

## NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

### MEMORANDUM

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

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

**DATE:** September 5, 2019

**SUBJECT:** Finance Update

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- 1) Purpose.** To provide the Northern Virginia Transportation Authority (NVTA) an update on FY2019 fiscal year close out activities.
- 2) Background.** The NVTA Finance Committee last met on June 13<sup>th</sup>. The next Finance Committee meeting is scheduled for September 19<sup>th</sup>. At their June meeting, the Committee reviewed a summer work plan which included the items listed below. All of which progressed to the point of implementation are expected to be Action Items at the Committee's September meeting:
  - a)** Annual Audit
  - b)** Recruiting, selection and on-boarding of the FY2020 approved Financial Analyst.
  - c)** Phase II of the Project Information Monitoring and Management System.
  - d)** Revisions to the Annual 30% Funds Certification forms to:
    - i)** Increase transparency of Town fund balances.
    - ii)** Ensure adequacy and preparation of staffing charges.
  - e)** Policy revisions related to SB1716 (2019) revenues.
    - i)** Policy 19 – Distribution of 30% Funds.
    - ii)** Policy 20 – Regional Revenue Funds (70%).
  - f)** Direct Purchases of Investments Analysis and Recommendation.
- 3) FY2019 Close Out Summary.** In September, the Finance Committee will receive detailed reports which will include:
  - a)** Annual Audit onsite field work has been completed with no audit exceptions noted at this time. Completion and audit the FY2019 financial statements is ongoing and on schedule.
  - b)** All budgets; Local Distribution, Regional Revenue and Operating ended the fiscal year on target or with small positive variances.
  - c)** The Investment Portfolio is well positioned and continues to produce significant returns in the face of declining market rates, without the absorption of additional risk. However, as with any conservatively managed fixed income portfolio returns ultimately will decline in a sustained low interest rate environment.