		103,619.32	93,900.00	-9,719.32	110
418	Office Supplies		2,040.96	10,000.00	7,959.04	20
419	Postage & Delivery		517.96	600.00	82.04	86
420	Professional Develop & Training		4,710.86	9,750.00	5,039.14	48
421	Industry Conferences		3,065.52	3,000.00	-65.52	102
	Total Account	5,000.00	146,043.58	151,050.00	5,006.42	97
	Total Expenses	38,930.21	1,181,112.31	1,362,799.00	181,686.69	87
	Net Income from Operations	-38,930.21	-80,850.29			
Other Expenses						
521000	Transfers					
820	Transfer to Operating Reserve			247,619.00	247,619.00	
	Total Account			247,619.00	247,619.00	
	Total Other Expenses	0.00	0.00	247,619.00	247,619.00	
	Net Income	-38,930.21	-80,850.29			

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

FOR: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Monica Backmon, Executive Director

DATE: October 7, 2016

SUBJECT: Executive Director's Report

1. **Purpose:** To inform the Authority of items of interest not addressed in other agenda items.
2. **Governor's Transportation Conference:** The NVTA will be hosting a break-out session during the 2016 Governor's Transportation Conference.

This year's Governor's Transportation Conference will be held October 19-21, 2016 at the Hyatt Regency in Arlington, VA. The NVTA will host a breakout session entitled "The Northern Virginia Transportation Authority: Investing Wisely - Delivering Results". The breakout session will highlight the Authority's accomplishments, planning and programming processes, funding programs, revenues and the TransAction update.

3. **Joint Commission on Transportation Accountability:** The NVTA will give a presentation to the Joint Commission on Transportation Accountability (JCTA) on October 19, 2016, on the Authority's roles and responsibilities per code, regional investments made to date and the Authority's outlook looking ahead. The Authority is required to present annually to the JCTA on how NVTA revenues are expended.
4. **NVTA Standing Committee Meetings**
 - **Finance Committee:** The NVTA Finance Committee will meet on Thursday, October 27, 2016 at 2:00pm.
 - **Planning and Programming Committee:** The NVTA Planning and Programming Committee will meet on Friday, October 28, 2016 at 10:00am.
 - **Governance and Personnel Committee:** The Governance and Personnel Committee is tentatively scheduled the first week in November. Date TBD.
5. **NVTA Statutory Committee Meetings:**
 - **Planning Coordination Advisory Committee:** The PCAC will meet on Wednesday, October 26, 2016 at 6:30pm.
 - **Technical Advisory Committee:** The TAC meeting schedule for Wednesday, October 12, 2016 at 7:00pm.

Attachments:

- A.** RSTP/CMAQ Transfers for the City of Alexandria and the Town of Dumfries
- B.** FY2014-2016 NVTA Regional Projects Status

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY MEMORANDUM

TO: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Monica Backmon, Executive Director

SUBJECT: Approval of Reallocation of Congestion Mitigation and Air Quality (CMAQ) funds for the City of Alexandria and Regional Surface Transportation Program (RSTP) funds for the Town of Dumfries

DATE: October 7, 2016

- 1. Purpose:** To inform the Northern Virginia Transportation Authority of Regional Jurisdiction and Agency Coordinating Committee (RJACC) Approval of Reallocation of Congestion Mitigation and Air Quality funds for the City of Alexandria and Regional Surface Transportation Program funds for the Town of Dumfries
- 2. Background:** On September 11, 2008, the Authority delegated the authority to approve requests to reallocate Congestion Mitigation and Air Quality (CMAQ) and Regional Surface Transportation Program (RSTP) funding between projects that were previously approved by the NVTa to the Regional Jurisdiction and Agency Coordinating Committee (RJACC).

On September 26, 2016, the City of Alexandria requested the following reallocation:

- \$1,446,610 in previous year CMAQ funds from ITS Integration Phase IV (UPC 106562) to ITS Integration Phase III (UPC 106563). The reallocation will allow the City of Alexandria to proceed with the design and construction necessary to implement Phase III of the City's integration project. Additional funds are being reallocated to re-establish the required budget. Funds were previously transferred from Phase III to Phase II in early-2016 to address construction cost needs.

On September 16, 2016, and September 22, 2016, the Town of Dumfries requested the following reallocations:

- \$18,882 in Previous Year, \$11,188 in FY 2018, \$15,764 in FY 2019, and \$21,007 in FY 2020 RSTP funds from Route 1/Fralely Boulevard (UPC 90339) to Route 1 Improvements to Main Street (UPC 81517) to address estimated project cost increases.

The RJACC approved these requests on September 29, 2016.

Attachment(s): DRAFT Letter to VDOT NOVA District Administrator Cuervo
Request from the City of Alexandria
Request from the Town of Dumfries

Coordination: Regional Jurisdiction and Agency Coordinating Committee



Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

October 13, 2016

Ms. Helen Cuervo
District Administrator
Virginia Department of Transportation
4975 Alliance Dr. Suite 4E-342
Fairfax, Virginia 22030

Reference: Request to Reallocate Congestion Mitigation and Air Quality (CMAQ) funds for the City of Alexandria and Regional Surface Transportation Program (RSTP) funds for the Town of Dumfries

Dear Ms. Cuervo:

On September 11, 2008, the Authority delegated the authority to approve requests to reallocate Congestion Mitigation and Air Quality (CMAQ) and Regional Surface Transportation Program (RSTP) funding between projects that were previously approved by the NVTA to the Regional Jurisdiction and Agency Coordinating Committee (RJACC).

On September 26, 2016, the City of Alexandria requested the following reallocation:

- \$1,446,610 in previous year CMAQ funds from ITS Integration Phase IV (UPC 106562) to ITS Integration Phase III (UPC 106563). The reallocation will allow the City of Alexandria to proceed with the design and construction necessary to implement Phase III of the City's integration project. Additional funds are being reallocated to re-establish the required budget. Funds were previously transferred from Phase III to Phase II in early-2016 to address construction cost needs.

On September 16, 2016, and September 22, 2016, the Town of Dumfries requested the following reallocations:

- \$18,882 in Previous Year, \$11,188 in FY 2018, \$15,764 in FY 2019, and \$21,007 in FY 2020 RSTP funds from Route 1/Fraley Boulevard (UPC 90339) to Route 1 Improvements to Main Street (UPC 81517) to address estimated project cost increases.

NVTA's delegation requires that the RJACC notify the NVTA of these requests. The RJACC approved these requests on September 29, 2016, and the NVTA was informed at their October 13, 2016, meeting. The NVTA has not objected to these reallocations.

Please take the necessary steps to reallocate these funds in the Transportation Improvement Program and the State Transportation Improvement Program. Thank you very much.

Sincerely,

Noelle Dominguez
NVTARJACC Chairman

cc: Martin E. Nohe, Chairman, NVTAR
Monica Backmon, Executive Director, NVTAR
Yon Lambert, Director, City of Alexandria Department of Transportation and
Environmental Services
Richard Paul West, Director of Public Works, Town of Dumfries



DEPARTMENT OF TRANSPORTATION
AND ENVIRONMENTAL SERVICES

Room 4100 - City Hall
Alexandria, Virginia 22313
703-746-4025
alexandriava.gov

September 26, 2016

Noelle Dominguez, Chairperson
Regional Jurisdiction and Agency Coordinating Committee (RJACC)
Northern Virginia Transportation Authority (NVTa)
3040 Williams Drive, Suite 200
Fairfax, Virginia 22031

Reference: Request to Reallocate Congestion Mitigation and Air Quality (CMAQ) Funds for the City of Alexandria

Dear Ms. Dominguez,

The City of Alexandria requests the NVTa RJACC's and Authority's concurrence to reallocate \$1,446,610 from UPC #106562 ITS INTEGRATION – PHASE IV to UPC #106563 ITS INTEGRATION – PHASE III. This reallocation will allow the City of Alexandria to proceed with the design and construction necessary to implement Phase III of the City's integration project. Additional funds are being reallocated to re-establish the required budget. Funds were transferred from Phase III in early 2016 to cover the deviation between the budgeted construction funds for Phase II and the industry cost to execute this phase of the project.

Thank you for your assistance in this matter. Please feel free to contact Carrie Sanders, Deputy Director of Transportation & Environmental Services; at 703.746.4088 should you have further questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Yon Lambert", is written over a horizontal line.

Yon Lambert, AICP
Director

cc: Carrie Sanders, Deputy Director, Transportation & Environmental Services
Mitchell Bernstein, P.E., Director, Department of Project Implementation

CMAQ/RSTP Transfer Request Form
(One Sheet Needed Per Donor Project)

Date: 23-Sep-16

Name of Jurisdiction/Agency Requesting: City of Alexandria

Current Balance of CMAQ/RSTP Funds Currently Allocated to Donor Project (Prior to this Transfer):

\$1,918,000.00

From (Donor): _____

To (Recipient): _____

[illegible]

TOTAL OF TRANSFER

\$1,446,610.00

Attach Signed Request of Transfer Letter



DUMFRIES, VIRGINIA

Virginia's Oldest Continuously Chartered Town

CHARTERED 1749 INCORPORATED 1961

John Wilmer Porter Building
17755 Main Street
Dumfries, Virginia 22026-2386
Tel: 703-221-3400 / Fax: 703-221-3544
www.dumfriesva.gov

16 September 2016

Noelle Dominguez, Chairman
Northern Virginia Transportation Authority
Regional Jurisdiction and Agency Coordinating Committee (RJACC)
3040 Williams Drive
Fairfax, Virginia 22031

Dear Chairman Dominguez:

The Town of Dumfries requests the approval of the NVTa RJACC for the following transfer of Regional Surface Transportation Program (RSTP) funds.

The request is to transfer \$18,882 in Previous Year and \$11,188 in FY 18 RSTP funds from Route 1/Fraleigh Boulevard (UPC 90339) to Route 1 Improvements to Main Street (UPC 81517). The receiving project estimate has increased for the following reasons:

1. The drainage design was adjusted to reduce impacts to a parcel and to determine if a stormwater management pond could be minimized or removed altogether. In consultation with VDOT and Town staff, the project considered implementing water quality BMPs to mitigate water quality measures. This included additional stormwater design.
2. Project limits were expanded, which impacted additional parcels and required additional survey work, further design and including additional appraisals. Additional geotechnical investigation to determine soils conditions was also warranted.

The Route 1 Improvements to Main Street already has RSTP funds; therefore, only NVTa RJACC approval is needed.

Please contact me if you require anything further.

Sincerely,

Richard Paul West
Director of Public Works

cc: Gerald Foreman, Mayor
Tina Curtis, VDOT
Drew Williams, Berkley Group



DUMFRIES, VIRGINIA

Virginia's Oldest Continuously Chartered Town
CHARTERED 1749 INCORPORATED 1961

John Wilmer Porter Building
17755 Main Street
Dumfries, Virginia 22026-2386
Tel: 703-221-3400 / Fax: 703-221-3544
www.dumfriesva.gov

22 September 2016

Noelle Dominguez, Chairman
Northern Virginia Transportation Authority
Regional Jurisdiction and Agency Coordinating Committee (RJACC)
3040 Williams Drive
Fairfax, Virginia 22031

Dear Chairman Dominguez:

The Town of Dumfries requests the approval of the NVTARJACC for the following transfer of Regional Surface Transportation Program (RSTP) funds.

The request is to transfer \$15,764 in FY 19 and \$21,007 in FY 20 RSTP funds from Route 1/Fraley Boulevard (UPC 90339) to Route 1 Improvements to Main Street (UPC 81517). The receiving project estimate has increased for the following reasons:

1. The drainage design was adjusted to reduce impacts to a parcel and to determine if a stormwater management pond could be minimized or removed altogether. In consultation with VDOT and Town staff, the project considered implementing water quality BMPs to mitigate water quality measures. This included additional stormwater design.
2. Project limits were expanded, which impacted additional parcels and required additional survey work, further design and including additional appraisals. Additional geotechnical investigation to determine soils conditions was also warranted.

The Route 1 Improvements to Main Street already has RSTP funds; therefore, only NVTARJACC approval is needed.

Please contact me if you require anything further.

Sincerely,

Richard Paul West
Director of Public Works

cc: Gerald Foreman, Mayor
Tina Curtis, VDOT
Drew Williams, Berkley Group



NVTA FY2014-16 Program Project Status

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
Arlington County	Boundary Channel Drive Interchange – Constructs two roundabouts at the terminus of the ramps from I-395 to Boundary Channel Drive, which eliminate redundant traffic ramps to/from I-395. In addition, the project will create multi-modal connections to/from the District of Columbia that will promote alternate modes of commuting into and out of the District.	\$4,335,000 (FY2014)	Construction	Planning and design underway; construction of the interchange begins in Fiscal Year 2018; construction of the local road that connects to the interchange (Long Bridge Drive) begins in Fiscal Year 2017.	By end of Calendar year 2018 (Long Bridge Drive) and by end of Calendar year 2020 (interchange)	2020	0%
Arlington County	Columbia Pike Multimodal Improvement – Includes a modified street cross-section with reconfigured travel and transit lanes, medians and left-turn lanes, utility undergrounding and other upgrades along Arlington's 3.5 mile Columbia Pike corridor from the Fairfax County line on the west end to Four Mile Run.	\$12,000,000 (FY2014)	Construction	Design notice to proceed was provided in October 2014. Invitation to Bid scheduled for release Nov 2016, with construction expected to be under way in early 2017. Contract amendment for administration contract going to the County Board in July 2016. Construction Management contract anticipated to go before County Board in November 2016.	Spring 2019	Spring 2019	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
Arlington County	Columbia Pike Multimodal Street Improvements (East End) – Includes a modified street cross-section along the eastern portion of Arlington's 3.5 mile Columbia Pike corridor. Specific works includes realignment of road including shifting the roadway south of its existing location, eliminating the s-curves and enhancing pedestrian facilities	\$10,000,000 (FY2015-16)	Engineering Construction	PE started by early 2014. Final design will start by fall 2016.	Start of construction in Fall 2017	Start of construction in Fall 2017	0%
Arlington County	Crystal City Multimodal Center – Provides four additional saw-tooth bus bays for commuter and local bus services, seating, dynamic information signage, lighting, additional bicycle parking, curbside management plan for parking, kiss and ride, and shuttles, and pedestrian safety improvements along 18th Street South between South Bell Street and South Eads Streets.	\$1,500,000 (FY2014)	Construction	Construction started July 6, 2015. The NVTA funded phase of this project is significantly completed as of June 2016. Final paving and striping will be completed in January 2017 at the same time as an adjacent County project. Lighting and signage also needs to be completed.	January 2017	January 2017	42.4%
Arlington County	Ballston-MU Metrorail Station West Entrance – Constructs a second entrance to the Ballston-MU Metrorail Station, at North Fairfax Drive and North Vermont Street. Includes two street-level elevators & escalators, connecting to an underground passageway & new mezzanine. It will have fare gates, fare vending machines and an attended kiosk. Provides direct access, relieves congestion at the current entrance and provides for more even distribution along the platform	\$12,000,000 (FY2015-16)	Design	Design work to run for two years from summer 2016.	Start of construction in winter 2019	Summer 2018	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
Arlington County	Glebe Road Corridor Intelligent Transportation System Improvements – Design and construction of Intelligent Transportation System (ITS) and Adaptive Traffic Control System, including hardware and software for real time traffic data collection, Forward Looking Infra Red (FLIR) traffic detection, 3D pedestrian and bike detection, interactive audible ADA accessible pedestrian crossings, CCTVs, backup power supply information systems, queue detections, and dynamic message signs.	\$2,000,000 (FY2015-16)	Engineering Construction	PE began in January 2016. Communication upgrade underway.	Start of construction in June 2017	Start of construction in June 2017	1.3%
Fairfax County	Innovation Metrorail Station – Construction of the Silver Line Phase II extension of the rail system from Washington DC, to and beyond the Dulles International Airport. This multimodal facility will include bus bays, bicycle parking, kiss-and-ride and taxi waiting areas, as well as pedestrian bridges and station entrances from both the north and south sides of the Dulles Airport Access Highway/Dulles Toll Road.	\$41,000,000 (FY2014)	Design Construction	Utility and site preparation work is currently underway for station entrances. The County design team is working toward 100% construction drawings for the kiss and ride, bus bays, bike facilities and taxi waiting areas.	Spring 2019	Spring 2019	83.3%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
	Innovation Metrorail Station (Continuation) - Construction of the Silver Line Phase II extension of the rail system from Washington DC, to and beyond the Dulles International Airport. This multimodal facility will include bus bays, bicycle parking, kiss-and-ride and taxi waiting areas, as well as pedestrian bridges and station entrances from both the north and south sides of the Dulles Airport Access Highway/Dulles Toll Road.	\$28,000,000 (FY2015-16)	Construction	Utility and site preparation work is currently underway for station entrances. The County design team is working toward 100% construction drawings for the kiss and ride, bus bays, bike facilities and taxi waiting areas.	Spring 2019	Spring 2019	0%
Fairfax County	West Ox Bus Garage - Expands capacity of the West Ox bus facility and allows for additional, increased Fairfax Connector bus service. Includes 9 maintenance bays and expansion of facilities for bus drivers and security.	\$20,000,000 (FY2015-16)	Construction	The employee parking lot is complete; FCDOT took possession on June 16, 2016. Utilities and foundation work for the Maintenance Building are ongoing. Concrete slab placement for the Storage Building is near complete. Materials are ordered for the administration building expansion; and, demolition on the conference room for the new office space has started.	July 2017	July 2017	4.5%

Fairfax County	VA Route 28 Widening – Prince William County Line to Route 29 - Widen from 4 to 6 lanes including intersection improvements and pedestrian/bicycle facilities.	\$5,000,000 (FY2015-16)	PE and Environmental Study	Design: Notice to Proceed (NTP) issued to consultant mid-January 2016. Draft 15% plans received on 6/1/16, held with FCDOT staff on 7/11/16. 15% plans submitted to FCDOT and VDOT on 8/12/16. Comments due 9/12/16. Comment resolution meeting and Scoping meeting held with VDOT on 9/26/16. Project PIM anticipated in January 2017. Survey: Substantial completion on 5/15/16. Environmental: NTP issued late-February 2016 for Preliminary Environmental Inventory (PEI), received PEI on 5/1/16. Solicited proposal for the Cultural Resources section of NEPA documentation. NTP anticipated to be issued by second week of October. Traffic: NTP issued mid-March 2016, counts completed in May 2016, modeling complete in November 2016. Utility Designation: Designation estimate was provided in September 2015. NTP given to consultant in March 2016. Utility designation survey completed in May 2016. Geotech: Solicited proposal for Phase I geotechnical analysis. This would include soil and pavement borings and analysis for existing pavement depths,	2020	February 2018	19.6%
----------------	--	----------------------------	----------------------------	--	------	---------------	-------

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
				proposed pavement section, storm water facilities and retaining walls. NTP issued on 8/12/16.			
Fairfax County	Fairfax County Parkway Improvements – A Study of short and long-term corridor improvements, Environmental Assessment (EA)/ Finding of No Significant Impact (FONSI), and/or Preliminary Engineering for five segments of the Parkway.	\$10,000,000 (FY2015-16)	Design, Environmental, PE	VDOT advertised the final RFP for a design consultant on 7/18/2016 and technical interviews will be carried out soon.	2020	2018	0%
Fairfax County	Rolling Road Widening – Widen Rolling Road from 2 to 4 lanes from Old Keene Mill Road (VA 644) to Franconia Springfield Pkwy (VA 289) and Fairfax County Parkway (VA 286). Project will add pedestrian and bicycle facilities.	\$5,000,000 (FY2015-16)	Design, PE, ROW	Design is 20% completed. Staff met with elected officials to discuss the typical section. Public Information Meeting (PIM) was held on June 22, 2016. Meetings with individual HOAs ongoing. Project Public Hearing anticipated in early 2017.	2018	Summer 2017	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
Fairfax County	Frontier Drive Extension - Extend Frontier Drive from Franconia-Springfield Parkway to Loisdale Road, including access to Franconia-Springfield Metrorail Station and interchange improvements (braided ramps) to and from the Parkway. Provide on-street parking along Frontier Drive where feasible, as well as add pedestrian and bicycle facilities.	\$2,000,000 (FY2015-16)	Design, PE	VDOT is administering this project and the design contract has been finalized with NTP issued by VDOT to the consultant on March 21, 2016. Coordination meetings have been held with WMATA and Fairfax County to discuss the project and schedule as well as develop the bicycle and pedestrian accommodations and the typical section. Data collection and IMR development are underway with the delivery of the Draft IMR and Final IMR scheduled in September, 2016 and February, 2017, respectively. Design approval anticipated in early 2018.	2022-2023	Fall 2017	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
Fairfax County UPC 106742	US 1 (Richmond Highway) Widening – Widen US 1 for 2.9 miles from Mt. Vernon Memorial Highway (south) to Napper Road. This project will provide a 6 lane facility from Ft. Belvoir to I-95/I-495 in Alexandria. Project includes both pedestrian and bicycle facilities and provision for future transit.	\$1,000,000 (FY2015-16)	PE, Environmental	Project is administered by VDOT and currently is in the very early stage of project development. Consultant has been selected. The scope and fee proposal has been negotiated and NTP issued on June 30, 2016. VDOT has also initiated survey of the corridor and the development of the NEPA document. Environmental document development is under way. The first citizen information meeting for the environmental document is anticipated to happen in early fall 2016.	2025	2018	50%
Fairfax County/ Virginia Department of Transportation UPC 82135	Route 7 Bridge over Dulles Toll Road - Widen Route 7 from 4 lanes to 6 lanes, from approximately 0.1 mile west of Tyco Road to approximately 0.6 mile west of Tyco Road. The project will add one extra lane and 14 foot wide shared-use path on each direction.	\$13,900,000 (FY2015-16)	Construction	Construction of new bridge in between two existing Route-7 bridges over DATR and utility relocations are ongoing. Existing piers are being widened to replace the full superstructure. Beam Erection begin at the median of the existing bridged. Final design for the roadway is underway; anticipating ROW acquisition soon. Lighting plans along the roadway under review by MWAA, Fairfax County and VDOT.	Spring 2018	Spring 2017	50%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
Loudoun County	Leesburg Park and Ride – Funding of land acquisition for a second Leesburg Park and Ride facility to accommodate a minimum of 300 spaces.	\$1,000,000 (FY2014)	ROW Acquisition	Negotiations underway for the acquisition. Board approval for acquisition of land anticipated in Fall 2016.	Acquisition of land anticipated by Summer 2017.	Summer 2017	0%
Loudoun County	LC Transit Buses (2 buses) – New transit buses to introduce Silver Line connecting service.	\$880,000 (FY2014)	Asset Acquisition	Buses are deployed, NVTA Ribbon cutting held on May 24, 2016. Final invoice submitted.	Completed in May 2016.	Complete	100%
Loudoun County	Belmont Ridge Road (North) – Widening of Belmont Ridge between Gloucester Parkway and Hay Road Segment, including a grade separation structure to carry the W&OD trail over Belmont Ridge Road.	\$20,000,000 (FY2014)	ROW Acquisition Construction	This is a design build project being administered by VDOT. Contract was awarded to Dewberry Shirley and notice to proceed was issued in October 2015. Final ROW plans were approved on April 25, 2016. Design and ROW to be completed by Spring 2016 and construction to begin in late 2016. Coordinating with property owners who have approved land development applications along this segment. The next phases of the project include approval of the construction plans and right-of-way acquisition. Ground breaking held Tuesday, 9/27	December 2018	December 2018	85%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
Loudoun County	Belmont Ridge Road - Truro Parish Road to Croson Ln – The road will be widened from a substandard two-lane rural section to a four-lane arterial standard with the appropriate auxiliary turn lanes and signalization.	\$19,500,000 (FY2015-16)	Construction	30% plans have been completed, and a public design hearing was held on 6/23/2015. 60% design plans were submitted on 6/29/2015. Currently coordinating utility relocation with utility companies; 90% design plans were submitted to B&D and VDOT on April 6, 2016. The next phase of this project will be submission of the dedication and easement plats. Dedication plats have been submitted to Building and Development for review.	February 2018	February 2018	0%
Loudoun County	Acquisition of Four Buses – Add additional bus capacity in peak commuter periods to connect new park and ride lots in Loudoun County to the Silver Line of Metro.	\$1,860,000 (FY2015-16)	Asset Acquisition	4 Gillig Transit Buses have been ordered and are expected to be delivered in December 2016.	Winter 2016	Winter 2016	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
Loudoun County	Loudoun County Parkway (VA Route 607) – U.S. 50 to Creighton Rd – Provides for the design, right-of-way acquisition and construction of Loudoun County Parkway from Creighton Road to U.S. Route 50. The project will be designed as a four-lane urban major collector with a divided median in a six-lane ultimate right-of-way, associated turn lanes and shared use path.	\$31,000,000 (FY2015-16)	Construction	Project is administered by VDOT as a Design Build contract. Dewberry prepared the final design; Shirley Contracting has begun construction at the intersection of Loudoun County Parkway and Route 606. One lane of Route 606/Loudoun County Pkwy intersection scheduled to open in September 2017, two lanes to open by December 2017; two lanes of Route 606 between the Greenway and Commerce Center Court will open in December 2017; the remainder of the road improvements completed August 2018. VDOT provided interim configuration for Route 606/Loudoun County Parkway intersection and communication plan to County.	Fall 2017	Fall 2017	0%
Prince William County	Route 1 Widening from Featherstone Road to Marys Way – Widen Route 1 from a 4 lane undivided highway to a 6 lane divided highway; including a multi-use trail on the west side and a sidewalk on the east side.	\$3,000,000 (FY2014)	Design	The roadway design activities have been started. NEPA Report submitted for VDOT/FHWA approval in Sept 2016.	Construction advertisement July 2018.	Design October 2017.	32.6%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
	Route 1 Widening from Featherstone Road to Marys Way - Widening of Route 1 from a 4 lane undivided highway to a 6 lane divided highway. The total distance for the project will be 1.3 miles and will include the construction of a 10 foot wide multimodal trail and a five foot wide sidewalk along the sides of the route.	\$49,400,000 (FY2015-16)	Design ROW Acquisition Construction	Public Hearing Plans submitted to VDOT in June 2016. Construction to begin in January 2017. There are approximately 73 parcels impacted with 17 properties with possible major impacts, 10 parcels with total takes, and 7 probable total takes. Design public hearing to be held on November 16, 2016 at 6PM. Location TBD.	May 2021	May 2021	0%
Prince William County	Route 28 Widening from Linton Hall Road to Fitzwater Drive -- Widen from a 2 lane undivided roadway to a 4 lane divided highway. Project includes the construction of a multi-use trail on the south side and a sidewalk on the north side.	\$28,000,000 (FY2014)	Engineering ROW Acquisition Construction	ROW appraisals and negotiations are complete. Utility relocation to be completed by fall 2016. All utilities, plans and estimates have been approved. Project to be bid together with Vint Hill Road Extension project and Route 28 Widening from Route 234 Bypass to Linton Hall Road project.	August 2019	August 2019	0%
Prince William County	Route 28 Widening from Route 234 Bypass to Linton Hall Road - Widen approximately 1.5 miles of Route 28 from a 4 lane undivided highway to a 6 lane divided highway, which will include a multi-use trail and sidewalk.	\$16,700,000 (FY2015-16)	Design ROW Acquisition Construction	Scoping documentation began in early 2016 and construction to start in Fall 2018. Project to be bid together with Vint Hill Road Extension project and Route 28 Widening from Linton Hall Road to Fitzwater Drive project.	September 2020	September 2020	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
City of Manassas/Prince William County	Route 28 (Manassas Bypass) Study – Godwin Drive Extended - This study will evaluate the scope, cost, environmental, traffic forecasts, alternative alignments and feasibility factors required to gain approval for Route 28 corridor congestion improvements between the City of Manassas and Fairfax County.	\$2,500,000 (FY2015-16)	Engineering Study	Consultant (JMT) has been procured. Staff will begin steering committee planning in August.	Location study (phase 1 of the overall study) to be completed early by 2017	Location study (phase 1 of the overall study) to be completed by early 2017	0%
City of Alexandria	Potomac Yard Metrorail Station EIS – This project supports ongoing design and environmental activities associated with the development of a new Blue/Yellow Line Metrorail station at Potomac Yard, located between the existing Ronald Reagan Washington National Airport Station and Braddock Road Station.	\$2,000,000 (FY2014)	Design Environmental	The project is progressing. Final Environmental Impact Statement has been released. Records of Decision (ROD) expected in Fall 2016.	Expected to open by year-end 2020.	2017	44.8%
	Potomac Yard Metrorail Station (continuation) - Planning, design, and construction of a new Metrorail station and ancillary facilities at Potomac Yard along the existing Metrorail Blue and Yellow lines between the Ronald Reagan Washington National Airport Station and the Braddock Road Station.	\$1,500,000 (FY2015-16)	Planning, PE, Design	Conceptual design of the station began in Fall 2015. Design-build package being prepared for advertisement of the contract by WMATA in Fall 2016 (following signing of the RODs by FTA and NPS).	2020	2017	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
City of Alexandria	Shelters and Real Time Transit Information for DASH/WMATA – Constructs bus shelters and provides associated amenities such as real time information at high ridership stops.	\$450,000 (FY2014)	Asset Acquisition	Preconstruction meeting was held on June 16, 2016. Notice to proceed was given to Russell Gage Corporation on June 16, 2016. Contractor has submitted a construction schedule and all submittals. All submittals have been reviewed and commented upon. Fabrication of the bus shelters is anticipated to begin. Contractor anticipates breaking ground at first shelter in November.	September 2018	September 2018	0%
City of Alexandria	Traffic Signal Upgrades/Transit Signal Priority – Includes design of transit priority systems on Route 1 and Duke Street, and purchase of equipment and software to install transit signal priority and upgrade traffic signals on Route 1.	\$660,000 (FY2014)	Design Asset Acquisition	A contractor was selected to perform the design work. A contract is expected to be awarded for the design in the early second quarter of FY2017. The project should be completed in the summer of 2018.	Summer 2018	Summer 2018	0%
City of Alexandria	Duke Street Transit Signal Priority - Includes design, install and implementation of a transit vehicle signal priority system (on board system on DASH and field equipment along the route) on Duke Street.	\$190,000 (FY2015-16)	Construction	A contractor was selected to perform the design work. A contract is expected to be awarded for the design in the early second quarter of FY2017. The project should be completed in the summer of 2018. City is working with DASH and NVTA to determine approximate cost of upgrading hardware and software on DASH buses.	Summer 2018	Summer 2018	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
City of Alexandria	West End Transitway (WET) - Will provide frequent, reliable transit service connecting major activities. The WET will connect to two metro stations (Van Dorn, Pentagon), major employment centers (Pentagon, Mark Center), and major transit nodes (Landmark Mall, Southern Towers, and Shirlington Transit Center).	\$2,400,000 (FY2015-16)	Design, Construction	FONSI is expected in late Winter 2016. RFP for project design (bridging documents) was advertised in September. 2016.	2021	2019	0%
City of Fairfax	Chain Bridge Road Widening/Improvements from Route 29/50 to Eaton Place – Widen Route 123 (Chain Bridge Road) to six lanes, improves the lane alignments of the roadway approaches for the intersection of Route 29/50 (Fairfax Boulevard) at Route 123 and improves pedestrian accommodations at all legs of the intersection. Includes extensive culvert improvements to eliminate roadway flooding caused by the inadequate culvert under Route 123.	\$5,000,000 (FY2014)	ROW Acquisition, Construction	NTP for construction was issued on September 19, 2016.	2018	2018	47.5%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
	Chain Bridge Road Widening/Improvements from Route 29/50 to Eaton Place “Northfax” – Widens Route 123 (Chain Bridge Road) to 6 lanes, improves the lane alignments of the roadway approaches for the intersection of Route 29/50 (Fairfax Boulevard) at Route 123 and improves pedestrian accommodations at all legs of the intersection. Includes extensive culvert improvements to eliminate roadway flooding caused by the inadequate culvert under Route 123.	\$10,000,000 (FY2015-16)	Construction	NTP for construction was issued on September 19, 2016.	2018	2018	0%
City of Fairfax	Kamp Washington Intersection Improvements – Eliminates the existing substandard lane shift between Route 50 and Route 236 through the intersection; signalization phasing improvements; construction of an additional southbound lane on U.S 29 from the Kamp Washington (50/29/236) intersection to the existing third southbound lane; extension of the westbound through lanes on VA 236 (Main Street) from Chestnut Street to Hallman Street; lengthening of turn lanes to provide additional storage for turning vehicles from Route 50 to Route 50/29 and Route 236 to Route 29; new crosswalks, curb ramps, sidewalks and pedestrian signalization; and replacement of span-wire signals with mast arm signals.	\$1,000,000 (FY2015-16)	Construction	Construction began in December 2015. Project is under construction.	April 2017	April 2017	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
City of Falls Church	Bus Stops Changes – Includes the provision of shelters and pedestrian way-finding information. Also includes consolidation of existing stops, design, ROW acquisition and construction for bus stop changes along Route 7, and provision of bus shelters.	\$200,000 (FY2014)	Engineering Construction Inspection Services	Construction of four shelters complete. Easement acquisition is ongoing with construction of four to six shelters in spring 2017.	Summer 2017	Summer 2017	76.1%
City of Falls Church	Pedestrian Access to Transit – Includes the provision of enhanced pedestrian connections to the Intermodal Plaza being designed for the intersection of South Washington Street and Hillwood Avenue. The Intermodal Plaza will serve as a focal point for bus transportation in the area when completed.	\$700,000 (FY2014)	Engineering Environmental Construction	100% design completed. Finalizing utility undergrounding plans. Right of way negotiations for utility undergrounding underway.	Summer 2017	Summer 2017	16.5%
City of Falls Church	Pedestrian Bridge Providing Safe Access to the East Falls Church Metro Station – Includes the expansion of an existing bridge on Van Buren Street to include a segregated pedestrian area. The existing bridge lacks such a facility and requires pedestrians to detour onto the pavement in order to access the Metro Station.	\$300,000 (FY2014)	Design Construction	90% design completed. Final plans anticipated late Fall 2016. Coordinating easement needs with Arlington County.	Early 2017	Early 2017	65%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
City of Manassas	Route 28 Widening South to City Limits – Includes widening Route 28 from 4 lanes to 6 lanes from Godwin Drive in Manassas City to the southern city/Prince William County limits. This project also adds a dual left turn lane on north bound Route 28 to serve Godwin Drive. The project eliminates a merge/weave problem that occurs as travelers exit the 234 bypass and attempt to cross 2 lanes to access Godwin Drive. Signalization improvements are included.	\$3,294,000 (FY2015-16)	Engineering ROW Acquisition Construction	PE phase is ongoing. PE plans at 75%.	October 2019	October 2019	0%
Town of Dumfries UPC 90339	Widen Route 1 (Fraleigh Boulevard) Brady's Hill Road to Route 234 (Dumfries Road) - This project will complete the Northern segment of a Prince William County funded project (VDOT's Route 1 / Route 619) and will allow local traffic to travel to and from Quantico / Stafford to the Route 234 interchange and communities along the Route 1 corridor. This project will bring northbound and southbound Route 1 onto the same alignment by widening Route 1 NB from 2 lanes to 6 lanes, with a wide curb lane for on-road bicycle use and a sidewalk and multi-use trail for pedestrians and other modes. It includes replacing the bridge over Quantico Creek.	\$6,900,000 (FY2015-16)	Engineering	The full six lane design concept will be developed to 30% level by Spring 2017 and then VDOT and Town of Dumfries will decide on whether public outreach should be pursued based on the prospect of right of way acquisition funding becoming available and the likely timeline for that.	FY2025	FY2018	0.3%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
Town of Herndon	Intersection Improvements (Herndon Parkway/Sterling Road) – Street capacity improvements for congestion relief. Project includes ROW acquisition and construction to build a sidewalk on the north side of Sterling Road between Herndon Parkway and the town limits.	\$500,000 (FY2014)	Final Engineering ROW Acquisition Construction	Right of way acquisition for new sidewalk connectivity and improvements. ROW acquisition is being completed to accommodate retaining/sound wall that allows for an ADA 5' sidewalk construction.	Highway capacity improvements completed November 2014. Sidewalk improvements expected in early 2017.	Early 2017	40.1%
Town of Herndon	Intersection Improvements (Herndon Parkway/Van Buren Street) – Street capacity improvements for congestion relief. Project includes sidewalk/trail connectivity to Herndon Metrorail.	\$500,000 (FY2014)	Construction	Procurement approved and awarded in February 2015. Project is in design.	Expected in 2018, prior to the opening of Dulles Metrorail Phase II.	2018	0%
Town of Herndon	Access Improvements (Silver Line Phase II – Herndon Metrorail Station) – Provides additional vehicle and bus pull-off bays and major intersection improvements to include ADA accessible streetscape, paver crosswalks, bike-pedestrian signalization, refuge media islands and bus shelter/transit facilities.	\$1,100,000 (FY2014)	Engineering ROW Acquisition Construction	Procurement approved and awarded in March 2015. Engineering underway at 30%. Design ROW acquisition/street dedication is to begin in early 2017 to be ready for construction in 2019.	Expected in 2018, prior to the opening of Dulles Metrorail Phase II.	2018	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
Town of Herndon	East Elden Street Improvement & Widening - Widen and reconstruct East Elden Street from 4 to 6 lanes with a raised landscaped median between Fairfax County Parkway and Herndon Parkway; continue as a 4-lane section with a raised landscaped median and dedicated turning lanes between Herndon Parkway and Van Buren Street; transition to a 2-lane section with left-turn lanes between Van Buren and Monroe Street. The project will be ADA accessible to include pedestrian/audio signalization, crosswalk enhancements and bus stop improvements at select major intersections as well as proposed bike lanes along the length of the project.	\$10,400,000 (FY2015-16)	ROW, Utilities	VDOT's Environmental review completed and Preliminary Field Inspection completed. 35% Design is completed. Utility duct-bank design advanced to 30% design. VDOT's Location and Design Public Hearing scheduled for October 27, 2016.	2021	December 2018	0%
Town of Leesburg	Edwards Ferry Road and Route 15 Leesburg Bypass Grade Separated Interchange – Development of a new grade separated interchange.	\$1,000,000 (FY2014)	Design Environmental	Interchange Justification Report Traffic Framework document is currently under review with the VDOT Central Office. Traffic modeling, NEPA document scoping review, and preliminary alternatives preparation are underway and expected to complete in 6 months. Next public meeting in fall 2016.	Design approval expected in Summer 2017.	Complete	100%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
Town of Leesburg UPC 89890	Edwards Ferry Road and Route 15 Leesburg Bypass Grade Separated Interchange (Continuation) - The project consists of development of a new grade-separated interchange on Edwards Ferry Road at the Route 15 Leesburg Bypass. The existing signalized at-grade intersection at this location is heavily congested.	\$1,000,000 (FY2015-16)	Design	Interchange Justification Report Traffic Framework document was approved on 7/14/16. Traffic modeling, NEPA document scoping review, and preliminary alternatives preparation are underway and expected to complete in 6 months. Next public meeting in fall 2016.	Design approval expected in Summer 2017.	Design approval expected in summer 2017.	0%
Town of Leesburg UPC 106573	Route 7 East Market Street and Battlefield Parkway Interchange - Improve safety and pedestrian/vehicle flow by building a grade-separated interchange which will allow Route 7 to become a limited-access freeway through the Town of Leesburg	\$13,000,000 (FY2015-16)	Design	Kickoff meeting held on 3/29/16. Traffic Modeling coordination meeting held on 4/8/16. Interchange Justification Report Traffic Framework document is being prepared. The design consultant is developing / considering different interchange configurations to evaluate once the travel demand forecasting model is ready. The consultant has provided an updated schedule.	2020	2018	15.4%
Northern Virginia Transportation Commission	Transit Alternatives Analysis (Route 7 Corridor Fairfax County/Falls Church/Arlington County/Alexandria) – Corridor study to study transit options on Route 7.	\$838,000 (FY2014)	Planning for Phase 2 of Study	Commission approved the recommendations at the July 7, 2016 meeting. Final report will be completed soon.	Expected completion October 2016.	October 2016.	93.7%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
Potomac and Rappahannock Transportation Commission	Western Maintenance Facility – New facility will alleviate overcrowding at PRTC's Transit Center (which was designed to accommodate 100 buses, but is currently home to over 166 buses) and to permit service expansion as envisioned and adopted in PRTC's long range plan.	\$16,500,000 (FY2015-16)	Construction Testing Inspection Oversight	Building Permit was approved by Prince William County on 2/5/2016. Building Permit has been extended through December 2016. Start of construction expected in Summer 2017.	Spring 2019	Spring 2019	0%
Virginia Department of Transportation	Route 28 Hot Spot Improvements (Loudoun Segment)/Area 1 – Loudoun segment of Route 28 improvements from Sterling Blvd. to the Dulles Toll Road.	\$12,400,000 (FY2014)	Construction Contract Admin.	ROW acquisition, storm water installation, clearing, and grubbing are complete. Completed panel installation, electric conduit and light pole bases, and backfill at the MSE wall between Sterling Blvd and Route 606; dual box culvert extension at Sterling Blvd; guardrail installation north of Sterling Blvd; overhead signs #18 and #19; footings for Overhead Signs #14, #15, #16, and #17; intermediate asphalt within Sterling Blvd. interchange. Work currently underway includes installation of the base asphalt for the added travel lane, construction of added travel lane 50% complete, and applicable earth work. Shoulder construction from RT606 to Innovation Ave will likely be delayed till fall.	Summer 2017	Summer 2017	67%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
Virginia Department of Transportation	Route 28 Widening Dulles Toll Road to Route 50/Area 2 – Widen Route 28 from 3 to 4 lanes Southbound from Dulles Toll Road to Route 50.	\$20,000,000 (FY2014)	Construction Contract Admin.	ROW acquisition and clearing within existing ROW are complete. Construction of double box culvert extension south of Dulles Toll Road is complete. Placement of aggregate subbase and asphalt as well as roadway work going on.	Summer 2017	Summer 2017	26.7%
Virginia Department of Transportation	Route 28 Widening McLearen Road to Dulles Toll Road/Area 3 – Widen Route 28 from 3 to 4 lanes Northbound from McLearen Road to Dulles Toll Road.	\$11,100,000 (FY2014)	Construction Contract Admin.	Clearing within existing ROW is complete. Work in progress to widen the Horsepen Bridge. Roadway construction between Frying Pan Road and the Dulles Toll Road and installation of drainage items between McLearen and Frying Pan are underway. Final slope grading will likely be delayed till fall.	Summer 2017	Summer 2017	31.4%
Virginia Railway Express	Alexandria Station Tunnel – Includes a pedestrian tunnel connection between Alexandria Union Station/VRE Station and the King Street Metrorail Station, as well as the improvement of the VRE station east side platform to enable it to service trains on both sides.	\$1,300,000 (FY2014)	Construction	Project cost increase has required a search for new sources of funds for construction. Design on hold until construction funding identified. Once funding identified, new schedule will be developed.	Fall 2017	Fall 2017	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
Virginia Railway Express	Gainesville to Haymarket Extension – Corridor study and preliminary engineering development of an 11-mile VRE extension from Manassas to Gainesville-Haymarket.	\$1,500,000 (FY2014)	Planning Project Development Conceptual Design	Final ridership and cost estimates are being refined. Alternatives Evaluation Report is under development.	Summer 2017	Summer 2017	22.8%
Virginia Railway Express	Lorton Station Second Platform – Includes final design and construction of a 650 foot second platform at the VRE Lorton Station in Fairfax County to accommodate trains up to 8 cars in length.	\$7,900,000 (FY2014)	Final Design Construction	Preliminary Scope and Schedule Discussion 8/2/2016. NTP issued 8/4/2016 effective 8/5/2016. 24 month anticipated Preliminary Engineering and NEPA Schedule. 12 month Final Design Schedule. Some concurrency possible. Construction is anticipated no earlier than spring 2018. Scheduling Field Work in conjunction with weekly coordination with DC2RVA efforts.	Summer 2019	Summer 2019	0%
Virginia Railway Express	Manassas Park Station Parking Expansion - Planning and engineering investigations to expand parking and pedestrian connections at the VRE Manassas Park station	\$500,000 (FY2015-16)	Planning & Engineering Studies	Contract was awarded at June 2016 VRE Board Meeting. NTP has been issued. Project kicked off in July 2016. Data collection and analysis for the Alternatives Analysis base task is underway.	Fall 2017	Fall 2017	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
Virginia Railway Express	Franconia-Springfield Platform Expansion - Design and construction to extend the existing north-side (Metro station side) platform by up to 550 feet to allow the north-side platform at the station to be usable by VRE trains on a regular basis. It also includes design and construction of modifications to the south-side platform at the station.	\$13,000,000 (FY2015-16)	Design Construction	Preliminary Scope and Schedule Discussion 8/2/2016. NTP issued 8/4/2016 effective 8/5/2016. 24 month anticipated Preliminary Engineering and NEPA Schedule. 12 month Final Design Schedule. Some concurrency possible. Construction is anticipated no earlier than spring 2018. Scheduling Field Work in conjunction with weekly coordination with DC2RVA efforts.	Summer 2019	Summer 2019	0%
Virginia Railway Express	Rippon Station Expansion and Second Platform - Includes NEPA, design and construction to modify the existing platform and add a second platform at the station to service trains up to 8 cars long. An elevator will also be constructed to get passengers to the new platform.	\$10,000,000 (FY2015-16)	NEPA Design Construction	Preliminary Scope and Schedule Discussion 8/2/2016. NTP issued 8/4/2016 effective 8/5/2016. 24 month anticipated Preliminary Engineering and NEPA Schedule. 12 month Final Design Schedule. Some concurrency possible. Construction is anticipated no earlier than spring 2019. Scheduling Field Work in conjunction with weekly coordination with DC2RVA efforts.	Summer 2019	Summer 2019	0%

Jurisdiction/ Agency	Project Description	NVTA Funds	Phase(s) Funded	Status	Completion (Project)	Completion (NVTA funded Phases)	Percentage fund withdrawn as of 9/30/16
Virginia Railway Express	Slaters Lane Crossover - Includes the design and construction of a rail crossover and related signal equipment near Slaters Lane, north of the VRE Alexandria station. It will enable trains to move between all 3 tracks and makes the east side (Metro side) platform at the VRE Alexandria station usable from both sides.	\$7,000,000 (FY2015-16)	Design Construction	Final design by CSXT began in July 2016 and construction planned to begin in January 2017. All work to be done by CSXT forces.	Summer 2017	Summer 2017	0%
Virginia Railway Express	Crystal City Platform Extension Study - Includes planning and engineering investigations to evaluate the short- and long-term expansion potential of the VRE Crystal City station to alleviate existing crowding and accommodate future service expansion and bi-directional service.	\$400,000 (FY2015-16)	Planning Engineering Studies	VRE Operations Board authorized RFP for consultant services in February 2016. RFP under development. Contract award estimated October 2016.	Fall 2017	Fall 2017	0%
Washington Metropolitan Transit Authority	8-Car Traction Upgrades – Begins the process of upgrading traction power along the Orange Line by incrementally improving the power system to increase power supply capacity to support the future expanded use of eight car trains.	\$4,978,685 (FY2014)	Construction Contract Admin.	Invitation for Bid (IFB) was released 10/20/2015, bids were received 12/9/2015. Procurement determined the bid package must be resolicited. Contract was re-advertised on 3/4/2016 and second round of bids were received 3/18/2016. Contractor protest is under review. Anticipated award/NTP is anticipated by mid-October 2016.	Projected Contract Close- out December 2017	July 2017	1.8%