



# NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

*The Authority for Transportation in Northern Virginia*

**FINANCE COMMITTEE**  
**Friday, May 2, 2014 1:00 pm**  
**3060 Williams Drive, Suite 510**  
**Fairfax, VA 22031**

## AGENDA

- I. **Call to Order/Welcome** Chairman York
- II. **Summary Minutes of the April 3, 2014 Meeting** Ms. Teal  
*Recommended action: Approval [with abstentions  
from those who were not present]*

### Action Items

- III. **FY 2015 Revenue Estimates** Mr. Longhi, CFO  
*Recommended action: Recommend NVTA Approval of Estimates*
- IV. **FY 2015 Authority Budget** Mr. Mason, Interim Executive Director  
*Recommended action: Recommend NVTA Approval of Budget*
- V. **Planned Use and Commitment of FY2014 Regional Revenue Balance** Mr. Longhi, CFO  
*Recommended action: Recommend NVTA Approval of Classification*

### Information/Discussion Items

- VI. **Review of Purchase of General Ledger Accounting System** Mr. Longhi, CFO
- VII. **NVTA Receipts Report** Mr. Longhi, CFO
- VIII. **NVTA Operating Budget Report** Mr. Longhi, CFO
- IX. **Update on NVTA Financing Activities (no written report)** Mr. Longhi, CFO

### Adjournment

- X. **Adjournment**

**Next Meeting: June 6, 2014 – 1:00 pm**  
3060 Williams Drive (Suite 510), Fairfax, Virginia

# II.



## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

*The Authority for Transportation in Northern Virginia*

### FINANCE COMMITTEE

Thursday, April 3, 2014 3:00 pm

Fairfax County Government Center, 12000 Government Center Parkway  
Fairfax, VA 22035  
Conference Room 7

### Meeting Summary

#### I. Call to Order/Welcome

Chairman York

- Chairman York called the meeting to order at 3:05 pm.
- Attendees:
  - ✓ Members: Chairman York; Board Member Hynes; Chairman Bulova; Mayor Parrish (arrived 3:39 pm); Council Member Rishell.
  - ✓ Staff: John Mason (Interim Executive Director); Michael Longhi (CFO); Peggy Teal (Accountant).
  - ✓ Other Staff: NVRTA Chairman Nohe (Prince William County), Carl Hampton (Prince William County), Monica Backmon (Prince William County), Angela Horan (Prince William County), Penny Newquist (Loudoun County), David Hodgkins (City of Fairfax), Steve MacIsaac (Arlington County), Jason Friess (Arlington County), Ellen Posner (Fairfax County), Mark Thomas (Fairfax County), Tom Biesiadny (Fairfax County), Noelle Dominguez (Fairfax County), Kristy Choi (PFM), JoAnne Carter (PFM), Arthur Anderson (McGuire Woods).
  - ✓ Visitors: Robert Whitfield.

#### II. Prior Meeting Minutes (Not applicable, Initial Meeting)

### Action Items

#### III. Approval of Calendar Year Meeting Schedule

Chairman York

- Discussion regarding various dates and times for regular meetings. Consensus was to move the meeting time to 1:00 pm and to cancel the meeting for July 3, 2014. The August meeting remains on the schedule as optional.
- Chairman York moved to approve the Calendar Year Meeting Schedule as amended; seconded by Board Member Hynes. Motion carried unanimously.

## Information/Discussion Items

### IV. Review of Authority Bylaw Charge for Committee

Mr. Mason, Interim Executive Director

- Mr. Mason reviewed the Bylaw Charge for Finance Committee.
- Discussion followed to clarify charge and intent of Committee.
- Clarification was requested regarding the appointment of a Vice-Chair. The Committee was informed that this item is included in the April 17, 2014 Authority agenda.

### V. Update of Financial Activities Related to Bylaws

Mr. Longhi, CFO

- Mr. Longhi updated the financial activities related to the NVT A Bylaws.
- Mr. Longhi referenced the significant points:
  - ✓ The FY2015 budget will be presented to the Finance Committee at the May 2, 2014 meeting to be brought forward to the Authority at the May meeting.
  - ✓ Essential contracts were reviewed including the agreement for the independent auditing firm required for the annual audit.
  - ✓ Additional consulting hours were included in the auditing firm agreement to assist with the development of the accounts structure and implementation of the new accounting software.

### VI. Review of FY 2014 to 2016 Revenue Estimates

Mr. Longhi, CFO

- Mr. Longhi reviewed the FY 2014 – 2016 revenue estimates calculations.
  - ✓ Mr. Longhi explained the 3% or \$8 million variance between the FY2014 adopted revenue and current receipt trends.
  - ✓ No changes are recommended to the FY2014 adopted revenue at this time since this is the first year for receipts and it is believed that part of the variance is due to seasonal fluctuations. A variance at this level will not impact any approved projects for FY2014.
  - ✓ Final revenue estimates will be presented to the Finance Committee at the May 2, 2014 meeting with a request for approval and to be brought forward to the Authority at the May meeting for adoption.
- A conversation occurred regarding the responsibilities of the Financial Working Group and its role as it relates to the Finance Committee. The role of the Financial Working Group will be further defined through subsequent Authority meetings.
- At 3:29 pm Chairman Bulova moved that the Northern Virginia Transportation Authority convene a closed meeting, as authorized by Virginia

Code section 2.2-3711.A.7, for a legal matter; seconded by Board Member Hynes. Motion carried unanimously.

*(Mayor Parrish arrived at 3:39 pm)*

### **Closed Session**

- At 4:30 pm Chairman Bulova moved that the members of the Northern Virginia Transportation Authority certify: (1) that only public business matters lawfully exempted from open meeting requirements under Chapter 37, Title 2.2 of the Code of Virginia; and (2) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered by the Committee; seconded by Board Member Hynes. Motion carried unanimously.

### **Adjournment**

#### **VII. Adjournment**

- Meeting adjourned at 4:31 pm.

**Next Meeting: May 2, 2014 – 1:00 pm**  
3060 Williams Drive (Suite 510)  
Fairfax, Virginia

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

**TO:** Chairman York and Members of the NVTa Finance Committee  
**FROM:** Michael Longhi, Chief Financial Officer  
**DATE:** April 25, 2014  
**SUBJECT:** Fiscal Year 2015 Revenue Estimates

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1. **Purpose:** Presentation of FY2015 revenue estimates to the Finance Committee for consideration of recommendation to the Authority for approval.
2. **Suggested motion.** *I move the Finance Committee recommend the Authority adopt the FY2015 revenue estimates.*
3. **Background:**
  - a. The Authority receives revenue for operations, projects and debt service payments from three sources: Sales Taxes, Grantors Taxes and Transient Occupancy Taxes. Fiscal year revenue estimates must be made for budgeting and planning purposes. Once approved by the Authority, these projections become the basis for future reserve calculations, project allocations and financing decisions.
  - b. A revenue estimate subgroup was formed from the Financial Working Group. All member jurisdictions were invited to participate in the subgroup. Fairfax County, Loudoun County, Prince William County, Arlington County and the City of Alexandria contributed information in the development of the updated Authority estimates. Revenues from these five member jurisdictions comprise approximately 95% of the Authority's total revenues.
  - c. The growth rates projected by the five largest jurisdictions were combined and weighted to reach a general growth factor. This growth factor was used to estimate revenue from the remaining jurisdictions. The general growth factor was only used for approximately 5% of the projected revenue.
  - d. FY2016 Revenue projections are presented for reference purposes only.
4. **Assumptions:**
  - a. Based on information contributed from member jurisdictions:
    - i. Sales tax rate of growth has slowed from prior projections to 1.01% for FY2015. Sales tax comprises approximately 78.8% of Authority annual revenue
    - ii. Transient Occupancy Tax (TOT) is projected to grow 5% in FY2015. TOT is approximately 8.6% of Authority annual revenue.
    - iii. Grantors Tax is projected to grow 7.8% in FY2015. Grantors tax is approximately 12.6% of Authority annual revenue.
  - b. The rates of growth currently projected for TOT and Grantors taxes will not fully compensate for the slower than earlier projected rate of growth for sales tax.

- c. The following table presents the proposed FY2015 revenue for the Authority. Adopted FY2014 and Projected FY2016 are shown for reference. Jurisdiction detail is presented in Attachment A.

FY2015 Revenue Estimates (Accrual Basis)					
	Adopted FY2014		Proposed FY2015		Projected FY2016
Sales	\$ 232,456,223		\$ 228,073,196		\$ 232,756,820
TOT	\$ 24,348,642		\$ 25,258,011		\$ 25,632,398
Grantors	\$ 34,676,790		\$ 36,903,666		\$ 37,202,478
Total	\$ 291,481,655		\$ 290,234,874		\$ 295,591,696
70%	\$ 204,037,159		\$ 203,164,412		\$ 206,914,187
30%	\$ 87,444,497		\$ 87,070,462		\$ 88,677,509

5. **Next Steps:** With the Finance Committee recommendation, the Proposed FY2015 Revenue Estimates, will be presented to the Authority at the May 8, 2014 meeting with a recommendation for approval.

**Attachment A:** Proposed FY 2015 Revenues – Jurisdiction Detail

**Coordination:**

Financial Working Group – Revenue Estimate Subgroup

## Attachment A.

Northern Virginia Transportation Authority				
Proposed FY 2015 Revenues				
Jurisdiction Detail				
		Adopted FY 2014	Proposed FY 2015	Projected FY 2016
Arlington	Sales	\$ 24,473,867	\$ 23,984,390	\$ 23,984,390
	TOT	\$ 8,890,830	\$ 8,890,830	\$ 8,890,830
	Grantors	\$ 4,574,287	\$ 4,574,287	\$ 4,574,287
	<b>Total</b>	<b>\$ 37,938,985</b>	<b>\$ 37,449,507</b>	<b>\$ 37,449,507</b>
<b>Fairfax County</b>				
	Sales	\$ 104,977,104	\$ 100,596,000	\$ 103,110,900
	TOT	\$ 9,984,936	\$ 8,965,800	\$ 9,234,774
	Grantors	\$ 15,169,980	\$ 15,169,980	\$ 15,169,980
	<b>Total</b>	<b>\$ 130,132,020</b>	<b>\$ 124,731,780</b>	<b>\$ 127,515,654</b>
<b>City of Alexandria</b>				
	Sales	\$ 15,806,507	\$ 14,891,000	\$ 15,039,910
	TOT	\$ 3,570,388	\$ 3,364,000	\$ 3,397,640
	Grantors	\$ 3,391,565	\$ 3,195,000	\$ 3,226,950
	<b>Total</b>	<b>\$ 22,768,460</b>	<b>\$ 21,450,000</b>	<b>\$ 21,664,500</b>
<b>Loudoun</b>				
	Sales	\$ 39,833,324	\$ 40,086,000	\$ 40,887,720
	TOT	\$ 806,445	\$ 2,020,000	\$ 2,040,200
	Grantors	\$ 6,093,105	\$ 8,466,000	\$ 8,635,320
	<b>Total</b>	<b>\$ 46,732,873</b>	<b>\$ 50,572,000</b>	<b>\$ 51,563,240</b>
<b>Prince William</b>				
	Sales	\$ 32,943,958	\$ 33,928,982	\$ 34,946,852
	TOT	\$ 530,452	\$ 1,446,000	\$ 1,488,946
	Grantors	\$ 4,476,903	\$ 4,521,672.00	\$ 4,612,105
	<b>Total</b>	<b>\$ 37,951,313</b>	<b>\$ 39,896,654</b>	<b>\$ 41,047,903</b>
<b>City of Fairfax</b>				
	Sales	\$ 6,462,525	\$ 6,536,626	\$ 6,626,350
	TOT	\$ 345,984	\$ 349,526	\$ 354,803
	Grantors	\$ 289,079	\$ 290,799	\$ 292,916
	<b>Total</b>	<b>\$ 7,097,588</b>	<b>\$ 7,176,951</b>	<b>\$ 7,274,069</b>
<b>City of Falls Church</b>				
	Sales	\$ 2,470,340	\$ 2,498,666	\$ 2,532,963
	TOT	\$ 141,857	\$ 143,309	\$ 145,473
	Grantors	\$ 261,761	\$ 263,319	\$ 265,235
	<b>Total</b>	<b>\$ 2,873,958</b>	<b>\$ 2,905,294</b>	<b>\$ 2,943,671</b>
<b>City of Manassas</b>				
	Sales	\$ 4,568,248	\$ 4,620,629	\$ 4,684,053
	TOT	\$ 77,750	\$ 78,546	\$ 79,732
	Grantors	\$ 271,303	\$ 272,917	\$ 274,904
	<b>Total</b>	<b>\$ 4,917,301</b>	<b>\$ 4,972,092</b>	<b>\$ 5,038,689</b>
<b>City of Manassas Park</b>				
	Sales	\$ 920,350	\$ 930,903	\$ 943,681
	Grantors	\$ 148,806	\$ 149,692	\$ 150,781
	<b>Total</b>	<b>\$ 1,069,157</b>	<b>\$ 1,080,595</b>	<b>\$ 1,094,463</b>
<b>Total NVTA Revenue</b>				
	Sales	\$ 232,456,223	\$ 228,073,196	\$ 232,756,820
	TOT	\$ 24,348,642	\$ 25,258,011	\$ 25,632,398
	Grantors	\$ 34,676,790	\$ 36,903,666	\$ 37,202,478
	<b>Total</b>	<b>\$ 291,481,655</b>	<b>\$ 290,234,874</b>	<b>\$ 295,591,696</b>
	70%	\$ 204,037,159	\$ 203,164,412	\$ 206,914,187
	30%	\$ 87,444,497	\$ 87,070,462	\$ 88,677,509

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

**TO:** Chairman York and Members of the NVRTA Finance Committee

**FROM:** John Mason, Interim Executive Director

**DATE:** April 25, 2014

**SUBJECT:** Proposed FY2015 Authority Budget

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1. **Purpose.** Presentation of proposed FY2015 Authority Budget to the Finance Committee for consideration of a recommendation to the Authority for approval.
2. **Suggested motion.** *I move Finance Committee recommend to the Authority approval of the proposed FY2015 Authority Budget comprised of the FY2015 Operating Budget, FY2015 30% Funds Budget and FY2015 70% Regional Revenue Budget.*
3. **Background.** The Authority budget is comprised of three segments; Operating Budget, 30% Funds Budget and 70% Regional Revenue Budget.
  - a. The Authority provided guidance for the FY2015 budget on April 17, 2014.
  - b. Projected Authority tax revenue for FY2015 is \$290,234,874.
  - c. Carryover from FY2014 is expected to be approximately \$270,000 (approximately 30% of the approved FY2014 budget).
  - d. Interest earned on 70% Regional Revenue for FY2015 is projected at \$52,500.
  - e. The Authority's operating budget, net of revenue and carryover, is allocated to and paid by member jurisdictions based on population.
  - f. The Authority is required under 15.2-4838.1 B. 1. to disburse 30% of revenues received to member jurisdictions. The projected 30% distribution for FY2015 is \$87,070,462.
  - g. The remaining 70% Regional Revenue must first be used to meet any debt service requirements, reserve requirements of the debt policy with the remaining balance available for projects to be approved by the Authority. The projected 70% regional revenue for FY2015 is \$203,164,412.
4. **Operating Budget.** The proposed FY2015 Operating Budget is presented on Attachment A. The attachment includes the approved FY2014 budget and a FY2016 projection for comparison purposes.
  - a. Revenue.
    - 1) Carry forward from FY2014. Unobligated/unexpended operating budget funds from FY2014 will be available for allocation to the FY2015 budget. This amount is projected at \$270,000.



- 2) Interest on 70% funds. Interest on 70% funds is used to offset the overhead costs of the Authority to member jurisdictions. The estimate for FY2015 is \$52,500.
  - 3) Total FY2015 operational revenue. Operational revenue is estimated as \$322,500.
  - b. Expenditures. FY2015 is the first full year of expenditures for the Authority.
    - 1) Personnel expenditures. Personnel costs were estimated based on guidance provided by the Authority on April 17, 2014. The Authority is undergoing an actuarial study to evaluate joining the Virginia Retirement System (VRS). The study is not expected to be complete until the end of June. Authority action in FY2015 will be needed to join VRS. Best efforts were made on estimating the cost of benefits in absence of the actuarial study.
    - 2) Professional services. The majority of professional service expenditures in the FY2014 budget (\$205,000) was related to financing preparation and closing costs. These costs are reimbursable through debt proceeds. For FY2015 these costs are moved to the 70% regional funds, where they will be reimbursed through debt proceeds.
    - 3) Technology/communication. Two significant one-time expenses in the category for FY2015 are the acquisition of an accounting system (\$25,000) and the revision of the Authority web site (\$30,000).
    - 4) Administrative expenses. This expenditure category will have lease and moving costs as well as the expense of furnishing and equipping the new office location when the Authority moves with NVRC.
  - c. Authority member jurisdiction support. The net operating cost of \$1,041,532 is prorated to member jurisdictions as shown at the bottom of Attachment A.
5. **30% Fund Budget.** The Authority is required under 15.2-4838.1 B. 1. to disburse 30% of revenues received to member jurisdictions. Attachment B has the details of the 30% Fund Budget. Upon arrival from the Commonwealth these receipts are placed in a special revenue fund.
- a. The Authority expects to receive \$290,234,874 in taxes during FY2015.
  - b. Based on expected revenue, the Authority must appropriate 30% or \$87,070,462 for distribution to member jurisdictions as stipulated in 15.2-4838.1 B. 1.
  - c. Distributions will occur monthly as revenues are received and contingent on jurisdiction compliance with the Memorandum of Agreement between the Authority and member jurisdictions.
6. **70% Regional Revenue Budget.** The Authority expects to receive \$203,164,412 in 70% Regional Revenue, as shown on Attachment C. The Authority debt policy and Master Indenture of Trust sets a priority for the assignment of these revenues.
- Senior debt service requirements.
  - Debt service reserve requirements (if due).
  - Subordinate debt service requirements (if due).
  - Rebate fund requirements (if due).
- a. Additional requirements on the 70% Regional Revenue are:

- 1) Working Capital Reserve. As part of the project funding process in FY2015 transfers will need to be made to start funding the debt policy requirement of approximately \$101.5 million in Working Capital Reserve.
  - 2) Costs of Issuance. Financing costs will be drawn from the 70% regional revenues with that fund being reimbursed from debt proceeds upon settlement.
  - 3) Regional Projects. When the Authority determines the FY2015 PayGo projects, those funds will be appropriated within 70% Regional Revenues.
- b. FY2015 budget for 70% Regional Revenue. Until the Authority determines the FY2015 projects, budgeting for the 70% Regional Revenues will be very basic. However a budget needs be set at the beginning of the fiscal year.
- 1) As noted on Attachment C, potential initial funding of the Working Capital Reserve and potential FY2015 bond issuance costs are presented.
  - 2) As the Authority determines FY2015 projects, the level and timing of transfers to reserves will be considered.
  - 3) Until the FY2015 project selection process is underway, the balance of the 70% Regional Revenue remains uncommitted.
7. **Next Steps**. With the Finance Committee recommendation, the Proposed FY2015 Authority Budget will be presented to the Authority at the May 8, 2014 meeting with a recommendation for approval.

**Attachments:**

- A. Proposed FY2015 Operating Budget
- B. Proposed FY2015 30% Fund Budget
- C. Proposed FY2015 70% Regional Revenue Budget

## Attachment A

Northern Virginia Transportation Authority Proposed FY 2015 Operating Budget			
	Adopted FY2014	Proposed FY2015	Projected FY2016
<b>Operating Revenue</b>			
Carry Forward, Prior Fiscal Year	\$ 212,117	\$ 270,000	\$ 229,339
Interest on 70% Regional Funds	\$ 100,000	\$ 52,500	\$ 70,000
<b>Total Operating Revenue</b>	<b>\$ 312,117</b>	<b>\$ 322,500</b>	<b>\$ 299,339</b>
<b>Expenditures</b>			
<b>Personnel:</b>			
Salaries (FT/PT)	\$ 342,628	\$ 611,290	\$ 618,000
Benefits	\$ 122,700	\$ 180,350	\$ 181,400
Taxes		\$ 48,100	\$ 48,600
<b>Subtotal Personnel</b>	<b>\$ 465,328</b>	<b>\$ 839,740</b>	<b>\$ 848,000</b>
<b>Professional Services:</b>			
Audit/Accounting		\$ 27,500	\$ 17,500
Banking Services		\$ 1,000	\$ 1,000
Financial Advisory	\$ 80,000	\$ -	\$ -
Insurance	\$ 3,000	\$ 3,700	\$ 3,700
Legal	\$ 125,000	\$ -	\$ -
Payroll Services		\$ 2,000	\$ 2,000
Public Outreach	\$ 30,000	\$ 23,800	\$ 23,800
<b>Subtotal Professional Service</b>	<b>\$ 238,000</b>	<b>\$ 58,000</b>	<b>\$ 48,000</b>
<b>Technology/Communication</b>			
Accounting & Financial Reporting System		\$ 25,000	\$ 11,809
Hardware Software & Peripherals Purchase		\$ 7,000	\$ 2,000
IT Support Services including Hosting	\$ 16,655	\$ 11,794	\$ 11,794
Phone Service	\$ 11,650	\$ 7,060	\$ 7,060
Web Development & Hosting		\$ 30,000	\$ 5,500
<b>Subtotal Technology/Communication</b>	<b>\$ 28,305</b>	<b>\$ 80,854</b>	<b>\$ 38,163</b>
<b>Administrative Expenses</b>			
Advertisements		\$ 6,000	\$ 6,000
Dues & Subscriptions		\$ 2,500	\$ 2,500
Duplication/Printing	\$ 9,000	\$ 15,000	\$ 15,000
Furniture/Fixtures		\$ 58,000	\$ -
Meeting Expenses	\$ 1,000	\$ 3,600	\$ 3,600
Mileage/Transportation	\$ 6,000	\$ 7,200	\$ 7,200
Miscellaneous Expense (moving expense)		\$ 5,000	\$ -
Office Lease	\$ 5,460	\$ 50,000	\$ 100,000
Office Supplies		\$ 5,200	\$ 5,200
Postage/Delivery		\$ 600	\$ 600
Professional Development/Training		\$ 5,000	\$ 5,000
<b>Subtotal Administrative Expenses</b>	<b>\$ 21,460</b>	<b>\$ 158,100</b>	<b>\$ 145,100</b>
<b>Subtotal Operating Expenditures</b>	<b>\$ 753,093</b>	<b>\$ 1,136,694</b>	<b>\$ 1,079,263</b>
<b>Operating Reserve (20%)</b>	<b>\$ 150,619</b>	<b>\$ 227,339</b>	<b>\$ 215,853</b>
<b>Total Expenditures</b>	<b>\$ 903,712</b>	<b>\$ 1,364,032</b>	<b>\$ 1,295,115</b>
<b>Net Operating Costs/Member Jurisdiction Support</b>	<b>\$ 591,595</b>	<b>\$ 1,041,532</b>	<b>\$ 995,776</b>

Member Jurisdiction Support				
	2010 Population	FY 2014 Support Amounts	FY 2015 Support Amounts	FY 2016 Support Amounts
City of Alexandria	6%	\$ 37,270	\$ 65,617	\$ 62,734
Arlington County	9%	\$ 55,610	\$ 97,904	\$ 93,603
City of Fairfax	1%	\$ 5,916	\$ 10,415	\$ 9,958
Fairfax County	48%	\$ 283,965	\$ 499,936	\$ 477,973
City of Falls Church	1%	\$ 3,550	\$ 6,249	\$ 5,975
Loudoun County	14%	\$ 84,006	\$ 147,898	\$ 141,400
City of Manassas	2%	\$ 10,057	\$ 17,706	\$ 16,928
City of Manassas Park	1%	\$ 3,550	\$ 6,249	\$ 5,975
Prince William County	18%	\$ 107,670	\$ 189,559	\$ 181,231
	100%	\$ 591,595	\$ 1,041,532	\$ 995,776

## Attachment B

Northern Virginia Transportation Authority Proposed FY 2015 30% Fund Budget				
	Adopted FY2014	Proposed FY2015	Projected FY2016	
<b>Revenue 30% Funds</b>				
Sales Tax	\$ 69,736,867	\$ 68,421,959	\$ 69,827,046	
TOT	\$ 7,304,593	\$ 7,577,403	\$ 7,689,719	
Grantor's Tax	\$ 10,403,037	\$ 11,071,100	\$ 11,160,743	
Revenue Variance (Regional Funds)	\$ (3,390,431)	\$ -	\$ -	
<b>Total Revenue</b>	<b>\$ 84,054,066</b>	<b>\$ 87,070,462</b>	<b>\$ 88,677,508</b>	
<b>Expenditures</b>				
30% Distribution to Member Jurisdictions	\$ 84,054,066	\$ 87,070,462	\$ 88,677,508	
<b>Total Expenditures</b>	<b>\$ 84,054,066</b>	<b>\$ 87,070,462</b>	<b>\$ 88,677,508</b>	
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

## Attachment C

<b>Northern Virginia Transportation Authority Proposed FY 2015 70% Regional Revenue Budget</b>			
	<b>Adopted FY2014</b>	<b>Proposed FY2015</b>	<b>Projected FY2016</b>
<b>Revenue 70% Regional Funds</b>			
Sales Tax	\$ 162,719,356	\$ 159,651,238	\$ 162,929,774
TOT	\$ 17,044,049	\$ 17,680,608	\$ 17,942,679
Grantor's Tax	\$ 24,273,753	\$ 25,832,566	\$ 26,041,735
State/Federal Grants	\$ -	\$ -	\$ -
Bond or LOC Proceeds	\$ 73,935,000	\$ -	\$ -
Reimbursable Expenditures	\$ -	\$ 300,000	\$ -
Interest Earned	\$ 100,000	\$ 52,500	\$ 70,000
Revenue Variance (Regional Funds)	\$ (7,911,004)	\$ -	\$ -
<b>Total Revenue with Debt Proceeds</b>	<b>\$ 270,161,154</b>	<b>\$ 203,516,912</b>	<b>\$ 206,984,188</b>
<b>Expenditures</b>			
Matching LOC/Debt Service Reserve	\$ 73,935,000	\$ -	\$ -
Working Capital Reserve	\$ -	\$ 66,028,434	\$ 37,463,660
PAYG Expenditures	\$ 122,058,000		
Bond Expenditures	\$ 73,935,000		
Debt Service	\$ 370,000		
Bond Issuance Cost	\$ 792,000	\$ 300,000	\$ -
Interest Transferred to Operating Budget	\$ 100,000	\$ 52,500	\$ 70,000
<b>Total Expenditures</b>	<b>\$ 271,190,000</b>	<b>\$ 66,328,434</b>	<b>\$ 37,463,660</b>
<b>Ending Fund Balance</b>	<b>\$ (1,028,846)</b>	<b>\$ 137,188,478</b>	<b>\$ 169,520,528</b>
<b>Reserves</b>			
Working Capital Reserve (50%)	\$ -	\$ 66,028,434	\$ 103,492,094
Matching/DSR Reserve	\$ 73,935,000	\$ 73,935,000	\$ 73,935,000
<b>Total Reserves</b>	<b>\$ 73,935,000</b>	<b>\$ 139,963,434</b>	<b>\$ 177,427,094</b>
<b>Closing Balance Including Reserves</b>	<b>\$ 72,906,154</b>	<b>\$ 277,151,912</b>	<b>\$ 346,947,622</b>

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

**TO:** Chairman York and Members of the NVTA Finance Committee  
**FROM:** Michael Longhi, Chief Financial Officer  
**DATE:** April 25, 2014  
**SUBJECT:** Planned Use and Commitment of FY2014 Regional Revenue Balance

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1. **Purpose:** Presentation of the planned use and commitment of FY2014 70% Regional Revenue Balance to the Finance Committee for consideration of recommendation to the Authority for approval.
2. **Suggested Motion:** *I move Finance Committee recommend to the Authority the proposed use and commitment of the FY2014 70% Regional Revenue Balance for the purposes of:*
  - a. *Establishing the debt service reserve for the Line of Credit.*
  - b. *Payment of any debt service due on draws on the Line of Credit.*
  - c. *Initial funding of the Working Capital Reserve as created by the Authority Debt Policy in a manner determined by the CFO to preserve the identity of such revenues as FY2014 70% Regional Revenues.*
  - d. *Use for projects as may be determined by the Authority without the need to submit the projects to the VDOT rating process.*
3. **Background:**
  - a. The Authority is accumulating and is projected to have a balance of unspent and unallocated 70% Regional Revenues at the end of fiscal year 2014. By "unallocated" it is meant not reserved for PayGo projects. This balance is referred to herein as "FY2014 70% Regional Revenue Balance."
  - b. The FY2014 70% Regional Revenue Balance will be used initially to fund a debt service reserve (the "matched reserve") for the Line of Credit financing currently in the procurement process.
  - c. The matched reserve is expected to be the primary security and source of payment for the line of credit until such time as bonds are successfully issued, at which time the matched reserve will be released.
  - d. To the extent the FY2014 70% Regional Revenue Balance is not used to pay debt service on the line of credit, it is beneficial for the Authority to commit such funds to preserve their identity as FY2014 70% Regional Revenues, which may be applied to finance projects without regard to the VDOT rating process.

4. **Next Steps:** If the Finance Committee approves the use and commitment of the FY2014 70% Regional Revenue Balance, this motion will be presented to the Authority at the May 8, 2014 meeting with a recommendation for adoption.

**Coordination:**

Council of Counsels

Bond Counsel – McGuireWoods

Financial Advisor – Public Financial Management

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

**TO:** Chairman York and Members of the NVTA Finance Committee

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

**Date:** April 25, 2014

**SUBJECT:** Review of Purchase of General Ledger Accounting System

---

1. **Purpose.** Advise the Finance Committee on the selection of a general ledger accounting system.
2. **Background.** The Authority is responsible for the monthly receipt and tracking of three tax types of revenue transacted at the nine member jurisdictions. Expenditures are related to the operating budget, 30% distributions and the tracking of 70% regional funds through PayGo and bond funded projects. The administration and accounting for an operating budget and the functions required for the 30% distribution are typical accounting system functions. However, the tracking of the 70% Regional Funds is somewhat unique and that is where the selection effort was focused.
3. **Selection Process:**
  - a. A formal Request for Proposals (RFP) was developed.
  - b. The RFP was posted on the Commonwealth RFP distribution Portal (EVA) and mailed to ten providers of governmental accounting software products.
  - c. Ten proposals were evaluated, with five selected for demonstration by the prospective vendors, as shown on the attached General Ledger System Comparison Matrix.
  - d. Systems currently in use by member jurisdictions and agencies such as NVRC, NVTC and VRE were reviewed. No opportunity to share an existing system while still meeting NVTA base requirements exist.
  - e. The RFP and an evaluation of the list of potential products was reviewed by the Authority auditors. In order to maintain independence, the auditors could not make a specific recommendation. However, they found the short list of systems consistent with the services the Authority would need moving forward.
  - f. A concerted effort was made to select a system that would be 'Cloud' based and minimize the need for direct hire or contracted IT support or the purchase of server and network hardware.
  - g. The cloud based hosting requirement will allow NVTA staff to access the system while working remotely at member jurisdiction offices.
  - h. Efforts were made to select a system which could allow for the use of an Executive View or 'dashboard' to present data to member jurisdictions online.
  - i. The Vendor's customer base, length of time in service and commitment to training and customer support were also carefully reviewed.
  - j. The ability to track PayGo and bond projects by several unusual features (jurisdiction, corridor, and agency) was also a significant consideration.
4. **Summary:** The solution offered by Blackbaud Inc. is considered the most cost effective and robust available to the Authority. The cost for FY2015 is \$25,000 and \$11,809 for subsequent years.

**Attachments:** General Ledger System Comparison Matrix



Northern Virginia Transportation Authority  
General Ledger System Comparison Matrix

Item #	Criteria	A	B	C	D	E	F	G	H	I	J
		1 User GMS GMS A&F	2-4 Users Tyler Technologies Fund Balance	7 Users Blackbaud GL Essentials	5 Users Black Mountain BMS	3 Users Mountaineer AccuFund	3 Users Blackbaud Financial Edge	5 Users SunGard Publ Sct FinancePLUS	3 Users Keel & Company MS Dynamics	3 Users Sage 100 Fund Acctg	15 Users USL Financials Microsoft
1	Web-Based Solutions Fully Hosted Subscription	No	No	Yes	No	No	No	No	No	No	No
2	One time License Fees with Hosting option	Yes	No	No	No	Yes	No	No	No	No	Yes
3	One time License Fees with Servers needed	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
4	Integrated Windows Based	No	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
5	Dashboard Reports	No	0	Unlimited	Unlimited	12	5	0	0	0	15 total
6	Executive view user license	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7	Accounts Payable	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8	Accounts Payable -Purchase Orders	Yes	No	Yes	Yes	Yes	No	No	Yes	Yes	Yes
9	Accounts Payable-Electronic Funds Transfer	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Allocation Management	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
11	Bank Reconciliation	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
12	Budget Management-Automated	No	Manual	Yes	Yes	Manual	Yes	Yes	Yes	Yes	Yes
13	Budget- Multiple Scenarios	No	No	Yes	Yes	No	Yes	No	No	Yes	No
14	Budget-Advanced Management	No	No	Avail	Yes	No	Avail	No	Yes	No	Yes
15	Project Mgt/Job Tracking/Grants Mgt	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
16	Drill Down to Source capabilities	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
17	Drill Down to supporting documentation	No	Attach a Proj doc	Yes	Yes	No	Yes	No	No	Invoices	No
18	Data Import/Export	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
19	Required GASB 34 Financial Reports	Strd Reports	Yes	Yes	Yes	No	Yes	Yes	Not a Govt Packg	Strd Reports	Not a Govt Packg
20	Costs										
	One-time License Fees	\$ 5,000.00	\$ 10,336.00	\$ 2,700.00	\$ 14,150.00	\$ 19,512.50	\$ 15,340.00	\$ 12,800.00	\$ 29,555.00	\$	\$ 35,000.00
	One-time Implementation	\$ -	\$ -	\$ 6,300.00	\$ 1,215.00	\$ 2,500.00	\$ 16,100.00	\$ 18,520.00	\$ 26,980.00	\$	\$ 9,000.00
	One-time Training	\$ 8,100.00	\$ 3,500.00	Incl in Hosting	\$ -	\$ 2,150.00	\$ 2,700.00	\$ -	\$ 4,560.00	\$	\$ 9,000.00
	Subtotal One-Time Fees	\$ 13,100.00	\$ 13,836.00	\$ 9,000.00	\$ 15,365.00	\$ 24,162.50	\$ 34,140.00	\$ 31,320.00	\$ 61,095.00	\$ 55,000.00	\$ 53,000.00
	Annual Hosting and/or Subscriber Fee	\$ -	\$ 3,756.00	\$ 11,809.00	\$ 2,230.00	0	\$ 4,000.00	\$ 13,392.00	\$ -	\$	\$ 10,800.00
	Annual Maintenance & Support	\$ 1,250.00	\$ 1,440.00	\$ -	\$ 2,530.00	\$ 3,688.13	\$ 3,681.60	\$ -	\$ 3,983.00	\$ 13,750.00	\$ 18,000.00
	Subtotal Annual Fees	\$ 1,250.00	\$ 5,196.00	\$ 11,809.00	\$ 4,760.00	\$ 3,688.13	\$ 7,681.60	\$ 13,392.00	\$ 3,983.00	\$ 13,750.00	\$ 28,800.00
	Additional Hardware costs or Server Contract	Yes	\$ -	\$ -	\$ -	Yes	\$ -	\$ -	Yes	Yes	\$ -
	Initial Year Total Cost	\$ 14,350.00	\$ 19,032.00	\$ 20,809.00	\$ 20,125.00	\$ 27,850.63	\$ 41,821.60	\$ 44,712.00	\$ 65,078.00	\$ 68,750.00	\$ 81,800.00
	Costs over Additional Years										
	Year 2 Costs	\$ 1,250.00	\$ 5,196.00	\$ 11,809.00	\$ 4,760.00	\$ 3,688.13	\$ 7,681.60	\$ 13,392.00	\$ 3,983.00	\$ 13,750.00	\$ 28,800.00
	Year 3 Costs	\$ 1,250.00	\$ 5,196.00	\$ 11,809.00	\$ 4,760.00	\$ 3,688.13	\$ 7,681.60	\$ 13,392.00	\$ 3,983.00	\$ 13,750.00	\$ 28,800.00
	Year 4 Costs	\$ 1,250.00	\$ 5,196.00	\$ 11,809.00	\$ 4,760.00	\$ 3,688.13	\$ 7,681.60	\$ 13,392.00	\$ 3,983.00	\$ 13,750.00	\$ 28,800.00
	Year 5 Costs	\$ 1,250.00	\$ 5,196.00	\$ 11,809.00	\$ 4,760.00	\$ 3,688.13	\$ 7,681.60	\$ 13,392.00	\$ 3,983.00	\$ 13,750.00	\$ 28,800.00
	Subtotal Cost for Additional Years	\$ 5,000.00	\$ 20,784.00	\$ 47,236.00	\$ 19,040.00	\$ 14,752.50	\$ 30,726.40	\$ 53,568.00	\$ 15,932.00	\$ 55,000.00	\$ 115,200.00
	Total Software Investment over 5 years	\$ 19,350.00	\$ 39,816.00	\$ 68,045.00	\$ 39,165.00	\$ 42,603.13	\$ 72,548.00	\$ 98,280.00	\$ 81,010.00	\$ 123,750.00	\$ 197,000.00

Systems selected for web demonstration

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

**TO:** Chairman York and Members of the NVTA Finance Committee  
**FROM:** Michael Longhi, Chief Financial Officer  
**SUBJECT:** NVTA Receipts Report  
**DATE:** April 25, 2014

---

1. **Purpose:** Update of HB 2313 receipts, revenue estimates and distributions.
2. **Background:** NVTA receives funding through sales tax, grantors tax and transient occupancy tax (TOT). Revenues are received monthly from the Commonwealth for transactions that occurred in proceeding months. The attached reports reflect funding received and distributions through April 25, 2014.
3. **Comments:**
  - a. Revenue receipts (Attachment A)
    - i. The Authority will have received approximately \$185.5 million through the April transfers from the Commonwealth.
    - ii. Actual to estimate comparison for revenues through April show a 4% negative variance of \$11.3 million. This is driven by lower than projected sales tax receipts. The April revenue results were not available when the Finance Committee last met.
    - iii. There are no recommended changes in the revenue estimates at this time in anticipation that some sales tax will rebound with improving weather. Even with a rebound, total revenue is still anticipated to be 3% or \$8 million lower than originally projected.
    - iv. The lower than anticipated revenue is not expected to impact projects with approved funding. Rather lower revenue at this level will only result in lower end of year balances.
  - b. Distribution to localities (Attachment B)
    - i. Of the \$185.5 million received by the Authority, approximately \$55.6 million in 30% local funds is allocated for distribution to localities.
    - ii. The City of Alexandria, Arlington County, Fairfax County, Loudoun County, City of Manassas Park and Prince William County are receiving 30% distributions.
    - iii. Once the 30% transfers commence they will occur monthly as funds are received from the Commonwealth.

**Attachments:**

- A. Revenues Received By Tax Type, Compared to NVTA Estimates, Through April 25, 2014
- B. Revenues Received With Pending 30% Distribution, Through April 25, 2014

**NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**  
**REVENUES RECEIVED, BY TAX TYPE AND JURISDICTION, COMPARED TO NVTA ESTIMATES**  
**JULY 1, 2013 THROUGH April 25, 2014**

Grantors Tax			Received		NVTA		
Transaction Months		9	To Date	Annualized	FY 2014 Projection	Annualized - Actual To Projection	Projected Variance
City of Alexandria			\$ 2,020,197	\$ 2,693,596	\$ 3,391,565	\$ (697,969)	
Arlington County			\$ 3,119,316	\$ 4,159,089	\$ 4,574,287	\$ (415,198)	
City of Fairfax			\$ 248,768	\$ 331,690	\$ 289,079	\$ 42,611	
Fairfax County			\$ 11,136,750	\$ 14,849,000	\$ 15,169,980	\$ (320,980)	
City of Falls Church			\$ 207,615	\$ 276,820	\$ 261,761	\$ 15,059	
Loudoun County			\$ 6,291,343	\$ 8,388,457	\$ 6,093,105	\$ 2,295,352	
City of Manassas			\$ 356,698	\$ 475,598	\$ 271,303	\$ 204,295	
City of Manassas Park			\$ 181,979	\$ 242,639	\$ 148,806	\$ 93,833	
Prince William County			\$ 3,477,175	\$ 4,636,234	\$ 4,476,903	\$ 159,331	
Total Grantors Tax Revenue			\$ 27,039,842	\$ 36,053,123	\$ 34,676,789	\$ 1,376,334	4%
Regional Sales Tax*			Received		FY 2014		
Transaction Months (Retail Sales)		8	To Date	Annualized	Projection	Annualized - Actual To Projection	
City of Alexandria			\$ 9,634,926	\$ 14,452,390	\$ 15,806,507	\$ (1,354,117)	
Arlington County			\$ 14,972,846	\$ 22,459,269	\$ 24,473,867	\$ (2,014,598)	
City of Fairfax			\$ 4,731,243	\$ 7,096,864	\$ 6,462,525	\$ 634,339	
Fairfax County			\$ 65,215,233	\$ 97,822,850	\$ 104,977,104	\$ (7,154,254)	
City of Falls Church			\$ 1,385,457	\$ 2,078,185	\$ 2,470,340	\$ (392,155)	
Loudoun County			\$ 25,000,017	\$ 37,500,026	\$ 39,833,324	\$ (2,333,298)	
City of Manassas			\$ 3,010,622	\$ 4,515,933	\$ 4,568,248	\$ (52,315)	
City of Manassas Park			\$ 694,194	\$ 1,041,290	\$ 920,350	\$ 120,940	
Prince William County			\$ 21,099,341	\$ 31,649,011	\$ 32,943,958	\$ (1,294,947)	
Total Sales Tax Revenue*			\$ 145,743,879	\$ 218,615,819	\$ 232,456,223	\$ (13,840,404)	-6%
Transient Occupancy Tax (TOT)			Received		FY 2014		
Transaction Months		6	To Date	Annualized	Projection	Annualized - Actual To Projection	
City of Alexandria			\$ 1,564,316	3,128,632	\$ 3,570,388	(441,756)	
Arlington County			\$ 4,781,150	9,562,301	\$ 8,890,830	671,471	
City of Fairfax			\$ 143,150	286,300	\$ 345,984	(59,684)	
Fairfax County			\$ 4,547,001	9,094,002	\$ 9,984,936	(890,934)	
City of Falls Church			\$ 39,675	79,350	\$ 141,857	(62,507)	
Loudoun County			\$ 1,036,694	2,073,388	\$ 806,445	1,266,943	
City of Manassas			\$ 34,692	69,385	\$ 77,750	(8,365)	
City of Manassas Park			\$ -	-	\$ -	-	
Prince William County			\$ 608,960	1,217,921	\$ 530,452	687,469	
Total TOT Revenue			\$ 12,755,639	25,511,279	\$ 24,348,642	1,162,637	5%
Total Revenue Received			\$ 185,539,361	\$ 280,180,220	\$ 291,481,654	\$ (11,301,434)	-4%
*The Regional Sales Tax is reported net of the following fees:							
	October Receipt			\$ 210,894			
	November Receipt			\$ 160,884			
	December Receipt			\$ 133,857			
	January Receipt			\$ 113,412			
	February Receipt			\$ 36,110			
	March Receipt			\$ 42,723			
	April Receipt			\$ 30,158			
				\$ 728,038			

# Attachment B

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY											
PENDING 30% DISTRIBUTION BY JURISDICTION											
JULY 1, 2013 THROUGH April 25, 2014											
(RECEIPTS)											
Jurisdiction	Grantor's Tax	Regional Sales Tax (1)	Transient Occupancy Tax (2)	Total	Pending		NVTA Operational Budget (-)	Accrued Interest (+)	Pending Distributions (-)	Actual Distributions	
					Initial 30% Distributions	Distributions					
City of Alexandria	\$ 2,020,197.00	\$ 9,634,926.48	\$ 1,564,316.09	\$ 13,219,439.57	\$ 3,965,831.87	\$ 37,270.49	\$ 528.61	\$ 3,966,360.48	\$ 3,966,360.48	\$ 3,966,360.48	
Arlington County	\$ 3,119,316.45	\$ 14,972,846.19	\$ 4,781,150.30	\$ 22,873,312.94	\$ 6,861,993.88	\$ 55,609.93	\$ 897.11	\$ 6,807,281.06	\$ 6,807,281.06	\$ 6,807,281.06	
City of Fairfax	\$ 248,767.70	\$ 4,731,242.90	\$ 143,149.92	\$ 5,123,160.52	\$ 1,536,948.16	\$ 5,915.95	\$ 199.34	\$ 1,531,231.54	\$ 1,531,231.54	\$ 1,531,231.54	
Fairfax County	\$ 11,136,749.75	\$ 65,215,233.38	\$ 4,547,001.07	\$ 80,898,984.20	\$ 24,269,695.26	\$ 283,965.60	\$ 3,207.78	\$ 23,988,937.44	\$ 23,988,937.44	\$ 23,988,937.44	
City of Falls Church	\$ 207,615.30	\$ 1,385,456.99	\$ 39,675.19	\$ 1,632,747.48	\$ 489,824.24	\$ 3,549.57	\$ 62.97	\$ 486,337.64	\$ 486,337.64	\$ 486,337.64	
Loudoun County	\$ 6,291,343.03	\$ 25,000,017.18	\$ 1,036,694.13	\$ 32,328,054.34	\$ 9,698,416.30	\$ 84,006.49	\$ 1,295.40	\$ 9,699,711.70	\$ 9,699,711.70	\$ 9,699,711.70	
City of Manassas	\$ 356,698.35	\$ 3,010,621.94	\$ 34,692.26	\$ 3,402,012.55	\$ 1,020,603.77	\$ 10,057.12	\$ 127.46	\$ 1,010,674.11	\$ 1,010,674.11	\$ 1,010,674.11	
City of Manassas Park	\$ 181,979.10	\$ 694,193.56	\$ -	\$ 876,172.66	\$ 262,851.80	\$ 3,549.57	\$ 35.74	\$ 259,337.97	\$ 259,337.97	\$ 259,337.97	
Prince William County	\$ 3,477,175.32	\$ 21,099,340.61	\$ 608,960.39	\$ 25,185,476.32	\$ 7,555,642.90	\$ 107,670.29	\$ 1,019.37	\$ 7,448,991.98	\$ 7,448,991.98	\$ 7,448,991.98	
<b>Total Revenue</b>	\$ 27,039,842.00	\$ 145,743,879.23	\$ 12,755,639.35	\$ 185,539,360.58	\$ 55,661,808.17	\$ 591,595.01	\$ 7,373.77	\$ 55,198,863.92	\$ 55,198,863.92	\$ 52,170,620.63	

- 1 Net of Dept. of Taxation Fees
- 2 County TOT includes any town collections
- 3 Interest earned through 1/31/2014

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

### MEMORANDUM

**TO:** Chairman York and Members of the NVTA Finance Committee  
**FROM:** Michael Longhi, Chief Financial Officer  
**SUBJECT:** NVTA Operating Budget  
**DATE:** April 25, 2014

---

1. **Purpose:** To update the Finance Committee on the NVTA Operating Budget.
2. **Background:** NVTA is funded through the participating jurisdictions and interest earnings. The Memorandum of Agreement (MOA) between NVTA and the member cities/counties permits the appropriate jurisdictional share of NVTA operational costs to be deducted directly from the 30% distribution or to be billed to jurisdictions.
3. **Comments:** As of this report, the rate of NVTA expenditure is below projections. Current expenses of approximately \$543,000 include approximately \$156,000 in bond preparation expenses. This results in actual cost of operations being approximately \$387,000 or 43% of the budget through 10 months of the fiscal year. Specific considerations include:
  - a. Interest income is tied to the projected rate of regional (70%) project funding utilized by member jurisdictions as well as market rates. Interest earned on the 30% funding will be remitted to the member jurisdictions.
  - b. A significant amount (\$156,093) of NVTA expenses to date are related to preparation for the first bond issuance (bond validation suit and development of debt policy). Some of these expenses are recognized as committed but are unpaid. Many of these expenses are eligible for reimbursement when the bonds are sold.
  - c. The rate of budgeted expenditures will increase as NVTA staff is hired, employee benefits are established, computer equipment purchased and additional startup costs such as an accounting system are acquired.
  - d. Evaluation of prospective accounting systems is ongoing. Initial cost proposals for the system are in the \$25,000 range with web based or cloud hosting at approximately \$12,000/yr.
  - e. No changes to the operating budget are recommended at this time.

**Attachment:** NVTA Operating Budget for FY 2014 through April 25, 2014

**Northern Virginia Transportation Authority**  
**Operating Budget - FY 2014**  
 July 1, 2013 through April 25, 2014

	Approved Budget	Received	Anticipated	Projected Revenue
<b>INCOME:</b>				
Cash on hand	\$ 212,117.00	\$ 212,117.36	\$ -	\$ 212,117.36
Interest (70% Regional Revenues)	\$ 100,000.00	\$ 32,661.30		\$ 32,661.30
Billed to Member Jurisdictions	\$ 591,595.00	\$ 572,071.88	\$ 19,523.12	\$ 591,595.00
Misc. Income		\$ 7,473.19		
<b>Total Income</b>	<b>\$ 903,712.00</b>	<b>\$ 824,323.73</b>	<b>\$ 19,523.12</b>	<b>\$ 836,373.66</b>
<b>EXPENDITURES:</b>				
	Approved Budget	Expended	Committed	Available Balance
<b>Professional Service</b>				
Legal	\$ 125,000.00	\$ 74,093.13	\$ -	\$ 50,906.87
Public Outreach	\$ 30,000.00	\$ -	\$ -	\$ 30,000.00
Financial Services	\$ 80,000.00	\$ -	\$ 82,000.00	\$ (2,000.00)
<b>Professional Subtotal</b>	<b>\$ 235,000.00</b>	<b>\$ 74,093.13</b>	<b>\$ 82,000.00</b>	<b>\$ 78,906.87</b>
<b>Operational Expenses</b>				
Start Up Expenses				
Office Space Build Out	\$ 4,000.00	\$ -	\$ -	\$ 4,000.00
One-time h/w,s/w	\$ 948.00	\$ -	\$ -	\$ 948.00
IT/Telecommunications	\$ -	\$ -	\$ -	\$ -
Computers/Installation	\$ 9,972.00	\$ 16,112.49	\$ 2,160.00	\$ (8,300.49)
<b>Start Up Subtotal</b>	<b>\$ 14,920.00</b>	<b>\$ 16,112.49</b>	<b>\$ 2,160.00</b>	<b>\$ (3,352.49)</b>
Annual Expenses				
Telephone Service	\$ 1,650.00	\$ -	\$ -	\$ 1,650.00
Copier/Postage	\$ 9,000.00	\$ 2,696.30	\$ -	\$ 6,303.70
Annual 3d party s/w costs	\$ 895.00	\$ -	\$ -	\$ 895.00
Monthly internet fee (Cox)	\$ 840.00	\$ 889.64	\$ -	\$ (49.64)
Cell phones	\$ 10,000.00	\$ -	\$ -	\$ 10,000.00
Lease Space	\$ 5,460.00	\$ -	\$ -	\$ 5,460.00
Mileage/Transportation	\$ 6,000.00	\$ 772.41	\$ -	\$ 5,227.59
Operating/Meeting Expenses	\$ 1,000.00	\$ 5,588.11	\$ -	\$ (4,588.11)
Insurance	\$ 3,000.00	\$ 2,673.00	\$ -	\$ 327.00
<b>Annual Expenses</b>	<b>\$ 37,845.00</b>	<b>\$ 12,619.46</b>	<b>\$ -</b>	<b>\$ 25,225.54</b>
<b>Operational Subtotal</b>	<b>\$ 52,765.00</b>	<b>\$ 28,731.95</b>	<b>\$ 2,160.00</b>	<b>\$ 21,873.05</b>
<b>Personnel Expenses</b>				
Salaries & Taxes	\$ 342,628.00	\$ 183,176.97	\$ -	\$ 159,451.03
Benefits	\$ 122,700.00	\$ 10,422.99	\$ 12,068.00	\$ 100,209.01
<b>Personnel Subtotal</b>	<b>\$ 465,328.00</b>	<b>\$ 193,599.96</b>	<b>\$ 12,068.00</b>	<b>\$ 259,660.04</b>
<b>Expense Subtotal</b>	<b>\$ 753,093.00</b>	<b>\$ 296,425.04</b>	<b>\$ 96,228.00</b>	<b>\$ 360,439.96</b>
<b>Operating Reserve (20%)</b>	<b>\$ 150,619.00</b>		<b>\$ 150,619.00</b>	<b>\$ -</b>
<b>Total Expenditures</b>	<b>\$ 903,712.00</b>	<b>\$ 296,425.04</b>	<b>\$ 246,847.00</b>	<b>\$ 360,439.96</b>

**Billed to Local Governments \$591,595**

	2010 Population	Billed Amounts
City of Alexandria	6.30%	\$ 37,270
Arlington	9.40%	\$ 55,610
City of Fairfax	1.00%	\$ 5,916
Fairfax County	48.00%	\$ 283,966
City of Falls Church	0.60%	\$ 3,550
Loudoun	14.20%	\$ 84,006
City of Manassas	1.70%	\$ 10,057
City of Manassas Park	0.60%	\$ 3,550
Prince William	18.20%	\$ 107,670
	<b>100.00%</b>	<b>\$ 591,595</b>