

# **NORTHERN VIRGINIA TRANSPORTATION COMMISSION**

**Financial and Compliance Reports**

**Year Ended June 30, 2024**



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ASSURANCE, TAX & ADVISORY SERVICES

# **NORTHERN VIRGINIA TRANSPORTATION COMMISSION**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Commission Board Members  
Northern Virginia Transportation Commission

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the remaining aggregate fund information of the Northern Virginia Transportation Commission (Commission), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining aggregate fund information of the Commission, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2024 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 15, 2024

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**

**REQUIRED SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2024**

## **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, 2024. 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 \$309.5 million on a government-wide basis as of June 30, 2024. Of this total, \$195.0 million is for business-type activities and \$114.5 million for governmental activities.
- For the fiscal year, grants, contributions and other revenue net of transfers of NVTC's governmental activities amounted to \$311.4 million. Expenses totaled \$272.9 million.
- For the fiscal year, revenues and transfers of NVTC's business-type activities were \$61.2 million. Expenses amounted to \$71.6 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 \$38.6 million for fiscal year 2024, compared to an increase of \$23.0 million for fiscal year 2023. The governmental funds balance as of June 30, 2024 totaled \$115.0 million compared with \$76.4 million at the end of the previous fiscal year.
- During the fiscal year, the proprietary fund net position decreased by \$10.4 million, from \$205.4 million to \$195.0 million.
- NVTC's fiduciary funds reported an increase of \$40.0 million in net position. The Jurisdiction Trust Fund increased \$39.4 million, and the Pension Trust Fund increased \$0.6 million.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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



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

### **Government-Wide Financial Statements**

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

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

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

### **Fund Financial Statements**

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

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

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

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

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

### **Notes to the Basic Financial Statements**

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

### **Supplementary Information**

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

## **FINANCIAL ANALYSIS OF THE NVTC REPORTING ENTITY AS A WHOLE**

### **Statement of Net Position**

The following table presents a summary of the Statement of Net Position for the NVTC reporting entity as of June 30, 2024 and 2023:

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Assets:</b>						
Current and other assets	\$ 122,366,567	\$ 82,957,370	\$ 97,990,783	\$ 130,902,234	\$ 220,357,350	\$ 213,859,604
Capital assets, net	2,957,256	3,356,319	270,110,940	251,347,987	273,068,196	254,704,306
Other non-current assets	-	-	532,448	529,864	532,448	529,864
Total assets	125,323,823	86,313,689	368,634,171	382,780,085	493,957,994	469,093,774
Deferred outflows	-	-	269,996	300,853	269,996	300,853
Total assets and Deferred outflows	125,323,823	86,313,689	368,904,167	383,080,938	494,227,990	469,394,627
<b>Liabilities:</b>						
Current and other liabilities	7,329,439	6,553,361	18,126,779	15,347,660	25,456,218	21,901,021
Long-term liabilities	3,448,760	3,703,484	155,278,929	161,856,448	158,727,689	165,559,932
Total liabilities	10,778,199	10,256,845	173,405,708	177,204,108	184,183,907	187,460,953
Deferred inflows	-	-	509,752	514,723	509,752	514,723
Total liabilities and Deferred inflows	10,778,199	10,256,845	173,915,460	177,718,831	184,693,659	187,975,676
<b>Net position:</b>						
Net investment in capital assets	(220,028)	(130,769)	100,213,255	79,430,092	99,993,227	79,299,323
Restricted	113,973,250	75,413,265	24,898,294	29,030,897	138,871,544	104,444,162
Unrestricted	792,402	774,348	69,877,158	96,901,118	70,669,560	97,675,466
Total net position	\$ 114,545,624	\$ 76,056,844	\$ 194,988,707	\$ 205,362,107	\$ 309,534,331	\$ 281,418,951

As noted earlier, net position may serve as a useful indicator of a government's financial position. As shown above, net position totaled \$309.5 million as of June 30, 2024, an increase of \$28.1 million over the previous fiscal year. The largest portion of net position, \$138.9 million or 44.9 percent, represents restricted net assets, which includes \$14.0 million for debt service, \$114.0 million for the Commuter Choice program, \$5.3 million for liability insurance plan, and \$5.6 million for grants or contributions. Net investment in capital assets (e.g., land, intangible right-to-use assets, building, improvements, rolling stock, equipment and software), net of accumulated depreciation and amortization, less the related indebtedness outstanding used to acquire those capital assets represents \$100.0 million. These assets are used primarily to provide service to riders; consequently, these assets are not available for future spending. The resources required to repay this debt must be provided annually from operations and federal, state and local support since it is unlikely that the capital assets themselves will be liquidated to pay liabilities.

Current assets consist primarily of grant revenue and motor vehicle fuel sales tax due from the Commonwealth of Virginia and restricted cash for governmental and business-type activities, non-restricted cash, cash equivalents, inventory, trade accounts receivables, and investments. As of June 30, 2024, approximately \$55.8 million was due from the Commonwealth of Virginia, of which \$5.3 million is for motor vehicle fuel sales tax, \$47.8 million for grant and other state revenue, and \$2.7 million of toll revenues. This is a \$9.9 million increase from the previous fiscal year, of which grant and other state revenue increased \$9.0 million, toll revenues increased \$0.2 million, and motor vehicle fuel sales tax receivables increased \$0.7 million. The increase in the receivable for grant and other state revenue is due mainly attributable to the business-type activities.

Cash and cash equivalents decreased approximately \$36.4 million and totaled \$22.3 million as of June 30, 2024, of which all but \$603,284 was for the business-type activities. Restricted cash, cash equivalents and investments totaled \$138.6 million as of June 30, 2024, with \$113.0 million for governmental activities, and \$25.6 million for business-type activities. This is a \$34.2 million net increase from the prior year, of which \$38.3 million increase is due to toll revenue for governmental activities, and \$4.1 million decrease primarily due to a change in the reserve funds related to debt issues for business-type activities.

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

## Statement of Activities

The following table shows the revenues and expenses and the change in net position of the NVTC reporting entity for the fiscal years ended June 30, 2024 and 2023.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 6,545,048	\$ 10,330,009	\$ 6,545,048	\$ 10,330,009
Operating grants and contributions	225,451,832	258,094,618	14,853,821	14,559,783	240,305,653	272,654,401
Capital grants and contributions	-	-	1,138,837	-	1,138,837	-
General revenues:						
Intergovernmental:						
Commuter rail	36,327,295	58,648,784	-	-	36,327,295	58,648,784
Motor vehicle fuel sales tax	31,368,575	25,702,954	-	-	31,368,575	25,702,954
Toll revenue	49,669,388	31,292,699	-	-	49,669,388	31,292,699
Interest	4,898,003	2,589,438	2,294,767	2,142,140	7,192,770	4,731,578
Other	23,847	-	51,018	11,478	74,865	11,478
Transfers	(36,327,295)	(58,648,784)	36,327,295	58,648,784	-	-
Total revenues	311,411,645	317,679,709	61,210,786	85,692,194	372,622,431	403,371,903
Expenses:						
General and administration	15,420,790	29,371,347	-	-	15,420,790	29,371,347
Jurisdiction transit	242,070,427	254,874,778	-	-	242,070,427	254,874,778
Toll funded project costs	15,348,740	10,434,960	-	-	15,348,740	10,434,960
Interest - lease	82,908	90,412	-	-	82,908	90,412
Commuter rail	-	-	71,584,186	115,827,990	71,584,186	115,827,990
Total expenses	272,922,865	294,771,497	71,584,186	115,827,990	344,507,051	410,599,487
Change in net position	38,488,780	22,908,212	(10,373,400)	(30,135,796)	28,115,378	(7,227,584)
Beginning net position	76,056,844	53,148,632	205,362,107	235,497,903	281,418,953	288,646,535
Ending net position	\$ 114,545,624	\$ 76,056,844	\$ 194,988,707	\$ 205,362,107	\$ 309,534,331	\$ 281,418,951

For the fiscal year ended June 30, 2024, revenues totaled \$372.6 million, compared to \$403.4 million in the preceding year, a decrease of \$30.8 million or 7.6 percent. Expenses decreased \$66.1 million, or 16.1 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, 2024, the General Fund had a total fund balance of \$1,070,326 of which \$103,318 was nonspendable and \$967,008 was unassigned. The fund balance increased by \$72,559 or 7.3 percent from the preceding year.

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

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

The fiscal year 2024 intergovernmental revenues totaled \$242.1 million, a decrease of approximately \$12.8 million or 5.0 percent from the previous fiscal year. The net decrease is comprised of an \$18.5 million decrease, or 8.1 percent, in state assistance due to \$26.1 in supplemental funding received in the prior year, offset in part by an \$7.9 million increase in the state assistance received in fiscal year 2024 through the regular allocation formula. This decrease is offset in part by a \$5.7 million or 22.0% increase in motor vehicle fuel sales tax revenue due to greater consumption, combined with an increase in the tax rate which is indexed to the CPI.

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

Through fiscal year 2024, NVTC has rated, selected and approved projects totaling \$62.6 million. Toll revenue and interest earned in excess of project costs incurred is classified as a restricted fund balance. This balance is available exclusively for the reimbursement of approved project costs.

During fiscal year 2024, the special revenue fund recognized approximately \$33.1 million in revenue comprised of \$11.3 million of fiscal year 2024 toll revenue (fiscal year 2024 guaranteed minimum is \$10.8 million), a \$5.3 million concessionaire payment, and \$16.6 million for prior periods when no or reduced revenue was received. The special revenue fund recognized \$3.7 million in project costs, including transfers to the General Fund for NVTC administration of the program. As of June 30, 2024, the restricted fund balance totaled \$66.0 million, an increase of \$31.9 million over the prior year balance.

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

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

Through fiscal year 2024, NVTC has rated, selected and approved projects totaling \$90.1 million. The agreement between the Commonwealth, NVTC and PRTC states that the ATI funds are to be split pro rata based on each commission's population as determined by the most recent population figures of the Weldon Cooper Center. In fiscal year 2024, NVTC received \$16.6 million in ATI funds, as specified in the agreement. The allocation of the funds between NVTC and PRTC results in \$10.8 million and \$5.8 million in revenues for NVTC and PRTC respectively. The fund recognized \$12.0 million in project costs, including transfers to the General Fund for NVTC administration of the program. The allocation of the expenditures between NVTC and PRTC equals \$7.8 million and \$4.2 million respectively. The activity to date results in an ending fund balance of \$48.7 million, with \$32.0 million allocated to NVTC and \$16.7 allocated to PRTC.

## **Proprietary Fund**

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

NVTC's share of operating revenue increased approximately \$3.8 million or 36.6 percent, while operating expenses decreased approximately \$23.8 million or 35.7 percent. For VRE operations as a whole, operating revenue increased 13.5 percent, while operating expenses increased 15.2 percent. Ridership saw an increase of 8.4 percent. The difference between the NVTC share and the VRE operations as a whole is the result of how the operations are split between the commissions.

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

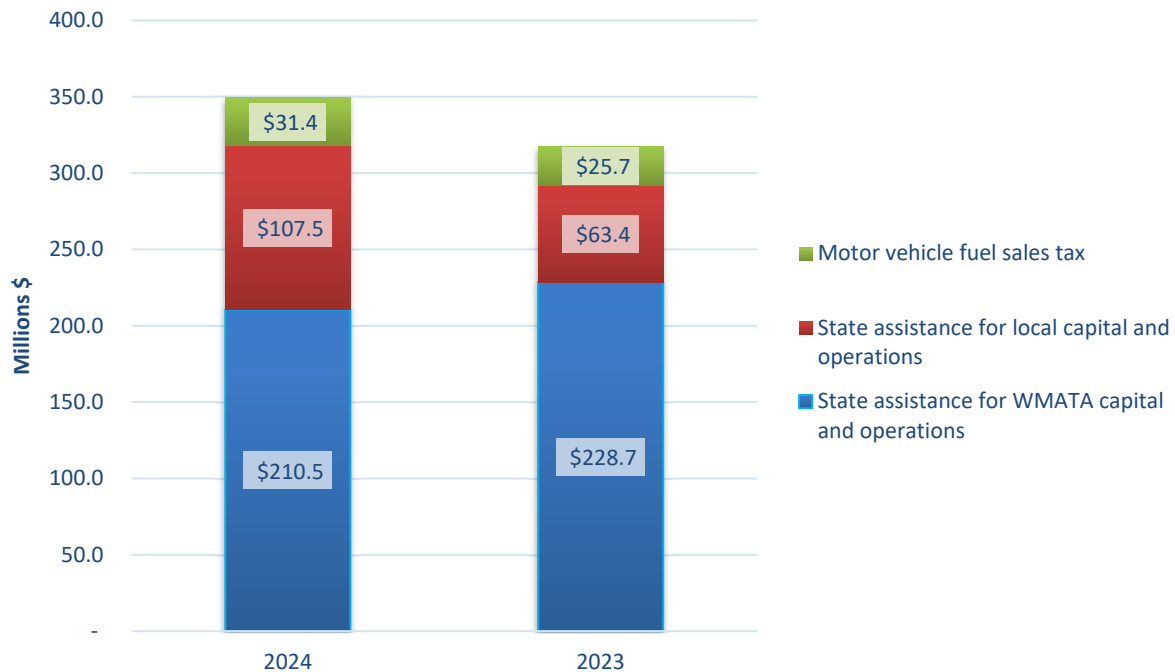
## **Fiduciary Funds**

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

The change in the fund balance from year to year is dependent upon the remittances from the special revenue fund, the state operating and capital assistance contracted directly with the jurisdictions and received by the fund, investment income, and the amount each member jurisdiction instructs NVTC to disburse from the Fund. The total additions to the Trust Fund, excluding investment income, increased by \$31.6 million, or 9.9 percent from the previous year. An analysis of this change is shown below.



## Jurisdiction Trust Fund Revenue Sources



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

Effective fiscal year 2019, the amount of funding NVTC receives for WMATA capital and operating needs is determined by a set percentage of the funding available through the Commonwealth's Mass Transit Fund. The fiscal year 2023 WMATA capital and operating assistance includes \$26.1 million in supplemental funding, while the amount of assistance received in fiscal year 2024 increased by \$7.9 million under the allocation formula.

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

Motor Vehicle Fuel Sales tax revenue to NVTC increased by \$5.7 million, or 22.0 percent from the previous year due to an increase in consumption combined with an increase in the tax rate which is tied to inflation.

**Pension Trust Fund.** The Pension Trust Fund holds the assets contributed by NVTC on behalf of the pension plan participants, and the required plan participant contributions. Investments are participant directed in one or more separate investments available through the plan sponsor. Net assets available for benefits at the end of fiscal year 2024 equals \$2.9 million, an increase of \$596,690, or 25.7 percent over the prior year. This increase is the net result of a \$419,300 increase in fair value of investments, \$214,871 in plan contributions and distributions of \$37,481.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

The details of capital assets as of June 30, 2024 and 2023 are as follows:

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Intangible right-to-use lease buildings	\$ 4,064,461	\$ 4,064,461	\$ 731,785	\$ 731,785	\$ 4,796,246	\$ 4,796,246
Intangible right-to-use leased parking lots	-	-	-	136,751	-	136,751
Intangible right-to-use lease tower	-	-	105,571	49,790	105,571	49,790
Intangible right-to-use subscription assets	-	-	907,985	767,262	907,985	767,262
Rolling stock	-	-	143,388,695	143,388,695	143,388,695	143,388,695
Vehicles	-	-	150,681	75,670	150,681	75,670
Facilities	-	-	91,812,860	59,514,401	91,812,860	59,514,401
Track and signal improvements	-	-	50,054,134	50,054,134	50,054,134	50,054,134
Equipment and software	-	-	7,455,988	6,958,573	7,455,988	6,958,573
Construction in progress	-	-	57,971,971	60,601,428	57,971,971	60,601,428
Equity in properties of others	-	-	62,473,241	62,473,241	62,473,241	62,473,241
Office equipment, furniture and software	230,738	243,507	3,708,204	3,766,000	3,938,942	4,009,507
	4,295,199	4,307,968	418,761,115	388,517,730	423,056,314	392,825,698
Less accumulated depreciation and amortization	1,337,943	951,649	148,650,175	137,169,743	149,988,118	138,121,392
<b>Total capital assets, net</b>	<b>\$ 2,957,256</b>	<b>\$ 3,356,319</b>	<b>\$ 270,110,940</b>	<b>\$ 251,347,987</b>	<b>\$ 273,068,196</b>	<b>\$ 254,704,306</b>

NVTC's investment in capital assets as of June 30, 2024 amounted to \$273.1 million (net of accumulated depreciation and amortization) which represents an increase of \$18.4 million or 7.2 percent over last year as the result of new project construction, existing asset improvements, direct asset purchases, and a new GASB 87 right-to-use lease asset and the recognition of annual depreciation and amortization.

The major completed projects the fiscal year were the Crossroads LOU Lifecycle Facility (\$26.3 million), the Fredericksburg Station rehab project (\$6.0 million), and the Website Redesign project (\$0.3 million).

The major additions to construction in progress during the fiscal year were costs related to the Manassas Park Parking Expansion project (\$7.9 million), Equity in VPRA Long Bridge (\$7.2 million), the Quantico Station Improvements project (\$3.0 million), the 21 New Railcars project (\$3.1 million), the Broad Run Expansion project (\$0.9 million), the Franconia-Springfield Station Improvements project (\$0.6 million), the L'Enfant Station Improvements project (\$0.5 million), the Alexandria Station Improvements project (\$0.6 million), the Crystal City Station Improvements project (\$0.5 million), and the Crossroads Long Term Expansion Project (\$0.5 million).

### **Debt Administration**

At June 30, 2024, the Commissions had total debt outstanding of approximately \$147.0 million for the VRE commuter rail service, of which all but \$1.7 million is reported by NVTC. In addition, the governmental activities of NVTC has a lease liability of approximately \$3.2 million, for \$148.5 million total debt for the reporting entity as a whole.

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

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

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

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

	2024	2023
Bonds payable	\$ 143,645,000	\$ 148,210,000
Private placement note payable	1,866,848	3,650,870
Leases payable	1,399,668	1,381,122
Subscription liability	106,486	302,044
<b>Total</b>	<b>\$ 147,018,002</b>	<b>\$ 153,544,036</b>

## **Economic Factors and Next Year's Budget**

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

The local subsidy for fiscal year 2024 increased by \$2,455,878 or 18.1 percent to \$16,000,000. Fares were held constant; the previous general fare increase was 3.0 percent in fiscal year 2020. In fiscal year 2019 VRE began to receive funding from the Commonwealth of Virginia Commuter Rail Operating and Capital (CROC) Fund, which will continue in fiscal year 2024. Additional sources of funding will be available in fiscal year 2024 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](mailto:scottkalkwarf@novatransit.org).

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**

**BASIC FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2024**

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**  
**STATEMENT OF NET POSITION**  
June 30, 2024

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Primary Government		Total Primary Government
	Governmental Activities	Business-type Activities	
Cash and cash equivalents	\$ 603,284	\$ 21,654,167	\$ 22,257,451
Due from other governments:			
Commonwealth of Virginia	53,288,027	2,503,433	55,791,460
Local jurisdictions	596,251	-	596,251
Trade accounts receivable, net	-	138,236	138,236
Other receivables	4,000	1,152,920	1,156,920
Inventory	-	1,445,539	1,445,539
Deposits and prepaid items	103,318	240,618	343,936
Restricted cash, cash equivalents and investments	112,964,704	25,662,853	138,627,557
Internal balances	(45,193,017)	45,193,017	-
Capital assets:			
Intangible right-to-use lease buildings	4,064,461	731,785	4,796,246
Intangible right-to-use lease tower	-	105,571	105,571
Intangible right-to-use subscriptions	-	907,985	907,985
Rolling stock	-	143,388,695	143,388,695
Vehicles	-	150,681	150,681
Facilities	-	91,812,860	91,812,860
Track and signal improvements	-	50,054,134	50,054,134
Equipment and software	-	7,455,988	7,455,988
Construction in progress	-	57,971,971	57,971,971
Equity in property of others	-	62,473,241	62,473,241
Office equipment, furniture and software	230,738	3,708,204	3,938,942
Less accumulated depreciation and amortization	(1,337,943)	(148,650,175)	(149,988,118)
Leases receivable, noncurrent portion	-	532,448	532,448
Total assets	<u>125,323,823</u>	<u>368,634,171</u>	<u>493,957,994</u>
Deferred outflows of resources, loss on refunding	-	269,996	269,996
Total assets and deferred outflows of resources	<u>125,323,823</u>	<u>368,904,167</u>	<u>494,227,990</u>

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**  
**STATEMENT OF NET POSITION**  
June 30, 2024

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	Primary Government		Total Primary Government
	Governmental Activities	Business-type Activities	
Accounts payable	\$ 1,795,522	\$ 7,393,766	\$ 9,189,288
Accrued expenses	95,037	2,628,114	2,723,151
Accrued interest	6,448	844,881	851,329
Due to fiduciary fund	5,234,551	-	5,234,551
Unearned revenue	197,881	517,234	715,115
Contract retainage	-	867,704	867,704
Noncurrent liabilities:			
Due within one year:			
Lease liability	327,579	69,683	397,262
Subscription liability	-	53,243	53,243
Compensated absences	87,461	23,730	111,191
Bond payable	-	4,795,000	4,795,000
Private placement note payable	-	933,424	933,424
Due in more than one year:			
Lease liability	2,849,705	630,151	3,479,856
Compensated absences	184,015	354,774	538,789
Bond payable	-	154,294,004	154,294,004
Total liabilities	<u>10,778,199</u>	<u>173,405,708</u>	<u>184,183,907</u>
Deferred inflows of resources, leases	-	509,752	509,752
Total liabilities and deferred inflows of resources	<u>10,778,199</u>	<u>173,915,460</u>	<u>184,693,659</u>
<b>NET POSITION</b>			
Net investment in capital assets	(220,028)	100,213,255	99,993,227
Restricted for toll funded projects	113,973,250	-	113,973,250
Restricted for liability insurance plan	-	5,276,503	5,276,503
Restricted for debt service	-	14,073,320	14,073,320
Restricted grants or contributions	-	5,548,471	5,548,471
Unrestricted assets	<u>792,402</u>	<u>69,877,158</u>	<u>70,669,560</u>
Total net position	<u>\$ 114,545,624</u>	<u>\$ 194,988,707</u>	<u>\$ 309,534,331</u>

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

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2024

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	\$ 15,420,790	\$ -	\$ 14,749,980	\$ -	\$ (670,810)	\$ -	\$ (670,810)
Toll funded project costs	15,348,740	-	-	-	(15,348,740)	-	(15,348,740)
Jurisdiction transit	242,070,427	-	210,701,852	-	(31,368,575)	-	(31,368,575)
Interest - lease	82,908	-	-	-	(82,908)	-	(82,908)
Total governmental activities	272,922,865	-	225,451,832	-	(47,471,033)	-	(47,471,033)
Business-type activities:							
Commuter rail	71,584,186	6,545,048	14,853,821	1,138,837	-	(49,046,480)	(49,046,480)
Total business-type activities	71,584,186	6,545,048	14,853,821	1,138,837	-	(49,046,480)	(49,046,480)
Total primary government	\$ 344,507,051	\$ 6,545,048	\$ 240,305,653	\$ 1,138,837	(47,471,033)	(49,046,480)	(96,517,513)
General revenues:							
Intergovernmental revenue - commuter rail					36,327,295	-	36,327,295
Intergovernmental revenue - motor vehicle fuel sales tax					31,368,575	-	31,368,575
Intergovernmental revenue - toll revenue					49,669,388	-	49,669,388
Increase in fair value of investments					-	80,908	80,908
Loss on disposal of assets					-	(29,890)	(29,890)
Other revenue					23,847	-	23,847
Interest					4,898,003	2,294,767	7,192,770
Transfers					(36,327,295)	36,327,295	-
Total general revenues					85,959,813	38,673,080	124,632,893
Change in net position					38,488,780	(10,373,400)	28,115,380
Net position, beginning of year					76,056,844	205,362,107	281,418,951
Net position, end of year					\$ 114,545,624	\$ 194,988,707	\$ 309,534,331

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

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2024

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund - Jurisdiction Transit	Special Revenue Fund - I-66 Toll Revenue	Special Revenue Fund - I-395/95 Toll Revenue	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 603,284	\$ -	\$ -	\$ -	\$ 603,284
Due from other governments:					
Commonwealth of Virginia	45,324,962	5,270,838	2,692,227	-	53,288,027
Local jurisdictions	596,251	-	-	-	596,251
Other receivables	4,000	-	-	-	4,000
Due from fiduciary fund	36,287	-	-	-	36,287
Due from proprietary fund	22,273	-	-	-	22,273
Due from special revenue funds	82,128	-	-	-	82,128
Restricted cash	-	-	63,914,372	49,050,332	112,964,704
Deposits and prepaid items	103,318	-	-	-	103,318
<b>Total assets</b>	<b>\$ 46,772,503</b>	<b>\$ 5,270,838</b>	<b>\$ 66,606,599</b>	<b>\$ 49,050,332</b>	<b>\$ 167,700,272</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 193,969	\$ -	\$ 525,266	\$ 1,076,287	\$ 1,795,522
Accrued salaries	95,037	-	-	-	95,037
Unearned revenue	197,881	-	-	-	197,881
Due to general fund	-	-	56,292	25,836	82,128
Due to proprietary fund	45,215,290	-	-	-	45,215,290
Due to fiduciary fund	-	5,270,838	-	-	5,270,838
<b>Total liabilities</b>	<b>45,702,177</b>	<b>5,270,838</b>	<b>581,558</b>	<b>1,102,123</b>	<b>52,656,696</b>
<b>FUND BALANCES</b>					
Nonspendable					
Deposits and prepaid items	103,318	-	-	-	103,318
Restricted					
Toll Revenues	-	-	66,025,041	47,948,209	113,973,250
Unassigned	967,008	-	-	-	967,008
<b>Total fund balance</b>	<b>1,070,326</b>	<b>-</b>	<b>66,025,041</b>	<b>47,948,209</b>	<b>115,043,576</b>
<b>Total liabilities and fund balance</b>	<b>\$ 46,772,503</b>	<b>\$ 5,270,838</b>	<b>\$ 66,606,599</b>	<b>\$ 49,050,332</b>	<b>\$ 167,700,272</b>

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	\$ 115,043,576
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital and intangible right-to-use assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. The cost of the assets is \$4,295,199 and the accumulated depreciation and amortization is \$1,337,943.	2,957,256
Lease liability recognized in the government-wide financial statements	(3,177,284)
Accrued interest recognized in the government-wide financial statements	(6,448)
Compensated absences are liabilities not due and payable in the current period and, therefore, are not reported in the governmental funds.	(271,476)
Net position - governmental activities	<u>\$ 114,545,624</u>

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



**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
Year Ended June 30, 2024

	Major Funds				
	General Fund	Special Revenue Fund - Jurisdiction Transit	Special Revenue Fund - I-66 Toll Revenue	Special Revenue Fund - I-395/95 Toll Revenue	Total Governmental Funds
Revenues:					
Intergovernmental revenues:					
Grants and contributions:					
Commonwealth of Virginia	\$ 35,193,864	\$ 210,701,852	\$ -	\$ -	\$ 245,895,716
Commonwealth of Virginia - CROC	15,000,000	-	-	-	15,000,000
Federal	132,501	-	-	-	132,501
Local jurisdictions	670,910	-	-	-	670,910
Toll revenue	-	-	33,112,195	16,557,193	49,669,388
Motor vehicle fuel sales tax	-	31,368,575	-	-	31,368,575
Project chargebacks	80,000	-	-	-	80,000
Other revenue	23,847	-	-	-	23,847
Interest	47,444	-	2,538,252	2,312,307	4,898,003
Total revenues	51,148,566	242,070,427	35,650,447	18,869,500	347,738,940
Expenditures:					
Current:					
General and administration	3,306,599	-	-	-	3,306,599
Project costs	1,603,846	-	-	-	1,603,846
PRTC share of CROC funds	10,040,532	-	-	-	10,040,532
Toll funded project costs	-	-	3,304,643	12,044,097	15,348,740
Payments to fiduciary fund	-	242,070,427	-	-	242,070,427
Debt service:					
Principal retirement - lease	309,804	-	-	-	309,804
Interest - lease	83,483	-	-	-	83,483
Capital outlay	15,670	-	-	-	15,670
Total expenditures	15,359,934	242,070,427	3,304,643	12,044,097	272,779,101
Other financing sources (uses):					
Transfers in	611,222	-	-	-	611,222
Transfers out	(36,327,295)	-	(412,066)	(199,156)	(36,938,517)
<b>Change in fund balances</b>	72,559	-	31,933,738	6,626,247	38,632,544
Fund balances, beginning of year	997,767	-	34,091,303	41,321,962	76,411,032
Fund balances, end of year	\$ 1,070,326	\$ -	\$ 66,025,041	\$ 47,948,209	\$ 115,043,576

Change in fund balances - total governmental funds \$ 38,632,544

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	15,670
Deduct - depreciation and amortization expense	(24,545)

Decrease in accrued interest payable, reduces interest in the Statement of Activities. 575

Principal payments on lease agreement is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position. 309,804

Amortization of intangible right-to-use lease building. (390,188)

The change in compensated absences included in the expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (55,080)

Change in net position of governmental activities \$ 38,488,780

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

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
June 30, 2024

	<b><u>Commuter Rail Service Fund</u></b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	
Current Assets:	
Cash and cash equivalents	\$ 21,654,167
Accounts receivable:	
Due from general fund	45,193,017
Commonwealth of Virginia grants	2,503,433
Trade receivables, net of allowance for doubtful accounts	138,236
Other receivables	1,152,920
Inventory	1,445,539
Prepaid expenses and other	240,618
Restricted cash, cash equivalents and investments	<u>25,662,853</u>
<b>Total current assets</b>	<u>97,990,783</u>
Noncurrent Assets:	
Capital assets:	
Construction in progress	57,971,971
Intangible right-to-use lease buildings	731,785
Intangible right-to-use lease tower	105,571
Intangible right-to-use subscription assets	907,985
Rolling stock	143,388,695
Vehicles	150,681
Facilities	91,812,860
Track and signal improvements	50,054,134
Equipment and software	7,455,988
Equity in property of others	62,473,241
Furniture, equipment and software	<u>3,708,204</u>
	418,761,115
Less accumulated depreciation and amortization	<u>(148,650,175)</u>
<b>Total capital assets, net</b>	270,110,940
Lease receivable, noncurrent portion	<u>532,448</u>
<b>Total noncurrent assets</b>	270,643,388
Deferred Outflows of Resources:	
Loss on refunding	<u>269,996</u>
<b>Total assets and deferred outflows of resources</b>	<u><u>\$ 368,904,167</u></u>

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
June 30, 2024

**Commuter Rail  
Service Fund**

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

Current Liabilities:	
Accounts payable	\$ 7,393,766
Compensated absences	23,730
Accrued expenses	2,628,114
Accrued interest	844,881
Unearned revenue	517,234
Contract retainage	867,704
Current portion of bonds payable	4,795,000
Current portion of private placement note payable	933,424
Lease liability	69,683
Subscriptions payable	53,243
	<hr/>
<b>Total current liabilities</b>	<b>18,126,779</b>
	<hr/>
Noncurrent Liabilities:	
Compensated absences	354,774
Bonds payable	154,294,004
Lease liability	630,151
	<hr/>
<b>Total noncurrent liabilities</b>	<b>155,278,929</b>
	<hr/>
<b>Total liabilities</b>	<b>173,405,708</b>
	<hr/>
Deferred Inflows of Resources:	
Leases	509,752
	<hr/>
Net Position:	
Net investment in capital assets	100,213,255
Restricted for liability insurance plan	5,276,503
Restricted for debt service	14,073,320
Restricted grants or contributions	5,548,471
Unrestricted assets	69,877,158
	<hr/>
<b>Total net position</b>	<b>194,988,707</b>
	<hr/>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 368,904,167</b>
	<hr/> <hr/>

*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, 2024

	<b>Commuter Rail Service Fund</b>
Operating Revenues:	
Passenger revenue	\$ 6,373,024
Equipment rentals and other	172,024
Total operating revenues	<u>6,545,048</u>
Operating Expenses:	
Contract operations and maintenance	13,574,797
Other operations and maintenance	10,691,553
Property leases and access fees	8,259,087
Insurance	3,189,941
Marketing and sales	565,911
General and administrative	6,645,959
Total operating expenses	<u>42,927,248</u>
Operating loss before depreciation and amortization	(36,382,200)
Depreciation and Amortization	<u>(11,774,122)</u>
Operating loss	<u>(48,156,322)</u>
Nonoperating Revenues (Expenses):	
Subsidies:	
Commonwealth of Virginia grants	9,527,090
Jurisdictional contributions	5,326,731
Contribution to PRTC	(10,083,900)
Interest income:	
Operating funds	282,216
Insurance trust	222,473
Commonwealth Rail Operating and Capital (CROC) Fund	1,264,435
Leases	16,015
Other restricted funds	509,628
Interest, amortization and other nonoperating expenses, net	(6,798,916)
Increase in fair value of investments	80,908
Loss on disposal of assets	(29,890)
Total nonoperating revenues, net	<u>316,790</u>
Loss before capital contributions and transfers	<u>(47,839,532)</u>
Capital Contributions and Transfers:	
Commonwealth of Virginia grants	185,215
Regional Transportation Funding	953,622
Transfers in	36,327,295
Total capital contributions and transfers	<u>37,466,132</u>
Change in net position	<u>(10,373,400)</u>
Net Position, beginning	<u>205,362,107</u>
Net Position, ending	<u><u>\$ 194,988,707</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, 2024

	<b>Commuter Rail Service Fund</b>
Cash Flows From Operating Activities:	
Receipts from customers	\$ 6,765,080
Payments to suppliers	(38,915,468)
Payments to employees	(4,332,681)
Net cash used in operating activities	<u>(36,483,069)</u>
Cash Flows From Noncapital Financing Activities:	
Transfer to PRTC	(10,083,900)
Governmental subsidies	13,647,884
Net cash used in noncapital financing activities	<u>3,563,984</u>
Cash Flows From Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(26,415,760)
Capital grants and assistance	1,138,837
Principal paid on private placement note payable	(892,011)
Principal paid on bonds	(4,565,000)
Principal paid on lease liability	(96,299)
Principal paid on subscription liability	(97,779)
Interest paid on private placement note payable	(73,668)
Interest paid on capital lease obligation	(20,223)
Interest paid on bonds	(7,224,570)
Interest paid on subscription liability	(2,468)
Transfer from General Fund	28,332,736
Net cash used in capital and related financing activities	<u>(9,916,205)</u>
Cash Flows From Investing Activities:	
Interest received on leases	16,015
Interest received on investments	2,359,660
Cash provided by investing activities	<u>2,375,675</u>
Decrease in cash and cash equivalents	(40,459,615)
Cash and Cash Equivalents, beginning	87,776,635
Cash and Cash Equivalents, ending	<u>\$ 47,317,020</u>
Reconciliation of Operating Loss to Net Cash Used In	
Operating Activities:	
Operating loss	\$ (48,156,322)
Adjustments to reconcile operating loss to net	
cash used in operating activities:	
Depreciation and amortization	11,774,122
Write-off of construction in progress to expense	(49,188)
(Increase) decrease in:	
Trade receivables	132,875
Other receivables	495,470
Inventory	849,452
Prepaid items and other	174,535
Lease receivable	(2,584)
Increase (decrease) in:	
Accounts payable and accrued expenses	(960,040)
Compensated absences	(335,660)
Unearned revenue	(400,758)
Deferred inflow - lease	(4,971)
Net cash used in operating activities	<u>\$ (36,483,069)</u>
Schedule of Noncash Capital Activities	
Capital assets acquired through accounts payable	\$ 6,092,247
Capital assets acquired through accrued liabilities	2,432,225
Intangible right-to-use assets acquired through subscriptions	105,572

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

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
June 30, 2024

	<u>Jurisdiction Trust Fund</u>	<u>Pension Trust Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 439,286,314	\$ -
Due from special revenue fund - Motor vehicle fuel sales tax	5,270,838	-
Due from other governments - Commonwealth of Virginia grants	28,110,845	-
Investments held in trust at fair value	<u>-</u>	<u>2,916,507</u>
Total assets	<u>472,667,997</u>	<u>2,916,507</u>
<b>LIABILITIES</b>		
Due to member jurisdictions	6,561,636	-
Due to general fund	<u>36,287</u>	<u>-</u>
Total liabilities	<u>6,597,923</u>	<u>-</u>
<b>NET POSITION</b>		
Restricted for:		
Member jurisdictions	466,070,074	-
Plan participants	<u>-</u>	<u>2,916,507</u>
Total net position	<u><u>\$ 466,070,074</u></u>	<u><u>\$ 2,916,507</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 FUNDS**  
Year Ended June 30, 2024

	<u>Jurisdiction Trust Fund</u>	<u>Pension Trust Fund</u>
Additions:		
Contributions from government	\$ 242,070,427	\$ -
Intergovernmental revenues	107,306,910	-
Pension fund contributions		
Participants	-	43,031
Employer	-	171,840
	<u>349,377,337</u>	<u>214,871</u>
Total additions		
	<u>349,377,337</u>	<u>214,871</u>
Investment income		
Increase in fair value of investments	-	419,300
Interest earned on investments	23,151,537	-
	<u>23,151,537</u>	<u>419,300</u>
Total income from investment activities		
	<u>23,151,537</u>	<u>419,300</u>
Deductions:		
Funds disbursed to WMATA:		
Capital improvement program	14,857,802	-
Project development	629,282	-
Metrorail operating	106,793,527	-
Metrobus operating	82,825,597	-
Metroaccess operating	16,649,542	-
Metro debt service	6,796,821	-
Other funds disbursed:		
Other capital disbursements	78,496,454	-
Other operating disbursements	26,079,834	-
Distributions	-	37,481
	<u>333,128,859</u>	<u>37,481</u>
Total deductions		
	<u>333,128,859</u>	<u>37,481</u>
Change in net position	39,400,015	596,690
Net position:		
Beginning of year	426,670,059	2,319,817
End of year	<u>\$ 466,070,074</u>	<u>\$ 2,916,507</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, 2024**



# **NORTHERN VIRGINIA TRANSPORTATION COMMISSION**

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **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

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### Note 1. Summary of Significant Accounting Policies (Continued)

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

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

#### C. Measurement Focus and Basis of Accounting

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

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

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

# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### C. Measurement Focus and Basis of Accounting (Continued)

NVTC reports the following major governmental funds:

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

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

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

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

NVTC reports the following major enterprise fund:

#### Commuter Rail Service Fund

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

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

#### D. Budgeting

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

#### E. Other Significant Accounting Policies

##### 1. Cash and cash equivalents

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

##### 2. Investments

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

# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### E. Other Significant Accounting Policies (Continued)

##### 3. Restricted cash, cash equivalents and investments

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

##### 4. Allowance for uncollectible accounts

The allowance for uncollectible accounts is calculated by using historical collection data and specific account analysis. The allowance was approximately \$32,000 at June 30, 2024, for the proprietary fund.

##### 5. Inventory

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

##### 6. Prepaid items

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

##### 7. Capital assets

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

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

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

# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### E. Other Significant Accounting Policies (Continued)

##### 7. Capital assets (Continued)

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

Rolling stock	8-25 years
Vehicles	5 years
Facilities	30-40 years
Track and signal improvements	5-30 years
Equipment and software	5 - 10 years
Equity in properties of others	3-35 years
Office equipment, furniture and software	3-10 years
Intangible right-to-use lease assets and subscription assets	2-15 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, 2024.

##### 8. Deferred outflows/inflows of resources

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

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

##### 9. Leases

###### **Lessee:**

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

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

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

# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### E. Other Significant Accounting Policies (Continued)

##### 9. Leases (Continued)

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

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

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

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

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

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

#### **Lessor:**

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

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

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

# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### E. Other Significant Accounting Policies (Continued)

##### 9. Leases (Continued)

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

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

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

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

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

##### 10. Subscription based information technology arrangements (SBITAs)

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

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

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

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

# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### E. Other Significant Accounting Policies (Continued)

##### 11. Compensated absences

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

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

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

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

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

##### 12. Fund equity

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

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

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

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



# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### E. Other Significant Accounting Policies (Continued)

##### 12. Fund equity (Continued)

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

##### 13. Indirect expenditure allocation

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

##### 14. Net position

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

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

##### 15. Estimates and assumptions

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

##### 16. Inter-fund transfers

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

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

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

# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

### Note 1. Summary of Significant Accounting Policies (Continued)

#### E. Other Significant Accounting Policies (Continued)

##### 17. Subsequent events

NVTC has evaluated subsequent events through November 15, 2024, which was the date the financial statements were available to be issued.

### Note 2. Deposits and Investments

At June 30, 2024, cash, cash equivalents, and investments consisted of the following, stated at fair value.

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Cash	\$ 151,745	\$ 2,399,271	\$ -	\$ 2,551,016
LGIP	451,539	19,254,896	439,286,314	458,992,749
Unit investment trusts – mutual funds	-	-	2,613,627	2,613,627
Unit investment trusts – group annuity contract	-	-	302,880	302,880
	603,284	21,654,167	442,202,821	464,460,272
Restricted:				
LGIP	112,964,704	6,344,269	-	119,308,973
Series 2022 debt service fund	-	644,646	-	644,646
Series 2022 debt service reserve fund	-	7,610,664	-	7,610,664
Series 2022 revenue stabilization fund	-	3,768,463	-	3,768,463
VRA debt service reserve fund	-	2,049,547	-	2,049,547
Insurance trust fund – pooled funds	-	5,245,264	-	5,245,264
	112,964,704	25,662,853	-	138,627,557
<b>Total</b>	<b>\$ 113,567,988</b>	<b>\$ 47,317,020</b>	<b>\$ 442,202,821</b>	<b>\$ 603,087,829</b>

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.

#### 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).

# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

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### Note 2. Deposits and Investments (Continued)

#### Investments (Continued)

As of June 30, 2024, the reporting entity had investments of \$578,301,722 in the LGIP for governmental activities, business-type activities, and the fiduciary funds. The LGIP is a professionally managed money market fund which invests in qualifying obligations and securities as permitted by Virginia statutes. Pursuant to Section 2.2-4605 *Code of Virginia*, the Treasury Board of the Commonwealth sponsors the LGIP and has delegated certain functions to the State Treasurer. The LGIP reports to the Treasury Board at their regularly scheduled monthly meetings. Investments in the LGIP are stated at amortized cost and classified as cash and cash equivalents. The LGIP has been assigned an “AAAm” rating by Standard & Poor’s. The maturity of LGIP is less than one year.

In accordance with the requirements of the Financing Agreement between the Virginia Resources Authority (VRA) and NVTC, a debt service reserve fund (DSRF) was established for the benefit of VRA. On the closing date of the VRA financing, NVTC transferred \$2 million into the DSRF from its existing cash reserves. The funds in the DSRF shall be used solely to cure any deficiencies in the payment by NVTC of any principal, premium, or interest associated with the VRA financing. The funds in the DSRF are held in custody at U.S. Bank and are managed by PFM Asset Management LLC through the Virginia State Non-Arbitrage Program (SNAP). The Virginia Treasury Board sponsors SNAP to provide comprehensive investment management, accounting and arbitrage rebate calculation services for the proceeds of tax-exempt borrowings and other financings of Virginia Issuers subject to Section 148 (and related sections) of the Internal Revenue Code. The funds in the DSRF are invested in U.S. Treasury notes rated AA+ by Standard and Poor’s maturing in under two (2) years and in the SNAP Fund, a AAAM rated local government investment pool that complies with GASB Statement 79. At June 30, 2024, NVTC had \$2,049,547 invested in the VRA Debt Service Reserve Fund.

In accordance with the issuance of the Northern Virginia Transportation Commission (NVTC) Transportation District Special Obligation Revenue Bonds (Transforming Rail in Virginia Program) Series 2022 (Green Bonds), a Debt Service Reserve Fund (DSRF), Revenue Stabilization fund (RS) and Cost of Issuance (COI) fund were established for the benefit of NVTC. The DSRF and RS are held in custody by U.S. Bank as the Trustee for the Series 2022 bonds. On the closing date of the bond transaction, VRE transferred \$7.5 million into the DSRF from the proceeds of the bond issuance. The funds in the DSRF and RS shall be used solely to cure any deficiencies in the payment by NVTC of any principal, premium, or interest associated with the NVTC financing. At June 30, 2024, NVTC had \$7,610,664 invested in the Debt Service Reserve Fund, \$3,768,463 in the Revenue Stabilization Fund.

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

# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

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### Note 2. Deposits and Investments (Continued)

#### Investments (Continued)

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, 2024, a total of \$10,490,529 was invested in the Insurance Trust, of which \$5,245,264 is included in the NVTC reporting entity. In fiscal year 2024, earnings on the Insurance Trust in the amount of \$444,946 were credited to VRE, of which \$222,473 was included in the NVTC reporting entity. The Insurance Trust Fund has not been assigned a rating.

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

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

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

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

#### 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.

# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

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### Note 2. Deposits and Investments (Continued)

#### Investments (Continued)

##### Custodial credit risk

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

##### Interest rate risk

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

##### Concentration of credit risk

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

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

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

# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

### Note 2. Deposits and Investments (Continued)

#### Investments (Continued)

#### Fair Value Measurement

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

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

The inputs or methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The following table shows NVTC's investments by fair value level as of June 30, 2024:

Investments by Fair Value Level	June 30, 2024	Level 1	Level 2	Level 3
Mutual funds (Pension Trust Fund)	\$ 2,613,627	\$ 2,613,627	\$ -	\$ -
Immediate Participation Guarantee Contract (Pension Trust Fund)	302,880	-	-	302,880
Securities issued or guaranteed by the U.S. government and other commercial instruments (Commuter Rail)	14,073,320	14,073,320	-	-

### Note 3. Due From Other Governments

At June 30, 2024, due from other governments consisted of the following:

	Project and Administrative	Jurisdiction Transit	Total
Due from Commonwealth of Virginia:			
Motor vehicle fuel sales tax	\$ -	\$ 5,270,838	\$ 5,270,838
Grants	42,824,962	-	42,824,962
CROC	2,500,000	-	2,500,000
Toll revenue	2,692,227	-	2,692,227
	<u>48,017,189</u>	<u>5,270,838</u>	<u>53,288,027</u>
Due from Local Jurisdictions:			
Local match	596,251	-	596,251
	<u>\$ 48,613,440</u>	<u>\$ 5,270,838</u>	<u>\$ 53,884,278</u>

Amounts due from the Commonwealth for the Project and Administrative activities include \$45,215,290 for commuter rail and \$2,801,899 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, 2024 was as follows:

	Beginning Balance	Increases	Deletions	Transfers	Ending Balance
<b>Governmental activities:</b>					
Capital assets being depreciated or amortized:					
Office equipment, furniture and software	\$ 243,507	\$ 15,670	\$ (28,439)	\$ -	\$ 230,738
Intangible right-to-use lease building	4,064,461	-	-	-	4,064,461
Less accumulated depreciation or amortization	(951,649)	(414,733)	28,439	-	(1,337,943)
<b>Governmental activities capital assets, net</b>	<b>\$ 3,356,319</b>	<b>\$ (399,063)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,957,256</b>
<b>Business-type activities:</b>					
Capital assets not being depreciated or amortized:					
Construction in progress	\$ 60,601,428	\$ 30,311,517	\$ -	\$ (32,940,974)	\$ 57,971,971
Capital assets being depreciated or amortized:					
Intangible right-to-use buildings	731,785	-	-	-	731,785
Intangible right-to-use lease parking lots	136,751	-	(136,751)	-	-
Intangible right-to-use lease tower	49,790	105,572	(49,791)	-	105,571
Intangible right-to-use subscription assets	767,262	-	(121,978)	262,701	907,985
Rolling stock	143,388,695	-	-	-	143,388,695
Vehicles	75,670	75,011	-	-	150,681
Facilities	59,514,401	41,453	-	32,257,006	91,812,860
Track and signal improvements	50,054,134	-	-	-	50,054,134
Equipment and software	6,958,573	76,148	-	421,267	7,455,988
Equity in property of others	62,473,241	-	-	-	62,473,241
Office equipment, furniture and software	3,766,000	3,609	(61,405)	-	3,708,204
<b>Total capital assets being depreciated or amortized</b>	<b>327,916,302</b>	<b>301,793</b>	<b>(369,925)</b>	<b>32,940,974</b>	<b>360,789,144</b>
Less accumulated depreciation or amortization for:					
Intangible right-to-use lease buildings	116,043	60,947	-	-	176,990
Intangible right-to-use lease parking lots	109,401	27,350	(136,751)	-	-
Intangible right-to-use lease tower	38,548	20,041	(49,791)	-	8,798
Intangible right-to-use subscription assets	249,142	324,426	(45,743)	-	527,825
Rolling stock	70,018,306	5,874,155	-	-	75,892,461
Vehicles	71,643	9,505	-	-	81,148
Facilities	28,884,593	2,036,910	-	-	30,921,503
Track and signal improvements	26,549,229	2,787,838	-	-	29,337,067
Equipment and software	6,039,395	409,748	-	-	6,449,143
Equity in property of others	2,313,439	82,297	-	-	2,395,736
Office equipment, furniture and software	2,780,004	140,905	(61,405)	-	2,859,504
<b>Total accumulated depreciation or amortization</b>	<b>137,169,743</b>	<b>11,774,122</b>	<b>(293,690)</b>	<b>-</b>	<b>148,650,175</b>
<b>Total capital assets being depreciated or amortized, net</b>	<b>190,746,559</b>	<b>(11,472,329)</b>	<b>(76,235)</b>	<b>32,940,974</b>	<b>212,138,969</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 251,347,987</b>	<b>\$ 18,839,188</b>	<b>\$ (76,235)</b>	<b>\$ -</b>	<b>\$ 270,110,941</b>

# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

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### Note 4. Capital Assets (Continued)

Depreciation and amortization expenses for the year ended June 30, 2024 charged to the functions of the primary government are as follows:

	Governmental Activities	Business-type Activities
<b>Primary government:</b>		
General and administration	\$ 414,733	\$ -
Commuter rail	-	11,774,122

### Note 5. Leases

#### Governmental activities

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

For the government-wide financial statements, an initial lease liability was recorded in the amount of \$4,064,461 during fiscal year 2022. The office space has an estimated useful life of approximately ten and a half years. The value of the intangible right-to-use lease asset as of the end of the current fiscal year was \$4,064,461, and had accumulated amortization of \$1,170,565. The lease liability outstanding at the end of the current fiscal year was \$3,177,284.

The following table summarizes the total minimum lease payments due as of June 30, 2024:

Year(s) Ending June 30,	Principal	Interest
2025	\$ 327,579	\$ 75,531
2026	383,615	66,893
2027	404,673	57,063
2028	426,621	46,696
2029	449,334	35,773
2030-2032	1,185,462	36,438
Total	<u>\$ 3,177,284</u>	<u>\$ 318,394</u>



# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

### Note 5. Leases (Continued)

#### Business-type activities

	Total	NVTC Reporting Entity
Lease liability for a building. VRE is required to make monthly principal and interest payments ranging from \$10,608 to \$13,438 through April 2033. The lease has an interest rate of 3.00%. An initial lease liability was recorded in the amount of \$1,363,291 (\$681,645). The building has an estimated 141 month useful life. The value of the intangible right-to-use leased asset as of the end of the current fiscal year was \$1,363,291 (\$681,645) and had accumulated amortization of \$345,623 (\$172,812).	\$ 1,110,167	\$ 555,084
Lease liability for a building roof. VRE is required to make monthly principal and interest payments ranging from \$650 to \$787 through March 2038. The lease has an interest rate of 3.40%. An initial lease liability was recorded in the amount of \$100,214 (\$50,107). The building roof has an estimated 180-month useful life. The value of the right-to-use leased asset as of the end of the current fiscal year was \$100,277 (\$50,139) and had accumulated amortization of \$8,356 (\$4,178).	94,317	47,158
Lease liability for a tower. VRE is required to make monthly principal and interest payments ranging from \$3,521 to \$3,963 through January 2029. The lease has an interest rate of 2.43%. An initial lease liability was recorded in the amount of \$211,144 (\$105,572). The tower has an estimated sixty month useful life. The value of the right-to-use leased asset as of the end of the current fiscal year was \$211,144 (\$105,572) and had accumulated amortization of \$17,595 (\$8,797).	195,184	97,592
	<u>\$ 1,399,668</u>	<u>\$ 699,834</u>

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

# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

### Note 5. Leases (Continued)

Years(s) Ending June 30,	Total		NVTC Reporting Entity	
	Principal	Interest	Principal	Interest
2025	\$ 139,366	\$ 39,450	\$ 69,683	\$ 19,725
2026	148,280	35,358	74,140	17,679
2027	157,918	30,996	78,959	15,498
2028	168,191	26,350	84,095	13,175
2029	158,839	21,475	79,420	10,738
2030-2034	593,889	42,887	296,944	21,443
2035-2038	33,185	2,207	16,593	1,104
Total minimum lease payments	\$ 1,399,668	\$ 198,723	\$ 699,834	\$ 99,362

VRE is a lessor for a lease related to a communication tower. The lease term is for 518 months. The exercise of lease renewal options is at the Lessees discretion. VRE monitors changes in circumstances that would require a re-measurement of a lease and will re-measure the lease receivable and related deferred inflows of resources if changes occur that are expected to significantly affect the amount of the lease receivable. VRE will receive annual payments ranging from \$27,421 to \$86,843 (NVTC reporting entity, \$13,710 to \$43,421) through December 2063. An initial lease receivable was recorded in the amount of \$1,437,167 (NVTC reporting entity, \$718,583). During fiscal year 2023, there was a remeasurement of the lease receivable due to a contract amendment that resulted in a lease receivable of \$1,054,723 (NVTC reporting entity, \$527,362).

VRE has a deferred inflow of resources associated with its lease that will be recognized as revenue over the term of the lease. As of June 30, 2024, the balance of the deferred inflow was \$1,019,503 (NVTC reporting entity, \$509,752). Lease revenue for the year ended June 30, 2024 was \$9,942 net of the remeasurement of deferred inflows of resources of \$15,250 and lease interest income for the same year was \$32,030 (NVTC reporting entity, \$4,971, \$7,625 and \$16,015 respectively).

Future minimum lease amounts as of June 30, 2024 are as follows:

Year(s) Ending June 30,	Total		NVTC Reporting Entity	
	Principal	Interest	Principal	Interest
2025	\$ (4,526)	\$ 31,947	\$ (2,263)	\$ 15,973
2026	(3,839)	32,083	(1,920)	16,041
2027	(3,107)	32,198	(1,554)	16,099
2028	(2,327)	32,291	(1,164)	16,146
2029	(1,498)	32,361	(749)	16,180
2030-2034	6,845	161,925	3,422	80,963
2035-2039	36,428	159,223	18,214	79,612
2040-2044	75,261	151,552	37,631	75,776
2045-2049	125,539	137,398	62,770	68,699
2050-2054	189,925	114,892	94,963	57,446
2055-2059	271,637	81,730	135,819	40,865
2060-2064	374,558	35,088	187,279	17,544
Total minimum lease amounts	\$ 1,064,896	\$ 1,002,688	\$ 532,448	\$ 501,344

# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

### Note 6. Long-Term Debt Obligations

The following is a summary of long-term liability activity for the year ended June 30, 2024:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Leases liability	\$ 3,487,088	\$ -	\$ (309,804)	\$ 3,177,284	\$ 327,579
Compensated absences	216,396	221,805	(166,725)	271,476	87,461
<b>Total governmental activities</b>	<b>3,703,484</b>	<b>221,805</b>	<b>(476,529)</b>	<b>3,448,760</b>	<b>415,040</b>
Business-type activities:					
Lease liability	690,561	105,572	(96,299)	699,834	69,683
Subscription liability	151,022	-	(97,779)	53,243	53,243
Private placement note payable	1,825,435	-	(892,011)	933,424	933,424
Bonds payable	148,210,000	-	(4,565,000)	143,645,000	4,795,000
Premiums	15,946,000	-	(501,996)	15,444,004	-
Compensated absences	714,164	319,103	(654,763)	378,504	23,730
<b>Total business-type activities</b>	<b>167,537,182</b>	<b>424,675</b>	<b>(6,807,848)</b>	<b>161,154,009</b>	<b>5,875,080</b>
<b>Total Primary Government</b>	<b>\$ 171,240,666</b>	<b>\$ 646,480</b>	<b>\$ (7,284,377)</b>	<b>\$ 164,602,769</b>	<b>\$ 6,290,120</b>

	Total	NVTC Reporting Entity
<b>Private Payment Placement Note Payable - Gallery IV (11 cars)</b>		
\$25,100,000 private placement note payable (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 \$8,443,412 (NVTC reporting entity, \$4,221,706)	\$ 1,866,848	\$ 933,424

Future minimum payments as of June 30, 2024 are as follows:

	Total		NVTC Reporting Entity	
Year Ending June 30,	Principal	Interest	Principal	Interest
2025	\$ 1,866,848	\$ 64,509	\$ 933,424	\$ 32,254
	\$ 1,866,848	\$ 64,509	\$ 933,424	\$ 32,254

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

# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

### Note 6. Long-Term Debt Obligations (Continued)

#### 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 \$42,285,815 at June 30, 2024. \$ 31,945,000

#### NVTC Transportation District Special Obligation Revenue Bonds, Series 2022

NVTC Bond payable, \$115,670,000 Bond, due in variable annual amounts, plus a bi-annual interest rate of 5.00% through June 1, 2052. \$ 111,700,000

Mandatory debt service on Bonds payable requirements as of June 30, 2024 are as follows:

Years Ending June 30,	NVTC Bond		VRA Bond		Total Required	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,910,000	\$ 5,585,000	\$ 2,885,000	\$ 1,404,303	\$ 4,795,000	\$ 6,989,303
2026	2,010,000	5,489,500	3,040,000	1,252,475	5,050,000	6,741,975
2027	2,110,000	5,389,000	3,200,000	1,092,575	5,310,000	6,481,575
2028	2,215,000	5,283,500	3,365,000	924,347	5,580,000	6,207,847
2029	2,325,000	5,172,750	3,545,000	747,278	5,870,000	5,920,028
2030-2034	13,485,000	23,999,500	15,910,000	1,254,106	29,395,000	25,253,606
2035-2039	17,210,000	20,274,000	-	-	17,210,000	20,274,000
2040-2044	21,975,000	15,518,750	-	-	21,975,000	15,518,750
2045-2049	28,045,000	9,447,250	-	-	28,045,000	9,447,250
2050-2052	20,415,000	2,074,750	-	-	20,415,000	2,074,750
Subtotal	111,700,000	98,234,000	31,945,000	6,675,084	143,645,000	104,909,084
Unamortized premium	11,960,111	-	3,483,893	-	15,444,004	-
<b>Total</b>	<b>\$ 123,660,111</b>	<b>\$ 98,234,000</b>	<b>\$ 35,428,893</b>	<b>\$ 6,675,084</b>	<b>\$ 159,089,004</b>	<b>\$ 104,909,084</b>

#### Subscriptions Liability

During the current fiscal year, VRE had multiple subscription agreements as lessee for software ranging from two to three years. As of June 30, 2024, the balance of the subscription liability was \$106,486 (NVTC reporting entity, \$53,243).

VRE is required to make annual principal and interest payments ranging from \$2,240 to \$106,762. The subscriptions have an interest rate ranging from 2.35% to 2.8%. The value of the intangible right-to-use subscription assets as of the end of the current fiscal year was \$1,815,971 and had accumulated amortization of \$1,055,650 (NVTC reporting entity, \$907,985 and \$527,825 respectively).

## NORTHERN VIRGINIA TRANSPORTATION COMMISSION

### NOTES TO THE FINANCIAL STATEMENTS

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#### Note 7. Joint Venture – Virginia Railway Express

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

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

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

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

Pursuant to a Master Agreement signed in 1989, the Commissions own and operate VRE. VRE provides commuter rail service on two railroad lines originating in Fredericksburg and Manassas, Virginia and terminating at Union Station, Washington, D.C. The service uses existing tracks of CSX and the Norfolk Southern Railway Company under respective operating access agreements.

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

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

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

# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

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

Financial information from VRE's fiscal year 2024 audited financial statements is shown below.

#### VIRGINIA RAILWAY EXPRESS STATEMENT OF NET POSITION June 30, 2024

##### ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current assets:	
Cash and cash equivalents	\$ 53,492,961
Accounts receivable:	
Due from PRTC	44,268,636
Federal Pandemic Relief Funds	5,801,627
Commonwealth of Virginia grants	47,722,157
Commonwealth Rail Operating and Capital (CROC) Fund	2,500,000
Trade and other, net of allowance	3,326,266
Inventory	3,571,025
Prepaid expenses and other	594,414
Restricted cash, cash equivalents and investments	31,567,568
<b>Total current assets</b>	<b>192,844,654</b>
Noncurrent assets:	
Capital assets (net of \$297,300,351 accumulated depreciation and amortization)	540,221,879
Leases receivable, noncurrent portion	1,064,896
<b>Total noncurrent assets</b>	<b>541,286,775</b>
<b>Total assets</b>	<b>734,131,429</b>
Deferred outflows of resources	925,701
<b>Total assets and deferred outflows of resources</b>	<b>\$ 735,057,130</b>

##### LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Current liabilities:	
Accounts payable and accrued liabilities	\$ 26,129,192
Unearned revenue	1,277,762
Current portion of:	
Compensated absences	58,622
Bonds payable	4,795,000
Subscription liability	106,486
Lease liability	139,366
Private placement note payable	1,866,848
<b>Total current liabilities</b>	<b>34,373,276</b>
Noncurrent liabilities:	
Pension liability	70,526
Other postemployment benefits	367,853
Bonds payable	154,294,004
Lease liability	1,260,302
Compensated absences	876,425
<b>Total noncurrent liabilities</b>	<b>156,869,110</b>
<b>Total liabilities</b>	<b>191,242,386</b>
Deferred inflows of resources	1,382,536
Net position:	
Net investment in capital assets	359,245,516
Restricted for liability insurance plan	10,553,006
Restricted for debt service	14,073,320
Restricted grants or contributions	6,941,242
Unrestricted net position	151,619,124
<b>Total net position</b>	<b>542,432,208</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 735,057,130</b>

# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

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

#### VIRGINIA RAILWAY EXPRESS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION Year Ended June 30, 2024

Operating revenues	\$ 16,168,731
Operating expenses	106,046,460
<b>Operating loss before depreciation and amortization</b>	<b>(89,877,729)</b>
Depreciation and amortization	(23,548,243)
<b>Operating loss</b>	<b>(113,425,972)</b>
Nonoperating revenues (expenses):	
Subsidies:	
Commonwealth of Virginia grants	26,759,223
Federal grants – with PRTC as grantee	12,962,716
Federal Pandemic Relief Funds	37,488,029
Jurisdictional contributions	16,000,000
Commonwealth Rail Operating and Capital (CROC) Fund	7,496,000
Interest income:	
Operating funds	697,180
Insurance trust	444,946
Commuter Rail Operating and Capital (CROC) Fund	2,528,870
Leases	32,030
Other restricted funds	1,019,254
Interest, amortization and other nonoperating expenses, net	(6,887,155)
Increase in fair value of investments	199,873
Loss on disposal of assets	(59,780)
<b>Total nonoperating revenues, net</b>	<b>98,681,186</b>
Capital grants and assistance:	
Commonwealth of Virginia grants	24,118,298
Federal grants – with PRTC as grantee	10,844,459
Commuter Rail Operating and Capital (CROC) Fund	7,504,000
Regional transportation funding (NVTa)	1,907,243
<b>Total capital grants and assistance</b>	<b>44,374,000</b>
<b>Change in net position</b>	<b>29,629,214</b>
Net position, beginning of year	512,802,994
Net position, ending	<b>\$ 542,432,208</b>

### Note 8. Intergovernmental Revenues, Commonwealth of Virginia

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

## **NORTHERN VIRGINIA TRANSPORTATION COMMISSION**

### **NOTES TO THE FINANCIAL STATEMENTS**

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#### **Note 9. Pension Plans**

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

##### **NVTC – Target Benefit Plan**

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

The plan is funded in amounts determined by an actuarial consultant. Employer contributions for the year ended June 30, 2024 totaled \$215,840 (12.7 percent of covered payroll). Required employee contributions for the year ended June 30, 2024 totaled \$43,031 (2.1 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. During the plan year ending June 30, 2024 there were 17 participants. NVTC's payroll for employees covered by the plan for the year ended June 30, 2024 was \$2,301,576.

#### **Note 10. Agreements**

##### **Business-type activities**

Operating Access Agreements with the CSX Transportation and Norfolk Southern railroads provide the Commissions the right to use tracks owned by the railroads in the provision of commuter rail passenger service. These agreements require the Commissions to pay the railroads a monthly base fee and to reimburse the railroads for any incremental cost incurred by the railroads as a result of providing tracks for commuter rail service. For the year ended June 30, 2024, annual track usage fees totaled approximately \$12,411,000, of which \$5,024,000 is recognized by the NVTC reporting entity, and facility and other identified costs totaled approximately \$492,000, of which \$199,000 is recognized by the NVTC reporting entity. The increase in track usage fees and other direct services primarily reflects annual contract escalations.

The agreement between Amtrak and the Commissions for access to and storage of equipment at Union Station and mid-day service and electrical power became effective on July 1, 2015. For the year ended June 30, 2024, costs for track access and equipment storage totaled approximately \$7,992,000, of which \$3,235,000 is recognized by the NVTC reporting entity and mid-day maintenance, utility and other services totaled approximately \$5,226,000, of which \$2,116,000 is recognized by the NVTC reporting entity. Cost adjustments will be made in fiscal year 2024 to reflect changes to various published cost indices and the number of trains that have access to and are stored and serviced at the terminal. After October 1, 2015, charges for terminal access are determined in accordance with the cost-sharing arrangement for the Northeast Corridor passenger rail infrastructure mandated by the Passenger Rail Investment and Improvement Act of 2008 (PRIIA).



# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

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### Note 10. Agreements (Continued)

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

Subsequently, in May 2021, the Commissions authorized the Chief Executive Officer to amend the contract for Maintenance Services for Commuter Rail with Keolis Rail Services Virginia, LLC (KRSV) thereby exercising the first five-year option period, effective July 1, 2021 through June 30, 2026. The cost of train operations and maintenance for the year ended June 30, 2024 totaled approximately \$28,391,000 of which \$11,493,000 is recognized by the NVTC reporting entity. Costs are based on an annual budget prepared in advance. Costs for fiscal year 2025 will be adjusted for service additions or deletions and annual changes to the Consumer Price Index.

### Note 11. Risk Management and Liability Insurance Plan

NVTC and the VRE commuter rail operation are exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and natural disasters. Commercial insurance is purchased to address these risks, including workers' compensation and employee health and accidental insurance. The Virginia Department of Treasury, Division of Risk Management has established the terms of VRE's Commuter Rail Operations Liability Plan (the Insurance Plan). The Insurance Plan consists of a combination of self-insurance reserves and purchased insurance in amounts actuarially determined to meet the indemnification requirements of the Operating Access Agreements and the Purchase of Services Agreement and for liability and property damage. The Commissions indemnify each of the railroads in an amount up to the passenger rail liability cap (currently approximately \$323 million) for any claims against persons or property associated with commuter rail operations. Settled claims have not exceeded commercial coverage during any of the past three fiscal years. The liability for incurred but not reported claims was approximately \$78,700 at June 30, 2024, of which \$31,900 was included in the NVTC reporting entity.

The Division of Risk Management manages the Insurance Trust Fund pursuant to the provisions of the Insurance Plan. Since November 2006, all plan assets have been invested in the Department of Treasury common pool. Activity in the Insurance Trust Fund for the year ended June 30, 2024 is as follows:

	Total	NVTC Reporting Entity
Beginning balance, July 1	\$ 10,088,248	\$ 5,044,124
Insurance premiums paid	(7,310)	(3,655)
Claims mitigation and losses incurred	(4,808)	(2,404)
Investment income	444,946	222,473
Actuarial and administrative charges	(30,547)	(15,274)
Ending balance, June 30	<u>\$ 10,490,529</u>	<u>\$ 5,245,264</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

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### Note 12. Significant Commitments and Contingencies

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

#### Governmental activities

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

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

#### Business-type activities

At June 30, 2024, there were disputes between VRE and certain vendors. The amounts of any settlements, should they occur, are not determinable at this time. However, such amounts are not expected to be material in relation to the recorded amounts.

The Commissions have outstanding commitments for construction of facilities and equipment. A combination of Federal and Commonwealth of Virginia grants and local funds will be used to finance these capital projects. The following is a summary of the more significant contractual commitments, net of expenses incurred as of June 30, 2024:

Stations and parking lots	\$ 23,341,105
Rolling stock	63,553,737
Maintenance and layover yards	1,436,028
Track and Signal Improvements	176,000
Other administrative	186,283
<b>Total</b>	<b>\$ 88,693,153</b>

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

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

# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

### Note 12. Significant Commitments and Contingencies (Continued)

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

### Note 13. Interfund Transfers

	General Fund	Commuter Rail	Total Transferred Out
Transfer from fund:			
Special Revenue Fund – I-66 toll revenue	\$ 412,066	\$ -	\$ 412,066
Special Revenue Fund – I-395/95 toll revenue	199,156	-	199,156
General Fund	-	36,327,295	36,327,295
Total transferred in	\$ 611,222	\$ 36,327,295	\$ 36,938,517

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

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

### Note 14. Pending GASB Statements

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

GASB Statement No. 101, *Compensated Absences*, is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement 101 will be effective for NVTC beginning with its year ending June 30, 2024.

GASB Statement No. 102, *Certain Risk Disclosures*, requires NVTC to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires VRE to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If NVTC determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. Statement 102 will be effective for NVTC beginning with its year ending June 30, 2025.

# NORTHERN VIRGINIA TRANSPORTATION COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS

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### Note 14. Pending GASB Statements (Continued)

GASB Statement No. 103, *Financial Reporting Model Improvements*, provides guidance to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. Statement 103 will be effective for NVTC beginning with its year ending June 30, 2026.

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

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

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

### Note 15. Subsequent Events

In September 2024, the VRE Operations Board authorized the Chief Executive Officer to execute a contract with Gannett Fleming, Inc. of Fairfax, Virginia, for Construction Management Services for the Alexandria Station Improvements Project in the amount of \$9,353,863, plus a 10 percent contingency of \$935,386, for a total amount not to exceed \$10,289,249.

In September 2024, the VRE Operations Board authorized the Chief Executive Officer to execute a General Engineering Consulting Services VIII Task Order with HDR Engineering, Inc. for Engineering Support for the Crossroads Maintenance and Storage Facility Administrative and Employee Welfare Building Project in the amount of \$1,351,300, plus a 10 percent contingency of \$135,130, for a total not to exceed \$1,486,430.

On September 5, 2024, the Virginia Passenger Rail Authority (VPRA) purchased approximately 24 miles of the Manassas Line from Norfolk Southern Corporation (NS). Through this new agreement, VPRA also gained access to the railroad's main line (N-Line) in Christiansburg, Virginia, a key component to the Commonwealth's planned intercity rail service expansion to the New River Valley. VRE and VPRA staff have developed a draft Funding Agreement laying out the parameters for VRE's financial participation in the Manassas Line transaction, which is expected to include acquisition by VRE of four separate property interests (Seminary Yard in Alexandria; the Broad Run Corridor in Manassas; permanent easements for five existing Manassas Line station platforms; and a permanent commuter rail operating easement over the line). In October 2024, the Commissions approved a new operating access agreement between VRE and NS covering the small sections of the Manassas Line retained by NS for an initial annual fee of \$750,000, subject to escalations. Commission approvals of the Manassas Line Funding Agreement and a long-term Manassas Line operating access agreement between VRE and VPRA are expected in the November 2024 to January 2025 timeframe.

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**

**SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2024**

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION BY JURISDICTION**  
**JURISDICTION TRUST FUND**  
Year Ended June 30, 2024

	<u>City of Alexandria</u>	<u>Arlington County</u>	<u>City of Fairfax</u>	<u>Fairfax County</u>	<u>City of Falls Church</u>	<u>Loudoun County</u>	<u>Totals</u>
Additions:							
Contributions from government:							
Commonwealth of Virginia	\$ 35,623,699	\$ 50,708,719	\$ 3,084,459	\$ 112,978,584	\$ 1,507,303	\$ 6,799,088	\$ 210,701,852
Motor Vehicle Fuel Sales Tax	2,315,852	2,308,007	908,318	15,128,392	1,658,085	9,049,921	31,368,575
Intergovernmental revenues, grants:							
Commonwealth of Virginia	38,434,593	20,325,530	1,537,647	43,876,591	568,442	2,564,107	107,306,910
Investment income	3,406,032	5,871,540	342,709	9,803,472	129,689	3,598,095	23,151,537
Total additions	<u>79,780,176</u>	<u>79,213,796</u>	<u>5,873,133</u>	<u>181,787,039</u>	<u>3,863,519</u>	<u>22,011,211</u>	<u>372,528,874</u>
Deductions:							
Funds disbursed to WMATA:							
Capital improvement program	1,000,000	10,558,518	749,872	-	-	2,549,412	14,857,802
Project development	-	134,576	8,506	486,200	-	-	629,282
Metrorail operating	18,756,915	19,349,507	1,637,087	59,433,618	1,304,000	6,312,400	106,793,527
Metrobus operating	17,621,861	17,582,430	810,586	45,026,163	1,784,557	-	82,825,597
Metroaccess operating	1,220,358	265,677	816,888	14,153,811	192,808	-	16,649,542
Metro debt service	888,567	-	111,595	5,620,343	176,316	-	6,796,821
Other funds disbursed:							
Other capital disbursements	25,000,000	6,648,972	18,185	34,829,476	-	11,999,821	78,496,454
Other operating disbursements	-	4,993,030	1,476,227	7,291,217	-	12,319,360	26,079,834
Total deductions	<u>64,487,701</u>	<u>59,532,710</u>	<u>5,628,946</u>	<u>166,840,828</u>	<u>3,457,681</u>	<u>33,180,993</u>	<u>333,128,859</u>
Change in net position	15,292,475	19,681,086	244,187	14,946,211	405,838	(11,169,782)	39,400,015
Net position held in trust for member jurisdictions:							
Beginning of year	<u>68,446,996</u>	<u>102,741,067</u>	<u>6,421,384</u>	<u>182,136,365</u>	<u>2,741,662</u>	<u>64,182,585</u>	<u>426,670,059</u>
End of year	<u>\$ 83,739,471</u>	<u>\$ 122,422,153</u>	<u>\$ 6,665,571</u>	<u>\$ 197,082,576</u>	<u>\$ 3,147,500</u>	<u>\$ 53,012,803</u>	<u>\$ 466,070,074</u>

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF GENERAL, ADMINISTRATIVE AND PROJECT EXPENDITURES**  
**GENERAL FUND**  
**Year Ended June 30, 2024**

	Total	General and Administrative	Projects
Expenditures:			
Audit and legal	\$ 54,994	\$ 54,994	\$ -
Capital outlay	15,670	15,670	-
Commissioners' per diem	14,550	14,550	-
Computer	36,177	36,177	-
Copier duplicating	10,107	10,107	-
Disability insurance	16,183	15,363	820
Employee group insurance	179,437	170,340	9,097
Employee retirement	171,840	163,128	8,712
Employer payroll taxes	178,703	169,644	9,059
Leave - annual, holiday, and sick	340,082	320,050	20,032
Memberships and subscriptions	1,489	1,489	-
Miscellaneous	10,771	10,771	-
Office supplies	4,455	4,455	-
Office rent *	393,287	393,287	-
Insurance and liability bonds	7,023	7,023	-
Parking and transit	16,289	16,289	-
Postage and shipping	1,294	1,294	-
Consulting, other project costs	1,598,001	145,501	1,452,500
Public information	35,737	35,737	-
Salaries and wages	2,092,325	1,988,839	103,486
State liaison	52,671	52,671	-
Telephone and data	17,397	17,397	-
Training and conferences	47,935	47,935	-
Travel and meetings	22,985	22,845	140
Total expenditures	<u>\$ 5,319,402</u>	<u>\$ 3,715,556</u>	<u>\$ 1,603,846</u>

\* \$393,287 included in office rent reported as debt service on the Statement of Revenues, Expenditures and Change in Fund Balances. \$309,804 reported as principal retirement and \$83,483 reported as interest expense.

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROJECT REVENUES AND EXPENDITURES  
GENERAL FUND  
Year Ended June 30, 2024**

	<b>Jurisdiction Grants &amp; Projects</b>	<b>NTD Collection</b>	<b>Route 7</b>	<b>WMATA Working Group</b>	<b>Strategic Policy Rd Map</b>	<b>Regional Bus</b>	<b>Regional Marketing</b>	<b>Value of Transit</b>	<b>Zero Emission Bus</b>	<b>Totals</b>
Revenues:										
Commonwealth of Virginia	\$ 29,004	\$ 159,489	\$ 85,677	\$ -	\$ -	\$ 116,366	\$ 356,467	\$ -	\$ 87,297	\$ 834,300
Federal	132,501	-	-	-	-	-	-	-	-	132,501
Local	-	-	93,721	-	-	116,365	89,280	-	87,297	386,663
NVTC match	-	-	40,875	84,547	128,517	-	(6,436)	2,879	-	250,382
Total revenue	<u>\$ 161,505</u>	<u>\$ 159,489</u>	<u>\$ 220,273</u>	<u>\$ 84,547</u>	<u>\$ 128,517</u>	<u>\$ 232,731</u>	<u>\$ 439,311</u>	<u>\$ 2,879</u>	<u>\$ 174,594</u>	<u>\$ 1,603,846</u>
Expenditures:										
Consulting	\$ -	\$ 159,489	\$ 69,067	\$ 84,547	\$ 128,517	\$ 232,731	\$ -	\$ 2,739	\$ 174,594	\$ 851,684
Costs incurred	161,505	-	-	-	-	-	439,311	-	-	600,816
Fringe benefits	-	-	47,720	-	-	-	-	-	-	47,720
Salaries and wages	-	-	103,486	-	-	-	-	-	-	103,486
Travel and meetings	-	-	-	-	-	-	-	140	-	140
Total expenditures	<u>\$ 161,505</u>	<u>\$ 159,489</u>	<u>\$ 220,273</u>	<u>\$ 84,547</u>	<u>\$ 128,517</u>	<u>\$ 232,731</u>	<u>\$ 439,311</u>	<u>\$ 2,879</u>	<u>\$ 174,594</u>	<u>\$ 1,603,846</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, 2024

Project Sponsor	Project Title	Project Number	Approved Toll Revenue Funds	Prior Expenditures	FY 2024 Expenditures	Cumulative Expenditures	FY 2024 Deobligations	Remaining Balance
Fairfax County	I-66 Corridor Vienna/Merrifield Bike Share Expansion	059-02-18	\$ 497,100	\$ 180,673	\$ 305,675	\$ 486,348	\$ 10,752	\$ -
City of Fairfax	CUE Access and Technology Improvements	600-01-18	965,000	155,079	202,796	357,875	-	607,125
<b>Subtotal - Fiscal Year 2018 Program</b>			<b>1,462,100</b>	<b>335,752</b>	<b>508,471</b>	<b>844,223</b>	<b>10,752</b>	<b>607,125</b>
Arlington County	Expanded TDM Outreach to the I-66 Corridor	013-02-20	1,350,000	783,764	-	783,764	-	566,236
Loudoun County	Enhanced Bus Service from Stone Ridge to DC	107-01-20	532,031	242,361	289,670	532,031	-	-
Loudoun County	New Bus Service from Stone Ridge to Pentagon	107-02-20	1,257,226	1,174,583	82,643	1,257,226	-	-
Loudoun County	New Bus Service from Purcellville to DC	107-03-20	949,482	904,226	45,256	949,482	-	-
Prince William County	New TDM Outreach to the I-66 Corridor	153-01-20	200,000	-	182,425	182,425	-	17,575
PRTC	Enhanced Bus Service from Gainesville to DC	664-01-20	1,519,100	259,341	59,759	319,100	-	1,200,000
<b>Subtotal - Fiscal Year 2020 Program</b>			<b>5,807,839</b>	<b>3,364,275</b>	<b>659,753</b>	<b>4,024,028</b>	<b>-</b>	<b>1,783,811</b>
Arlington County	Lee Highway HOV and Bus-Only Lane in Rosslyn	013-61-21	710,000	-	-	-	-	710,000
Fairfax County	McLean Metrorail Station North Entrance	059-61-21	1,000,000	-	-	-	-	1,000,000
Loudoun County	Renewal of Purcellville Metro Connection Bus Service	107-61-21	709,030	336,282	372,748	709,030	-	-
City of Fairfax	City of Fairfax Bike Share Implementation	600-61-21	460,000	-	231,336	231,336	-	228,664
PRTC	Renewal of Bus Service from Haymarket to Rosslyn	664-62-21	137,100	128,734	8,366	137,100	-	-
<b>Subtotal - Fiscal Year 2021 Program</b>			<b>3,016,130</b>	<b>465,016</b>	<b>612,450</b>	<b>1,077,466</b>	<b>-</b>	<b>1,938,664</b>
PRTC	TDM Strategy - I-66 Corridor Vanpool Parking Benefit	664-61-22	85,000	-	-	-	-	85,000
Fairfax County	New Bus Service from Reston South to Crystal City	059-61-22	5,110,800	-	-	-	-	5,110,800
Fairfax County	Fare Buy-Down on Bus Service from Reston North to Crystal City	059-62-22	154,500	-	-	-	-	154,500
NVTC	Program Administration and Oversight	999-01-22	400,000	167,374	232,626	400,000	-	-
<b>Subtotal - Fiscal Year 2022 Program</b>			<b>5,750,300</b>	<b>167,374</b>	<b>232,626</b>	<b>400,000</b>	<b>-</b>	<b>5,350,300</b>
Fairfax County	Renewal of Bus Service from Vienna Metrorail Station to Pentagon	059-61-23	1,232,850	-	582,934	582,934	-	649,916
Fairfax County	Trail Access to Vienna Metrorail Station	059-62-23	2,200,000	-	-	-	-	2,200,000
Prince William County	TDM Strategy - Fare Buy-Down on I-66 Commuter Bus Service	153-61-23	650,000	-	191,010	191,010	-	458,990
Arlington County	Ballston-MU Metrorail West Entrance	013-61-23	4,500,000	-	-	-	-	4,500,000
City of Manassas Park	Manassas Park VRE Station Parking Garage	685-61-23	2,500,000	-	-	-	-	2,500,000
PRTC	Renewal of Bus Service from Gainesville to Pentagon and Navy Yard	664-61-23	2,560,449	-	625,121	625,121	-	1,935,328
PRTC	Renewal of Bus Service from Haymarket to Rosslyn	664-62-23	947,554	-	124,904	124,904	-	822,650
NVTC	Program Administration	999-61-23	525,000	-	179,440	179,440	-	345,560
<b>Subtotal - Fiscal Year 2023 - 2024 Program</b>			<b>15,115,853</b>	<b>-</b>	<b>1,703,409</b>	<b>1,703,409</b>	<b>-</b>	<b>13,412,444</b>
<b>Total</b>			<b>\$ 31,152,222</b>	<b>\$ 4,332,417</b>	<b>\$ 3,716,709</b>	<b>\$ 8,049,126</b>	<b>\$ 10,752</b>	<b>\$ 23,092,344</b>

Note: Expenditures are reimbursements made by NVTC to the sponsoring entity. Additional project expenditures may have been incurred by the sponsor, but not yet submitted for program reimbursement. Schedule does not reflect closed-out projects without FY 2024 activity. Expenditures for NVTC administration and outreach totaling \$199,156 in the table above are reported as transfers in the "Statement of Revenues, Expenditures and Change in Fund Balance."

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF I-395/95 COMMUTER CHOICE TOLL FUNDED PROJECTS AND EXPENDITURES**  
**SPECIAL REVENUE FUND I-395/95 TOLL REVENUE**  
Year Ended June 30, 2024

Project Sponsor	Project Title	Project Number	Approved Toll Revenue Funds	Prior Expenditures	FY 2024 Expenditures	Cumulative Expenditures	FY 2024 Deobligations	Remaining Balance
Fairfax County	New Bus Service to the Pentagon with Gambrill and Backlick North Park and Ride Improvements	059-31-20	\$ 3,540,903	\$ 3,419,143	\$ 5,154	\$ 3,424,297	\$ -	\$ 116,606
PRTC	Enhanced Bus Service on Route 1 Local	664-33-20	1,133,500	608,500	507,569	1,116,069	-	17,431
PRTC	New Bus Service from Staffordboro to Downtown D.C.	664-34-20	3,569,200	769,200	2,762,872	3,532,072	-	37,128
PRTC	New Bus Service from Staffordboro to the Pentagon	664-35-20	3,495,300	495,300	2,762,872	3,258,172	-	237,128
<b>Subtotal - Fiscal Year 2020 Program</b>			<b>11,738,903</b>	<b>5,292,143</b>	<b>6,038,467</b>	<b>11,330,610</b>	<b>-</b>	<b>408,293</b>
Fairfax County	Renewal of Route 396 Express Bus Service: Backlick North Park and Ride to Pentagon	059-31-22	1,386,000	234,890	-	234,890	-	1,151,110
Fairfax County	Enhanced Bus Service for Route 371: Lorton to Franconia - Springfield Metro	059-32-22	2,496,529	-	176,287	176,287	-	2,320,242
Prince William County	Horner Road Park and Ride Lot Expansion	153-31-22	2,800,000	-	84,491	84,491	-	2,715,509
Spotsylvania County	New Park and Ride Lot in Massaponax	177-31-22	1,100,000	-	900,000	900,000	-	200,000
City of Fredericksburg	New Bus Service from Route 208 Park and Ride Lot to Fredericksburg VRE	630-31-22	1,218,800	-	-	-	-	1,218,800
PRTC	Renewal of Enhanced Bus Service from Dale City to Ballston	664-31-22	291,831	207,042	84,242	291,284	-	547
PRTC	Renewal of Enhanced Bus Service on Prince William Metro Express: OmniRide Transit Center to Franconia-Springfield Metro	664-32-22	434,776	92,142	196,484	288,626	-	146,150
PRTC	Renewal of Enhanced Bus Service on Route 1 Local: Quantico to Woodbridge VRE	664-33-22	541,169	265,220	-	265,220	-	275,949
PRTC	Renewal of Bus Service from Staffordboro to Downtown D.C.	664-34-22	968,308	611,279	-	611,279	-	357,029
PRTC	Renewal of Bus Service from Staffordboro to the Pentagon	664-35-22	704,773	386,631	-	386,631	-	318,142
PRTC	TDM Strategy-- I-395/95 Corridor Vanpool Monthly Incentive	664-36-22	604,800	16,000	-	16,000	-	588,800
Alexandria Transit Co.	Enhanced Bus Service from Van Dorn Metro to the Pentagon	997-31-22	5,734,000	4,908,350	778,602	5,686,952	-	47,048
Alexandria Transit Co.	Enhanced Bus Service from Mark Center to Potomac Yard	997-32-22	3,650,000	2,949,068	670,932	3,620,000	-	30,000
NVTC	NVTC Program Administration	999-31-22	800,000	411,273	199,156	610,429	-	189,571
<b>Subtotal - Fiscal Year 2022 - 2023 Program</b>			<b>22,730,986</b>	<b>10,081,895</b>	<b>3,090,194</b>	<b>13,172,089</b>	<b>-</b>	<b>9,558,897</b>
Arlington County	Metrobus 16M Service Enhancement: Skyline to Crystal City	013-31-24	5,000,000	-	-	-	-	5,000,000
Alexandria Transit Co.	DASH Line 35 Service Enhancement: Van Dorn Street Station to the Pentagon (Continuation)	997-31-24	7,290,000	-	1,976,788	1,976,788	-	5,313,212
Alexandria Transit Co.	DASH Line 36A/B Service Enhancement: Mark Center to Potomac Yard-VT Station (Continuation)	997-32-24	3,774,000	-	1,137,804	1,137,804	-	2,636,196
Alexandria Transit Co.	DASH Line 35 Bus Fleet Capacity Expansion with Electric Buses: Van Dorn Street Station to the Pentagon	997-33-24	3,452,000	-	-	-	-	3,452,000
Fairfax County	Fairfax Connector Route 396: Backlick North Park and Ride to the Pentagon (Continuation)	059-31-24	1,750,915	-	-	-	-	1,750,915
Fairfax County	Richmond Highway Bus Rapid Transit Implementation: Fort Belvoir to Huntington Station	059-32-24	10,000,000	-	-	-	-	10,000,000
PRTC	OmniRide Route D-200 Service Enhancement: Dale City to Ballston (Continuation)	664-31-24	304,626	-	-	-	-	304,626
PRTC	OmniRide Prince William Metro Express Service Enhancement: Dale City to Franconia-Springfield Station (Continuation)	664-32-24	671,678	-	-	-	-	671,678
PRTC	OmniRide Route 1 Local Service Enhancement: Quantico to Woodbridge Station (Continuation)	664-33-24	755,020	-	-	-	-	755,020
PRTC	OmniRide Route 543: Staffordboro to Downtown Washington, D.C. (Continuation)	664-34-24	1,025,441	-	-	-	-	1,025,441
PRTC	OmniRide Route 942: Staffordboro to the Pentagon (Continuation)	664-35-24	1,638,926	-	-	-	-	1,638,926
VRE	TDM Strategy: Amtrak Step-Up Reinstatement on VRE Fredericksburg Line	990-31-24	1,477,065	-	-	-	-	1,477,065
VRE	Crystal City Station Expansion	990-32-24	10,786,281	-	-	-	-	10,786,281
NVTC	Program Administration	999-31-24	500,000	-	-	-	-	500,000
<b>Subtotal - Fiscal Year 2024 - 2025 Program</b>			<b>48,425,952</b>	<b>-</b>	<b>3,114,592</b>	<b>3,114,592</b>	<b>-</b>	<b>45,311,360</b>
<b>Total</b>			<b>\$ 82,895,841</b>	<b>\$ 15,374,038</b>	<b>\$ 12,243,253</b>	<b>\$ 27,617,291</b>	<b>\$ -</b>	<b>\$ 55,278,550</b>

Note: Expenditures are reimbursements made by NVTC to the sponsoring entity. Additional project expenditures may have been incurred by the sponsor, but not yet submitted for program reimbursement. Schedule does not reflect closed-out projects without FY 2024 activity. Expenditures for NVTC administration and outreach totaling \$412,006 in the table above are reported as transfers in the "Statement of Revenues, Expenditures and Change in Fund Balance."

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF ALLOCATED SPECIAL REVENUE FUND - I-395/95 ACTIVITY  
BETWEEN NVTC AND PRTC  
Year Ended June 30, 2024**

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

	Total	NVTC	PRTC
Revenues:			
Intergovernmental revenue:			
ATI funds (toll revenue)	\$ 16,557,193	\$ 10,748,211	\$ 5,808,982
Interest income	2,312,307	1,501,049	811,258
Total revenues	<u>18,869,500</u>	<u>12,249,260</u>	<u>6,620,240</u>
Expenditures:			
Current:			
Toll funded project costs	12,044,097	7,818,505	4,225,592
Total expenditures	<u>12,044,097</u>	<u>7,818,505</u>	<u>4,225,592</u>
Other financing uses:			
Transfers	<u>199,156</u>	<u>129,283</u>	<u>69,873</u>
Change in fund balance	6,626,247	4,301,472	2,324,775
Fund balance, beginning of year	<u>41,321,962</u>	<u>27,198,786</u>	<u>14,123,177</u>
Fund balance, end of year	<u>\$ 47,948,209</u>	<u>\$ 31,500,258</u>	<u>\$ 16,447,952</u>

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS  
Year Ended June 30, 2024**

<b>Grant</b>	<b>Contract Date</b>	<b>Grant Number</b>	<b>Grant Award</b>	<b>Accrued (Deferred) Revenue 6/30/2023</b>	<b>Cash Received</b>	<b>Revenue Recognized</b>	<b>Expenditures</b>	<b>Accrued (Deferred) Revenue 6/30/2024</b>	<b>Cumulative Expenditures</b>
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**Northern Virginia Transportation Commission**

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

Capital:

Fiscal Year 2021	5/2/2022	72521-14	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000
Fiscal Year 2016	11/30/2015	72516-05	68,500	-	-	29,004	29,004	29,004	68,500
Fiscal Year 2015	11/12/2015	72512-08	460,000	-	-	-	-	-	6,785
Fiscal Year 2010	7/17/2012	72510-08	209,575	-	-	-	-	-	1,080
Fiscal Year 2010	1/7/2014	72510-14	197,505	-	13,096	13,096	13,096	-	13,096
Fiscal Year 2014	1/7/2014	72510-15	221,540	-	4,633	4,633	4,633	-	216,287
Fiscal Year 2010	12/28/2010	72510-18	221,540	-	-	-	-	-	223,363
Fiscal Year 2010	7/2/2009	72509-22	190,190	-	163,412	163,412	163,412	-	190,190
Fiscal Year 2009	10/1/2010	72509-25	200,600	-	-	-	-	-	26,725
Fiscal Year 2008	8/12/2008	72508-09	175,560	-	-	-	-	-	175,221
Fiscal Year 2008	8/12/2008	72508-12	125,400	-	-	-	-	-	-
Fiscal Year 2008	8/12/2008	72508-16	59,500	-	-	-	-	-	750
Fiscal Year 2008	4/5/2012	72508-52	320,000	-	-	-	-	-	269,700
Fiscal Year 2007	8/12/2008	72507-31	118,973	-	-	-	-	-	56,963

Capital and Operating - WMATA:

Fiscal Year 2024		73624-01	210,520,711	-	210,520,711	210,520,711	210,520,711	-	210,520,711
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Special Projects:

Fiscal Year 2024

Workforce Development	8/23/2023	71224-05	40,000	-	24,396	35,755	35,755	11,359	35,755
Envision Rt 7	8/23/2023	71324-08	500,000	-	-	56,498	56,498	56,498	56,498

Fiscal Year 2023

Zero Emission Bus	8/4/2022	71323-03	240,000	93,755	172,659	87,296	87,296	8,392	181,051
Regional Bus	8/4/2022	71323-04	150,000	23,949	135,897	116,366	116,366	4,418	140,315
Regional Mktng Camp.	7/19/2023	71123-14	400,000	42,780	399,247	356,467	356,467	-	399,247
Workforce Development	8/4/2022	71223-04	32,000	21,584	18,163	(3,421)	(3,421)	-	32,000

Fiscal Year 2020

Regional Fare Collect.	8/2/2019	71320-03	210,000	3,997	3,997	-	-	-	185,971
Envision Rt 7 BRT Stud.	12/17/2020	71321-09	280,000	102,990	132,169	29,179	29,179	-	284,217

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS (continued)  
Year Ended June 30, 2024**

<u>Grant</u>	<u>Contract Date</u>	<u>Grant Number</u>	<u>Grant Award</u>	<u>Accrued (Deferred) Revenue 6/30/2023</u>	<u>Cash Received</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued (Deferred) Revenue 6/30/2024</u>	<u>Cumulative Expenditures</u>
<b><u>Northern Virginia Transportation Commission (continued)</u></b>									
<b>Virginia Department of Rail and Public Transportation (DRPT) (continued)</b>									
<b>Total State Assistance - NVTC</b>			\$ 219,941,594	\$ 289,055	\$ 211,588,380	\$ 211,408,996	\$ 211,408,996	\$ 109,671	\$ 218,084,425
<b>Total State Assistance - VRE</b>			<u>261,250,965</u>	<u>34,728,130</u>	<u>23,380,666</u>	<u>31,367,827</u>	<u>31,367,827</u>	<u>42,715,291</u>	<u>139,194,019</u>
<b>Total State Assistance - NVTC and VRE</b>			<u>\$ 481,192,559</u>	<u>\$ 35,017,185</u>	<u>\$ 234,969,046</u>	<u>\$ 242,776,823</u>	<u>\$ 242,776,823</u>	<u>\$ 42,824,962</u>	<u>\$ 357,278,444</u>

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS**  
Year Ended June 30, 2024

Grant / Contracted Jurisdiction	Contract Date	Grant Number	Grant Award	Accrued (Deferred) Revenue 6/30/2023	Cash Received	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 6/30/2024	Cumulative Expenditures
<b>Northern Virginia Transportation Commission, Jurisdiction Trust Fund (contracted directly with individual jurisdictions)</b>									
<b>Virginia Department of Rail and Public Transportation (DRPT)</b>									
Capital:									
Arlington County	10/23/2023	73024-41	\$ 3,264,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Arlington County	10/23/2023	73024-39	7,720,370	-	-	-	-	-	-
Arlington County	10/23/2023	73024-40	429,760	-	-	-	-	-	-
City of Fairfax	11/9/2023	73024-44	27,200	-	-	-	-	-	-
City of Fairfax	11/9/2023	73024-45	42,840	-	-	-	-	-	-
Fairfax County	3/15/2024	73024-46	448,800	-	-	-	-	-	-
Fairfax County	3/15/2024	73024-48	748,000	-	-	-	-	-	-
Fairfax County	3/15/2024	73024-49	816,000	-	-	-	-	-	-
Fairfax County	3/15/2024	73024-47	1,224,000	-	-	-	-	-	-
Fairfax County	3/15/2024	73024-50	170,000	-	-	-	-	-	-
Fairfax County	3/15/2024	73024-51	21,241,873	-	-	10,112,623	10,112,623	10,112,623	10,112,623
Fairfax County	3/15/2024	73024-52	1,767,999	-	-	501,932	501,932	501,932	501,932
Fairfax County (TRIP)	3/15/2024	71702-01	11,200,000	-	-	-	-	-	-
Fairfax County (TRIP)	3/15/2024	50053-03	969,762	-	16,708	16,708	16,708	-	16,708
Fairfax County	3/15/2024	73024-53	122,400	-	-	-	-	-	-
Fiscal Year 2023									
Arlington County	11/21/2022	73023-37	710,000	68,209	237,679	411,249	411,249	241,779	482,800
Arlington County	11/21/2022	73023-38	652,000	-	297,852	371,501	371,501	73,649	443,361
Arlington County	11/21/2022	73023-39	421,000	-	-	-	-	-	-
Arlington County	11/21/2022	73023-40	463,000	-	8,078	8,078	8,078	-	8,078
Arlington County	11/21/2022	73023-41	550,000	-	-	37,196	37,196	37,196	37,196
Arlington County	7/22/2022	50068	20,611,000	4,748,158	4,748,158	10,915,715	10,915,715	10,915,715	16,112,926
City of Alexandria	8/10/2023	72523-29	1,194,538	-	-	-	-	-	-
City of Alexandria	3/30/2023	73023-43	3,284,926	-	-	-	-	-	-
City of Fairfax	8/4/2022	73023-44	18,185	-	18,185	18,185	18,185	-	18,185
City of Fairfax	8/4/2022	73023-45	34,000	-	-	-	-	-	-
Fairfax County	11/21/2022	73023-46	85,000	-	64,826	64,826	64,826	-	64,826
Fairfax County	11/21/2022	73023-47	2,618,000	-	1,968,454	1,968,454	1,968,454	-	2,618,000
Fairfax County	11/21/2022	73023-48	12,775,794	-	11,572,939	11,572,939	11,572,939	-	11,572,939
Fairfax County	11/21/2022	73023-49	448,800	-	341,333	355,534	355,534	14,201	355,534
Fairfax County	11/21/2022	73023-50	628,999	-	478,508	478,508	478,508	-	478,508
Fairfax County	11/21/2022	73023-51	442,000	-	263,833	263,833	263,833	-	263,833
Fairfax County	11/21/2022	73023-52	816,000	-	-	-	-	-	-
Fairfax County	11/21/2022	73023-53	1,496,000	-	39,371	39,371	39,371	-	39,371
Fairfax County	11/21/2022	73023-54	147,557	-	-	46,492	46,492	46,492	46,492
Fairfax County	11/21/2022	73023-55	176,800	-	14,411	14,411	14,411	-	14,411
Fairfax County	11/21/2022	73023-56	1,428,000	-	-	-	-	-	-
Fairfax County	11/21/2022	73023-57	775,200	-	84,395	84,395	84,395	-	658,669

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS (continued)**  
Year Ended June 30, 2024

Grant / Contracted Jurisdiction	Contract Date	Grant Number	Grant Award	Accrued (Deferred) Revenue 6/30/2023	Cash Received	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 6/30/2024	Cumulative Expenditures
<b>Northern Virginia Transportation Commission, Jurisdiction Trust Fund (contracted directly with individual jurisdictions) (continued)</b>									
<b>Virginia Department of Rail and Public Transportation (DRPT) (continued)</b>									
Capital (continued):									
Fairfax County	8/5/2022	73122-40	\$ 1,456,068	\$ -	\$ 1,456,068	\$ 1,456,068	\$ 1,456,068	\$ -	\$ 1,456,068
Fairfax County	8/5/2022	73122-53	816,000	-	357,993	689,458	689,458	331,465	811,795
Fairfax County	8/5/2022	73122-54	204,004	-	94,755	94,755	94,755	-	203,943
Fiscal Year 2022									
Arlington County	12/9/2021	73022-30	9,288,800	-	489,979	489,979	489,979	-	8,939,407
Arlington County	12/9/2021	73022-31	750,000	-	94,746	94,746	94,746	-	229,536
Fairfax County	12/3/2021	73022-34	51,000	-	51,000	51,000	51,000	-	51,000
Fairfax County	12/3/2021	73022-35	408,000	-	60,946	60,946	60,946	-	391,463
Fairfax County	12/3/2021	73022-36	816,000	-	2,975	48,252	48,252	45,277	746,332
Fairfax County	12/3/2021	73022-38	816,000	-	178,825	237,566	237,566	58,741	237,566
Fairfax County	12/3/2021	73022-40	2,725,592	-	1,269,524	1,269,524	1,269,524	-	1,269,524
Fiscal Year 2021									
Arlington County	3/7/2021	73021-56	1,647,923	-	-	-	-	-	1,586,398
City of Fairfax	2/8/2021	73021-57	2,040,000	-	-	-	-	-	44,787
Fairfax County	3/5/2021	73021-59	170,000	-	-	-	-	-	15,935
Fairfax County	3/5/2021	73021-62	102,000	-	-	-	-	-	64,306
Fairfax County	3/5/2021	73021-63	68,000	-	32,949	32,949	32,949	-	32,949
Fairfax County	3/5/2021	73021-64	102,000	-	-	-	-	-	98,897
Fiscal Year 2020									
Arlington County	11/30/2020	73020-29	14,604,694	-	-	556,390	556,390	556,390	556,392
City of Alexandria	10/11/2019	73020-31	612,000	30,884	30,884	-	-	-	225,151
Arlington County	11/30/2020	73020-35	25,000,000	-	19,894,365	25,000,000	25,000,000	5,105,635	25,000,000
Fairfax County	10/11/2019	73020-41	51,000	-	32,714	32,714	32,714	-	51,000
Fairfax County	10/11/2019	73020-42	306,000	-	57,824	57,824	57,824	-	215,644
Fairfax County	10/11/2019	73020-44	1,700,000	-	-	-	-	-	1,695,354
Fiscal Year 2019									
Fairfax County	8/6/2019	73019-42	5,950,000	-	-	-	-	-	1,575,026
Fairfax County	8/6/2019	73019-43	3,740,000	-	-	-	-	-	1,817,738
Fairfax County	8/6/2019	73019-48	357,000	-	-	-	-	-	352,660
Fairfax County	4/20/2020	73019-88	1,124,651	-	-	-	-	-	842,443
Fairfax County	4/20/2020	73019-89	930,750	-	137,986	137,986	137,986	-	137,986
Fiscal Year 2018									
Arlington County	9/19/2017	73018-50	1,979,140	22,899	22,899	-	-	-	334,726
Arlington County	9/19/2017	73018-54	979,880	-	93,920	163,670	163,670	69,750	662,410
Fairfax County	12/14/2017	73018-60	8,500,000	-	-	-	-	-	8,498,026

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EXPENDITURES OF COMMONWEALTH OF VIRGINIA AWARDS (continued)**  
Year Ended June 30, 2024

Grant / Contracted Jurisdiction	Contract Date	Grant Number	Grant Award	Accrued (Deferred) Revenue 6/30/2023	Cash Received	Revenue Recognized	Expenditures	Accrued (Deferred) Revenue 6/30/2024	Cumulative Expenditures
<b>Northern Virginia Transportation Commission, Jurisdiction Trust Fund (contracted directly with individual jurisdictions) (continued)</b>									
<b>Virginia Department of Rail and Public Transportation (DRPT) (continued)</b>									
Capital (continued):									
Fiscal Year 2017									
Arlington County	10/26/2016	73017-57	\$ 172,380	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 185,305
Arlington County	10/26/2016	73017-58	2,210,000	-	-	-	-	-	647,042
City of Alexandria	6/22/2018	72517-09	406,315	-	-	-	-	-	-
Fiscal Year 2016									
Fairfax County	9/24/2015	73016-73	1,870,000	-	-	-	-	-	1,846,406
Operating									
Fiscal Year 2024									
Arlington County	10/23/2023	72024-21	6,545,690	-	6,545,690	6,545,690	6,545,690	-	6,545,690
City of Alexandria	8/28/2023	72024-22	8,180,859	-	8,180,859	8,180,859	8,180,859	-	8,180,859
City of Fairfax	7/10/2023	72024-23	1,539,916	-	1,539,916	1,539,916	1,539,916	-	1,539,916
Fairfax County	3/5/2024	72024-24	26,403,560	-	26,403,560	26,403,560	26,403,560	-	26,403,560
<b>Total State Assistance - Jurisdiction Trust Fund</b>			<u>\$ 234,595,025</u>	<u>\$ 4,870,150</u>	<u>\$ 87,185,107</u>	<u>\$ 110,425,802</u>	<u>\$ 110,425,802</u>	<u>\$ 28,110,845</u>	<u>\$ 147,339,632</u>



**NORTHERN VIRGINIA TRANSPORTATION COMMISSION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2024**

	<b>Federal Assistance Listing Number</b>	<b>Grant Number</b>	<b>Grant Award</b>	<b>Accrued (Deferred) Revenue 6/30/2023</b>	<b>Cash Received</b>	<b>Revenue Recognized</b>	<b>Expenditures</b>	<b>Accrued (Deferred) Revenue 6/30/2024</b>	<b>Cumulative Expenditures</b>
<b><u>Northern Virginia Transportation Commission</u></b>									
<b>Federal Transit Administration</b>									
Eisenhower Ave. South Entrance	20.507	VA 95-0107	\$ 1,840,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,138
Eisenhower Ave. Intermodal Station	20.500	VA 04-0022	1,442,203	-	-	-	-	-	205,032
Falls Church Intermodal	20.500	VA 04-0029	1,668,154	-	338	338	338	-	1,668,154
Alexandria Transit Service Improvements	20.500	VA 04-0033	1,761,000	-	132,163	132,163	132,163	-	912,867
Eisenhower Ave Bus Loop	20.500	VA 04-0048	1,640,700	-	-	-	-	-	118,846
<b>Total Federal Assistance - NVTC</b>			<b>\$ 8,352,057</b>	<b>\$ -</b>	<b>\$ 132,501</b>	<b>\$ 132,501</b>	<b>\$ 132,501</b>	<b>\$ -</b>	<b>\$ 2,932,037</b>

**NORTHERN VIRGINIA TRANSPORTATION COMMISSION**

**COMPLIANCE SECTION**

**YEAR ENDED JUNE 30, 2024**

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

To the Honorable Commission Board Members  
Northern Virginia Transportation Commission

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the *Specifications for Audits of Authorities, Boards and Commissions*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, the business-type activities, each major fund, and the remaining aggregate fund information of the Northern Virginia Transportation Commission (Commission), as of and for the year ended June 30, 2024, 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 15, 2024.

**Report on Internal Control over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

*PBMares, LLP*

Harrisonburg, Virginia  
November 15, 2024