



NVTC EXECUTIVE COMMITTEE MEETING

THURSDAY, DECEMBER 5, 2019

**Navy League Building – First Floor Small Conference Room
2300 Wilson Blvd., Arlington, VA 22201**

Please note earlier start time

6:00 P.M.

AGENDA

1. Summary of the November 14, 2019 Executive Committee Meeting
2. Report from the NVTC Committee Chairs
3. Discussion of 2019 Officers and Committee Nominations
4. FY2021 G&A Budget and 2020 Work Plan
 - **ACTION ITEM: Approve the FY2021 G&A Budget and 2020 Work Plan and Recommend Commission Approval of Both Documents at the January 2020 Meeting**
5. Review of the December 5, 2019 NVTC Agenda
6. Upcoming Commission Activities
7. Report from the Auditors (Executive Committee serving as Audit Committee)
8. Closed Session (if needed)

Members:

Matt Letourneau, Chairman
Sharon Bulova
Katie Cristol
Christian Dorsey
Adam Ebbin
Cathy Hudgins
David Meyer
Paul Smedberg
Dave Snyder

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**NVTC EXECUTIVE COMMITTEE
MEETING SUMMARY
NVTC Suite #230 Large Conference Room
Navy League Building – Arlington, Virginia
November 14, 2019**

NVTC Executive Committee Members Present:

Matt Letourneau, Chairman
Katie Cristol
Christian Dorsey
Catherine Hudgins
David Meyer
David Snyder

NVTC Executive Committee Members Absent:

Sharon Bulova
Adam Ebbin
Paul Smedberg

Other NVTC Commissioners Present:

Jennifer Mitchell

Staff and Others Present:

Kate Mattice, Executive Director
Scott Kalkwarf
Steve MacIsaac
Penny Newquist

Chairman Letourneau called the Executive Committee meeting to order at 6:20 P.M.

The October 3rd Executive Committee Meeting Summary was provided. Ms. Hudgins moved, with a second by Mr. Meyer, to approve the summary. The vote in favor was cast by Ms. Cristol, Mr. Dorsey, Ms. Hudgins, Mr. Letourneau, Mr. Meyer and Mr. Snyder.

Legislative and Policy Committee Chairman David Meyer reported that the committee met prior to this meeting. He gave a brief update on committee discussions about the 2020 Legislative Agenda, which is being presented as an information item at the full Commission meet. NVTC WMATA Committee Chair Cathy Hudgins reported that the committee met last on September 18th and is scheduled to meet again on December 18, 2019.

Ms. Mattice and Mr. Kalkwarf discussed the FY2021 Budget Assumptions. Ms. Mattice stated that current revenues come from four sources: 1) take down from State Aid (DRPT) to jurisdictions; 2) direct contributions; 3) I-66 Commuter Choice administrative funding approved by the

Commonwealth Transportation Board (CTB); and 4) I-395/95 Commuter Choice administrative funding approved by the CTB.

Ms. Mattice explained the factors affecting the FY2021 budget, which include the following:

- First year of full rent in new office lease
- First year of retirement contributions for new staff
- First full fiscal year of I-66 and I-395 revenues
- Review of costs that should be allocated to toll revenue programs

Ms. Mattice stated staff is proposing the following approach:

- Maintain adequate funding for compensation adjustments, staff training
- Minimize increase in jurisdictional contributions (getting as close to <5%+)
- Maximize allowable costs from toll revenue program
- Hold on introduction of new financial management personnel (was projected for FY2021)

Ms. Mattice stated that the next steps include the jurisdictional funding partner meeting next Tuesday to discuss the budget assumptions. The budget will then be presented to the Executive Committee in December for approval to present to the full Commission at its January meeting.

The Executive Committee discussed putting on hold the new financial management personnel. The committee directed staff to provide a budget option that includes this position.

The Executive Committee reviewed the highlights of the November 14, 2019 NVTC Agenda. NVTC received another endorsement letter request from Arlington County for NVTAF funding for the Ballston Metro Station, which is being presented as a Blue Item under the Consent Agenda. Deputy Secretary Nick Donohue will present Long Bridge funding and proposed amendments to the I-66 Memorandum of Agreement. Action items include I-66 Commuter Choice call for projects, accepting the Envision Route 7 Phase III Study. There will also be a Closed Session at the end of the meeting.

Ms. Mattice reviewed upcoming Commission activities, focusing on the December 2019 and January 16th Commission meetings. Commissioners are being asked to hold the February 6th meeting date, but the current plan is to cancel the February meeting in lieu of VACO/VML day in Richmond.

The Executive Committee then went into Closed Session at 7:00 P.M. Chairman Letourneau moved, with a second by Mr. Dorsey, the following motion:

Pursuant to the Virginia Freedom of Information Act (Section 2.2-3711A.1 of the Code of Virginia), the Northern Virginia Transportation Commission's Executive Committee moves to convene a Closed Session to discuss personnel matters involving the employment agreement with the CRE Chief Executive

Officer, the employment agreement of the NVTC executive director, and one appointee of NVTC.

The vote in favor was cast by committee members Cristol, Dorsey, Hudgins, Letourneau, Meyer, and Snyder. Ms. Mitchell stayed during the Closed Session.

After returning to Open Session at 7:13 P.M., Chairman Letourneau moved, with a second by Mr. Dorsey, the following certification:

The Northern Virginia Transportation Commission Executive Committee certifies that, to the best of each member's knowledge and with no individual member dissenting, at the just concluded Closed Session:

- 1) Only public business matters lawfully exempted from open meeting requirements under the Freedom of Information Act were discussed; and
- 2) Only such public business matters as were identified in the motion by which the closed session was convened were heard, discussed or considered.

The vote in favor was cast by committee members Cristol, Dorsey, Hudgins, Letourneau, Meyer and Snyder.

The meeting adjourned at 7:14 P.M.

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PROPOSED BUDGET

**FISCAL YEAR
2021**

(July 1, 2020 – June 30, 2021)

December 5, 2019

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SCHEDULE OF REVENUE
Proposed Budget FY 2021

	<u>FY 2019 Actual</u>	<u>Approved Budget FY 2020</u>	<u>Proposed Budget FY 2021</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Local Share from State Aid (Note 1)	\$ 1,764,453	\$ 1,903,253	\$ 2,033,353	\$ 130,100	
Local Direct Contributions (Note 1)					
Alexandria	39,689	39,016	39,567	551	
Arlington	57,815	61,616	64,369	2,753	
City of Fairfax	4,660	4,966	4,651	(315)	
Fairfax County	169,598	164,451	163,471	(980)	
Falls Church	2,325	2,291	2,099	(192)	
Loudoun	10,160	11,907	10,090	(1,817)	
Total Local Direct	<u>284,247</u>	<u>284,247</u>	<u>284,247</u>	<u>-</u>	
Total Contributions	2,048,700	2,187,500	2,317,600	130,100	5.9%
Interest and Other Revenue	11,659	12,000	13,000	1,000	8.3%
Project Chargebacks (Note 2):					
Commuter Choice Program	461,017	1,200,000	984,300	(215,700)	-18.0%
VRE	80,000	80,000	80,000	-	0.0%
Project Grant Billings (Note 3)	23,612	40,000	40,000	-	0.0%
Appropriated Surplus (Note 4)	(39,778)	155,000	221,200	66,200	42.7%
Total Revenue	<u>\$ 2,585,210</u>	<u>\$ 3,674,500</u>	<u>\$ 3,656,100</u>	<u>\$ (18,400)</u>	<u>-0.5%</u>
<i>Commuter Choice Programs</i>	<i>461,017</i>	<i>1,200,000</i>	<i>984,300</i>	<i>(215,700)</i>	<i>-18.0%</i>
<i>Operating Program, Excluding C.C.</i>	<u>\$ 2,124,193</u>	<u>\$ 2,474,500</u>	<u>\$ 2,671,800</u>	<u>\$ 197,300</u>	<u>8.0%</u>

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SCHEDULE OF EXPENDITURES**

Proposed Budget FY 2021

	<u>FY 2019 Actual</u>	<u>Approved Budget FY 2020</u>	<u>Proposed Budget FY 2021</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
<u>Personnel Costs</u>					
Salaries and Wages (Note 5)	\$ 1,417,801	\$ 1,831,500	\$ 1,901,700	\$ 70,200	3.8%
Fellow Program (Note 5)	30,293	50,000	50,000	-	0.0%
Total Personnel Costs	1,448,094	1,881,500	1,951,700	70,200	3.7%
<u>Benefits</u>					
Employer's Contributions					
FICA and Medicare (Note 6)	99,781	128,000	133,100	5,100	4.0%
Group Health Insurance (Note 7)	110,810	169,300	169,500	200	0.1%
Retirement (Note 8)	140,971	148,100	174,000	25,900	17.5%
Workers & Unemployment Comp.	1,369	6,000	5,000	(1,000)	-16.7%
Life Insurance	4,555	6,900	6,600	(300)	-4.3%
Long Term Disability Insurance	7,093	9,100	9,500	400	4.4%
Total Benefit Costs	364,579	467,400	497,700	30,300	6.5%
<u>Administrative Costs</u>					
Commissioners Per Diem (Note 9)	13,122	17,800	14,600	(3,200)	-18.0%
Rents:	259,268	303,700	391,600	87,900	28.9%
Office Rent (Note 10)	238,111	283,400	366,000	82,600	29.1%
Parking / Metrochek	21,157	20,300	25,600	5,300	26.1%
Insurance:	6,426	6,800	6,800	-	0.0%
Public Official Bonds	2,000	2,000	2,000	-	0.0%
Liability and Property (Note 11)	4,426	4,800	4,800	-	0.0%
Travel, Training and Development	35,727	42,800	44,200	1,400	3.3%
Conferences / Prof. Devel (Note 12)	18,375	26,200	26,700	500	1.9%
Non-Local Travel	2,220	4,300	3,100	(1,200)	-27.9%
Local Travel, Meetings (Note 13)	15,132	12,300	14,400	2,100	17.1%
Communication:	14,985	13,800	15,500	1,700	12.3%
Postage (Note 14)	1,364	1,400	1,400	-	0.0%
Telephone and Data (Note 15)	13,621	12,400	14,100	1,700	13.7%
Publications & Supplies	25,634	25,600	28,700	3,100	12.1%
Office Supplies (Note 16)	3,874	2,700	2,800	100	3.7%
Duplication and Printing (Note 17)	11,063	10,900	10,900	-	0.0%
Public Engagement (Note 18)	10,697	12,000	15,000	3,000	25.0%
Operations:	34,993	36,500	37,200	700	1.9%
Furn.and Equip. (Capital) (Note 19)	18,503	14,600	13,600	(1,000)	-6.8%
Repairs and Maintenance	894	1,000	1,000	-	0.0%
Computer Operations (Note 20)	15,596	20,900	22,600	1,700	8.1%
Other General and Administrative	9,974	9,300	9,600	300	3.2%
Memberships	1,589	1,400	1,600	200	14.3%
Fees and Miscellaneous	6,465	6,400	6,500	100	1.6%
Advertising (Note 21)	1,920	1,500	1,500	-	0.0%
Total Administrative Costs	400,129	456,300	548,200	91,900	20.1%
<u>Contracting Services and Other</u>					
Auditing (Note 22)	17,710	23,800	24,500	700	2.9%
Contract Services & Support (Note 23)					
Commuter Choice	207,521	690,500	479,000	(211,500)	-30.6%
Other Technical	112,177	120,000	120,000	-	0.0%
Legal (Note 24)	35,000	35,000	35,000	-	0.0%
Total Contract Services	372,408	869,300	658,500	(210,800)	-24.2%
Total Operating Program	\$ 2,585,210	\$ 3,674,500	\$ 3,656,100	\$ (18,400)	-0.5%
Commuter Choice Programs	461,017	1,200,000	984,300	(215,700)	-18.0%
Operating Program, Excluding C.C.	<u>\$ 2,124,193</u>	<u>\$ 2,474,500</u>	<u>\$ 2,671,800</u>	<u>\$ 197,300</u>	<u>8.0%</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

Notes to Fiscal Year 2021 Proposed Budget

1. Revenue: Jurisdictional Contributions

Revenue from Local Direct Contributions

Each NVTC jurisdiction is assigned a share of the local portion of NVTC's administrative budget based on its share of revenue received by NVTC on behalf of jurisdictions from all sources in the previous year. This procedure is required by state statute and results in changes in contributions from one year to another that vary for each jurisdiction depending on relative shares of revenue received. The allocation in this FY2021 budget is based on the FY2019 revenue and Subsidy Allocation Model (SAM) formula.

Revenue from State Assistance

NVTC receives state operating and capital assistance for its WMATA compact members' annual commitments to WMATA and those jurisdictions' local transit systems. NVTC allocates this revenue among the jurisdictions based on NVTC's SAM and holds the funds in trust for the jurisdictions' transit use. Before the funding is allocated, NVTC's SAM resolution states that amounts are to be applied to certain NVTC projects, and a portion of the general and administrative budget of NVTC. The amount used for NVTC's general and administrative expenses is determined each year by NVTC's approved budget.

2. Revenue: Project Chargebacks

This category includes reimbursable expenses related to the administration of the Commuter Choice programs, and charges for NVTC staff support for VRE and reimbursed from VRE's budget.

3. Revenue: Project Grant Billings

The FY2021 budget assumes a grant from DRPT's Intern Program that provides funding at 80 percent of payroll and related costs of NVTC's Transit Fellows program.

4. Revenue: Appropriated Surplus

Included as a source of revenue in the FY2021 budget is projected excess accumulated surplus that is available to offset the budget expenses, which is the result of prior year favorable budget variances. This available surplus is in excess of the Commission's anticipated minimum operating requirements.

5. Personnel Costs

Salaries and Wages

The FY2021 budget holds staff levels constant with the prior year budget. A provision is included for merit and COLA increases for existing staff.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

Notes to Fiscal Year 2021 Proposed Budget

Fellows Program

The budget continues the NVTC Fellows Program, which began in FY2015, by building NVTC's technical capacity and strengthening its ties with members of the research network. The budget assumes grant funds from DRPT's Intern Program will be available to provide 80 percent of payroll and related costs of this program.

The Fellows Program provides a cost efficient and flexible way to employ new graduates and mid-career professional to complete specific short-term projects over a one- to six-month period. While the primary purpose is to provide high-priority technical expertise for specific projects and products, it has also served as a valuable recruitment tool and created opportunities to connect with university programs within Virginia and nationally.

6. FICA and Medicare

NVTC's budgeted share of FICA and Medicare taxes is a function of budgeted payroll and the current tax rates.

7. Group Health Insurance

A provision for health insurance coverage is included for all NVTC staff positions, regardless of whether or not the current employees in those positions participate in NVTC's health insurance plan. Unless all eligible employees participate in NVTC's health insurance program, actual expenditures will be less than budgeted. The budgeted amount is based on actual rates with a provision for increasing premiums.

8. Retirement

The budgeted amount of employer pension contributions for the NVTC Target Benefit Pension Plan is based on actuarial formulas using budgeted staff and salary levels for FY2021. Because the formulas take into account factors in addition to payroll costs, such as years to retirement and investment return, changes in budgeted contributions do not necessarily change directly with budgeted payroll. Several employees hired in new positions established in FY2019 and FY2020 will become eligible to fully participate in the plan during FY2021, causing an increase in costs as compared to FY2020.

9. Commissioners' Per Diem

The FY2021 budget is based upon the FY2019 actual expenditures, which includes per diem costs of the WMATA and Program Advisory Committees, which began meeting in FY2019. Commissioners, other than senators and delegates, are paid by NVTC at the statutory rate of \$50.

10. Office Rent

The administrative office lease was renewed during FY2019 for a larger space effective March 15, 2019 to accommodate NVTC's increasing staff levels. Rent expense included in the FY2021 budget is based upon the fixed costs of the lease, which increase at 2.5 percent per year. The lease contains a provision for the abatement of the first month's rent 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 lease year ending March 14, 2020. Off-site file storage is also included in this budget line.

11. Insurance: Liability and Property

The FY2021 budget is based on the most recent premium year with a provision for increasing costs.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
Notes to Fiscal Year 2021 Proposed Budget

12. Conference / Professional Development

Included in this line for FY2021 are the estimated registration, travel and lodging costs for conferences, professional development, in-house training, and accreditation. The budget assumes NVTC staff will participate in the Governor's Transportation Conference, the Virginia Transit Association Conference, and represent the region in conferences hosted by a variety of organizations. With the initiation of the Commuter Choice Program, our engagement in WMATA reform and funding discussions, and our participation in state-level funding discussion, NVTC staff have been asked to speak at several conference and events outside the Washington, DC region. Wherever possible, NVTC will continue to minimize travel expenditures through locally-sponsored events and maximize opportunities to speak at events where the registration fee is waived for speakers.

13. Local Travel, NVTC and Other Meetings

This line includes the costs of NVTC Commission meetings, hosting regional meetings and events, and the costs of NVTC staff traveling to meetings elsewhere in the region.

14. Postage

This item is based on an average of prior years' actual costs.

15. Telephone and Data

This line includes the fixed contracted cost for phone and data service at NVTC's office, and mobile and data service for staff.

16. Office Supplies

The FY2021 budget for this item is based on the average of prior years' actual costs.

17. Duplication and Printing

During FY2016, NVTC negotiated a five-year copier lease and service contract. The FY2021 budget is based on these agreements and projected usage levels. The cost of paper and staples, which are not included in the contract, have been budgeted based upon prior year costs.

18. Public Engagement

The budget includes a provision for costs related to public engagement on WMATA matters as required by HB1539, costs related to public engagement as required by HB1285, the costs to produce NVTC's annual report, and other public outreach costs such as social media.

19. Furniture and Equipment

This budget category provides for the replacement and acquisition of office furniture and equipment, including computer hardware.

20. Computer Operating Expense

Computer operating expenses include outside network consulting and services, software licensing fees, software upgrades and supplies, web hosting fees, hosted email, and a provision for disaster recovery efforts. The FY2021 budget is based on an average of prior year actual costs, recognizing an increase in NVTC's software requirements and staff levels with a provision for security enhancements.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
Notes to Fiscal Year 2021 Proposed Budget

21. Advertising (Personnel/Procurement)

The FY2021 budget includes a provision for personnel and procurement advertising. An average of prior year costs was used to develop the budgeted amount as this category fluctuates from year to year based on needs.

22. Auditing

NVTC entered into a three-year contract for auditing services beginning with the audit of FY2015, with two, two-year options. The FY2021 budget is based on the costs included in this contract.

23. Contract Services and Support

Commuter Choice Programs

I-66 Commuter Choice Program

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. In FY2017, NVTC launched the initial year of the I-66 Commuter Choice Program. The FY2021 budget assumes NVTC will continue to administer this program and provide all program administration and outreach.

I-395 Commuter Choice Program

In 2017, NVTC and the Potomac and Rappahannock Transportation Commission (PRTC) entered into a 66-year agreement with the Commonwealth of Virginia to fund a program of projects to be funded by revenues generated by the tolling of I-95/I-395. The FY2021 budget assumes NVTC will administer this program on behalf of both NVTC and PRTC and provide all program administration and outreach..

Other Technical

The FY2021 budget includes a provision for research and technical support efforts, specialized analysis, related publications, and a provision for contracted human resource support. NVTC's state liaison activities contract is also funded in this line item.

Whenever possible, NVTC intends to leverage other funding sources and utilize contracts of other agencies in an effort to reduce costs.

24. Legal

In FY2015, the Commission appointed Arlington County's Counsel as Counsel to NVTC. Appointed Counsel has provided essential services in matters internal to the commission and in relation to the Commission's roles and responsibilities with regard to WMATA. In addition, Counsel has provided advice, drafting, and training with respect to compliance with Virginia FOIA and Open Meetings Act requirements, as well as review of contracts, agreements and board resolutions. NVTC's Counsel also serves as counsel for VRE.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SCHEDULE OF REVENUE - ADDITIONAL POSITION OPTION
Proposed Budget FY 2021

	<u>FY 2019 Actual</u>	<u>Approved Budget FY 2020</u>	<u>Proposed Budget Option FY 2021</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Local Share from State Aid (Note 1)	\$ 1,764,453	\$ 1,903,253	\$ 2,140,753	\$ 237,500	
Local Direct Contributions (Note 1)					
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Loudoun	10,160	11,907	10,090	(1,817)	
Total Local Direct	<u>284,247</u>	<u>284,247</u>	<u>284,247</u>	<u>-</u>	
Total Contributions	2,048,700	2,187,500	2,425,000	237,500	10.9%
Interest and Other Revenue	11,659	12,000	13,000	1,000	8.3%
Project Chargebacks (Note 2):					
Commuter Choice Program	461,017	1,200,000	984,300	(215,700)	-18.0%
VRE	80,000	80,000	80,000	-	0.0%
Project Grant Billings (Note 3)	23,612	40,000	40,000	-	0.0%
Appropriated Surplus (Note 4)	(39,778)	155,000	221,200	66,200	42.7%
Total Revenue	<u>\$ 2,585,210</u>	<u>\$ 3,674,500</u>	<u>\$ 3,763,500</u>	<u>\$ 89,000</u>	<u>2.4%</u>
<i>Commuter Choice Programs</i>	<i>461,017</i>	<i>1,200,000</i>	<i>984,300</i>	<i>(215,700)</i>	<i>-18.0%</i>
<i>Operating Program, Excluding C.C.</i>	<u>\$ 2,124,193</u>	<u>\$ 2,474,500</u>	<u>\$ 2,779,200</u>	<u>\$ 304,700</u>	<u>12.3%</u>

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SCHEDULE OF EXPENDITURES - ADDITIONAL POSITION OPTION**

Proposed Budget FY 2021

	<u>FY 2019 Actual</u>	<u>Approved Budget FY 2020</u>	<u>Proposed Budget Option FY 2021</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
<u>Personnel Costs</u>					
Salaries and Wages (Note 5)	\$ 1,417,801	\$ 1,831,500	\$ 1,991,700	\$ 160,200	8.7%
Fellow Program (Note 5)	30,293	50,000	50,000	-	0.0%
Total Personnel Costs	1,448,094	1,881,500	2,041,700	160,200	8.5%
<u>Benefits</u>					
Employer's Contributions					
FICA and Medicare (Note 6)	99,781	128,000	140,100	12,100	9.5%
Group Health Insurance (Note 7)	110,810	169,300	176,600	7,300	4.3%
Retirement (Note 8)	140,971	148,100	174,000	25,900	17.5%
Workers & Unemployment Comp.	1,369	6,000	5,100	(900)	-15.0%
Life Insurance	4,555	6,900	6,800	(100)	-1.4%
Long Term Disability Insurance	7,093	9,100	10,000	900	9.9%
Total Benefit Costs	364,579	467,400	512,600	45,200	9.7%
<u>Administrative Costs</u>					
Commissioners Per Diem (Note 9)	13,122	17,800	14,600	(3,200)	-18.0%
Rents:	259,268	303,700	393,400	89,700	29.5%
Office Rent (Note 10)	238,111	283,400	366,000	82,600	29.1%
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Insurance:	6,426	6,800	6,800	-	0.0%
Public Official Bonds	2,000	2,000	2,000	-	0.0%
Liability and Property (Note 11)	4,426	4,800	4,800	-	0.0%
Travel, Training and Development	35,727	42,800	44,600	1,800	4.2%
Conferences / Prof. Devel (Note 12)	18,375	26,200	27,100	900	3.4%
Non-Local Travel	2,220	4,300	3,100	(1,200)	-27.9%
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Communication:	14,985	13,800	15,500	1,700	12.3%
Postage (Note 14)	1,364	1,400	1,400	-	0.0%
Telephone and Data (Note 15)	13,621	12,400	14,100	1,700	13.7%
Publications & Supplies	25,634	25,600	28,700	3,100	12.1%
Office Supplies (Note 16)	3,874	2,700	2,800	100	3.7%
Duplication and Printing (Note 17)	11,063	10,900	10,900	-	0.0%
Public Engagement (Note 18)	10,697	12,000	15,000	3,000	25.0%
Operations:	34,993	36,500	37,500	1,000	2.7%
Furn.and Equip. (Capital) (Note 19)	18,503	14,600	13,600	(1,000)	-6.8%
Repairs and Maintenance	894	1,000	1,000	-	0.0%
Computer Operations (Note 20)	15,596	20,900	22,900	2,000	9.6%
Other General and Administrative	9,974	9,300	9,600	300	3.2%
Memberships	1,589	1,400	1,600	200	14.3%
Fees and Miscellaneous	6,465	6,400	6,500	100	1.6%
Advertising (Note 21)	1,920	1,500	1,500	-	0.0%
Total Administrative Costs	400,129	456,300	550,700	94,400	20.7%
<u>Contracting Services and Other</u>					
Auditing (Note 22)	17,710	23,800	24,500	700	2.9%
Contract Services & Support (Note 23)					
Commuter Choice	207,521	690,500	479,000	(211,500)	-30.6%
Other Technical	112,177	120,000	120,000	-	0.0%
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Total Contract Services	372,408	869,300	658,500	(210,800)	-24.2%
Total Operating Program	\$ 2,585,210	\$ 3,674,500	\$ 3,763,500	\$ 89,000	2.4%
Commuter Choice Programs	461,017	1,200,000	984,300	(215,700)	-18.0%
Operating Program, Excluding C.C.	\$ 2,124,193	\$ 2,474,500	\$ 2,779,200	\$ 304,700	12.3%

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Draft NVTC Work Plan

January 2020 to June 2021

The NVTC Work Plan serves as a guiding document for NVTC staff to support the mission of the Commission. This Work Plan identifies specific programs, projects, and tasks that NVTC staff intend to perform during the period from January 2020 through June 2021 (fiscal years FY2020 – 2021). It is intended to be a living document that can be updated as priorities and projects change.

This document supports NVTC's Strategic Framework, Implementation Plan, and, and was developed in consultation with the Management Advisory Committee (MAC). The MAC is a forum to facilitate cooperative regional solutions, to keep local governments informed, and to solicit feedback on ongoing programs, projects, and initiatives.

NVTC's activities in the Work Plan are categorized in the following outline:

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NVTC's Mission, Vision and Strategic Goals

Mission: As the premier transit organization in Northern Virginia, NVTC brings the region together to plan, coordinate, and secure funding for transit systems that are financially sustainable and high performing.

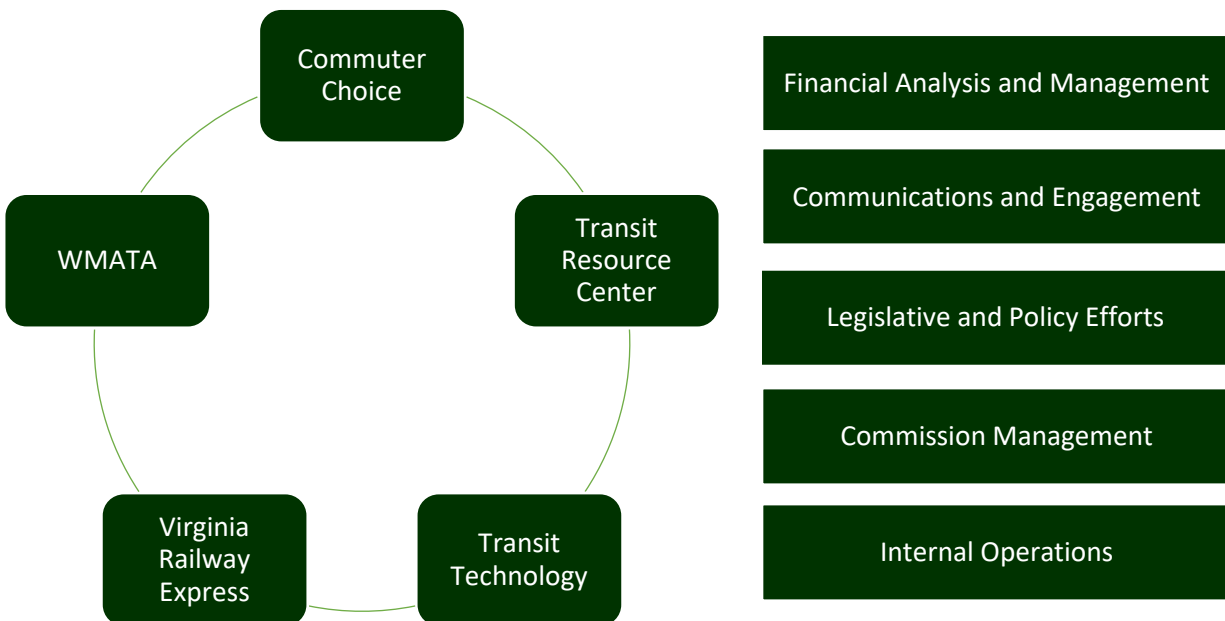
Vision: Northern Virginia businesses and residents are served by a high capacity, high quality network of transit systems that allows our diverse region to thrive economically.

Strategic Goals:

- Increase the capacity of the regional transit network by expanding and improving the quality, coverage, and frequency of new and existing systems, including Metro, VRE and new transit services.
- Improve the access and mobility throughout Northern Virginia by connecting the regional and local transit systems.
- Promote safe, reliable, and financially sound performance and management of regional transit systems.

Programs and Crosscutting Functions

NVTC has five programs that support the implementation of the Commission's mission and vision. These programs provide technical assistance, enable data collection and analysis, facilitate regional engagement and jurisdictional coordination, and manage a groundbreaking funding program. It is important to note that these programs interact with and support each other on a regular basis, enabling NVTC to provide comprehensive support to member jurisdictions, partner agencies, and to the Commission and to provide the best representation for our jurisdictions and to ensure NVTC's work adds value for Northern Virginia, the greater DC region, and the Commonwealth.



1. Programs

Program Advisory Committee Support

All the programs described below fall under the purview of the Program Advisory Committee (PAC), except for the WMATA program which falls under the NVTC WMATA Committee.

Per the Commission's By-Laws, the PAC is responsible for providing leadership and guidance in the development of Commission-administered programs. The PAC is convened as needed and in coordination with the PAC Chair.

NVTC staff is responsible for the development and distribution of Committee materials, meeting logistics (in coordination with the Commission Secretary), and all other responsibilities to support the needs of the Committee.

Commuter Choice

The Commuter Choice program is a groundbreaking program that invests toll revenue into transit service, transportation demand management, and other multimodal improvements along the I-66 Inside the Beltway and I-395/95 toll corridors. NVTC, in partnership with the Potomac and Rappahannock Transportation Commission (PRTC), Virginia Department of Transportation (VDOT), Virginia Department of Rail and Public Transportation (DRPT), and the Commonwealth Transportation Board (CTB), manages this competitive funding program through the tasks outlined in the section below.

1) Program Management and Administration

- a) Provide ongoing administration of the program to ensure compliance with relevant Memorandums of Agreement (MOAs).
 - i. Work with staff and legal counsel on policy decisions governing future calls for projects and program administration.
 - ii. Coordinate with regional and state agencies that administer other competitive funding programs to align program milestones.
 - iii. Coordinate with PRTC (as needed) on the ongoing management and administration of the I-395/95 Commuter Choice Program.
 - iv. Transition Commuter Choice to two-year calls for projects.
 - v. Work with financial counsel and financial advisors on financing issues as needed.
 - vi. Maintain and update the Commuter Choice program website to provide relevant, timely information for applicants, grantees, and stakeholders.
- b) Plan for future changes to program administration
 - i) Develop a framework for multiple-year funding commitments for capital projects.
 - ii) Evaluate program management software tools for applicability to and usefulness in managing the growing portfolio of funded projects.
- c) Prepare annual report and program updates
 - i) Prepare and submit the fiscal year report to the CTB as required by the MOA.

- ii) Prepare and update (as needed) a handbook for funding recipients that provides a comprehensive guide to Commuter Choice program eligibility, policies, and procedures.
- iii) Prepare and submit corridor transit reports to the Commission(s).

Deliverables: I-66 Round Four Call for Projects; Preparation for I-395/95 Round Two Call for Projects; Annual Report to the CTB; Corridor Transit Reports

2) Project Selection Process

- a) Prepare application materials received from the calls to secure Commission(s) approval.
- b) Hold educational briefings with eligible applicants. Provide technical assistance and guidance during application process.
- c) Lead technical consultants (in coordination with DRPT) in the eligibility determination, evaluation, and scoring of project applications.
- d) Provide program updates at Commission(s) meetings and present final program of projects for Commission(s) approval.
- e) Coordinate with DRPT to prepare project list and supporting materials for CTB consideration.
- f) Develop potential project list for presentation to the staff and Program Advisory Committee (PAC)/Joint Commission Working Group (JCWG) and consideration by the Commission(s).
- g) Hold public hearing and facilitate online public outreach efforts to explain projects to the public and answer questions about the program.

Deliverables: Eligibility screening workshop with DRPT; Workshops with eligible applicants; PAC and JCWG briefings

3) Standard Project Agreements (SPA)

- a) Work with legal counsel on updates to SPA as needed.
- b) Monitor funded projects to ensure performance and compliance with terms of SPA
- c) Work with funding recipients on performance measures and financial elements of SPA (Appendix A and B).
- d) Facilitate execution of SPAs for approved projects with awarded jurisdictions and the Commission(s).

Deliverables: Updated SPA for I-66 Round Four and I-395/95 Round Two

4) Reimbursement and Financial Reporting

- a) Host quarterly meetings with grantees to receive required project level reports and ensure projects are meeting implementation, reporting, and financial milestones.
- b) Review and approve project reimbursement requests.
- c) Track expenses and reimbursements by corridor, fiscal year program, project, grantee, etc.
- d) Coordinate with NVTC financial team.

5) Outreach and Marketing

- a) Plan and implement public meetings and public input process.

- b) Plan and implement groundbreaking events in collaboration with local jurisdictions and transit providers.
- c) Promote the Commuter Choice program and events through NVTC's social media and other venues.
- d) Create and maintain a Commuter Choice website focused on marketing of projects and programs to toll facility users and the general public (upon completion of the Needs Assessment Study).

Deliverables: Public outreach report for I-66 Round Four; Completion of Needs Assessment Study; RFP for Commuter Choice marketing website

Internal Coordination: Transit Resource Center, WMATA, Financial Analysis and Management, Communications and Engagement, Legislative and Policy, Commission Management

Transit Resource Center

The Transit Resource Center provides technical assistance to member jurisdictions; collects, analyzes, and reports data from all NVTC's programs; manages the Envision Route 7 Bus Rapid Transit (BRT) project; and supports coordination with other regional transportation organizations. An overview of the tasks within the Transit Resource Center are outlined below.

1) Regional Transit Performance Data Collection and Analysis

- a) Collect and analyze transit data.
 - a. Publish the Annual Transit Performance Report.
 - b. Provide jurisdictional and regional transit performance data through materials and presentations, and on NVTC's website.
 - c. Provide data analysis for NVTC jurisdictions and the Commission on regional and national issues that impact transit planning, operations, organizations and ridership.
 - d. Disseminate findings through authoring reports and presentations.
- b) Support Required data collection efforts.
 - a. Work with local governments to coordinate collection of performance data for the Federal Transit Administration's (FTA) National Transit Database (NTD).
 - b. Manage the contract for NTD data collection on behalf of Northern Virginia's transit systems. Oversee data collection efforts to facilitate the receipt of federal funds to the region.
 - c. Report the Washington Metropolitan Area Transit Authority's (WMATA) monthly ridership and parking utilization to comply with the Department of Rail and Public Transportation's (DRPT) OLGA reporting requirements and report to NVTC Commissioners. Ensure that the data are consistent, timely and accurate.
- c) Develop and Maintain TBEST Model
 - a. Use technical tools to perform in-depth, regional and multijurisdictional analyses in support of Northern Virginia transit systems.
 - b. Develop and validate jurisdictional transit network models for demand projection and operational planning analyses.

- c. Analyze various operational scenarios including additions, eliminations and modifications of bus routes, service level changes (e.g., increases and cuts), and changes in external circumstances, including demographic changes, macroeconomic shocks and changes in networks of complementing transit systems (as requested by jurisdictions or transit providers).
- d. Document implementation procedure so any NVTC analyst can implement the model in the Northern Virginia context.
- e. Collect necessary data from sources including jurisdictions and effectively manage them to enable implementation of the demand projection model.

Deliverables: Annual Transit Performance Report; Model outputs for jurisdiction-led projects

2) Commuter Choice Corridor Analyses

- a) Report on Transit Performance in Commuter Choice Corridors
 - a. Conduct regular analysis on the transit ridership and other metrics to understand the performance of transit along the I-66 Inside the Beltway and I-395/95 Corridors.
 - b. Coordinate with VDOT and TPB to collect corridor-based data necessary for analyses.

Deliverables: Corridor Transit Report

3) Envision Route 7 Bus Rapid Transit (BRT) Study

- a) Complete Phase III work and close out of relevant contracts and grants.
- b) Apply for DRPT Technical Assistance grant to support Phase IV (Traffic Analysis along Virginia Route 7 from approximately I-66 to the Seven Corners area).
- c) Procure consultant services for Phase IV (pending grant and local match approval).
 - a. Continue to coordinate with relevant jurisdictional and stakeholder staff to further the study of high-quality transit on Route 7.
 - b. Assist in identifying financial resources for continued study and programing for BRT along the Route 7 corridor.
- d) Continue advocating for high quality transit in the Route 7 corridor and inclusion of transit options for the corridor in regional planning studies.

Deliverables: Scope of work and budget for Phase IV; Application to DRPT; RFP for Phase IV

4) Regional Coordination and Collaboration

- a) Provide technical support to the NVTA (Northern Virginia Transportation Authority) on regional planning efforts in order to better provide for regional transit needs.
- b) Participate regionally focused technical, program, or study committees assisting in planning, funding, preliminary engineering and environmental analysis for transit in the region, including but not limited to:
 - a. Transportation Planning Board
 - b. Potomac and Rappahannock Transportation Commission
 - c. Northern Virginia Transportation Authority
 - d. Northern Virginia Regional Commission
 - e. Virginia Department of Rail and Public Transportation

- f. Virginia Department of Transportation
- g. Virginia Railway Express
- h. Metropolitan Washington Council of Governments
- i. Washington Metropolitan Area Transit Authority

Internal Coordination: WMATA, Grants Management, Commuter Choice, Communications and Engagement, Legislative and Policy Efforts

Transit Technology

The Transit Technology program provides technical assistance related to fare collection, oversees the implementation of NVTC's Regional Fare Collection Strategic Plan, and engages with regional, state, and national transit technology stakeholders to build Commission knowledge about innovative transit mobility services and emerging technologies. An overview of the tasks within the Transit Technology Program are outlined below.

1) Implementation of the NVTC's Regional Fare Collection Strategic Plan

- a) Provide updates to the Program Advisory Committee and the Commission on the status of the Strategic Plan.
- b) Facilitate regional coordination through the Fare Collection Working Group.
- c) Identify areas of research/analysis that will support implementation of the Strategic Plan.

2) Regional Fare Collection

- a) Next Generation Regional Fare Collection:
 - i. Collaborate with jurisdictions to plan a future fare collection system and keep the existing system operational.
 - ii. Work with jurisdictions to understand future fare collection vision, needs and timelines.
 - iii. Lead discussions of a long-term fare collection strategy to include fare collection as a service, mobile payments, payment convergence with other services as needed and other account-based approaches.
 - iv. Examine the capabilities to leverage existing fare collection capabilities within the region including mobile ticketing applications.
 - v. Coordinate discussions with WMATA and regional partners on fare collection initiatives including reporting system upgrades, new farebox procurement, retail network improvements, and new farebox procurement.
 - vi. Represent the needs of Northern Virginia transit systems during the development and implementation of WMATA's mobile application initiative, including monitoring the progress of software development and testing, participating in user interface reviews, and assist with regional partner testing.
- b) Farebox/Driver Control Unit (DCU) Upgrade Support
 - i. Coordinate with WMATA and local jurisdictions on design, testing and procurement to deliver hardware and software upgrades for buses and bus garages.
 - ii. Gather functional and technical requirements.

- iii. Support coordination with WMATA and NVTC jurisdictions through regular updates on activities, progress and analysis and actively seeking input on the entities' needs.
 - iv. Work with the jurisdictions to identify integration capabilities and to review the preferred integration approach from technical and contractual perspectives.
 - v. Review pilot and testing activities, plans, and results.
- c) **Off-Board Fare Collection**
- i. Work with jurisdictions to coordinate regional off-board payment activities.
 - ii. Analyze vendors and technologies.
 - iii. Assist in evaluation and selection of a strategy considering issues such as networking requirements, payment card industry data security standard compliance, and backend integration with the Regional Fare Collection program.
 - iv. Support procurement of selected technologies to include vendor oversight and coordination, design reviews, backend integration, testing and installation.

3) **Grant Management**

- a) Manage DRPT grants that support the regional fare collection project: Technical Assistance (TA) Grant and Capital Grant.
- b) Manage consultant support provided through TA grant, including approving work products and annual work plans, reviewing and approving invoices, coordinating with Northern Virginia DRPT grant staff, etc.

Internal Coordination: Transit Resource Center, WMATA, Financial Analysis and Management

Virginia Railway Express

NVTC, as co-owner (with the Potomac and Rappahannock Transportation Commission) of the Virginia Railway Express (VRE), provides oversight of the railway to promote safe, reliable and financially sound performance and management.

1) **VRE Operations Board Support**

- a) Facilitate the annual appointment of NVTC's principal and alternate members of the VRE Operations Board.
- b) Provide staff support, in coordination with jurisdictional staff when necessary, to NVTC-appointed VRE Board members.
- c) Participate on VRE's Coordination Committee (VCC) and Chief Administrative Officer's Task Force and attend VRE Operations Board meetings.

2) **Budget and Financial Management**

- a) Facilitate NVTC's approval of VRE's annual operating and capital budgets, including the prioritization of the Commuter Rail Operation and Capital (C-ROC) Fund. Participate and provide technical support at budget review sessions.
- b) Apply and receive state and regional assistance on behalf of VRE, including DPRT transit capital and operating funding, Rail Enhancement Funds, and Smart Scale and NVTA funds.

- c) Assist VRE planning staff on ridership, travel forecasting, federal funding programs, and other technical items.

3) VRE Surveys

- a) Provide staff and technical support to VRE for the customer service surveys each spring by assisting with on-board survey distribution.
- b) Provide staff and technical support to VRE for the Master Agreement Annual Ridership Survey each fall by assisting with on-board survey distribution and conducting the survey address verification process using GIS technology.

4) Technical and Communications Support

- a) Amplify and actively share VRE public communications through NVTC social media.
- b) Serve on technical and legislative advisory committees, as requested.
- c) Review Operations Board materials for consistency with the Master Agreement and approved budgets. Maintain close communications with PRTC and VRE staff to coordinate the writing and presentation of VRE action items to the two Commissions.

Deliverables: Audited annual survey report and maps

Internal Coordination: WMATA, Legislative and Policy, Financial Analysis and Management

Washington Metropolitan Area Transit Authority

NVTC exercises leadership through the appointment and support of Virginia's members of the Washington Metropolitan Area Transit Authority (WMATA) Board of Directors to promote safe, reliable and financially sound performance, management, and oversight of WMATA. Staff supports the NVTC WMATA Committee to facilitate and represent jurisdictional interests and to ensure access to NVTC's WMATA principal director.

1) WMATA Committee Support

- a) Develop and implement the committee's annual work plan.
- b) Manage and staff the NVTC WMATA Committee to facilitate committee guidance and feedback, leading to committee endorsement and recommendation for the full Commission to approve of the *Annual Report on the Performance and Condition of WMATA*.
- c) Manage and staff the NVTC WMATA Committee to provide a venue for discussion of WMATA issues directly affecting the NVTC region and NVTC jurisdictions.
- d) Manage and lead a jurisdictional staff working group to provide staff support for NVTC's WMATA Board principal member and members of NVTC's WMATA Committee.
- e) Inform NVTC Commissioners of pending WMATA Board decisions of regional significance.

2) Annual Report on the Performance and Condition of WMATA

- a) Develop and submit to the General Assembly and the Governor an annual report on the performance and condition of WMATA that includes the following:
 - a. The safety and reliability of the rapid heavy rail mass transportation system and bus network.

- b. The financial performance of WMATA related to the operations of the rapid heavy rail mass transportation system, including farebox recovery, service per rider, and cost per service hour.
 - c. The financial performance of WMATA related to the operations of the bus mass transportation system, including farebox recovery, service per rider, and cost per service hour.
 - d. Potential strategies to reduce the growth in such costs and to improve the efficiency of WMATA operations.
 - e. Use of the funds provided from the Mass Transit Fund to improve the safety and condition of the rapid heavy rail mass transportation system.
 - f. Ridership of the rapid heavy rail mass transportation system and the bus mass transportation system.
 - b) Manage technical staff to ensure that the report will meet expectations of the Commission, the General Assembly, and the Administration.
 - c) Communicate and present this report to the Commonwealth Transportation Board, Governor's Office, General Assembly, and other interested stakeholders.
 - d) Publish the report and associated information on NVTC's website.
- 3) Annual Certification of WMATA Documents
- a) Request the following documents from WMATA annually:
 - a. Annual capital budget; annual independent financial audit;
 - b. National Transit Data annual profile; and
 - c. Single audit report issued in accordance with the Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (2 C.F.R Part 200).
 - b) Certify the receipt of these documents to Commonwealth Comptroller no later than June 30 of each year.
- 4) Virginia WMATA Board Member Support
- a) Facilitate the annual appointment of Virginia's two principal and two alternate members of the WMATA Board of Directors (January).
 - b) Provide primary staff support on WMATA related meetings and issues to NVTC's WMATA Board principal member or their designed alternate.
 - c) Facilitate and lead NVTC WMATA Board member preparation calls in advance of WMATA Board and committee meetings. Participate in WMATA-run Board meeting preparation calls and provide input as necessary.
 - d) Ensure communication and facilitation between the Commonwealth and NVTC's principal WMATA Board members.
 - e) Provide staff support to WMATA Board members prior to NVTC Commission meetings.
 - f) Participate on WMATA's Jurisdictional Coordinating Committee (JCC).

- a. Monitor and report on the development of WMATA's annual operating and capital budgets and multi-year CIP.
 - b. Coordinate with jurisdictional staff and DRPT on WMATA's compliance with CTB policy guidelines for the implementation of governance and funding reforms for WMATA.
 - c. Actively participate in the development of the Capital Funding Agreement.
- 5) Support for Northern Virginia Jurisdictions
- a) Participate and provide reports on JCC deliberations and WMATA Board actions to Northern Virginia jurisdictions, as requested.
 - b) Facilitate jurisdictional issues with WMATA that rise to the attention of the NVTC WMATA Board principal member.
 - c) Assist Loudoun County as it transitions to full participation in WMATA leading up to the completion of the Silver Line Phase 2.
 - d) Participate in WMATA-led planning studies, including but not limited to the Metrobus Transformation Project, Blue-Orange-Silver Corridor Study, etc.
- 6) Northern Virginia Transit Response Coordination
- a) Facilitate the Northern Virginia Transit Response Coordination Group to discuss the impacts and mitigation efforts of WMATA's planned capital work or other major service disruption events on an as-need basis.
 - b) Conduct or participate in regularly scheduled after-action review from Metrorail service disruption mitigation activities with WMATA and jurisdictional staff.
 - c) Document lessons learned and improvements of post-service disruption mitigation efforts. Compile an after-action summary for Commissioners and staff.
 - d) Maintain database of all Northern Virginia transit facilities and operations to serve as a resource for planners and stakeholders in Metrorail disruption coordination efforts.
 - e) Provide technical and planning assistance to jurisdictions and WMATA on regional service disruption mitigation coordination efforts.

Deliverables: Annual Report on the Performance and Condition of WMATA; Lessons learned from the Summer 2020 Metrorail shutdown; Annual certification letter to Commonwealth

Internal Coordination: Transit Resource Center, Transit Technology, Commuter Choice, VRE, Legislative and Policy Efforts, Financial Analysis and Management, Commission Management

2. Financial Analysis and Administration

Identify and implement cooperative strategies with member governments to maximize transit revenues aimed at achieving adequate, dedicated, stable and reliable financial support from the federal government, Commonwealth, region and private sector. Facilitate the fair and equitable allocation of transit assistance among governments. Manage grants, contracts, and trust funds fairly and effectively, according to state and federal laws and NVTC's policies.

Support for Member Jurisdictions

- 1) Ensure the stability of the current sources of transit funding available to NVTC's local governments.
- 2) Serve as the central point of contact for Northern Virginia transit system financial information.
- 3) Analyze funding proposals produced by regional and statewide studies and identify policy issues for consideration by the Commission.
- 4) Identify and help obtain funding for new transit projects that are recommended by NVTC's jurisdictions.

Financial Analysis

1) Regional Gas Tax Revenues

- a) Monitor NVTC's regional gas tax receipts from the Division of Motor Vehicles (DMV) for reasonableness of collections in total and by jurisdiction.
- b) Employ database and spreadsheet models to identify unanticipated discrepancies at the taxpayer level by jurisdiction and in total.
- c) Maintain communications with DMV regarding both unusual activities identified by NVTC and DMV audit activity. Make suggestions for improving the program.
- d) Brief the MAC as needed on processes, issues and solutions.

2) State Transit Revenues

- a) Participate on the Transit Service Delivery Advisory Committee (TSDAC) to assist DRPT in reviewing the distribution process for transit capital and operating funds.

3) Transit Funding Opportunities

- a) Produce financial projections and an analysis of the growing gap between transit operating and capital needs versus available financial resources.
- b) Participate in regional and statewide efforts to define public transit needs and identify funding sources.
- c) Identify and seek to implement stable, reliable, permanent and dedicated funding sources for operating and capital expenses for WMATA, VRE and local transit systems.
- d) Coordinate regional efforts and prepare analytic tools, communication materials and editorials to promote such funding.

Grants Management, Trust Funds, Contracts and Compliance

1) State Assistance

- a) Prepare and submit state assistance applications through DRPT's Online Grant Administration (OLGA) system as grantee for the NVTC jurisdictions' share of WMATA operating subsidies and capital requirements.

- b) Report WMATA annual ridership, operating expenses, performance metrics data, and other information requested by DRPT as a requirement for receiving state assistance. This data is utilized by DRPT in calculating NVTC's operating assistance.
 - c) Review and submit state operating and capital assistance applications for local systems through DRPT's OLGA system as agent for the NVTC jurisdictions.
 - d) Manage NVTC and NVTC jurisdiction state grants, including the preparation and review of timely grant invoicing.
 - e) Participate with VRE and NVTC jurisdictions in quarterly project status review meetings with DRPT.
 - f) Work with DRPT and grantees to achieve the maximum funding available.
- 2) I-66 and I-395/95 Commuter Choice
- a) Monitor and reconcile net toll revenue receipts from VDOT with actual collections and Commonwealth Transportation Board (CTB) approved project funding levels.
 - b) Review reimbursement requests for adequate support of eligible expenses; approve and disburse funds.
 - c) Ensure recipient compliance with project agreement provisions.
 - d) Account for direct costs of administering the program.
 - e) Account for and report toll revenue activity as a separate Special Revenue fund.
- 3) NVTC Subsidy Allocation Model
- a) Maintain NVTC's subsidy allocation model (SAM) utilizing the most recent WMATA and local budget information on transit costs, revenues and subsidies.
 - b) Determine each local government's share of NVTC assistance using the annual SAM percentages.
 - c) Apportion shares of the direct local contributions to NVTC's administrative budget using the annual SAM percentages.
 - d) Provide projections and other analysis of annual transit assistance to the NVTC jurisdictions for planning purposes.
- 4) NVTC Jurisdiction Trust Funds
- a) Allocate revenue to NVTC jurisdictions through the NVTC trust fund upon receipt using the annual SAM percentages.
 - b) Prepare timely and accurate quarterly cash flow forecasts of available transit assistance sources and uses for the NVTC jurisdictions.
 - c) Prepare quarterly reports of actual NVTC trust funds activity for use by NVTC jurisdictions.
 - d) Manage and invest trust funds according to NVTC policy by safeguarding assets while maximizing liquidity and investment return.
- 5) Commuter Rail Operations and Capital Fund (C-ROC)
- a) Monitor collections of all C-ROC Funds from the Department of Motor Vehicles (DMV).
 - b) Provide periodic reports to the Commissions about the funds in the C-ROC Fund, including monthly receipts, amounts expended, the amount of funds held and investment earnings.

6) Financial Reporting, Accounting, Audit, Compliance and Contracting

- a) Prepare the annual financial statements, disclosures, and supplementary information for NVTC's annual audit.
- b) Manage a multi-year audit services contract.
- c) Accomplish unqualified auditors' opinions and provide financial and compliance reports to the appropriate regulatory agencies.
- d) Maintain up-to-date compilations of state and federal grant regulations and ensure staff is adequately trained in grant, contract and project management.
- e) Maintain current documents and policies to facilitate prompt procurement in compliance with state and federal laws.
- f) Perform internal accounting functions, including invoicing, accounts receivable, cash receipts, accounts payable, disbursements and transfers, payroll, general ledger and reconciliations.

7) Federal Grants

- a) Apply for federal grants on behalf of member jurisdictions and manage grants as the designated recipient for FTA funds. Currently, NVTC is the designated recipient of federal grants for the cities of Alexandria and Falls Church. For these grants, NVTC will:
 - i. Maintain subrecipient agreements which outline terms, conditions and expectations.
 - ii. Ensure subrecipient agreements include all the information required by FTA and 2 CFR 200.
 - iii. Review reimbursement requests to ensure costs are reasonable, allocable, and allowable in accordance with 2 CFR 200 and terms of the award.
 - iv. Host quarterly project management meetings with the subrecipient and FTA.
 - v. File quarterly financial and milestone reports (1/30, 4/30, 7/30, 10/30), semi-annual Disadvantaged Business Enterprise (DBE) reports (6/1, 12/1) and other required documentation in FTA's grants management system (TrAMS).
 - vi. Monitor subrecipients to ensure proper stewardship of federal funds and performance goal attainment.
 - vii. Provide technical assistance as needed.
 - viii. Close out completed grants.
- b) Establish NVTC's FY2021-2023 DBE Overall Goal in accordance with 2 CFR 26.45.
- c) Administer Title VI and DBE Programs and provide technical assistance to subrecipients as needed.
- d) Ensure NVTC and subrecipients are in compliance with all relevant FTA regulations and guidelines in numerous areas such as legal, financial management, technical capacity, continuing control, maintenance, procurement, civil rights, and National Transit Database.
- e) Attend workshops and webinars presented by FTA to maintain awareness of changes in federal requirements and processes.
- f) Submit annual certifications and assurances to the FTA and maintain subrecipient's signed annual certifications and assurances on file.

Deliverables: Annual Audit(s); Annual NVTC Budget; Monthly Financial Report; FY2021-2023 DBE Overall Goal Submission

Internal Coordination: Commuter Choice, Transit Resource Center, Transit Technology, VRE, WMATA, Legislative and Policy Efforts

3. Communications and Engagement

Improve the public's understanding and appreciation of transit's role in Northern Virginia and the Commonwealth and increase participation in transit-related decision-making.

1) Partnerships

- a) Identify opportunities to host or participate in transit-related events with Northern Virginia's chambers of commerce and other business representatives.
- b) Identify and apply for grants, in partnership with local jurisdictions and transit agencies, to support a multi-faceted marketing campaign designed to increase bus and rail ridership in Northern Virginia.
- c) Identify opportunities to host a spring transit tour of Northern Virginia for state legislators.
- d) Partner with government agencies, business groups, and national, state and local associations to promote transit through educational programs, complementary messaging and attendance at conferences, seminars and workshops.
- e) Develop a network of jurisdictional and agency public information officers to facilitate the sharing of information, work on projects of mutual benefit, and leverage resources.
- f) Serve on the Virginia Transit Association's (VTA) annual awards and conference planning committees.

2) Internal and External Relations

- a) Serve as the point of contact for the news media, interest groups, U.S. Congress and Virginia General Assembly, and public for transit issues in Northern Virginia.
 - i. Keep the news media, interest groups and local jurisdictions apprised of Commission meetings and hearings, actions, analyses, research, reports and events.
 - ii. Share transit-related information from external sources – print/broadcast media, online publications and bloggers, transit agencies and state/local governments – with Commissioners, MAC, agency public information officers, transit advocacy groups, and staff.
 - iii. Participate and speak at chamber of commerce events, homeowner association meetings, and jurisdictional governing-body and committee meetings as requested.
- b) Develop and distribute information and resources necessary for Commissioners to fulfill their responsibilities, including the annual member manual, NVTC website, e-newsletters and monthly Executive Director reports.
- c) Develop and distribute written and visual communications, such as project fact sheets, issue briefs, web content, frequently asked questions, press releases and targeted e-mail

communications on transit-related topics, as well as testimony for Commissioners and NVTC senior leadership.

3) Online Communication

- a) Maximize NVTC's online presence to further its mission.
 - a. Build NVTC's website as a research and information resource.
 - b. Expand NVTC's social media presence to drive traffic to novatransit.org and program pages.
 - c. Maintain up-to-date project information on the website to inform the public and Commissioners on the latest project news.
 - d. Use online analytics and surveys to monitor the effectiveness of online communication and outreach efforts.
 - e. Develop new content, such as podcasts and videos, to enhance NVTC's reputation as the primary source of transit-related information in Northern Virginia and improve the public's understanding of both transit and NVTC's role in the region.

4) Public Outreach

- a) Develop and implement communications plans and budgets for transit studies and multimodal grant programs.
 - a. Publicize and solicit public comment through multiple channels, such as meetings and hearings, advertising, pop-up events, online crowdsourcing, email, mail and telephone.
 - b. Plan and promote public meetings and hearings in consultation with local jurisdictions, transportation agencies and transit providers.
 - c. Design and create materials, such as flyers, handouts, infographics, email blasts, display boards, PowerPoint presentations, and videos.
 - d. Establish distinct project- and program-specific social media presence.
- b) Plan and implement activities that engage the public and promote NVTC programs and initiatives.
- c) Participate in and support the annual public meeting for Northern Virginia transportation organizations, as required by HB1285 (2018).
- d) Support and coordinate with Commuter Choice program outreach and marketing efforts.
- e) Complete post-WMATA shutdown marketing effort to return riders to transit; analyze results to gain insights for potential future campaigns.
- f) Update and streamline NVTC website to ensure user friendliness and adherence to usability standards.
- g) Unify NVTC outreach materials to ensure consistent branding and messaging across all platforms.
- h) Expand in-person outreach efforts through networking and attendance at public events.

5) Title VI Civil Rights Compliance

- a) Ensure NVTC's compliance with the federal Title VI program.
 - i. Use GIS to conduct a demographic analysis to determine the location of concentrations of minority and limited English proficiency (LEP) persons.

- ii. Seek out and consider the viewpoints of minority, low-income and LEP persons during public outreach and involvement activities.
- iii. Strive to overcome linguistic, institutional, cultural, economic, historical or other barriers that might prevent minority, low-income and LEP persons from effectively participating in NVTC's decision-making process.
- iv. Target outlets that support or serve affected populations when soliciting public participation and/or comment.
- v. Translate printed materials and advertisements into languages other than English and offer translators and sign-language interpreters at public meetings/hearings, when appropriate.

Deliverables: Daily news clips; Website and social media posts; Post-2020 Metrorail shutdown marketing campaign scope, budget, and RFP; Presentations and handouts; Annual Title VI certification to FTA

Internal Coordination: Commuter Choice, WMATA, Legislative and Policy Efforts, Financial Analysis and Management

4. Legislative and Policy Efforts

Legislative and Policy Committee Support

Per the Commission's By-Laws, the Legislative and Policy Committee is responsible for the development of the annual legislative and policy agenda and serves as a venue for discussion of legislative and policy matters that directly affect NVTC programs, the NVTC region, and transit in Northern Virginia. The committee is typically convened regularly between October and March.

NVTC staff is responsible for the development and distribution of committee materials, meeting logistics (in coordination with the Commission Secretary), and all other responsibilities to support the needs of the committee.

Development of Legislative and Policy Agenda

Devise, coordinate and implement legislative and policy strategies based on sound policy analysis in coordination with legislative staff from relevant jurisdictions, agencies and partner organizations.

1) State and Federal Legislative Policy Agenda

- a) Assist NVTC's Legislative and Policy Committee with adopting a state and federal legislative and policy agenda to guide NVTC's legislative support in the coming year.
- b) Develop strategies to effectively implement NVTC's annual legislative and policy agenda in collaboration with NVTC jurisdictions' legislative liaisons and the Virginia Transit Association (VTA).
- c) Work with delegations in Richmond and Washington D.C. as needed to promote NVTC's approved agenda. Focus should include, but not be limited to long term, sustainable transit capital funding and maintenance of existing NVTC programs and authorities.
- d) Identify transit issues that require policy decisions. Assemble data and perform policy analyses to facilitate those decisions (e.g. fare integration, development of new technology, service expansion, customer safety, system security and the business case for and value of public transit).

- e) Conduct an annual joint NVTC and PRTC legislative briefing.
- f) Develop messaging and a plan to educate the public about the need for transit funding in Virginia as well as the benefits of public transit throughout the Commonwealth.

2) Virginia General Assembly Session

- a) Prepare and support NVTC legislative and policy efforts before and during the General Assembly.
- b) Reach out to legislators to garner support for NVTC's legislative agenda and educate them about the benefits of public transportation.
- c) Prepare informative district-specific legislative maps showing transit service and performance for all members of the Northern Virginia delegation.
- d) Conduct NVTC's February meeting at the General Assembly in Richmond.
- e) Use an online legislative monitoring service and share access with member jurisdictions.
- f) Provide legislative alerts to Commissioners and local staff during the General Assembly Session.

3) Commonwealth Transportation Board

- a) Prepare written statements and deliver testimony at the CTB's semi-annual hearings on transit funding priorities and other hearings as appropriate.
- b) Advocate for NVTC's policies, including balanced transportation and stable and reliable funding.
- c) Support DRPT's Transit Service Delivery Advisory Committee (TSDAC) by following the Commonwealth transit funding reform process, facilitating discussions by jurisdictional staff, and relaying feedbacks of transit agencies to TSDAC discussions.

4) Transit Industry Groups and Trade Associations

- a) Participate in analysis and dialogs on local, state and national transit issues with state and national transit industry associations and other bodies.
- b) Virginia Transit Association (VTA)
 - i. Contribute to VTA's state legislative strategy for the transit industry and strengthen VTA's response to Northern Virginia's concerns.
 - ii. Provide technical and communications support regarding the economic benefits of transit.
 - iii. Co-chair VTA events and encourage NVTC Commissioners to serve as VTA officers.
 - iv. Serve as VTA's member of the Transit Service Delivery Advisory Committee (TSDAC), providing technical guidance on performance-based funding for transit capital and operations.
 - v. Serve on VTA's awards and conference planning committees.
- c) American Public Transportation Association (APTA)
 - i. Provide technical assistance and feedback to APTA on federal transit program implementation issues.
 - ii. Participate in defining and implementing a federal legislative strategy as part of a broad, nationwide pro-transit coalition.
- d) Provide technical assistance and policy analysis support to state and national boards and committees, including, but not limited to:

- i. DRPT's Transit Service Delivery Advisory Committee (TSDAC)
- ii. VTA Executive Committee
- iii. The General Assembly's Joint Committee on Transportation Accountability
- iv. APTA Legislative Committee
- v. APTA Policy and Planning Committee
- vi. APTA Public Private Partnership Committee
- vii. APTA Commuter Rail Committee
- viii. Institute for Transportation Engineers
- ix. Transit Cooperative Research Program (TCRP) Dissemination and Implementation of Research Findings Project Panel

Deliverables: Annual workplan for Legislative and Policy Committee; Joint NVTC/PRTC Legislative Briefing

Internal Coordination: WMATA, VRE, Commuter Choice, Communications and Engagement, Financial Analysis and Management, Commission Management

5. Commission Management

Provide staff support and execute duties to ensure the smooth running of day-to-day operations of the Commission.

- 1) Develop and distribute information and resources necessary for Commissioners to fulfill their responsibilities, including the annual member manual, NVTC website, e-newsletters and monthly Executive Director reports.
- 2) Prepare materials for monthly Commission meetings. Coordinate with external speakers to present to the Commission when appropriate.
- 3) Schedule, oversee, and record minutes of Commission meetings, as well as other NVTC events.
- 4) Provide accurate and timely responses to Commissioners, jurisdictional staff and the public.
- 5) Support NVTC's committees, through the development of agendas, meeting summaries, and handouts.
- 6) Ensure the issuance of per diem payments for Commissioners.
- 7) Verify Commissioner compliance with state regulations regarding economic and financial disclosure statements.
- 8) Conduct new Commissioner orientations.
- 9) Maintain archival Commission materials and provide access to archival documentation when requested.
- 10) Respond to Freedom of Information Act (FOIA) requests.

Deliverables: Annual Commission Meeting Schedule; Monthly Commission kit

Internal Coordination: Commuter Choice, Transit Resource Center, Transit Technology, VRE, WMATA, Financial Analysis and Management, Communications and Engagement, Legislative and Policy Efforts

6. Internal Operations

Strengthen NVTC as an organization through improvements of internal policies to ensure a rewarding and equitable work environment.

1) Human Resources and Administration

- a) Develop the annual NVTC general and administrative (G&A) budget, in coordination with jurisdictional staff, for consideration by the Commission in the fall.
- b) Continue to leverage human resources support assistance to enhance and support human resource functions.
- c) Continue NVTC Transit Fellows Program to attract talent to supplement NVTC staff on specific projects.
- d) Develop and implement a professional development plan for staff, including appropriate training.
- e) Develop and implement a staff earning structure and align job descriptions and benefits, such as health and retirement, with NVTC's jurisdictions.
- f) Administer employee benefit programs, including retirement plan, 457 plan, group health insurance, group life insurance, disability insurance, flex benefit plan, bike share, and Zip Car.

2) Telework and Office Space

- a) Encourage staff utilization of transportation demand management techniques, such as the telework program.
- b) Resolve issues related to the office space (lease, maintenance, facilities, etc.).

3) Information Technology

- 1) Provide ongoing staff support, troubleshooting for all office software and hardware.
- 2) Provide ongoing information technology improvements to ensure a productive and secure working environment for staff.
- 3) Research, order or work with contractors to obtain staff equipment as requested.
- 4) Set up all new IT equipment for current or additional staff.

Internal Coordination: Communications and Engagement, Financial Analysis and Management



**NVTC COMMISSION MEETING
THURSDAY, DECEMBER 5, 2019
MAIN FLOOR CONFERENCE ROOM
2300 Wilson Blvd.
Arlington, VA 22201**

7:00 P.M.

**5:50 P.M. Dinner will be available for Commissioners and staff
6:00 P.M. Executive Committee Meeting – First Floor Small Conference Room
6:45 P.M. Commission Photo – First Floor Lobby
7:00 P.M. Commission Meeting – First Floor Large Conference Room**

AGENDA

1. Pledge of Allegiance and Opening Remarks
2. **ACTION ITEM: Approve the Minutes of the November 14, 2019 NVTC Meeting**
3. Recognition of Departing Commissioners
4. **ACTION ITEM: Approve the Consent Agenda (Subject to Approval of the Chairman)**
 - A. Authorize the Executive Director to Issue a Request for Proposals for Creative Design Services
5. **ACTION ITEM: Accept and Authorize Distribution of NVTC's FY2019 Audited Financial Statements and Compliance Reports**
6. **ACTION ITEM: Approve Resolution #2396: Ongoing Discussions to Modify the 2017 Amended and Restated Transform66 Inside the Beltway Project Memorandum of Agreement (MOA)**
7. Washington Metropolitan Area Transit Authority (WMATA)
 - A. Report from the Chair of the NVTC WMATA Committee
 - B. Report from the Virginia WMATA Board Members
 - C. Post Summer 2019 Shutdown Lessons Learned
 - D. Other WMATA News

8. Report from the Chair of the Legislative and Policy Committee

- A. **ACTION ITEM: Approve NVTC's 2020 Legislative and Policy Agenda**
- B. Joint NVTC-PRTC Legislative Briefing

9. Virginia Railway Express (VRE)

- A. VRE CEO Report and Minutes
- B. **ACTION ITEM: Approve Resolution #2397: Accept and Authorize Distribution of VRE's FY2019 Comprehensive Annual Financial Report (CAFR)**
- C. **ACTION ITEM: Resolution #2398: Approve the 2020 VRE Legislative Agenda**
- D. VRE FY2021 Budget Update

10. Department of Rail and Public Transportation (DRPT)

11. Proposed FY2021 NVTC General and Administrative Budget and Proposed 2020 Work Plan

12. NVTC Transit Resource Center

- A. FY2020 1st Quarter Transit Performance Report
- B. FY2020 1st Quarter Parking Utilization Report

13. Executive Director Report

- A. Executive Director Newsletter
- B. NVTC Financial Report

14. Closed Session

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

Financial and Compliance Reports

Year Ended June 30, 2019



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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the Northern Virginia Transportation Commission (Commission), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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 fund information of the Commission, as of June 30, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis on pages 4-14 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 auditing standards generally accepted in the United States of America, 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.

Other 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 and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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.

The Schedule of Expenditures of Federal Awards and supplementary information are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and supplementary information 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 22, 2019 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 22, 2019

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2019

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, 2019. 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 \$196.4 million on a government-wide basis as of June 30, 2019. Of this total, \$170.6 million is for business-type activities and \$25.8 million for governmental activities.
- For the fiscal year, grants, contributions and other revenue net of transfers of NVTC's governmental activities amounted to \$220.2 million. Expenses totaled \$207.2 million.
- For the fiscal year, revenues and transfers of NVTC's business-type activities were \$53.7 million. Expenses amounted to \$43.5 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 \$13.0 million for fiscal year 2019, compared to an increase of \$12.9 million for fiscal year 2018. The governmental funds balance as of June 30, 2019 totaled \$25.9 million compared with \$13.0 million (as restated) at the end of the previous fiscal year.
- During the fiscal year, the proprietary fund net position increased by \$10.3 million, from \$160.3 million to \$170.6 million.
- NVTC's fiduciary fund reported an increase of \$23.9 million in net position, held in trust for member jurisdictions, from \$144.5 million to \$168.4 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, proprietary funds and fiduciary funds.

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 three governmental funds: the General Fund, the Special Revenue Fund – Jurisdiction Transit, and the Special Revenue Fund – I-66 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 Revenue received from the Commonwealth of Virginia according to an agreement entered into between NVTC 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 Fund. The Fiduciary Fund is used to account for resources held by NVTC for the benefit and restricted use of the programs of other governments. Additions to the 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 fiduciary fund are disbursements directed by the individual member jurisdictions for restricted purposes. The accounting methods used for the fiduciary fund are much like that used for proprietary funds. The two statements included for the fiduciary fund 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, 2019 and 2018 (as restated):

Summary Statements of Net Position						
June 30,						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and other assets	\$ 34,178,087	\$ 23,776,764	\$ 58,683,230	\$ 45,703,550	\$ 92,861,317	\$ 69,480,314
Capital assets, net	103,148	31,767	170,998,515	176,399,441	171,101,663	176,431,208
Deferred outflows	-	-	424,280	455,136	424,280	455,136
Total assets	34,281,235	23,808,531	230,106,025	222,558,127	264,387,260	246,366,658
Liabilities:						
Current and other liabilities	8,285,782	10,827,884	7,404,973	6,761,999	15,690,755	17,589,883
Long-term liabilities	167,787	177,492	52,139,769	55,503,121	52,307,556	55,680,613
Total liabilities	8,453,569	11,005,376	59,544,742	62,265,120	67,998,311	73,270,496
Net position:						
Net investment in capital assets	103,148	31,767	116,571,900	118,607,128	116,675,048	118,638,895
Restricted	25,281,188	12,401,414	7,853,574	7,811,835	33,134,762	20,213,249
Unrestricted	443,330	369,974	46,135,809	33,874,044	46,579,139	34,244,018
Total net position	\$ 25,827,666	\$ 12,803,155	\$ 170,561,283	\$ 160,293,007	\$ 196,388,949	\$ 173,096,162

As noted earlier, net position may serve as a useful indicator of a government's financial position. As shown above, net position totaled \$196.4 million as of June 30, 2019, an increase of \$23.3 million over the previous fiscal year. The largest portion of net position, \$116.7 million or 59.4 percent, represents the net investment in capital assets (e.g., land, building, improvements, rolling stock, equipment and software), accumulated depreciation and amortization, less the related indebtedness outstanding used to acquire those capital assets. These assets are used 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.

A portion of the net position, \$33.1 million or 16.9 percent represents resources that are restricted, which includes \$25.3 million of toll revenue and the balance for the commuter rail service.

Current assets consist primarily of grant revenue and motor vehicle fuel sales tax due from the Commonwealth of Virginia and restricted cash for governmental activities, non-restricted cash, cash equivalents, inventory, trade accounts receivables, and investments for the business-type activities. As of June 30, 2019, approximately \$22.9 million was due from the Commonwealth of Virginia, of which \$6.3 million is for motor vehicle fuel sales tax, \$4.2 million is for toll revenues, and \$12.4 million for grant and other state revenue. This is a \$3.0 million increase from the previous fiscal year, of which grant revenue increased \$2.5 million, toll revenues increase \$1.7 million, and motor vehicle fuel sales tax receivables decreased \$1.2 million. The increase in the receivable for grant and other state revenue is primarily due to Commuter Rail Operating and Capital (CROC) fund revenue not yet received at the end of the fiscal year. As of June 30, 2019, \$11.8 million of the amount due from the Commonwealth was for the commuter rail service, \$6.3 million for jurisdiction transit funding, \$4.2 million for toll funded projects, and a small amount for general and administrative and projects. Cash and cash equivalents increased approximately \$10.7 million and totaled \$35.6 million as of June 30, 2019, of which all but \$480,319 was for the business-type activities. Restricted cash, cash equivalents and investments totaled \$29.3 million as of June 30, 2019, with \$21.4 million for governmental activities, and \$7.9 million for business-type activities. This is a \$8.4 million increase from the prior year, which is almost entirely due to toll revenue for governmental activities.

Net position of the jurisdiction trust fund is not reported in the entity-wide Statement of Net Position, as it is considered a fiduciary fund and is held in trust for the NVTC member jurisdictions restricted use.

Statement of Changes in Net Position

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, 2019 and 2018 (as restated).

Summary Statements of Changes in Net Position Years Ended June 30,

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 19,455,993	\$ 20,161,585	\$ 19,455,993	\$ 20,161,585
Operating grants and contributions	170,294,620	144,080,586	5,839,717	7,136,469	176,134,337	151,217,055
Capital grants and contributions	-	-	3,769,460	3,992,968	3,769,460	3,992,968
General revenues:						
Intergovernmental:						
Commuter rail	23,405,864	30,155,596	-	-	23,405,864	30,155,596
Motor vehicle fuel sales tax	34,435,487	35,552,756	-	-	34,435,487	35,552,756
Toll revenue	15,367,040	5,743,394	-	-	15,367,040	5,743,394
Interest	440,572	161,274	826,447	358,818	1,267,019	520,092
Other	114,954	-	-	(275,729)	114,954	(275,729)
Transfers	(23,834,997)	(30,155,596)	23,834,997	30,155,596	-	-
Total revenues	220,199,028	185,538,010	53,726,614	61,529,707	273,950,154	247,067,717
Expenses:						
General and administration	15,785,238	2,969,172	-	-	15,785,238	2,969,172
Jurisdiction transit	188,926,744	176,635,192	-	-	188,926,744	176,635,192
Toll funded project costs	2,487,046	3,328,379	-	-	2,487,046	3,328,379
Commuter rail	-	-	43,458,338	49,474,474	43,458,338	49,474,424
Total expenses	207,199,028	182,932,743	43,458,338	49,474,474	250,657,366	232,407,167
Change in net position	13,024,512	2,605,267	10,268,276	12,055,283	23,292,788	14,660,550
Beginning net position	12,803,154	10,197,888	160,293,007	148,237,724	173,096,161	158,435,612
Ending net position	\$ 25,827,666	\$ 12,803,155	\$ 170,561,283	\$ 160,293,007	\$ 196,388,949	\$ 173,096,162

For the fiscal year ended June 30, 2019, revenues totaled \$273.9 million, compared to \$247.1 million in the preceding year, an increase of \$26.8 million or 12.0 percent. Expenses increased \$18.3 million, or 7.9 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, 2019, the General Fund had a total fund balance of \$659,792 of which \$56,118 was nonspendable and \$603,674 was unassigned. The fund balance increased by \$65,317 or 11.0 percent from the preceding year due to a favorable budget variance, partially offset by budgeted drawdown of surplus funds.

During fiscal year 2019, NVTC's regional projects incurred a total of \$3.3 million in direct costs. Three of these projects were funded with federal and state sources totaling \$3.0 million. The balance of other funding sources includes direct local contributions from the NVTC member jurisdictions and regional agencies, local contributions from allocated state assistance, and contributions from NVTC primarily in the form of payroll and payroll related costs.

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 2019 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 2019 intergovernmental revenues totaled \$188.9 million, an increase approximately \$12.3 million or 7.0 percent from the previous fiscal year. The increase is composed of a \$13.4 million increase, or 9.5 percent in state assistance, and a \$1.1 million decrease, or 0.8 percent in motor vehicle fuel sales tax revenue.

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 also calls for the advance payment of up to \$10 million to fund an initial round of projects before tolling commenced in December 2017.

Through fiscal year 2019, NVTC has rated, selected and approved projects totaling \$41.5 million, including \$19.6 million for the fiscal year 2020 program of projects. 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 2019, the special revenue fund recognized \$15.8 million in toll revenue and interest earnings, and \$2.9 million, including transfers to the general fund for NVTC sponsored projects, in project costs. As of June 30, 2019, the restricted fund balance totaled \$25.3 million, an increase of \$12.9 million over the prior year restated balance.

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.

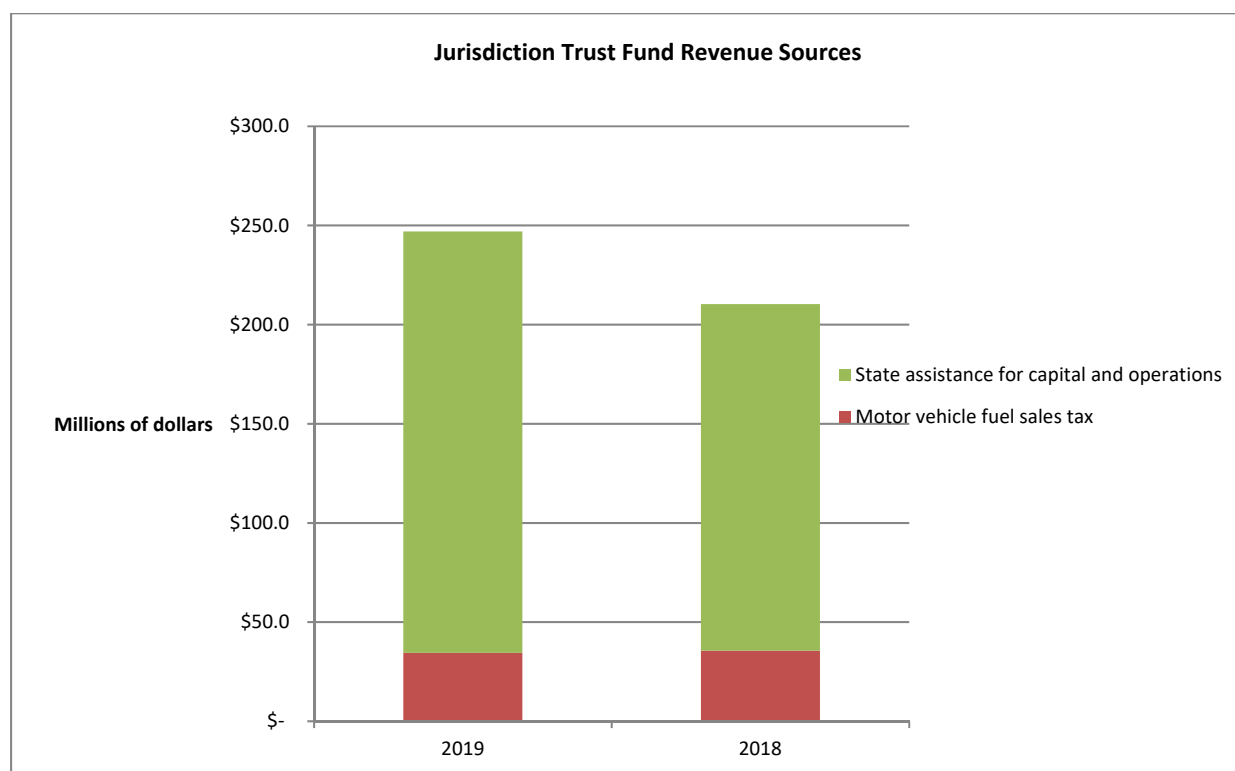
NVTC's share of operating revenue decreased about \$0.7 million or 3.6 percent, while operating expenses decreased approximately \$5.3 million or 14.0 percent. For VRE operations as a whole, operating revenue decreased 0.4 percent, while operating expenses decreased 1.7 percent. The difference between 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 Fund

The fiduciary fund is a private purpose trust fund, which is titled the Jurisdiction Trust Fund.

Jurisdiction Trust Fund. The Jurisdiction Trust Fund holds the assets that were remitted from the special revenue fund (contributions from government), as well as fiscal year 2013 through fiscal year 2014 operating and capital assistance contracted with the NVTC member jurisdictions and received directly by the Jurisdiction Trust Fund from the state (intergovernmental revenues). These funds are accounted for on an individual jurisdiction basis. As with the revenue from the Special Revenue Fund, the fiscal year 2013 through fiscal year 2014 directly contracted revenue with the jurisdictions 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, increased by \$36.6 million, or 17.4 percent from the previous year. An analysis of this change is shown below.



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 reimbursement program with established tiered funding percentages. Effective fiscal year 2019, the amount of funding NVTC receives for WMATA capital and operating needs is determined by a set 53.5% of the funding available in the Commonwealth's Mass Transit Trust Fund.

Effective fiscal year 2019, a minimum price floor was established for the motor vehicle fuel sales tax. The Virginia Code section that establishes 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 to WMATA, and the Commuter Rail Operating and Capital Fund which benefits VRE. For fiscal year 2019, the gain is 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. 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. Motor Vehicle Fuel Sales tax revenue decrease by \$1.1 million, or 3.1 percent from the previous year. While the fiscal year 2019 collections mirrored that of fiscal year 2018 due to way the gain from the floor is calculated, it is not exact due to differences in timing between the collections subject to the floor gain calculation and when NVTC recognizes the revenue.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The details of capital assets as of June 30, 2019 and 2018 are as follows:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Rolling stock	\$ -	\$ -	\$ 142,639,959	\$ 142,639,959	\$ 142,639,959	\$ 142,639,959
Vehicles	-	-	72,780	58,521	72,780	58,521
Facilities	-	-	54,925,893	52,967,852	54,925,893	52,967,852
Track and signal improvements	-	-	41,717,264	41,717,264	41,717,264	41,717,264
Equipment and software	-	-	6,063,333	6,063,333	6,063,333	6,063,333
Construction in progress	-	-	15,370,836	13,648,999	15,370,836	13,648,999
Equity in properties of others	-	-	2,893,644	2,893,644	2,893,644	2,893,644
Office equipment, furniture and software	188,682	135,851	3,026,958	2,855,606	3,215,640	2,991,457
	188,682	135,851	266,710,667	262,845,178	266,899,349	262,981,029
Less accumulated depreciation and amortization	85,534	104,084	95,712,152	86,445,737	95,797,686	86,549,821
Total capital assets, net	\$ 103,148	\$ 31,767	\$ 170,998,515	\$ 176,399,441	\$ 171,101,663	\$ 176,431,208

NVTC's investment in capital assets as of June 30, 2019 amounted to \$171.1 million (net of accumulated depreciation and amortization) which represents a decrease of \$5.3 million or 3.0 percent over last year due to new project construction and the recognition of annual depreciation and amortization. Completed projects totaling approximately \$2.1 million were closed from construction in progress to their respective capital accounts and an additional \$31,557 was charged directly to the capital accounts.

The major completed projects during the fiscal year were the L'Enfant North Storage (Yard) Track & Wayside Power (\$1.8 million), the VRE Headquarters Suite 201 Office Renovation (\$0.2 million) and the Automated Parking Counter (APC) system (\$0.1 million).

The major additions to construction in progress during the fiscal year were costs related to the Slater's Lane track improvements (\$0.7 million); ongoing work toward implementation of Positive Train Control (PTC) (\$0.7 million); work supporting fare collection EMV compliance (\$0.3 million), and ongoing development work for the Midday Storage Yard project (\$0.2 million).

Debt Administration

At June 30, 2019, the Commissions had total debt outstanding of \$59.8 million for the VRE commuter rail service, of which \$54.8 million is reported by NVTC.

The NVTC and PRTC are co-lessees of the capital lease for rolling stock, which is secured by the related equipment. The promissory note with the Federal Railroad Administration for the purchase of 60 Gallery railcars was issued by NVTC, but both NVTC and PRTC were signatories. The note was secured by the revenues of VRE and the rolling stock.

In fiscal year 2018, a financing agreement was entered into 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 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.

	2019	2018
Bond payable	\$ 44,360,000	\$ 46,640,000
Capital leases	5,016,206	5,734,601
Total	\$ 49,376,206	\$ 52,374,601

Economic Factors and Next Year's Budget

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 the operations of the 395 HOT Lanes scheduled to open 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-95/I-395 corridor. The agreement requires that a separate special revenue fund be established to recognize the ATI related activity. 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.

Population growth in Northern Virginia, especially in the outer suburbs, continues to remain robust. In combination with the congestion on major highways and on-going highway construction projects, this growth will continue to increase demand for VRE's service. The constraining factors to VRE growth are station parking, availability of seats, storage capacity, and the availability of subsidy funds.

The VRE local subsidy for fiscal year 2020 remained constant at \$17,767,748. Fares were increased by an average of 3.0 percent in fiscal year 2020; the previous general fare increase was 3.0 percent in fiscal year 2018. In fiscal year 2019 VRE began to receive funding from the Commonwealth of Virginia Commuter Rail Operating and Capital Fund as a result of Virginia HB1539, which will continue in fiscal year 2020. Additional sources of funding will be available in fiscal year 2020 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, 2019

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF NET POSITION
June 30, 2019

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Primary Government		Total Primary Government
	Governmental Activities	Business-type Activities	
Cash and cash equivalents	\$ 480,319	\$ 35,081,208	\$ 35,561,527
Due from other governments:			
Commonwealth of Virginia	22,859,906	-	22,859,906
Federal	998,593	-	998,593
Local jurisdictions	15,838	-	15,838
Trade accounts receivable, net	-	1,442,142	1,442,142
Other receivables	83,911	1,159,598	1,243,509
Inventory	-	1,309,162	1,309,162
Deposits and prepaid items	56,118	80,023	136,141
Restricted cash, cash equivalents and investments	21,440,926	7,853,574	29,294,500
Internal balances	(11,757,523)	11,757,523	-
Capital assets:			
Rolling stock	-	142,639,959	142,639,959
Vehicles	-	72,780	72,780
Facilities	-	54,925,893	54,925,893
Track and signal improvements	-	41,717,264	41,717,264
Equipment and software	-	6,063,333	6,063,333
Construction in progress	-	15,370,836	15,370,836
Equity in property of others	-	2,893,644	2,893,644
Office equipment, furniture and software	188,682	3,026,958	3,215,640
Less accumulated depreciation and amortization	(85,534)	(95,712,152)	(95,797,686)
Deferred outflows of resources, loss on refunding	-	424,280	424,280
Total assets and deferred outflows of resources	<u>34,281,236</u>	<u>230,106,025</u>	<u>264,387,261</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF NET POSITION
June 30, 2019

LIABILITIES	Primary Government		Total Primary Government
	Governmental Activities	Business-type Activities	
Accounts payable	\$ 1,871,598	\$ 1,492,767	\$ 3,364,365
Accrued expenses	35,702	1,487,371	1,523,073
Accrued interest	-	563,639	563,639
Due to fiduciary fund	6,287,302	-	6,287,302
Unearned revenue	-	863,172	863,172
Deferred revenue	42,506	-	42,506
Noncurrent liabilities:			
Due within one year:			
Compensated absences	48,674	12,776	61,450
Bond payable	-	2,240,000	2,240,000
Capital lease obligation	-	745,248	745,248
Due in more than one year:			
Lease liability	65,366	-	65,366
Compensated absences	102,422	274,122	376,544
Bond payable	-	47,594,689	47,594,689
Capital lease obligation	-	4,270,958	4,270,958
Total liabilities	<u>8,453,570</u>	<u>59,544,742</u>	<u>67,998,312</u>
NET POSITION			
Net investment in capital assets	103,148	116,571,900	116,675,048
Restricted for toll funded projects	25,281,188	-	25,281,188
Restricted for liability insurance plan	-	5,263,811	5,263,811
Restricted for debt service	-	2,029,382	2,029,382
Restricted grants or contributions	-	560,381	560,381
Unrestricted assets	443,330	46,135,809	46,579,139
Total net position	<u>\$ 25,827,666</u>	<u>\$ 170,561,283</u>	<u>\$ 196,388,949</u>

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

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF ACTIVITIES**

Year Ended June 30, 2019

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	\$ 15,785,238	\$ -	\$ 15,803,363	\$ -	\$ 18,125	\$ -	\$ 18,125
Toll funded project costs	2,487,046	-	-	-	(2,487,046)	-	(2,487,046)
Jurisdiction transit	188,926,744	-	154,491,257	-	(34,435,487)	-	(34,435,487)
Total governmental activities	207,199,028	-	170,294,620	-	(36,904,408)	-	(36,904,408)
Business-type activities:							
Commuter rail	43,458,338	19,455,993	5,839,717	3,769,460	-	(14,393,168)	(14,393,168)
Total business-type activities	43,458,338	19,455,993	5,839,717	3,769,460	-	(14,393,168)	(14,393,168)
Total primary government	\$ 250,657,366	\$ 19,455,993	\$ 176,134,337	\$ 3,769,460	(36,904,408)	(14,393,168)	(51,297,576)
General revenues:							
Intergovernmental revenue - commuter rail					23,405,864	-	23,405,864
Intergovernmental revenue - motor vehicle fuel sales tax					34,435,487	-	34,435,487
Intergovernmental revenue - toll revenue					15,367,040	-	15,367,040
Other revenue					114,954	-	114,954
Interest income					440,572	826,447	1,267,019
Transfers					(23,834,997)	23,834,997	-
Total general revenues					49,928,920	24,661,444	74,590,364
Change in net position					13,024,512	10,268,276	23,292,788
Net position, beginning of year, as restated					12,803,154	160,293,007	173,096,161
Net position, end of year					\$ 25,827,666	\$ 170,561,283	\$ 196,388,949

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

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	Major Funds			
	General Fund	Special Revenue Fund - Jurisdiction Transit	Special Revenue Fund - I-66 Toll Revenue	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 480,319	\$ -	\$ -	\$ 480,319
Due from other governments:				
Commonwealth of Virginia	12,355,776	6,325,814	4,178,316	22,859,906
Federal	998,593	-	-	998,593
Local jurisdictions	15,838	-	-	15,838
Due from fiduciary fund	38,512	-	-	38,512
Due from proprietary fund	26,000	-	-	26,000
Due from special revenue fund	175,860	-	-	175,860
Other receivables	83,911	-	-	83,911
Restricted cash	-	-	21,440,926	21,440,926
Deposits and prepaid items	56,118	-	-	56,118
Total assets	<u>\$ 14,230,927</u>	<u>\$ 6,325,814</u>	<u>\$ 25,619,242</u>	<u>\$ 46,175,983</u>
LIABILITIES				
Accounts payable	\$ 1,709,404	\$ -	\$ 162,194	\$ 1,871,598
Accrued salaries	35,702	-	-	35,702
Deferred revenue	42,506	-	-	42,506
Due to general fund	-	-	175,860	175,860
Due to proprietary fund	11,783,523	-	-	11,783,523
Due to fiduciary fund	-	6,325,814	-	6,325,814
Total liabilities	<u>13,571,135</u>	<u>6,325,814</u>	<u>338,054</u>	<u>20,235,003</u>
FUND BALANCES				
Nonspendable				
Deposits and prepaid items	56,118	-	-	56,118
Restricted				
Toll Revenues	-	-	25,281,188	25,281,188
Unassigned	603,674	-	-	603,674
Total fund balance	<u>659,792</u>	<u>-</u>	<u>25,281,188</u>	<u>25,940,980</u>
Total liabilities and fund balance	<u>\$ 14,230,927</u>	<u>\$ 6,325,814</u>	<u>\$ 25,619,242</u>	<u>\$ 46,175,983</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 \$ 25,940,980

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$188,682 and the accumulated depreciation and amortization is \$85,534. 103,148

Lease liability only recognized in the government-wide financial statements. (65,366)

Compensated absences are liabilities not due and payable in the current period and, therefore, are not reported in the governmental funds. (151,096)

Net position - governmental activities \$ 25,827,666

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, 2019

	Major Funds			
	General Fund	Special Revenue Fund - Jurisdiction Transit	Special Revenue Fund - I-66 Toll Revenue	Total Governmental Funds
Revenues:				
Intergovernmental revenues:				
Grants and contributions:				
Commonwealth of Virginia	\$ 36,802,817	\$ 154,491,257	\$ -	\$ 191,294,074
Federal	1,856,140	-	-	1,856,140
Local jurisdictions	470,270	-	-	470,270
Toll Revenue	-	-	15,367,040	15,367,040
Motor vehicle fuel sales tax	-	34,435,487	-	34,435,487
Project chargebacks	80,000	-	-	80,000
Interest income	11,659	-	428,913	440,572
Other revenue	114,954	-	-	114,954
Total revenues	<u>39,335,840</u>	<u>188,926,744</u>	<u>15,795,953</u>	<u>244,058,537</u>
Expenditures:				
Current:				
General and administration	2,458,724	-	-	2,458,724
Project costs	3,279,149	-	-	3,279,149
Toll funded project costs	-	-	2,487,046	2,487,046
Payments to fiduciary fund	-	188,926,744	-	188,926,744
PRTC share of CROC funds	10,030,038	-	-	10,030,038
Capital outlay	96,748	-	-	96,748
Total expenditures	<u>15,864,659</u>	<u>188,926,744</u>	<u>2,487,046</u>	<u>207,278,449</u>
Other financing uses:				
Transfers	(23,405,864)	-	(429,133)	(23,834,997)
Change in fund balances	65,317	-	12,879,774	12,945,091
Fund balances, beginning of year, as restated	<u>594,475</u>	<u>-</u>	<u>12,401,414</u>	<u>12,995,889</u>
Fund balances, end of year	<u>\$ 659,792</u>	<u>\$ -</u>	<u>\$ 25,281,188</u>	<u>\$ 25,940,980</u>

Change in fund balances - total governmental funds \$ 12,945,091

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	96,748
Deduct - depreciation and amortization expense	(14,403)

In the Statement of Activities, only the loss on the disposal of capital assets is reported, whereas in the governmental funds, any proceeds from the disposal increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net cost of assets disposed. (10,964)

Amortization of lease liability is only recognized in the government-wide financial statements. 18,248

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. (10,208)

Change in net position of governmental activities \$ 13,024,512

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

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2019

	<u>Commuter Rail Service Fund</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current Assets:	
Cash and cash equivalents	\$ 35,081,208
Accounts receivable:	
Due from general fund	11,757,523
Trade receivables, net of allowance for doubtful accounts	1,442,142
Other receivables	1,159,598
Inventory	1,309,162
Prepaid expenses and other	80,023
Restricted cash, cash equivalents and investments	<u>7,853,574</u>
Total current assets	<u>58,683,230</u>
Capital assets:	
Rolling stock	142,639,959
Vehicles	72,780
Facilities	54,925,893
Track and signal improvements	41,717,264
Equipment and software	6,063,333
Construction in progress	15,370,836
Equity in property of others	2,893,644
Furniture, equipment and software	<u>3,026,958</u>
	266,710,667
Less accumulated depreciation and amortization	<u>(95,712,152)</u>
Total capital assets, net	<u>170,998,515</u>
Deferred Outflows of Resources:	
Loss on refunding	<u>424,280</u>
Total assets and deferred outflows of resources	<u><u>\$ 230,106,025</u></u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2019

	<u>Commuter Rail Service Fund</u>
LIABILITIES AND NET POSITION	
Current Liabilities:	
Accounts payable	\$ 1,492,767
Compensated absences	12,776
Accrued expenses	1,487,371
Accrued interest	563,639
Unearned revenue	863,172
Current portion of bonds payable	2,240,000
Current portion of capital lease obligations	<u>745,248</u>
Total current liabilities	<u>7,404,973</u>
Noncurrent Liabilities:	
Compensated absences	274,122
Bonds payable	47,594,689
Capital lease obligations	<u>4,270,958</u>
Total noncurrent liabilities	<u>52,139,769</u>
Total liabilities	<u>59,544,742</u>
Net Position:	
Net investment in capital assets	116,571,900
Restricted for liability insurance plan	5,263,811
Restricted for debt service	2,029,382
Restricted grants or contributions	560,381
Unrestricted assets	<u>46,135,809</u>
Total net position	<u>170,561,283</u>
Total liabilities and net position	<u><u>\$ 230,106,025</u></u>

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, 2019

	<u>Commuter Rail Service Fund</u>
Operating Revenues:	
Passenger revenue	\$ 19,311,476
Equipment rentals and other	<u>144,517</u>
Total operating revenues	<u>19,455,993</u>
Operating Expenses:	
Contract operations and maintenance	12,392,596
Other operations and maintenance	7,624,700
Property leases and access fees	7,679,823
Insurance	1,814,613
Marketing and sales	1,184,051
General and administrative	<u>1,552,589</u>
Total operating expenses	<u>32,248,372</u>
Operating loss before depreciation and amortization	(12,792,379)
Depreciation and amortization	<u>(9,271,403)</u>
Operating loss	<u>(22,063,782)</u>
Nonoperating Revenues (Expenses):	
Subsidies:	
Jurisdictional contributions	5,742,464
Regional transportation funding	97,253
Interest income:	
Operating funds	625,575
Insurance trust	110,592
Commonwealth Rail Operating and Capital (CROC) Fund	58,538
Other restricted funds	31,742
Interest, amortization and other nonoperating expenses, net	<u>(1,938,563)</u>
Total nonoperating revenues, net	<u>4,727,601</u>
Loss before capital contributions and transfers	<u>(17,336,181)</u>
Capital contributions and transfers:	
Regional transportation funding	1,152,103
Contribution from PRTC	2,617,357
Transfers in	<u>23,834,997</u>
Total capital contributions and transfers	<u>27,604,457</u>
Change in net position	10,268,276
Net Position, beginning	<u>160,293,007</u>
Net Position, ending	<u><u>\$ 170,561,283</u></u>

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, 2019

	<u>Commuter Rail Service Fund</u>
Cash Flows From Operating Activities:	
Receipts from customers	\$ 19,219,180
Payments to suppliers	(32,446,875)
Net cash used in operating activities	<u>(13,227,695)</u>
Cash Flows From Noncapital Financing Activities:	
Governmental subsidies	<u>28,641,709</u>
Cash Flows From Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(2,749,050)
Principal paid on capital lease obligations	(718,395)
Principal paid on note	(2,280,000)
Interest paid on capital lease obligation	(255,258)
Interest paid on bonds and note	(2,010,993)
Contribution from General Fund	2,617,357
Net cash used in capital and related financing activities	<u>(5,396,339)</u>
Cash Flows From Investing Activities:	
Interest received on investments	<u>810,275</u>
Increase in cash and cash equivalents	10,827,950
Cash and Cash Equivalents, beginning	32,106,832
Cash and Cash Equivalents, ending	<u><u>\$ 42,934,782</u></u>
Reconciliation of Operating Loss to Net Cash Used In Operating Activities:	
Operating loss	\$ (22,063,782)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	9,271,403
(Increase) decrease in:	
Accounts receivable	(206,181)
Other receivables	(109,476)
Inventory	203,587
Prepaid items and other	(13,445)
Increase (decrease) in:	
Accounts payable and accrued expenses	(390,109)
Unearned revenue	80,308
Net cash used in operating activities	<u><u>\$ (13,227,695)</u></u>
Schedule of Noncash Capital Activities	
Capital assets acquired through accounts payable	\$ 963,136
Capital assets acquired through accrued liabilities	391,236

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

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2019

	<u>Jurisdiction Trust Fund</u>
ASSETS	
Cash and cash equivalents	\$ 157,813,441
Due from special revenue fund - Motor vehicle fuel sales tax	6,285,629
Due from special revenue fund - Commonwealth of Virginia grants	40,185
Due from other governments - Commonwealth of Virginia grants	<u>4,883,742</u>
Total assets	<u>169,022,997</u>
LIABILITIES	
Due to member jurisdictions	610,917
Due to general fund	<u>38,512</u>
Total liabilities	<u>649,429</u>
NET POSITION	
Net position held in trust for member jurisdictions	<u><u>\$ 168,373,568</u></u>

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

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
Year Ended June 30, 2019

	<u>Jurisdiction Trust Fund</u>
Additions:	
Contributions from government	\$ 188,926,744
Intergovernmental revenues	58,010,723
Investment income	2,795,489
Total additions	<u>249,732,956</u>
Deductions:	
Funds disbursed to WMATA:	
Capital improvement program	8,952,840
Project development	19,004
Metrorail operating	87,228,805
Metrobus operating	85,092,012
Metroaccess operating	13,839,758
Metro debt service	6,785,247
Other funds disbursed:	
Other capital disbursements	11,641,880
Other operating disbursements	12,298,847
Total deductions	<u>225,858,393</u>
Change in net position	23,874,563
Net position held in trust for member jurisdictions:	
Beginning of year	144,499,005
End of year	<u><u>\$ 168,373,568</u></u>

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

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

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 fund. 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 fund is reported on a Statement of Net Position and a Statement of Changes in Net Position. The fiduciary fund is 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 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 Fund – The financial statements of the fiduciary fund are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements described above.

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. 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 the Virginia Resources Authority (VRA) financing compliance requirements, the balance in the Liability Insurance Plan, a small liability claims account, and toll revenue. The investment in the Virginia State Non-Arbitrage Program (SNAP) for VRA financing is reported at amortized cost.

3. Allowance for uncollectible accounts

The allowance for uncollectible accounts is calculated by using historical collection data and specific account analysis. The allowance was approximately \$96,600 at June 30, 2019 for the proprietary fund.

4. 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. Inventory is stated at cost, which approximates market, and is valued using the first-in-first-out method.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

5. 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.

6. 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 the net salvage value will be reimbursed by the railroads upon cessation of commuter rail service. Similarly, shared investments in jurisdictional facilities ("equity in property of others") recognize the right of access for commuter rail patrons granted to the Commissions. This category also represents investment in Amtrak infrastructure and facilities that provides primary benefit to the commuter rail service and for which VRE has an expectation of continued use.

Interest is capitalized on qualifying construction in progress projects until they reached the point of substantial completion. For those projects financed with tax-exempt debt, the amount of capitalized interest equals the difference between the interest cost associated with the borrowing to finance the project and the interest earned from temporary investment of the debt proceeds. Capitalized interest is amortized using the straight-line method over the useful life of the asset.

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

Rolling stock	8-25 years
Vehicles	5 years
Facilities	30-40 years
Track and signal improvements	30 years
Equipment and software	5 years
Equity in properties of others	3-35 years
Office equipment, furniture and software	3-10 years

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, 2019.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

7. 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 position that applies to a future period and so will not be recognized as an outflow of resource (expenditure) until then. NVTC currently has one item that qualifies for reporting in this category. The deferred loss on refunding is reported as a deferred outflow of resources.

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 position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. NVTC currently has no items reported in this category.

8. Compensated absences

Vacation 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.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

9. 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.

10. 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.

11. 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.

12. 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)

13. 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.

14. Subsequent events

NVTC has evaluated subsequent events through November 22, 2019 which was the date the financial statements were available to be issued.

Note 2. Deposits and Investments

At June 30, 2019, cash, cash equivalents, and investments consisted of the following, at cost which approximates fair value:

	Governmental Activities	Business-type Activities	Fiduciary Fund	Total
Cash	\$ 122,693	\$ 1,789,151	\$ -	\$ 1,911,844
LGIP	357,626	33,292,057	157,813,441	191,463,124
	480,319	35,081,208	157,813,441	193,374,968
Restricted:				
LGIP	21,440,926	588,257	-	22,029,183
VRA debt service fund	-	2,029,382	-	2,029,382
Insurance trust fund – pooled funds	-	5,235,935	-	5,235,935
	21,440,926	7,853,574	-	29,294,500
Total	\$ 21,921,245	\$ 42,934,782	\$ 157,813,441	\$ 222,669,468

Maturities of all investments are less than one year.

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.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

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, 2019, the reporting entity had investments of \$213,492,307 in the LGIP for governmental activities, business-type activities, and the fiduciary fund. 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, \$2 million was transferred into the DSRF from existing cash reserves. The funds in the DSRF shall be used solely to cure any deficiencies in the payment 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, 2019, the reporting entity had \$2,029,382 invested in the VRA Debt Service Reserve Fund.

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, 2019, a total of \$10,471,870 was invested in the Insurance Trust, of which \$5,235,935 is included in the NVTC reporting entity. From fiscal year 2011 through fiscal year 2015, any earnings on these investments were retained by the Commonwealth of Virginia. In fiscal year 2019, earnings on the Insurance Trust in the amount of \$221,184 were credited to VRE, of which \$110,592 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%

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

Investments (Continued)

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.

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.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 2. Deposits and Investments (Continued)

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 CD's 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%

When applicable, NVTC categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

NVTC has the following investment subject to fair value measurement:

- U.S. Treasury securities of \$2,029,382 as of June 30, 2019, which are valued using quoted prices in an active market for identical assets (Level 1 inputs).

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 3. Due From Other Governments

At June 30, 2019, due from other governments consisted of the following:

	Project and Administrative	Jurisdiction Transit	Total
Due from Commonwealth of Virginia:			
Motor vehicle fuel sales tax	\$ -	\$ 6,285,629	\$ 6,285,629
Grants	12,355,776	40,185	12,395,961
Toll revenue	4,178,316	-	4,178,316
	16,534,092	6,325,814	22,859,906
Due from Federal Government:			
Grants	998,593	-	998,593
Due from Local Jurisdictions:			
Local grant match	15,838	-	15,838
	<u>\$ 17,548,523</u>	<u>\$ 6,325,814</u>	<u>\$ 23,874,337</u>

Amounts due from the Commonwealth for the Project and Administrative activities include \$11,783,523 for commuter rail and \$572,253 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, 2019 was as follows:

	Beginning Balance	Increases	Deletions	Transfers	Ending Balance
Governmental activities:					
Capital assets being depreciated or amortized:					
Office equipment, furniture and software	\$ 135,851	\$ 96,748	\$ (43,917)	\$ -	\$ 188,682
Less accumulated depreciation or amortization	104,084	14,403	(32,953)	-	85,534
Governmental activities capital assets, net	\$ 31,767	\$ 82,345	\$ (10,964)	\$ -	\$ 103,148
Business-type activities:					
Capital assets not being depreciated or amortized:					
Construction in progress	\$ 13,648,999	\$ 3,838,920	\$ -	\$ (2,117,083)	\$ 15,370,836
Capital assets being depreciated or amortized:					
Rolling stock	142,639,959	-	-	-	142,639,959
Vehicles	58,521	14,259	-	-	72,780
Facilities	52,967,852	4,097	-	1,953,944	54,925,893
Track and signal improvements	41,717,264	-	-	-	41,717,264
Equipment and software	6,063,333	-	-	-	6,063,333
Equity in property of others	2,893,644	-	-	-	2,893,644
Office equipment, furniture and software	2,855,606	13,201	(4,988)	163,139	3,026,958
Total capital assets being depreciated or amortized	249,196,179	31,557	(4,988)	2,117,083	251,339,831
Less accumulated depreciation or amortization for:					
Rolling stock	40,967,662	5,800,441	-	-	46,768,103
Vehicles	23,546	13,129	-	-	36,675
Facilities	20,762,723	1,622,281	-	-	22,385,004
Track and signal improvements	14,688,779	1,408,355	-	-	16,097,134
Equipment and software	5,689,812	269,081	-	-	5,958,893
Equity in property of others	1,901,957	82,296	-	-	1,984,253
Office equipment, furniture and software	2,411,258	75,820	(4,988)	-	2,482,090
Total accumulated depreciation or amortization	86,445,737	9,271,403	(4,988)	-	95,712,152
Total capital assets being depreciated or amortized, net	162,750,442	(9,239,846)	-	2,117,083	155,627,679
Business-type activities capital assets, net	\$ 176,399,441	\$ (5,400,926)	\$ -	\$ -	\$ 170,998,515

Note: The chart above reflects the completion of the L'Enfant north storage track project at a value of \$3.7 million (NVTC reporting entity \$1.85 million), completion of the VRE Headquarters Suite 202 office renovation project at a value of \$326,000 (NVTC reporting entity \$163,000) and the completion of the Automated Parking Counter system project at a value of \$244,000 (NVTC reporting entity \$122,000).

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 4. Capital Assets (continued)

The chart also reflects a reduction of approximately \$5,000 in furniture, equipment and software asset value. This reduction is due to the expiration of a 3-year capital lease for an office copier machine. Subsequent to the end of the lease term, the copier was purchased by VRE for under \$5,000 and was not capitalized.

Depreciation and amortization expenses for the year ended June 30, 2019 charged to the functions of the primary government are as follows:

	Governmental Activities	Business-type Activities
Primary government:		
General and administration	\$ 14,403	\$ -
Commuter rail	-	9,271,403

Note 5. 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.

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 are 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.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 5. Joint Venture – Virginia Railway Express (continued)

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 5. Joint Venture – Virginia Railway Express (continued)

Financial information from VRE's fiscal year 2019 audited financial statements is shown below.

VIRGINIA RAILWAY EXPRESS STATEMENT OF NET POSITION June 30, 2019

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current assets:	
Cash and cash equivalents	\$ 75,278,280
Accounts receivable:	
Due from PRTC	13,690,788
Commonwealth of Virginia grants	8,033,524
Commonwealth Rail Operating and Capital (CROC) Fund	3,750,000
Trade and other, net of allowance	5,480,247
Inventory	2,846,838
Prepaid expenses and other	174,015
Restricted cash, cash equivalents and investments	13,677,765
Total current assets	122,931,457
Noncurrent assets:	
Pension asset	320,509
Capital assets (net \$191,424,304 accumulated depreciation and amortization)	341,997,029
Total noncurrent assets	342,317,538
Total assets	465,248,995
Deferred outflows of resources	840,915
Total assets and deferred outflows of resources	\$ 466,089,910

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Current liabilities:	
Accounts payable and accrued liabilities	\$ 8,873,354
Unearned revenue	1,877,011
Current portion of:	
Compensated absences	27,783
Bonds payable	2,240,000
Capital lease obligations	1,490,497
Total current liabilities	14,508,645
Noncurrent liabilities:	
Other postemployment benefits	431,852
Capital lease obligations	8,541,916
Bonds payable	47,594,689
Compensated absences	596,091
Total noncurrent liabilities	57,164,548
Total liabilities	71,673,193
Deferred inflows of resources	214,069
Net position:	
Net investment in capital assets	282,554,207
Restricted for liability insurance plan	10,527,621
Restricted for debt service	2,029,382
Restricted grants or contributions	1,120,762
Unrestricted assets	97,970,676
Total net position	394,202,648
Total liabilities, deferred inflows of resources and net position	\$ 466,089,910

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 5. Joint Venture – Virginia Railway Express (Continued)

VIRGINIA RAILWAY EXPRESS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION Year Ended June 30, 2019

Operating revenues	\$ 42,304,835
Operating expenses	<u>77,681,532</u>
Operating loss before depreciation and amortization	(35,376,697)
Depreciation and amortization	<u>(18,542,805)</u>
Operating loss	(53,919,502)
Nonoperating revenues (expenses):	
Subsidies:	
Commonwealth of Virginia grants	17,447,509
Federal grants – with PRTC as grantee	15,229,460
Jurisdictional contributions	17,767,748
Commonwealth Rail Operating and Capital (CROC) Fund	15,000,000
Regional transportation funding (NVTA)	194,506
Interest income:	
Operating funds	1,360,241
Insurance trust	221,184
Commonwealth Rail Operating and Capital (CROC) Fund	117,075
Other restricted funds	63,483
Interest, amortization and other nonoperating expenses, net	<u>(2,188,383)</u>
Total nonoperating revenues, net	65,212,823
Capital grants and assistance:	
Commonwealth of Virginia grants	1,417,527
Federal grants – with PRTC as grantee	3,541,398
Regional transportation funding (NVTA)	<u>2,304,206</u>
Total capital grants and assistance	7,263,131
Change in net position	18,556,452
Net position, beginning of year	<u>375,646,196</u>
Net position, ending	<u><u>\$ 394,202,648</u></u>

Note 6. 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 for NVTC's WMATA Compact members' local systems contracted prior to fiscal year 2013, operating and capital assistance for NVTC's WMATA Compact members' WMATA subsidies, and operating and capital assistance for the VRE commuter rail service.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 7. 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, contributory target benefit pension plan covering substantially all employees. 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, 2019 totaled \$140,971 (12.3 percent of covered payroll). Required employee contributions for the year ended June 30, 2019 totaled \$22,930 (2.0 percent of covered payroll). 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. NVTC's payroll for employees covered by the plan for the year ended June 30, 2019 was approximately \$1,144,870.

Note 8. Operating Leases and Agreements

Governmental activities

NVTC leased office space under a 125-month agreement which commenced on January 1, 2011 and was amended effective March 15, 2019. The lease provided for 3 percent annual increases in base rent over the term of the lease, and the pass-through of a proportionate share of the annual increases in common building expenses. The lease contained a provision for the abatement of the first five months of rent.

NVTC amended the lease under a 154-month agreement which commenced on March 15, 2019 and expires November 15, 2031, canceling the previous lease on the effective date of the amendment. The lease provides for 2.5 percent annual increases in base rent over the term of the lease, and the pass-through of a proportionate share of the annual increases in common building expenses after the first anniversary year. The lease contains a provision for the abatement of the first month's rent of 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, the cumulative minimum rent for the entire lease is amortized on a straight-line basis over the lease term, with an equal amount of rent expense recognized each month. Rent expense for governmental activities as reported in the government-wide financial statements totals \$273,107 (\$222,831 paid plus \$50,276 amortization). The Statement of Net Position reported a liability of \$65,366 related to the lease.

NVTC entered into a 5-year office equipment lease and maintenance agreement, both of which expire December 31, 2020. Minimum monthly payments under these agreements equal \$406 per month, with payments totaling \$4,872 for the year ended June 30, 2019.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 8. Operating Leases and Agreements (continued)

As of June 30, 2019, the minimum long-term lease commitments were as shown below:

Years Ending June 30,	Amount
2020	\$ 282,129
2021	367,195
2022	373,884
2023	383,279
2024	392,844
2025-2029	2,275,257
2030-2032	1,202,655
Total	<u>\$ 5,277,243</u>

Business-type activities

Operating Access Agreements with the CSX 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, 2019, annual track usage fees totaled approximately \$9,875,000, of which \$4,541,500 is recognized by the NVTC reporting entity, and facility and other identified costs totaled approximately \$639,000, of which \$293,900 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 maintenance, electrical power and other services became effective on July 1, 2015. For the year ended June 30, 2019, costs for track access and equipment storage totaled approximately \$6,628,000, of which \$3,048,200 is recognized by the NVTC reporting entity and mid-day maintenance, utility and other services totaled approximately \$4,965,000, of which \$2,283,400 is recognized by the NVTC reporting entity. Cost adjustments will be made in fiscal year 2019 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 will be 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).

The Commissions have a contract with Keolis Rail Services Virginia, LLC for train operations and maintenance for a five-year period beginning July 1, 2015. The cost of train operations and maintenance for the year ended June 30, 2019 totaled approximately \$22,512,000, of which \$10,353,300 is recognized by the NVTC reporting entity. Costs are based on an annual budget prepared in advance. Costs in fiscal year 2019 reflect contractual increases and the addition of a new train during the fiscal year. Costs for fiscal year 2019 will be adjusted for service additions or deletions and annual changes to the Consumer Price Index.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 9. Long-Term Debt Obligations

The following is a summary of long-term liability activity for the year ended June 30, 2019:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 140,888	\$ 119,598	\$ 109,390	\$ 151,096	\$ 48,674
Total governmental activities	140,888	119,598	109,390	151,096	48,674
Business-type activities:					
Capital leases	5,734,601	-	718,395	5,016,206	745,248
Bond payable	46,640,000	-	2,280,000	44,360,000	2,240,000
Unamortized premium	5,872,848	-	398,159	5,474,689	-
Compensated absences	291,287	178,440	182,829	286,898	12,776
Total business-type activities	58,538,736	178,440	3,579,383	55,137,793	2,998,024
Total Primary Government	\$ 58,679,624	\$ 298,038	\$ 3,688,773	\$ 55,288,899	\$ 3,046,698

Federal arbitrage regulations apply to VRE's Gallery IV capitalized lease.

Capitalized Lease - Gallery IV (11 cars)

	Total	NVTC Reporting Entity
\$25,100,000 capitalized lease obligation (NVTC reporting entity, \$12,550,000); \$965,679 due semi-annually (NVTC reporting entity, \$482,840), interest at 4.59%, maturing in 2025, collateralized with Gallery IV railcars with a carrying value of \$14,072,353 (NVTC reporting entity, \$7,036,177)	\$ 10,029,785	\$ 5,014,892

Future minimum lease payments as of June 30, 2019 are as follows:

Years Ending June 30,	Total	NVTC Reporting Entity
2020	\$ 1,931,357	\$ 965,679
2021	1,931,357	965,679
2022	1,931,357	965,679
2023	1,931,357	965,678
2024	1,931,357	965,678
2025	1,931,357	965,678
Total minimum lease payments	11,588,142	5,794,071
Lease amount representing interest	1,558,357	779,179
Present value of lease payments	\$ 10,029,785	\$ 5,014,892

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 9. Long-Term Debt Obligations (continued)

Capitalized Lease – Copiers

	Total	NVTC Reporting Entity
\$63,450 capitalized lease obligation; \$1,329 due monthly, interest at 9.39%, maturing in 2020; collateralized with two multifunction copiers with a carrying value of \$0.	\$ 2,628	\$ 1,314

Future minimum lease payments as of June 30, 2019 are as follows:

Year Ending June 30,	Total	NVTC Reporting Entity
2020	\$ 2,658	\$ 1,329
Total minimum lease payments	2,658	1,329
Less amount representing interest	30	15
Present value of lease payments	\$ 2,628	\$ 1,314

Notes Payable – Gallery IV (60 cars)/VRA Bond 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 \$65,406,906 at June 30, 2019. \$ 44,360,000

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 9. Long-Term Debt Obligations (continued)

Mandatory debt service requirements for the note consist of the following:

Years Ending June 30,	Principal	Interest	Total Required
2020	\$ 2,240,000	\$ 2,050,400	\$ 4,290,400
2021	2,350,000	1,939,481	4,289,481
2022	2,475,000	1,815,841	4,290,841
2023	2,605,000	1,685,666	4,290,666
2024	2,745,000	1,548,572	4,293,572
2025-2029	16,035,000	5,420,978	21,455,978
2030-2033	15,910,000	1,254,106	17,164,106
Subtotal	44,360,000	15,715,044	60,075,044
Unamortized premium	5,474,689	-	-
Total	\$ 49,834,689	\$ 15,715,044	\$ 60,075,044

Note 10. Risk Management and Liability Insurance Plan

NVTC and the VRE commuter rail operation is 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 at \$295,000,000) 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 \$133,000 at June 30, 2019, of which \$66,500 was included in the NVTC reporting entity.

The Division of Risk Management manages the Insurance Trust Fund pursuant to 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, 2019 is as follows:

	Total	NVTC Reporting Entity
Beginning balance, July 1	\$ 10,481,904	\$ 5,240,952
Contribution to reserves	3,700,000	1,850,000
Insurance premiums paid	(3,714,256)	(1,857,128)
Claims mitigation and losses incurred	(189,035)	(94,517)
Investment income	221,184	110,592
Actuarial and administrative charges	(27,927)	(13,964)
Ending balance, June 30	<u>\$ 10,471,870</u>	<u>\$ 5,235,935</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 11. 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 past 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, 2019, 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 (with VRE as grantee) 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, 2019:

Stations and parking lots	\$	3,979,508
Rolling stock		6,650,353
Maintenance and layover yards		3,302,179
Track and signal improvements		102,601
Other administrative		451,160
Total	\$	14,485,801

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.

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 are 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.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

Note 12. Interfund Transfers

	General Fund	Commuter Rail	Total Transferred Out
Transfer from fund:			
Special Revenue Fund – I-66 toll revenue	\$ (429,133)	\$ -	\$ (429,133)
General Fund	-	23,834,997	23,834,997
Total transferred in	\$ (429,133)	\$ 23,834,997	\$ 23,405,864

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

The transfer from the Special Revenue Fund to the General Fund is for NVTC sponsored projects.

Note 13. Restatement of Beginning Net Position

The following table shows the change to the beginning net position from the amounts previously reported:

Balance at June 30, 2018, as previously reported	\$ -
Net adjustment for change in method of accounting for toll revenue	<u>12,401,414</u>
Balance at June 30, 2018, as restated	<u><u>\$ 12,401,414</u></u>

Note 14. Pending GASB Statements

At June 30, 2019, the Governmental Accounting Standards Board (GASB) had issued statements not yet implemented by NVTC. The statements which might impact NVTC are as follows:

GASB Statement No. 87, *Leases*, will increase the usefulness of NVTC's financial statements by requiring reporting of certain lease assets and liabilities and deferred inflows of resources for leases that previously were classified as operating leases. Statement No. 87 will be effective for fiscal years beginning after December 15, 2019.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, will (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Statement No. 89 will be effective for fiscal years beginning after December 31, 2019.

GASB Statement No. 90, *Majority Equity Interests*, is intended to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. Statement No. 90 will be effective for fiscal years beginning after December 15, 2018.

GASB Statement No. 91, *Conduit Debt Obligations*, will provide a single method of reporting conduit debt obligations by issuer and eliminate diversity in practice associated with (1) commitments extended by issuer, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Statement No. 91 will be effective for fiscal years beginning after December 15, 2020.

Management 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 July 2019, the VRE Operations Board authorized the Chief Executive Officer to execute a contract with Simmons Machine Tool Corporation of Albany, New York, to fabricate, manufacture, install and test a Wheel Truing Machine for the Lifecycle Overhaul and Upgrade (LOU) Facility for a total amount not to exceed \$2,540,438, inclusive of contingency.

In July 2019, the VRE Operations Board authorized the Chief Executive Officer to execute a Sole Source Contract with REACH NOW for Maintenance and Hosting Support of the VRE Mobile Ticketing Application. The contract is for one base year and four option years for an estimated cost of \$3,244,972, inclusive of contingency.

In August 2019, VRE was repaid \$1.37 million in Railroad Rehabilitation and Improvement Financing (RRIF) Loan Credit Risk Premium funds. This cost was previously expensed in fiscal year 2013 in accordance with implementation of GASB 65 and was not considered likely to be repaid to VRE. This repayment will be accounted for as an unusual event revenue in fiscal year 2020.

In September 2019, VRE, in collaboration with CSX, completed and placed into service the Slater's Lane Track Crossover project. This project will provide operational flexibility to VRE and other passenger and freight operations. The project will be capitalized in fiscal year 2020.

In September 2019, the VRE Operations Board authorized the Chief Executive Officer to amend the Passenger Tariff to replace the current 5-Day Pass with a 7-Day Pass and the Monthly Pass in VRE Mobile with a 31-Day Pass. The current estimate of the potential impact on annual fare revenue is slightly less than \$500,000 per year.

In September 2019, The VRE Operations Board was asked to authorize the Chief Executive Officer to execute a contract with Vanasse Hangen Brustlin (VHB) of Watertown, MA for the Base Task of preliminary engineering and environmental services for the VRE Crystal City Station Improvements Project for a total amount not to exceed \$1,368,716, inclusive of contingency.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2019

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY JURISDICTION
JURISDICTION TRUST FUND
Year Ended June 30, 2019

	City of Alexandria	Arlington County	City of Fairfax	Fairfax County	City of Falls Church	Loudoun County	Totals
Additions:							
Contributions from government:							
Commonwealth of Virginia	\$ 22,754,531	\$ 38,854,955	\$ 1,983,189	\$ 89,761,212	\$ 1,137,370	\$ -	\$ 154,491,257
Motor Vehicle Fuel Sales Tax	2,916,004	2,566,467	1,257,319	17,667,286	1,261,691	8,766,720	34,435,487
Intergovernmental revenues, grants:							
Commonwealth of Virginia	8,686,091	15,022,999	732,393	33,148,774	420,466	-	58,010,723
Investment income	489,627	391,136	91,538	1,160,437	31,401	631,350	2,795,489
Total additions	34,846,253	56,835,557	4,064,439	141,737,709	2,850,928	9,398,070	249,732,956
Deductions:							
Funds disbursed to WMATA:							
Capital improvement program	1,517,859	6,595,861	443,266	-	395,854	-	8,952,840
Project development	-	-	9,619	-	9,385	-	19,004
Metrail operating	14,686,914	16,449,253	1,295,637	54,191,089	605,912	-	87,228,805
Metrobus operating	13,076,736	15,051,146	784,220	55,089,023	1,090,887	-	85,092,012
Metroaccess operating	491,420	-	299,884	12,961,061	87,393	-	13,839,758
Metro debt service	886,678	-	111,358	5,608,396	178,815	-	6,785,247
Other funds disbursed:							
Other capital disbursements	-	10,694,402	-	312,872	45,074	589,532	11,641,880
Other operating disbursements	-	4,954,905	858,808	6,474,595	-	10,539	12,298,847
Total deductions	30,659,607	53,745,567	3,802,792	134,637,036	2,413,320	600,071	225,858,393
Change in net position	4,186,646	3,089,990	261,647	7,100,673	437,608	8,797,999	23,874,563
Net position held in trust for member jurisdictions:							
Beginning of year	21,827,044	18,230,848	4,476,809	75,071,266	1,207,999	23,685,039	144,499,005
End of year	\$ 26,013,690	\$ 21,320,838	\$ 4,738,456	\$ 82,171,939	\$ 1,645,607	\$ 32,483,038	\$ 168,373,568

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF GENERAL, ADMINISTRATIVE AND PROJECT EXPENDITURES
GENERAL FUND
Year Ended June 30, 2019

	Total	General and Administrative	Projects
Expenditures:			
Advertising	\$ 2,479	\$ 2,479	\$ -
Audit and Legal	52,710	52,710	-
Capital outlay	96,748	96,748	-
Commissioners' per diem	13,122	13,122	-
Computer	15,596	15,596	-
Conference and training	18,375	18,375	-
Copier duplicating	11,063	11,063	-
Disability insurance	7,093	7,093	-
Employee group insurance	116,581	110,457	6,124
Employee retirement	140,971	133,952	7,019
Employer payroll taxes	102,088	97,005	5,083
Leave - annual, holiday, and sick	202,827	195,313	7,514
Memberships and subscriptions	1,589	1,589	-
Miscellaneous	11,906	11,906	-
Office supplies	4,135	4,135	-
Office rent	222,830	222,830	-
Insurance and liability bonds	6,426	6,426	-
Parking and Transit	21,157	21,157	-
Postage and shipping	1,364	1,364	-
Consulting, other project costs	3,456,789	264,913	3,191,876
Public information	18,199	18,199	-
Salaries and wages	1,232,906	1,171,545	61,361
State liaison	46,694	46,694	-
Telephone and data	13,621	13,621	-
Travel and meetings	17,352	17,180	172
Total expenditures	<u>\$ 5,834,621</u>	<u>\$ 2,555,472</u>	<u>\$ 3,279,149</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES
GENERAL FUND
Year Ended June 30, 2019

	Jurisdiction Grants & Projects	NTD	Fare Collection	Route 7	Totals
Revenues:					
Commonwealth of Virginia	\$ 753,085	\$ 193,520	\$ 78,529	\$ 107,494	\$ 1,132,628
Federal	1,856,140	-	-	-	1,856,140
Local	-	-	78,529	107,494	186,023
NVTC match	-	6,947	52,096	45,315	104,358
Total revenue	<u>\$ 2,609,225</u>	<u>\$ 200,467</u>	<u>\$ 209,154</u>	<u>\$ 260,303</u>	<u>\$ 3,279,149</u>
Expenditures:					
Consultants	\$ -	\$ 193,520	\$ 157,060	\$ 214,988	\$ 565,568
Costs incurred	2,609,225	-	17,083	-	2,626,308
Fringe benefits	-	2,053	10,308	13,379	25,740
Salaries and wages	-	4,894	24,572	31,895	61,361
Travel	-	-	132	40	172
Total expenditures	<u>\$ 2,609,225</u>	<u>\$ 200,467</u>	<u>\$ 209,155</u>	<u>\$ 260,302</u>	<u>\$ 3,279,149</u>

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, 2019

Project Sponsor	Project Title	Project Number	Approved Toll Revenue Funds	Prior Expenditures	FY2019 Expenditures	Cumulative Expenditures	Remaining Balance
Arlington County	Peak Period Service Expansion to Metrobus Route 2S	013-01-020-17	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000
Arlington County	Peak Period Service Expansion to ART Bus Route 55	013-02-120-17	450,000	-	69,074	69,074	380,926
Arlington County	County Bus Stop Consolidation and Accessibility Improvements	013-03-010-17	462,000	75,104	114,853	189,957	272,043
Arlington County	Multimodal Real-Time Transportation Information	013-04-040-17	250,000	6,509	16,444	22,953	227,047
Arlington County	Expanded TDM Outreach	013-05-030-17	350,000	28,071	234,338	262,409	87,591
Fairfax County	Express Service from Government Center to State Department/Foggy Bottom	059-01-120-17	3,336,836	2,041,068	330,222	2,371,290	965,546
Loudoun County	County Stone Ridge Enhanced Transit	107-01-120-17	1,940,939	1,177,626	345,258	1,522,884	418,055
Loudoun County	County Transportation Demand Management	107-02-030-17	623,000	-	394,059	394,059	228,941
City of Falls Church	Expanded Transit Access through Bikeshare	610-01-010-17	500,000	-	-	-	500,000
PRTC	Gainesville to Pentagon Commuter Service	664-01-120-17	887,900	-	455,786	455,786	432,114
Subtotal - Fiscal Year 2017 Program			9,800,675	3,328,378	1,960,034	5,288,412	4,512,263
Fairfax County	Express Bus Service - Vienna/Fairfax-GMU and Pentagon Metrorail Stations	059-01-18	3,452,618	-	-	-	3,452,618
Loudoun County	Transit Metro Connection Route 88X Extension to Dulles South	107-01-18	1,706,040	-	277,142	277,142	1,428,898
PRTC	On-Demand Commuter Lot Shuttles in Prince William County	664-01-18	1,087,796	-	-	-	1,087,796
Loudoun County	Transit Metro Connection from New Purcellville Park and Ride	107-02-18	1,065,960	-	-	-	1,065,960
City of Fairfax	CUE Access and Technology Improvements	600-01-18	965,000	-	-	-	965,000
City of Falls Church	Metrobus Route 3T Extension and Service Expansion	610-01-18	845,754	-	211,000	211,000	634,754
Fairfax County	I-66 Corridor Vienna/Merrifield Bike Share Expansion	059-02-18	497,100	-	-	-	497,100
Arlington County	I-66 Corridor Intelligent Transportation System Enhancements	013-01-18	400,000	-	-	-	400,000
Arlington County	Traffic Management Center	013-02-18	400,000	-	-	-	400,000
Arlington County	Expanded Transportation Demand Management Outreach to the I-66 Corridor	013-03-18	350,000	-	-	-	350,000
PRTC	Flexible Vanpool Program	664-02-18	317,600	-	-	-	317,600
PRTC	Linton Hall OmniRide Metro Direct Bus Service Enhancement	664-03-18	134,200	-	-	-	134,200
City of Manassas	Bicycle Parking Improvements at Manassas VRE Station	683-01-18	55,000	-	38,870	38,870	16,130
NVTC	I-66 Commuter Choice Marketing and Outreach	999-01-18	400,000	-	101,207	101,207	298,793
NVTC	Program Administration, Evaluation and Oversight	999-02-18	400,000	-	327,926	327,926	72,074
Subtotal - Fiscal Year 2018 Program			12,077,068	-	956,145	956,145	11,120,923
Total			\$ 21,877,743	\$ 3,328,378	\$ 2,916,179	\$ 6,244,557	\$ 15,633,186

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. Expenditures for NVTC sponsored projects totaling \$429,133 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 EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS
Year Ended June 30, 2019**

Grant	Contract Date	Grant Number	Grant Award	Accrued (Deferred) Revenue 6/30/2018	Cash Received	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 6/30/2019	Cumulative Expenditures
<u>Northern Virginia Transportation Commission</u>									
Virginia Department of Rail and Public Transportation (DRPT)									
Capital:									
Fiscal Year 2018	7/26/2017	73018-44	\$ 19,605,134	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,242,756
Fiscal Year 2018	7/26/2017	73018-45	18,872,150	-	-	-	-	-	17,561,950
Fiscal Year 2018	7/26/2017	73018-46	3,193,863	-	-	-	-	-	2,972,453
Fiscal Year 2018	9/26/2017	73018-47	18,001	-	18,001	18,001	18,001	-	18,001
Fiscal Year 2018	7/26/2017	73018-48	140,250	-	-	-	-	-	105,413
Fiscal Year 2018	7/26/2017	73018-49	875,398	-	-	-	-	-	-
Fiscal Year 2017	12/13/2016	73017-45	19,535,598	-	-	-	-	-	18,044,177
Fiscal Year 2017	12/13/2016	73017-46	13,618,279	-	-	-	-	-	13,196,593
Fiscal Year 2017	12/13/2016	73017-47	1,902,644	-	-	-	-	-	1,842,333
Fiscal Year 2017	2/15/2019	73016-83	1,641,316	-	17,083	17,083	17,083	-	17,083
Fiscal Year 2016	8/3/2015	73016-57	889,893	-	-	-	-	-	889,893
Fiscal Year 2016	11/30/2015	72513-34	460,561	-	177,813	452,813	452,813	275,000	452,813
Fiscal Year 2011	7/17/2012	72511-03	771,612	-	8,757	243,323	243,323	234,566	494,329
Fiscal Year 2011	10/5/2010	72511-04	100,000	-	-	-	-	-	-
Fiscal Year 2011	11/30/2015	72511-07	757,000	-	-	-	-	-	399,928
Fiscal Year 2010	7/17/2012	72510-08	209,575	-	1,080	1,080	1,080	-	1,080
Fiscal Year 2011	7/18/2012	72510-10	133,250	-	1,435	1,435	1,435	-	81,071
Fiscal Year 2014	1/7/2014	72510-15	221,540	-	52,135	60,811	60,811	8,676	60,811
Fiscal Year 2010	8/4/2011	72510-17	915,893	-	-	-	-	-	-
Fiscal Year 2010	12/28/2010	72510-18	221,540	-	-	-	-	-	-
Fiscal Year 2010	7/2/2009	72509-22	190,190	-	-	-	-	-	-
Fiscal Year 2009	10/1/2010	72509-25	200,600	-	8,007	8,007	8,007	-	25,040
Fiscal Year 2009	10/1/2010	72509-26	64,750	9,460	43,224	33,764	33,764	-	59,701
Fiscal Year 2009	7/2/2009	72508-10	100,320	-	80,416	80,416	80,416	-	100,320
Fiscal Year 2008	8/12/2008	72508-12	125,400	-	-	-	-	-	-
Fiscal Year 2008	8/5/2010	72508-13	59,500	46,266	46,266	-	-	-	59,500
Fiscal Year 2008	8/12/2008	72508-16	59,500	-	-	-	-	-	750
Fiscal Year 2008	9/19/2008	72508-19	100,320	-	6,338	10,017	10,017	3,679	94,675
Fiscal Year 2008	4/5/2012	72508-52	320,000	-	624	1,865	1,865	1,241	42,833
Fiscal Year 2008	10/16/2007	73008-48	209,245	-	8,809	8,809	8,809	-	114,292
Fiscal Year 2007	8/12/2008	72507-31	118,973	-	-	2,646	2,646	2,646	54,056
Fiscal Year 2007	8/12/2008	72507-35	56,678	-	-	-	-	-	-
Fiscal Year 2007	7/2/2009	72507-29	166,563	-	18,036	48,304	48,304	30,268	48,304

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS (Continued)
Year Ended June 30, 2019**

<u>Grant</u>	<u>Contract Date</u>	<u>Grant Number</u>	<u>Grant Award</u>	<u>Accrued (Deferred) Revenue 6/30/2018</u>	<u>Cash Received</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued (Deferred) Revenue 6/30/2019</u>	<u>Cumulative Expenditures</u>
<u>Northern Virginia Transportation Commission (continued)</u>									
Virginia Department of Rail and Public Transportation (DRPT) (continued)									
Capital and Operating - WMATA:									
Fiscal Year 2019	12/20/2018	73619-01	\$ 154,273,051	\$ -	\$ 154,273,051	\$ 154,273,051	\$ 154,273,051	\$ -	\$ 154,273,051
Demonstration \ Experimental:									
Fiscal Year 2018									
Rt. 7 Technical	5/25/2018	71318-04	150,000	-	69,048	107,496	107,496	38,448	107,496
Fiscal Year 2015									
Intern Program	10/18/2018	71219-03	40,000		13,377	20,823	20,823	7,446	20,823
Intern Program	11/14/2007	71218-04	40,000	5,457	8,246	2,789	2,789	-	28,058
Fiscal Year 2014									
Fare Collection Tech.	9/2/2014	71315-03	400,000	13,832	81,897	78,533	78,533	10,468	213,677
Total State Assistance - NVTC			<u>240,758,587</u>	<u>75,015</u>	<u>154,933,643</u>	<u>155,471,066</u>	<u>155,471,066</u>	<u>612,438</u>	<u>229,623,260</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS (Continued)
Year Ended June 30, 2019

Grant	Contract Date*	Grant Number	Grant Award	Accrued (Deferred) Revenue 6/30/2018	Cash Received	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 6/30/2019	Cumulative Expenditures
Virginia Railway Express									
Virginia Department of Rail and Public Transportation (DRPT)									
Capital:									
Fiscal Year 2015-2018	8/3/2015	50003	\$ 4,634,540	\$ 460,630	\$ 963,830	\$ 503,200	\$ 503,200	\$ -	\$ 4,360,908
Fiscal Year 2016-2020	9/16/2015	50012	12,045,657	2,186,735	2,186,332	2,243,897	2,243,897	2,244,300	7,895,398
Fiscal Year 2016-2020	2/26/2016	50013	16,065,000	75,192	125,080	49,888	49,888	-	12,326,411
Fiscal Year 2017-2018	5/1/2018	50022	4,872,200	3,467,897	3,482,916	15,019	15,019	-	3,482,916
Fiscal Year 2019	8/20/2018	50029	2,730,200	-	870,870	2,478,011	2,478,011	1,607,141	2,478,011
Fiscal Year 2019-2023	8/20/2018	50030	5,756,328	-	-	511,315	511,315	511,315	511,315
Fiscal Year 2019	4/2/2019	72519-26	23,483,000	-	-	-	-	-	-
N/A	N/A	73018-67		58,052	-	250,965	250,965	309,017	309,017
N/A	N/A	73018-68		264,103	-	406,596	406,596	670,699	670,699
N/A	N/A	73018-69		28,760	-	(28,760)	(28,760)	-	-
Fiscal Year 2019	9/10/2018	73018-72	582,214	-	77,947	192,529	192,529	114,582	192,529
N/A	N/A	73018-73		-	-	16,162	16,162	16,162	16,162
N/A	N/A	73018-74		16,162	-	43,644	43,644	59,806	59,806
N/A	N/A	73117-62		34,619	-	58,161	58,161	92,780	92,780
N/A	N/A	73017-73		-	-	257,544	257,544	257,544	257,544
Fiscal Year 2019	9/10/2018	73017-74	4,284,000						
Fiscal Year 2017	2/5/2018	73017-76	16,800	16,800	16,800	-	-	-	16,800
Fiscal Year 2017	2/5/2018	73017-77	192,000	-	-	79,924	79,924	79,924	127,878
Fiscal Year 2017	9/10/2018	73017-78	309,017	308,820	309,017	136,374	136,374	136,177	445,194
Fiscal Year 2017	2/27/2018	73017-79	311,538	311,536	311,538	2	2	-	311,538
Fiscal Year 2017	2/27/2018	73017-81	64,000	64,400	64,400	7,917	7,917	7,917	72,317
Fiscal Year 2017	10/14/2016	73017-82	497,005	-	-	-	-	-	-
Fiscal Year 2017	12/7/2016	73017-83	19,461	-	-	-	-	-	-
Fiscal Year 2017	9/10/2018	73117-61	436,153	592,627	375,130	1	1	217,498	592,628
Fiscal Year 2016	2/2/2016	72516-07	68,973	4,643	12,081	7,438	7,438	-	68,973
Fiscal Year 2016	10/14/2016	73016-84	867,200	284,358	338,702	54,344	54,344	-	443,234
Fiscal Year 2016	10/19/2016	73016-85	1,320,960	30,435	29,128	4,416	4,416	5,723	276,606
Fiscal Year 2016	10/19/2016	73016-86	304,000	64,404	73,478	50,626	50,626	41,552	233,000
Fiscal Year 2016	2/5/2019	73016-87	464,000	3,994	5,114	21,631	21,631	20,511	25,625
Fiscal Year 2016	2/5/2018	73016-88	120,000	34,492	38,359	4,600	4,600	733	39,092
Fiscal Year 2016	2/5/2018	73016-90	16,000	3,884	3,884	-	-	-	16,000
Fiscal Year 2016	2/5/2018	73016-91	16,000	16,000	16,000	-	-	-	16,000
N/A	N/A	78016-07		-	-	419,458	419,458	419,458	419,458
Fiscal Year 2015	10/14/2016	73015-93	320,000	118,240	146,060	27,820	27,820	-	320,000

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS (Continued)
Year Ended June 30, 2019

Grant	Contract Date*	Grant Number	Grant Award	Accrued (Deferred) Revenue 6/30/2018	Cash Received	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 6/30/2019	Cumulative Expenditures
Virginia Railway Express (continued)									
Virginia Department of Rail and Public Transportation (DRPT) (continued)									
Capital (continued)									
Fiscal Year 2015	2/29/2016	73015-94	\$ 1,705,189	\$ 6,392	\$ 10,494	\$ 9,720	\$ 9,720	\$ 5,618	\$ 1,473,684
Fiscal Year 2015	2/8/2016	73015-95	840,000	92,141	60,987	54,056	54,056	85,210	379,357
Fiscal Year 2015	10/14/2016	73015-96	64,000	-	-	9,252	9,252	9,252	9,252
Fiscal Year 2015	10/14/2016	73015-98	879,572	6,757	10,203	55,568	55,568	52,122	362,641
Fiscal Year 2019	9/10/2018	73115-72	2,720,428	-	-	-	-	-	-
Fiscal Year 2014	2/2/2016	72514-07	800,000	-	-	-	-	-	-
Fiscal Year 2014	10/14/2016	73014-76	539,000	109,167	109,167	-	-	-	539,000
Fiscal Year 2013	1/6/2014	72513-12	400,000	13,148	14,935	20,923	20,923	19,136	85,036
Fiscal Year 2013	4/24/2013	73113-46	11,391,184	4,266	4,493	227	227	-	9,968,133
Fiscal Year 2011	1/6/2014	72510-67	300,000	4,882	4,882	-	-	-	255,251
Fiscal Year 2010	1/6/2014	72510-68	200,000	-	-	-	-	-	-
Fiscal Year 2010	1/21/2011	72510-75	821,902	36,098	-	122,600	122,600	158,698	341,749
Operating:									
Fiscal Year 2019	8/20/2018	72019-26	9,978,879	-	9,978,879	9,978,879	9,978,879		9,978,879
Rail Enhancement Fund:									
Potomac Shores	N/A	76517-01		342,213	-	140,947	140,947	483,160	483,160
Third Track Spotsylvani	5/10/2013	76513-11	13,856,292	172,119	180,933	8,814	8,814	-	13,356,931
Gainsville-Haymarket	5/10/2013	76509-02	2,785,714	576,872	834,428	574,148	574,148	316,592	2,563,253
Eligible expenditures accrued, not yet assigned to specific grants		N/A	N/A	13,717	-	77,180	77,180	90,896	77,180
Total State Assistance - VRE			127,078,406	9,824,555	20,656,067	18,865,036	18,865,036	8,033,523	75,951,345
Total State Assistance - NVTC and VRE			<u>\$ 367,836,993</u>	<u>\$ 9,899,570</u>	<u>\$ 175,589,710</u>	<u>\$ 174,336,102</u>	<u>\$ 174,336,102</u>	<u>\$ 8,645,961</u>	<u>\$ 305,574,605</u>

*N/A indicates contract not executed as of June 30, 2019.

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS
Year Ended June 30, 2019**

Grant / Contracted Jurisdiction	Contract Date	Grant Number	Grant Award	Accrued (Deferred) Revenue 6/30/2018	Cash Received	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 6/30/2019	Cumulative Expenditures
Northern Virginia Transportation Commission, Jurisdiction Trust Fund (contracted directly with individual jurisdictions)									
Virginia Department of Rail and Public Transportation (DRPT)									
Capital:									
Fiscal Year 2019									
Arlington County	11/8/2018	73019-32	\$ 306,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Arlington County	11/8/2018	73019-33	5,962,928	-	-	-	-	-	-
Arlington County	11/8/2018	73019-34	1,020,000	-	-	-	-	-	-
Arlington County	11/8/2018	73019-35	148,000	-	13,789	33,019	33,019	19,230	33,019
Arlington County	11/8/2018	73019-36	190,000	-	-	12,820	12,820	12,820	12,820
Arlington County	11/8/2018	73019-37	126,310	-	-	-	-	-	-
City of Alexandria	6/20/2019	73019-38	2,635,680	-	-	1,575,322	1,575,322	1,575,322	1,575,322
City of Alexandria	1/28/2019	73019-39	34,000	-	-	-	-	-	-
Fairfax County	12/14/2018	73019-40	15,300	-	-	-	-	-	-
Fairfax County	12/14/2018	73019-41	2,210,000	-	59,057	59,057	59,057	-	59,057
Fairfax County	10/14/2018	73019-44	408,000	-	-	-	-	-	-
Fairfax County	12/14/2018	73019-45	76,500	-	-	-	-	-	-
Fairfax County	12/14/2018	73019-46	102,000	-	-	-	-	-	-
Fairfax County	12/14/2018	73019-47	1,020,000	-	-	-	-	-	-
Fiscal Year 2018									
Arlington County	9/19/2017	73018-50	1,979,140	-	-	-	-	-	-
Arlington County	9/19/2017	73018-51	504,560	-	215,095	232,516	232,516	17,421	232,516
Arlington County	9/19/2017	73018-52	2,090,507	2,090,507	2,090,507	-	-	-	2,090,507
Arlington County	9/19/2017	73018-53	974,212	-	-	-	-	-	-
Arlington County	9/19/2017	73018-54	979,880	32,407	77,706	55,141	55,141	9,842	87,548
Arlington County	5/1/2018	73118-13	6,970,000	-	6,970,000	6,970,000	6,970,000	-	6,970,000
City of Alexandria	11/29/2017	73018-55	2,652,000	-	-	2,520,515	2,520,515	2,520,515	2,520,515
City of Alexandria	11/29/2017	73018-56	42,500	-	15,634	15,634	15,634	-	15,634
Fairfax County	12/14/2017	73018-60	8,500,000	-	5,946,998	6,177,379	6,177,379	230,381	6,177,379
Fairfax County	12/14/2017	73018-61	4,760,000	-	4,526,666	4,529,919	4,529,919	3,253	4,529,919
Fairfax County	12/14/2017	73018-62	21,250	-	-	12,196	12,196	12,196	12,196
Fairfax County	12/14/2017	73018-63	76,500	-	27,210	54,053	54,053	26,843	75,586
Fairfax County	12/14/2017	73018-64	2,305,200	-	166,272	218,086	218,086	51,814	260,307
Fairfax County	12/14/2017	73018-65	748,000	-	142,872	253,321	253,321	110,449	253,321
Fairfax County	12/14/2017	73018-66	4,000,000	-	-	-	-	-	-
Fiscal Year 2017									
Arlington County	10/26/2016	73017-51	228,100	16,869	93,935	77,066	77,066	-	228,100
Arlington County	10/26/2016	73017-52	547,400	113,674	172,161	58,487	58,487	-	547,400

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS (Continued)
Year Ended June 30, 2019**

Grant / Contracted Jurisdiction	Contract Date	Grant Number	Grant Award	Accrued (Deferred) Revenue 6/30/2018	Cash Received	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 6/30/2019	Cumulative Expenditures
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 2017 (continued)									
Arlington County	10/26/2016	73017-53	\$ 174,250	\$ -	\$ 46,245	\$ 46,245	\$ 46,245	\$ -	\$ 46,245
Arlington County	10/26/2016	73017-54	1,387,200	152,154	205,506	181,289	181,289	127,937	495,174
Arlington County	10/26/2016	73017-55	12,750	-	78	78	78	-	296
Arlington County	10/26/2016	73017-56	8,500	890	890	-	-	-	8,500
Arlington County	10/26/2016	73017-57	172,380	-	-	-	-	-	445
Arlington County	10/26/2016	73017-58	2,210,000	-	125,698	125,698	125,698	-	647,042
City of Alexandria	6/22/2018	72517-09	406,315	-	-	-	-	-	-
City of Alexandria	6/22/2018	72517-10	409,901	-	-	-	-	-	-
City of Alexandria	10/14/2016	73017-60	2,652,000	-	2,577,023	2,577,023	2,577,023	-	2,577,023
Fairfax County	10/14/2016	73017-61	4,182,000	-	4,181,232	4,182,000	4,182,000	768	4,182,000
Fairfax County	10/14/2016	73017-62	612,000	-	82,601	82,601	82,601	-	124,734
Fairfax County	10/14/2016	73017-63	680,000	-	670,222	673,706	673,706	3,484	673,706
Fairfax County	10/14/2016	73017-64	124,100	-	-	-	-	-	-
Fairfax County	10/14/2016	73017-65	306,000	-	21,114	21,114	21,114	-	305,981
Fairfax County	10/14/2016	73017-69	340,000	-	130,429	130,429	130,429	-	340,000
Fairfax County	10/14/2016	73017-70	2,176,000	-	-	-	-	-	2,124,186
Fairfax County	10/14/2016	73017-72	680,000	-	-	-	-	-	343,582
City of Alexandria	6/20/2017	73117-58	204,000	-	-	-	-	-	60,480
Fiscal Year 2016									
Arlington County	10/19/2015	73016-61	1,734,000	-	6,062	10,025	10,025	3,963	27,700
Arlington County	10/19/2015	73016-62	46,410	13,176	13,176	-	-	-	46,410
City of Alexandria	11/2/2015	73016-68	1,836,000	-	1,836,000	1,836,000	1,836,000	-	1,836,000
City of Alexandria	11/2/2015	73016-70	816,000	-	298,644	298,644	298,644	-	298,644
Fairfax County	9/24/2015	73016-73	1,870,000	-	1,137,304	1,166,487	1,166,487	29,183	1,727,935
Fairfax County	9/24/2015	73016-74	2,040,000	-	621,288	733,838	733,838	112,550	1,589,108
Fairfax County	9/24/2015	73016-75	408,000	-	151,267	158,402	158,402	7,135	309,513
Fairfax County	9/24/2015	73016-76	1,870,000	-	1,147,227	1,155,863	1,155,863	8,636	1,914,804
Fairfax County	9/24/2015	73016-77	850,000	-	-	-	-	-	224,534
Fairfax County	4/22/2016	73116-62	3,400,000	-	-	-	-	-	3,092,235
Fiscal Year 2015									
Arlington County	9/12/2014	73015-56	538,220	13,856	16,276	2,420	2,420	-	29,168
Arlington County	9/12/2014	73015-57	17,000	-	2,282	2,282	2,282	-	9,813

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS (Continued)
Year Ended June 30, 2019**

<u>Grant / Contracted Jurisdiction</u>	<u>Contract Date</u>	<u>Grant Number</u>	<u>Grant Award</u>	<u>Accrued (Deferred) Revenue 6/30/2018</u>	<u>Cash Received</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued (Deferred) Revenue 6/30/2019</u>	<u>Cumulative Expenditures</u>
<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 2015 (continued)									
City of Falls Church	11/21/2014	73015-73	\$ 239,700	\$ -	\$ 45,074	\$ 45,074	\$ 45,074	\$ -	\$ 225,721
Fiscal Year 2014									
Arlington County	1/8/2014	73014-47	357,500	46,188	46,188	-	-	-	324,905
Operating									
Arlington County	11/8/2018	72019-22	3,645,029	-	3,645,029	3,645,029	3,645,029	-	3,645,029
City of Alexandria	2/6/2019	72019-23	3,883,069	-	3,883,069	3,883,069	3,883,069	-	3,883,069
City of Fairfax	10/18/2018	72019-24	817,039	-	817,039	817,039	817,039	-	817,039
Fairfax County	12/14/2018	72019-25	15,398,399	-	15,398,399	15,398,399	15,398,399	-	15,398,399
Total State Assistance - Jurisdiction Trust Fund			<u>\$ 108,137,729</u>	<u>\$ 2,479,721</u>	<u>\$ 57,623,264</u>	<u>\$ 60,027,285</u>	<u>\$ 60,027,285</u>	<u>\$ 4,883,742</u>	<u>\$ 73,010,566</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SUPPLEMENTARY INFORMATION
SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Grant Award</u>	<u>Accrued (Deferred) Revenue 6/30/18</u>	<u>Cash Received</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued (Deferred) Revenue 6/30/19</u>	<u>Cumulative Expenditures</u>
<u>Northern Virginia Transportation Commission</u>									
Federal Transit Administration									
King Street Access Improvements	20.507	VA 95-0082	\$ 4,144,941	\$ -	\$ -	\$ 973,294	\$ 973,294	\$ 973,294	\$ 2,038,265
Potomac Yard Transitway	20.507	VA 95-0106	3,028,000	-	454,250	454,250	454,250	-	2,053,962
Eisenhower Ave. Intermodal Station	20.500	VA 04-0022	1,442,203	-	-	10,583	10,583	10,583	193,403
Alexandria Potomac Yard Busway	20.500	VA 04-0024	997,710	-	5,738	5,738	5,738	-	788,990
Falls Church Intermodal	20.500	VA 04-0029	1,668,154	-	25,351	40,067	40,067	14,716	751,928
Alexandria Transit Service Improvements	20.500	VA 04-0033	1,761,000	-	169,783	169,783	169,783	-	507,026
Eisenhower Ave Bus Loop	20.500	VA 04-0048	1,640,700	-	36,350	36,350	36,350	-	104,478
Alexandria VanDorn/Beauregard AA/EA	20.522	VA 39-0004	800,000	-	38,340	38,340	38,340	-	658,856
Alexandria BRT Potomac Yards-NWST	20.500	VA 03-0117	1,490,000	-	127,735	127,735	127,735	-	1,416,342
Total Federal Assistance - NVTC			<u>\$ 16,972,708</u>	<u>\$ -</u>	<u>\$ 857,547</u>	<u>\$ 1,856,140</u>	<u>\$ 1,856,140</u>	<u>\$ 998,593</u>	<u>\$ 8,513,250</u>

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

COMPLIANCE SECTION

YEAR ENDED JUNE 30, 2019

NORTHERN VIRGINIA TRANSPORTATION COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

Federal Grantor / Program Title	Federal CFDA Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of Transportation			
Direct Payments			
Federal Transit Cluster:			
Federal Transit Capital Investment Grants:			
VA 04-0029	20.500	\$ 40,067	\$ 40,067
VA 03-0117	20.500	127,735	127,735
VA 04-0022	20.500	10,583	10,583
VA 04-0024	20.500	5,738	5,738
VA 04-0033	20.500	169,783	169,783
VA 04-0048	20.500	36,350	36,350
Total Federal Capital Investment Grants		<u>390,256</u>	<u>390,256</u>
Federal Transit Formula Grants:			
VA 95-0082	20.507	973,294	973,294
VA 95-0106	20.507	454,250	454,250
Total Federal Transit Formula Grants		<u>1,427,544</u>	<u>1,427,544</u>
Total Federal Transit Cluster		<u>1,817,800</u>	<u>1,817,800</u>
Alternatives Analysis Funding:			
VA 39-0004	20.522	38,340	38,340
Total Alternatives Analysis Funding		<u>38,340</u>	<u>38,340</u>
Total Department of Transportation		<u>1,856,140</u>	<u>1,856,140</u>
Total Expenditures of Federal Awards		<u>\$ 1,856,140</u>	<u>\$ 1,856,140</u>

The accompanying notes are an integral part of this financial statement.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Northern Virginia Transportation Commission (NVTC) under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of NVTC, it is not intended to and does not present the financial position or changes in net position of NVTC.

Federal Financial Assistance – The Single Audit Act Amendments of 1996 (Public Law 104-156) and Uniform Guidance define federal financial assistance as grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations or other assistance. Federal financial assistance does not include direct federal cash assistance to individuals.

Direct Payments – Assistance received directly from the Federal government is classified as direct payments on the Schedule.

Pass-through Payments – Assistance received in a pass-through relationship from entities other than the Federal government is classified as pass-through payments on the Schedule.

Major Programs – The Single Audit Act Amendments of 1996 and the Uniform Guidance establish the criteria to be used in defining major programs. Major programs for NVTC were determined using a risk-based approach in accordance with the Uniform Guidance.

Catalog of Federal Domestic Assistance – The Catalog of Federal Domestic Assistance (CFDA) is a government-wide compendium of individual federal programs. Each program included in the catalog is assigned a five-digit program identification number (CFDA Number), which is reflected in the accompanying Schedule.

Cluster of Programs – Closely related programs that share common compliance requirements are grouped into clusters of programs. A cluster of programs is considered as one federal program for determining major programs. The following cluster is administered by NVTC: Federal Transit Cluster.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 2. Summary of Significant Accounting Policies (Continued)

For fiscal year 2019, NVTC recognized amounts in the Schedule associated with prior year expenditures. Expenditures should be recognized in the fiscal year spent for reporting purposes. In the current fiscal year, \$787,557 of prior year expenditures associated with the Federal Transit Cluster were included in the Schedule. Prior year expenditures associated with the cluster were reflected in the current year due to timing in which NVTC received draw down requests and supporting documentation from the NVTC member jurisdictions in which NVTC manages the federal grants.

Note 3. Indirect Cost Rate

NVTC has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.



**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; 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 fund information of Northern Virginia Transportation Commission (Commission), as of and for the year ended June 30, 2019, 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 22, 2019.

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) to determine 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.

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 determination of financial statement amounts. 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 22, 2019



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY UNIFORM GUIDANCE**

To the Honorable Commission Board Members
Northern Virginia Transportation Commission

Report on Compliance for Each Major Federal Program

We have audited the Northern Virginia Transportation Commission's (Commission) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Commission's major federal programs for the year ended June 30, 2019. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for its major federal program. However, our audit does not provide a legal determination of the Commission's compliance.

Opinion on Each Major Federal Program

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Commission's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PBMares, LLP

Harrisonburg, Virginia
November 22, 2019

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2019

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified?	<u> </u> Yes	<u> √ </u> No
Significant deficiencies identified?	<u> </u> Yes	<u> √ </u> None Reported
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> √ </u> No

Federal Awards

Internal control over major programs:

Material weaknesses identified?	<u> </u> Yes	<u> √ </u> No
Significant deficiencies identified?	<u> </u> Yes	<u> √ </u> None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required
to be reported in accordance with section
2 CFR 200.516(a)?

 Yes √ No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
Federal Transit Cluster:	
20.500	Federal Transit – Capital Investment Grants (Fixed Guideway Capital Investment Grants)
20.507	Federal Transit – Formula Grants (Urbanized Area Formula Program)

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? √ Yes No

II. FINANCIAL STATEMENT FINDINGS

None

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

NORTHERN VIRGINIA TRANSPORTATION COMMISSION

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2019

There were no audit findings reported in the prior year's single audit.