

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

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

FROM: Mayor Jeanette Rishell, Finance Committee Chair

DATE: April 14, 2022

SUBJECT: Proposed FY2023 Local Distribution Fund Budget (30%)

1. **Purpose:** To seek the Northern Virginia Transportation Authority (NVTA) adoption of the proposed FY2023 Local Distribution Fund Budget as recommended by the Finance Committee.
2. **Suggested Motion:** *I move the Authority adoption of the proposed FY2023 Local Distribution Fund Budget, as presented below.*
3. **Background:**
 - a. Local Distribution Fund (30%) revenues are distributed in their entirety to member jurisdictions in accordance with HB 2313 (2013) with revenues received from the Commonwealth.
 - b. Member jurisdictions receive the amount of Local Distribution Funds they are entitled to which is based on the direct and accredited transactions within their jurisdiction.
 - c. Previous Finance Committee guidance is to conservatively estimate revenues.
 - d. Beginning with FY2020, the Authority has elected to charge the operating budget to the Regional Revenue Fund which in turn resulted in increased 30% distributions to member jurisdictions, estimated at \$3.5 million in FY2023.
4. **Proposed Budget:** Table 1 shows the proposed FY2023 Local Distribution Fund Budget. Distributions to jurisdictions are based on the actual transactions conducted within the jurisdiction.
5. **Assumptions:**
 - a. The Authority will continue to follow the Code of Virginia in the management of the Local Distribution Fund.
 - b. Actual distributions to jurisdictions will be contingent on completion of the annual certification process and will be determined by the actual revenues received based on direct and accredited transactions within the jurisdiction.

- c. All prior fiscal year accruals and Commonwealth revenue adjustments of Local Distribution Fund revenues will be distributed to the appropriate jurisdiction in FY2023 in accord with the Code of Virginia.
- d. All Local Distribution Fund revenues are distributed each fiscal year. This results in a zero-carryforward balance and a zero-ending fund balance each fiscal year.

Table 1

| Northern Virginia Transportation Authority Proposed FY2023 Local Distribution Budget (30%) | | |
|---|----------------------------------|-----------------------------------|
| | Adopted FY2022 Budget | Proposed FY2023 Budget |
| Carryforward | \$ - | \$ - |
| Revenue | | |
| Sales Tax | \$ 84,445,351 | \$ 96,379,680 |
| Transfer Interstate Operations & Enhancement Program | 3,990,000 | 4,023,600 |
| Grantor's Tax | 7,650,000 | 13,011,480 |
| Commonwealth NVTD Transfer | 6,000,000 | 6,000,000 |
| CoVa Interest | 43,470 | 37,500 |
| Total Revenue | \$ 102,128,821 | \$ 119,452,260 |
| Expenditures | | |
| Distribution to Member Jurisdictions | \$ 102,128,821 | \$ 119,452,260 |
| Total Expenditures | \$ 102,128,821 | \$ 119,452,260 |
| Budget Balance | \$ - | \$ - |