

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

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

FROM: Mayor Parrish, Chair, NVTA Finance Committee

DATE: November 3, 2017

SUBJECT: Finance Committee Report of the October 19, 2017 Meeting

1. **Purpose:** To provide the Northern Virginia Transportation Authority (NVTA) with a report of NVTA Finance Committee activities.
2. **Background:** The Finance Committee last met on October 19, 2017. The next meeting is scheduled for November 16, 2017 at 1:00PM. The following summarizes the October 19th meeting:
3. **Action Items:**
 - a. **FY2017 Financial and Compliance Audit Reports**
 - i. The NVTA contracted with PBMares, LLP to undertake the annual, independent audit of its financial activities required of political subdivisions in the Commonwealth of Virginia.
 - ii. The Committee received a presentation on the FY2017 audit from Mr. Michael Garber, Partner with PBMares Inc. During the briefing Mr. Garber reviewed the roles and responsibilities of the Finance Committee, NVTA staff and the PBMares audit team in undertaking the audit. Mr. Garber also recapped the audit processes undertaken with reference to the specific NVTA fund structure and financial statements.
 - iii. PBMares issued an unmodified (clean) opinion, reflecting that the Authority's financial statements, in all material respects, fairly and accurately present the financial position of the NVTA for FY2017.
 - iv. The Committee unanimously agreed to recommend Authority acceptance of the NVTA Financial and Compliance Audit Reports for FY2017.
4. **Discussion Items:**
 - a. **Accounting requirements to 'Mark to Market'.**
 - i. The Committee requested that the mark to market accounting transaction requirements discussed at the September meeting be reviewed.
 - ii. Mr. Longhi reviewed the basis and purpose for the transactions, noting the impact on the NVTA Financial Statements. Mr. Longhi also noted that since the NVTA investment portfolio is managed on a hold to maturity basis individual market changes will not result in actual gains or losses in the portfolio.

- b. Investment Portfolio Report.** The Committee received a FY2018 first quarter report of investment performance noting the portfolio exceeded the policy specified performance benchmarks while maintaining a high level of diversification and liquidity.
- c. Monthly Revenue Report.** The Committee received the monthly Authority revenue reports. The reports showed revenues are performing as estimated, with six of nine jurisdictions completing the annual certification and receiving 30% distributions.
- d. Monthly Operating Budget Report.** The Committee received a year to date report on the Authority's FY2017 Operating Budget. All operating revenues for the year have been collected. Expenditures are within budget with the reports showing 23% of the expenditure budget has been utilized through 25% of the fiscal year.