



# Northern Virginia Transportation Authority

The Authority for Transportation in Northern Virginia

## FINANCE COMMITTEE AGENDA

Thursday, October 17, 2024

6:00 p.m., EST

2600 Park Tower Dr., 6th Floor Board Room

Vienna, VA 22180

*This meeting will be conducted in person and livestreamed via [NVTA's YouTube Channel](#)<sup>1</sup>*

1. **Call to Order/Welcome** Mayor Rishell, Chair
2. **Approval of September 12, 2024, Draft Meeting Summary Minutes** Mayor Rishell, Chair  
*Recommended Action: Approval of September 12, 2024, Draft Meeting Summary Minutes*

### ACTION ITEMS

3. **Acceptance of the FY2024 Audited Financial Statements and Compliance Reports**  
Mr. Longhi, CFO  
*Recommended Action: Recommend Authority Acceptance of the FY2024 Audit*

### DISCUSSION/INFORMATION ITEMS

4. **FY2026 Budget Guidance Discussions** Mr. Longhi, CFO
5. **Monthly Investment Portfolio Report** Ms. Sen, Investment & Debt Manager
6. **Monthly Revenue Report** Mr. Longhi, CFO
7. **Monthly Operating Budget Report** Mr. Longhi, CFO
8. **NVTA Update (Verbal Report)** Ms. Backmon, CEO

### CLOSED SESSION

*(If needed)*

9. **Adjournment** Mayor Rishell, Chair

**NEXT MEETING: November 14, 2024, 6:00, p.m. EST,**  
**2600 Park Tower Drive, 6th Floor Board Room**

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<sup>1</sup> *If technical difficulties arise, the meeting may be audio or video recorded. Any recordings will be made available on the [Finance Committee's Meetings](#) webpage.*



**SUMMARY MINUTES**

Thursday, September 12, 2024 – 6:00, p.m., ET  
2600 Park Tower Drive, First Floor Conference Room,  
Vienna, VA 22180

*This meeting was conducted in person and virtually as well as livestreamed*

**1. Call to Order**

- ✓ Mayor Rishell called the meeting to order at 6:00 p.m.

**Roll Call:**

- ✓ **Membership Attendees:** Mayor Rishell; Council Member Snyder; Mr. Minchew.
- ✓ **Other Attendees:** Supervisor Turner.
- ✓ **Staff Attendees:** Monica Backmon (Chief Executive Officer); Michael Longhi (Chief Financial Officer); Peggy Teal (Deputy Chief Financial Officer); Dev Priya Sen (Investment & Debt Manager); Amanda Sink (Project Delivery/Grants Manager); Quinn Haley (Executive Assistant to the CEO); Adnan Malik (Senior Accountant); Margaret Duker (Accounting Assistant).
- ✓ **Council of Counsels:** Christina Zechman-Brown (City of Alexandria); Daniel Robinson (Fairfax County), MinhChau Corr (Arlington County) Remote Participation.

*Members of the public, jurisdiction and agency staff were in person and were able to watch the meeting livestreamed via [NVTA's YouTube Channel](#)*

**2. Approval of May 9, 2024, Draft Meeting Summary Minutes**

- ✓ Council Member Snyder moved approval of the May 9, 2024, meeting minutes; seconded by Mr. Minchew. Mr. Minchew abstained from the vote as it was his first meeting following his appointment. Motion carried unanimously.

**ACTION ITEMS**

**3. Out of Cycle/Forward Appropriations**

Mr. Longhi, CFO

- ✓ Mr. Longhi commented that the appropriations for the Regional Revenue Fund are usually included with the annual budget adoption. Occasionally, additional appropriations are proposed when project sponsors indicate they can advance a project within the current fiscal year.
- ✓ Mr. Longhi further noted that the City of Fairfax and Arlington County have made the requests noted below:
  - City of Fairfax requests \$700,000 for Jermantown Road / Route 29 Intersection Improvements (CFX-015). This project was approved in the FY2020/25 Six Year Program resulting in an out of cycle appropriation. (Out of cycle refers to the project being eligible for appropriation in FY2025. The request was not submitted during the budget preparation.)
  - Arlington County requests \$58.9 million for Ballston-MU Metrorail Station West Entrance (ARL-021). This project was approved in the FY2022/27 Six Year Program resulting in a Forward Appropriation. (A Forward Appropriation occurs when a project is requesting funding sooner than originally approved by the

- Authority. Such appropriations require additional tracking to ensure the Authority does not overextend cash flow and revenue.)
- ✓ NVTA staff recommend Finance Committee approval of both requests based on:
    - The City of Fairfax request was in the adopted PayGo level for FY2025.
    - The Arlington County request reflects the transfer of \$21.1 million from the Ballston-MU Metrorail Station West Entrance (ARL-021) which was originally approved for FY2026/27 at \$80 million, resulting in a net amount for the appropriation of \$58.9 million.
    - NVTA staff have identified adequate FY2024 Regional Revenue Fund Balance (unaudited) to support both appropriations.
  - ✓ Mr. Minchew asked if there are any committed funds from Arlington County that haven't been drawn down. Mr. Longhi confirmed this is common among project sponsors, as the total project amount is available in the initial appropriation. Mr. Longhi gave a brief explanation of the forward appropriation process. He noted this process, monitored by independent auditors, saves the Authority significant costs, as it reduces the need for debt issuance by using unspent project funds to advance initiatives.
  - ✓ Council Member Snyder moved the following Finance Committee recommend Finance Committee recommend the Northern Virginia Transportation Authority approve FY2025 Regional Revenue Fund appropriations for:
    - City of Fairfax \$700,000 for Jermantown Road / Route 29 Intersection Improvements (CFX-015).
    - Arlington County \$58,900,000 for Ballston-MU Metrorail Station West Entrance (ARL-021)
  - ✓ The motion was seconded by Mr. Minchew (for discussion), who then abstained from voting on the second motion.
  - ✓ Mr. Minchew and Mr. Longhi agreed to a future meeting whereby the forward appropriation process and benefits would be discussed in detail. (ED. Note. At this point in the meeting the Council of Counsels noted that, while there was a meeting quorum, the NVTA Bylaws require an affirmative vote by at least three jurisdictional members for Action Item approval. . Since there were only two jurisdictional members present at the meeting, the Action Item could not proceed with a Finance Committee recommendation. The Committee gave a verbal directive to have this item placed on the Authority's October agenda and note the Bylaw issue.)

### **DISCUSSION/INFORMATION ITEMS**

#### **4. Finance Team Activities Report**

Mr. Longhi, CFO

- ✓ Mr. Longhi provided the Finance Committee with an update of the activities of the Finance Team by noting:
  - Annual Audit:
    - The annual audit is progressing on schedule. No concerns have been identified at this time and we anticipate a smooth, on-time conclusion.

- Inclusion of a New Supplementary Schedule will be added to the audit report to outline future project funding commitments by the Authority, which have yet to receive an appropriation. This report is in addition to the existing schedule which shows appropriated projects. This will enhance clarity regarding our financial position by highlighting both committed (appropriated) projects and future obligations not reflected in the current budget, totaling \$1.8 billion.
  - New Office:
    - Staff moved to the 6th floor of 2600 Park Tower Drive on August 19th.
    - Conference room furniture is expected to arrive and be set up on September 19th and 20th.
    - Galley space and some décor enhancements are waiting schedule sequencing.
    - Meeting room audio visual technology has been installed, with configuration, testing and training ongoing.
    - All lease costs are within the Authority approved Term Sheet (no cost overruns) and all costs associated with the move and outfitting the new space are being covered by various landlord concessions.
    - A wire transfer of \$890,000 from the landlord as the final concession from the negotiations is expected the following week.
  - Economic Analysis:
    - Based on Authority Member comments, it appears the independent, external economic impact analysis conducted after each update to the Six Year Program, could be improved by including an evaluation of NVTAs adopted Core Values of Equity, Safety and Sustainability.
    - Economic analyses of these topics are a relatively new study area.
    - Such an analysis will require a new procurement and additional budget Authorization, which would not be complete for the 2025 General Assembly Session. Mr. Longhi recommended undertaking the currently planned economic analysis while also issuing a new Request For Proposals (RFP) for the Core Values component, without requesting a budget commitment now, but returning to the Authority with a budget proposal later.
- ✓ Mayor Rishell emphasized the importance of timing and suggested that they should prepare something for the General Assembly, as this is crucial for their lobbying efforts to protect the Authority.
- ✓ Council Member Snyder sought further details about the economic analysis. Mr. Longhi explained that the RFP on Economic Analysis will incorporate the Core Values of Equity, Safety, and Sustainability, reflecting the new focus area. Ms. Backmon noted that the Authority embraced the principles of the Economic Impact Analysis six years ago, emphasizing that this analysis not only covers transportation projects and congestion reduction but also demonstrates the direct link between these investments and economic outcomes. This updated analysis builds on prior efforts while incorporating our Core Values.

- ✓ Mr. Minchew inquired about the important deadline for the budget cycles in November, referencing the meeting of the General Assembly money committees. Mr. Longhi replied that we usually have the current format economic analysis prepared by December, just before the General Assembly convenes.
- ✓ Mr. Longhi summarized the goal is to conduct the current economic analysis in time for the General Assembly session and then incorporate the Core Values analysis, merging it with the basic report. In future years, both analyses will be completed together.
- ✓ Mayor Rishell inquired whether the Finance Committee members were seeking a formal consensus, to which they affirmed and provided verbal direction to Mr. Longhi to proceed.

**5. Monthly Investment Portfolio Report**

Mr. Longhi, CFO

- ✓ Ms. Sen reviewed and presented the Monthly Investment Portfolio Report, highlighting that the data reflects investment activity through July 31, 2024.
  - She provided an overview of the portfolio strategy, discussing adjustments to portfolio duration, benchmark responses to market rate changes, and methods for preserving yield amid declining rates.
  - Ms. Sen noted that fluctuations in market rates will immediately impact on our LGIP Extended Maturity Benchmark, reflecting changes in real time. In contrast, the ICE BofA Benchmark will react more slowly due to its 18-month average calculation. Consequently, our portfolio will align with the ICE BofA benchmark at a more gradual pace.
  - Investment portfolio earnings for FY2024 were projected at \$35 million. Actual earnings are \$66 million (\$36.3 million in realized and \$29.7 in accrued interest). There was an additional unrealized gain of \$24.3 million.
- ✓ Ms. Sen concluded that the portfolio and market are now positioned to preserve yield over the long term as market rates decline, while also maintaining the flexibility to capitalize on potential rate increases.
- ✓ Mr. Minchew asked whether our investment policies restrict us to purchasing only Virginia municipal bonds. Mr. Longhi clarified that the policies do not limit us to Virginia municipal bonds; we can invest in other municipal bonds if they comply with our investment guidelines.

**6. Monthly Revenue Report**

Mr. Longhi, CFO

- ✓ Mr. Longhi reviewed and presented the Monthly Revenue Report as provided in the packet.

**7. Monthly Operating Budget Report**

Mr. Longhi, CFO

- ✓ Mr. Longhi reviewed and presented the Monthly Operating Budget Report as provided in the packet.

**8. NVTA Update (Verbal Report)**

Ms. Backmon, CEO

- ✓ Ms. Backmon indicated that she does not have an update for the Committee.

**9. Adjournment**

- ✓ Mayor Rishell expressed her gratitude to the staff for their hard work and dedication.
- ✓ Seeing no further questions, discussion, or order of business, Mayor Rishell adjourned the meeting at 6:41 p.m.

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**NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**  
**MEMORANDUM**

**3.**

**FOR:** Chair Jeanette Rishell and Members  
Northern Virginia Transportation Authority Finance Committee

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

**DATE:** October 10, 2024

**SUBJECT:** FY2024 Audited Financial Statements and Compliance Reports

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- 1. Purpose:** To seek the Northern Virginia Transportation Authority (NVTA) Finance Committee recommendation of Authority acceptance of the FY2024 Financial Statement and Compliance Audit reports.
- 2. Suggested Motion:** *I move the Finance Committee recommend Authority acceptance of the Northern Virginia Transportation Authority Financial and Compliance Audit reports for the fiscal year ended June 30, 2024.*
- 3. Current Situation:**
  - A.** The Finance Committee is designated as the Authority's Audit Committee.
  - B.** As a political subdivision of the Commonwealth of Virginia, the Authority is required to complete an annual audit of its financial activities for each fiscal year following standards contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Specifications for Audits of Authorities, Boards and Commissions issued by the Auditor of Public Accounts of the Commonwealth of Virginia.
  - C.** The Authority contracted with an independent, external, licensed certified public accounting firm PBMares, LLP to complete the required FY2024 audit.
  - D.** The Authority's FY2024 Financial and Compliance Reports have been issued an unmodified (clean) audit opinion. This signifies that the Authority's financial statements are fairly and accurately represented in all material aspects, reflecting the Authority's sound financial position for FY2024.
  - E.** Mr. Tyler Farnsworth, CPA, Manager with PBMares, LLP, is presenting the Financial and Compliance Reports for the fiscal year ended June 30, 2024.  
Mr. Longhi is presenting a PowerPoint presentation summarizing the key highlights from the Financial Statements.

**Attachments:** *(linked due to size)*

- A.** [Northern Virginia Transportation Authority, Financial and Compliance Reports, Year Ended June 30, 2024](#)
- B.** Results of the Audit, Year Ended June 30, 2024
- C.** FY2024 Preliminary Draft Management Letter
- D.** [NVTA FY2024 Financial Statements and MDA Highlights Presentation](#)

PRELIMINARY DRAFT  
For Review and Discussion Purposes Only  
Subject to Change  
Not to be Reproduced



# NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Results of the Audit  
*June 30, 2024*

Presented by:  
Michael A. Garber, Partner  
558 South Main Street, Harrisonburg, VA 22801  
(540) 434-5975  
[www.PBMares.com](http://www.PBMares.com)



## Purpose of this Report

Engagement Team and Firm Information

Overview of the Financial Statements

- Independent Auditor's Report
- Financial Statements
- Compliance Report

Required Communications under *Government Auditing Standards*

Questions, Comments, and Observations

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## Engagement Team and Firm Information

### PBMares – Overview

Ranked on INSIDE Public Accounting's IPA 100 list, PBMares is a full-service accounting and consulting firm, providing audit, tax, and advisory services. Founded in 1963, the firm is headquartered in Virginia and maintains a strong presence in the Mid-Atlantic region, with offices in Rockville, Maryland; Morehead City, Wilmington and New Bern, North Carolina; as well as Fairfax, Fredericksburg, Harrisonburg, Newport News, Norfolk, Richmond, Warrenton, and Williamsburg, Virginia. We have developed a strong practice and a solid reputation thanks to the background and qualifications of our highly skilled and experienced professional staff.

#### *Range of Services*

With more than 250 professionals, PBMares offers expertise across a broad range of services. In addition to traditional assurance and tax services, we provide the following services:

- Cybersecurity
- Forensic
- Internal audits
- Outsourced accounting
- Wealth management
- Business valuations
- Retirement plan design and administration
- Transaction advisory
- Estate/trust accounting and planning
- Strategic planning
- Succession planning
- Litigation support

Industry specialties include:

- State and Local Government
- Not-for-Profit
- Construction and real estate
- Healthcare
- Financial institutions
- Government contractors
- Hospitality

#### *PBMares Cares*

Part of being a CPA firm is serving the community. This should be an innate part of any firm's values, and, at PBMares, we take our role as stewards of society very seriously. It isn't just about providing excellence through our services. Our commitment to the public good has a deeper ethical significance to us as individuals and citizens and translates into many contributions to our communities where we live and work – ways that go beyond making a financial contribution. Many of PBMares' partners and employees serve on non-profit boards or volunteer thousands of hours in service to local charities, including churches, children's museums, schools, food pantries, youth sports, health care organizations, and countless other worthy causes.

### State and Local Government Niche

#### *Public Sector Commitment and Experience*

PBMares' State & Local Government Team is comprised of more than 20 professionals focused on the unique compliance and regulatory needs of clients in the public sector. The public sector is one of the main focus industries within our firm. Members of the State & Local Government Team have extensive experience in providing audit and consulting services to many authorities, boards, commissions, counties, cities, and towns. The team is co-led by Betsy Hedrick and Mike Garber, who are based in the firm's Harrisonburg office.

Members of the team actively pursue information on the most up-to-date government developments and devote significant time researching and studying the economics, operational issues and trends affecting governmental entities to ensure we are on the leading edge of issues affecting clients. Team members serve as volunteer instructors at seminars conducted by the Virginia Government Finance Officers Association and the Virginia Society of Certified Public Accountants, as well as serve as seminar sponsors held by these associations. This deep industry involvement translates to a well-trained, specialized engagement team, setting us apart from many CPA firms.

### *Professional Development and Thought Leadership*

PBMares will share information regarding training opportunities for our clients in applicable subject matters, including the firm's free annual Municipal Government Ethics & Training Day. The State and Local Government Niche Team also maintains a blog, giving government entities timely information on subjects that impact them. Recent blog posts have covered topics including Federal grant compliance and guidance for implementing new *Governmental Accounting Standards*.

## Engagement Team

### Michael A. Garber, CPA, MBA, Partner



As the Engagement Partner for the Authority, Mike ensures that the services clients receive are of the highest quality and that the benefits of the professional working relationship between our two organizations are maximized. As such, he has overall responsibility for supervision of the engagement and provides technical expertise as needed. He is actively involved with the supervision, management and performance of the audit fieldwork, as well as the review of work papers and reports. He reviews the audit strategy and conducts the technical standards review of all work papers, as needed, and the final report. He has more than 30 years of experience in providing audit, accounting, and consulting services to governmental entities. He also has extensive experience performing and reviewing single audits. He also co-leads the firm's State and Local Government Team.

Mike is a member of the American Institute of Certified Public Accountants, the Virginia Society of Certified Public Accountants (VSCPA), the Government Finance Officers Association (GFOA) and Virginia Government Finance Officers Association (VGFOA). He has been a presenter and session leader for new GASB pronouncements and other governmental related topics for the VSCPA, the Virginia Association of School Business Officials (VASBO), and the VGFOA. Mr. Garber is also a reviewer for the GFOA Certificate of Achievement for Excellence in Financial Reporting program. For ten years, he was recognized by Virginia Business magazine and the VSCPA as a "Super CPA" in the service areas of Government and Not-for-Profit as voted on by his peers from throughout the Commonwealth.



### Tyler Farnsworth, CPA, Manager

As the Engagement Manager, Tyler designs the engagement strategy and procedures, directs the fieldwork and reviews the work of the staff accountants assigned to the engagement. He coordinates on-site and daily work efforts. Tyler joined PBMares in 2014. Since joining PBMares, he has worked on audit teams for various government audit engagements including counties, cities, towns, authorities, boards, and commissions.

He is a member of the American Institute of Certified Public Accountants, the Virginia Society of Certified Public Accountants and the Virginia Government Finance Officers' Association.

## Overview of Financial Statements

### Independent Auditor's Report

The independent auditor's report has specific significance to readers of the financial report.

#### *Management's Responsibility for the Financial Statements*

The financial statements are the responsibility of management.

#### *Auditor's Responsibility*

Our responsibility, as external auditors, is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards and Commissions* issued by the Auditor Public Accounts of the Commonwealth of Virginia. We planned and performed our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

#### *Opinions*

We have issued an unmodified audit report (i.e. "clean opinions"). The respective financial statements are considered to present fairly the financial position and results of operations as of and for the year ended June 30, 2024.

#### *Other Matters*

Certain required supplementary information and the Management's Discussion and Analysis included in the financial report, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### *Other Reporting*

*Government Auditing Standards* require auditors to issue a report on our consideration of internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. We have issued such a report and reference to this report is included in the independent auditor's report.

### Financial Statements

These Financial Statements consist of three sections: introductory, financial, and compliance. The financial section has four components: management's discussion and analysis, the basic financial statements, the required supplementary information, and supplementary information. The basic financial statements include the government-wide financial statements, fund financial statements, and notes to financial statements.

#### *Government-wide Financial Statements*

The government-wide financial statements report information about the Authority as a whole using accounting methods similar to those used by private-sector companies.

The first government-wide statement, the Statement of Net Position, presents information on all of the Authority's assets and liabilities with the difference reported as net position. This statement provides both long-term and short-term information.

The second government-wide statement, the Statement of Activities, presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Total assets and deferred outflows of resources of the Authority exceeded total liabilities and deferred inflows of resources at June 30, 2024 by \$1,831,332,038, an increase of \$44,314,856 from the prior year.

## Governmental Funds

At June 30, 2024, the Authority's major governmental funds, the General Fund and the Special Revenue Funds, reported total fund balances of \$1,880,881,164, which was comprised of nonspendable, restricted, committed, assigned, and unassigned fund balances.

## Compliance Report

The report is based on our tests of the Authority's internal controls and compliance with laws, regulations, etc. The report is not intended to provide an opinion, but to provide a form of negative assurance as to the Authority's internal controls and compliance with applicable rules and regulations. This report and the procedures performed are required by *Government Auditing Standards*, issued by the Comptroller General of the United States.

## Required Communications under *Government Auditing Standards*

### Required Communications

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the basic financial statement audit and compliance reporting process, as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial and compliance reporting process.

### *Our Responsibilities with Regard to the Financial Statement and Compliance Audit*

Our responsibilities under auditing standards generally accepted in the United States of America; *Government Auditing Standards* issued by the Comptroller General of the United States; and *Specifications for Authorities, Boards and Commissions* provided by the Auditor of Public Accounts of the Commonwealth of Virginia, have been described to you in our engagement letter dated April 15, 2024. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

### *Overview of the Planned Scope and Timing of the Financial Statement and Compliance Audit*

We have issued a separate communication dated April 15, 2024 regarding the planned scope and timing of our audit and identified risks.

### *Accounting Policies and Practices*

#### *Preferability of Accounting Policies and Practices*

Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

#### *Adoption of, or Change in, Accounting Policies*

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 99, *Omnibus 2022*, and GASB Statement 100, *Accounting Changes and Error Corrections – an amendment to GASB Statement No. 62*, during the current period.

#### *Significant or Unusual Transactions*

We did not identify any significant or unusual transactions.

#### *Management's Judgments and Accounting Estimates*

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is included in Exhibit A.

### *Audit Adjustments*

There were no audit adjustments made to the original trial balances presented to us to begin our audit.

### *Uncorrected Misstatements*

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

### *Disagreements with Management*

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

### *Consultations with Other Accountants*

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

### *Significant Issues Discussed with Management*

No significant issues arising from the audit were discussed with or were the subject of correspondence with management.

### *Significant Difficulties Encountered in Performing the Audit*

We did not encounter any significant difficulties in dealing with management during the audit.

### *Difficult or Contentious Matters that Required Consultation*

We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.

### *Shared Responsibilities for Independence*

Independence is a joint responsibility and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with American Institute of Certified Public Accountants (AICPA) and Government Accountability Office (GAO) independence rules. For PBMares, LLP to fulfill its professional responsibility to maintain and monitor independence, management, the Authority and PBMares, LLP each play an important role.

### *PBMares Responsibilities*

- AICPA and GAO rules require independence both of mind and in appearance when providing audit and other attestation services. PBMares is to ensure that the AICPA and GAO's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

### *The Authority's Responsibilities*

- Timely inform PBMares, before the effective date of transactions or other business changes, of the following:
  - New affiliates, directors, or officers.
  - Changes in the reporting entity impacting affiliates such as subsidiaries, partnerships, related entities, investments, joint ventures, component units, jointly governed organizations.
- Provide necessary affiliate information such as new or updated structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.
- Understand and conclude on the permissibility, prior to the Authority and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with PBMares.
- Not entering into arrangements of nonaudit services resulting in PBMares being involved in making management decisions on behalf of the Authority.
- Not entering into relationships resulting in close family members of PBMares covered persons, temporarily or permanently acting as an officer, director, or person in an accounting, financial reporting or compliance oversight role at the Authority.

### Internal Control and Compliance Matters

We have separately communicated on internal control and compliance over financial reporting identified during our audit of the financial statements of the Authority, as required by *Government Auditing Standards*. This communication is attached as Exhibit B.

### *Significant Written Communications between Management and Our Firm*

Copies of significant written communications between our firm and management of the Authority, including the management letter and the representation letter provided to us by management, are attached as Exhibits B and C.

### Closing

This information is intended solely for the use of Audit Committee and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report.

We appreciate the opportunity to serve the Northern Virginia Transportation Authority.

Thank you.

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## Exhibit A – Summary of Significant Accounting Estimates Subject to Change Not to be Reproduced

Accounting estimates are an integral part of the preparation of financial statements and are based upon management’s current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the Authority’s June 30, 2024 financial statements:

Estimate	Accounting Policy	Management’s Estimation Process	Basis for Our Conclusions on Reasonableness of Estimate
Investments	Investment Valuation	The fair value of investments are recorded based on reporting provided by the custodian. The Authority relies upon the custodian to price securities or determine fair value based on the highest quality of inputs available.	Management’s approach to recognizing fair value adjustment of investments appear reasonable and consistent with accepted practice.  <b>While these estimates are based on information provided by the custodian, the Authority should continue to monitor and evaluate the quality of information used to develop fair value estimates and risks inherent to such measures.</b>
Leases	Lease liabilities and right-to-use lease assets	Based on management’s analysis of contracts for lease terms, modifications, and characteristics, with amortization determined using the Authority’s incremental borrowing rate.	<b>We have</b> evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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Exhibit B – Management Letter

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Exhibit C- Significant Written Communications  
between Management and Our Firm

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Representation Letter

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October 17, 2024

To the Honorable Authority Board Members  
Northern Virginia Transportation Authority  
Fairfax, Virginia

In connection with our audit of the financial statements of the Northern Virginia Transportation Authority (Authority) for the year ended June 30, 2024, we have the following comments and suggestions for your consideration.

***Virginia Security for Public Deposits Act***

The Virginia Auditor of Public Accounts has introduced a new requirement regarding compliance with the Virginia Security for Public Deposits Act. Beginning with the quarter ending December 2023, entities are required to verify on a quarterly basis whether their cash account balances held in banks and other financial institutions have been properly reported as public funds.

***New GASB Pronouncements***

At June 30, 2024, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the Authority. The statements which might impact the Authority are as follows:

***Statement No. 101, Compensated Absences***

This Statement provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Statement No. 101 will be effective for the Authority beginning with its year ending June 30, 2025.

***Statement No. 102, Certain Risk Disclosures***

This Statement will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact.

Statement No. 102 will be effective for the Authority beginning with its year ending June 30, 2025.

***Statement No. 103, Financial Reporting Model Improvements***

This Statement will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

Statement No. 103 will be effective for the Authority beginning with its year ending June 30, 2026.

\* \* \* \* \*

This report is intended solely for the information and use of management, Board Members and others within the Authority and is not intended to be and should not be used by anyone other than these specified parties.

If you have any questions concerning any of these items or if we can be of further assistance, please contact us. We thank you for the opportunity to conduct your audit for the year ended June 30, 2024 and express our appreciation to everyone for their cooperation during this engagement.

PBMares, LLP

DRAFT

**NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**  
**MEMORANDUM**

**4.**

**FOR:** Chair Jeanette Rishell and Members  
Northern Virginia Transportation Authority Finance Committee

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

**DATE:** October 10, 2024

**SUBJECT:** FY2026 Budget Guidance

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1. **Purpose:** To gather input from the Northern Virginia Transportation Authority (NVRTA) Finance Committee on development of the FY2026 budgets.
2. **Discussion:** The NVRTA business activities are supported through three separate budgets. Development of these budgets for FY2026 will be based on guidance from the Committee. Initial discussion items are presented for each budget below:
  - A. **Local Distribution Fund Budget.** The Local Distribution Fund Budget supports the monthly distribution of 30% funds to member jurisdictions. Prior guidance for this budget has been to base the budgeted amount on the finalized FY2026 revenue projections which were adopted by the Authority on June 13, 2024.
    - I. Wording within the final proposed budget will include language which stresses compliance with the State Code such that distributions will be made based on revenues received from the Commonwealth, regardless of projection variances.
    - II. Subject to adherence with the State Code required annual certification, the Local Distribution Fund revenues are restricted to proportional distribution to NVRTA's member jurisdictions.
  - B. **Regional Revenue Fund Budget.** The Regional Revenue Fund Budget is the source for transportation project funding by the Authority. Prior guidance for this budget has been to base the budget on the finalized FY2025/29 revenue projections and PayGo analysis which were adopted by the Authority on June 13, 2024. The PayGo analysis confirmed funding for all previously approved projects and set the recommended amount of funding made available for the FY2028/29 update to the Six Year Program.
  - C. **Operating Fund Budget.** The Operating Fund Budget is the central accounting point for operating and administrative expenses of the Authority. Prior guidance for the Operating Budget has been:
    - I. Present the proposed Operating Budget in two categories. The first category is base budget escalations triggered by inflation, contract terms and required service extensions, less prior one-time funding. The second category is for new initiatives which will have supporting narratives and estimates.

- II. Fund the Operating Budget through a transfer from the Regional Revenue Fund as an alternative to prorating the cost among member jurisdictions based on population.
3. **Next Steps:** NVTA Policy 10 - Financial Management contains a guideline which calls for the Authority adoption of budgets two months prior to the start of a fiscal year. This effectively results in the budget adoption occurring by April. The following timeline is proposed:
- A. **November/January** – Finance Committee budget discussions.
  - B. **February (NLT)** – Base Budget Increases and Initiatives and cost projections presented. The Finance Committee may decide to make a recommendation to the Authority or request changes/information.
  - C. **March** – Additional discussion, if needed, to result in recommendation to the Authority. If the Finance Committee agreed to a recommendation in February, the budgets could be presented to the Authority in March.
  - D. **April** – Based on Finance Committee direction, present the three budgets to the Authority for adoption.



# NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

## MEMORANDUM

**FOR:** Chair Jeanette Rishell and Members  
Northern Virginia Transportation Authority Finance Committee

**FROM:** Dev Priya Sen, Investment & Debt Manager

**DATE:** October 10, 2024

**SUBJECT:** Investment Portfolio Report

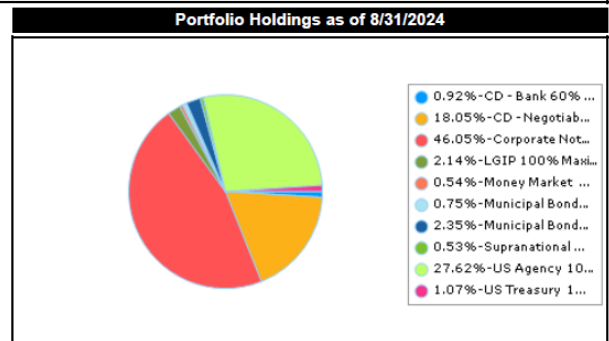
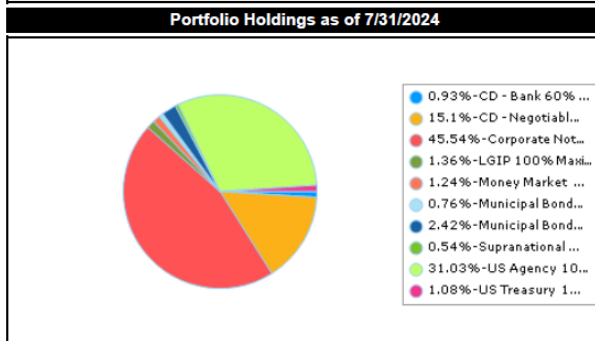
1. **Purpose:** To provide the Northern Virginia Transportation Authority (NVTa) Finance Committee with required reports on investment activities and portfolio performance through August 31, 2024.
2. **Background:** This report is on investment activity through August 31, 2024, and affirms the portfolio’s investments were acquired based on safety, liquidity, and then yield. This report summarizes the portfolio structure and adherence to the NVTa Investment Policy.
3. **Current Period Reports:**
  - A. The safety of the portfolio is reflected in the actual composition of the portfolio as shown below.



**Northern Virginia Transportation Authority**  
**Distribution by Asset Category - Book Value**  
**Report Group: Regional Revenue**

Begin Date: 7/31/2024, End Date: 8/31/2024

Asset Category Allocation				
Asset Category	Book Value 7/31/2024	% of Portfolio 7/31/2024	Book Value 8/31/2024	% of Portfolio 8/31/2024
CD - Bank 60% Maximum	17,145,895.36	0.93	17,145,895.36	0.92
CD - Negotiable 25% Maximum	279,514,765.73	15.10	338,012,411.33	18.05
Corporate Notes 50% Maximum	842,852,724.04	45.54	862,559,258.69	46.05
LGIP 100% Maximum	25,099,047.17	1.36	39,993,952.12	2.14
Money Market 60% Maximum	22,952,392.29	1.24	10,033,914.52	0.54
Municipal Bonds - US 30% Maximum	13,977,676.43	0.76	13,968,028.52	0.75
Municipal Bonds - Virginia 30% Maximum	44,777,643.10	2.42	44,111,880.40	2.35
Supranational 50% Maximum	10,000,000.00	0.54	10,000,000.00	0.53
US Agency 100% Maximum	574,338,087.71	31.03	517,362,470.08	27.62
US Treasury 100% Maximum	19,962,461.06	1.08	19,966,501.71	1.07
<b>Total / Average</b>	<b>1,850,620,692.89</b>	<b>100.00</b>	<b>1,873,154,312.73</b>	<b>100.00</b>



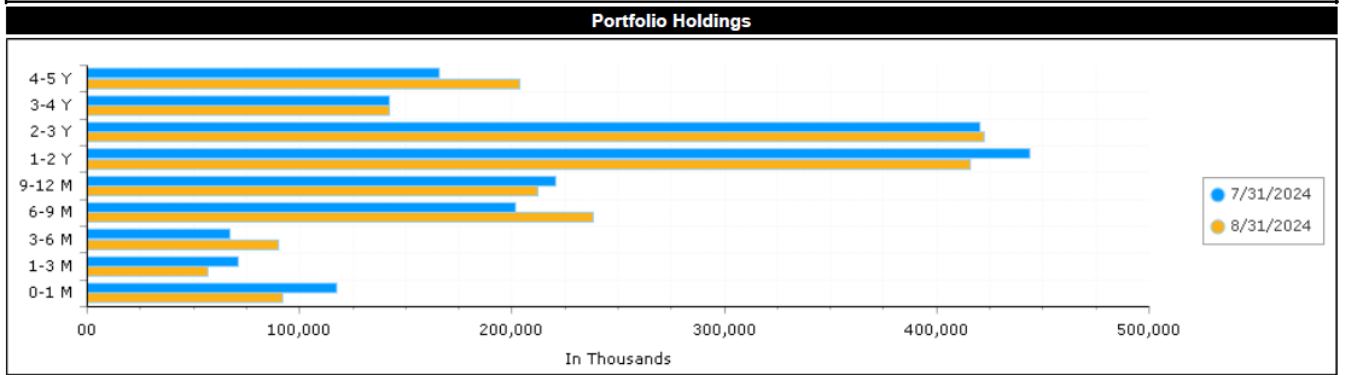
B. The liquidity of the portfolio is reflected in the portfolio's duration as 1.77 (1.0 = 1 year) and the maturity schedule is shown below.



**Northern Virginia Transportation Authority  
Distribution by Maturity Range - Book Value  
Report Group: Regional Revenue**

Begin Date: 7/31/2024, End Date: 8/31/2024

Maturity Range Allocation				
Maturity Range	Book Value 7/31/2024	% of Portfolio 7/31/2024	Book Value 8/31/2024	% of Portfolio 8/31/2024
0-1 Month	117,222,116.75	6.33	91,839,017.70	4.90
1-3 Months	71,300,848.27	3.85	56,693,551.19	3.03
3-6 Months	67,188,907.37	3.63	89,993,841.24	4.80
6-9 Months	201,883,546.06	10.91	238,495,228.42	12.73
9-12 Months	220,671,668.95	11.92	211,945,350.06	11.31
1-2 Years	444,132,405.44	24.00	415,739,505.07	22.19
2-3 Years	420,078,636.28	22.70	422,235,981.44	22.54
3-4 Years	142,306,513.15	7.69	142,372,430.03	7.60
4-5 Years	165,836,050.62	8.96	203,839,407.58	10.88
<b>Total / Average</b>	<b>1,850,620,692.89</b>	<b>100.00</b>	<b>1,873,154,312.73</b>	<b>100.00</b>



C. The yield on the portfolio at the end of August 2024 was 4.37%. The policy required benchmarks are shown below for yield performance comparison.

NVTA Investment Benchmarks	Aug-24 Month End
LGIP Extended Maturity Pool	4.32%
ICE BofA 1-3 Year (18-Month Avg)	4.67%
<b>NVTA Performance</b>	<b>4.37%</b>

Source: Bloomberg/NVTA Statements

**4. Portfolio Analysis & Statistics Overview:**

**A. Safety:** The portfolio is invested primarily in:

- Local Government Investment Pools (1.36% to 2.14%)
- Collateralized bank money market accounts (2.17% to 1.46%)

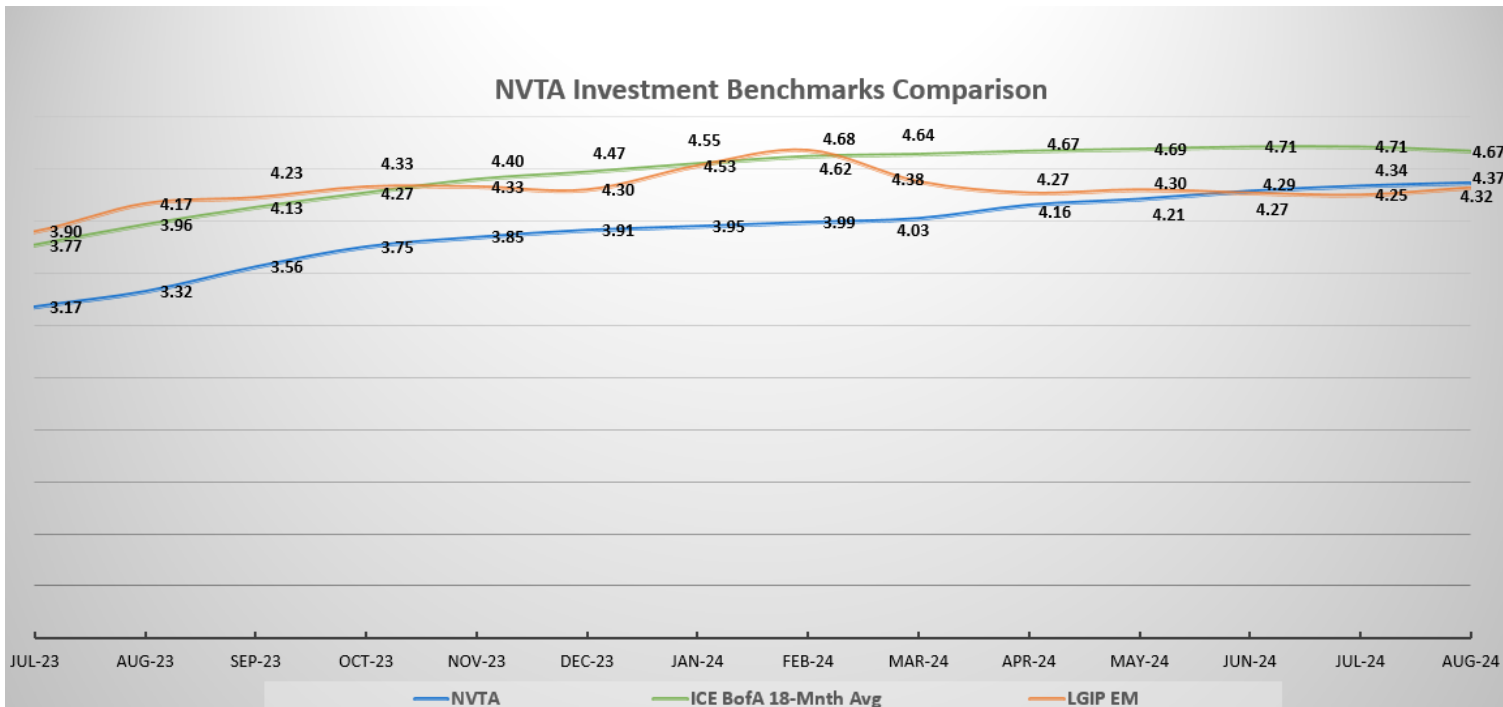
- Negotiable CD's (15.10% to 18.05%)
- AAA/AA rated investment grade corporate bonds (45.54% to 46.05%)
- Supranational Securities (0.54% to 0.53%)
- Treasuries and Agencies (32.11% to 28.69%)
- VA & US Municipals (3.18% to 3.10%)

**B. Liquidity:** The NVTA Portfolio duration is 1.77 in August 2024 (1.0 = 1 year).

The Federal Reserve (Fed) announced a 50 Basis Points reduction in the federal funds rate bringing the target range to 4.75-5.00% during its September 2024 meeting. Projections indicate an additional 50 basis point cut by the end of 2024, lowering the rate to 4.25%-4.50%, and a further 100 basis point reduction in 2025, bringing it down to 3.25%-3.50%.

**C. Yield:** Staff is continuing to ladder the monthly maturities in an upper range of \$80-\$100 million in securities, in addition to managing up to \$20 million per month in positive cash flow under the following strategies:

- Staff strategically placing instruments in a two, three and greater-year maturity range. This approach helps mitigate reinvestment risk amid the rate cuts while still capturing attractive yields. By investing in this maturity range, the portfolio balances risk and return, positioning itself for changing market conditions.
- The market rates have begun to trend downward due to recent rate reductions. As a result, our portfolio will align with these market trends gradually, adjusting at a measured pace to effectively capture these shifts.
- The portfolio and market are now at a point where the investment strategy will serve to preserve yield over a longer period as market rates have started to decline, while keeping the options open to take advantage of market rate increases.
- Staff consistently monitors Federal Reserve actions, market trends, and economic indicators to make informed decisions. This strategic insight helps us position the portfolio effectively, allowing us to seize potential market shifts and emerging opportunities.



5. **Custodian Certification:** Truist Bank is the custodian of all NVT’s investment purchases and is where all NVT’s non-deposit investments are held. Deposit type investments are protected through the Commonwealth of Virginia collateralization program or FDIC Insurance.
  
6. **Policy Required Reports:** The attached Compliance - GASB 40 Report addresses specific Investment Policy requirements regarding the purchase and holding of securities. This report is fundamental for the Authority’s Annual Financial Statements and annual audit. The attached report documents:
  - **Compliance – Investment Policy, Summary:** The report shows the percentage of the portfolio by each type of investment.
  - **Investment Portfolio – By Maturity Range:** The report shows the yield to maturity and percentage of the portfolio which each type of investment represents.
  - **Portfolio Holdings by Custodian:** This report shows each depository, investment firm, or custodian holding NVT securities or cash.

**Attachment:** Compliance - GASB 40 Report



**Northern Virginia Transportation Authority**  
The Authority for Transportation in Northern Virginia

# Attachment

**Portfolio Holdings Compliance - GASB 40 Report - As of 8/31/2024**

Description	CUSIP/Ticker	Face Amount/Shares	Book Value	Market Value	Credit Rating 1	Credit Rating 2	% of Portfolio	Days To Maturity	Days To Call/Maturity	Maturity Date	Next Call Date	YTM @ Cost	Duration To Maturity
CD - Bank 60% Maximum													
John Marshall Bank 4.29 1/15/2027	JMBCD011624	10,000,000.00	10,000,000.00	10,000,000.00	None	None	0.53	867	867	1/15/2027		4.290	2.38
John Marshall Bank 4.7 4/19/2027	JMBCD041924	7,145,895.36	7,145,895.36	7,145,895.36	None	None	0.38	961	961	4/19/2027		4.700	2.63
Sub Total / Average CD - Bank 60% Maximum		17,145,895.36	17,145,895.36	17,145,895.36			0.91	906	906			4.461	2.48
CD - Negotiable 25% Maximum													
Bayerische Landesbank 5.7 4/23/2025	0727MZY27	30,000,000.00	30,010,866.51	30,120,300.00	Fitch-F1	Moody's-P1	1.59	235	235	4/23/2025		5.639	0.65
Credit Agricole 4.32 2/18/2026	22536HPV5	39,000,000.00	39,000,000.00	39,000,000.00	Fitch-AA-	Moody's-Aa3	2.07	536	536	2/18/2026		4.320	1.49
Credit Agricole 4.92 6/22/2026	22536HHY8	25,000,000.00	25,000,000.00	25,000,000.00	S&P-A1	Moody's-P1	1.32	660	660	6/22/2026		4.920	1.83
Credit Agricole 5.62 8/22/2025	22536C3A6	25,000,000.00	25,000,000.00	25,170,250.00	S&P-A1	Moody's-P1	1.32	356	356	8/22/2025		5.620	0.98
Credit Industriel Et Commercial 4.55 9/2/2025	22536WHN9	38,000,000.00	38,000,000.00	37,993,920.00	S&P-A1	Moody's-P1	2.01	367	367	9/2/2025		4.550	1.02
Lloyds Bank 5.17 7/18/2025	53947BZ60	35,000,000.00	35,000,000.00	35,157,500.00	S&P-A1	Moody's-P1	1.85	321	321	7/18/2025		5.170	0.89
Natixis 5.42 4/8/2025	63873Q2H6	25,000,000.00	25,000,000.00	25,070,750.00	S&P-A1	Moody's-P1	1.32	220	220	4/8/2025		5.420	0.61
Natixis 5.56 5/2/2025	63873Q2W3	29,000,000.00	29,000,000.00	29,132,530.00	S&P-A1	Moody's-P1	1.54	244	244	5/2/2025		5.560	0.68
Natixis 5.83 9/8/2025	63873QN83	20,000,000.00	20,000,000.00	20,201,000.00	S&P-A1	Moody's-P1	1.06	373	373	9/8/2025		5.830	1.04
Standard Chartered Bank 5.51 4/17/2025	85325VMK3	25,000,000.00	25,000,000.00	25,102,000.00	S&P-A1	Moody's-P1	1.32	229	229	4/17/2025		5.510	0.64
Standard Chartered Bank 5.82 2/24/2025	85325VHE3	25,000,000.00	25,000,000.00	25,059,000.00	S&P-A1	Moody's-P1	1.32	177	177	2/24/2025		5.820	0.49
Swedbank 0.95 10/22/2024	87019V4A2	22,000,000.00	22,001,544.82	21,860,520.00	S&P-A1	Moody's-P1	1.17	52	52	10/22/2024		0.899	0.14
Sub Total / Average CD - Negotiable 25% Maximum		338,000,000.00	338,012,411.33	338,867,770.00			17.90	325	325			4.945	0.90
Corporate Notes 50% Maximum													
Amazon.com, Inc. 3.15 8/22/2027-27	023135BC9	30,000,000.00	29,079,269.81	29,268,900.00	S&P-AA	Fitch-AA-	1.59	1,086	994	8/22/2027	5/22/2027	4.260	2.86
Amazon.com, Inc. 4.55 12/1/2027-27	023135CP9	20,000,000.00	19,975,245.80	20,285,000.00	S&P-AA	Fitch-AA-	1.06	1,187	1,157	12/1/2027	11/1/2027	4.590	3.03
Amazon.com, Inc. 4.55 12/1/2027-27	023135CP9	26,000,000.00	25,952,363.70	26,370,500.00	S&P-AA	Fitch-AA-	1.38	1,187	1,157	12/1/2027	11/1/2027	4.610	3.03
Apple 1.2 2/8/2028-27	037833EC0	22,500,000.00	20,172,762.49	20,524,500.00	S&P-AA+	Moody's-Aaa	1.19	1,256	1,194	2/8/2028	12/8/2027	4.520	3.37
BlackRock Funding 3.2 3/15/2027-27	09247XAN1	15,000,000.00	14,530,815.44	14,679,750.00	S&P-AA-	Moody's-Aa3	0.79	926	898	3/15/2027	2/15/2027	4.520	2.42
BlackRock Funding 4.6 7/26/2027-27	09290DAH4	15,000,000.00	15,039,690.74	15,215,250.00	S&P-AA-	Moody's-Aa3	0.79	1,059	1,029	7/26/2027	6/26/2027	4.502	2.74
Exxon Mobil 2.709 3/6/2025-24	30231GAF9	9,500,000.00	9,458,082.20	9,393,980.00	S&P-AA-	Moody's-Aa2	0.50	187	97	3/6/2025	12/6/2024	3.619	0.51
Exxon Mobil 2.992 3/19/2025	30231GBH4	20,000,000.00	19,987,607.84	19,789,200.00	S&P-AA-	Moody's-Aa2	1.06	200	200	3/19/2025		3.110	0.54
Guardian Life 1.1 6/23/2025	40139LAG8	13,000,000.00	12,779,502.40	12,606,100.00	S&P-AA+	Moody's-Aa2	0.69	296	296	6/23/2025		3.320	0.81
Guardian Life 1.1 6/23/2025	40139LAG8	9,456,000.00	9,260,174.30	9,169,483.20	S&P-AA+	Moody's-Aa2	0.50	296	296	6/23/2025		3.829	0.81
Guardian Life 3.246 3/29/2027	40139LBF9	11,000,000.00	10,650,266.26	10,705,860.00	S&P-AA+	Moody's-Aa1	0.58	940	940	3/29/2027		4.585	2.46
Guardian Life 3.246 3/29/2027	40139LBF9	25,000,000.00	24,130,707.78	24,331,500.00	S&P-AA+	Moody's-Aa1	1.32	940	940	3/29/2027		4.710	2.46
JP Morgan Chase Bank 5.1 5/30/2025-24	46632FSW6	21,000,000.00	21,000,000.00	20,995,590.00	Fitch-AA	Moody's-Aa2	1.11	272	91	5/30/2025	11/30/2024	5.100	0.74
Mass Mutual Global Funding 3.4 3/8/2026	57629WCH1	25,000,000.00	24,352,401.07	24,642,500.00	S&P-AA+	Moody's-Aa3	1.32	554	554	3/8/2026		5.230	1.47
Mass Mutual Global Funding 3.4 3/8/2026	57629WCH1	10,000,000.00	9,751,802.65	9,857,000.00	S&P-AA+	Moody's-Aa3	0.53	554	554	3/8/2026		5.150	1.47
Mass Mutual Global Funding 4.5 4/10/2026	57629W6F2	9,000,000.00	8,911,131.74	9,016,560.00	S&P-AA+	Moody's-Aa3	0.48	587	587	4/10/2026		5.157	1.54
Mass Mutual Global Funding 4.5 4/10/2026	57629W6F2	16,000,000.00	15,955,748.12	16,029,440.00	S&P-AA+	Moody's-Aa3	0.85	587	587	4/10/2026		4.680	1.54
Mass Mutual Global Funding 5.05 12/7/2027	57629WDL1	14,000,000.00	14,207,071.32	14,330,540.00	S&P-AA+	Moody's-Aa3	0.74	1,193	1,193	12/7/2027		4.550	3.02
Mass Mutual Global Funding 5.1 4/9/2027	57629W4S6	15,000,000.00	15,161,550.41	15,327,450.00	S&P-AA+	Moody's-Aa3	0.79	951	951	4/9/2027		4.652	2.43
MetLife 2.8 3/21/2025	59217GEW5	17,500,000.00	17,443,150.25	17,285,100.00	S&P-AA-	Moody's-Aa3	0.93	202	202	3/21/2025		3.420	0.55
MetLife 3.45 12/18/2026	59217GBY4	14,899,000.00	14,225,294.72	14,602,360.91	S&P-AA-	Moody's-Aa3	0.79	839	839	12/18/2026		5.620	2.21
MetLife 3.45 12/18/2026	59217GBY4	14,088,000.00	13,704,935.53	13,807,507.92	S&P-AA-	Moody's-Aa3	0.75	839	839	12/18/2026		4.730	2.21
MetLife 4.4 6/30/2027	59217GFB0	15,000,000.00	14,790,992.07	15,037,050.00	S&P-AA-	Moody's-Aa3	0.79	1,033	1,033	6/30/2027		4.942	2.68
MetLife 4.85 1/16/2027	58989V2G8	25,000,000.00	25,048,974.31	25,323,750.00	S&P-AA-	Moody's-Aa3	1.32	868	868	1/16/2027		4.760	2.26
Morgan Stanley 4.754 4/21/2026	61690U4T4	10,000,000.00	9,845,522.16	10,039,900.00	Fitch-AA-	Moody's-Aa3	0.53	598	598	4/21/2026		5.780	1.57
Morgan Stanley 5.882 10/30/2026-26	61690U7W4	15,000,000.00	15,336,088.57	15,456,600.00	Fitch-AA-	Moody's-Aa3	0.79	790	760	10/30/2026	9/30/2026	4.759	2.03
Morgan Stanley 5.882 10/30/2026-26	61690U7W4	20,000,000.00	20,434,235.41	20,608,800.00	Fitch-AA-	Moody's-Aa3	1.06	790	760	10/30/2026	9/30/2026	4.793	2.03
Nestle Holdings 1.15 1/14/2027-26	641062AV6	8,000,000.00	7,390,503.67	7,454,800.00	S&P-AA-	Moody's-Aa3	0.42	866	835	1/14/2027	12/14/2026	4.590	2.34
New York Life 4.7 4/2/2026	64952WFB4	10,000,000.00	9,890,190.74	10,039,400.00	S&P-AA+	Moody's-Aaa	0.53	579	579	4/2/2026		5.450	1.52



Description	CUSIP/Ticker	Face Amount/Shares	Book Value	Market Value	Credit Rating 1	Credit Rating 2	% of Portfolio	Days To Maturity	Days To Call/Maturity	Maturity Date	Next Call Date	YTM @ Cost	Duration To Maturity
International Finance Corp 5 11/15/2027-24	45950VRK4	10,000,000.00	10,000,000.00	10,010,900.00	S&P-AAA	Moody's-Aaa	0.53	1,171	76	11/15/2027	11/15/2024	5.000	2.96
Sub Total / Average Supranational 50% Maximum		10,000,000.00	10,000,000.00	10,010,900.00			0.53	1,171	76			5.000	2.96
US Agency100% Maximum													
FFCB 0.6 11/24/2025-21	3133EMHF2	19,100,000.00	19,097,645.20	18,302,766.00	S&P-AA+	Moody's-Aaa	1.01	450	450	11/24/2025		0.610	1.23
FFCB 4.5 3/28/2025	3133EPLF0	25,000,000.00	25,000,000.00	24,966,000.00	S&P-AA+	Moody's-Aaa	1.32	209	209	3/28/2025		4.500	0.56
FFCB 4.5 9/22/2028	3133EPWK7	10,000,000.00	9,839,407.58	10,260,100.00	S&P-AA+	Moody's-Aaa	0.53	1,483	1,483	9/22/2028		4.950	3.69
FFCB 4.75 5/28/2026	3133EPUD5	20,000,000.00	19,973,718.41	20,221,800.00	S&P-AA+	Moody's-Aaa	1.06	635	635	5/28/2026		4.834	1.67
FFCB 4.75 7/8/2026	3133EPVP7	20,000,000.00	19,989,879.61	20,252,000.00	S&P-AA+	Moody's-Aaa	1.06	676	676	7/8/2026		4.782	1.78
FFCB 4.875 4/20/2026	3133EPWD3	20,000,000.00	19,976,069.08	20,241,800.00	S&P-AA+	Moody's-Aaa	1.06	597	597	4/20/2026		4.955	1.57
FFCB 5 10/1/2025	3133ERJR3	21,000,000.00	20,992,587.91	21,152,460.00	S&P-AA+	Moody's-Aaa	1.11	396	396	10/1/2025		5.040	1.06
FHLB 1 11/15/2024-22	3130APRF4	22,500,000.00	22,501,335.94	22,308,525.00	Moody's-Aaa	S&P-AA+	1.19	76	76	11/15/2024		0.971	0.21
FHLB 1.1 1/13/2025-23	3130AQGT4	20,000,000.00	19,993,841.24	19,728,400.00	S&P-AA+	Moody's-Aaa	1.06	135	135	1/13/2025		1.185	0.37
FHLB 1.125 12/17/2024-22	3130AQ2U6	20,000,000.00	20,000,000.00	19,767,000.00	S&P-AA+	Moody's-Aaa	1.06	108	108	12/17/2024		1.125	0.29
FHLB 1.28 6/11/2025-22	3130AQKY8	20,000,000.00	20,000,000.00	19,470,800.00	S&P-AA+	Moody's-Aaa	1.06	284	41	6/11/2025	10/11/2024	1.280	0.78
FHLB 1.3 12/15/2025-22	3130AQSU3	25,000,000.00	24,997,985.11	24,058,250.00	S&P-AA+	Moody's-Aaa	1.32	471	471	12/15/2025		1.306	1.28
FHLB 1.4 2/18/2025-22	3130AQQX4	25,000,000.00	25,000,000.00	24,546,250.00	S&P-AA+	Moody's-Aaa	1.32	171	79	2/18/2025	11/18/2024	1.400	0.46
FHLB 4.1 8/28/2029-26	3130B2K95	38,000,000.00	38,000,000.00	37,917,160.00	S&P-AA+	Moody's-Aaa	2.01	1,823	727	8/28/2029	8/28/2026	4.100	4.32
FHLB 4.52 3/15/2029-27	3130B0GZ6	25,000,000.00	25,000,000.00	25,111,250.00	S&P-AA+	Moody's-Aaa	1.32	1,657	926	3/15/2029	3/15/2027	4.520	4.07
FHLB 4.65 4/2/2029-27	3130B0PZ6	27,000,000.00	27,000,000.00	27,120,690.00	S&P-AA+	Moody's-Aaa	1.43	1,675	944	4/2/2029	4/2/2027	4.650	4.11
FHLB 4.7 3/22/2029-27	3130B0L64	30,000,000.00	30,000,000.00	30,133,500.00	S&P-AA+	Moody's-Aaa	1.59	1,664	933	3/22/2029	3/22/2027	4.700	4.07
FHLB 4.83 6/22/2028	3130B1SX6	31,000,000.00	31,000,000.00	31,097,960.00	S&P-AA+	Moody's-Aaa	1.64	1,391	1,391	6/22/2028		4.830	3.49
FHLB 4.92 4/19/2029-27	3130B0VM8	25,000,000.00	25,000,000.00	25,111,500.00	S&P-AA+	Moody's-Aaa	1.32	1,692	961	4/19/2029	4/19/2027	4.920	4.13
FHLB 5.03 6/26/2029-25	3130B1SW8	25,000,000.00	25,000,000.00	25,178,000.00	S&P-AA+	Moody's-Aaa	1.32	1,760	482	6/26/2029	12/26/2025	5.030	4.30
FHLB 5.04 4/20/2029-27	3130B1SS2	24,000,000.00	24,000,000.00	24,218,400.00	S&P-AA+	Moody's-Aaa	1.27	1,693	962	4/20/2029	4/20/2027	5.040	4.13
FHLMC 4.03 5/28/2025-22	3134GXT95	25,000,000.00	25,000,000.00	24,876,250.00	S&P-AA+	Moody's-Aaa	1.32	270	89	5/28/2025	11/28/2024	4.030	0.73
Sub Total / Average US Agency100% Maximum		517,600,000.00	517,362,470.08	516,040,861.00			27.41	939	589			3.647	2.34
US Treasury100% Maximum													
T-Note 2.75 5/15/2025	91282CEQ0	20,000,000.00	19,966,501.71	19,743,800.00	Fitch-AA+	Moody's-Aaa	1.06	257	257	5/15/2025		3.000	0.70
Sub Total / Average US Treasury100% Maximum		20,000,000.00	19,966,501.71	19,743,800.00			1.06	257	257			3.000	0.70
<b>Total / Average</b>		<b>1,888,342,762.00</b>	<b>1,873,154,312.73</b>	<b>1,880,123,864.70</b>			<b>100</b>	<b>683</b>	<b>573</b>			<b>4.368</b>	<b>1.77</b>

# NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

## MEMORANDUM

# 6.

**FOR:** Chair Jeanette Rishell and Members  
Northern Virginia Transportation Authority Finance Committee

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

**DATE:** October 10, 2024

**SUBJECT:** Monthly Revenue Report

---

**1. Purpose:** To update the Northern Virginia Transportation Authority (NVTA) Finance Committee on monthly revenue receipts and 30% funds distributed to member localities.

**2. Background:** The attached reports reflect funding received and distributed through September 30, 2024.

**3. Comments:**

**A. FY2024 Revenues (Attachment A):**

- I. The Authority has received approximately \$42.1 million through September 30, 2024, transfers from the Commonwealth.
  1. \$6.7 million in Regional Congestion Relief Fees (Grantor's Tax).
  2. \$30.4 million in Regional Sales Tax.
  3. \$5 million from the Northern Virginia Transportation district fund transfer.
- II. September 2024 represents the first month of sales tax receipts for FY2025. Attachment A shows an 8.6% positive variance between the budgeted sales tax receipts compared to the annualized actual sales tax receipts.
- III. As of September 2024, the FY2025 Regional Congestion Relief Fees (Grantor's Tax) reflect a negative variance of 22.1% when compared to the FY2025 budget projections. Member localities have been experiencing similar trends. NVTA staff will continue to monitor the receipts and economic trends.

**B. FY2024 Distribution to localities (Attachment B)**

- I. As of September 2024, six member jurisdictions completed the *Code of Virginia* Section 33.2-2510 required annual certification to receive FY2025 Local Distribution Funds (30%).
- II. If the annual certification is not filed by August 1st, Local Distribution Fund Transfers are suspended. Subsequently, if the certification is not received, in acceptable form, by March 1st of the current fiscal year, the jurisdiction's share of the Local Distribution Fund will be irrevocably transferred to the Regional Revenue Fund.
- III. Postponements of transfers have been discussed with jurisdictional staff where appropriate and reminders are sent monthly.



- IV. As of September 2024, \$12.7 million has been distributed in FY2025 Local Distribution funds to members jurisdictions.

**C. FY2020 to FY2025 Year over Year Revenue Comparison (Attachment C).**

- I. This chart reflects a month-to-month comparison of sales tax and grantors tax revenue and a year-to-year comparison of fiscal year to date sales tax revenues received as of September 2024 for FY2025.

**Attachments:**

- A. FY2025 Revenues Received by Tax Type Compared to NVTA Estimates, through September 2024
- B. FY2025 30% Distribution by Jurisdiction, as of September 2024
- C. Month to Month Comparison of Sales Tax Revenue and Fiscal Year to Date Receipts for September FY2020 to FY2025

# Attachment A

**NORTHERN VIRGINIA TRANSPORTATION AUTHORITY**  
**SALES TAX REVENUES RECEIVED BY JURISDICTION, COMPARED TO NVTA ESTIMATES**  
 Based on: Revenue Data Through September 2024  
 FYE June 30, 2025

		<b>Received</b>	<b>Annualized</b>	<b>FY2024</b>	<b>Annualized</b>	
	<b>1</b>	<b>To Date</b>	<b>Revenue based</b>	<b>Budget</b>	<b>Actual To Budget</b>	
			<b>on YTD Receipts</b>			
<b>Regional Sales Tax</b>						
<b>Transaction Months</b>						
Total Sales Tax Revenue		\$ 30,420,930	\$ 365,051,163	\$ 336,077,528	\$ 28,973,635	8.6%
<b>Interstate Operation Enhance Program</b>						
<b>Transaction Months</b>	-					
Interstate Operation Enhance Program		\$ -	-	\$ 21,333,206	\$ (21,333,206)	-100.0%
<b>Regional Congestion Relief Fee</b>						
<b>Transaction Months</b>	2					
Total Regional Congestion Relief Fee		\$ 6,723,157	\$ 40,338,939	\$ 51,784,117	(11,445,178)	-22.1%
<b>NVTD Transfer from COVA</b>						
<b>Transaction Months</b>	1					
Total NVTD Transfer from COVA		\$ 5,000,000	\$ 20,000,000	\$ 20,000,000	\$ -	0.0%
Total Revenue Received		<u>\$ 42,144,087</u>	<u>425,390,102</u>	<u>\$ 429,194,851</u>	<u>\$ (3,804,749)</u>	<u>-0.89%</u>

# Attachment B

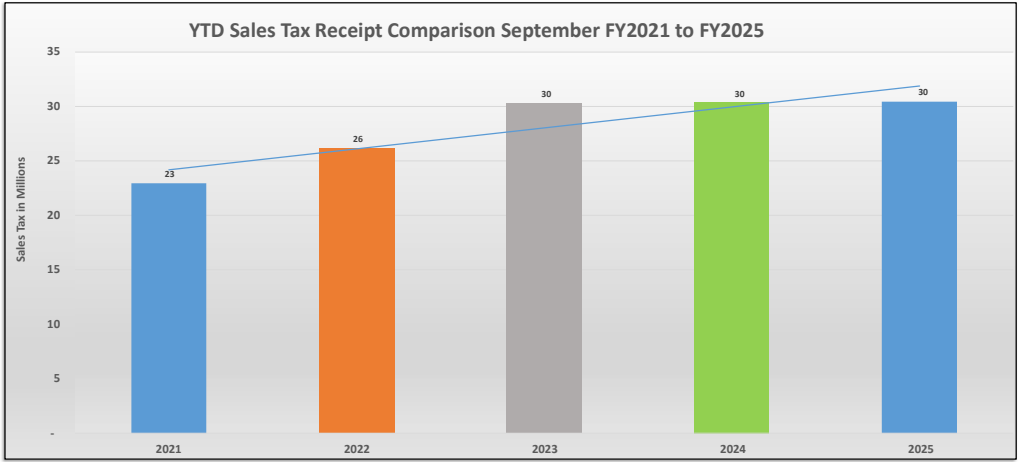
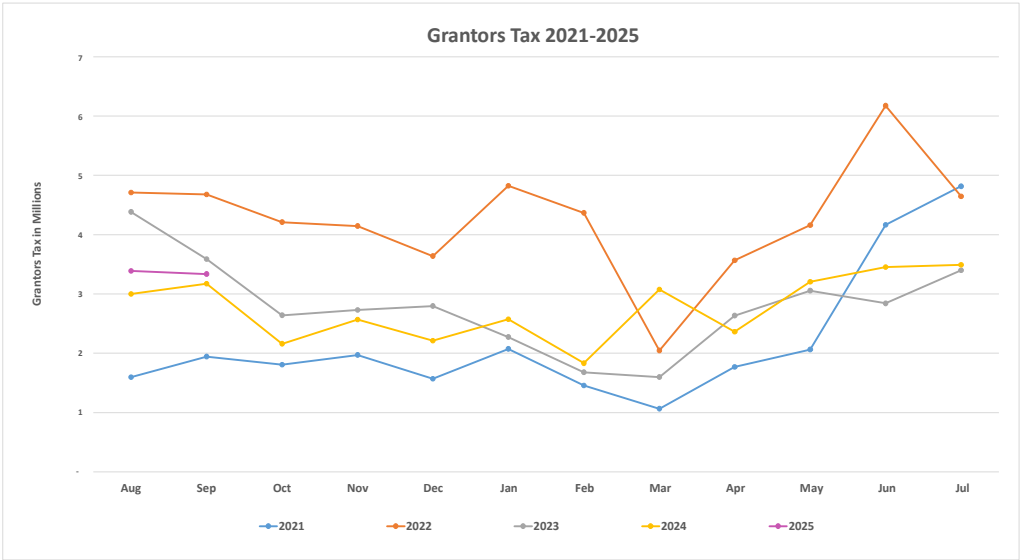
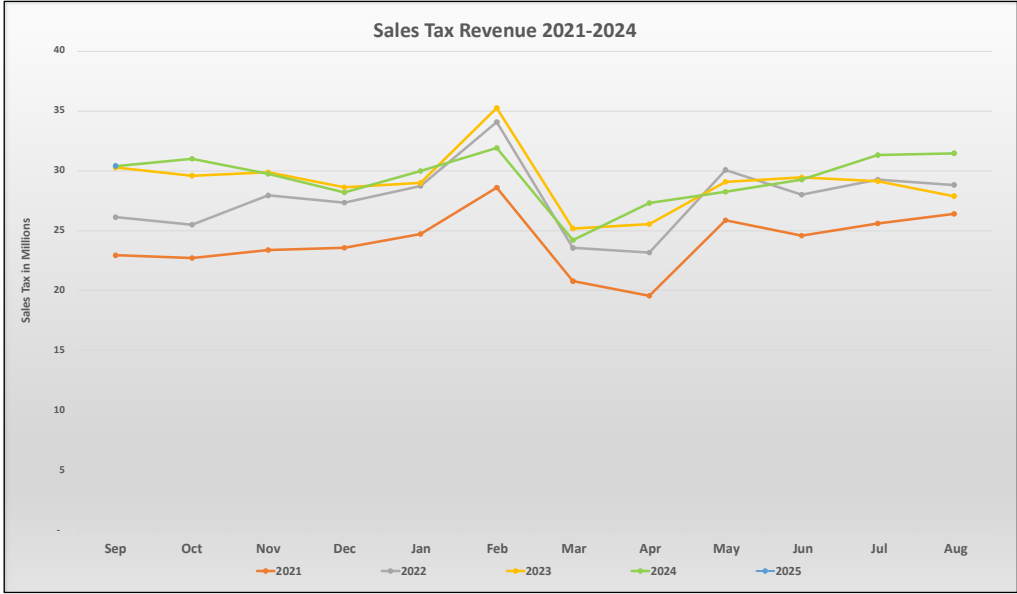
NORTHERN VIRGINIA TRANSPORTATION AUTHORITY  
FY2024 30% DISTRIBUTION BY JURISDICTION

Based on: Revenue Data Through September 2024

Jurisdiction	Interstate Operat Enhance Program	Regional Sales Tax	Regional Congestion Relief Fee	NVTD Transfer From COVA	CoVa NVTA Interest	Cumulative Total	30% Funds	As of 08/31/2024	As of 08/31/2024	Current Month Distribution	Total Funds Transferred
								Accrued Interest (1)	Prior Distributions		
								(+)			
City of Alexandria	\$ -	\$ 1,937,892.40	\$ 424,439.80	\$ 342,013	\$ -	\$ 2,704,344.78	\$ 811,303.43	\$ 2,721.69	\$ -	\$ 814,025.12	\$ -
Arlington County	\$ -	\$ 2,566,150.16	\$ 661,553.10	\$ 488,052	\$ -	\$ 3,715,755.01	\$ 1,114,726.50	\$ 3,739.59	\$ -	\$ 1,118,466.09	\$ 1,118,466.09
City of Fairfax	\$ -	\$ 657,742.57	\$ 81,129.50	\$ 114,491	\$ -	\$ 853,363.47	\$ 256,009.04	\$ 858.84	\$ -	\$ 256,867.88	\$ -
Fairfax County	\$ -	\$ 12,423,889.45	\$ 2,906,632.25	\$ 2,097,127	\$ -	\$ 17,427,648.50	\$ 5,228,294.55	\$ 17,539.42	\$ -	\$ 5,245,833.97	\$ -
City of Falls Church	\$ -	\$ 312,341.18	\$ 38,855.60	\$ 55,430	\$ -	\$ 406,627.07	\$ 121,988.12	\$ 409.23	\$ -	\$ 122,397.35	\$ 122,397.35
Loudoun County	\$ -	\$ 6,435,199.10	\$ 1,398,411.65	\$ 967,151	\$ -	\$ 8,800,762.19	\$ 2,640,228.66	\$ 8,857.21	\$ -	\$ 2,649,085.87	\$ 2,649,085.87
City of Manassas	\$ -	\$ 952,402.29	\$ 77,892.10	\$ 116,562	\$ -	\$ 1,146,856.02	\$ 344,056.81	\$ 1,154.21	\$ -	\$ 345,211.02	\$ 345,211.02
City of Manassas Park	\$ -	\$ 149,299.68	\$ 37,902.20	\$ 25,875	\$ -	\$ 213,076.60	\$ 63,922.98	\$ 214.44	\$ -	\$ 64,137.42	\$ 64,137.42
Prince William County	\$ -	\$ 4,986,013.44	\$ 1,096,340.30	\$ 793,299	\$ -	\$ 6,875,653.13	\$ 2,062,695.94	\$ 6,919.75	\$ -	\$ 2,069,615.69	\$ 2,069,615.69
<b>Total Revenue</b>	\$ -	\$ 30,420,930.27	\$ 6,723,156.50	\$ 5,000,000.00	\$ -	\$ 42,144,086.77	\$ 12,643,226.03	\$ 42,414.38	\$ -	\$ 12,685,640.41	\$ 6,368,913.44
<b>Interest 8/31/2024</b>						\$ 42,144,086.77	\$ 12,643,226.03				\$ 12,685,640.41

# Attachment C

FY2025 September 2024



# NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

# 7.

## MEMORANDUM

**FOR:** Chair Jeanette Rishell and Members  
Northern Virginia Transportation Authority Finance Committee

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

**DATE:** October 10, 2024

**SUBJECT:** Monthly Operating Budget Report

---

- 1. Purpose:** To update the Northern Virginia Transportation Authority (NVTa) Finance Committee on the Authority's Operating Budget for FY2025.
- 2. Background:** The Authority elected to fund the Operating Budget for FY2025 through transfers from the Regional Revenue Fund.
- 3. Monthly Operating Budget Report:** Through September 30, 2024, the FY2025 Operating Budget has produced the following:
  - A.** The Operating Budget will be fully funded through transfers from the Regional Revenue Fund.
  - B.** As of September 30, 2024, the attached Income Statement reflects the Authority utilized 19% of its FY2025 expenditure budget through 25% of the fiscal year.
  - C.** The September budget report includes \$64,850 of office transition costs that will be reimbursed by the landlord as part of the tenant improvement allowance thus resulting in a greatly reduced cost to the Authority.
  - D.** During the first quarter of the fiscal year, the Authority earned \$18,810 in investment income from interest on allocated budgeted funds deposited in the Local Government Investment Pool (LGIP).
  - E.** As of September 30, 2024, all expense categories remained within the budget.
  - F.** The attached statement shows the total Operating Budget income and expenditure activity through September 30, 2024.

**Attachment:** FY2025 Monthly Operating Budget through September 30, 2024

# Attachment

10/03/24  
16:52:37

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY  
Income Statement  
For the Accounting Period: 9 / 24

Page: 1 of 2  
Report ID: LB170A

1000 General Fund

Account Object	Description	----- Current Year -----				%
		Current Month	Current YTD	Budget	Variance	
<b>Expenses</b>						
410000	Personnel Expenses					
110	Salaries-Regular Pay	180,327.63	521,210.26	2,789,052.00	2,267,841.74	19
130	Health & Dental Benefits	17,538.88	74,126.64	479,391.00	405,264.36	15
131	Payroll Taxes	12,083.01	36,454.18	218,222.00	181,767.82	17
132	Retirement VRS	3,498.04	27,041.46	221,288.00	194,246.54	12
133	Life Insurance		4,392.22	37,372.00	32,979.78	12
134	Flex Spending/Dependent Care	36.08	72.16	1,440.00	1,367.84	5
135	Workers Comp		1,394.00	3,066.00	1,672.00	45
137	Disability Insurance	4,656.79	10,595.26	26,770.00	16,174.74	40
	Total Account	218,140.43	675,286.18	3,776,601.00	3,101,314.82	18
420000	Professional Services					
210	Audit & Accounting Services	13,000.00	13,000.00	61,000.00	48,000.00	21
220	Bank Service			750.00	750.00	
230	Insurance		14,791.00	15,145.00	354.00	98
240	Payroll Services	734.26	1,488.12	8,728.00	7,239.88	17
260	Public Outreach & Regional Event Support		1,349.52	68,456.00	67,106.48	2
261	Legal/Bond Counsel Services			75,000.00	75,000.00	
262	Financial Advisory Services		3,240.00	10,000.00	6,760.00	32
263	Bond Trustee Fees			2,800.00	2,800.00	
264	Legislative Services	2,756.02	8,233.52	87,125.00	78,891.48	9
265	Investment Custody Svc			25,000.00	25,000.00	
	Total Account	16,490.28	42,102.16	354,004.00	311,901.84	12
430000	Technology/Communication					
310	Acctg & Financial Report Systems		25,709.40	83,980.00	58,270.60	31
330	IT Support Svc Incl Hosting	3,147.65	9,785.02	54,177.00	44,391.98	18
335	GIS/Project Mgt/Modeling	14,539.24	36,591.03	166,250.00	129,658.97	22
340	Phone Service & Web Ex Chgs	1,192.41	2,636.37	20,858.00	18,221.63	13
350	Web Develop & Hosting	17,988.58	18,411.88	268,200.00	249,788.12	7
940	Equip/Computer HW SW & Peripheral		1,751.57	12,575.00	10,823.43	14
	Total Account	36,867.88	94,885.27	606,040.00	511,154.73	16
440000	Administrative Expenses					
405	Building/Office Related Expenses		388.00	1,000.00	612.00	39
410	Advertisement		550.00	6,400.00	5,850.00	9
411	Dues & Subscriptions		6,136.38	25,400.00	19,263.62	24
412	Duplication & Printing	1,536.86	2,513.00	13,550.00	11,037.00	19
414	Hosted Meeting Expenses	100.64	1,050.46	6,200.00	5,149.54	17
415	Mileage/Transportation	54.50	701.50	11,300.00	10,598.50	6
416	Office Transition Costs		14,307.37		-14,307.37	
417	Office Lease	59,711.94	59,931.94	465,769.00	405,837.06	13
418	Office Supplies		374.01	6,765.00	6,390.99	6
419	Postage & Delivery			700.00	700.00	
420	Professional Develop & Training		94.00	28,680.00	28,586.00	
421	Industry Conferences		4,403.59	22,810.00	18,406.41	19

1000 General Fund

Account Object	Description	----- Current Year -----				%
		Current Month	Current YTD	Budget	Variance	
945	Office Furniture & Fixtures		50,544.18	17,580.00	-32,964.18	288
	Total Account	61,403.94	140,994.43	606,154.00	465,159.57	23
	Total Expenses	332,902.53	953,268.04	5,342,799.00	4,389,530.96	18
	Net Income from Operations		-332,902.53			
			-953,268.04			
	Other Revenue					
370000	Investment Earnings	5,203.64	18,809.56		18,809.56	
383000	Transfer Operating Budget from Regional			5,025,647.00	-5,025,647.00	
	Total Other Revenue	5,203.64	18,809.56	5,025,647.00	-5,006,837.44	
	Other Expenses					
521000	Transfers					
820	Transfer to Operating Reserve			990,440.00	990,440.00	
825	Transf to Equip Reserve			50,000.00	50,000.00	
	Total Account			1,040,440.00	1,040,440.00	
	Total Other Expenses	0.00	0.00	1,040,440.00	1,040,440.00	
	Net Income		-327,698.89			
			-934,458.48			

Note: Formula for % columns = revenue\*100/total expense for Fund.