

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

Financial and Compliance Reports

Year Ended June 30, 2025



ASSURANCE, TAX & ADVISORY SERVICES

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Commission Board Members
Northern Virginia Transportation Commission

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the remaining aggregate fund information of the Northern Virginia Transportation Commission (Commission), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining aggregate fund information of the Commission, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the *Specifications for Audits of Authorities, Boards and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards and specifications are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis on pages 4-15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying schedules listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying schedules listed in the table of contents as supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2025 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

PBMares, LLP

Harrisonburg, Virginia
November 20, 2025

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2025

NORTHERN VIRGINIA TRANSPORTATION COMMISSION MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Northern Virginia Transportation Commission's (NVTC) financial performance provides an overview of NVTC's financial activities for the fiscal year that ended on June 30, 2025. Please read it in conjunction with the accompanying financial statements which follow this section.

FINANCIAL HIGHLIGHTS

Highlights for Government-wide Financial Statements

The government-wide financial statements report information about the NVTC reporting entity as a whole using the economic resources measurement focus and accrual basis of accounting.

- NVTC's net position totaled \$343.8 million on a government-wide basis as of June 30, 2025. Of this total, \$211.0 million is for business-type activities and \$132.8 million for governmental activities.
- For the fiscal year, grants, contributions and other revenue net of transfers of NVTC's governmental activities amounted to \$308.3 million. Expenses totaled \$290.0 million.
- For the fiscal year, revenues and transfers of NVTC's business-type activities were \$84.1 million. Expenses amounted to \$68.2 million.

Highlights for Fund Financial Statements

The fund financial statements provide detailed information about NVTC's funds using the current financial resources measurement focus and modified accrual basis of accounting.

- NVTC's governmental funds reported an increase in fund balance of \$18.4 million for fiscal year 2025, compared to an increase of \$38.6 million for fiscal year 2024. The governmental funds balance as of June 30, 2025 totaled \$133.4 million compared with \$115.0 million at the end of the previous fiscal year.
- During the fiscal year, the proprietary fund net position increased by \$16.0 million, from \$195.0 million to \$211.0 million.
- NVTC's fiduciary funds reported a decrease of \$8.7 million in net position. The Jurisdiction Trust Fund decreased \$9.1 million, and the Pension Trust Fund increased \$0.4 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented include all of the activities which are part of the NVTC reporting entity using the integrated approach as prescribed by the Governmental Accounting Standards Board (GASB).

The government-wide financial statements present the financial picture of NVTC's governmental and business-type activities from the economic resources measurement focus using the accrual basis of accounting. Excluded from these statements are the activities of the jurisdiction trust funds, which are considered fiduciary funds and, therefore, not part of the primary government.

The fund financial statements include a set of statements for each of the three categories of funds – governmental, proprietary and fiduciary. The governmental funds are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The proprietary fund and the fiduciary fund are prepared using the economic resources measurement focus and the accrual basis of accounting, same as the government-wide financial statements. Reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences created by the integrated approach.

Government-Wide Financial Statements

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities, with the governmental activities and business-type activities shown separately. The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. The Statement of Activities shows in broad terms how the net position changed during the fiscal year.

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the NVTC reporting entity is improving or declining. Net position is one way to measure financial position, but the reader should also consider other indicators, such as for the business-type activities, the rate of growth of operating subsidies, passenger fare levels, ridership, general economic conditions and the age and condition of capital assets.

Revenue is classified as program or general revenues. Program revenues are further classified as charges for services, operating grants and contributions, and capital grants and contributions. Expenses are reported by functions and programs. Transfers between the governmental activities and business-type activities are reported under the general revenues section.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The funds of the NVTC reporting entity are divided into three categories: governmental funds, a proprietary fund and a fiduciary fund.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year.

NVTC maintains four governmental funds: The General Fund, the Special Revenue Fund – Jurisdiction Transit, the Special Revenue Fund – I-66 Toll Revenue, and the Special Revenue Fund – I-395/95 Toll Revenue. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for each of these funds. The General Fund includes the administrative, planning and project activities of NVTC. The Special Revenue Fund – Jurisdiction Transit, reports the intergovernmental revenue received by NVTC and allocated to the member jurisdictions by a formula maintained by NVTC. Once the allocation is determined, the funds are remitted to the fiduciary fund. The Special Revenue Fund – I-66 Toll Revenue, reports toll related revenue received from the Commonwealth of Virginia according to an agreement entered into between NVTC and the Commonwealth. The Special Revenue Fund – I-395/95 Toll Revenue, reports an annual transit investment received by the Commonwealth of Virginia from the facility's concessionaire toll revenue receipts for NVTC and PRTC according to an agreement entered into between NVTC, PRTC and the Commonwealth. The two statements included for the governmental funds are the Balance Sheet, and the Statement of Revenues, Expenditures and Changes in Fund Balances.

Proprietary Fund. The proprietary fund is used to account for NVTC's share of the Virginia Railway Express (VRE) joint venture. The fund is used to account for the same functions reported as business-type activities in the government-wide financial statements. The three statements included for the proprietary fund are the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows.

Fiduciary Funds. The Fiduciary Funds are used to account for resources held by NVTC for the benefit and restricted use of the programs of other governments, and the participants of NVTC pension trust. Additions to the jurisdiction fiduciary fund consist of revenue remitted from the Special Revenue Fund, state operating and capital assistance for transit contracted directly with the NVTC WMATA Compact member jurisdictions, and investment income. Deductions from the jurisdiction fiduciary fund are disbursements directed by the individual member jurisdictions for restricted purposes. Additions to the pension fiduciary fund consists of participant and employer contributions and the increase in fair value of investments. Deductions from the pension trust fiduciary fund are distributions to plan participants. The accounting methods used for the fiduciary funds are much like that used for proprietary funds. The two statements included for the fiduciary funds are the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position.

Notes to the Basic Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Supplementary Information

Additional information is presented as a supplement to the basic financial statements. Although not required to be presented and not part of the basic financial statements, the schedules are included to provide additional information of interest to certain financial statement users.

FINANCIAL ANALYSIS OF THE NVTC REPORTING ENTITY AS A WHOLE

Statement of Net Position

The following table presents a summary of the Statement of Net Position for the NVTC reporting entity as of June 30, 2025 and 2024:

**Summary Statements of Net Position
June 30,**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	\$ 141,692,674	\$ 122,366,567	\$ 84,748,170	\$ 97,990,783	\$ 226,440,844	\$ 220,357,350
Capital assets, net	2,556,479	2,957,256	290,372,091	270,110,940	292,928,570	273,068,196
Other non-current assets	-	-	534,711	532,448	534,711	532,448
Total assets	144,249,153	125,323,823	375,654,972	368,634,171	519,904,125	493,957,994
Deferred outflows	-	-	239,138	269,996	239,138	269,996
Total assets and Deferred outflows	144,249,153	125,323,823	375,894,110	368,909,167	520,143,263	494,227,990
Liabilities:						
Current and other liabilities	8,858,885	7,329,439	14,721,663	18,126,779	23,484,398	25,456,218
Long-term liabilities	2,554,535	3,448,760	149,724,403	155,278,929	152,375,088	158,727,689
Total liabilities	11,413,420	10,778,199	164,446,066	173,405,708	175,859,486	184,183,907
Deferred inflows	-	-	497,156	509,752	497,156	509,752
Total liabilities and Deferred inflows	11,413,421	10,778,199	164,943,222	173,915,460	176,356,642	184,693,659
Net position:						
Net investment in capital assets	(293,226)	(220,028)	129,925,116	100,213,255	129,631,890	99,993,227
Restricted	132,083,474	113,973,250	24,108,687	24,898,294	156,192,161	138,871,544
Unrestricted	1,045,485	792,402	56,917,085	69,877,158	57,962,570	70,669,560
Total net position	\$ 132,835,733	\$ 114,545,624	\$ 210,950,888	\$ 194,988,707	\$ 343,786,621	\$ 309,534,331

As noted earlier, net position may serve as a useful indicator of a government’s financial position. As shown above, net position totaled \$343.8 million as of June 30, 2025, an increase of \$34.2 million over the previous fiscal year. The largest portion of net position, \$156.2 million or 45.4 percent, represents restricted net assets, which includes \$14.8 million for debt service, \$132.1 million for the Commuter Choice program, \$5.5 million for liability insurance plan, and \$3.9 million for grants or contributions. Net investment in capital assets (e.g., land, intangible right-to-use assets, building, improvements, rolling stock, equipment and software), net of accumulated depreciation and amortization, less the related indebtedness outstanding used to acquire those capital assets represents \$129.6 million. These assets are used primarily to provide service to riders; consequently, these assets are not available for future spending. The resources required to repay this debt must be provided annually from operations and federal, state and local support since it is unlikely that the capital assets themselves will be liquidated to pay liabilities.

Current assets consist primarily of grant revenue and motor vehicle fuel sales tax due from the Commonwealth of Virginia and restricted cash for governmental and business-type activities, non-restricted cash, cash equivalents, inventory, trade accounts receivables, and investments. As of June 30, 2025, approximately \$30.9 million was due from the Commonwealth of Virginia, of which \$4.5 million is for motor vehicle fuel sales tax, \$23.6 million for grant and other state revenue, and \$2.8 million of toll revenues. This is a \$24.9 million decrease from the previous fiscal year, of which grant and other state revenue decreased \$24.3 million, toll revenues increased \$0.1 million, and motor vehicle fuel sales tax receivables decreased \$0.7 million. The decrease in the receivable for grant and other state revenue is due mainly attributable to the business-type activities.

Cash and cash equivalents increased approximately \$11.0 million and totaled \$33.3 million as of June 30, 2025, of which all but \$1.3 million was for the business-type activities. Restricted cash, cash equivalents and investments totaled \$157.1 million as of June 30, 2025, with \$132.2 million for governmental activities, and \$24.9 million for business-type activities. This is a \$18.4 million net increase from the prior year, of which \$19.2 million increase is due to toll revenue for governmental activities, and \$0.8 million decrease for business-type activities.

The net positions of the jurisdiction trust fund and the pension trust fund are not reported in the entity-wide Statement of Net Position, as they are considered fiduciary funds and held for others than the NVTC reporting entity. The jurisdiction trust fund resources are held in trust for the NVTC member jurisdictions restricted use, while the pension trust fund resources are held for the participants of the pension trust.

Statement of Activities

The following table shows the revenues and expenses and the change in net position of the NVTC reporting entity for the fiscal years ended June 30, 2025 and 2024.

Summary of Changes in Net Position Years Ended June 30,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 9,601,024	\$ 6,545,048	\$ 9,601,024	\$ 6,545,048
Operating grants and contributions	235,493,391	225,451,832	35,955,843	14,853,821	271,449,234	240,305,653
Capital grants and contributions	-	-	11,907,704	1,138,837	11,907,704	1,138,837
General revenues:						
Intergovernmental:						
Commuter rail	24,311,603	36,327,295	-	-	24,311,603	36,327,295
Motor vehicle fuel sales tax	33,428,478	31,368,575	-	-	33,428,478	31,368,575
Toll revenue	33,393,705	49,669,388	-	-	33,393,705	49,669,388
Interest	5,954,151	4,898,003	2,188,305	2,294,767	8,142,456	7,192,770
Other	28,363	23,847	168,797	51,018	197,160	74,865
Transfers	(24,311,603)	(36,327,295)	24,311,603	36,327,295	-	-
Total revenues	308,298,088	311,411,645	84,133,276	61,210,786	392,431,364	372,622,431
Expenses:						
General and administration	16,000,074	15,420,790	-	-	16,000,074	15,420,790
Jurisdiction transit	253,431,807	242,070,427	-	-	253,431,807	242,070,427
Toll funded project costs	20,501,781	15,348,740	-	-	20,501,781	15,348,740
Interest - lease	74,317	82,908	-	-	74,317	82,908
Commuter rail	-	-	68,171,095	71,584,186	68,171,095	71,584,186
Total expenses	290,007,979	272,922,865	68,171,095	71,584,186	358,179,074	344,507,051
Change in net position	18,290,109	38,488,780	15,962,181	(10,373,400)	34,252,290	28,115,378
Beginning net position	114,545,624	76,056,844	194,988,707	205,362,107	309,534,331	281,418,953
Ending net position	\$ 132,835,733	\$ 114,545,624	\$ 210,950,888	\$ 194,988,707	\$ 343,786,621	\$ 309,534,331

For the fiscal year ended June 30, 2025, revenues totaled \$392.4 million, compared to \$372.6 million in the preceding year, a increase of \$19.8 million or 0.05 percent. Expenses increased \$13.6 million, or .04 percent. A discussion of the key components of these revenue and expense changes is included in the funds analysis.

FINANCIAL ANALYSIS OF THE REPORTING ENTITY'S FUNDS

Governmental Funds

General Fund. The General Fund reports the project, planning and administrative activities of NVTC. The unreserved fund balance represents the net resources available for spending at the end of the fiscal year.

NVTC adopts an annual operating budget for the planning and administrative activities of the General Fund for the purpose of determining the annual contributions from the member jurisdictions required to fund these activities. In addition, the various projects included in the General Fund have individual budgets. While certain administrative expenditures such as payroll and payroll related expenses are part of the annual operating budget, they may be included in project costs if they were incurred directly for a project. Since non-administrative project expenditures are generally fully funded from sources other than those for the planning and administrative activities, the unreserved fund balance is mainly the result of the planning and administrative activities of the General Fund.

As of June 30, 2025, the General Fund had a total fund balance of \$1,404,048 of which \$130,626 was nonspendable and \$1,273,422 was unassigned. The fund balance increased by \$333,722 or 31.2 percent from the preceding year.

Special Revenue Fund – Jurisdiction Transit. Prior to fiscal year 2013, this special revenue fund reported intergovernmental revenue for the jurisdictions' transit programs, including local bus systems and the operating and capital subsidies of the Washington Metropolitan Area Transit Authority (WMATA). The intergovernmental revenue included state operating assistance, state capital assistance, and the motor vehicle fuel sales tax. In fiscal year 2013 and 2014, the state contracted directly with the NVTC member jurisdictions for the state operating and capital assistance. Accordingly, in fiscal year 2014 the special revenue fund recognized only the capital assistance contracted with NVTC prior to fiscal year 2013, as well as the motor vehicle fuel sales tax. Beginning in fiscal year 2015, the state contracted again with NVTC for the operating and capital assistance for WMATA. Accordingly, in fiscal year 2024 the special revenue fund recognized state operating and capital assistance for WMATA, capital assistance contracted with NVTC prior to fiscal year 2013, and the motor vehicle fuel sales tax.

As the revenue is recognized by the Special Revenue Fund, it is allocated using the Subsidy Allocation Model formula (SAM). This formula, which is defined and established by NVTC board resolution and the *Code of Virginia*, is maintained and updated annually by NVTC. After the revenue has been allocated by the SAM and each jurisdiction's share has been identified, the funds are remitted to the Jurisdiction Trust Fund for the restricted use by the member jurisdictions individually to support the programs of their respective locality.

The fiscal year 2025 intergovernmental revenues totaled \$253.4 million, an increase of approximately \$11.4 million or 5.0 percent from the previous fiscal year. The net increase is comprised of an \$9.3 million increase, or 4.4 percent, in state assistance and a \$2.1 million or 6.6% increase in motor vehicle fuel sales tax revenue due to greater consumption, combined with an increase in the tax rate which is indexed to the CPI.

Special Revenue Fund – I-66 Toll Revenue. As part of a 40-year agreement with the Commonwealth of Virginia, NVTC has been assigned the authority to administer a program of projects to be funded using revenue generated by the tolling of I-66 inside the Beltway. The agreement calls for NVTC to receive the toll revenues collected by the Commonwealth, net of certain costs charged against those funds, on a quarterly basis for multi-modal projects which benefit the toll payers of the I-66 inside the beltway facility. In accordance with the agreement, NVTC has established a special revenue fund to account for the toll revenue and related projects separately from its other activities. The agreement was amended effective May 2021 for NVTC to receive a minimum \$10 million annual payment escalated each year by 2.5%, but subject to available toll revenue. The amended agreement also calls for an annual concessionaire payment of \$5 million escalated each year by 2.5%, which is effective with fiscal year 2022.

Through fiscal year 2025, NVTC has rated, selected and approved projects totaling \$84.7 million. Toll revenue and interest earned in excess of project costs incurred is classified as a restricted fund balance. This balance is available exclusively for the reimbursement of approved project costs.

During fiscal year 2025, the special revenue fund recognized approximately \$19.8 million in revenue comprised of \$16.4 million of fiscal year 2025 toll revenue (fiscal year 2025 guaranteed minimum is \$11.0 million) and a \$5.4 million concessionaire payment. The special revenue fund recognized \$8.8 million in costs, including transfers to the General Fund for NVTC administration of the program. As of June 30, 2025, the restricted fund balance totaled \$77.0 million, an increase of \$11.0 million over the prior year balance.

Special Revenue Fund – I-395/95 Toll Revenue. In December 2017, NVTC entered into a 68- year agreement with the Commonwealth of Virginia and PRTC whereby the commissions will receive an annual transit investment (ATI) from toll revenue from the operations of the I-395/95 HOT Lanes which commenced during fiscal year 2020. The ATI equals \$15 million in the commencement year, increasing at 2.5% annually, and is to be used to fund transit and multimodal investments which will benefit users in the I-395/95 corridor.

In January 2019, NVTC and PRTC entered into an agreement that among other things provides details of the commissions project selection process, specifies that NVTC will be the designated recipient of the ATI fund, and that NVTC will administer the program on behalf of the commissions. NVTC has established a special revenue fund to account for the ATI toll revenue and related projects for both Commissions, separately from the Commissions' other activities.

Through fiscal year 2025, NVTC has rated, selected and approved projects totaling \$90.1 million. The agreement between the Commonwealth, NVTC and PRTC states that the ATI funds are to be split pro rata based on each commission's population as determined by the most recent population figures of the Weldon Cooper Center. In fiscal year 2025, NVTC received \$17.0 million in ATI funds, as specified in the agreement. The allocation of the funds between NVTC and PRTC results in \$11.0 million and \$6.0 million in revenues for NVTC and PRTC respectively. The fund recognized \$12.4 million in costs, including transfers to the General Fund for NVTC administration of the program. The allocation of the expenditures between NVTC and PRTC equals \$7.8 million and \$4.3 million respectively. The activity to date results in an ending fund balance of \$55.0 million, with \$36.1 million allocated to NVTC and \$18.9 allocated to PRTC.

Proprietary Fund

The proprietary fund captures NVTC's portion of the financial activity of the joint venture Virginia Railway Express (VRE) commuter rail service. Assets owned by NVTC and the Potomac and Rappahannock Transportation Commission (PRTC) for the VRE operations have been funded by a variety of sources including federal assistance with PRTC as grantee, Commonwealth of Virginia assistance with NVTC as grantee, local contributions, and various loans and other financing arrangements for which one or both Commissions have served as issuer, borrower, or in other related capacities. For financial statement reporting purposes, assets, liabilities and operations are assigned and allocated to NVTC and PRTC based on asset ownership, named entity on debt instruments, and sources of funding.

NVTC's share of operating revenue increased approximately \$3.1 million or 46.7 percent, while operating expenses increased approximately \$6.9 million or 16.2 percent. For VRE operations as a whole, operating revenue increased 16.5 percent, while operating expenses decreased 7.7 percent. Ridership saw an increase of 25.0 percent. The difference between the NVTC share and the VRE operations as a whole is the result of how the operations are split between the commissions.

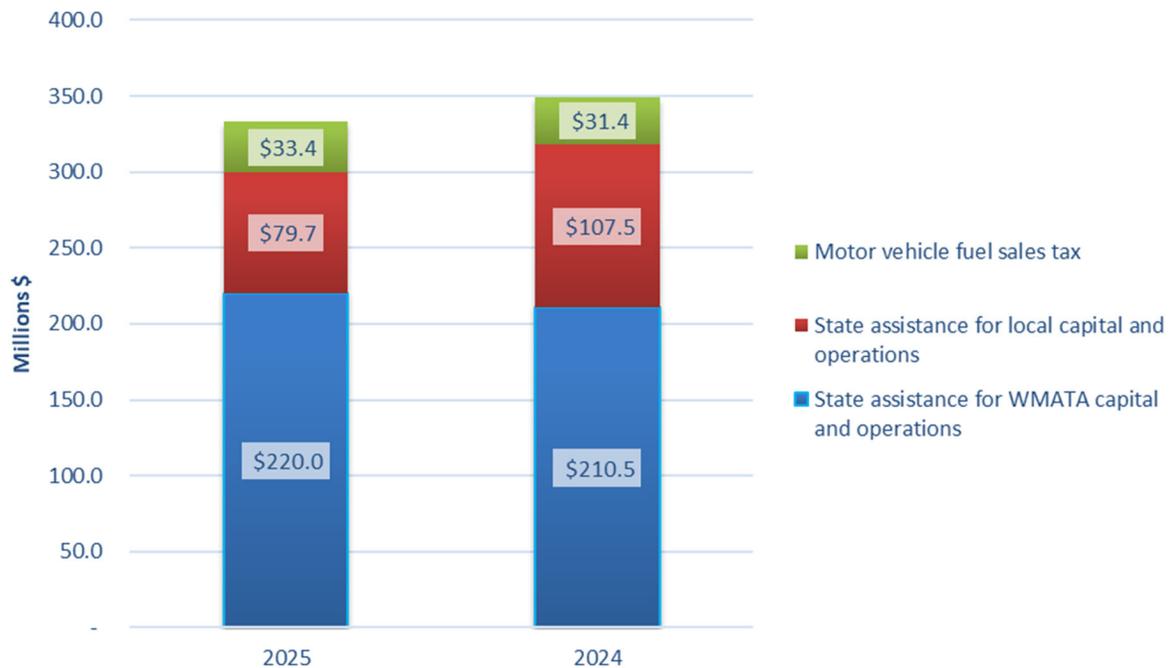
In order to present a full and accurate picture of VRE operations, all financial transaction related to the commuter rail program reported separately in the financial statements of NVTC and PRTC are combined in a separate set of financial statements. These audited financial statements can be obtained from the Director of Finance and Administration of NVTC at 2300 Wilson Blvd., Suite 230, Arlington, VA 22201.

Fiduciary Funds

Jurisdiction Trust Fund. The Jurisdiction Trust Fund holds the assets that were remitted from the special revenue fund (contributions from government), as well as operating and capital assistance contracted with the NVTC member jurisdictions and received directly by the Jurisdiction Trust Fund from the Commonwealth (intergovernmental revenues). These funds are accounted for on an individual jurisdiction basis. As with the revenue from the Special Revenue Fund, the jurisdiction contracted revenue is allocated using the SAM. The funds are invested in the Virginia Local Government Investment Pool, and are available for disbursement for restricted purposes by instructions of the member jurisdictions.

The change in the fund balance from year to year is dependent upon the remittances from the special revenue fund, the state operating and capital assistance contracted directly with the jurisdictions and received by the fund, investment income, and the amount each member jurisdiction instructs NVTC to disburse from the Fund. The total additions to the Trust Fund, excluding investment income, decreased by \$16.3 million, or 4.7 percent from the previous year. An analysis of this change is shown below.

Jurisdiction Trust Fund Revenue Sources



State assistance for local system operations is revenue from the state operating formula assistance program, which is a performance-based formula program. State assistance for local system capital expenditures is a competitive reimbursement program.

Effective fiscal year 2019, the amount of funding NVTC receives for WMATA capital and operating needs is determined by a set percentage of the funding available through the Commonwealth's Mass Transit Fund. The fiscal year 2025 WMATA capital and operating assistance increased by \$9.5 million under the allocation formula.

Effective fiscal year 2019, a minimum price floor was established for the motor vehicle fuel sales tax. The Virginia Code section that established the floor states that any gain attributable to the floor will revert to the Commonwealth as a funding source for the new WMATA Capital Fund for dedicated funding, and the Commuter Rail Operating and Capital Fund (C-ROC) which benefits VRE. For fiscal year 2019, the gain was calculated as the difference between the monthly revenue to NVTC in fiscal year 2018 as compared to the actual collections for the same month in fiscal year 2019. Effective fiscal year 2020 the gain became fixed at the fiscal year 2019 level. Furthermore, the legislation changed the tax from a sales tax to an excise tax with a market price adjustment equal to the statewide distributor price for a gallon of regular gasoline. Effective fiscal year 2021, the amount withheld for the WMATA Capital Fund was fixed at \$22.183 million per year, an increase of approximately \$7.2 over the prior amount from the "gain".

Motor Vehicle Fuel Sales tax revenue to NVTC increased by \$2.0 million, or 6.4 percent from the previous year due to an increase in consumption combined with an increase in the tax rate which is tied to inflation.

Pension Trust Fund. The Pension Trust Fund holds the assets contributed by NVTC on behalf of the pension plan participants, and the required plan participant contributions. Investments are participant directed in one or more separate investments available through the plan sponsor. Net assets available for benefits at the end of fiscal year 2025 equals \$3.3 million, a net increase of \$0.4 million, or 14.0 percent over the prior year. This increase is the net result of a \$356,018 increase in fair value of investments, \$261,760 in plan contributions and distributions of \$208,200.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The details of capital assets as of June 30, 2025 and 2024 are as follows:

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2025	2024	2025	2024	2025	2024
Intangible right-to-use lease buildings	\$ 4,064,461	\$ 4,064,461	\$ 731,785	\$ 731,785	\$ 4,796,246	\$ 4,796,246
Intangible right-to-use lease tower	-	-	105,571	105,571	105,571	105,571
Intangible right-to-use subscription assets	-	-	907,985	907,985	907,985	907,985
Rolling stock	-	-	143,388,695	143,388,695	143,388,695	143,388,695
Vehicles	-	-	133,914	150,681	133,914	150,681
Facilities	-	-	102,469,869	91,812,860	102,469,869	91,812,860
Track and signal improvements	-	-	54,026,541	50,054,134	54,026,541	50,054,134
Equipment and software	-	-	7,611,284	7,455,988	7,611,284	7,455,988
Construction in progress	-	-	75,251,526	57,971,971	75,251,526	57,971,971
Equity in properties of others	-	-	62,473,241	62,473,241	62,473,241	62,473,241
Office equipment, furniture and software	228,294	230,738	3,708,204	3,708,204	3,936,498	3,938,942
	4,292,755	4,295,199	450,808,615	418,761,115	455,101,370	423,056,314
Less accumulated depreciation and amortization	1,736,276	1,337,943	160,436,524	148,650,175	162,172,800	149,988,118
Total capital assets, net	\$ 2,556,479	\$ 2,957,256	\$ 290,372,091	\$ 270,110,940	\$ 292,928,570	\$ 273,068,196

NVTC's investment in capital assets as of June 30, 2025 amounted to \$292.9 million (net of accumulated depreciation and amortization) which represents an increase of \$19.9 million or 7.3 percent over last year as the result of new project construction, existing asset improvements, and direct asset purchases and the recognition of annual depreciation and amortization.

The major completed project the fiscal year was the Quantico Station Improvements (\$29.0 million).

The major additions to construction in progress during the fiscal year were costs related to the Manassas Line Property Acquisitions (\$26.0 million), the Manassas Park Parking Expansion project (\$12.0 million), the Equity in VPRA Long Bridge project (\$7.5 million), the L'Enfant Station Improvements project (\$3.0 million), the Alexandria Station Improvements project (\$2.5 million), the Broad Run Expansion project (\$2.5 million), the Crystal City Station Improvements project (\$1.5 million), the 21 New Railcars project (\$1.1 million), and the Crossroads Long Term Expansion Project (\$1.0 million).

Debt Administration

At June 30, 2025, the Commissions had total debt outstanding of approximately \$140.1 million, excluding premiums for the VRE commuter rail service, of which all but \$0.6 million is reported by NVTC. In addition, the governmental activities of NVTC has a lease liability of approximately \$2.8 million, for \$142.9 million total debt for the reporting entity as a whole.

The Northern Virginia Transportation Commission (NVTC) and the Potomac and Rappahannock Transportation Commission (PRTC) are co-lessees of the private placement note payable for rolling stock, which is secured by the related equipment. The final principal payment of the private placement note payable was paid in May 2025.

The promissory note for the purchase of 60 Gallery railcars was issued by NVTC, but both NVTC and PRTC were signatories. This note was previously designated to the Federal Railroad Administration (FRA) as lender but was delegated to the Build America Bureau of the United States Department of Transportation in fiscal year 2017. This delegation had no effect on the terms of the note. The note was secured by the revenues of VRE and the rolling stock.

In fiscal year 2018, VRE entered into a financing agreement with the Virginia Resources Authority (VRA) for the purposes of refunding the FRA promissory note and reducing VRE’s debt service costs. As required by the authorizing resolutions of the Commissions and jurisdictions, the VRA refunding loan did not extend the term of the original borrowing and achieved net present value debt service savings of not less than three percent. The FRA note was refunded in full with the proceeds of the VRA financing, and VRE has pledged its revenues to the repayment of the principal, premium, and interest on the local bond purchased by VRA.

In fiscal year 2022, NVTC issued, on behalf of VRE, \$115,670,000 (par value) in Transportation District Special Obligation Revenue Bonds (“Series 2022 Bonds”). The bonds are limited obligations of NVTC and payable solely from pledged revenues of the Commuter Operating and Capital Fund (C-ROC), a special non-reverting fund in the state treasury of the Commonwealth of Virginia. The bond proceeds were used to fund a debt service reserve for the Series 2022 Bonds, to pay issuance and finance costs of the Series 2022 Bonds, and to finance contributions to the Virginia Passenger Rail Authority (VPRA) to assist with VPRA’s purchase of rail right-of-way from CSX Transportation.

	2025	2024
Bonds payable	\$ 138,850,000	\$ 143,645,000
Private placement note payable	-	1,866,848
Leases payable	1,260,602	1,399,668
Subscription liability	-	106,486
Total	\$ 140,110,602	\$ 147,018,002

Economic Factors and Next Year’s Budget

Population growth in Northern Virginia, especially in the outer suburbs served by VRE, continues to remain robust. Traffic congestion on many major highways has returned to or even surpassed pre-pandemic levels, which should continue to support long-term demand for VRE’s service as an alternative travel option. The constraining factors to VRE growth in the near-term are the effects on ridership demand resulting from increased use of remote work, as well as train scheduling, yard storage capacity, and the availability of operating funds to support changes in service to address new markets and travel patterns.

The local subsidy for fiscal year 2025 increased by \$2,300,780 or 14.4 percent to \$18,300,780. Fares were increased by 5.0 percent for fiscal year 2025. The previous general fare increase was 3.0 percent in fiscal year 2020. In fiscal year 2019 VRE began to receive funding from the Commonwealth of Virginia Commuter Rail Operating and Capital (CROC) Fund, which will continue in fiscal year 2026. Additional sources of funding will be available in fiscal year 2026 from federal, state and regional sources, although the amounts received will continue to vary from year to year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of NVTC’s finances for all those interested. If you have any questions about this report or need additional financial information, contact the Director of Finance and Administration, Northern Virginia Transportation Commission, 2300 Wilson Boulevard, Suite 230, Arlington, Virginia 22201, or by email to scottkalkwarf@novatransit.org.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF NET POSITION

June 30, 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Primary Government		Total Primary Government
	Governmental Activities	Business-type Activities	
Cash and cash equivalents	\$ 1,262,399	\$ 32,005,748	\$ 33,268,147
Due from other governments:			
Commonwealth of Virginia	22,979,562	7,927,466	30,907,028
Federal	365,501	-	365,501
NVTA	-	1,572,112	1,572,112
Local jurisdictions	415,377	-	415,377
Trade accounts receivable, net	-	191,637	191,637
Other receivables	78	10,705	10,783
Inventory	-	2,236,366	2,236,366
Deposits and prepaid items	130,626	286,284	416,910
Restricted cash, cash equivalents and investments	132,146,490	24,910,493	157,056,983
Internal balances	(15,607,359)	15,607,359	-
Capital assets:			
Intangible right-to-use lease buildings	4,064,461	731,785	4,796,246
Intangible right-to-use lease tower	-	105,571	105,571
Intangible right-to-use subscriptions	-	907,985	907,985
Rolling stock	-	143,388,695	143,388,695
Vehicles	-	133,914	133,914
Facilities	-	102,469,869	102,469,869
Track and signal improvements	-	54,026,541	54,026,541
Equipment and software	-	7,611,284	7,611,284
Construction in progress	-	75,251,526	75,251,526
Equity in property of others	-	62,473,241	62,473,241
Office equipment, furniture and software	228,294	3,708,204	3,936,498
Less accumulated depreciation and amortization	(1,736,276)	(160,436,524)	(162,172,800)
Leases receivable, noncurrent portion	-	534,711	534,711
Total assets	<u>144,249,153</u>	<u>375,654,972</u>	<u>519,904,125</u>
Deferred outflows of resources, loss on refunding	-	239,138	239,138
Total assets and deferred outflows of resources	<u>144,249,153</u>	<u>375,894,110</u>	<u>520,143,263</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF NET POSITION
June 30, 2025

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	Primary Government		Total Primary Government
	Governmental Activities	Business-type Activities	
Accounts payable	\$ 3,479,907	\$ 3,652,942	\$ 7,132,849
Accrued expenses	91,097	3,138,473	3,229,570
Accrued interest	5,840	791,605	797,445
Due to fiduciary fund	4,327,261	-	4,327,261
Unearned revenue	386,569	798,403	1,184,972
Contract retainage	-	1,100,476	1,100,476
Noncurrent liabilities:			
Due within one year:			
Lease liability	383,615	74,140	457,755
Compensated absences	184,596	115,624	300,220
Bond payable	-	5,050,000	5,050,000
Due in more than one year:			
Lease liability	2,466,090	556,161	3,022,251
Compensated absences	88,445	475,557	564,002
Bond payable	-	148,692,685	148,692,685
Total liabilities	11,413,420	164,446,066	175,859,486
Deferred inflows of resources, leases	-	497,156	497,156
Total liabilities and deferred inflows of resources	11,413,420	164,943,222	176,356,642
 NET POSITION			
Net investment in capital assets	(293,226)	129,925,116	129,631,890
Restricted for toll funded projects	132,083,474	-	132,083,474
Restricted for liability insurance plan	-	5,482,751	5,482,751
Restricted for debt service	-	14,762,144	14,762,144
Restricted grants or contributions	-	3,863,792	3,863,792
Unrestricted assets	1,045,485	56,917,085	57,962,570
Total net position	\$ 132,835,733	\$ 210,950,888	\$ 343,786,621

The accompanying notes are an integral part of the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total Primary Government
Primary government:							
Governmental activities:							
General and administration	\$ 16,000,074	\$ -	\$ 15,490,062	\$ -	\$ (510,012)	\$ -	\$ (510,012)
Toll funded project costs	20,501,781	-	-	-	(20,501,781)	-	(20,501,781)
Jurisdiction transit	253,431,807	-	220,003,329	-	(33,428,478)	-	(33,428,478)
Interest - lease	74,318	-	-	-	(74,318)	-	(74,318)
Total governmental activities	<u>290,007,980</u>	<u>-</u>	<u>235,493,391</u>	<u>-</u>	<u>(54,514,589)</u>	<u>-</u>	<u>(54,514,589)</u>
Business-type activities:							
Commuter rail	68,171,095	9,601,024	35,955,843	11,907,704	-	(10,706,524)	(10,706,524)
Total business-type activities	<u>68,171,095</u>	<u>9,601,024</u>	<u>35,955,843</u>	<u>11,907,704</u>	<u>-</u>	<u>(10,706,524)</u>	<u>(10,706,524)</u>
Total primary government	<u>\$ 358,179,075</u>	<u>\$ 9,601,024</u>	<u>\$ 271,449,234</u>	<u>\$ 11,907,704</u>	<u>(54,514,589)</u>	<u>(10,706,524)</u>	<u>(65,221,113)</u>
General revenues:							
Intergovernmental revenue - commuter rail					24,311,603	-	24,311,603
Intergovernmental revenue - motor vehicle fuel sales tax					33,428,478	-	33,428,478
Intergovernmental revenue - toll revenue					33,393,705	-	33,393,705
Increase in fair value of investments					-	144,297	144,297
Gain on disposal of assets					-	24,500	24,500
Other revenue					28,363	-	28,363
Interest					5,954,152	2,188,305	8,142,457
Transfers					(24,311,603)	24,311,603	-
Total general revenues					<u>72,804,698</u>	<u>26,668,705</u>	<u>99,473,403</u>
Change in net position					18,290,109	15,962,181	34,252,290
Net position, beginning of year					114,545,624	194,988,707	309,534,331
Net position, end of year					<u>\$ 132,835,733</u>	<u>\$ 210,950,888</u>	<u>\$ 343,786,621</u>

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The accompanying notes are an integral part of the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund - Jurisdiction Transit	Special Revenue Fund - I-66 Toll Revenue	Special Revenue Fund - I-395/95 Toll Revenue	
ASSETS					
Cash and cash equivalents	\$ 1,262,399	\$ -	\$ -	\$ -	\$ 1,262,399
Due from other governments:					
Commonwealth of Virginia	15,681,356	4,538,674	2,759,532	-	22,979,562
Federal	365,501	-	-	-	365,501
Local jurisdictions	415,377	-	-	-	415,377
Other receivables	78	-	-	-	78
Due from fiduciary fund	211,413	-	-	-	211,413
Due from special revenue funds	189,781	-	-	-	189,781
Restricted cash	-	-	75,449,416	56,697,074	132,146,490
Deposits and prepaid items	130,626	-	-	-	130,626
	<u>\$ 18,256,531</u>	<u>\$ 4,538,674</u>	<u>\$ 78,208,948</u>	<u>\$ 56,697,074</u>	<u>\$ 157,701,227</u>
LIABILITIES					
Accounts payable	\$ 767,458	\$ -	\$ 1,084,111	\$ 1,628,338	\$ 3,479,907
Accrued salaries	91,097	-	-	-	91,097
Unearned revenue	386,569	-	-	-	386,569
Due to general fund	-	-	82,801	106,980	189,781
Due to proprietary fund	15,607,359	-	-	-	15,607,359
Due to fiduciary fund	-	4,538,674	-	-	4,538,674
	<u>16,852,483</u>	<u>4,538,674</u>	<u>1,166,912</u>	<u>1,735,318</u>	<u>24,293,387</u>
FUND BALANCES					
Nonspendable					
Deposits and prepaid items	130,626	-	-	-	130,626
Restricted					
Toll Revenues	-	-	77,042,036	54,961,756	132,003,792
Unassigned	1,273,422	-	-	-	1,273,422
Total fund balance	<u>1,404,048</u>	<u>-</u>	<u>77,042,036</u>	<u>54,961,756</u>	<u>133,407,840</u>
	<u>\$ 18,256,531</u>	<u>\$ 4,538,674</u>	<u>\$ 78,208,948</u>	<u>\$ 56,697,074</u>	<u>\$ 157,701,227</u>

Reconciliation of fund balance on the Balance Sheet for the governmental funds to the net position of the governmental activities on the Statement of Net Position:

Fund balances - governmental funds	\$ 133,407,840
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital and intangible right-to-use assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. The cost of the assets is \$4,292,755 and the accumulated depreciation and amortization is \$1,736,276.	2,556,479
Lease liability recognized in the government-wide financial statements	(2,849,705)
Accrued interest recognized in the government-wide financial statements	(5,840)
Compensated absences are liabilities not due and payable in the current period and, therefore, are not reported in the governmental funds.	(273,041)
Net position - governmental activities	<u>\$ 132,835,733</u>

The accompanying notes are an integral part of the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund - Jurisdiction Transit	Special Revenue Fund - I-66 Toll Revenue	Special Revenue Fund - I-395/95 Toll Revenue	
Revenues:					
Intergovernmental revenues:					
Grants and contributions:					
Commonwealth of Virginia	\$ 23,377,012	\$ 220,003,329	\$ -	\$ -	\$ 243,380,341
Commonwealth of Virginia - CROC	15,000,000	-	-	-	15,000,000
Federal	961,151	-	-	-	961,151
Local jurisdictions	383,501	-	-	-	383,501
Toll revenue	-	-	16,422,582	16,971,123	33,393,705
Motor vehicle fuel sales tax	-	33,428,478	-	-	33,428,478
Project chargebacks	80,000	-	-	-	80,000
Other revenue	28,363	-	-	-	28,363
Interest	85,161	-	3,390,585	2,478,406	5,954,152
Total revenues	39,915,188	253,431,807	19,813,167	19,449,529	332,609,691
Expenditures:					
Current:					
General and administration	3,290,168	-	-	-	3,290,168
Project costs	2,113,994	-	-	-	2,113,994
PRTC share of CROC funds	10,184,220	-	-	-	10,184,220
Toll funded project costs	-	-	8,412,572	12,089,209	20,501,781
Payments to fiduciary fund	-	253,431,807	-	-	253,431,807
Debt service:					
Principal retirement - lease	327,579	-	-	-	327,579
Interest - lease	74,925	-	-	-	74,925
Capital outlay	9,350	-	-	-	9,350
Total expenditures	16,000,236	253,431,807	8,412,572	12,089,209	289,933,824
Other financing sources (uses):					
Transfers in	730,373	-	-	-	730,373
Transfers out	(24,311,603)	-	(383,600)	(346,773)	(25,041,976)
Change in fund balances	333,722	-	11,016,995	7,013,547	18,364,264
Fund balances, beginning of year	1,070,326	-	66,025,041	47,948,209	115,043,576
Fund balances, end of year	<u>\$ 1,404,048</u>	<u>\$ -</u>	<u>\$ 77,042,036</u>	<u>\$ 54,961,756</u>	<u>\$ 133,407,840</u>
Change in fund balances - total governmental funds					\$ 18,364,264

Amounts reported for governmental activities in the Statement of Activities are different because:
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.

Add - capital outlay	9,350
Deduct - depreciation and amortization expense	(19,939)
Decrease in accrued interest payable, reduces interest in the Statement of Activities.	608
Principal payments on lease agreement is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position.	327,579
Amortization of intangible right-to-use lease building.	(390,188)
The change in compensated absences included in the expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(1,565)

Change in net position of governmental activities \$ 18,290,109

The accompanying notes are an integral part of the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2025

	Commuter Rail Service Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current Assets:	
Cash and cash equivalents	\$ 32,005,748
Accounts receivable:	
Due from general fund	15,607,359
Commonwealth of Virginia grants	7,927,466
Due from NVRTA	1,572,112
Trade receivables, net of allowance for doubtful accounts	191,637
Other receivables	10,705
Inventory	2,236,366
Prepaid expenses and other	286,284
Restricted cash, cash equivalents and investments	24,910,493
Total current assets	84,748,170
Noncurrent Assets:	
Capital assets:	
Construction in progress	75,251,526
Intangible right-to-use lease buildings	731,785
Intangible right-to-use lease tower	105,571
Intangible right-to-use subscription assets	907,985
Rolling stock	143,388,695
Vehicles	133,914
Facilities	102,469,869
Track and signal improvements	54,026,541
Equipment and software	7,611,284
Equity in property of others	62,473,241
Furniture, equipment and software	3,708,204
	450,808,615
Less accumulated depreciation and amortization	(160,436,524)
Total capital assets, net	290,372,091
Lease receivable, noncurrent portion	534,711
Total noncurrent assets	290,906,802
Deferred Outflows of Resources:	
Loss on refunding	239,138
Total assets and deferred outflows of resources	\$ 375,894,110

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2025

	Commuter Rail Service Fund
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
Current Liabilities:	
Accounts payable	\$ 3,652,942
Compensated absences	115,624
Accrued expenses	3,138,473
Accrued interest	791,605
Unearned revenue	798,403
Contract retainage	1,100,476
Current portion of bonds payable	5,050,000
Lease liability	74,140
Total current liabilities	14,721,663
Noncurrent Liabilities:	
Compensated absences	475,557
Bonds payable	148,692,685
Lease liability	556,161
Total noncurrent liabilities	149,724,403
Total liabilities	164,446,066
Deferred Inflows of Resources:	
Leases	497,156
Net Position:	
Net investment in capital assets	129,925,116
Restricted for liability insurance plan	5,482,751
Restricted for debt service	14,762,144
Restricted grants or contributions	3,863,792
Unrestricted assets	56,917,085
Total net position	210,950,888
Total liabilities, deferred inflows of resources and net position	\$ 375,894,110

The accompanying notes are an integral part of the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
Year Ended June 30, 2025

	Commuter Rail Service Fund
Operating Revenues:	
Passenger revenue	\$ 9,461,797
Equipment rentals and other	139,227
Total operating revenues	9,601,024
Operating Expenses:	
Contract operations and maintenance	17,246,675
Other operations and maintenance	11,177,123
Property leases and access fees	9,598,893
Insurance	4,169,745
Marketing and sales	654,346
General and administrative	7,026,195
Total operating expenses	49,872,977
Operating loss before depreciation and amortization	(40,271,953)
Depreciation and Amortization	(11,829,316)
Operating loss	(52,101,269)
Nonoperating Revenues (Expenses):	
Subsidies:	
Commonwealth of Virginia grants	8,662,771
Jurisdictional contributions	5,841,298
Contribution from PRTC	21,451,774
Interest income:	
Operating funds	628,997
Insurance trust	216,701
Commonwealth Rail Operating and Capital (CROC) Fund	1,030,624
Leases	16,011
Other restricted funds	295,972
Interest, amortization and other nonoperating expenses, net	(6,468,802)
Increase in fair value of investments	144,297
Gain on disposal of assets	24,500
Total nonoperating revenues, net	31,844,143
Capital Contributions and Transfers:	
Commonwealth of Virginia grants	10,734,041
Regional transportation funding	1,173,663
Transfers in	24,311,603
Total capital contributions and transfers	36,219,307
Change in net position	15,962,181
Net Position, beginning	194,988,707
Net Position, ending	\$ 210,950,888

The accompanying notes are an integral part of the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2025

	Commuter Rail Service Fund
Cash Flows From Operating Activities:	
Receipts from customers	\$ 10,956,148
Payments to suppliers	(47,191,635)
Payments to employees	(3,233,672)
Net cash used in operating activities	(39,469,159)
Cash Flows From Noncapital Financing Activities:	
Transfer from PRTC	21,451,774
Governmental subsidies	7,507,924
Net cash provided by noncapital financing activities	28,959,698
Cash Flows From Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(35,159,646)
Capital grants and assistance	11,907,704
Proceeds from sale of capital assets	24,500
Principal paid on private placement note payable	(933,424)
Principal paid on bonds	(4,795,000)
Principal paid on lease liability	(69,533)
Principal paid on subscription liability	(53,243)
Interest paid on private placement note payable	(32,255)
Interest paid on capital lease obligation	(19,724)
Interest paid on bonds	(6,989,302)
Interest paid on subscription liability	(1,258)
Transfer from General Fund	53,897,261
Net cash provided by capital and related financing activities	17,776,080
Cash Flows From Investing Activities:	
Interest received on leases	16,011
Interest received on investments	2,316,591
Cash provided by investing activities	2,332,602
Increase in cash and cash equivalents	9,599,221
Cash and Cash Equivalents, beginning	47,317,020
Cash and Cash Equivalents, ending	\$ 56,916,241
Reconciliation of Operating Loss to Net Cash Used In Operating Activities:	
Operating loss	\$ (52,101,269)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	11,829,316
Write-off of construction in progress to expense	(9,870)
(Increase) decrease in:	
Trade receivables	(53,401)
Other receivables	1,142,215
Inventory	(790,827)
Prepaid items and other	(45,666)
Lease receivable	(2,263)
Increase (decrease) in:	
Accounts payable and accrued expenses	81,356
Compensated absences	212,677
Unearned revenue	281,169
Deferred inflow - lease	(12,596)
Net cash used in operating activities	\$ (39,469,159)
Schedule of Noncash Capital Activities	
Capital assets acquired through accounts payable	\$ 2,368,417
Capital assets acquired through accrued liabilities	2,844,234

The accompanying notes are an integral part of the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2025

	Jurisdiction Trust Fund	Pension Trust Fund
ASSETS		
Cash and cash equivalents	\$ 449,558,264	\$ -
Due from special revenue fund - Motor vehicle fuel sales tax	4,538,674	-
Due from other governments - Commonwealth of Virginia grants	3,492,467	-
Investments held in trust at fair value	-	3,326,085
Total assets	457,589,405	3,326,085
LIABILITIES		
Due to member jurisdictions	367,306	-
Due to general fund	211,413	-
Total liabilities	578,719	-
NET POSITION		
Restricted for:		
Member jurisdictions	457,010,686	-
Plan participants	-	3,326,085
Total net position	\$ 457,010,686	\$ 3,326,085

The accompanying notes are an integral part of the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2025

	<u>Jurisdiction Trust Fund</u>	<u>Pension Trust Fund</u>
Additions:		
Contributions from government	\$ 253,431,807	\$ -
Intergovernmental revenues	79,682,801	-
Pension fund contributions		
Participants	-	44,405
Employer	-	217,355
	<hr/>	<hr/>
Total additions	333,114,608	261,760
	<hr/>	<hr/>
Investment income		
Increase in fair value of investments	-	356,018
Interest earned on investments	18,341,772	-
	<hr/>	<hr/>
Total income from investment activities	18,341,772	356,018
	<hr/>	<hr/>
Deductions:		
Funds disbursed to WMATA:		
Capital improvement program	23,079,133	-
Project development	704,350	-
Metrorail operating	149,395,931	-
Metrobus operating	94,003,819	-
Metroaccess operating	13,845,185	-
Metro debt service	7,689,804	-
Other funds disbursed:		
Other capital disbursements	49,397,606	-
Other operating disbursements	22,399,940	-
Distributions	-	208,200
	<hr/>	<hr/>
Total deductions	360,515,768	208,200
	<hr/>	<hr/>
Change in net position	(9,059,388)	409,578
Net position:		
Beginning of year	466,070,074	2,916,507
	<hr/>	<hr/>
End of year	\$ 457,010,686	\$ 3,326,085
	<hr/>	<hr/>

The accompanying notes are an integral part of the financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of the Northern Virginia Transportation Commission (NVTC) have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

A. Reporting Entity

The Northern Virginia Transportation District (the District) was created by the 1964 Acts of Assembly of the Commonwealth of Virginia, Chapter 630, to assume the powers and purposes of transportation districts under the Act. The transportation district comprises the cities of Alexandria, Fairfax, and Falls Church, and the counties of Arlington, Fairfax and Loudoun, and has all the powers granted transportation districts in the Act. The Act was created for the purpose of developing transportation systems necessary for the orderly growth and development of urban areas of the Commonwealth of Virginia for the safety, comfort, and convenience of its citizens and for the economical utilization of public funds. The District has no taxing power, although a tax imposed by the Virginia General Assembly is collected within the District's boundaries for its benefit. The Northern Virginia Transportation Commission is the governing body of the District, and was created pursuant to the Authorizing Legislation to manage and control the functions, affairs, and property of the District.

The NVTC and Potomac and Rappahannock Transportation Commission (PRTC) reporting entities each include a portion of the financial activity of the joint venture Virginia Railway Express (VRE) commuter rail service. Pursuant to a Master Agreement signed in 1989, NVTC and PRTC jointly (collectively referred to as the "Commissions") own and operate VRE. Assets for VRE operations have been purchased in the name of the Commissions and funded primarily by grants, loans or other financing arrangements for which one or both Commissions have served as grantee, issuer, borrower, or in other related capacities. VRE provides commuter rail service on two railroad lines originating in Fredericksburg and Manassas, Virginia and terminating at Union Station, Washington, D.C. The service uses existing tracks of the CSX Transportation Corporation (CSX), and the Norfolk Southern Railway Company under respective operating access agreements. Trains are operated and maintained pursuant to an agreement between the Commissions and Keolis Rail Services Virginia, LLC, and Amtrak provides the Commissions with access to storage at Union Station.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of NVTC. Governmental activities, which are supported by intergovernmental revenues, are reported separately from the business-type activities of the VRE joint venture, which rely to a significant extent on charges for services.

The government-wide Statement of Activities is designed to report the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include charges to customers who use services provided by a given function, and grants and contributions are restricted to meeting the operational or capital requirements of a particular function.

The government-wide Statement of Net Position reports net position as restricted when externally imposed constraints on those net positions are in effect. Internally imposed designations of resources are not presented as restricted net position.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

B. Government-wide and Fund Financial Statements (Continued)

Separate fund financial statements are provided for governmental funds, proprietary fund, and fiduciary funds. The governmental funds are reported on a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances (fund equity). The proprietary fund is reported on a Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. The fiduciary funds are reported on a Statement of Net Position and a Statement of Changes in Net Position. The fiduciary funds are not included in the government-wide statements. Eliminations have been made to minimize the double counting of internal activities.

C. Measurement Focus and Basis of Accounting

Government-wide Financial Statements – Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Intergovernmental revenues, consisting primarily of Federal and Commonwealth of Virginia grants, designated for payment of specific expenditures, are recognized at the time the expenditures are incurred. Any excess of revenues or expenditures at year-end are recorded as unearned revenue or accounts receivable, respectively. Derived tax revenues are recognized when the underlying transactions have occurred.

Governmental Fund Financial Statements – The Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, NVTC considers revenues to be available if they are collected within 90 days after year end. Revenues from grants that are expenditure based are recognized if the expenditure has been made and invoiced to the grant. Expenditures are recorded when a liability is incurred, as under the full accrual method of accounting. However, debt service expenditures, expenditures related to compensated absences, and claims and judgments are recorded only when payment is due.

Proprietary Fund – The financial statements of the proprietary fund are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements described above. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses are those that result from providing services in connection with the principal ongoing operation. The principal operating revenues are charges to customers which result in passenger revenues. Passenger revenues are recorded as revenue at the time services are performed. Cash received for services in advance is deferred until earned. Operating revenues and expenses also include all revenues and expenses not associated with capital and related financing, noncapital financing, subsidies, or investing activities. Intergovernmental revenues, consisting primarily of Commonwealth of Virginia grants, designated for payment of specific expenses, are recognized at the time the expenses are incurred. Capital grants and assistance are recognized as additions are made to capital assets and other contributions are included in the Statement of Revenues, Expenses and Changes in Net Position when expended. Monetary and in-kind contributions are recorded as matching obligations to the jurisdictions or other construction partners as assessed. Any excess of grant revenues or expenses at year end are recorded as unearned revenue or accounts receivable, respectively.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

NVTC reports the following major governmental funds:

The General Fund is NVTC's primary operating fund and is considered a major fund. It accounts for all financial resources of NVTC except those required to be accounted for in another fund.

The Special Revenue Fund – Jurisdictional Transit Fund is used to account for intergovernmental revenue for the jurisdictions' transit programs, including local bus systems and operating and capital subsidies of the Washington Metropolitan Area Transit Authority (WMATA).

The Special Revenue Fund – I-66 Toll Revenue Fund is used to account for revenues generated by the tolling of I-66 inside the Beltway, supplemented by an annual concessionaire payment, and the related projects.

The Special Revenue Fund – I-395/95 Toll Revenue Fund is used to account for the Annual Transit Investment (ATI) generated from toll revenue from the operations of the I-395/95 Hot Lanes and related projects for the NVTC and PRTC Commissions.

NVTC reports the following major enterprise fund:

Commuter Rail Service Fund

The Commuter Rail Service Fund accounts for NVTC's portion of VRE's operation and maintenance costs for commuter rail service, financed by charges for services, jurisdictional contributions, and operating and capital received from the Commonwealth of Virginia.

Fiduciary Funds – The financial statements of the fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements described above. The Commission maintains two fiduciary funds, the Jurisdictional Trust Fund and Pension Trust Fund.

D. Budgeting

Although not statutorily required, NVTC adopts an annual operating budget for the planning and administrative activities of the General Fund. The budgeting process enables NVTC to determine the annual contributions required from the member jurisdictions to fund its planning and administrative activities. Accumulated fund balances in excess of anticipated minimum operating cash requirements are used as a revenue source in subsequent budgets.

E. Other Significant Accounting Policies

1. Cash and cash equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less. Investments in U.S. government securities and commercial paper are carried at fair value based on quoted market prices. The investment in the Local Government Investment Pool (LGIP) is reported at amortized cost.

2. Investments

Investments are stated at fair value based on quoted market prices.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

3. Restricted cash, cash equivalents and investments

Restricted cash, cash equivalents, and investments as reported in the Statement of Net Position are comprised of funds related to a property transfer with restricted future uses; a refund of the credit risk premium of a retired Railroad Rehabilitation & Improvement Financing (RRIF) loan; a small liability claims account; a debt service reserve fund for the Virginia Resources Authority (VRA) 2018A financing; a Liability Insurance Plan; a revenue fund, bond debt service fund, debt service reserve fund, and revenue stabilization fund related to the Series 2022 bond issuance; a residual fund containing excess funds from the Series 2022 bond revenue fund that are restricted in use in accordance with the Funding Agreement between VRE and the Virginia Passenger Rail Authority (VPRA), and toll related funds for the I-66 and I-395/95 Commuter Choice program.

4. Allowance for uncollectible accounts

The allowance for uncollectible accounts is calculated by using historical collection data and specific account analysis. The allowance was approximately \$47,000 at June 30, 2025, for the proprietary fund.

5. Inventory

An inventory of spare parts for rolling stock has been purchased and is maintained and managed at the Commissions' warehouse located at the Crossroads yard and warehouse facility. Inventory is stated at cost, which approximates market, and is valued using the first-in-first-out method.

6. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the financial statements using the consumption method.

7. Capital assets

For constructed assets, all costs necessary to bring assets to the condition and location necessary for the intended use are capitalized. Asset costs include allocation of certain common construction costs based on the relationship of associated direct costs. Assets constructed directly by jurisdictions in satisfaction of system financial responsibilities have been capitalized at the estimated acquisition value as of the date of donation.

When assets are substantially complete and ready for use, these costs are transferred from construction in progress to property and equipment and depreciated or amortized. Major improvements and replacements of property are capitalized. Maintenance, repairs and minor improvements and replacements are expensed.

Costs of improvements to track, stations and signal facilities owned by the railroads have been capitalized in recognition of the increased efficiency afforded VRE operations over their useful lives. The Commissions retain a residual interest in these assets such that net salvage value will be reimbursed by the railroads upon cessation of commuter rail service. Similarly, shared investments in jurisdictional facilities and other infrastructure ("equity in property of others") recognizes the right of access for commuter rail patrons granted to the Commissions. This category represents investments in Amtrak infrastructure and facilities, as well as the recent contributions to the Virginia Passenger Rail Authority (VPRA) for the CSX right-of-way purchase and Long Bridge project, all which provide primary benefit to the commuter rail service and an expectation of continued use by the VRE.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

7. Capital assets (Continued)

Depreciation and amortization of all exhaustible equipment, buildings and intangibles, including leased assets, is charged as an expense against operations using the straight-line method over the following estimated useful lives:

Rolling stock	10-25 years
Vehicles	5 years
Facilities	10-49 years
Track and signal improvements	5-30 years
Equipment and software	5-10 years
Equity in properties of others	5-35 years
Office equipment, furniture and software	3-10 years
Intangible right-to-use lease assets and subscription assets	Life of lease or subscription

When, in the opinion of management, certain assets are impaired, any estimated decline in value is accounted for as a non-operating expense. There were no impaired assets as of June 30, 2025.

8. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resource (expenditure) until then. NVTC has several items that qualify for reporting in this category. The item relates to the deferred loss on refinancing.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that apply to future periods and so will not be recognized as an inflow of resources (revenue) until that time. NVTC has one item that qualifies for reporting in this category.

9. Leases

Lessee:

NVTC is the lessee for building office space, with a term of thirteen and a half years. The lease does not include a renewal option.

VRE is the lessee for leases of certain buildings and a tower. Most leases have terms that range from one to fifteen years. The exercise of lease renewal options is at VRE's discretion.

For new or modified contracts, NVTC determines whether the contract is a lease. If a contract is determined to be, or contain, a lease with a non-cancellable term in excess of 12 months (including any options to extend or terminate the lease when exercise is reasonably certain), NVTC records a lease asset and lease obligation which is calculated based on the value of the discounted future lease payments over the term of the lease. If the interest rate implicit in the lease is not readily determinable, NVTC will use the applicable incremental borrowing rate in the calculation of the present value of the lease payments.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

9. Leases (Continued)

Leases with an initial, non-cancellable term of 12 months or less are not recorded on the Statement of Net Position and expense is recognized as incurred over the lease term. At the commencement of a lease, NVTC measures the lease liability at the present value of payments expected to be made during the lease term and then reduces the liability by the principal portion of lease payments made. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs, then amortized on a straight line basis over a period that is the shorter of the lease term or the useful life of similar capital assets. Lease payments are apportioned between interest expense and principal based on an amortization schedule calculated using the effective interest method.

Key estimates and judgements related to the leases include the determination of a discount rate, lease term, lease payments, and residual value guarantees or other provisions as follows:

Discount Rate: When readily available or easily determinable, the interest rate charged by the lessor is used. If not readily available or easily determinable, the estimated incremental borrowing rate is used.

Lease Term: The lease term includes the non-cancellable period of the lease.

Lease Payments: Lease payments included in the measurement of the lease liability are comprised of fixed payments, and, if applicable, the purchase option price that is reasonably certain to be exercised.

Lease assets are reported with other capital assets as right-to-use leased assets and lease liabilities are reported with current and noncurrent liabilities on the statement of net position.

Lessor:

For new or modified contracts, NVTC determines whether the contract is a lease. If a contract is determined to be, or contain, a lease with a non-cancellable term in excess of 12 months (including any options to extend or terminate the lease when exercise is reasonably certain), NVTC will record a lease receivable and a deferred inflow of resources which is calculated based on the value of the discounted future lease payments over the term of the lease. If the interest rate implicit in the lease is not clear, NVTC may apply the guidance for imputation of interest as a means of determining the interest rate.

NVTC will not recognize a lease receivable and a deferred inflow of resources for leases with a noncancellable term of less than 12 months, and income is recognized as incurred.

At the commencement of a lease, NVTC will measure the lease receivable as the present value of payments expected to be received during the lease term and will reduce the receivable by the principal portion of lease payments received after satisfaction of accrued interest on the lease receivable, calculated using the effective interest method. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date, then recognized on a straight-line basis as revenue over the lease term.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

9. Leases (Continued)

VRE is a lessor for a lease related to communication towers. The lease term is for 518 months. The exercise of lease renewal options is at the Lessees discretion. VRE monitors changes in circumstances that would require a re-measurement of a lease and will re-measure the lease receivable and related deferred inflows of resources if changes occur that are expected to significantly affect the amount of the lease receivable.

Key estimates and judgements related to leases include the determination of a discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts:

Discount Rate: When readily available or easily determinable, the interest rate charged by the lessor is used. If not readily available or easily determinable, the estimated incremental borrowing rate is used.

Lease Term: The lease term includes the non-cancellable period of the lease.

Lease Payments: Lease receipts included in the measurement of the lease receivable is comprised of fixed payments from the lessee.

10. Subscription based information technology arrangements (SBITAs)

For new or modified contracts, NVTC determines whether the contract is a SBITA. If a contract is determined to be, or contain, a SBITA with a non-cancellable term in excess of 12 months (including any options to extend or terminate the subscription when exercise is reasonably certain), NVTC records a right-to-use subscription asset and subscription liability which is calculated based on the value of the discounted future subscription payments over the term of the subscription. If the interest rate implicit in the subscription is not readily determinable, NVTC will use the applicable incremental borrowing rate in the calculation of the present value of the subscription payments.

NVTC recognizes a subscription liability and subscription asset on the Statements of Net Position. Subscriptions with an initial, non-cancellable term of 12 months or less are not recorded on the Statement of Net Position and expense is recognized as incurred over the subscription term.

At the commencement of a SBITA, NVTC measures the subscription liability at the present value of payments expected to be made during the subscription term and then reduces the liability by the principal portion of the subscription payments made. The subscription asset is measured at the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs, then amortized on a straight-line basis over the subscription term.

Subscription payments are apportioned between interest expense and principal based on an amortization schedule calculated using the effective interest method.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

11. Compensated absences

Annual leave for NVTC employees is granted to all full and part-time employees and is earned, generally, based upon the length of employment. Employees with zero through nine years of service may carryover a maximum of 240 hours of accumulated leave while employees with 10 to 15 complete years of service may carryover a maximum of 320 hours of leave. For greater than 15 years of service, the maximum carryover is 360 hours of leave.

The allowed accumulated leave earned, yet not paid has been recorded as a liability since the leave vests and an obligation to make payment exists if an employee terminates. The Executive Director may authorize the conversion of excess vacation leave to sick leave.

Sick leave for NVTC employees may also be accumulated. After five years of service, NVTC employees are eligible to receive 25 percent of their accumulated sick leave at the then current wage rate for hours in excess of 450, without limit. Employees hired prior to January 3, 2008, have the option of receiving a payment for 25 percent of accrued hours of sick leave with a maximum of \$5,000. The calculation producing the largest amount for each eligible employee has been recorded as a liability. In prior years, the General Fund was responsible for paying the liability for compensated absences for general government employees.

The employees of the VRE joint venture are employees of PRTC and are subject to PRTC's leave policies. VRE employees are granted vacation leave based on length of employment. Employees with less than ten years of service may carry over a total of 225 hours of leave from year to year, while those with more than ten years may carry over 300 hours. Excess leave may convert to sick leave or may be paid out with the approval of the Chief Executive Officer.

VRE employees may accumulate sick leave without limitation. Employees who separate in good standing after five or more years of service will be paid for 25 percent of their sick leave credit in excess of 450 hours. Certain employees may accumulate compensatory leave for overtime worked. Compensated absences are accrued when incurred.

In accordance with GASB Statement No. 101, the government recognizes a liability for compensated absences when:

- The leave is attributable to services already rendered,
- The leave accumulates (i.e., carries forward to future periods), and
- It is more likely than not that the leave will be used for time off or otherwise paid or settled.

The liability is measured using the employee's pay rate as of the financial statement date and includes salary-related payments that are directly and incrementally associated with leave payments (e.g., payroll taxes and retirement contributions).

NVTC has elected to use the Last-In, First-Out (LIFO) flow assumption for estimating the liability. Under this method, the most recently earned leave is assumed to be used first, which may result in a lower liability than FIFO in periods of rising pay rates.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

12. Fund equity

In the fund financial statements, the governmental fund reports classifications of fund balance as follows:

Nonspendable fund balance – amounts that are not in a spendable form or are required to be maintained intact (such as prepaid items, inventory, and the principal of a permanent fund that is legally or contractually required to be maintained intact).

Restricted fund balance – amounts that have constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unassigned fund balance – residual balance of the General Fund that has not been restricted, committed, or assigned to specific purposes within the General Fund.

NVTC will consider the use of restricted, committed, or assigned funds prior to the use of unassigned fund balance.

13. Indirect expenditure allocation

Employee benefits are allocated to projects based on direct labor charges. Overhead and other indirect costs are not charged to NVTC projects in the financial statements.

14. Net position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The net position caption “net investment in capital assets” consists of capital assets, net of accumulated depreciation and amortization, reduced by outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by NVTC or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

NVTC first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

15. Estimates and assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

16. Inter-fund transfers

Transactions among NVTC's funds would be treated as revenues and expenditures or expenses if they involved organizations external to NVTC government are accounted for as revenues and expenditures or expenses in funds involved.

Transactions, which constitute reimbursements to a fund for expenditures initially made from it, which are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions, which constitute the transfer of resources from a fund receiving revenues to a fund through which revenues are to be expended, are separately reported in the respective funds' operating statements.

17. Subsequent events

NVTC has evaluated subsequent events through November 20, 2025, which was the date the financial statements were available to be issued.

Note 2. Deposits and Investments

At June 30, 2025, cash, cash equivalents, and investments consisted of the following, stated at fair value.

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Cash	\$ 476,905	\$ 2,681,751	\$ -	\$ 3,158,656
LGIP	785,494	29,323,997	449,558,264	479,667,755
Unit investment trusts – mutual funds	-	-	2,965,671	2,965,671
Unit investment trusts – group annuity contract	-	-	360,414	360,414
	<u>1,262,399</u>	<u>32,005,748</u>	<u>452,884,349</u>	<u>486,152,496</u>
Restricted:				
LGIP	132,146,490	4,398,344	-	136,544,834
Series 2022 debt service fund	-	763,407	-	763,407
Series 2022 debt service reserve fund	-	7,937,840	-	7,937,840
Series 2022 revenue stabilization fund	-	3,957,744	-	3,957,744
VRA debt service reserve fund	-	2,403,167	-	2,403,167
Insurance trust fund – pooled funds	-	5,449,991	-	5,449,991
	<u>132,146,490</u>	<u>24,910,493</u>	<u>-</u>	<u>157,056,983</u>
Total	<u>\$ 133,408,889</u>	<u>\$ 56,916,241</u>	<u>\$ 452,884,349</u>	<u>\$ 643,209,479</u>

Maturities of all investments are less than one year.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Deposits

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the *Code of Virginia*. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50 percent to 130 percent of excess deposits. Accordingly, all deposits are considered fully collateralized.

Investments

Statutes authorize local governments and other public bodies to invest in obligations of the United States or its agencies thereof, obligations of the Commonwealth of Virginia or political subdivisions thereof, obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, “prime quality” commercial paper and certain corporate notes; bankers’ acceptances, repurchase agreements and the State Treasurer’s Local Government Investment Pool (LGIP).

As of June 30, 2025, the reporting entity had investments of \$616,212,589 in the LGIP for governmental activities, business-type activities, and the fiduciary funds. The LGIP is a professionally managed money market fund which invests in qualifying obligations and securities as permitted by Virginia statutes. Pursuant to Section 2.2-4605 *Code of Virginia*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. Investments in the LGIP are stated at amortized cost and classified as cash and cash equivalents. The LGIP has been assigned an “AAAm” rating by Standard & Poor’s. The maturity of LGIP is less than one year.

In accordance with the requirements of the Financing Agreement between the Virginia Resources Authority (VRA) and NVTC, a debt service reserve fund (DSRF) was established for the benefit of VRA. On the closing date of the VRA financing, NVTC transferred \$2 million into the DSRF from its existing cash reserves. The funds in the DSRF shall be used solely to cure any deficiencies in the payment by NVTC of any principal, premium, or interest associated with the VRA financing. The funds in the DSRF are held in custody at U.S. Bank and are managed by PFM Asset Management LLC through the Virginia State Non-Arbitrage Program (SNAP). The Virginia Treasury Board sponsors SNAP to provide comprehensive investment management, accounting and arbitrage rebate calculation services for the proceeds of tax-exempt borrowings and other financings of Virginia Issuers subject to Section 148 (and related sections) of the Internal Revenue Code. The funds in the DSRF are invested in U.S. Treasury notes rated AA+ by Standard and Poor’s maturing in under two (2) years and in the SNAP Fund, a AAAm rated local government investment pool that complies with GASB Statement 79. At June 30, 2025, NVTC had \$2,403,167 invested in the VRA Debt Service Reserve Fund.

In accordance with the issuance of the Northern Virginia Transportation Commission (NVTC) Transportation District Special Obligation Revenue Bonds (Transforming Rail in Virginia Program) Series 2022 (Green Bonds), a Debt Service Reserve Fund (DSRF), Revenue Stabilization fund (RS) and Cost of Issuance (COI) fund were established for the benefit of NVTC. The DSRF and RS are held in custody by U.S. Bank as the Trustee for the Series 2022 bonds. On the closing date of the bond transaction, VRE transferred \$7.5 million into the DSRF from the proceeds of the bond issuance. The funds in the DSRF and RS shall be used solely to cure any deficiencies in the payment by NVTC of any principal, premium, or interest associated with the NVTC financing. At June 30, 2025, NVTC had \$7,937,840 invested in the Debt Service Reserve Fund, \$3,957,744 in the Revenue Stabilization Fund.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Investments (Continued)

In the fiscal year ending June 30, 2022, the funds in the DSRF and RS were invested in a JP Morgan US Government Money Market Fund. In July 2022, the DSRF and RS were re-invested in the Virginia State Non-Arbitrage Program (SNAP), with management of the funds provided by PFM Asset Management LLC. The COI funds were invested in SNAP as of the closing of the bond transaction. The Virginia Treasury Board sponsors SNAP to provide comprehensive investment management, accounting and arbitrage rebate calculation services for the proceeds of tax-exempt borrowings and other financings of Virginia Issuers subject to Section 148 (and related sections) of the Internal Revenue Code. The funds in the DSRF are invested in U.S. Treasury notes rated AA+ by Standard and Poor's maturing in under two (2) years and in the SNAP Fund, a AAAM rated local government investment pool that complies with GASB Statement 79.

The Commonwealth of Virginia Department of Treasury manages the VRE Insurance Trust. State statutes govern the portion of assets invested in the Commonwealth's pooled accounts, while the remainder is invested by an external portfolio manager. At June 30, 2025, a total of \$10,490,529 was invested in the Insurance Trust, of which \$5,449,991 is included in the NVTC reporting entity. In fiscal year 2025, earnings on the Insurance Trust in the amount of \$433,402 were credited to VRE, of which \$216,701 was included in the NVTC reporting entity. The Insurance Trust Fund has not been assigned a rating.

NVTC's investment authority and permitted instruments are contained in resolutions approved by the NVTC Board. NVTC's investment policy objectives are to generate revenue while balancing risk and ensuring the availability of cash to meet the Commission's and the jurisdictions' expenditure requirements. The objectives are prioritized in the following order: safety, liquidity, and return on investments. Allowable investments are restricted to instruments permitted by the *Code of Virginia*, with maximum percentages of the portfolio permitted in each of the following instruments:

LGIP	100%
U.S. Treasury Obligations	100%
Certificates of Deposit	75%
Bankers' Acceptances	50%
Repurchase Agreements	35%
Commercial Paper	25%

The VRE Operations Board has adopted a formal investment policy. The goal of the policy is to minimize risk and to ensure the availability of cash to meet VRE's expenditures, while generating revenue from the use of funds which might otherwise remain idle. The primary objectives of VRE's investment activities, in priority order, are: safety, liquidity and yield. The policy specifies eligible and ineligible investments; diversification requirements; maximum length of time for various types of investments; and the process for purchasing securities.

The NVTC Pension Trust allows for participant-directed investments in one or more of 12 separate unit investment trusts through the National Employers Retirement Trust (NERT). Each unit trust, with the exception of the MetLife Stable Value Fund, has a registered mutual fund that is the underlying investment and is reported at fair value based on the unit prices quoted by the fund. The Stable Value Fund is sponsored by the Metropolitan Life Insurance Company (MetLife) and is 100% invested in a MetLife group annuity contract which is held as part of the general assets of MetLife. The Stable Value Fund is reported at contract value as determined by MetLife.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Investments (Continued)

Credit risk

The investment policy specifies credit quality for certain types of investments, in accordance with the *Code of Virginia*, and the policy specifies the qualifications for institutions providing depository and investment services.

Custodial credit risk

For deposits, custodial credit risk is the risk in the event of a failure of a depository financial institution, deposits may not be recovered. All cash of the reporting entity is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the *Code of Virginia* or covered by federal depository insurance. Under the Act, banks holding public deposits in excess of the amounts insured by FDIC must pledge collateral in the amount of 50 percent of excess deposits to a collateral pool in the name of the State Treasury Board. If any member bank fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. With the ability to make additional assessments, the multiple bank collateral pool functions similarly to depository insurance. The Commonwealth of Virginia Treasury Board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act.

Interest rate risk

In accordance with its investment policy, VRE manages its exposure to declines in fair values by limiting the maturity of various investment vehicles, as indicated in the chart below.

Concentration of credit risk

The Commuter Rail Service Fund's investment policy provides limitations on the percentage of the portfolio that can be invested in each type of security, as indicated in the following chart.

The limitations provided in the investment policy for maximum maturity and the percentage of the portfolio allowed for each category of investment are as follows:

Investment	Length of Maturity	Percent Allowed
Bonds, notes, and other evidence of indebtedness of the United States	60 months or less	100%
Bonds, notes, and other evidence of indebtedness of the Commonwealth of Virginia	60 months or less	100%
Bonds, notes, and other evidence of indebtedness of any county, city, town, district, authority or other public body of the Commonwealth of Virginia	36 months or less	100%
Bonds and notes of FNMA and FHLB	36 months or less	75%
Savings accounts or CDs of any bank or savings and loan association within the Commonwealth of Virginia	12 months or less	20%
Money market mutual funds	13 months or less	60%
Repurchase agreements	24 months or less	20%
Bankers' acceptances	24 months or less	10%
Prime Quality Commercial Paper (no more than 5% from one issuer)	270 days or less	35%
High Quality Corporate Notes	24 months or less	50%
Certificates representing ownership in treasury bond principal	24 months or less	50%
LGIP	N/A	100%
Negotiable CD's and negotiable bank deposit notes	24 months or less	25%

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Investments (Continued)

Fair Value Measurement

NVTC categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The three levels of the fair value hierarchy are described below.

- Level 1** Valuation based on quoted prices in active markets for identical assets or liabilities.
- Level 2** Valuation based on quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets and liabilities.
- Level 3** Valuations based on unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of assets or liabilities.

The inputs or methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The following table shows NVTC’s investments by fair value level as of June 30, 2025:

Investments by Fair Value Level	June 30, 2025	Level 1	Level 2	Level 3
Mutual funds (Pension Trust Fund)	\$ 2,965,671	\$ 2,965,671	\$ -	\$ -
Immediate Participation Guarantee Contract (Pension Trust Fund)	360,414	330,949	-	29,465
Securities issued or guaranteed by the U.S. government and other commercial instruments (Commuter Rail)	14,762,144	14,762,144	-	-

Note 3. Due From Other Governments

At June 30, 2025, due from other governments consisted of the following:

	Project and Administrative	Jurisdiction Transit	Total
Due from Commonwealth of Virginia:			
Motor vehicle fuel sales tax	\$ -	\$ 4,538,674	\$ 4,538,674
Grants	13,181,356	-	13,181,356
CROC	2,500,000	-	2,500,000
Toll revenue	2,759,532	-	2,759,532
	<u>18,440,888</u>	<u>4,538,674</u>	<u>22,979,562</u>
Due from Local Jurisdictions:			
Local match	415,377	-	415,377
	<u>\$ 18,856,265</u>	<u>\$ 4,538,674</u>	<u>\$ 23,394,939</u>

Amounts due from the Commonwealth for the Project and Administrative activities include \$13,121,899 for commuter rail and \$59,457 for other projects.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Deletions	Transfers	Ending Balance
Governmental activities:					
Capital assets being depreciated or amortized:					
Office equipment, furniture and software	\$ 230,738	\$ 9,350	\$ (11,794)	\$ -	\$ 228,294
Intangible right-to-use lease building	4,064,461	-	-	-	4,064,461
Less accumulated depreciation or amortization	(1,337,943)	(410,127)	11,794	-	(1,736,276)
Governmental activities capital assets, net	\$ 2,957,256	\$ (400,777)	\$ -	\$ -	\$ 2,556,479
Business-type activities:					
Capital assets not being depreciated or amortized:					
Construction in progress	\$ 57,971,971	\$ 31,777,504	\$ (9,870)	\$ (14,488,079)	\$ 75,251,526
Capital assets being depreciated or amortized:					
Intangible right-to-use buildings	731,785	-	-	-	731,785
Intangible right-to-use lease tower	105,571	-	-	-	105,571
Intangible right-to-use subscription assets	907,985	-	-	-	907,985
Rolling stock	143,388,695	-	-	-	143,388,695
Vehicles	150,681	26,200	(42,967)	-	133,914
Facilities	91,812,860	60,587	-	10,596,422	102,469,869
Track and signal improvements	50,054,134	80,750	-	3,891,657	54,026,541
Equipment and software	7,455,988	155,296	-	-	7,611,284
Equity in property of others	62,473,241	-	-	-	62,473,241
Office equipment, furniture and software	3,708,204	-	-	-	3,708,204
Total capital assets being depreciated or amortized	360,789,144	322,833	(42,967)	14,488,079	375,557,089
Less accumulated depreciation or amortization for:					
Intangible right-to-use lease buildings	176,990	60,947	-	-	237,937
Intangible right-to-use lease tower	8,798	21,115	-	-	29,913
Intangible right-to-use subscription assets	527,825	325,853	-	-	853,678
Rolling stock	75,892,461	5,874,155	(42,967)	-	81,723,649
Vehicles	81,148	18,200	-	-	99,348
Facilities	30,921,503	2,679,285	-	-	33,600,788
Track and signal improvements	29,337,067	2,181,822	-	-	31,518,889
Equipment and software	6,449,143	464,086	-	-	6,913,229
Equity in property of others	2,395,736	82,297	-	-	2,478,033
Office equipment, furniture and software	2,859,504	121,556	-	-	2,981,060
Total accumulated depreciation or amortization	148,650,175	11,829,316	(42,967)	-	160,436,524
Total capital assets being depreciated or amortized, net	212,138,969	(11,506,483)	(42,967)	14,488,079	215,120,565
Business-type activities capital assets, net	\$ 270,110,941	\$ 20,271,021	\$ (9,870)	\$ -	\$ 290,372,091

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 4. Capital Assets (Continued)

Depreciation and amortization expenses for the year ended June 30, 2025 charged to the functions of the primary government are as follows:

	Governmental Activities	Business-type Activities
Primary government:		
General and administration	\$ 410,127	\$ -
Commuter rail	-	11,829,316

Note 5. Leases

Governmental activities

NVTC amended the current office space lease under a 154-month agreement which commenced on March 15, 2019 and expires November 15, 2031. NVTC is required to make monthly principal and interest payments ranging from \$33,796 to \$43,276 through November 2031. The lease has an interest rate of 2.5% over the term of the lease, and calls for the pass-through of a proportionate share of common building expenses after the first anniversary year. The lease contains a provision for the abatement of the first month's payment for the first seven years of the lease, and the additional abatement of approximately 29 percent of the leased space for the balance of the first year.

For the government-wide financial statements, an initial lease liability was recorded in the amount of \$4,064,461 during fiscal year 2022. The office space has an estimated useful life of approximately ten and a half years. The value of the intangible right-to-use lease asset as of the end of the current fiscal year was \$4,064,461, and had accumulated amortization of \$1,560,753. The lease liability outstanding at the end of the current fiscal year was \$2,849,705.

The following table summarizes the total minimum lease payments due as of June 30, 2025:

Year(s) Ending June 30,	Principal	Interest
2026	\$ 383,615	\$ 66,893
2027	404,673	57,063
2028	426,621	46,696
2029	449,334	35,773
2030	472,957	24,270
2031-2032	712,505	19,109
Total	<u>\$ 2,849,705</u>	<u>\$ 249,804</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 5. Leases (Continued)

Business-type activities

	Total	NVTC Reporting Entity
Lease liability for a building. VRE is required to make monthly principal and interest payments ranging from \$10,927 to \$13,438 through April 2033. The lease has an interest rate of 3.00%. An initial lease liability was recorded in the amount of \$1,363,291 (\$681,645). The building has an estimated 141 month useful life. The value of the intangible right-to-use leased asset as of the end of the current fiscal year was \$1,363,291 (\$681,646) and had accumulated amortization of \$460,831 (\$230,416).	\$ 1,014,222	\$ 507,111
Lease liability for a building roof. VRE is required to make monthly principal and interest payments ranging from \$650 to \$787 through March 2038. The lease has an interest rate of 3.40%. An initial lease liability was recorded in the amount of \$100,214 (\$50,107). The building roof has an estimated 180-month useful life. The value of the right-to-use leased asset as of the end of the current fiscal year was \$100,277 (\$50,139) and had accumulated amortization of \$15,041 (\$7,521).	89,652	44,826
Lease liability for a tower. VRE is required to make monthly principal and interest payments ranging from \$3,267 to \$3,963 through January 2029. The lease has an interest rate of 2.43%. An initial lease liability was recorded in the amount of \$211,144 (\$105,572). The tower has an estimated sixty month useful life. The value of the right-to-use leased asset as of the end of the current fiscal year was \$211,144 (\$105,571) and had accumulated amortization of \$59,824 (\$29,913).	156,728	78,364
	<u>\$ 1,260,602</u>	<u>\$ 630,301</u>

Note: Amounts shown above parenthetically are the values reported by the NVTC Reporting Entity.

Years(s) Ending June 30,	Total		NVTC Reporting Entity	
	Principal	Interest	Principal	Interest
2026	\$ 148,280	\$ 35,358	\$ 74,140	\$ 17,679
2027	157,918	30,996	78,959	15,498
2028	168,191	26,350	84,095	13,175
2029	158,839	21,475	79,420	10,738
2030	139,720	17,172	69,860	8,586
2031-2035	462,909	26,712	231,454	13,356
2036-2038	24,745	1,210	12,373	605
Total minimum lease payments	<u>\$ 1,260,602</u>	<u>\$ 159,273</u>	<u>\$ 630,301</u>	<u>\$ 79,637</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 5. Leases (Continued)

VRE is a lessor for a lease related to a communication tower. The lease term is for 518 months. The exercise of lease renewal options is at the Lessees discretion. VRE monitors changes in circumstances that would require a re-measurement of a lease and will re-measure the lease receivable and related deferred inflows of resources if changes occur that are expected to significantly affect the amount of the lease receivable. VRE will receive annual payments ranging from \$28,244 to \$86,843 (NVTC reporting entity, \$14,122 to \$43,421) through December 2064. An initial lease receivable was recorded in the amount of \$1,437,167 (NVTC reporting entity, \$718,583). During fiscal year 2023, there was a remeasurement of the lease receivable due to a contract amendment that resulted in a lease receivable of \$1,054,723 (NVTC reporting entity, \$527,362). As of June 30, 2025, the receivable for lease payments was \$1,069,422 (NVTC reporting entity, \$534,711).

VRE has a deferred inflow of resources associated with its lease that will be recognized as revenue over the term of the lease. As of June 30, 2025, the balance of the deferred inflow was \$994,311 (NVTC reporting entity, \$497,156). Lease revenue for the year ended June 30, 2025 was \$25,192 (NVTC reporting entity, \$12,596) and lease interest income for the same year was \$32,022 (NVTC reporting entity, \$16,011).

Future minimum lease amounts as of June 30, 2025 are as follows:

Year(s) Ending June 30,	Total		NVTC Reporting Entity	
	Principal	Interest	Principal	Interest
2026	\$ (3,839)	32,083	\$ (1,920)	\$ 16,041
2027	(3,107)	32,198	(1,554)	16,099
2028	(2,327)	32,291	(1,164)	16,146
2029	(1,498)	32,361	(749)	16,180
2030	(617)	32,406	(308)	16,203
2031-2035	12,113	161,720	6,057	80,860
2036-2040	43,390	158,130	21,695	79,065
2041-2045	84,323	149,294	42,162	74,647
2046-2050	137,194	133,632	68,597	66,816
2051-2055	204,768	109,194	102,384	54,597
2056-2060	290,387	73,580	145,193	36,790
2061-2064	308,635	23,853	154,318	11,927
Total minimum lease amounts	\$ 1,069,422	\$ 970,742	\$ 534,711	\$ 485,371

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 6. Long-Term Debt Obligations

The following is a summary of long-term liability activity for the year ended June 30, 2025:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Leases liability	\$ 3,177,284	\$ -	\$(327,579)	\$ 2,849,705	\$ 383,615
Compensated absences*	271,476	1,565	-	273,041	184,596
Total governmental activities	3,448,760	1,565	\$(327,579)	3,122,746	568,211
Business-type activities:					
Lease liability	699,834	-	(69,533)	630,301	74,140
Subscription liability	53,243	-	(53,243)	-	-
Private placement note payable	933,424	-	(933,424)	-	-
Bonds payable	143,645,000	-	(4,795,000)	138,850,000	5,050,000
Premiums	15,444,004	-	(551,319)	14,892,685	-
Compensated absences*	378,504	212,677	-	591,181	115,624
Total business-type activities	161,154,009	212,677	\$(6,402,519)	154,964,167	5,239,764
Total Primary Government	\$ 164,602,769	\$ 214,242	\$(6,730,098)	\$ 158,086,913	\$ 5,807,974

*As of June 30, 2025, the increase in the liability is a net change for the year. The increase includes new accruals for sick leave based on historical usage in compliance with GASB Statement No. 101.

Note: Federal arbitrage regulations apply to the Gallery IV private payment placement note payable.

In fiscal year 2008, an agreement in the name of NVTC was entered into with the Federal Railroad Administration for a loan of up to \$72.5 million to purchase 50 Gallery railcars; in fiscal year 2009, the terms were amended to include ten additional Gallery railcars. A series of sixteen promissory notes were originally authorized and during fiscal year 2012 the balance of the individual notes were combined into a consolidated note. The note was secured by the revenues of VRE and the railcars.

In fiscal year 2018, VRE entered into a financing agreement with the Virginia Resources Authority (VRA) for the purposes of refunding the FRA consolidated promissory note and reducing VRE's debt service costs. As required by the authorizing resolutions of the Commissions and jurisdictions, the VRA refunding loan did not extend the term of the original borrowing and achieved net present value debt service savings of not less than three percent. The FRA note was refunded in full with the proceeds from the VRA financing, and VRE has pledged its revenues to the repayment of the principal, premium, and interest on the local bond purchased by VRA.

VRA bond payable, \$46,640,000 Bond, due in variable bi-annual amounts, plus a bi-annual variable interest rate of 3.13% to 5.13% through October 1, 2032. The carrying value of the railcars was \$37,661,597 at June 30, 2025.

\$ 29,060,000

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 6. Long-Term Debt Obligations (Continued)

NVTC Transportation District Special Obligation Revenue Bonds, Series 2022

NVTC Bond payable, \$115,670,000 Bond, due in variable annual amounts,
plus a bi-annual interest rate of 5.00% through June 1, 2052. \$ 109,790,000

Mandatory debt service on Bonds payable requirements as of June 30, 2025 are as follows:

Years Ending June 30,	NVTC Bond		VRA Bond		Total Required	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 2,010,000	\$ 5,489,500	\$ 3,040,000	\$ 1,252,475	\$ 5,050,000	\$ 6,741,975
2027	2,110,000	5,389,000	3,200,000	1,092,575	5,310,000	6,481,575
2028	2,215,000	5,283,500	3,365,000	924,347	5,580,000	6,207,847
2029	2,325,000	5,172,750	3,545,000	747,278	5,870,000	5,920,028
2030	2,440,000	5,056,500	3,725,000	566,584	6,165,000	5,623,084
2031-2035	14,160,000	23,325,250	12,185,000	687,522	26,345,000	24,012,772
2036-2040	18,070,000	19,413,500	-	-	18,070,000	19,413,500
2041-2045	23,075,000	14,420,000	-	-	23,075,000	14,420,000
2046-2050	29,445,000	8,045,000	-	-	29,445,000	8,045,000
2051-2052	13,940,000	1,054,000	-	-	13,940,000	1,054,000
Subtotal	109,790,000	92,649,000	29,060,000	5,270,781	138,850,000	97,919,781
Unamortized premium	11,806,951	-	3,085,734	-	14,892,685	-
Total	\$ 121,596,951	\$ 92,649,000	\$ 32,145,734	\$ 5,270,781	\$ 153,742,685	\$ 97,919,781

Subscriptions Liability

During the current fiscal year, VRE had multiple subscription agreements as lessee for software ranging from two to three years. As of June 30, 2025, the balance of the subscription liability was \$0.

VRE has no remaining subscription payments as of June 30, 2025. The subscriptions had interest rates ranging from 2.35% to 2.8%. The value of the intangible right-to-use subscription assets as of the end of the current fiscal year was \$1,815,971 and had accumulated amortization of \$1,707,354 (NVTC reporting entity, \$907,985 and \$853,678 respectively).

Note 7. Joint Venture – Virginia Railway Express

The NVTC reporting entity and the PRTC reporting entity contain their respective shares of the financial activity of the VRE joint venture. In order to present a full and accurate picture of VRE operations, all financial transactions related to the commuter rail program are combined in a separate set of financial statements. These audited financial statements can be obtained from the Director of Finance and Administration of NVTC at 2300 Wilson Blvd., Suite 230, Arlington, VA 22201.

Assets owned by the Commissions for the VRE operations have been funded by a variety of sources including federal assistance with PRTC as grantee, Commonwealth of Virginia assistance with NVTC-VRE as grantee, local contributions, and various loans and other financing arrangements for which one or both Commissions have served as issuer, borrower, or in other related capacities.

The federal grant agreements control the use and disposal of property acquired with federal grant funds. If property is removed from service prior to the end of its useful life, the grant recipient may be required to return to the grantor agency the federal assistance expended on that property. In addition, permission of the grantor agency is required if property is disposed of prior to the end of its useful life or at any time for an amount in excess of \$5,000.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 7. Joint Venture – Virginia Railway Express (Continued)

The Master Agreement for the use of Commonwealth of Virginia Transportation Funds control the use and disposal of property acquired with state grant funds. If any project equipment is not used for the purpose for which they were purchased for the duration of their useful lives, the Commonwealth has the option of requiring the grantee to relinquish title to the project equipment or remit an amount equal to the proportional share of the fair market value based upon the ratio of participation by the state. For facilities, the Commonwealth requires an amount equal to the proportional share of fair market value based upon the ratio of participation by the state be remitted.

Pursuant to a Master Agreement signed in 1989, the Commissions own and operate VRE. VRE provides commuter rail service on two railroad lines originating in Fredericksburg and Manassas, Virginia and

terminating at Union Station, Washington, D.C. The service uses existing tracks of CSX and the Norfolk Southern Railway Company under respective operating access agreements.

VRE is managed by the Commissions. Certain functions have been delegated to the VRE Operations Board, consisting of three commissioners appointed from each of NVTC and PRTC and one representative of the Commonwealth of Virginia's Department of Rail and Public Transportation. The system is not currently configured for fare revenues alone to produce positive net income. In addition to fares, the project is financed with proceeds from the Commuter Rail Revenue Bond issues, lease financing, Federal and Commonwealth of Virginia grants, and local jurisdictional contributions based on a population/ridership formula that is supplemented by voluntary donations from contributing jurisdictions.

Grants and contributions fund both operations and capital projects. Participating jurisdictions include the counties of Fairfax, Prince William, Spotsylvania, and Stafford; and the cities of Manassas, Manassas Park, and Fredericksburg, Virginia. Contributing jurisdictions include Arlington County and the City of Alexandria, Virginia.

In July 2007, the Commissions adopted amendments to the VRE Master Agreement that expanded the Operations Board to include all member jurisdictions and provided for board representation proportionate to system ridership, and weighted voting proportionate to jurisdictional subsidy. In addition, the amendments apportioned jurisdictional subsidies on system ridership only, rather than the then current 90 percent system ridership and 10 percent population formula. The amendment to the subsidy formula was phased in over four years, beginning in fiscal year 2008. The amendments also allowed for greater autonomy for the Operations Board, with progressively more decisions made by the Board without referral to PRTC and NVTC.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 7. Joint Venture – Virginia Railway Express (Continued)

Financial information from VRE's fiscal year 2025 audited financial statements is shown below.

VIRGINIA RAILWAY EXPRESS STATEMENT OF NET POSITION June 30, 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current assets:		
Cash and cash equivalents	\$	62,815,961
Accounts receivable:		
Federal - due from PRTC		33,036,044
Federal Pandemic Relief Funds		4,987,149
Commonwealth of Virginia grants		28,976,830
Due from NVTA		3,144,223
Commonwealth Rail Operating and Capital (CROC) Fund		2,500,000
Trade and other, net of allowance		1,081,705
Inventory		4,389,196
Prepaid expenses and other		561,875
Restricted cash, cash equivalents and investments		31,052,063
Total current assets		<u>172,545,046</u>
Noncurrent assets:		
Capital assets (net of \$320,873,053 accumulated depreciation and amortization)		580,744,177
Leases receivable, noncurrent portion		1,069,422
Net pension asset		286,536
Total noncurrent assets		<u>582,100,135</u>
Total assets		<u>754,645,181</u>
Deferred outflows of resources		925,024
Total assets and deferred outflows of resources	\$	<u><u>755,570,205</u></u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Current liabilities:		
Accounts payable and accrued liabilities	\$	18,862,486
Unearned revenue		1,566,982
Current portion of:		
Compensated absences		226,929
Bonds payable		5,050,000
Lease liability		148,280
Total current liabilities		<u>25,854,677</u>
Noncurrent liabilities:		
Other postemployment benefits		335,648
Bonds payable		148,692,685
Lease liability		1,112,322
Compensated absences		933,351
Total noncurrent liabilities		<u>151,074,006</u>
Total liabilities		<u>176,928,683</u>
Deferred inflows of resources		1,526,949
Net position:		
Net investment in capital assets		413,353,775
Restricted for liability insurance plan		10,965,502
Restricted for debt service		14,762,144
Restricted grants or contributions		5,324,417
Restricted pension asset		286,536
Unrestricted net position		132,422,199
Total net position		<u>577,114,573</u>
Total liabilities, deferred inflows of resources and net position	\$	<u><u>755,570,205</u></u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 7. Joint Venture – Virginia Railway Express (Continued)

**VIRGINIA RAILWAY EXPRESS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
Year Ended June 30, 2025**

Operating revenues	\$	18,843,413
Operating expenses		97,883,011
Operating loss before depreciation and amortization		(79,039,598)
Depreciation and amortization		(23,658,635)
Operating loss		(102,698,233)
Nonoperating revenues (expenses):		
Subsidies:		
Commonwealth of Virginia grants		34,312,117
Federal grants – with PRTC as grantee		9,191,915
Federal Pandemic Relief Funds		31,772,470
Jurisdictional contributions		18,300,780
Commonwealth Rail Operating and Capital (CROC) Fund		7,495,000
Interest income:		
Operating funds		1,234,499
Insurance trust		433,402
Commuter Rail Operating and Capital (CROC) Fund		2,061,247
Leases		32,022
Other restricted funds		591,944
Interest, amortization and other nonoperating expenses, net		(6,513,685)
Increase in fair value of investments		283,204
Gain on disposal of assets		49,000
Total nonoperating revenues, net		99,243,915
Capital grants and assistance:		
Commonwealth of Virginia grants		23,977,330
Federal grants – with PRTC as grantee		4,313,098
Commuter Rail Operating and Capital (CROC) Fund		7,505,000
Regional transportation funding (NVTA)		2,347,325
Local contributions		(6,070)
Total capital grants and assistance		38,136,683
Change in net position		34,682,365
Net position, beginning of year		542,432,208
Net position, ending	\$	577,114,573

Note 8. Intergovernmental Revenues, Commonwealth of Virginia

Intergovernmental revenues from the Commonwealth of Virginia include the regional motor vehicle fuel sales tax, NVTC project revenue, operating and capital assistance reimbursements for NVTC members' local systems contracted prior to fiscal year 2013 (excluding Loudoun County), operating and capital assistance reimbursements for NVTC members' WMATA subsidies, and operating and capital assistance for the VRE commuter rail service.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 9. Pension Plans

Employees of the reporting entity are covered under two separate plans. The NVTC Pension Trust covers eligible employees of the governmental activities of NVTC, while the Virginia Retirement System covers the eligible employees of the business-type activities of the VRE joint venture through employment with PRTC.

NVTC – Target Benefit Plan

NVTC contributes to the Northern Virginia Transportation Commission Pension Trust (the Plan), a single employer public employees' retirement system established by NVTC, contributory target benefit pension plan covering all employees who have elected to participate. Under the terms of the Plan, the normal retirement date is the July 1st closest to the participant's 65th birthday. Early retirement may be elected if the participant has attained age 55 with ten years of continuous service. Employees vest in the employer's contributions at the rate of 20 percent for each year of service until fully vested.

The plan is funded in amounts determined by an actuarial consultant. Employer contributions for the year ended June 30, 2025 totaled \$217,355 (10.8 percent of covered payroll). Required employee contributions for the year ended June 30, 2025 totaled \$41,595 (2.2 percent of covered payroll), and elective employee contributions totaled \$2,810. Since 1994, participants have been required to contribute 2.0 percent of covered salary, not to exceed 50 percent of the aggregate gross annual contribution for benefits. NVTC contributes the balance of the cost of the Plan. During the plan year ending June 30, 2025 there were 17 participants. NVTC's payroll for employees covered by the plan for the year ended June 30, 2025 was \$2,016,885.

Note 10. Agreements

Business-type activities

Operating Access Agreements with the CSX Transportation and Norfolk Southern railroads provide the Commissions the right to use tracks owned by the railroads in the provision of commuter rail passenger service. These agreements require the Commissions to pay the railroads a monthly base fee and to reimburse the railroads for any incremental cost incurred by the railroads as a result of providing tracks for commuter rail service. For the year ended June 30, 2025, annual track usage fees totaled approximately \$10,398,000, of which \$5,298,000 is recognized by the NVTC reporting entity, and facility and other identified costs totaled approximately \$504,000, of which \$257,000 is recognized by the NVTC reporting entity.

The agreement between Amtrak and the Commissions for access to and storage of equipment at Union Station and mid-day service and electrical power became effective on July 1, 2015. For the year ended June 30, 2025, costs for track access and equipment storage totaled approximately \$8,442,000, of which \$4,301,000 is recognized by the NVTC reporting entity and mid-day maintenance, utility and other services totaled approximately \$4,715,000, of which \$2,402,000 is recognized by the NVTC reporting entity. Cost adjustments will be made in fiscal year 2026 to reflect changes to various published cost indices and the number of trains that have access to and are stored and serviced at the terminal. After October 1, 2015, charges for terminal access are determined in accordance with the cost-sharing arrangement for the Northeast Corridor passenger rail infrastructure mandated by the Passenger Rail Investment and Improvement Act of 2008 (PRIIA).

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 10. Agreements (Continued)

The Commissions signed a contract with Keolis Rail Services Virginia, LLC, for train operations and maintenance for a five-year period beginning July 1, 2015. Separate contracts for maintenance of equipment and facilities became effective for the period beginning July 1, 2016. In May 2020, the Commissions authorized the Chief Executive Officer to amend the contract for Operating Services for Commuter Rail with Keolis Rail Services Virginia, LLC (KRSV) thereby exercising the second five-year option period, effective July 1, 2020 through June 30, 2025.

Subsequently, in May 2021, the Commissions authorized the Chief Executive Officer to amend the contract for Maintenance Services for Commuter Rail with Keolis Rail Services Virginia, LLC (KRSV) thereby exercising the first five-year option period, effective July 1, 2021 through June 30, 2026. The cost of train operations and maintenance for the year ended June 30, 2025 totaled approximately \$29,207,000 of which \$14,881,000 is recognized by the NVTC reporting entity. Costs are based on an annual budget prepared in advance. Costs for fiscal year 2026 will be adjusted for service additions or deletions and annual changes to the Consumer Price Index.

Note 11. Risk Management and Liability Insurance Plan

NVTC and the VRE commuter rail operation are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and natural disasters. Commercial insurance is purchased to address these risks, including workers' compensation and employee health and accidental insurance. The Virginia Department of Treasury, Division of Risk Management has established the terms of VRE's Commuter Rail Operations Liability Plan (the Insurance Plan). The Insurance Plan consists of a combination of self-insurance reserves and purchased insurance in amounts actuarially determined to meet the indemnification requirements of the Operating Access Agreements and the Purchase of Services Agreement and for liability and property damage. The Commissions indemnify each of the railroads in an amount up to the passenger rail liability cap (currently approximately \$323 million) for any claims against persons or property associated with commuter rail operations. Settled claims have not exceeded commercial coverage during any of the past three fiscal years. The liability for incurred but not reported claims was approximately \$70,600 at June 30, 2025, of which \$36,000 was included in the NVTC reporting entity.

The Division of Risk Management manages the Insurance Trust Fund pursuant to the provisions of the Insurance Plan. Since November 2006, all plan assets have been invested in the Department of Treasury common pool. Activity in the Insurance Trust Fund for the year ended June 30, 2025 is as follows:

	Total	NVTC Reporting Entity
Beginning balance, July 1	\$ 10,490,529	\$ 5,245,265
Insurance premiums paid	(7, 530)	(3,765)
Investment income	433,402	216,701
Actuarial and administrative charges	(16,420)	(8,210)
Ending balance, June 30	<u>\$ 10,899,981</u>	<u>\$ 5,449,991</u>

An actuarial study is performed annually to determine the adequacy of the Insurance Trust Fund for the risk retained and to determine the required contribution to reserves.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 12. Significant Commitments and Contingencies

NVTC and the VRE joint venture have received proceeds from several federal and state grant programs. In the event of an audit of these grants certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such findings may result in the refund of grant monies to the grantor agencies. Based on the reporting entities policies and experience, management believes no refunds would be due in the case of an audit and accordingly no provision has been made in the accompanying financial statements for the refund of grant monies.

Governmental activities

Commonwealth of Virginia Grants and local funds are available to finance substantially all of the NVTC contracted services for the projects. Significant NVTC contracts include a sufficiency of funding clause in the event funding becomes unavailable.

All project expenditures are expensed as incurred, including expenditures for tangible assets, as the equipment becomes the property of the transit systems upon completion of the contract. Expenditures for jurisdiction grant funded and toll revenue funded projects are recognized when the reimbursement requests are submitted and approved by NVTC.

Business-type activities

At June 30, 2025, there were disputes between VRE and certain vendors. The amounts of any settlements, should they occur, are not determinable at this time. However, such amounts are not expected to be material in relation to the recorded amounts.

The Commissions have outstanding commitments for construction of facilities and equipment. A combination of Federal and Commonwealth of Virginia grants and local funds will be used to finance these capital projects. The following is a summary of the more significant contractual commitments, net of expenses incurred as of June 30, 2025:

Stations and parking lots	\$	16,360,114
Rolling stock		66,381,089
Maintenance and layover yards		2,670,571
Track and Signal Improvements		84
Other administrative		102,200
Total	\$	<u>85,514,058</u>

The Commissions have received proceeds from several federal and state grant programs. In the event of an audit of these grants, certain costs may be questioned as not being appropriate expenses under the grant agreements. Such findings may result in the refund of grant monies to the grantor agencies. Based on NVTC's policies and past experience, management believes that no refunds would be due in the case of an audit and, accordingly, no provision has been made in the accompanying financial statements for the refund of grant monies.

The federal grant agreements control the use and disposal of property acquired with federal grant funds. If property is removed from service prior to the end of its useful life, the grant recipient may be required to return to the grantor agency the federal assistance expended on that property. In addition, permission of the grantor agency is required if property is disposed of prior to the end of its useful life or at any time for an amount in excess of \$5,000.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 12. Significant Commitments and Contingencies (Continued)

The Master Agreement for the use of Commonwealth of Virginia Transportation Funds controls the use and disposal of property acquired with state grant funds. If any project equipment is not used for the purpose for which they were purchased for the duration of their useful lives, the Commonwealth has the option of requiring the grantee to relinquish title to the project equipment or remit an amount equal to the proportional share of the fair market value based upon the ratio of participation by the state. For facilities, the Commonwealth requires an amount equal to the proportional share of fair market value based upon the ratio of participation by the state to be remitted.

Note 13. Interfund Transfers

	General Fund	Commuter Rail	Total Transferred Out
Transfer from fund:			
Special Revenue Fund – I-66 toll revenue	\$ 383,600	\$ -	\$ 383,600
Special Revenue Fund – I-395/95 toll revenue	346,773	-	346,773
General Fund	-	24,311,603	24,311,603
Total transferred in	\$ 730,373	\$ 24,311,603	\$ 25,041,976

The transfer from the General Fund to the Commuter Rail Service Fund is for state grant and CROC funding activity in which NVTC serves as grantee and recipient on behalf of VRE.

The transfers from the Special Revenue Funds to the General Fund are for NVTC administration and outreach.

Note 14. Pending GASB Statements

At June 30, 2025, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by the NVTC reporting entity. The statements which might impact NVTC are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements*, provides guidance to 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. This Statement also addresses certain application issues. Statement 103 will be effective for NVTC beginning with its year ending June 30, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, provides users of government financial statements with essential information about certain types of capital assets. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnership and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

The requirements related to Statement No. 104 will be effective for NVTC beginning with its year ending June 30, 2026.

NVTC has not yet determined the effect of these statements on its financial statements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 15. Subsequent Events

In June 2025, the VRE Operations Board recommended that the Commissions approve a Purchase and Sale Agreement with Spotsylvania County for acquisition by the Commissions of a parking lot at the Spotsylvania VRE Station for a nominal fee of \$10, and authorized the VRE Chief Executive Officer to execute the agreement on behalf of the Commissions and to further execute all documents necessary to conclude the transfer of the property to the Commissions. The parking lot will be appraised and included in VRE's Statements of Net Position and Statements of Revenues, Expenses and Changes in Net Position at the acquisition value yet to be determined. As of October 2025, the execution of the agreement as well as the appraisal are still pending; however, both are expected to be finalized by the end of November 2025.

In February 2025, the Commissions approved an Amended Manassas Line Funding Agreement with the Virginia Passenger Rail Authority (VPRA) authorizing payment by the Commissions of \$155 million to VPRA over a five-year period to acquire four Manassas Line Property Interests from VPRA which are critical to VRE's current and future commuter rail operations. The agreement was executed by the VRE Chief Executive Officer in April 2025 with a purchase deposit of \$26 million paid to VPRA in June 2025. In July 2025, the VRE Operations Board recommended that the Commissions approve a Contract of Purchase and Sale with VPRA for acquisition by the Commissions of the four Manassas Line Property Interests, and authorized the VRE Chief Executive Officer to execute the agreement on behalf of the Commissions and to further execute all documents necessary to conclude the transfer of the four property interests to the Commissions. As of October 2025, the execution of the agreement is still pending; however, the agreement is expected to be finalized by the end of December 2025 with the remaining purchase price of \$129 million currently expected to be fully paid by July 2027.

In September 2025, the VRE Operations Board authorized the Chief Executive Officer to amend the current General Engineering Consulting (GEC VIII) Services Task Orders with HDR Engineering, Inc. for Final Engineering Design Support for the Alexandria Station Improvements and King Street and Commonwealth Avenue Bridge Replacement Project in the amount of \$1,309,000, increasing the authorization for these Task Orders from \$1,412,400 to a total amount not to exceed \$2,721,400. In the course of advancing the final design for both the station improvements, as well as the replacement of the railroad bridges, the need for additional related efforts were identified, including design enhancements and schedule coordination.

In September 2025, the Manassas Park Parking Expansion project was placed in service at an estimated cost of \$33 million pending receipt and payment of all final project vendor invoices. The additional parking will increase station parking capacity for VRE riders, providing an additional 540 spaces for VRE and 196 for the City of Manassas Park, addressing increasing demand for parking at the Manassas Park station.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2025

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY JURISDICTION
JURISDICTION TRUST FUND
Year Ended June 30, 2025

	<u>City of Alexandria</u>	<u>Arlington County</u>	<u>City of Fairfax</u>	<u>Fairfax County</u>	<u>City of Falls Church</u>	<u>Loudoun County</u>	<u>Totals</u>
Additions:							
Contributions from government:							
Commonwealth of Virginia	\$ 33,916,443	\$ 52,674,113	\$ 2,811,471	\$ 119,212,086	\$ 1,783,737	\$ 9,605,479	\$ 220,003,329
Motor Vehicle Fuel Sales Tax	2,287,838	2,391,582	932,593	16,095,194	2,320,426	9,400,845	33,428,478
Intergovernmental revenues, grants:							
Commonwealth of Virginia	11,321,189	18,107,834	1,776,571	44,700,678	591,466	3,185,063	79,682,801
Investment income	3,129,043	4,520,105	278,252	7,798,894	136,436	2,479,042	18,341,772
Total additions	<u>50,654,513</u>	<u>77,693,634</u>	<u>5,798,887</u>	<u>187,806,852</u>	<u>4,832,065</u>	<u>24,670,429</u>	<u>351,456,380</u>
Deductions:							
Funds disbursed to WMATA:							
Capital improvement program	1,202,068	18,590,150	772,368	748,698	(1,704)	1,767,553	23,079,133
Project development	-	206,174	8,566	489,629	(19)	-	704,350
Metrorail operating	21,249,693	40,012,623	1,976,189	73,169,206	2,455,222	10,532,998	149,395,931
Metrobus operating	25,027,524	18,875,428	840,569	48,239,073	1,021,225	-	94,003,819
MetroAccess operating	1,963,592	1,823,833	308,875	9,643,729	105,156	-	13,845,185
Metro debt service	1,778,162	-	111,660	5,623,595	176,387	-	7,689,804
Other funds disbursed:							
Other capital disbursements	177,126	-	28,560	49,191,920	-	-	49,397,606
Other operating disbursements	74,900	5,020,464	960,207	-	-	16,344,369	22,399,940
Total deductions	<u>51,473,065</u>	<u>84,528,672</u>	<u>5,006,994</u>	<u>187,105,850</u>	<u>3,756,267</u>	<u>28,644,920</u>	<u>360,515,768</u>
Change in net position	(818,552)	(6,835,038)	791,893	701,002	1,075,798	(3,974,491)	(9,059,388)
Net position held in trust for member jurisdictions:							
Beginning of year	83,739,471	122,422,153	6,665,571	197,082,576	3,147,500	53,012,803	466,070,074
End of year	<u>\$ 82,920,919</u>	<u>\$ 115,587,115</u>	<u>\$ 7,457,464</u>	<u>\$ 197,783,578</u>	<u>\$ 4,223,298</u>	<u>\$ 49,038,312</u>	<u>\$ 457,010,686</u>

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF GENERAL, ADMINISTRATIVE AND PROJECT EXPENDITURES
GENERAL FUND**

Year Ended June 30, 2025

	Total	General and Administrative	Projects
Expenditures:			
Audit and legal	\$ 47,750	\$ 47,750	\$ -
Capital outlay	9,350	9,350	-
Commissioners' per diem	11,300	11,300	-
Computer	39,454	39,454	-
Copier duplicating	4,051	4,051	-
Disability insurance	15,536	14,468	1,068
Employee group insurance	186,334	173,524	12,810
Employee retirement	219,300	204,225	15,075
Employer payroll taxes	174,763	162,749	12,014
Leave - annual, holiday, and sick	382,126	355,857	26,269
Memberships and subscriptions	1,786	1,786	-
Miscellaneous	15,076	15,076	-
Office supplies	7,817	7,817	-
Office rent *	409,010	409,010	-
Insurance and liability bonds	6,312	6,312	-
Parking and transit	16,385	16,385	-
Postage and shipping	1,194	1,194	-
Consulting, other project costs	1,982,940	80,748	1,902,192
Public information	55,208	53,173	2,035
Salaries and wages	2,080,683	1,938,190	142,493
State liaison	60,000	60,000	-
Telephone and data	14,851	14,851	-
Training and conferences	58,865	58,865	-
Travel and meetings	15,925	15,887	38
Total expenditures	\$ 5,816,016	\$ 3,702,022	\$ 2,113,994

* \$402,504 included in office rent reported as debt service on the Statement of Revenues, Expenditures and Change in Fund Balances. \$327,579 reported as principal retirement and \$74,925 reported as interest expense.

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES
GENERAL FUND
Year Ended June 30, 2025**

	Jurisdiction Grants & Projects	NTD Collection	Route 7	SJ 28 Support	Regional Bus	Zero Emission Bus	Totals
Revenues:							
Commonwealth of Virginia	\$ 51,979	\$ 353,412	\$ 89,620	\$ -	\$ 9,635	\$ -	\$ 504,646
Federal	879,037	-	82,114	-	-	-	961,151
Local	-	-	89,620	-	9,635	-	99,255
NVTC match	-	6,074	47,017	101,338	213,461	181,052	548,942
Total revenue	\$ 931,016	\$ 359,486	\$ 308,371	\$ 101,338	\$ 232,731	\$ 181,052	\$ 2,113,994
Expenditures:							
Consulting	\$ -	\$ 353,412	\$ 102,643	\$ 101,338	\$ 232,731	\$ 181,052	\$ 971,176
Costs incurred	931,016	-	-	-	-	-	931,016
Fringe benefits	-	1,295	65,941	-	-	-	67,236
Public information	-	2,035	-	-	-	-	2,035
Salaries and wages	-	2,744	139,749	-	-	-	142,493
Travel and meetings	-	-	38	-	-	-	38
Total expenditures	\$ 931,016	\$ 359,486	\$ 308,371	\$ 101,338	\$ 232,731	\$ 181,052	\$ 2,113,994

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF I-66 COMMUTER CHOICE TOLL FUNDED PROJECTS AND EXPENDITURES
SPECIAL REVENUE FUND I-66 TOLL REVENUE
Year Ended June 30, 2025**

Project Sponsor	Project Title	Project Number	Approved Toll Revenue Funds	Prior Expenditures	FY 2025 Expenditures	Cumulative Expenditures	FY 2025 Deobligations	Remaining Balance
City of Fairfax	CUE Access and Technology Improvements	600-01-18	\$ 965,000	\$ 357,875	\$ 193,230	\$ 551,105	\$ 413,895	\$ -
Subtotal - Fiscal Year 2018 Program			965,000	357,875	193,230	551,105	413,895	-
Arlington County	Expanded TDM Outreach to the I-66 Corridor	013-02-20	1,350,000	783,764	519,288	1,303,052	46,948	-
Prince William County	New TDM Outreach to the I-66 Corridor	153-01-20	200,000	182,425	16,799	199,224	776	-
PRTC	Enhanced Bus Service from Gainesville to DC	664-01-20	1,519,100	319,100	-	319,100	1,200,000	-
Subtotal - Fiscal Year 2020 Program			3,069,100	1,285,289	536,087	1,821,376	1,247,724	-
Arlington County	Lee Highway HOV and Bus-Only Lane in Rosslyn	013-61-21	710,000	-	-	-	710,000	-
Fairfax County	McLean Metrorail Station North Entrance	059-61-21	1,000,000	-	857,614	857,614	-	142,386
City of Fairfax	City of Fairfax Bike Share Implementation	600-61-21	460,000	231,336	50,449	281,785	-	178,215
Subtotal - Fiscal Year 2021 Program			2,170,000	231,336	908,063	1,139,399	710,000	320,601
PRTC	TDM Strategy - I-66 Corridor Vanpool Parking Benefit	664-61-22	85,000	-	-	-	85,000	-
Fairfax County	New Bus Service from Reston South to Crystal City	059-61-22	5,110,800	-	3,450,000	3,450,000	-	1,660,800
Fairfax County	Fare Buy-Down on Bus Service from Reston North to Crystal City	059-62-22	154,500	-	154,500	154,500	-	-
Subtotal - Fiscal Year 2022 Program			5,350,300	-	3,604,500	3,604,500	85,000	1,660,800
Fairfax County	Renewal of Bus Service from Vienna Metrorail Station to Pentagon	059-61-23	1,232,850	582,934	395,817	978,751	-	254,099
Fairfax County	Trail Access to Vienna Metrorail Station	059-62-23	2,200,000	-	-	-	-	2,200,000
Prince William County	TDM Strategy - Fare Buy-Down on I-66 Commuter Bus Service	153-61-23	650,000	191,010	458,990	650,000	-	-
Arlington County	Ballston-MU Metrorail West Entrance	013-61-23	4,500,000	-	-	-	-	4,500,000
City of Manassas Park	Manassas Park VRE Station Parking Garage	685-61-23	2,500,000	-	-	-	-	2,500,000
PRTC	Renewal of Bus Service from Gainesville to Pentagon and Navy Yard	664-61-23	2,560,449	625,121	832,423	1,457,544	-	1,102,905
PRTC	Renewal of Bus Service from Haymarket to Rosslyn	664-62-23	947,554	124,904	496,800	621,704	-	325,850
NVTC	Program Administration	999-61-23	525,000	173,440	236,086	409,526	-	115,474
Subtotal - Fiscal Year 2023 - 2024 Program			15,115,853	1,697,409	2,420,116	4,117,525	-	10,998,328
Arlington County	ART 75 Service Enhancement: Shirlington to Virginia Square	013-61-25	397,160	-	-	-	-	397,160
Fairfax County	Fairfax Connector Route 699: Monument Drive Park-and-Ride to Downtown Washington, D.C. (Continuation)	059-61-25	2,592,444	-	-	-	-	2,592,444
Fairfax County	Fairfax Connector Route 698: Stringfellow Road Park-and-Ride to the Pentagon (Continuation)	059-62-25	1,506,053	-	-	-	-	1,506,053
Fairfax County	Fairfax Connector Route 697: Stringfellow Road Park-and-Ride to L'Enfant Plaza (Continuation)	059-63-25	2,130,488	-	-	-	-	2,130,488
Fairfax County	Fairfax Centre Bikeshare Expansion	059-64-25	510,000	-	-	-	-	510,000
Loudoun County	Loudoun County Transit Route 281/681 Service Enhancement: Stone Ridge Park-and-Ride to Downtown Washington, D.C. (Continuation)	107-61-25	553,000	-	-	-	-	553,000
Loudoun County	Loudoun County Transit Route 483/883: Harmony Park-and-Ride to Downtown Washington, D.C. (Continuation)	107-62-25	281,000	-	-	-	-	281,000
Prince William County	TDM Strategy: I-66 OmniRide Fare Buy-Down	153-61-25	1,000,000	-	986,662	986,662	-	13,338
PRTC	OmniRide Route 612: Gainesville to the Pentagon (Continuation)	664-61-25	2,393,125	-	-	-	-	2,393,125
PRTC	OmniRide Route 622: Haymarket to Rosslyn (Continuation)	664-62-25	1,621,275	-	-	-	-	1,621,275
VRE	TDM Strategy: Amtrak Step-Up Reinstatement on VRE Manassas Line	990-61-25	537,420	-	-	-	-	537,420
VRE	Crystal City Station Expansion	990-62-25	8,000,000	-	-	-	-	8,000,000
NVTC	Program Administration and Oversight	999-61-25	350,000	-	-	-	-	350,000
NVTC	I-66 Corridor Needs Assessment	999-62-25	250,000	-	147,514	147,514	-	102,486
Subtotal - Fiscal Year 2025 - 2026 Program			22,121,965	-	1,134,176	1,134,176	-	20,987,789
Total			\$ 48,792,218	\$ 3,571,909	\$ 8,796,172	\$ 12,368,081	\$ 2,456,619	\$ 33,967,518

Note: Expenditures are reimbursements made by NVTC to the sponsoring entity. Additional project expenditures may have been incurred by the sponsor, but not yet submitted for program reimbursement. Schedule does not reflect closed-out projects without FY 2025 activity. Expenditures for NVTC program administration and I-66 corridor needs assessment totaling \$383,600 in the table above are reported as transfers in the "Statement of Revenues, Expenditures and Change in Fund Balance."

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF I-395/95 COMMUTER CHOICE TOLL FUNDED PROJECTS AND EXPENDITURES
SPECIAL REVENUE FUND I-395/95 TOLL REVENUE
Year Ended June 30, 2025**

<u>Project Sponsor</u>	<u>Project Title</u>	<u>Project Number</u>	<u>Approved Toll Revenue Funds</u>	<u>Prior Expenditures</u>	<u>FY 2025 Expenditures</u>	<u>Cumulative Expenditures</u>	<u>FY 2025 Deobligations</u>	<u>Remaining Balance</u>
Fairfax County	New Bus Service to the Pentagon with Gambrell and Backlick North Park and Ride Improvements	059-31-20	\$ 3,540,903	\$ 3,424,297	\$ 116,606	\$ 3,540,903	\$ -	\$ -
PRTC	Enhanced Bus Service on Route 1 Local	664-33-20	1,133,500	1,116,069	-	1,116,069	17,431	-
PRTC	New Bus Service from Staffordboro to Downtown D.C.	664-34-20	3,569,200	3,532,072	-	3,532,072	-	37,128
PRTC	New Bus Service from Staffordboro to the Pentagon	664-35-20	3,495,300	3,258,172	-	3,258,172	-	237,128
Subtotal - Fiscal Year 2020 Program			11,738,903	11,330,610	116,606	11,447,216	17,431	274,256
Fairfax County	Renewal of Route 396 Express Bus Service: Backlick North Park and Ride to Pentagon	059-31-22	1,386,000	234,890	1,074,949	1,309,839	-	76,161
Fairfax County	Enhanced Bus Service for Route 371: Lorton to Franconia - Springfield Metro	059-32-22	2,496,529	176,287	641,334	817,621	-	1,678,908
Prince William County	Horner Road Park and Ride Lot Expansion	153-31-22	2,800,000	84,491	308,290	392,781	-	2,407,219
Spotsylvania County	New Park and Ride Lot in Massaponax	177-31-22	1,100,000	900,000	-	900,000	-	200,000
City of Fredericksburg	New Bus Service from Route 208 Park and Ride Lot to Fredericksburg VRE	630-31-22	1,218,800	-	27,367	27,367	1,191,433	-
PRTC	Renewal of Enhanced Bus Service from Dale City to Ballston	664-31-22	291,831	291,284	-	291,284	547	-
PRTC	Renewal of Enhanced Bus Service on Prince William Metro Express: OmniRide Transit Center to Franconia-Springfield Metro	664-32-22	434,776	288,626	146,149	434,775	1	-
PRTC	Renewal of Enhanced Bus Service on Route 1 Local: Quantico to Woodbridge VRE	664-33-22	541,169	265,220	275,949	541,169	-	-
PRTC	Renewal of Bus Service from Staffordboro to Downtown D.C.	664-34-22	968,308	611,279	357,024	968,303	5	-
PRTC	Renewal of Bus Service from Staffordboro to the Pentagon	664-35-22	704,773	386,631	318,142	704,773	-	-
PRTC	TDM Strategy-- I-395/95 Corridor Vanpool Monthly Incentive	664-36-22	604,800	16,000	155,765	171,765	-	433,035
Alexandria Transit Co.	Enhanced Bus Service from Van Dorn Metro to the Pentagon	997-31-22	5,734,000	5,686,952	46,103	5,733,055	945	-
Alexandria Transit Co.	Enhanced Bus Service from Mark Center to Potomac Yard	997-32-22	3,650,000	3,620,000	26,120	3,646,120	3,880	-
NVTC	NVTC Program Administration	999-31-22	800,000	610,429	189,571	800,000	-	-
Subtotal - Fiscal Year 2022 - 2023 Program			22,730,986	13,172,089	3,566,763	16,738,852	1,196,811	4,795,323
Arlington County	Metrobus 16M Service Enhancement: Skyline to Crystal City	013-31-24	5,000,000	-	-	-	-	5,000,000
Alexandria Transit Co.	DASH Line 35 Service Enhancement: Van Dorn Street Station to the Pentagon (Continuation)	997-31-24	7,290,000	1,976,788	3,352,004	5,328,792	-	1,961,208
Alexandria Transit Co.	DASH Line 36A/B Service Enhancement: Mark Center to Potomac Yard-VT Station (Continuation)	997-32-24	3,774,000	1,137,804	1,976,099	3,113,903	-	660,097
Alexandria Transit Co.	DASH Line 35 Bus Fleet Capacity Expansion with Electric Buses: Van Dorn Street Station to the Pentagon	997-33-24	3,452,000	-	-	-	-	3,452,000
Fairfax County	Fairfax Connector Route 396: Backlick North Park and Ride to the Pentagon (Continuation)	059-31-24	1,750,915	-	-	-	-	1,750,915
Fairfax County	Richmond Highway Bus Rapid Transit Implementation: Fort Belvoir to Huntington Station	059-32-24	10,000,000	-	666,462	666,462	-	9,333,538
PRTC	OmniRide Route D-200 Service Enhancement: Dale City to Ballston (Continuation)	664-31-24	304,626	-	67,846	67,846	-	236,780
PRTC	OmniRide Prince William Metro Express Service Enhancement: Dale City to Franconia-Springfield Station (Continuation)	664-32-24	671,678	-	386,809	386,809	-	284,869
PRTC	OmniRide Route 1 Local Service Enhancement: Quantico to Woodbridge Station (Continuation)	664-33-24	755,020	-	251,448	251,448	-	503,572
PRTC	OmniRide Route 543: Staffordboro to Downtown Washington, D.C. (Continuation)	664-34-24	1,025,441	-	903,383	903,383	-	122,058
PRTC	OmniRide Route 942: Staffordboro to the Pentagon (Continuation)	664-35-24	1,638,926	-	991,360	991,360	-	647,566
VRE	TDM Strategy: Amtrak Step-Up Reinstatement on VRE Fredericksburg Line	990-31-24	1,477,065	-	-	-	-	1,477,065
VRE	Crystal City Station Expansion	990-32-24	10,786,281	-	-	-	-	10,786,281
NVTC	Program Administration	999-31-24	500,000	-	157,202	157,202	-	342,798
Subtotal - Fiscal Year 2024 - 2025 Program			48,425,952	3,114,592	8,752,613	11,867,205	-	36,558,747
Total			\$ 82,895,841	\$ 27,617,291	\$ 12,435,982	\$ 40,053,273	\$ 1,214,242	\$ 41,628,326

Note: Expenditures are reimbursements made by NVTC to the sponsoring entity. Additional project expenditures may have been incurred by the sponsor, but not yet submitted for program reimbursement. Schedule does not reflect closed-out projects without FY 2025 activity. Expenditures for NVTC administration and outreach totaling \$346,773 in the table above are reported as transfers in the "Statement of Revenues, Expenditures and Change in Fund Balance."

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF ALLOCATED SPECIAL REVENUE FUND - I-395/95 ACTIVITY
BETWEEN NVTC AND PRTC
Year Ended June 30, 2025**

The agreement between the Commonwealth, NVTC and PRTC states that the annual transit investment funds (ATI) from toll revenue are to be split pro rata based on each commission's population as determined by the most recent population figures of the Weldon Cooper Center. Allocating the ATI in this manner results in the following split between the commissions:

	Total	NVTC	PRTC
Revenues:			
Intergovernmental revenue:			
ATI funds (toll revenue)	\$ 16,971,123	\$ 11,001,281	\$ 5,969,842
Interest income	2,478,406	1,606,590	871,816
Total revenues	<u>19,449,529</u>	<u>12,607,871</u>	<u>6,841,658</u>
Expenditures:			
Current:			
Toll funded project costs	12,089,209	7,836,652	4,252,557
Total expenditures	<u>12,089,209</u>	<u>7,836,652</u>	<u>4,252,557</u>
Other financing uses:			
Transfers	<u>346,773</u>	<u>224,791</u>	<u>121,982</u>
Change in fund balance	7,013,547	4,546,428	2,467,119
Fund balance, beginning of year	<u>47,948,209</u>	<u>31,500,258</u>	<u>16,447,951</u>
Fund balance, end of year	<u>\$ 54,961,756</u>	<u>\$ 36,046,686</u>	<u>\$ 18,915,070</u>

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS
Year Ended June 30, 2025**

<u>Grant</u>	<u>Contract Date</u>	<u>Grant Number</u>	<u>Grant Award</u>	<u>Accrued (Deferred) Revenue 6/30/2024</u>	<u>Cash Received</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued (Deferred) Revenue 6/30/2025</u>	<u>Cumulative Expenditures</u>
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Northern Virginia Transportation Commission

Virginia Department of Rail and Public Transportation (DRPT)

Capital:

Fiscal Year 2016	11/30/2015	72516-05	\$ 68,500	\$ 29,004	\$ 29,004	\$ -	\$ -	\$ -	\$ 68,500
Fiscal Year 2015	11/12/2015	72512-08	460,000	-	-	-	-	-	6,785
Fiscal Year 2010	7/17/2012	72510-08	209,575	-	29,212	29,212	29,212	-	30,292
Fiscal Year 2010	1/7/2014	72510-14	197,505	-	-	-	-	-	13,096
Fiscal Year 2014	1/7/2014	72510-15	221,540	-	-	-	-	-	216,287
Fiscal Year 2010	12/28/2010	72510-18	221,540	-	-	-	-	-	223,363
Fiscal Year 2009	10/1/2010	72509-25	200,600	-	-	-	-	-	26,725
Fiscal Year 2008	8/12/2008	72508-09	175,560	-	-	-	-	-	175,221
Fiscal Year 2008	8/12/2008	72508-12	125,400	-	-	-	-	-	-
Fiscal Year 2008	8/12/2008	72508-16	59,500	-	-	-	-	-	750
Fiscal Year 2008	4/5/2012	72508-52	320,000	-	-	-	-	-	269,700
Fiscal Year 2007	8/12/2008	72507-31	118,973	-	11,221	22,767	22,767	11,546	79,730

Capital and Operating - WMATA:

Fiscal Year 2025		73625-01	220,003,329	-	220,003,329	220,003,329	220,003,329	-	220,003,329
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Special Projects:

Fiscal Year 2025

Shared On-Route BEB		71325-11	300,000	-	-	-	-	-	-
Workforce Development	8/15/2024	71225-10	80,000	-	5,298	5,298	5,298	-	5,298

Fiscal Year 2024

Workforce Development	8/23/2023	71224-05	40,000	11,359	15,603	4,244	4,244	-	39,999
Envision Rt 7	8/23/2023	71324-08	500,000	56,498	98,207	89,620	89,620	47,911	146,118

Fiscal Year 2023

Zero Emission Bus	8/4/2022	71323-03	240,000	8,392	8,392	-	-	-	181,051
Regional Bus	8/4/2022	71323-04	150,000	4,418	14,053	9,635	9,635	-	149,950

Fiscal Year 2020

Regional Fare Collect.	8/2/2019	71320-03	210,000	-	-	-	-	-	185,971
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**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS (continued)
 Year Ended June 30, 2025**

<u>Grant</u>	<u>Contract Date</u>	<u>Grant Number</u>	<u>Grant Award</u>	<u>Accrued (Deferred) Revenue 6/30/2024</u>	<u>Cash Received</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued (Deferred) Revenue 6/30/2025</u>	<u>Cumulative Expenditures</u>
<u>Northern Virginia Transportation Commission (continued)</u>									
Virginia Department of Rail and Public Transportation (DRPT) (continued)									
Total State Assistance - NVTC			\$ 223,902,022	\$ 109,671	\$ 220,214,319	\$ 220,164,105	\$ 220,164,105	\$ 59,457	\$ 221,822,165
Total State Assistance - VRE			<u>199,112,621</u>	<u>42,715,291</u>	<u>49,089,214</u>	<u>19,495,822</u>	<u>19,495,822</u>	<u>13,121,899</u>	<u>158,689,841</u>
Total State Assistance - NVTC and VRE			<u>\$ 423,014,643</u>	<u>\$ 42,824,962</u>	<u>\$ 269,303,533</u>	<u>\$ 239,659,927</u>	<u>\$ 239,659,927</u>	<u>\$ 13,181,356</u>	<u>\$ 380,512,006</u>

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS
Year Ended June 30, 2025**

Grant / Contracted Jurisdiction	Contract Date	Grant Number	Grant Award	Accrued (Deferred) Revenue 6/30/2024	Cash Received	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 6/30/2025	Cumulative Expenditures
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Northern Virginia Transportation Commission, Jurisdiction Trust Fund (contracted directly with individual jurisdictions)

Virginia Department of Rail and Public Transportation (DRPT)

Capital:

Fiscal Year 2025

Arlington County	9/18/2024	71325-12	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fairfax County (TRIP)	3/31/2025	71725-08	1,710,932	-	-	-	-	-	-
Arlington County (TRIP)	9/18/2024	71725-16	629,680	-	112,146	302,029	302,029	189,883	302,029
Arlington County (TRIP)	9/18/2024	71725-17	426,360	-	-	-	-	-	-
Fairfax County (TRIP)	2/14/2025	71725-18	1,543,600	-	-	-	-	-	-
Fairfax County (TRIP)	2/14/2025	71725-19	136,000	-	-	-	-	-	-
City of Alexandria	9/25/2025	72525-15	341,149	-	-	-	-	-	-
City of Alexandria	9/25/2025	72525-16	303,025	-	-	-	-	-	-
City of Fairfax	8/20/2024	73025-37	25,160	-	-	-	-	-	-
Fairfax County	2/14/2025	73025-38	200,600	-	-	-	-	-	-
Fairfax County	2/14/2025	73025-39	306,000	-	-	-	-	-	-
Fairfax County	2/14/2025	73025-40	138,040	-	-	-	-	-	-
Fairfax County	2/14/2025	73025-41	170,000	-	-	-	-	-	-
Fairfax County	2/14/2025	73025-42	350,200	-	-	30,379	30,379	30,379	30,379
Fairfax County	2/14/2025	73025-43	20,400	-	-	-	-	-	-
Fairfax County	2/14/2025	73025-44	1,700,000	-	931,496	931,496	931,496	-	931,496
Fairfax County	2/14/2025	73025-45	5,848,925	-	-	-	-	-	-
Fairfax County	2/14/2025	73025-46	16,189,179	-	-	-	-	-	-

Fiscal Year 2024

Arlington County	10/23/2023	73024-41	3,264,000	-	-	-	-	-	-
Arlington County	10/23/2023	73024-39	7,720,370	-	6,681,932	6,681,932	6,681,932	-	6,681,932
Arlington County	10/23/2023	73024-40	429,760	-	304,353	304,353	304,353	-	304,353
Arlington County	1/7/2025	50085-01	12,317,448	-	1,994,977	4,563,497	4,563,497	2,568,520	4,563,497
City of Fairfax	11/9/2023	73024-44	27,200	-	-	-	-	-	-
City of Fairfax	11/9/2023	73024-45	42,840	-	-	-	-	-	-
City of Fairfax	5/21/2024	73124-04	28,560	-	28,560	28,560	28,560	-	28,560
Fairfax County	3/15/2024	73024-46	448,800	-	75,387	75,387	75,387	-	75,387
Fairfax County	3/15/2024	73024-48	748,000	-	190,114	190,114	190,114	-	190,114
Fairfax County	3/15/2024	73024-49	816,000	-	-	-	-	-	-
Fairfax County	3/15/2024	73024-47	1,224,000	-	-	-	-	-	-
Fairfax County	3/15/2024	73024-50	170,000	-	121,842	121,842	121,842	-	121,842
Fairfax County	3/15/2024	73024-51	21,241,873	10,112,623	20,579,802	10,467,179	10,467,179	-	20,579,802
Fairfax County	3/15/2024	73024-52	1,767,999	501,932	1,767,999	1,266,067	1,266,067	-	1,767,999
Fairfax County (TRIP)	3/15/2024	71702-01	11,200,000	-	-	-	-	-	-
Fairfax County (TRIP)	3/15/2024	50053-03	969,762	-	40,972	40,972	40,972	-	57,680
Fairfax County	3/15/2024	73024-53	122,400	-	70,545	70,545	70,545	-	70,545

Fiscal Year 2023

Arlington County	11/21/2022	73023-37	710,000	241,779	241,779	-	-	-	482,800
Arlington County	11/21/2022	73023-38	652,000	73,649	73,649	-	-	-	443,361
Arlington County	11/21/2022	73023-39	421,000	-	-	-	-	-	-
Arlington County	11/21/2022	73023-40	463,000	-	50,379	50,379	50,379	-	58,457

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS (continued)
Year Ended June 30, 2025**

Grant / Contracted Jurisdiction	Contract Date	Grant Number	Grant Award	Accrued (Deferred) Revenue 6/30/2024	Cash Received	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 6/30/2025	Cumulative Expenditures
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Northern Virginia Transportation Commission, Jurisdiction Trust Fund (contracted directly with individual jurisdictions) (continued)

Virginia Department of Rail and Public Transportation (DRPT) (continued)

Capital (continued):

Fiscal Year 2023 (continued)

Arlington County	11/21/2022	73023-41	\$ 550,000	\$ 37,196	\$ 185,968	\$ 148,772	\$ 148,772	\$ -	\$ 185,968
Arlington County	7/22/2022	50068	20,611,000	10,915,715	15,412,707	4,496,992	4,496,992	-	20,609,918
City of Alexandria	8/10/2023	72523-29	1,194,538	-	-	-	-	-	-
City of Alexandria	3/30/2023	73023-43	3,284,926	-	3,253,486	3,253,486	3,253,486	-	3,253,486
City of Fairfax	8/4/2022	73023-45	34,000	-	23,372	23,372	23,372	-	23,372
Fairfax County	11/21/2022	73023-46	85,000	-	15,208	15,208	15,208	-	80,034
Fairfax County	11/21/2022	73023-48	12,775,794	-	-	-	-	-	11,572,939
Fairfax County	11/21/2022	73023-49	448,800	14,201	107,467	93,266	93,266	-	448,800
Fairfax County	11/21/2022	73023-50	628,999	-	-	-	-	-	478,508
Fairfax County	11/21/2022	73023-51	442,000	-	-	-	-	-	263,833
Fairfax County	11/21/2022	73023-52	816,000	-	62,481	62,481	62,481	-	62,481
Fairfax County	11/21/2022	73023-53	1,496,000	-	287,006	287,006	287,006	-	326,377
Fairfax County	11/21/2022	73023-54	147,557	46,492	46,492	-	-	-	46,492
Fairfax County	11/21/2022	73023-55	176,800	-	-	-	-	-	14,411
Fairfax County	11/21/2022	73023-56	1,428,000	-	-	-	-	-	-
Fairfax County	11/21/2022	73023-57	775,200	-	58,115	58,115	58,115	-	716,784
Fairfax County	8/5/2022	73122-53	816,000	331,465	335,670	4,205	4,205	-	816,000
Fairfax County	8/5/2022	73122-54	204,004	-	-	-	-	-	203,943
Fairfax County	4/11/2024	72522-61	5,200,000	-	5,171,369	5,171,369	5,171,369	-	5,171,369
Fiscal Year 2022									
Arlington County	12/9/2021	73022-30	9,288,800	-	-	-	-	-	8,939,407
Arlington County	12/9/2021	73022-31	750,000	-	152,803	152,803	152,803	-	382,339
Fairfax County	12/3/2021	73022-35	408,000	-	-	-	-	-	391,463
Fairfax County	12/3/2021	73022-36	816,000	45,277	110,732	65,455	65,455	-	811,787
Fairfax County	12/3/2021	73022-38	816,000	58,741	160,632	112,878	112,878	10,987	350,444
Fairfax County	12/3/2021	73022-40	2,725,592	-	-	-	-	-	1,269,524
Fiscal Year 2021									
City of Alexandria	3/5/2021	71321-10	75,000	-	74,900	74,900	74,900	-	74,900
Arlington County	3/7/2021	73021-56	1,647,923	-	-	-	-	-	1,586,398
City of Fairfax	2/8/2021	73021-57	2,040,000	-	-	-	-	-	44,787
Fairfax County	3/5/2021	73021-59	170,000	-	-	-	-	-	15,935
Fairfax County	3/5/2021	73021-62	102,000	-	-	-	-	-	64,306
Fairfax County	3/5/2021	73021-63	68,000	-	-	-	-	-	32,949
Fairfax County	3/5/2021	73021-64	102,000	-	-	-	-	-	98,897
Fiscal Year 2020									
Arlington County	11/30/2020	73020-29	14,604,694	556,390	-	-	-	556,390	556,390
City of Alexandria	10/11/2019	73020-31	612,000	-	-	136,306	136,306	136,306	361,457
Arlington County	11/30/2020	73020-35	25,000,000	5,105,635	5,105,635	-	-	-	25,000,000
Fairfax County	10/11/2019	73020-42	306,000	-	-	-	-	-	215,644
Fairfax County	10/11/2019	73020-44	1,700,000	-	-	-	-	-	1,695,354

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS (continued)
Year Ended June 30, 2025**

Grant / Contracted Jurisdiction	Contract Date	Grant Number	Grant Award	Accrued (Deferred) Revenue 6/30/2024	Cash Received	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 6/30/2025	Cumulative Expenditures
<u>Northern Virginia Transportation Commission, Jurisdiction Trust Fund (contracted directly with individual jurisdictions) (continued)</u>									
Virginia Department of Rail and Public Transportation (DRPT) (continued)									
Capital (continued):									
Fiscal Year 2019									
Fairfax County	8/6/2019	73019-42	\$ 5,950,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,575,026
Fairfax County	8/6/2019	73019-43	3,740,000	-	-	-	-	-	1,817,738
Fairfax County	8/6/2019	73019-48	357,000	-	-	-	-	-	352,660
Fairfax County	4/20/2020	73019-88	1,124,651	-	-	-	-	-	842,443
Fairfax County	4/20/2020	73019-89	930,750	-	-	-	-	-	137,986
Fiscal Year 2018									
Arlington County	9/19/2017	73018-50	1,979,140	-	437,953	437,953	437,953	-	772,679
Arlington County	9/19/2017	73018-54	979,880	69,750	75,604	5,854	5,854	-	668,264
Fairfax County	12/14/2017	73018-60	8,500,000	-	-	-	-	-	8,498,026
Fiscal Year 2017									
Arlington County	10/26/2016	73017-58	2,210,000	-	-	-	-	-	647,042
City of Alexandria	6/22/2018	72517-09	406,315	-	-	-	-	-	-
Fiscal Year 2016									
Fairfax County	9/24/2015	73016-73	1,870,000	-	-	-	-	-	1,846,406
Operating									
Fiscal Year 2025									
Arlington County		72025-21	5,574,618	-	5,574,618	5,574,618	5,574,618	-	5,574,618
City of Alexandria		72025-22	9,437,848	-	9,437,848	9,437,848	9,437,848	-	9,437,848
City of Fairfax		72025-23	1,598,498	-	1,598,498	1,598,498	1,598,498	-	1,598,498
City of Fairfax		50069-02	231,000	-	231,000	231,000	231,000	-	231,000
Fairfax County		72025-24	26,810,560	-	26,810,560	26,810,560	26,810,560	-	26,810,560
Total State Assistance - Jurisdiction Trust Fund			<u>\$ 278,956,149</u>	<u>\$ 28,110,845</u>	<u>\$ 107,996,056</u>	<u>\$ 83,377,676</u>	<u>\$ 83,377,676</u>	<u>\$ 3,492,465</u>	<u>\$ 183,667,723</u>

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2025**

Federal Assistance Listing Number	Grant Number	Grant Award	Accrued (Deferred) Revenue 6/30/2024	Cash Received	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 6/30/2025	Cumulative Expenditures
<u>Northern Virginia Transportation Commission</u>								
Federal Transit Administration								
NVTC Envision Route 7	20.534	VA 2025-012	\$ 2,000,000	\$ -	\$ -	\$ 82,114	\$ 82,114	\$ 82,114
Eisenhower Ave. South Entrance	20.507	VA 95-0107	1,840,000	-	-	-	-	27,138
Eisenhower Ave. Intermodal Station	20.500	VA 04-0022	1,442,203	-	44,884	91,067	91,067	296,099
Alexandria Transit Service Improvements	20.500	VA 04-0033	1,761,000	-	433,917	671,121	671,121	1,583,988
Eisenhower Ave Bus Loop	20.500	VA 04-0048	1,640,700	-	116,849	116,849	-	235,695
Total Federal Assistance - NVTC			\$ 8,683,903	\$ -	\$ 595,650	\$ 961,151	\$ 961,151	\$ 2,225,034

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

COMPLIANCE SECTION

YEAR ENDED JUNE 30, 2025

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Honorable Commission Board Members
Northern Virginia Transportation Commission

We have audited, 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 (*Government Auditing Standards*); and the *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, each major fund, and the remaining aggregate fund information of the Northern Virginia Transportation Commission (Commission), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated November 20, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PBMares, LLP

Harrisonburg, Virginia
November 20, 2025