

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

### MEMORANDUM

**FOR:** Chair Phyllis J. Randall and Members  
Northern Virginia Transportation Authority

**FROM:** Michael Longhi, Chief Financial Officer

**DATE:** October 5, 2023

**SUBJECT:** Monthly Revenue Report

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- 1. Purpose:** To update the Northern Virginia Transportation Authority (NVTA) on monthly revenue receipts and 30% funds distributed to member localities. These reports were presented to the NVTA Finance Committee at their September 2023 meeting.
- 2. Background:** The attached reports reflect funding received and distributed through Fiscal Year-end June 30, 2023. Please note these reports, while for the end of the fiscal year, were unaudited at their time of preparation.
- 3. Comments:**
  - A. FY2023 Revenues (Attachment A)**
    - I.** The Authority has received approximately \$421 million through the fiscal year-end June 30, 2023, transfers from the Commonwealth (inclusive of accounting accruals).
      - a.** \$20 million of the annual Northern Virginia District Transfer.
      - b.** \$33.6 million in Regional Congestion Relief Fees.
      - c.** \$348.9 million in Regional Sales Tax.
      - d.** \$18.5 million from the Interstate Operation and Enhancement Program.
    - II.** During February 2023, the Authority received the annual Interstate Operation Enhancement Program (IOEP) transfer in the amount of \$18.5 million. The transfer was 8.7% lower than the Virginia Department of Transportation (VDOT) Chief Financial Officer's estimate of \$20.26 million.
    - III.** August 2023 includes the twelfth month of accrued sales tax receipts for FY2023. Attachment A shows a 11.3% positive variance between the budgeted sales tax receipts compared to the annualized actual sales tax receipts.
    - IV.** As of the FYE, the FY2023 Regional Congestion Relief Fees (Grantor's Tax) reflect a negative variance of 22.5% when compared to the FY2023 budget projections. Mortgage rates have increased to their highest levels in decades, causing housing inventories to be tighter. The forecast expects existing housing inventory shortages to increase as current homeowners are less likely to move if they are locked into lower mortgage rates. There are also still market dynamics that indicate the Northern Virginia market has a way to go before returning to historic norms. Despite the decrease in sales activity, home prices in Northern Virginia have remained remarkably steady.

**B. Year to Year Revenue Comparison:** This monthly report focuses on budget to actual information. However, a year-to-year revenue comparison is informative as we close out FY2023.

- I. While FY2023 revenue exceeded projections by \$23.9 million, total FY2023 revenue was less than FY2022 as shown below.

	<b>FY2023</b>	<b>FY2022</b>	<b>Y2Y Change</b>
<b>Sales Tax</b>	348,907,106	332,596,472	16,310,634
<b>Grantor's Tax</b>	33,617,348	51,159,261	(17,541,913)
<b>NVTD Transfer</b>	20,000,000	20,000,000	-
<b>IOEP Transfer</b>	18,501,502	20,935,532	(2,434,030)
	<b>\$ 421,025,956</b>	<b>\$ 424,691,265</b>	<b>\$ (3,665,309)</b>

- II. With investment portfolio earnings that are projected to exceed estimates by \$9.5 million, combined with the \$23.9 million positive FY2023 budget variance, provides substantial revenue protections for adopted projects. However, the Grantor’s and IOEP (estimated by VDOT) will weigh negatively on future revenue projections.
- III. The relationship of actual revenue to estimated revenue for FY2022/23 is shown in the table below.

	<b>FY2023</b>	<b>FY2022</b>
<b>Actual</b>	\$ 421,025,956	\$ 424,691,265
<b>Estimate</b>	\$ 397,033,068	\$ 383,460,564
<b>Difference</b>	\$ 23,992,888	\$ 41,230,701

**C. FY2023 Distribution to localities (Attachment B)**

- I. All member jurisdictions have completed the required *Code of Virginia* Section 33.2-2510 annual certification to receive FY2023 Local Distribution Funds (30%).
- II. As of August 2023, \$126.6 million has been distributed in FY2023 Local Distribution funds to member jurisdictions.

**D. FY2015 to FY2023 Year over Year Revenue Comparison (Attachment C)**

- I. This chart reflects a month-to-month comparison of sales tax and grantors tax revenue and a year-to-year comparison of fiscal year to date sales tax revenues received as of August 2023 for FY2023.

**Attachments:**

- A. FY2023 Revenues Received by Tax Type Compared to NVTA Estimates, Through August 2023
- B. FY2023 30% Distribution by Jurisdiction, as of August 2023
- C. Month to Month Comparison of Sales Tax Revenue and Fiscal Year to Date Receipts for August FY2015 to FY2023

# ATTACHMENT A.

**NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**  
**SALES TAX REVENUES RECEIVED BY JURISDICTION, COMPARED TO NVTA ESTIMATES**  
 Based on: Revenue Data Through August 2023  
 FYE June 30, 2023

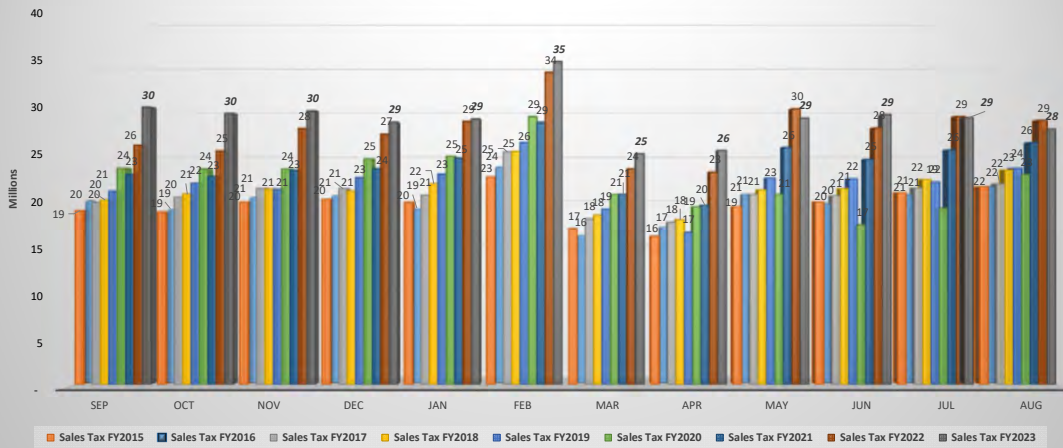
		Received	Annualized Revenue based	FY2023	Annualized	
	Transaction Months	To Date	on YTD Receipts	Budget	Actual To Budget	
<b>Regional Sales Tax</b>						
	<b>12</b>					
Total Sales Tax Revenue		\$ 348,907,106	\$ 348,907,106	\$ 313,399,565	\$ 35,507,541	11.3%
<b>Interstate Operation Enhance Program</b>						
	<b>1</b>					
Interstate Operation Enhance Program		\$ 18,501,502	\$ 18,501,502	\$ 20,261,936	\$ (1,760,434)	-8.7%
<b>Regional Congestion Relief Fee</b>						
	<b>12</b>					
Total Regional Congestion Relief Fee		\$ 33,617,348	\$ 33,617,348	\$ 43,371,567	(9,754,219)	-22.5%
<b>NVTD Transfer from COVA</b>						
	<b>4</b>					
Total NVTD Transfer from COVA		\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ -	0.0%
<b>Total Revenue Received</b>		<b>\$ 421,025,956</b>	<b>\$ 421,025,956</b>	<b>\$ 397,033,068</b>	<b>\$ 23,992,888</b>	<b>6.04%</b>

# ATTACHMENT B.

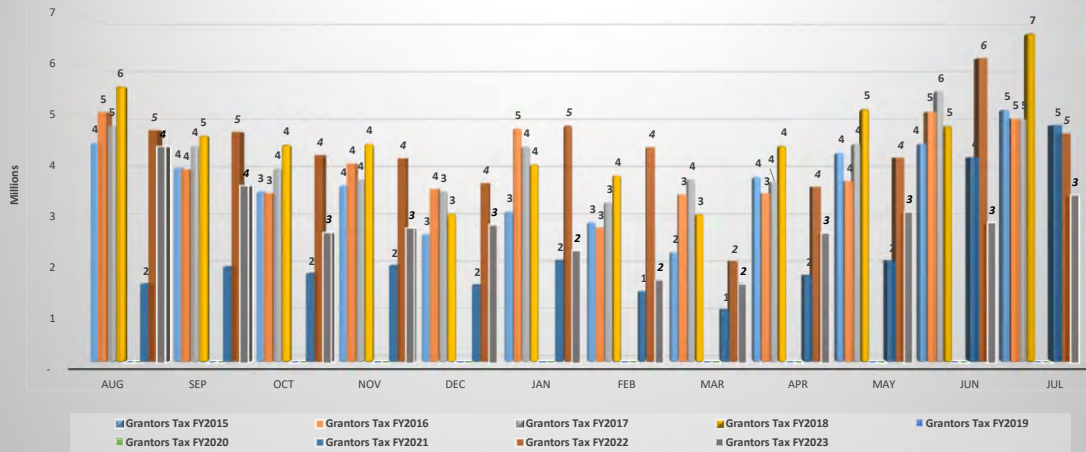
NORTHERN VIRGINIA TRANSPORTATION AUTHORITY FY2023 30% DISTRIBUTION BY JURISDICTION											
Based on: Revenue Data Through August 2023											
Jurisdiction	Interstate Operat Enhance Program	Regional Sales Tax	Regional Congestion Relief Fee	NVTD Transfer From COVA	CoVa NVTA Interest	Cumulative Total	30% Funds	As of 6/30/2023 Accrued Interest (1)	7/31/2023 Prior Distributions	Current Month Distribution	Total Funds Transferred
								(+)			
City of Alexandria	\$ 1,213,197.29	\$ 23,486,351.83	\$ 2,347,083.80	\$ 1,322,032	\$ 34,682.26	\$ 28,403,347.61	\$ 8,521,004.28	\$ 9,975.54	\$ 7,942,257.51	\$ 588,722.31	\$ 8,530,979.82
Arlington County	\$ 1,659,620.68	\$ 33,078,397.88	\$ 3,129,326.20	\$ 1,783,848	\$ 48,586.44	\$ 39,699,779.00	\$ 11,909,933.70	\$ 12,825.70	\$ 11,061,439.03	\$ 861,320.37	\$ 11,922,759.40
City of Fairfax	\$ 435,597.11	\$ 8,067,113.85	\$ 505,276.50	\$ 479,987	\$ 11,490.91	\$ 9,499,465.82	\$ 2,849,839.75	\$ 2,850.16	\$ 2,660,639.82	\$ 192,050.09	\$ 2,852,689.91
Fairfax County	\$ 7,738,129.90	\$ 144,892,762.84	\$ 14,663,253.19	\$ 8,371,413	\$ 213,218.50	\$ 175,878,777.88	\$ 52,763,633.36	\$ 58,428.33	\$ 49,285,964.86	\$ 3,536,096.83	\$ 52,822,061.69
City of Falls Church	\$ 156,435.42	\$ 3,511,614.45	\$ 193,992.70	\$ 177,033	\$ 5,045.98	\$ 4,044,121.22	\$ 1,213,236.37	\$ 1,425.08	\$ 1,114,473.81	\$ 100,187.64	\$ 1,214,661.45
Loudoun County	\$ 3,886,606.52	\$ 71,528,336.50	\$ 7,124,157.69	\$ 4,150,689	\$ 105,961.58	\$ 86,795,750.79	\$ 26,038,725.24	\$ 29,926.63	\$ 24,578,215.37	\$ 1,490,436.50	\$ 26,068,651.87
City of Manassas	\$ 422,571.33	\$ 7,811,182.14	\$ 333,219.50	\$ 461,333	\$ 10,966.62	\$ 9,039,272.17	\$ 2,711,781.65	\$ 2,850.16	\$ 2,515,018.68	\$ 199,613.13	\$ 2,714,631.81
City of Manassas Park	\$ 114,920.60	\$ 2,003,654.44	\$ 132,548.10	\$ 127,078	\$ 2,828.44	\$ 2,381,029.75	\$ 714,308.92	\$ 1,425.08	\$ 670,876.05	\$ 44,857.95	\$ 715,734.00
Prince William County	\$ 2,874,423.14	\$ 54,527,691.81	\$ 5,188,490.30	\$ 3,126,587	\$ 79,118.39	\$ 65,796,310.59	\$ 19,738,893.18	\$ 22,801.24	\$ 18,409,122.34	\$ 1,352,572.08	\$ 19,761,694.42
<b>Total Revenue</b>	\$ 18,501,501.99	\$ 348,907,105.73	\$ 33,617,347.98	\$ 20,000,000.00	\$ 511,899.12	\$ 421,537,854.82	\$ 126,461,356.45	\$ 142,507.92	\$ 118,238,007.47	\$ 8,365,856.90	\$ 126,603,864.37
<b>Interest FTD FY023</b>						\$ 421,025,955.70	\$ 126,461,356.45			\$ 8,365,856.74	\$ 126,603,864.37

## FY2023 August 2023

### Sales Tax (month received)



### Regional Congestion Relief Fee (month received)



### YTD Sales Tax Receipt Comparison August FY2015 to FY2023

