

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

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

FROM: Michael Longhi, Chief Financial Officer

SUBJECT: NVTA FY 2014 Operating Budget

DATE: July 17, 2014

1. **Purpose:** To update the Authority on the FY 2014 NVTA Operating Budget.
2. **Comments:** This report marks the end of the year for FY2014. The totals are unaudited at this point but little if any change is expected through audit adjustments. Specific items of interest in the report are:
 - a. **Income:** Revenue was greater than budget by \$63,647. Two transactions had a significant role in achieving this positive variance:
 - i. Interest income was originally budgeted as \$100,000. During the FY2015 budget preparation the decision was made to keep interest on the 70% Regional Revenue in that fund.
 - ii. Reimbursement – 2014 Line of Credit (LOC) Cost of Issuance (COI), since the line of credit closed prior to the end of the fiscal year we were able to properly allocate these costs to the Regional Revenue Fund thereby reimbursing the Operating Budget.
 - b. **Expenditures:** Expenditures were less than budget due to three significant factors:
 - i. Professional Services related to cost of issuance were reimbursed through the regional revenue fund.
 - ii. Personnel Costs were lower than budgeted due to the timing of hiring permanent staff.
 - iii. Cost of benefits were less than budgeted due to the timing of the actuarial study related to the establishment of a retirement plan.
 - c. **Increase in Net Position:** The increase in net position of \$295,811.79 exceeds the \$270,000 amount estimated for the FY2015 Operating Budget by \$25,812. The increase is based on three factors:
 - i. Income exceeded budget by \$63,647.
 - ii. The Operating Reserve of \$150,547 was not used in FY2014 and rolls forward into FY2015 to support the current Operating Reserve.
 - iii. Expenditures were less than budget by \$145,193.

Attachment: NVTA Operating Budget July to June FY 2014

XXI.ATTACHMENT

Northern Virginia Transportation Authority Operating Budget July to June FY 2014 (Preliminary Unaudited)			
INCOME:	Approved Budget	Actual Receipts	Variance Budget to Actual
Cash on hand	\$ 212,117.00	\$ 212,117.36	\$ 0.36
Interest (70% Regional Revenues) *	\$ 100,000.00	\$ -	\$ (100,000.00)
Billed to Member Jurisdictions	\$ 591,595.00	\$ 591,594.51	\$ (0.49)
Misc. Income		\$ 7,473.19	\$ 7,473.19
Reimbursement -LOC Cost of Issuance		\$ 156,174.52	\$ 156,174.52
Total Income	\$ 903,712.00	\$ 967,359.58	\$ 63,647.58
EXPENDITURES:	Approved Budget	Actual Expenditures	Variance Budget to Actual
Professional Service			
Legal	\$ 125,000.00	\$ 74,093.13	\$ 50,906.87
Public Outreach	\$ 30,000.00	\$ -	\$ 30,000.00
Financial Services	\$ 80,000.00	\$ 82,081.39	\$ (2,081.39)
Professional Subtotal	\$ 235,000.00	\$ 156,174.52	\$ 78,825.48
Operational Expenditures			
Start Up Expenditures			
Office Space Build Out		\$ -	\$ -
One-time h/w,s/w	\$ 948.00	\$ 1,508.97	\$ (560.97)
IT/Telecommunications	\$ 4,000.00	\$ 10,292.35	\$ (6,292.35)
Computers/Installation	\$ 9,972.00	\$ 11,101.60	\$ (1,129.60)
Start Up Subtotal	\$ 14,920.00	\$ 22,902.92	\$ (7,982.92)
Annual Expenditures			
Telephone Service	\$ 1,650.00	\$ 157.10	\$ 1,492.90
Copier/Postage	\$ 9,000.00	\$ 4,344.34	\$ 4,655.66
Annual 3d party s/w costs	\$ 895.00	\$ -	\$ 895.00
Monthly internet fee (Cox)	\$ 840.00	\$ 1,087.64	\$ (247.64)
Cell phones	\$ 10,000.00	\$ 856.15	\$ 9,143.85
Lease Space	\$ 5,460.00	\$ 5,141.25	\$ 318.75
Mileage/Transportation	\$ 6,000.00	\$ 1,364.84	\$ 4,635.16
Operating/Meeting Expenses	\$ 1,000.00	\$ 11,720.21	\$ (10,720.21)
Insurance	\$ 3,000.00	\$ 2,673.00	\$ 327.00
Annual Expenditures	\$ 37,845.00	\$ 27,344.53	\$ 10,500.47
Operational Subtotal	\$ 52,765.00	\$ 50,247.45	\$ 2,517.55
Personnel Expenditures			
Salaries & Taxes	\$ 342,628.00	\$ 294,038.19	\$ 48,589.81
Benefits	\$ 122,700.00	\$ 20,468.63	\$ 102,231.37
Personnel Subtotal	\$ 465,328.00	\$ 314,506.82	\$ 150,821.18
Expenditure Subtotal	\$ 753,093.00	\$ 520,928.79	\$ 232,164.21
Operating Reserve (20%)	\$ 150,619.00	\$ 150,619.00	\$ -
Total Expenditures	\$ 903,712.00	\$ 671,547.79	\$ 232,164.21
Increase (Decrease) in Net Position**	\$ -	\$ 295,811.79	\$ 295,811.79
* Interest for FY2014 transferred to the 70% Regional Revenue Fund			
** The FY2015 Operating Budget projected a \$270,000 increase in Net Position which includes the unused Operating Reserve of \$150,619. Actual FY2014 operational savings are \$145,193 which is \$25,812 greater than the assumption for the FY2015 Operating Budget			