NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

FINANCIAL AND COMPLIANCE REPORTS

Year Ended June 30, 2024

NORTHERN VIRGNINIA TRANSPORTATION AUTHORITY

TABLE OF CONTENTS

INTRODUCTORY SECTION

FINANCIAL SECTION

FINANCIAL SECTION (Continued)

Supplementary Information

COMPLIANCE SECTION

Introductory Section

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

DIRECTORY OF PRINCIPAL OFFICIALS

Voting Members

Honorable Phyllis J. Randall, NVTA Chair; *Loudoun County*
Honorable David Snyder, NVTA Vice Chair; *City of Falls Church*
Honorable Jennifer Boysko*, Virginia Senate*
Honorable Michelle Davis-Younger, *City of Manassas*
Honorable Matt de Ferranti, *Arlington County*
Honorable Karrie Delaney, *Virginia Speaker of the House of Delegates Appointee*
DJ Gribbin, *Gubernatorial Appointee,*
Commonwealth Transportation Board Member
Honorable Deshundra Jefferson, *Prince William County*
Honorable Jeffrey C. McKay, *Fairfax County*
Honorable Randall (Randy) Minchew, *Gubernatorial Appointee*
Honorable Catherine S. Read, *City of Fairfax*
Honorable Jeanette Rishell, *City of Manassas Park*
Honorable Briana D. Sewell, *Virginia Speaker of the House of Delegates Appointee*
Honorable Justin Wilson, *City of Alexandria*

Non-Voting Members

Bill Cuttler, P.E. *Northern Virginia District Engineer,*
Virginia Department of Transportation
Zach Trogdon, *Acting Director, Virginia*
Department of Rail and Public Transportation

Town Representative

Honorable Sheila Olem, *Town of Herndon*

Certain Authority Staff

Monica Backmon, *Chief Executive Officer*
Michael Longhi, *Chief Financial Officer*
Margaret Teal, CPA, *Deputy Chief Financial Officer*

Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Honorable Authority Board Members
Northern Virginia Transportation Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, the remaining fund information, and the budgetary comparisons of the Northern Virginia Transportation Authority (Authority), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority'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, each major fund, and the remaining fund information of the Authority, as of June 30, 2024, and the respective changes in financial position, and the budgetary comparisons 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; 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 Authority 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 Authority's ability to continue as a going concern for 12 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 Authority'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 Authority'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 that the Management's Discussion and Analysis on pages 4 – 14 and the required supplementary information on pages 64 – 70 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Authority's basic financial statements. The schedules of general and administration expenditures, changes in net position by jurisdiction – local distribution fund (30%), changes in restricted funding for appropriated projects – regional revenue fund, and restricted approved funding for FY2025-FY2029 adopted programs for the regional revenue fund 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 schedules of general and administration expenditures, changes in net position by jurisdiction – local distribution fund (30%), changes in restricted funding for appropriated projects – regional revenue fund, and restricted approved funding for FY2025-FY2029 adopted programs for the regional revenue fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2024 on our consideration of the Authority'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 the effectiveness of the Authority's 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 Authority's internal control over financial reporting and compliance.

PBMares, LLP

Harrisonburg, Virginia
October 21, 2024

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis of Northern Virginia Transportation Authority's (the Authority) financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2024.

The Authority is a political subdivision of the Commonwealth of Virginia, created in 2002 by the Northern Virginia Transportation Authority Act, Title 33.2-2500, of the *Code of Virginia*. On April 3, 2013, the Governor's substitute for House Bill 2313 (2013) (the "HB2313") was adopted by the Virginia General Assembly. HB2313 provided an initial annual source of revenue for the Authority to implement legislative mandates set out in Title 33.2-2500 of the *Code of Virginia*.

The Authority's enabling legislation states: "The Authority shall be responsible for long-range transportation planning for regional transportation projects in Northern Virginia. In carrying out this responsibility, the Authority shall, on the basis of a regional consensus, whenever possible, set regional transportation policies and priorities for regional transportation projects. The policies and priorities shall be guided by performance-based criteria such as the ability to improve travel times, reduce delays, connect regional activity centers, improve safety, improve air quality, and move the most people in the most cost-effective manner."

The member jurisdictions of the Authority are the counties of Arlington, Fairfax, Loudoun and Prince William, and the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park. The Authority has seventeen members as follows: the chief elected official, or their designees, of the nine cities and counties embraced by the Authority; two members appointed by the Speaker of the Virginia House of Delegates; one member of the Senate appointed by the Senate Committee on Privileges and Elections; and two citizens who reside in counties and cities embraced by the Authority appointed by the Governor including a member of the Commonwealth Transportation Board. In addition, the Director of the Department of Rail and Public Transportation, or designee; the Commissioner of Highways, or designee; and the chief elected officer of one town in a county which the Authority embraces, serve as non-voting members of the Authority.

The Authority is responsible for developing and updating TransAction for use to evaluate regional transportation projects in Northern Virginia. TransAction is Northern Virginia's geographically and fiscally unconstrained long-range, multimodal transportation plan, addressing regional transportation needs through 2045. TransAction is updated every five years. The Authority adopted the most recent update to TransAction, in December 2022.

All funds received by the Authority and the proceeds of bonds and other debt instruments are required to be used solely for transportation purposes benefiting the member jurisdictions. Of the total revenues received, 30% are distributed to member jurisdictions based on revenues generated in the jurisdiction. These revenues must be used for transportation projects and purposes authorized under the *Code of Virginia* Section 33.2-2510 and selected by the member jurisdiction. The 70% portion of the total revenues are first pledged to the payment of bonds and other debt instruments with the remaining revenues available to fund regional multimodal transportation projects, the update of the long-range transportation plan, TransAction, including operational, technical, and analytical costs in support of TransAction.

Pursuant to the Virginia General Assembly's, 2020 Omnibus Transportation Bill, House Bill 1414/Senate Bill 890, (HB1414/SB890), effective on July 1, 2020, the General Assembly amended numerous laws related to transportation funds, revenue sources, construction, and safety programs. The bill adopted numerous structural changes to the transportation funding system in the Commonwealth. In Northern Virginia, this resulted in the creation of a new regional congestion fee imposed at a rate of $0.10 per $100 for the recordation of conveyance of a deed. In addition, the Omnibus Transportation Bill provided a $20 million transfer from the Commonwealth Transportation Fund to the Authority and revised the Interstate Operations and Enhancement Program funding to an annual allocation of 8.4% of funds available each year in the Commonwealth of Virginia's Interstate Operations and Enhancement Program.

FINANCIAL HIGHLIGHTS

Highlights for Government-wide Financial Statements

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

- As the regional leader in multimodal transportation planning, the Authority is focused on reducing congestion through various initiatives. In fiscal year 2024, one of these efforts was the development of a preliminary deployment plan for a regional Bus Rapid Transit (BRT) system in Northern Virginia (PDP-BRT). Launched in October 2023, this plan builds on the framework established in TransAction. The PDP-BRT aims to safeguard NVTA's investments of over $500 million across all five BRT lines in Northern Virginia. It includes a comprehensive analysis of ridership, congestion mitigation, operational efficiency, capital and operating costs, funding strategies, and governance to create a cohesive BRT network for the region. The initiative started with a budget of $2 million, with $237,782 spent by the fiscal year's end.
- The Authority's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $1,831,332,038 (net position) for the fiscal year ending June 30, 2024. Of this amount, $8,311,902, including $841,991 in Operating Reserves, is classified as unrestricted net position and may be used to cover the Authority's ongoing obligations. The restricted portion of the net position, amounting to $1,823,809,500, is designated exclusively for regional transportation purposes. It should be noted the funds composing Restricted Net Position have been allocated by the Authority for specific regional transportation projects which meet the goals, purposes, and mandates of the Authority and Title 33.2-2500 of the *Code of Virginia* revenue source.
- On August 2, 2023, the Authority's landlord delivered a notice of lease cancellation with a demand to vacate the current office space, no later than October 31, 2023. The existing office lease agreement had an original expiration date of August 2025. The cancellation notice provided an option to enter into a new short-term lease agreement with an expiration of March 31, 2024. On September 14, 2023, the Authority executed a short-term lease agreement with the current landlord covering the period of September 1, 2023, to March 31, 2024, with similar costs and terms. The General and Administrative expenses include $145,563 in short-term lease costs associated with this agreement.
- On February 6, 2024, the Authority entered into a new lease agreement with COPT Metro Place II, LLC for 14,239 square feet of office space at 2600 Park Tower Drive, Suite 601. The lease term is 132 months, beginning on August 15, 2024. NVTA is obligated to make monthly principal and interest payments ranging from $38,564 to $51,960 until September 2035. The agreement includes a five-year renewal option at the prevailing market rate. The lease carries an interest rate of 2.992% over its term and requires NVTA to cover a proportionate share of common building expenses, including real estate taxes. The lease includes a provision for the Authority to receive a payment of $892,008 as an additional concession for entering into the agreement.
- Starting March 1, 2024, and continuing until the commencement date, the Authority entered into a right-to-use license agreement with COPT Metro Place II, allowing temporary occupancy of office space in the building at no cost.
- For fiscal year 2024, a lease liability of $5,026,991 was recorded for office space that has an estimated useful life of approximately eleven years. As of the end of the fiscal year, the net intangible right-to-use lease asset was valued at $4,134,983, with a lease concessions receivable of $892,008. Under the terms of the lease, monthly payments commenced on August 15, 2024, after the close of fiscal year 2024, no payments were made, and no amortization was recorded.
- The Authority's outstanding debt for the fiscal year ended June 30, 2024 consists of $42.8 million of outstanding series 2014 Transportation Special Tax Revenue Bonds and $6.3 million in unamortized bond premium related to the series 2014 bonds. It also includes $5 million of capitalized lease agreements.

The outstanding debt related to the series 2014 bonds was created in December 2014. At this time, the Authority has not issued additional debt.

- For the fiscal year ended June 30, 2024, the Authority's governmental activities generated $515.6 million in intergovernmental revenue and investment earnings, net of premium and discount amortization, changes in fair value, and gain on the disposition of leased asset. This represents a $64 million increase compared to June 30, 2023. The revenue changes included a $4.4 million increase in sales tax revenues, a $525,701 decrease in regional congestion relief fee revenues, a $1.2 million decline from the Interstate Operations and Enhancement Program (IOEP) transfer, a $693,991 increase in the Commonwealth fund interest income and a $61 million increase in net investment revenue. The significant increase in investment revenue is discussed below.

- In the fiscal year ended June 30, 2024, the Authority experienced a small, expected decrease of $525,701 in comparison to 2023, in revenue from regional congestion relief fees, primarily stemming from reduced conveyance of deeds regionally. Mortgage rates remained elevated throughout the fiscal year, with the 30-year fixed rate hovering around 6.9% to 7%. These higher borrowing costs discouraged many potential homebuyers, particularly first-time buyers, from entering the market, significantly reducing demand. Consequently, the sustained elevated mortgage rates led to diminished housing inventory and dampened activity in the housing market, thereby causing a decrease in home sales. Despite the decline in sales activity, property prices in the Northern Virginia market have held steady. Nevertheless, it is anticipated that the market will not promptly return to its historical performance levels. This suggests a lingering period of adjustment or uncertainty in the local real estate sector as mortgage rates being to decrease in fiscal year 2025.

- In fiscal year 2024, the IOEP transfer from the Commonwealth of Virginia was $1.2 million less compared to fiscal year 2023, representing a 12% decrease from the estimate provided by the Virginia Department of Transportation. The Authority annually receives 8.4% of the allocated funds from the IOEP, as approved by the Commonwealth Transportation Board. However, the Authority lacks visibility into the fund's activity at the Commonwealth level in order to make independent revenue estimates.

- In fiscal year 2024, the Authority's investment earnings, net of premium and discount amortization and increase in fair value, totaled $90.7 million, indicating a substantial increase of $61 million compared to the previous fiscal year. This surpasses the budget estimates for 2024 by $55.7 million. The increase was primarily due to the Federal Reserve Bank's aggressive interest rate hikes over the past two years to address high inflation. The Authority follows a hold-to-maturity investment strategy, which allowed previous declines in fair value to largely self-correct as individual investments matured. As a result, reinvestments at higher market rates led to a $27 million increase in unrealized gains in the fair value of investments.

- The favorable budget variance in investment earnings serves as a robust revenue safeguard, effectively offsetting the reductions in regional fund revenues. These regional fund revenues support the projects that have been adopted and appropriated by the Authority for funding through the most recently approved six-year program spanning from 2024 to 2029.

- For the fiscal year ended June 30, 2024, the Statement of Activities indicates total expenses (primarily project reimbursements and local distribution fund expenditures) amounting to $271 million. This marks an increase of $21 million in expenses compared to the preceding fiscal year ended June 30, 2023. Distributions of 30% of Local Distribution funds to member jurisdictions, as mandated by Title 33.2-2500 of the *Code of Virginia*, totaled $127.6 million. This aligns with the slight increase in revenues mentioned earlier, representing a small increase of $1.1 million from the previous year. Project cost distributions, which encompass the reimbursement of expended project costs requested from project sponsors, totaled $137.7 million. This reflects an increase of $20 million in comparison to June 30, 2023. It's important to note that the Authority operates on a reimbursement basis rather than providing grants. Consequently, the Authority has limited control over the timing of project sponsors' submission of reimbursement requests for incurred project costs.

Highlights for Fund Financial Statements

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

- The Authority's General Fund reported a fund balance increase of $1.6 million for fiscal year 2024, compared to a $214,507 increase in fiscal year 2023. As of June 30, 2024, the General Fund balance was $3.4 million, up from $1.8 million at the end of the prior fiscal year. A portion of this increase will be allocated to the fiscal year 2025 budget to fully fund the Web Development Redesign project, which had been budgeted at $250,000 over the past two fiscal years. Additionally, $130,605 will be allocated for the completion of the next phase of the Program Information Management and Monitoring System (PIMMS), which includes a new NOVA Gateway dashboard for projects funded with Authority 30% local distribution funds. The remaining increase is partly due to the $892,008 receivable from the newly executed office lease, cost savings from using temporary office space during the latter part of fiscal year 2024 and increases in operating reserves.

- General and administrative expenses for the operation of the Authority for fiscal year 2024 were funded through a transfer from the Regional Revenue Fund to the General Fund in accordance with Senate Bill 1468 (2019). Each fiscal year, the Authority, as part of its annual budget adoption, has the option to transfer the operational and administrative budget amount from the Regional Revenue Fund or allocate the expense to member jurisdictions based on population.

- The Authority's Special Revenue Funds (Local Distribution Fund and Regional Revenue Fund) reported an increase in fund balance of $240 million representing funding for adopted regional transportation projects approved by the Authority through the fiscal year 2024 to 2029 six-year funding program. This increases the overall fund balance to $1.877 billion as of June 30, 2024, compared to $1.637 billion at the end of the previous fiscal year. The Restricted for appropriated project funding fund balance denotes the amounts appropriated through fiscal year 2024 for approved Standard Project Agreements (projects) for which reimbursement requests have not yet been requested by the project sponsor due to the timing and phases of project completion. Since the Authority allocates the full approved funding amount based on the fiscal year in which the project sponsor commits to incurring reimbursable costs, funds approved but not yet appropriated are included in the $702 million Restricted for projects adopted through FY2029 Funding Program category. Any revenue not yet assigned to an adopted project through FY2029 is rolled over into the next six-year program funding cycle. A new schedule of the Authority's approved funding pending future appropriations can be found in the Supplementary Information section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements consist of three components: government-wide financial statements, fund financial statements, and the notes to the financial statements. This report also includes the required supplementary information and supplementary information intended to furnish additional detail to support the basic financial statements themselves.

The financial statements presented include all of the activities which are part of the Authority reporting entity using the integrated approach as prescribed by the GASB. The government-wide financial statements present the financial picture of the Authority's governmental activities from the economic resource measurement focus using the accrual basis of accounting.

The fund financial statements include a separate column for each of the major governmental funds and the non-major Debt Service Fund. The governmental funds are prepared using the current financial resources measurement focus and modified accrual basis of accounting. A 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 combined. 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 changes to net position 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 Authority is improving or declining. Net position is one way to measure financial position, but the reader should also consider other indicators, such as general economic conditions prevalent in the geographic area the Authority serves.

The Statement of Activities presents information indicating how the Authority's net position changed during the fiscal year. All changes in net position are reported on an accrual basis as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will result in cash flows in future fiscal periods.

For the Authority, revenue is classified as general revenues. General revenues for fiscal year June 30, 2024 include the five intergovernmental revenues and adjustments received, collected, and remitted from the Commonwealth of Virginia: specifically, sales tax, the Northern Virginia transportation district fund transfer, the Interstate Operations Enhancement Program transfer, Regional Congestion Relief fees and interest earned on the Commonwealth's Northern Virginia Transportation Authority Fund.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources which have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority only reports governmental funds. The Authority does not have proprietary funds nor does it maintain fiduciary funds at this time. The governmental funds of the Authority are divided into three categories: General Fund, Special Revenue Funds, and Debt Service Fund.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government- wide financial statements, governmental funds 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. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Change in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Authority maintains four governmental funds: a General Fund, two Special Revenue Funds, and a Debt Service Fund. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Change in Fund Balances for each of these funds. The General Fund includes the Authority's operating and administrative activities. The Local Distribution (30%), Special Revenue Fund reports 30% of the intergovernmental revenue received by the Authority under its legislative mandates set out in Title 33.2-2500, of the *Code of Virginia* and distributed to the member jurisdictions. The Regional Revenue (70%) Special Revenue Fund reports 70% of the intergovernmental revenue received by the Authority and is used to fund regional transportation projects. A Debt Service Fund is used to account for, and report financial resources restricted to expenditures for debt service.

The Authority adopts annual appropriation budgets for its General Fund and the two Special Revenue Funds. An internal budgetary comparison statement is maintained for the General Fund and Special Revenue Funds to demonstrate compliance with these budgets, which have been provided in the financial statements for fiscal year 2024.

Notes to the Basic Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements, this report also presents certain required supplementary information concerning the Authority's progress in funding its obligation to provide pension and other post-employment benefits (OPEB) to its employees. Schedules of funding progress for the OPEB plans and the applicable pension schedules for the Authority's defined benefit pension plan are provided.

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. Supplementary Information includes a Schedule of Changes in Net Position by Jurisdiction for the Local Distribution Fund (30%), a Schedule of Changes in Restricted Funding for Appropriated Projects in the Regional Revenue Fund (70%) and a Schedule of Restricted Approved Funding for FY2025-FY2029 Adopted Programs for the Regional Revenue Fund (70%).

<u>FINANCIAL ANALYSIS OF THE AUTHORITY REPORTING ENTITY AS A WHOLE</u>

An analysis of the Authority's financial position begins with a review of the Statement of Net Position and the Statement of Activities. These two statements report the Authority's net position and changes therein. It should be noted the Authority's net position could also be affected by non-financial factors, including economic conditions, population growth, and appropriation changes to the Authority's revenues enacted by the Commonwealth of Virginia General Assembly.

Statement of Net Position

The following table presents a summary of the Statement of Net Position for the Authority as of June 30, 2024. Data for June 30, 2023, has been included for comparison purposes.

Summary Statement of Changes in Net Position
June 30, 2024 and 2023

	Governmental Activities 2024	Governmental Activities 2023	Increase (Decrease)	% Change
Assets				
Current and other assets	$ 1,903,833,832	$ 1,676,758,190	$ 227,075,642	13.5%
Capital assets, net	4,243,627	663,293	3,580,334	539.8%
Total assets	1,908,077,459	1,677,421,483	230,655,976	13.8%
Deferred Outflows of Resources	229,622	298,247	(68,625)	-23.0%
Total assets and deferred outflows of resources	$ 1,908,307,081	$ 1,677,719,730	$ 230,587,351	13.7%
Liabilities				
Current and other liabilities	$ 26,365,926	$ 36,858,532	$ (10,492,606)	-28.5%
Noncurrent liabilities	50,579,847	53,710,378	(3,130,531)	-5.8%
Total liabilities	76,945,773	90,568,910	(13,623,137)	-15.0%
Deferred Inflows of Resources	29,270	133,638	(104,368)	-78.1%
Total liabilities and deferred inflows of resources	76,975,043	90,702,548	(13,727,505)	-15.1%
Net Position				
Net investment in capital assets	(789,364)	158,506	(947,870)	-598.0%
Restricted	1,823,809,500	1,584,661,937	239,147,563	15.1%
Unrestricted	8,311,902	2,196,739	6,115,163	278.4%
Total net position	1,831,332,038	1,587,017,182	244,314,856	15.4%
Total liabilities, deferred inflows of resources, and net position	$ 1,908,307,081	$ 1,677,719,730	$ 230,587,351	13.7%

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $1,831,332,038 on June 30, 2024.

A significant portion of net position, $1.824 billion, represents funds that have been restricted by Title 33.2-2500 of the *Code of Virginia.* It should be noted that the funds composing this net restricted position have been allocated by the Authority to fund regional transportation projects, which meet the goals, purposes, and mandates of the Authority and Commonwealth appropriated revenue sources. The remaining balance of $7.4 million, including $841,991 of the General Fund Operating Reserves, is unrestricted and may be used to meet the Authority's ongoing obligations to its citizens and creditors.

Current assets consist primarily of restricted cash, cash equivalents, investments, and amounts due from the Commonwealth of Virginia. All securities purchased under the investment program are held in the name of the Authority by the custodian. Security Custodian use is required in the Authority's Investment Policy and by the *Code of Virginia*. All security purchase transactions are completed on a 'Delivery vs. Payment' basis as required by the Authority's Investment Policy. As of June 30, 2024, the Authority has approximately $1.8 billion invested in United States Treasuries, Agencies, Corporate Notes, Commercial Paper, Negotiable Certificates of Deposit, Bank Certificates of Deposit, and Investment Pools.

As mandated in the Authority's investment policy, the investment program priorities are safety, liquidity then yield. Investment activities are undertaken in a conservative nature reflective of these priorities and include a 'buy and hold' orientation. All interest earnings of the investment program benefit the Regional Revenue Fund for appropriation by the Authority to future regional transportation projects.

Restricted cash and cash equivalents totaled approximately $31 million of which $24.7 million is restricted for regional transportation projects approved and appropriated by the Authority and $6.5 million is held by the Authority's bond trustee. As of June 30, 2024, approximately $66.9 million was due from the Commonwealth of Virginia, and $21.8 million is due to the Authority's member localities and other project sponsors.

Statement of Activities

The following table presents the revenues, expenses and change in net position of the Authority for the fiscal year ended June 30, 2024. Data for June 30, 2023, has been included for comparison purposes.

Summary Statement of Activities
Years Ended June 30, 2024 and 2023

	Governmental Activities 2024	Governmental Activities 2023	Increase (Decrease)	% Change
Revenues				
General revenue:				
Intergovernmental	$ 424,838,549	$ 421,537,855	$ 3,300,694	0.8%
Investment earnings	57,316,006	31,502,939	25,813,067	81.9%
Net amortization of premiums & discounts on investments	9,112,018	1,592,784	7,519,234	472.1%
Net increase in fair value of investments	24,321,627	(3,412,667)	27,734,294	-812.7%
Gain on disposition of assets	22,343	-	22,343	
Total revenues	515,610,543	451,220,911	64,389,632	14.3%
Expenses				
General and administration	3,696,246	3,363,270	332,976	9.9%
Jurisdictional distributions (30%)	127,670,388	126,603,864	1,066,524	0.8%
Project cost distributions	137,705,104	117,384,200	20,320,904	17.3%
Transaction update & technical services	297,816	1,023,361	(725,545)	-70.9%
Preliminary post deployment - bus rapid transit	237,782	-	237,782	
Interest	1,688,351	1,856,005	(167,654)	-9.0%
Total expenses	271,295,687	250,230,700	21,064,987	8.4%
Change in net position	244,314,856	200,990,211	43,324,645	21.6%
Beginning net position	1,587,017,182	1,386,026,971	200,990,211	14.5%
Ending net position	$ 1,831,332,038	$ 1,587,017,182	$ 244,314,856	15.4%

For the fiscal year ended June 30, 2024, revenues totaled approximately $515.6 million. Expenses totaled approximately $271 million. For fiscal year 2024, the Authority exercised the option to transfer administrative and operating expenses directly from the Regional Revenue fund as a result of Senate Bill 1468 (2019).

The changes in revenue were comprised of a $4.4 million increase in sales tax receipts; a $525 thousand decrease in regional congestion relief fee revenues; a $1.2 million decrease from the IOEP transfer; a $694 thousand increase in the Commonwealth fund interest income and an increase in net investment revenue of $61 million.

The Authority's investment earnings, net of premium and discount amortization and increase in fair value, for fiscal year 2024 of $90.7 million exceeds 2024 budget estimates by $55.7 million. The positive budget variance in investment earnings provides revenue protection to cover any potential future decreases in the regional fund revenues for the adopted and appropriated projects authorized by the Authority for funding through the fiscal year 2029 approved six-year programs.

Project cost distributions of $137 million for project sponsor reimbursement of authorized costs represents a $20 million increase when compared to June 30, 2023. The Authority funds projects on a reimbursement not a grant basis. Therefore, the Authority has limited control over the submission of reimbursement requests for expended project costs by the project sponsors. The fluctuating rate of expenditures for project cost distributions is expected for projects previously approved by the Authority for several years until the project life cycle reaches full maturity and stabilizes.

A discussion of the key components of revenue and expense is included in the fund's analysis.

FINANCIAL ANALYSIS OF THE REPORTING ENTITY'S FUNDS

Governmental Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows, and balance of spendable resources. Such information is useful in assessing the needs of the Authority's financing requirements.

General Fund. The General Fund is the operating fund of the Authority. At the end of fiscal year 2024, the General Fund non-spendable fund balance was $1 million, committed fund balance of $841,991, assigned fund balance of $50,000, and unassigned fund balance was $1,463,441, totaling a fund balance equal to $3.4 million. The equipment reserve is represented as an assigned fund balance of $50,000 and the operating reserve of $841,991 represents the committed fund balance in the General Fund.

The general and administrative expenses in the General Fund increased 15% when compared to the previous year. A portion of the increase can be attributable to the short-term lease expenditure and transition costs associated with relocation of the office space in fiscal year 2024. Additionally, the Authority has two significant projects (Website modernization including rebranding and PIMMS update) for which funds have been appropriated but not expended.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 19% of total General Fund expenditures, while total fund balance represents approximately 44% of that same amount.

The fund balance of $3,384,422 includes $841,991 of committed fund balance. The debt policy adopted on December 12, 2013, revised June 19, 2015, requires the Authority to maintain an operating reserve sufficient to fund at a minimum 20% of the General Fund operating expenses. This operating reserve may be used at the discretion of the Chief Executive Officer to cover unanticipated increases in the Authority's expenditures. If used, the Chief Executive Officer will present a plan to the Authority for restoring the reserve during the next fiscal year budget process.

For fiscal year 2024, the Authority exercised the option to transfer the administrative and operating expense budget of $4,283,343 directly from the Regional Revenue fund as a result of Senate Bill 1468 (2019).

Debt Service Fund. The debt service fund reports financial resources restricted to the payment of principal and interest for the outstanding related series of transportation bonds. The debt service fund is not one of the Authority's major governmental funds. The debt service fund had a fund balance of $600,762 as of June 30, 2024, on deposit for fiscal year 2025 debt obligations. The Authority contributes monthly to the debt service fund for upcoming debt service payments.

Special Revenue Fund. The Authority maintains two Special Revenue Funds; the Local Distribution Fund (30%) and the Regional Revenue Fund (70%), both of these funds are categorized as major funds in the governmental fund statements. These funds are used to report the intergovernmental revenue received from the Commonwealth of Virginia.

Of the revenues received, the Local Distribution Fund (30%) reports 30% of the intergovernmental revenue received by the Authority and distributed to the member jurisdictions in accordance with Title 33.2-2500 of the *Code of Virginia*. This revenue can be used by the recipient for additional urban or secondary road construction; capital improvements that reduce congestion; transportation capital improvements which have been approved by the most recent long-range transportation plan adopted by the Authority; or for other public transportation purposes.

The remaining 70% is recorded in the Regional Revenue Fund (70%). These funds are to be used by the Authority for debt service and regional transportation projects and purposes benefiting the member jurisdictions to fund transportation projects approved by the Authority that are contained in the regional transportation plan (TransAction) and in accordance with Title 33.2-2500 of the *Code of Virginia*.

The Regional Revenue Fund balance includes $1,877,496,742 categorized as restricted fund balance as of June 30, 2024. The majority of the balance, $1,049,177,670, is fully appropriated for Authority approved project funding, $120,000,000 set aside for a Working Capital Reserve and $5,945,207 for the mandated 2014 series bond debt service reserve. The fund balance also includes $702,373,865 which is restricted for use for the Authority adopted funding programs through fiscal 2029. The Authority allocates the full approved funding amount based on the fiscal year in which the project sponsor commits to incurring reimbursable costs. Allocated revenue may remain in this category until the next fiscal year while awaiting project initiation. Any revenue not yet assigned to an adopted project is rolled over into the next six-year program funding cycle. A new schedule of the Authority's approved funding pending future appropriations can be found in the Supplementary Information section.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

	Governmental Activities	
	2024	2023
Office Furniture, equipment and intangible right-to-use asset	$ 4,590,203	$ 1,326,125
Less accumulated depreciation and amortization	346,576	662,832
Total capital assets, net	$ 4,243,627	$ 663,293

The Authority's capital assets (net of accumulated depreciation and amortization) as of June 30, 2024, totaled $4.2 million compared to $663,293 in 2023. During the fiscal year, the Authority entered into a new lease agreement for office space and recorded an intangible right-to-use lease asset valued at $4,148,385 in compliance with GASB Statement No. 87.

Debt Administration

In December 2014, the Authority entered the capital bond market for the first time with bonds designated to replace a short-term Line of Credit obtained in fiscal year 2014 with fixed rate, long term, low cost, permanent financing. Efforts to execute the Authority's approved finance plan resulted in very strong credit ratings of AA+, Aa1 and AA+ with stable outlooks from Fitch, Moody's and Standard & Poor's, respectively. The credit ratings have been reviewed and affirmed by the Credit Rating agencies since the initial rating.

At the end of June 30, 2024, the Authority had debt outstanding in the amount of $42,845,000, with $3,405,000 due within one year, for Transportation Special Tax Revenue Bonds, Series 2014. The Authority is amortizing the bond premium from the sale over the life of the bonds. The balance of unamortized bond premium on June 30, 2024 was $6,262,616. The bonds are secured by the Authority's Regional Revenue and a debt service reserve of $5,945,207 which was initially established from the proceeds upon issuance of the bonds. Assets of the debt service reserve fund are to be used solely to pay Series 2014 principal and interest. The Authority also has $5,032,991 of outstanding debt attributed to lease agreements with $306,176 due within one year.

Economic Factors and Fiscal Year 2024's Budget

- As of the July 1, 2023, Population Estimates for Virginia and its Counties and Cities reports for Northern Virginia, has an estimated population of over 2.566 million which represents a slight increase of 7,514 or (0.29%) when compared to the previous year's report and an 16,106 increase since the 2020 Census.
- The Commonwealth of Virginia's population has grown by 32,077 or .37% since the previous year and 84,305 since the April 2020 Census. Loudoun County's population increased 2,923 or .68% since the previous year; Prince William County's increased 2,634 or .54%, and Arlington County's increased 1,196 or .50% since last year. In contrast, Fairfax County experienced a population decrease of 357 or .03% since the previous report and 10,911 or .9% since the April 2020 census.
- The Northern Virginia region is responsible for an increase of approximately 20,297 jobs or 2% growth based on first quarter 2024 and 2023 data from the United States Bureau of Labor Statistics, Quarterly Census of Employment and Wages.
- The average unemployment rate seasonally adjusted, for the Authority's jurisdictions has increased slightly from 2.4% on June 30, 2023 to 2.6% at June 30, 2024, while the rate for the Commonwealth of Virginia remained the same at 2.7% as of June 2024. Both Northern Virginia and the Commonwealth's unemployment rates were lower than the national rate which climbed from 3.6% at June 2023 to 4.1% on June 30, 2024.
- Median family income average for the Authority's member jurisdictions is approximately $159,153 or an 8.89% increase, in comparison to $107,504 or a 9% increase in the Commonwealth of Virginia and $92,646 or 9% increase nationally per the U.S. Census Bureau, 2018-2022 5-Year American Community Survey.
- The Authority staff will continue to monitor the broader economic climate and issues that may impact future revenue streams. Employment growth continues and the unemployment rate remains low. However, volatility in the financial markets, rising interest rates, historically high mortgage rates and persistent high inflation have the potential to continue negatively impact consumer spending.
- The Authority's General Fund operating budget will increase from $4,389,947 in fiscal year 2024 to $5,025,647 in fiscal year 2025. The Authority elected to fund the fiscal year 2025 administrative and operating expenses through a transfer from the Regional Revenue Fund.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those interested. If you have any questions about this report or need additional financial information, contact Michael Longhi, Chief Financial Officer, Northern Virginia Transportation Authority, 3040 Williams Drive, Suite 200, Fairfax, Virginia 22031, or by email to michael.longhi@thenovaauthority.org.

Basic Financial Statements

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 2,442,077
Other receivables	23,273,397
Due from other governments	66,928,905
Deposits and prepaid items	59,855
Restricted:	
Cash and cash equivalents	31,257,518
Investments	1,779,840,956
Net pension asset	27,305
Net other post employment benefit asset	3,819
Capital assets (net):	
Office furniture, equipment and intangible right-to-use lease asset	4,243,627
Total assets	1,908,077,459
DEFERRED OUTFLOWS OF RESOURCES	
Pension plan	175,275
OPEB-GLI	41,131
OPEB-VLDP	13,216
Total deferred outflows of resources	229,622
LIABILITIES	
Accounts payable	72,587
Accrued liabilities	197,064
Due to other governments	21,803,644
Bond reserves	426,008
Noncurrent liabilities:	
Due within one year:	
Compensated absences	155,447
Leases payable	306,176
Bonds payable	3,405,000
Due in more than one year:	
Net GLI OPEB liability	97,984
Compensated absences	52,432
Leases payable	4,726,815
Bonds payable	45,702,616
Total liabilities	76,945,773
DEFERRED INFLOWS OF RESOURCES	
Pension plan	19,367
OPEB-GLI	8,633
OPEB-VLDP	1,270
Total deferred inflows of resources	29,270
NET POSITION	
Net investment in capital assets	(789,364)
Restricted	1,823,809,500
Unrestricted	8,311,902
Total net position	$ 1,831,332,038

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Position Governmental Activities
Functions/Programs			
Governmental activities:			
General and administration	$ 3,696,246	$ -	$ (3,696,246)
Jurisdictional distributions (30%)	127,670,388	-	(127,670,388)
Project cost distributions	137,705,104	-	(137,705,104)
Transaction update & technical services	297,816	-	(297,816)
Preliminary post deployment - bus rapid transit	237,782	-	(237,782)
Interest	1,688,351	-	(1,688,351)
Total governmental activities	$ 271,295,687	$ -	(271,295,687)
General revenues:			
Intergovernmental revenue:			
Sales tax			353,266,658
Regional congestion relief fee			33,091,647
Interstate operations enhancement program			17,274,354
Northen Virginia transportation district fund transfer			20,000,000
Commonwealth fund interest income			1,205,890
Investment earnings			57,316,006
Net amortization of premiums & discounts on investments			9,112,018
Net increase in fair value of investments			24,321,627
Gain on disposition of assets			22,343
Total general revenues			515,610,543
Change in net position			244,314,856
Net Position, beginning of year			1,587,017,182
Net Position, end of year			$ 1,831,332,038

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2024

	General Fund	Special Revenue Funds: Local Distribution Fund	Special Revenue Funds: Regional Revenue Fund	Non-Major: Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 2,442,077	$ -	$ -	$ -	$ 2,442,077
Other receivables	969,135	-	22,304,262	-	23,273,397
Due from other governments	-	20,043,148	46,885,757	-	66,928,905
Deposits and prepaid items	59,855	-	-	-	59,855
Restricted cash, cash equivalents and investments	-	5,834	1,810,491,878	600,762	1,811,098,474
Total assets	$ 3,471,067	$ 20,048,982	$ 1,879,681,897	$ 600,762	$ 1,903,802,708
LIABILITIES					
Accounts payable	$ 68,102	$ -	$ 4,485	$ -	$ 72,587
Accrued liabilities	18,543	-	-	-	18,543
Bond reserves	-	-	426,008	-	426,008
Due to other governments	-	20,048,982	1,754,662	-	21,803,644
Total liabilities	86,645	20,048,982	2,185,155	-	22,320,782
FUND BALANCES					
Nonspendable	59,855	-	-	-	59,855
Restricted - for Bond Debt Service	-	-	5,945,207	600,762	6,545,969
Restricted - working capital reserve	-	-	120,000,000	-	120,000,000
Restricted - for appropriated project funding	-	-	1,049,177,670	-	1,049,177,670
Restricted - for projects adopted through FY2029	-	-	702,373,865	-	702,373,865
Committed	841,991	-	-	-	841,991
Assigned	50,000	-	-	-	50,000
Unassigned	2,432,576	-	-	-	2,432,576
Total fund balances	3,384,422	-	1,877,496,742	600,762	1,881,481,926
Total liabilities and fund balances	$ 3,471,067	$ 20,048,982	$ 1,879,681,897	$ 600,762	$ 1,903,802,708

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2024

Reconciliation of fund balances 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		$ 1,881,481,926
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital and right-to-use assets used in governmental activities are not current financial resources and therefore, not reported in the governmental funds:		
Capital assets	$ 4,590,203	
Less: accumulated depreciation and amortization	(346,576)	4,243,627
Financial statement elements related to pensions are applicable to future periods and, therefore, not reported in the governmental funds:		
Net pension asset	27,305	
Deferred outflows of resources	175,275	
Deferred inflows of resources	(19,367)	183,213
Financial statement elements related to Group Life Insurance (GLI) Program OPEB expenditures are applicable to future periods and, therefore, not reported in the governmental funds:		
Net GLI OPEB liability	(97,984)	
Deferred outflows of resources	41,131	
Deferred inflows of resources	(8,633)	(65,486)
Financial statement elements related to Virginia Local Disability Program (VLDP) OPEB expenditures are applicable to future periods and, therefore, not reported in the governmental funds:		
Net VLDP OPEB asset	3,819	
Deferred outflows of resources	13,216	
Deferred inflows of resources	(1,270)	15,765
Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.		(178,521)
Compensated absences are liabilities not due and payable in the current period and, therefore, are not reported in the governmental funds.		(207,879)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.		
Revenue bonds	(42,845,000)	
Premiums on bonds	(6,262,616)	
Lease Agreements	(5,032,991)	
		(54,140,607)
Net position - governmental activities		$ 1,831,332,038

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
Year Ended June 30, 2024

		Special Revenue Funds		Non-Major	
	General Fund	Local Distribution Fund	Regional Revenue Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Intergovernmental:					
Sales tax	$ -	$ 105,979,998	$ 247,286,660	$ -	$ 353,266,658
Regional congestion relief fee	-	9,927,494	23,164,153	-	33,091,647
Interstate operations enhancement program	-	5,182,306	12,092,048	-	17,274,354
Northern Virginia transportation district fund transfer	-	6,000,000	14,000,000	-	20,000,000
Commonwealth fund interest income	-	361,767	844,123	-	1,205,890
Investment earnings	44,706	218,823	56,928,725	123,752	57,316,006
Net amortization of premiums & discounts on investments	-	-	9,112,018	-	9,112,018
Net increase in fair value of investments	-	-	24,321,627	-	24,321,627
Total revenues	44,706	127,670,388	387,749,354	123,752	515,588,200
Expenditures					
Current:					
General and administration	3,566,387	-	-	-	3,566,387
Jurisdictional distributions (30%)	-	127,670,388	-	-	127,670,388
Project cost distributions	-	-	137,705,104	-	137,705,104
Transaction update & technical services	-	-	297,816	-	297,816
Preliminary post deployment - bus rapid transit	-	-	237,782	-	237,782
Debt service:					
Principal	40,605	-	-	3,255,000	3,295,605
Interest	2,521	-	-	2,295,000	2,297,521
Capital outlay:					
Leases	4,134,983	-	-	-	4,134,983
Total expenditures	7,744,496	127,670,388	138,240,702	5,550,000	279,205,586
Excess (deficiency) of revenues over (under) expenditures	(7,699,790)	-	249,508,652	(5,426,248)	236,382,614
Other Financing Sources (Uses)					
Issuance of lease	5,026,991	-	-	-	5,026,991
Transfers in	4,283,343	-	-	4,978,341	9,261,684
Transfers out	-	-	(9,261,684)	-	(9,261,684)
Total other financing sources (uses)	9,310,334	-	(9,261,684)	4,978,341	5,026,991
Net change in fund balances	1,610,544	-	240,246,968	(447,907)	241,409,605
Fund Balances, beginning of year	1,773,878	-	1,637,249,774	1,048,669	1,640,072,321
Fund Balances, end of year	$ 3,384,422	$ -	$ 1,877,496,742	$ 600,762	$ 1,881,481,926

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

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

Net change in fund balances - total governmental funds		$ 241,409,605
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. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.		
Add - Expenditures for capital & right-to-use assets	$ 4,134,983	
Deduct - depreciation and amortization expense	(118,811)	4,016,172
The net effect of miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to increase net position.		22,343
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Pension expense		28,133
Governmental funds report Other Post Employment benefits (OPEB) contributions as expenditures. However, in the Statement of Activities, the cost of OPEB benefits earned net of employee contributions is reported as an OPEB expense.		
Group Life Insurance (GLI) OPEB expense	(1,157)	
Virginia Local Disability Program (VLDP) OPEB expense	5,319	4,162
Bonds and other debt proceeds (e.g., bonds, leases, line of credit) provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issues, whereas these amounts are deferred and amortized in the statement of activities. A summary of the items supporting this adjustment is as follows:		
Issuance of lease	(5,026,991)	
Principal payment on lease agreements	40,605	
Principal payment on revenue bonds	3,255,000	(1,731,386)
Some 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. The following is a summary of items supporting this adjustment:		
Compensated absences	(43,343)	
Change in accrued interest payable	12,730	
Amortization of premiums on bonds payable	596,440	565,827
Change in net position of governmental activities		$ 244,314,856

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
Expenditures				
Current:				
General and administration	$ 4,389,947	$ 4,389,947	$ 3,566,387	$ (823,560)
Debt service:				
Principal	-	-	40,605	40,605
Interest	-	-	2,521	2,521
Capital outlay:				
Leases	-	-	4,134,983	4,134,983
Total expenditures	4,389,947	4,389,947	7,744,496	3,354,549
Excess (deficiency) of revenues over (under) expenditures	(4,389,947)	(4,389,947)	(7,744,496)	(3,354,549)
Other Financing Sources				
Investment Earnings	-	-	44,706	44,706
Issuance of lease	-	-	5,026,991	5,026,991
Transfer from Regional Revenue Fund for operations	4,283,343	4,283,343	4,283,343	-
Total other financing sources	4,283,343	4,283,343	9,355,040	5,071,697
Net change in fund balance	(106,604)	(106,604)	1,610,544	1,717,148
Fund Balance, beginning of year	-	-	1,773,878	1,773,878
Fund Balance, end of year	$ (106,604)	$ (106,604)	$ 3,384,422	$ 3,491,026

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – LOCAL DISTRIBUTION
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
Revenues				
Intergovernmental:				
Sales tax	$ 97,341,582	$ 97,341,582	$ 105,979,998	$ 8,638,416
Regional congestion relief fee	14,217,463	14,217,463	9,927,494	(4,289,969)
Interstate operations enhancement program	5,895,949	5,895,949	5,182,306	(713,643)
Northen Virginia transportation district fund transfer	6,000,000	6,000,000	6,000,000	-
Commonwealth fund interest income	37,500	37,500	361,767	324,267
Investment earnings	-	-	218,823	218,823
Total revenues	123,492,494	123,492,494	127,670,388	4,177,894
Expenditures				
Current:				
Jurisdictional distributions (30%)	123,492,494	123,492,494	127,670,388	4,177,894
Total expenditures	123,492,494	123,492,494	127,670,388	4,177,894
Excess of revenues over expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund Balance, beginning of year	-	-	-	-
Fund Balance, end of year	$ -	$ -	$ -	$ -

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – REGIONAL REVENUE FUND
Year Ended June 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over (Under)
Revenues				
Intergovernmental:				
Sales tax	$ 227,130,358	$ 227,130,358	$ 247,286,660	$ 20,156,302
Regional congestion relief fee	33,174,079	33,174,079	23,164,153	(10,009,926)
Interstate operations enhancement program	13,757,213	13,757,213	12,092,048	(1,665,165)
Northen Virginia transportation district fund transfer	14,000,000	14,000,000	14,000,000	-
Commonwealth fund interest income	87,500	87,500	844,123	756,623
Investment earnings	35,000,000	35,000,000	56,928,725	21,928,725
Net amortization of premiums & discounts on investments	-	-	9,112,018	9,112,018
Net decrease in fair value of investments	-	-	24,321,627	24,321,627
Total revenues	323,149,150	323,149,150	387,749,354	64,600,204
Expenditures				
Current:				
Project cost distributions	1,224,128,511	1,224,128,511	137,705,104	(1,086,423,407)
Transaction update & technical services	1,785,873	1,785,873	297,816	(1,488,057)
Preliminary post deployment - bus rapid transit	2,000,000	2,000,000	237,782	(1,762,218)
Total expenditures	1,227,914,384	1,227,914,384	138,240,702	(1,089,673,682)
Excess (deficiency) of revenues over (under) expenditures	(904,765,234)	(904,765,234)	249,508,652	1,154,273,886
Other Financing Uses				
Transfers for debt service	(5,550,000)	(5,550,000)	(4,978,341)	571,659
Transfer for operations	(4,283,343)	(4,283,343)	(4,283,343)	-
Total other financing uses	(9,833,343)	(9,833,343)	(9,261,684)	571,659
Net change in fund balance	(914,598,577)	(914,598,577)	240,246,968	1,154,845,545
Fund Balance, beginning of year	-	-	1,637,249,774	1,637,249,774
Fund Balance, end of year	$ (914,598,577)	$ (914,598,577)	$ 1,877,496,742	$ 2,792,095,319

Note 1. Summary of Significant Accounting Policies

The financial statements of the Northern Virginia Transportation Authority ("the Authority") have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority's significant accounting policies are described below.

A. Reporting Entity

The Authority is a political subdivision of the Commonwealth of Virginia, created in 2002 by the Northern Virginia Transportation Authority Act, Title 33.2-2500, of the Code of Virginia. On April 3, 2013, the Governor's substitute for House Bill 2313 (2013) (the "HB2313") was adopted by the Virginia General Assembly. HB2313 provided an initial annual source of revenue for the Authority to implement legislative mandates set out in Title 33.2-2500 of the *Code of Virginia.*

The Authority's enabling legislation states: "The Authority shall be responsible for long-range transportation project planning and funding with a priority to reduce congestion in Northern Virginia. In carrying out this responsibility, the Authority shall, on the basis of a regional consensus, whenever possible, set regional transportation policies and priorities for regional transportation projects. The policies and priorities shall be guided by performance-based criteria such as the ability to improve travel times, reduce delays, connect regional activity centers, improve safety, improve air quality, and move the most people in the most cost-effective manner."

The member jurisdictions of the Authority are the counties of Arlington, Fairfax, Loudoun and Prince William, and the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park. The Authority has seventeen members as follows: the chief elected official, or their designees, of the nine cities and counties embraced by the Authority; two members appointed by the Speaker of the Virginia House of Delegates; one member of the Senate appointed by the Senate Committee on Privileges and Elections; and two citizens who reside in counties and cities embraced by the Authority appointed by the Governor including a member of the Commonwealth Transportation Board. In addition, the Director of the Department of Rail and Public Transportation, or designee; the Commissioner of Highways, or designee; and the chief elected officer of one town in a county which the Authority embraces, serve as non-voting members of the Authority.

The Authority is responsible for developing and updating TransAction for use to evaluate regional transportation projects in Northern Virginia. TransAction is Northern Virginia's geographically and fiscally unconstrained long-range, multimodal transportation plan, addressing regional transportation needs through 2045. TransAction is updated every five years. The Authority adopted the most recent update to TransAction, in December 2022.

All funds received by the Authority and the proceeds of bonds and other debt instruments are required to be used solely for transportation purposes benefiting the member jurisdictions. Of the total revenues received, 30% are distributed to member jurisdictions based on revenues generated in the jurisdiction. These revenues must be used for transportation projects and purposes authorized under the *Code of Virginia* Section 33.2-2510 and selected by the member jurisdiction. The 70% portion of the total revenues are first pledged to the payment of bonds and other debt instruments with the remaining revenues available to fund regional multimodal transportation projects, the update of the long-range transportation plan, TransAction, including operational, technical, and analytical costs in support of TransAction.

Note 1. Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

NVTA updates the Six Year Program every two years by allocating funding to regionally significant multimodal transportation projects for the next two projected fiscal years. The most recent update to the Six Year Program, FY2024 through FY2029, was adopted by the Authority in July 2024.

Pursuant to the Virginia General Assembly's, 2020 Omnibus Transportation Bill, House Bill 1414/Senate Bill 890, (HB1414/SB890), effective on July 1, 2020, the General Assembly amended numerous laws related to transportation funds, revenue sources, construction, and safety programs. The bill adopted numerous structural changes to the transportation funding system in the Commonwealth. In Northern Virginia, this resulted in the creation of a new regional congestion fee imposed at a rate of $0.10 per $100 for the recordation of conveyance of a deed. In addition, the Omnibus Transportation Bill provided a $20 million transfer from the Commonwealth Transportation Fund to the Authority and revised the Interstate Operations and Enhancement Program funding to an annual allocation of 8.4% of funds available each year from the Commonwealth of Virginia's Interstate Operations and Enhancement Program.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information of the governmental activities supported by intergovernmental revenues.

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

Program revenues include grants and contributions that are restricted to meeting the operational requirements of a particular function. Direct expenses are those that are clearly identifiable with a specific function. 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 except as below.

The Authority strives to match direct expenses to the offsetting program revenue except for the investment costs related to the Regional Revenue Fund. Interest earned on the amounts held in the Regional Revenue Fund for approved & appropriated projects is retained by the fund and allocated to future projects. Investment costs are charged to the operating expenses of the General Fund.

Separate fund financial statements are provided for each of the governmental funds. In the fund financial statements, financial transactions and accounts of the Authority are organized on the basis of funds. The operation of each fund is an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Note 1. Summary of Significant Accounting Policies (Continued)

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

The governmental funds are reported on a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances (fund equity). Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented which briefly explains the adjustment necessary to reconcile the fund financial statements to the government-wide financial statements.

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. 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 of taxes and fees from the Commonwealth of Virginia and local operating contributions, are recognized in the period the funding is made available.

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, the Authority considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred 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. The individual Government Funds are:

General Fund – The General Fund is the primary operating fund of the Authority and is used to account for and report all revenues and expenditures applicable to the general operations of the Authority which are not accounted for in other funds. Revenues are derived from contributions from member jurisdictions or a transfer from the Regional Revenue Fund as permitted under SB1468 (2019). The General Fund is considered a major fund for financial reporting purposes.

Special Revenue Funds – Special revenue funds account for and report the proceeds of specific revenue sources restricted or committed to expenditures for specified purposes other than debt service or capital projects. The Authority has two special revenue funds. The Local Distribution Fund (30%) reports 30% of the intergovernmental revenue received by the Authority. The 30% funds are distributed to the member jurisdictions on a pro rata basis with each localities' share being the total of the revenues received that are generated or attributable to the locality divided by the total for use according to Title 33.2-2500, of the *Code of Virginia.* The Regional Revenue Fund (70%) includes amounts to be used by the Authority solely for regional transportation projects and other entities to fund transportation projects selected by the Authority that are contained in the regional transportation plan, or mass transit capital projects that increase capacity. Both special revenue funds are considered major funds for financial reporting purposes.

Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted or committed for expenditures related to principal and interest obligations.

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgeting

The Authority adopts an annual operating budget for the planning and administrative activities of the General Fund. Accumulated fund balances in excess of anticipated minimum operating cash requirements are used as a revenue source in subsequent budgets. The Authority also adopts a budget for the Local Distribution Fund (30%) which promptly distributes 30% of the revenue from tax proceeds to the nine member jurisdictions based on their respective revenue contribution through the taxes collected by the Commonwealth.

To fund the various transportation projects approved by the Authority, the Regional Revenue Fund (70%) budget includes all debt service obligations costs of issuance, expenses in support of TransAction, the regional transportation plan, and funding of the Working Capital Reserve as well as PayGo projects.

In 2019, the Virginia General Assembly approved Senate Bill 1468(SB1468) where it shifted responsibility from the Department of Transportation to the Authority for the evaluation and rating of significant transportation projects in Planning District 8 as required under Title 33.2-2500, of the *Code of Virginia.* SB1468(2019) also added administrative and operating expenses to those expenses that can be paid by the Northern Virginia Transportation Authority Fund. Effective for the fiscal year 2020 and thereafter, the Authority, as part of its annual budget adoption, has exercised the option to transfer the operational and administrative budget amount from the Regional Revenue Fund.

E. Other Significant Accounting Policies

1. Cash and Cash Equivalents

The Authority's cash and cash equivalents are considered to be demand deposits, and short-term, investments with maturities of three months or less from the date of acquisition. The investment in the Commonwealth of Virginia Local Government Investment Pool (LGIP), and the Virginia State Non-Arbitrage Program (SNAP), are external investment pools and are reported as cash and cash equivalents.

2. Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 2 and Note 3 for discussion of investment risk and fair value measurements. Net investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments, and interest income earned. Realized gains and losses on the sale of investments are recognized on the specific identification basis to determine the cost basis of the investments sold.

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 that shall be used solely for regional transportation purposes benefiting the member jurisdictions and funds related to bond compliance requirements. Bond proceeds are maintained in compliance with the provisions of the Tax Reform Act of 1986 and as required by the Authority's Master Indenture of Trust. Investments are stated at fair value based on quoted market prices.

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

4. Fair Value Measurements

Fair value was estimated for each class of financial instrument for which it was practical to estimate fair value. Fair value is defined as the price in the principal market that would be received for an asset to facilitate an orderly transaction between market participants on the measurement date. Market participants are assumed to be independent, knowledgeable, able, and willing to transact an exchange and not acting under duress. Fair value hierarchy disclosures are based on the quality of inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). Adjustments to transaction prices or quoted market prices may be required in illiquid or disorderly markets to estimate fair value.

5. Prepaid Items

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

6. Capital Assets

Capital assets include property and equipment and computer hardware with an individual cost of more than $5,000 and an estimated useful life in excess of one year. For constructed assets, all costs necessary to bring assets to the condition and location necessary for the intended use are capitalized. Repairs and maintenance are charged to operations as they are incurred. Additions and betterments are capitalized. The costs of assets retired and accumulated depreciation are removed from the accounts.

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

Asset Category	Useful Life (years)
Computer Hardware and Peripherals	4
Office Furniture	7 - 10
Office Equipment	5 - 10
Leasehold Improvements	Life of the lease
Right to Use Assets	Life of the lease

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.

Funding of transportation capital projects: For projects approved and funded by the Authority with regional revenue funds (70%), either as a PayGo or financed project, the Authority does not take ownership of such projects. Therefore, these projects are not reflected in the Authority's financial statements.

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

7. Pensions

The Virginia Retirement System (VRS) Political Subdivision Retirement Plan (the Authority's Retirement Plan) is a multi-employer agent plan. For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Authority's Retirement Plan and the additions to/deductions from the Authority's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by the VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Net pension liabilities or assets, deferred outflows of resources and deferred inflows of resources are reported in the government-wide fund financial statements.

8. Group Life Insurance Program

The VRS Group Life Insurance Program (GLI) is a multiple employer, cost-sharing plan. It provides coverage to state employees, teachers, and employees of participating political subdivisions. The GLI was established pursuant to Section 51.1-500 et seq. of the *Code of Virginia,* as amended, and which provides the authority under which benefit terms are established or may be amended. The GLI is a defined benefit plan that provides a basic group life insurance benefit for employees of participating employers. For purposes of measuring the net GLI other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to the GLI OPEB, and GLI OPEB expense, information about the fiduciary net position of the VRS GLI OPEB and the additions to/deductions from the VRS GLI OPEB's fiduciary net position have been determined on the same basis as they were reported by VRS. In addition, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

9. Virginia Local Disability Program

The VRS Virginia Local Disability Program (VLDP) is a multiple-employer, cost-sharing plan. For purposes of measuring the net Authority's VLDP OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to the Authority's VLDP OPEB, and the VLDP OPEB expense, information about the fiduciary net position of the VLDP; and the additions to/deductions from the VLDP's net fiduciary position have been determined on the same basis as they were reported by VRS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

10. Compensated Absences

The Authority's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from the Authority's service. The liability for such leave is reported as incurred in the government-wide statements. Vacation leave for the Authority employees is granted to all full and part-time employees and is earned based upon the length of employment. Employees with zero to ten (10) years of service may carryover a maximum of 240 hours of accumulated leave. Employees with more than 10 years of service may carryover 360 hours of leave. The allowed accumulated leave earned yet not paid has been recorded as a liability on the Statement of Net Position. Accumulated sick leave lapses when employees leave the Authority and, therefore, upon separation from service, no monetary obligation exists. Compensated absences liability is recorded under non-current liabilities on the Statement of Net Position.

11. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond payables are reported net of the applicable premium or discount. Bond premiums and discounts are deferred and amortized over the life of the bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. The Authority does recognize bond issuance costs in the governmental funds as a current period expense.

12. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has items that qualify for reporting in this category related to the pension plan as described in Note 7. The Authority has items that qualify for reporting in this category related to the OPEB plans as described in Notes 8 and 9.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has items that qualify for reporting in this category related to the pension plan as described in Note 7. The Authority has items that qualify for reporting in this category related to the OPEB plans as described in Notes 8 and 9.

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

13. Leases

As of June 30, 2024, the Authority is the leasee for non-cancelable building office space, with a term of eleven years and two months. The lease contains a renewable option for an additional five years at the then prevailing market rate. The Authority is unable to determine at this time if the option will be exercised due to the unknown staff growth and legislative purpose evolution. The Authority is also the lessee for a non-cancellable lease for office equipment.

The Authority recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements for agreements with an initial, individual value of $5,000 or more.

In compliance with Statement No. 87, *Leases*, for new or modified leases with a non-cancelable term in excess of twelve months, the Authority measures the lease liability at the present value of payments expected to be made during the lease term, including reasonably expected extension options. The new 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. The lease asset is amortized on a straight-line basis over its useful life. The lease liability is subsequently reduced by the principal portion of lease payments made.

Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

14. Subscription based information technology arrangements (SBITAs)

For new or modified contracts, the Authority 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), the Authority records a subscription asset and subscription obligation 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, the Authority will use the applicable incremental borrowing rate in the calculation of the present value of the subscription payments.

The Authority recognizes subscription liability and subscription assets 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, the Authority 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.

15. Fund Equity

The Authority reports fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance classification includes amounts that are not in spendable form (such as prepaid items) or are required to be maintained intact (corpus of a permanent fund).

Restricted fund balance classification includes amounts constrained to specific purposes by their providers (higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance classification includes amounts constrained to specific purposes by the government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint. To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the action to remove or change the constraint.

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

15. Fund Equity (Continued)

Assigned fund balance classification includes amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official body to which the governing body delegates the authority. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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

The General Fund balance includes $841,991 categorized as committed fund balance as of June 30, 2024. The debt policy adopted by the Authority on December 12, 2013, and revised June 19, 2015, requires the Authority to maintain an operating reserve sufficient to fund at least 20% of the General Fund operating expenses. The operating reserve may be used at the discretion of the Chief Executive Officer, to cover unanticipated increases in the Authority's expenditures. If used, the Chief Executive Officer will present a plan to the Authority for restoring the reserve during the next fiscal year budget process.

The Regional Revenue Fund includes $1,877,496,742 categorized as restricted fund balance as of June 30, 2024. The restricted for appropriated project funding of $1,049,177,670 represents funds appropriated by the Authority for approved project funding agreements at June 30, 2024 *(See Supplementary Schedule).* It also includes $702,373,865 classified as restricted fund balance for approved funding through FY2029. The Authority allocates the full approved funding amount based on the fiscal year in which the project sponsor commits to incurring reimbursable costs. Allocated revenue may remain in this category until the next fiscal year while awaiting project initiation. Any revenue not yet assigned to an adopted project is rolled over into the next six-year program funding cycle. A new schedule of the Authority's approved funding pending future appropriations can be found in the Supplementary Information section.

The Authority has the option of forward appropriating funds to projects approved in later funding programs, if requested, and if the project sponsor can demonstrate the ability to advance the project in the current fiscal year. Forward funding, a strategy initiated with the adoption of the Authority's inaugural Six Year Program for FY2018-FY2023 and carried forward to the updated Six Year Program for FY2024-FY2029. The forward funding strategy appropriates the full project cost in the first fiscal year the project is expected to spend Authority funds, even though most projects will require multiple years to complete. Since the Authority is a reimbursement-based funding source versus a grant-based source, the cash related to the unspent previous project appropriations remain with the Authority and provides the liquidity to forward appropriate funds for projects that can expedite completion permitting project sponsors to apply for matching or additional funds, protects against outside appropriation risk and helps ensure projects are completed timely. This practice is consistent with many local jurisdictions. Outside financing would be used if at any time the Authority's liquidity was unavailable. The Authority's debt policy requires $120,000,000 to be restricted for a Working Capital Reserve and $6,545,969 restricted for debt service and a debt service reserve.

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

15. Fund Equity (Continued)

When fund balance resources are available for a specific purpose in more than one classification, the Authority will consider the use of restricted, committed, or assigned funds prior to the use of unassigned fund balance, as they are needed.

16. Net Position

Net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows. The net position caption "net investment in capital assets" consists of capital assets, net of accumulated depreciation/amortization and outstanding principal of capital-related borrowings. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Authority first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

17. 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.

18. Interfund Transfers

Transactions among the Authority's funds would be treated as revenues and expenditures or expenses if they involved organizations external to the Authority 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 the revenues are to be expended, are separately reported in the respective funds' operating statements.

19. Subsequent Events

The Authority has evaluated subsequent events through October 21, 2024, which was the date the financial statements were available to be issued. The following occurred after June 30, 2024:

Note 1. Summary of Significant Accounting Policies (Continued)

E. Other Significant Accounting Policies (Continued)

19. Subsequent Events (Continued)

After the execution of a new lease agreement with COPT Metro Place II, LLC on February 6, 2024, for 14,239 square feet of office space at 2600 Park Tower Drive, Suite 601, the lease commenced on August 15, 2024. The landlord applied the $38,564 advance payment toward the first month's rent. On September 13, 2024, the Authority received a payment of $892,008 from the landlord as additional concession for entering into the agreement.

Note 2. Deposits and Investments

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% to 130% of excess deposits. Accordingly, all deposits are considered fully collateralized.

At June 30, 2024, cash and cash equivalents consisted of the following, at cost, which approximates fair value:

Governmental Activities	
Unrestricted:	
Local Government Investment Pool	$ 1,686,957
Demand Deposits	755,120
Total unrestricted	2,442,077
Restricted:	
Demand Deposits	4,534,254
Freedom Bank Insured Cash Sweep	5,365,944
Local Government Investment Pool	14,811,352
Regions Bank	6,545,968
Total restricted	31,257,518
Total	$ 33,699,595

Note 2. Deposits and Investments (Continued)

Investments

The *Code of Virginia* Sec. 2.2-4501 et seq. authorizes the Authority to invest in obligations of the United States or its agencies thereof; obligations of the Commonwealth of Virginia or political subdivisions thereof; obligations of other states and their political subdivisions; obligations of the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank, the African Development Bank, and corporate bonds rated at the level stated by at least two of the three following firms; AA or better by Standard & Poor’s Rating Services (S&P), Aa or better by Moody’s Investors Services, Inc. (Moody’s), or AA or better by Fitch Rating Services, Inc. “Prime quality” commercial paper, negotiable certificates of deposits and negotiable bank deposit notes at least two of the following ratings: A-1 by Standard & Poor’s, P-1 by Moody’s Investor Service, Inc., F1 by Fitch Ratings., for maturities of one year or less, and a rating of at least AA by Standard & Poor’s, Aa by Moody’s Investor Service, Inc. and AA by Fitch Ratings, for maturities over one year and not exceeding five years; bankers’ acceptances, overnight term and open repurchase agreements; money market mutual funds; and the State Treasurer’s Local Government Investment Pool (LGIP). Negative-rating qualifiers (such as AA- or A-) will not exclude an investment.

Investment Policy

The Authority adopted a formal investment policy in December 2014, with subsequent updates, most recently updated October 2023. The goal of the policy is to minimize risk and to ensure the availability of cash to meet Authority expenditures, while generating revenue from the use of funds, which might otherwise remain idle. The primary objectives of the Authority’s investment activities in priority order are safety, liquidity, and yield (SLY). 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 full investment policy can be found on the Authority website at http://thenovaauthority.org/; Policy-13-Investment-Policy.

Credit Risk

The investment policy specifies credit quality for certain types of investments, as described below, in accordance with the *Code of Virginia*, and the policy specifies the qualifications for institutions providing depository and investment services. In addition, the Chief Financial Officer must conduct a quarterly review of the condition of each authorized financial institution and broker/dealer.

Investment	Credit Quality
Savings account or CD’s of any bank or savings and loan association within the Commonwealth of Virginia	Bank or savings and loan association must be a “qualified public depository”
Bankers’ acceptances	Institution must be “prime quality” as determined by one or more recognized rating services
Commercial paper	Must be “prime quality” as rated by two of the following: Moody’s (prime 1): S&P (A-1); Fitch (F-1)
Corporate notes	Must be “high quality” rating as defined by two of the following: AA by S&P; Aa by Moody’s and AA by Fitch or higher
Negotiable certificates of deposit and negotiable bank deposit notes	Must have ratings by two of the following: at least A-1 by S&P; P-1 by Moody’s and F-1 by Fitch for short-term instruments and AA by S&P; Aa by Moody’s and AA by Fitch for long-term instruments

Note 2. Deposits and Investments (Continued)

Credit Risk (Continued)

The Authority's rated investments as of June 30, 2024, were rated by two of three nationally recognized rating firms, Standard & Poor's, Fitch and/or Moody's. The table below reflects the Standard & Poor's ratings for the Authority's investment portfolio as of June 30, 2024.

		Standard & Poor's or Fitch Ratings			
	Fair Value	AAA	AA	A1	AAAm
Corporate Notes	$ 781,285,180	$ 146,560,371	$ 634,724,809	$ -	$ -
United States Agencies	592,562,730	592,562,730	-	-	-
Negotiable Certificates of Deposit	299,158,770	-	-	299,158,770	-
Municipal Bonds-Virginia	46,657,676	17,229,840	29,427,836	-	-
United States Treasuries	19,586,400	19,586,400	-	-	
Municipal Bonds-USA	13,443,905	6,725,515	6,718,390	-	-
Supranational Bonds	10,000,400	10,000,400	-	-	-
Local Government Investment Pools	16,498,309	-	-	-	16,498,309
State Non-Arbitrage Program	5,945,206	-	-	-	5,945,206
Total	$ 1,785,138,576	$ 792,665,256	$ 670,871,035	$ 299,158,770	$ 22,443,515

Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of a failure of a depository financial institution, deposits may not be recovered. All cash of the Authority is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act (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% 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.

For investments, custodial risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. However, the Authority's investment policy requires that all securities purchased by the Authority be properly and clearly labeled as an asset of the Northern Virginia Transportation Authority and held in safekeeping by a third-party custodial bank or institution in compliance with Section 2.2-4515 of the *Code of Virginia*. Therefore, the Authority has no custodial risk.

Note 2. Deposits and Investments (Continued)

Interest Rate Risk

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

At June 30, 2024, the Authority had the following investments and maturities:

		Investment Maturity (in years)				
	Fair Value	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years
Corporate Notes	$ 781,285,180	$ 165,946,524	$ 184,747,086	$ 306,648,683	$ 123,942,887	$ -
United States Agencies	592,562,730	219,291,100	157,562,120	19,971,200	30,926,840	164,811,470
Negotiable Certificates of Deposit	299,158,770	254,114,070	45,044,700	-	-	-
Municipal Bonds-Virginia	46,657,676	28,548,483	14,394,033	-	3,715,160	-
United States Treasuries	19,586,400	19,586,400	-	-	-	-
Certificates of Deposit	17,145,895	17,145,895	-	-	-	-
Municipal Bonds-USA	13,443,905	11,628,466	1,815,439	-	-	-
Supranational Bonds	10,000,400	-	-	-	10,000,400	-
Total	$ 1,779,840,956	$ 716,260,938	$ 403,563,378	$ 326,619,883	$ 168,585,287	$ 164,811,470

Concentration of Credit Risk

The Authority'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 portfolio is in compliance with each of the stated limits as of June 30, 2024.

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

Class	Length	Percent of Total Portfolio and Cash
Stocks, bonds, notes and other evidences of indebtedness of the Commonwealth of Virginia	60 months or less	30%
Stocks, bonds, notes and other evidences of indebtedness of the United States	60 months or less	100%
Stocks, bonds, notes and other evidences of indebtedness of any county, city, town, district, authority or other public body of the Commonwealth of Virginia	60 months or less	30%
Legally authorized stocks, bonds, notes and other evidences of indebtedness of any city, county, town or district situated in any one of the states of the United States.	60 months or less	30%

Note 2. Deposits and Investments (Continued)

Concentration of Credit Risk (Continued)

Class	Length	Percent of Total Portfolio and Cash
Savings accounts, Money Market Accounts or time deposits (CDs) in any bank or savings and loan association within the Commonwealth of Virginia	24 months or less	60%
Bankers' Acceptances	12 months or less	10%
Prime Quality Commercial Paper	270 days or less	35% with a 5% per issuer limit
High Quality Corporate Notes	48 months or less	50%
The Local Government Investment Pool (LGIP)	N/A	100%
Open End Mutual Funds	N/A	Maximum 20% in any one fund. Prior 3 year history must exceed internal performance by 25bps, net of mgmt. fee
The State Non-Arbitrage Pool (SNAP)	N/A	100% of bond proceeds or debt related reserve account
Negotiable certificates of deposit (YCD) and negotiable bank deposit notes	24 months or less	25%
External Management Contract	3 years or less	25% of net balance of pooled investments, using lowest portfolio amount as target point. Prior 3 year history must exceed internal performance by 25bps, net of mgmt. fee
Bonds and other obligations issued, guaranteed or assumed by the International Bank of Reconstruction and Development, the Asian Development Bank, or by the African Development Bank. (§2.2-4501)	60 months or less	50%

Note 2. Deposits and Investments (Continued)

External Investment Pools

As of June 30, 2024, the Authority had investments of $16,498,309 in the LGIP for governmental activities. 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. The fair value of the position of the LGIP is the same as the value of the pool shares, i.e., the LGIP maintains a stable net asset value of $1 per share. The LGIP has been assigned an "AAAm" rating by Standard & Poor's. LGIP is managed in accordance with GASB Statement No. 79. The portfolio securities are valued by the amortized cost method, and on a weekly basis this valuation is compared to the current market to monitor any variance. Investments are limited to short-term, high-quality credits that can be readily converted into cash with limited price variation.

As of June 30, 2024, the Authority had investments of $5,945,206 in the Commonwealth of Virginia State Non-Arbitrage Program ("SNAP"). SNAP has been established by the Treasury Board of the Commonwealth of Virginia pursuant to the SNAP Act (Chapter 47, Title 2.2, *Code of Virginia* 1950, as amended) to provide comprehensive investment management, accounting, and arbitrage rebate calculation services for proceeds of tax-exempt borrowings and other financings of Virginia Issuers subject to Section 148 (and related sections) of the Internal Revenue Code. The SNAP Fund is managed to maintain a dollar-weighted average portfolio maturity of 60 days or less and seeks to maintain a constant net asset value per share of $1. The SNAP Fund invests in obligations of the United States Government and its agencies, high quality debt obligations of U.S. companies and obligations of financial institutions, and is rated "AAAm" by S&P. SNAP is managed in accordance with GASB Statement No. 79. The portfolio securities are valued by the amortized cost method, and on a daily basis this valuation is compared to the current market to monitor any variance. Investments are limited to short-term, high-quality credits that can be readily converted into cash with limited price variation.

Bond Proceeds

Bond proceeds shall be invested in accordance with the requirements and restrictions outlined in the Master Indenture of Trust and the First Supplemental Indenture of Trust both dated December 1, 2014.

Bond proceeds shall be invested in SNAP and alternate investment pools that provide assistance to local governments in the investment of bond proceeds and the preparation of rebate calculations in compliance with treasury arbitrage regulations in accordance with the *Code of Virginia* requirements or the Authority's own investment policy. As of June 30, 2024, the Authority had $6,545,969 held by the bond trustees, Regions Bank. Of this amount, $5,945,207 was in the Debt Service Reserve account at SNAP and $600,762 is in the debt service account for payment of principal and interest.

Note 3. Fair Value Measurement

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

Level 1 Valuation based on quoted prices in active markets for identical assets or liabilities.

Level 2 Valuation based on quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets and liabilities.

Level 3 Valuations based on unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of assets or liabilities.

The inputs or methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The following table shows the Authority'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
Corporate Notes	$ 781,285,180	$ -	$ 781,285,180	$ -
United States Agencies	592,562,730	592,562,730	-	-
Negotiable Certificates of Deposit	299,158,770	299,158,770	-	-
Municipal Bonds-Virginia	46,657,676	-	46,657,676	-
United States Treasuries	19,586,400	19,586,400	-	-
Certificates of Deposit	17,145,895	17,145,895	-	-
Municipal Bonds-USA	13,443,905	-	13,443,905	-
Supranational Bonds	10,000,400	-	10,000,400	-
Money market funds	31,257,518	31,257,518	-	-
Total	$ 1,811,098,474	$ 959,711,313	$ 851,387,161	$ -

The remaining investments maintained by the Authority are held in external investment pools, which are exempt from the fair value disclosure requirement.

Note 4. Due To/From Other Governments

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

	Local Distribution Fund	Regional Revenue Fund	Total
Commonwealth of Virginia:			
Sales Tax	$ 18,896,041	$ 44,090,763	$ 62,986,804
Regional Congestion Relief Fee	1,047,324	2,443,755	3,491,079
Commonwealth of Virginia Interest	99,783	232,828	332,611
Loudoun County	-	118,411	118,411
Total	$ 20,043,148	$ 46,885,757	$ 66,928,905

Note 4. Due To/From Other Governments (Continued)

Amounts due to other governments as of June 30, 2024, consisted of the following:

	Local Distribution Fund	Regional Revenue Fund	Total
Arlington County	$ 1,900,055	$ 54,488	$ 1,954,543
Fairfax County	8,207,338	-	8,207,338
Loudoun County	4,218,968	847,124	5,066,092
Prince William County	3,222,883	765,370	3,988,253
City of Alexandria	1,318,455	-	1,318,455
City of Fairfax	419,714	-	419,714
City of Falls Church	208,321	87,680	296,001
City of Manassas	458,057	-	458,057
City of Manassas Park	95,191	-	95,191
	$ 20,048,982	$ 1,754,662	$ 21,803,644

Note 5. Intergovernmental Revenues, Commonwealth of Virginia

Intergovernmental revenues from the Commonwealth of Virginia include, for Planning District 8, an additional Retail Sales Tax of 0.7% added to the standard rate of retail sales tax imposed by the *Code of Virginia.* The additional tax is not levied upon food purchased for human consumption.

Effective July 1, 2020, the Omnibus Transportation Bill established a new regional congestion fee imposed at a rate of $0.10 per $100 for the recordation of conveyance of a deed. The Omnibus Transportation Bill also provided a $20 million transfer from the Northern Virginia Commonwealth Transportation Fund to the Authority. The Interstate Operations and Enhancement Program (SB1716/HB2718, 2019) funding was changed in the Omnibus Transportation Bill to an annual allocation of 8.4% of funds available in the Interstate Operations and Enhancement Program.

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated and amortized:				
Office furniture and equipment	$ 441,818	$ -	$ -	$ 441,818
Intangible right-to-use lease asset	884,307	4,134,983	(870,905)	4,148,385
Total capital assets at historical cost	1,326,125	4,134,983	(870,905)	4,590,203
Less accumalated depreciated and amortized:				
Office furniture and equipment	261,476	77,561	-	339,037
Intangible right-to-use lease asset	401,356	41,250	(435,067)	7,539
Total accumulated depreciation and amortization	662,832	118,811	(435,067)	346,576
Total capital assets being depreciated and amortized, net	$ 663,293	$ 4,016,172	$ (435,838)	$ 4,243,627

Depreciation and amortization expense was charged to general and administrative expenditures.

Note 7. Pension Plan

A. Plan Description

Name of Plan: Virginia Retirement System (VRS)

Identification of Plan: Agent Multiple-Employer Pension Plan

Administering Entity: Virginia Retirement System (System)

All full-time, salaried permanent employees of the Authority are automatically covered by a VRS Retirement Plan upon employment. This plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria as defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are available at:

• https://www.varetire.org/members/benefits/defined-benefit/plan1.asp,
• https://www.varetire.org/members/benefits/defined-benefit/plan2.asp,
• https://www.varetirement.org/hybrid.html.

B. Employees Covered by Benefit Terms

As of the June 30, 2022, actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

Inactive members or their beneficiaries currently receiving benefit	1
Inactive Members:	
Non-Vested	1
Inactive members active elsewhere in VRS	1
Total Inactive members	2
Active members	14
Total covered members	17

C. Contributions

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

Note 7. Pension Plan (Continued)

C. Contributions (Continued)

The Authority's contractually required contribution rate for the year ended June 30, 2024, was 7.74% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by an employee during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Authority were $118,095 and $105,669 for the years ended June 30, 2024, and 2023, respectively.

D. Net Pension Asset

The Authority's net pension asset is calculated separately for each employer and represents that particular employer's total pension liability or asset determined in accordance with GASB Statement No. 68, less the employer's fiduciary net position. For the Authority, the net pension asset was measured as of June 30, 2023. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation performed as of June 30, 2022, rolled forward to the measurement date of June 30, 2023.

E. Actuarial Assumptions

The total pension asset for General Employees in the Authority's Retirement Plan was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Actuarial Assumptions:	
Inflation	2.5 percent
Salary increases, including inflation	3.5 percent - 5.35 precent
Investment rate of return	6.75%, net of investment expenses, including inflation

Mortality Rates

Non-10 Largest – Non-Hazardous Duty: 15% of deaths are assumed to be service related.

Pre-retirement:	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; 95% of rates for males; 105% of rates for females set forward 2 years.
Post-retirement:	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 110% of rates for males; 105% of rates for females set forward 3 years.
Post-disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 95% of rates for males set back 3 years; 90% of rates for females set back 3 years.
Beneficiaries and Survivors:	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally; 110% of rates for males and females set forward 2 years.
Mortality Improvement:	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

Note 7. Pension Plan (Continued)

E. Actuarial Assumptions (Continued)

Mortality Rates (Continued)

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-10 Largest – Non-Hazardous Duty :

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

F. Long-Term Expected Rate of Return

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS - Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP - Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		** Expected arithmetic nominal return	8.25%

Note 7. Pension Plan (Continued)

F. Long-Term Expected Rate of Return (Continued)

*The above allocation provides a one-year expected return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

G. Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes, and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2023, the alternate rate was the employer contribution rate used in FY 2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2022, actuarial valuations, whichever was greater. From July 1, 2023, participating employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

H. Changes in the Net Pension Asset

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset)
Balances at June 30, 2022	$ 1,193,924	$ 1,211,226	$ (17,302)
Changes for the year:			
Service cost	142,170	-	142,170
Interest	90,047	-	90,047
Difference between expected and actual experience	32,507	-	32,507
Contributions – employer	-	105,669	(105,669)
Contributions – employee	-	81,796	(81,796)
Net investment income	-	87,917	(87,917)
Benefit payments, including refunds of employee contributions	(4,119)	(4,119)	-
Administrative expense	-	(692)	692
Other changes	-	37	(37)
Net changes	260,605	270,608	(10,003)
Balances at June 30, 2023	$ 1,454,529	$ 1,481,834	$ (27,305)

Note 7. Pension Plan (Continued)

I. Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset of the Authority using the discount rate of 6.75%, as well as what the Authority's net pension liability or (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
The Authority's Net Pension Liability (Asset)	$ 183,333	$ (27,305)	$ (199,259)

J. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the Authority recognized pension expense of $89,709. On June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 38,634	$ (8,213)
Changes of assumptions	18,546	-
Net difference between projected and actual earnings on pension plan investments	-	(11,154)
Employer contributions subsequent to measurement date	118,095	-
Total	$ 175,275	$ (19,367)

The $118,095 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future reporting periods as follows:

Year Ending June 30,	Amount
2025	$ 9,862
2026	77
2027	20,913
2028	4,389
2029	2,572
	$ 37,813

Note 7. Pension Plan (Continued)

K. Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2023 Annual Report. A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at http://www.varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Note 8. Group Life Insurance Program

A. Plan Description

All full-time, salaried permanent employees of the Authority are automatically covered by the VRS Group Life Insurance Program (GLI) upon employment. This plan is administered by the Virginia Retirement System (the System), along with pensions and other OPEB plans, for public employer groups in the Commonwealth of Virginia,

In addition to the Basic GLI benefit, members are also eligible to elect additional coverage for themselves as well as a spouse or dependent children through the Optional GLI Program. For members who elect the optional group life insurance coverage, the insurer bills employers directly for the premiums. Employers deduct these premiums from members' paychecks and pay the premiums to the insurer. Since this is a separate and fully insured program, it is not included as part of the GLI OPEB.

The specific information for GLI OPEB, including eligibility, coverage and benefits is set out in the table below:

GROUP LIFE INSURANCE PROGRAM PLAN PROVISIONS
Eligible Employees The GLI was established July 1, 1960, for state employees, teachers and employees of political subdivisions that elect the program. Basic group life insurance coverage is automatic upon employment. Coverage ends for employees who leave their position before retirement eligibility or who take a refund of their member contributions and accrued interest.
Benefit Amounts The benefits payable under the GLI have several components. • **Natural Death Benefit** - The natural death benefit is equal to the employee's covered compensation rounded to the next highest thousand and then doubled. • **Accidental Death Benefit** - The accidental death benefit is double the natural death benefit. • **Other Benefit Provisions** - In addition to the basic natural and accidental death benefits, the program provides additional benefits provided under specific circumstances. These include: o Accidental dismemberment benefit o Seatbelt benefit o Repatriation benefit o Felonious assault benefit o Accelerated death benefit option

Note 8. Group Life Insurance Program (Continued)

A. Plan Description (Continued)

Reduction in Benefit Amounts The benefit amounts provided to members covered under the GLI are subject to a reduction factor. The benefit amount reduces by 25% on January 1 following one calendar year of separation. The benefit amount reduces by an additional 25% on each subsequent January 1 until it reaches 25% of its original value.
Minimum Benefit Amount and Cost-of-Living Adjustment (COLA) For covered members with at least 30 years of service credit, there is a minimum benefit payable under the Group Life Insurance Program. The minimum benefit was set at $8,000 by statute in 2015. This will be increased annually based on the VRS Plan 2 cost-of-living adjustment calculation. The minimum benefit adjusted for the COLA was $9,254 as of June 30, 2024.

B. Contributions

The contribution requirements for the GLI are governed by section 51.1-506 and section 51.1-508 of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to state agencies and school divisions by the Virginia General Assembly. The total rate for the GLI was 1.34% of covered employee compensation. This was allocated into an employee and an employer component using a 60/40 split. The employee component was 0.80% (1.34% X 60%) and the employer component was 0.54% (1.34% X 40%). Employers may elect to pay all or part of the employee contribution, however, the employer must pay all of the employer contribution. Each employer's contractually required employer contribution rate for the year ended June 30, 2024, was 0.54% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate, when combined with employee contributions, was expected to finance the costs of benefits payable during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the GLI from the Authority were $11,485 and $10,422 for the years ended June 30, 2024, and June 30, 2023, respectively.

In June 2023, the Commonwealth made a special contribution of approximately $10.1 million to the Group Life Insurance plan. This special payment was authorized by Chapter 2 of the Acts of Assembly of 2022, Special Session I, as amended by Chapter 769, 2023 Acts of Assembly Reconvened Session, and is classified as a special employer contribution.

C. GLI OPEB Liabilities, GLI OPEB Expenses and Deferred Outflows/Inflows of Resources Related to the GLI OPEB

At June 30, 2024, the Authority reported a liability of $97,984 for its proportionate share of the net GLI OPEB liability. The net GLI OPEB liability was measured as of June 30, 2023, and the total GLI OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation performed as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The Authority's proportion of the net GLI OPEB liability was based on the Authority's actuarially determined employer contributions to the GLI program for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the Authority's proportion was .00817% as compared to .00681% at June 30, 2022.

Note 8. Group Life Insurance Program (Continued)

C. GLI OPEB Liabilities, GLI OPEB Expenses and Deferred Outflows/Inflows of Resources Related to the GLI OPEB (Continued)

For the year ended June 30, 2024, the Authority recognized GLI OPEB expense of $13,443. Since there was a change in proportionate share between measurement dates, a portion of the GLI OPEB expense was related to deferred amounts from changes in proportion.

At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to the GLI OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 6,812	$ -
Net difference between projected and actual earnings on GLI OPEB program investments	-	(3,938)
Changes of assumptions	-	(4,695)
Changes in proportions	22,834	-
Employer contributions subsequent to measurement date	11,485	-
Total	$ 41,131	$ (8,633)

The $11,485 reported as deferred outflows of resources related to the GLI OPEB resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net GLI OPEB liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the GLI OPEB will be recognized in the GLI OPEB expense in future reporting periods as follows:

Year Ending June 30,	Amount
2025	$ 5,998
2026	1,961
2027	5,600
2028	3,654
2029	3,800
	$ 21,013

D. Actuarial Assumptions

The total GLI OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.5%
Salary increases, including inflation	3.5%-5.35%
Investment rate of return	6.75, net of investment expenses, including inflation*

Note 8. Group Life Insurance Program (Continued)

D. Actuarial Assumptions (Continued)

Mortality rates - Non-Largest 10 Locality Employers – General Employees

Pre-retirement:	Pub-2010 Amount Weighted Safety Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years.
Post-retirement:	Pub-2010 Amount Weighted Safety Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year.
Post-disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally; 110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years.
Beneficiaries and Survivors:	Pub-2010 Amount Weighted Safety Contingent Annuitant Rates projected generationally.
Mortality Improvement Scale:	Rates projected generationally with Modified MP-2020 Improvement Scale that is 75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020 except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021.

Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Note 8. Group Life Insurance Program (Continued)

E. Net GLI OPEB Liability

The net OPEB liability (NOL) for the Group Life Insurance Program represents the program's total OPEB liability determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2023, NOL amounts for the GLI is as follows (amounts expressed in thousands):

	Group Life Insurance OPEB Program
Total GLI OPEB Liability	$ 3,907,052
Plan Fiduciary Net Position	2,707,739
GLI Net OPEB Liability	$ 1,199,313
Plan Fiduciary Net Position as a Percentage of the Total GLI OPEB Liability	69.30%

The total GLI OPEB liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net GLI OPEB liability is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

F. Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return**	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS -Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP-Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		* Expected arithmetic nominal return	8.25%

Note 8. Group Life Insurance Program (Continued)

F. Long-Term Expected Rate of Return (Continued)

* The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75% which is roughly at the 45th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

G. Discount Rate

The discount rate used to measure the total GLI OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy and at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2023, the rate contributed by the Authority for the GLI OPEB will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 113% of the actuarially determined contribution rate. From July 1, 2023 on, employers are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the GLI OPEB's fiduciary net position was projected to be available to make all projected future benefit payments of eligible employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total GLI OPEB liability.

H. Sensitivity of the Authority's Proportionate Share of the Net GLI OPEB Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net GLI OPEB liability using the discount rate of 6.75%, as well as what the Authority's proportionate share of the net GLI OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
The Authority's proportionate share of the GLI Net OPEB Liability	$ 145,243	$ 97,984	$ 59,775

I. GLI Fiduciary Net Position

Detailed information about the GLI's Fiduciary Net Position is available in the separately issued VRS 2022 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2023-annual-report.pdf, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, Virginia, 23218-2500.

Note 9. Virginia Local Disability Program

A. Plan Description

All full-time, salaried general employees; including local law enforcement officers, firefighters, or emergency medical technicians of political subdivisions who do not provide enhanced hazardous duty benefits; who are in the VRS Hybrid Retirement Plan benefit structure and whose employer has not elected to opt out of the VRS-sponsored program are automatically covered by the VRS Political Subdivision Employee Virginia Local Disability Program (VLDP). This plan is administered by the Virginia Retirement System (the System), along with pension and other OPEB plans, for eligible public employer groups in the Commonwealth of Virginia. Political subdivisions are required by Title 51.1 of the *Code of Virginia*, as amended, to provide short-term and long-term disability benefits for their hybrid plan employees either through a local plan or through the VLDP.

The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

VRS VIRGINIA LOCAL DISABILITY PROGRAM (VLDP) PLAN PROVISIONS
Eligible Employees The VLDP was implemented January 1, 2014, to provide short-term and long-term disability benefits for non-work-related and work-related disabilities for employees with hybrid plan retirement benefits. Eligible employees are enrolled automatically upon employment, unless their employer has elected to provide comparable coverage. They include: • Full-time general employees: including local law enforcement officers, firefighters, or emergency medical technicians who do not have enhanced hazardous duty benefits; of public political subdivisions covered under VRS.
Benefit Amounts: The VLDP provides the following benefits for eligible employees: ***Short -Term Disability:*** • The program provides a short-term disability benefit beginning after a seven-calendar-day waiting period from the first day of disability. Employees become eligible for non-work-related short-term disability coverage after one year of continuous participation in VLDP with their current employer. • During the first five years of continuous participation in VLDP with their current employer, employees are eligible for 60% of their pre-disability income if they go out on non-work-related or work-related disability. • Once the eligibility period is satisfied, employees are eligible for higher income replacement levels. ***Long-Term Disability:*** • The VLDP program provides a long-term disability benefit beginning after 125 workdays of short-term disability. Members are eligible if they are unable to work at all or are working fewer than 20 hours per week • Members approved for long-term disability will receive 60% of their pre-disability income. If approved for work-related long-term disability, the VLDP benefit will be offset by the workers' compensation benefit. Members will not receive a VLDP benefit if their workers' compensation benefit is greater than the VLDP benefit.

Note 9. Virginia Local Disability Program (Continued)

A. Plan Description (Continued)

VLDP Notes:

- Members approved for short-term or long-term disability at age 60 or older will be eligible for a benefit, provided they remain medically eligible.
- VLDP Long-Term Care Plan is a self-funded program that assists with the cost of covered long-term care services.

B. Contributions

The contribution requirement for active hybrid plan employees is governed by § 51.1-1178(C) of the *Code of Virginia*, as amended, but may be impacted as a result of funding provided to political subdivisions by the Virginia General Assembly. Each political subdivision's contractually required employer contribution rate for the year ended June 30, 2024, was 0.85% of covered employee compensation for employees in the VRS Political Subdivision Employee Virginia Local Disability Program. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2021. The actuarially determined rate was expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions from the Authority to the VLDP were $13,199 and $12,358 for the years ended June 30, 2024, and June 30, 2023, respectively.

C. VLDP OPEB Assets, VLDP OPEB Expenses and Deferred Outflows/Inflows of Resources Related to the VLDP OPEB

At June 30, 2024, the Authority reported a net asset of $3,819 for its proportionate share of the VRS VLDP Net OPEB asset. The net VLDP OPEB asset was measured as of June 30, 2023, and the total VLDP OPEB asset used to calculate the net VLDP OPEB asset was determined by an actuarial valuation as of June 30, 2022, and rolled forward to the measurement date of June 30, 2023. The Authority's proportion of the net VLDP OPEB asset was based on the Authority's actuarially determined employer contributions to the VLDP OPEB plan for the year ended June 30, 2023, relative to the total of the actuarially determined employer contributions for all participating employers. At June 30, 2023, the Authority's proportion of the VLDP was 0.23738% as compared to 0.21849% at June 30, 2022.

For the year ended June 30, 2024, the Authority recognized VLDP OPEB expense of $9,678. Since there was a change in proportionate share between measurement dates, a portion of the VLDP OPEB expense was related to deferred amounts from changes in proportion.

Note 9. Virginia Local Disability Program (Continued)

C. VLDP OPEB Assets, VLDP OPEB Expenses and Deferred Outflows/Inflows of Resources Related to the VLDP OPEB (Continued)

At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual experience	$ -	$ (945)
Net difference between projected and actual earnings on VLDP OPEB program investments	9	-
Changes of assumptions	-	(325)
Changes in proportion	8	-
Employer contributions subsequent to measurement date	13,199	-
Total	$ 13,216	$ (1,270)

The $13,199 reported as deferred outflows of resources related to the VRS VLDP OPEB resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net VLDP OPEB liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the VLDP OPEB will be recognized in the VLDP OPEB expense in future reporting periods as follows:

Year(s) Ending June 30,	Amount
2025	$ (132)
2026	(675)
2027	95
2028	(65)
2029	(216)
Thereafter	(260)
	$ (1,253)

D. Actuarial Assumptions

The total VLDP OPEB liability was based on an actuarial valuation as of June 30, 2022, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2023.

Inflation	2.5 percent
Salary increases, including inflation	3.5 percent - 5.35 precent
Investment rate of return	6.75%, net of investment expenses, including inflation

Note 9. Virginia Local Disability Program (Continued)

D. Actuarial Assumptions (Continued)

Mortality rates - Non-Largest 10 Locality Employers – General and Non-Hazardous Duty Employees:

Pre-retirement:	Pub-2010 Amount Weighted General Employee Rates projected generationally; males set forward 2 years; 105% of rates for females set forward 3 years,
Post-retirement:	Pub-2010 Amount Weighted General Healthy Retiree Rates projected generationally; 95% of rates for males set forward 2 years; 95% of rates for females set forward 1 year,
Post-disablement:	Pub-2010 Amount Weighted General Disabled Rates projected generationally;110% of rates for males set forward 3 years; 110% of rates for females set forward 2 years,
Beneficiaries and Survivors:	Pub-2010 Amount Weighted General Contingent Annuitant Rates projected generationally,
Mortality Improvement Scale:	Rates projected generationally with Modified MP-2020 Improvement Scale that is75% of the MP-2020 rates.

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016 through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service decrement through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

Note 9. Virginia Local Disability Program (Continued)

E. Net VLDP OPEB Liability or Asset

The net OPEB liability or asset for the VLDP represents the program's total OPEB liability or asset determined in accordance with GASB Statement No. 74, less the associated fiduciary net position. As of the measurement date of June 30, 2023, net OPEB asset amounts for the VLDP is as follows (amounts expressed in thousands):

	VRS VLDP OPEB Plan
Total Political Subdivision VLDP OPEB Liability	$ 9,525
Plan Fiduciary Net Position	11,134
Political Subdivision VLDP Net OPEB Asset	$ (1,609)
Plan Fiduciary Net Position as a Percentage of the Total Political Subdivision VLDP OPEB Liability	116.89%

The total VLDP OPEB liability or asset is calculated by the System's actuary, and plan's fiduciary net position is reported in the System's financial statements. The net VLDP OPEB liability or asset is disclosed in accordance with the requirements of GASB Statement No. 74 in the System's notes to the financial statements and required supplementary information.

F. Long-Term Expected Rate of Return

The long-term expected rate of return on the System's investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of System's investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return*
Public Equity	34.00%	6.14%	2.09%
Fixed Income	15.00%	2.56%	0.38%
Credit Strategies	14.00%	5.60%	0.78%
Real Assets	14.00%	5.02%	0.70%
Private Equity	16.00%	9.17%	1.47%
MAPS -Multi-Asset Public Strategies	4.00%	4.50%	0.18%
PIP-Private Investment Partnership	2.00%	7.18%	0.14%
Cash	1.00%	1.20%	0.01%
Total	100.00%		5.75%
		Inflation	2.50%
		* Expected arithmetic nominal return	8.25%

Note 9. Virginia Local Disability Program (Continued)

F. Long-Term Expected Rate of Return (Continued)

* The above allocation provides a one-year return of 8.25%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the System, stochastic projections are employed to model future returns under various economic conditions. These results provide a range of returns over various time periods that ultimately provide a median return of 7.14%, including expected inflation of 2.50%.

On June 15, 2023, the VRS Board elected a long-term rate of return of 6.75%, which was roughly at the 40th percentile of expected long-term results of the VRS fund asset allocation at that time, providing a median return of 7.14%, including expected inflation of 2.50%.

G. Discount Rate

The discount rate used to measure the total VLDP OPEB was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made in accordance with the VRS funding policy at rates equal to the actuarially determined contribution rates adopted by the VRS Board of Trustees. Through the fiscal year ending June 30, 2023, the rate contributed by the Authority for the VLDP will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly, which was 100% of the actuarially determined contribution rate. From July 1, 2023, on, all agencies are assumed to continue to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the VLDP OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return was applied to all periods of projected benefit payments to determine the total Authority's VLDP OPEB liability.

H. Sensitivity of the Authority's Proportionate Share of the Net VLDP OPEB Asset to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net VLDP OPEB asset using the discount rate of 6.75%, as well as what the Authority's proportionate share of the net VLDP OPEB liability or asset would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
The Authority's proportionate share of the VLDP Net OPEB Liability (Asset)	$ (2,001)	$ (3,819)	$ (5,413)

I. VRS VLDP Fiduciary Net Position

Detailed information about the VRS Political Subdivision Employee Virginia Local Disability Program's Fiduciary Net Position is available in the separately issued VRS 2023 *Annual Comprehensive Financial Report* (Annual Report). A copy of the 2023 VRS Annual Report may be downloaded from the VRS website at varetire.org/pdf/publications/2023-annual-report.pdf or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

Note 10. Leases

On August 2, 2023, the Authority's landlord delivered a notice of lease cancellation with a demand to vacate the current office space, no later than October 31, 2023. The existing office lease agreement had an original expiration date of August 2025. The cancellation notice provided an option to enter into a new short-term lease agreement with an expiration of March 31, 2024. On September 14, 2023, the Authority executed a short-term lease agreement with the current landlord covering the period of September 1, 2023, to March 31, 2024, with similar costs and terms. The General and Administrative expenses include $145,563 in short-term lease costs associated with this agreement.

On February 6, 2024, the Authority entered into a new lease agreement with COPT Metro Place II, LLC for 14,239 square feet of office space at 2600 Park Tower Drive, Suite 601. The lease term is 132 months, beginning on August 15, 2024. NVTA is obligated to make monthly principal and interest payments ranging from $38,564 to $51,960 until September 2035. The agreement includes a five-year renewal option at the prevailing market rate. The lease carries an interest rate of 2.992% over its term and requires NVTA to cover a proportionate share of common building expenses, including real estate taxes. The lease includes a provision for the Authority to receive a payment of $892,008 as an additional concession for entering into the agreement.

Starting March 1, 2024, and continuing until the commencement date, the Authority entered into a right-to-use license agreement with COPT Metro Place II, allowing temporary occupancy of office space in the building at no cost.

For fiscal year 2024, a lease liability of $5,026,991 was recorded for office space that has an estimated useful life of approximately eleven years. As of the end of the fiscal year, the net intangible right-to-use lease asset was valued at $4,134,983, with a lease concession receivable of $892,008. Under the terms of the lease, monthly payments commenced on August 15, 2024, after the close of fiscal year 2024, no payments were made, and no amortization was recorded.

The Authority entered into a 48-month lease agreement in March 2022, as lessee for the acquisition and use of certain office equipment. As of June 30, 2024, the value of the lease liability was $6,000. The Authority is required to make monthly principal and interest payments of $292.

The lease has an interest rate of 2.45%. The equipment has a four-year estimated useful life. The value of the lease asset on June 30, 2024, was $13,402 and had accumulated amortization of $7,539.

Note 10. Leases (Continued)

Lease Agreements	
$5,026,991 Capitalized office space financing, initiated February 6, 2024, due in monthly installments at the commencement on August 15, 2024 of $38,564 to $51,960 through the term of the lease expiring September 30, 2035, interest at 2.992%	$ 5,026,991
$13,402 Capitalized office equipment financing, initiated March 2022, due in monthly installments of $292 through March 2026, interest at 2.245%	6,000
Total lease agreements	$ 5,032,991

The future principal and interest lease payments as of June 30, 2023, were as follows:

	Lease Obligations		
Year(s) Ending June 30,	Principal	Interest	Total
2025	$ 306,176	$ 121,527	$ 427,703
2026	340,226	136,782	477,008
2027	361,112	126,336	487,448
2028	385,611	115,198	500,809
2029	411,275	103,311	514,586
2030-2036	3,228,591	324,563	3,553,154
	$ 5,032,991	$ 927,717	$ 5,960,708

Note 11. Long-Term Debt Obligations

In December 2014, the Authority issued $69,045,000 of Transportation Special Tax Revenue Bonds to pay (i) certain transportation projects in the Authority member localities or (ii) certain mass transit capital projects serving the Authority member localities, (iii) the issuance and financing costs of the bonds, and (iv) to a fund debt service reserve fund for the bonds. The bonds were issued at a premium of $11,928,792, which will be amortized over the life of the bonds.

The Authority has outstanding Transportation Special Tax Revenue Bonds of $42,845,000. The bonds are limited obligations of the Authority and payable solely from the revenues and other property pledged by the Authority for such purpose. The pledged revenues are derived from the revenue generated by additional sales and use taxes levied by the General Assembly of Virginia. The Authority's right to receive such funds is subject to appropriation by the General Assembly. The General Assembly has the ability to eliminate or change such taxes and fees at any time. The Authority has no taxing power. Bonds are issued pursuant to a Master Indenture of Trust dated December 1, 2014. The Authority has no outstanding line of credit, direct borrowings or direct placements.

Note 11. Long-Term Obligations (Continued)

Outstanding Long-Term Debt

The Transportation special tax revenue bonds are direct obligations of the Authority and secured by the Authority's Regional Revenue and a debt service reserve of $5,945,207 based on the maximum annual debt service calculation. These bonds were issued pursuant to the Master Indenture of Trust dated December 1, 2014 and the First Supplemental Indenture of Trust dated December 1, 2014. The bonds are issued as serial bonds and are the first series of transportation bonds to be issued under the Master Indenture.

Bond Financing

$69,045,000 2014 Transportation Special Tax Revenue Bonds due in annual principal payments of $3,405,000 to $5,285,000 through June 2034, interest at 5.00%	$ 42,845,000

Changes in Long-Term Debt Obligations

The following is a summary of long-term liability activity for the year ended June 30, 2023:

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Compensated Absences	$ 164,536	$ 43,343	$ -	$ 207,879	$ 155,447
Transportation Special Tax Revenue Bonds	46,100,000	-	3,255,000	42,845,000	3,405,000
Unamortized Premiums	6,859,056	-	596,440	6,262,616	-
Lease agreements	504,787	5,026,991	498,787	5,032,991	306,176
Total governmental activities	$ 53,628,379	$ 5,070,334	$ 4,350,227	$ 54,348,486	$ 3,866,623

Federal arbitrage regulations apply to the Authority's special tax revenue bonds.

2014 series bond funds are invested by the Trustee pursuant to the provisions of the Master Indenture and the First Supplemental Indenture of Trust. The Authority's Series 2014 Debt Service Reserve Fund are invested by the Trustee with SNAP, the Debt Service Fund is invested directly with Regions Bank and is classified as restricted.

Note 11. Long-Term Obligations (Continued)

The bond debt service requirements for the Authority's bonds are as follows:

	2014 Series Bonds		
Year(s) Ending June 30,	Principal	Interest	Total
2025	$ 3,405,000	$ 2,142,250	$ 5,547,250
2026	3,575,000	1,972,000	5,547,000
2027	3,755,000	1,793,250	5,548,250
2028	3,945,000	1,605,500	5,550,500
2029	4,140,000	1,408,250	5,548,250
2030-2034	24,025,000	3,721,250	27,746,250
	$ 42,845,000	$ 12,642,500	$ 55,487,500

Note 12. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. To reduce insurance costs and the need for self-insurance, the Authority has joined with other political subdivisions in the Commonwealth of Virginia in the VML Insurance Programs. The Authority has coverage with the VML Insurance Programs. Each Program member jointly and severally agrees to assume, pay and discharge any liability. The Authority pays VML the contributions and assessments based upon classifications and rates into a designated cash reserve fund out of which expenses of the Program and claims and awards are to be paid.

Note 13. Pending GASB Statements

At June 30, 2024, the Governmental Accounting Standards Board (GASB) issued statements not yet implemented by the Authority. The statements which might impact the Authority 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 No. 101 will be effective for fiscal years beginning after December 15, 2023.

GASB Statement No. 102, *Certain Risk Disclosures*, requires all state and local governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. Statement No. 102 will be effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Statement 103 will be effective for fiscal years beginning after June 15, 2025.

Management has not yet determined the effect these statements will have on its financial statements.

Northern Virginia Transportation Authority

Required Supplementary Information

YEAR ENDED JUNE 30, 2024

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF AUTHORITY CONTRIBUTIONS – VIRGINIA RETIREMENT SYSTEM PENSION PLAN

	Fiscal year June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (CRC)	$ 118,095	$ 105,669	$ 80,898	$ 71,536	$ 75,332	$ 64,485	$ 86,928	$ 78,378	$ 42,427	$ 33,173
Contributions in relation to the CRC	118,095	105,669	80,898	71,536	75,332	64,485	86,928	78,378	42,427	33,173
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	$1,525,775	$1,368,501	$1,096,137	$964,145	$1,005,520	$865,480	$917,690	$826,772	$624,845	$488,557
Contributions as a percentage of covered-employee payroll	7.74%	7.72%	7.38%	7.42%	7.49%	7.45%	9.47%	9.48%	6.79%	6.79%

(1) This schedule is presented to illustrate the requirement to show 10 years of information.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF CHANGES IN AUTHORITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS – VIRGINIA RETIREMENT SYSTEM

	Fiscal year June 30,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service cost	$ 142,170	$ 121,804	$ 116,133	$ 107,133	$ 107,914	$ 102,928	$ 78,247	$ 70,900	$ -
Interest	90,047	76,479	53,275	43,242	34,544	24,197	14,560	-	-
Difference between expected and actual experience	32,507	(11,981)	20,848	9,259	(5,899)	27,939	60,765	137,107	-
Changes of assumptions	-	-	42,146	-	22,003	-	(15,903)	-	-
Benefit payments, including refunds of employee contributions	(4,119)	(7,199)	(13,672)	(8,336)	(14,509)	-	-	-	-
Net change in total pension liability	260,605	179,103	218,730	151,298	144,053	155,064	137,669	208,007	-
Total pension liability - beginning	1,193,924	1,014,821	796,091	644,793	500,740	345,676	208,007	-	-
Total pension liability - ending (a)	$ 1,454,529	$ 1,193,924	$ 1,014,821	$ 796,091	$ 644,793	$ 500,740	$ 345,676	$ 208,007	$ -
Plan Fiduciary Net Position									
Contributions - employer	$ 105,669	$ 80,898	$ 71,536	$ 75,332	$ 64,845	$ 86,928	$ 78,378	$ 42,427	$ 30,617
Contributions - employee	81,796	64,543	59,017	58,911	47,862	47,287	42,081	31,288	49,918
Net investment income	87,917	(4,468)	220,571	13,086	36,377	26,628	27,878	3,770	951
Benefit payments, including refunds of employee contributions	(4,119)	(7,199)	(13,672)	(8,336)	(14,509)	-	-	-	-
Administrative expense	(692)	(605)	(421)	(299)	(240)	(113)	(42)	(11)	65
Other	37	28	22	(17)	(24)	(29)	(30)	(1)	(2)
Net change in plan fiduciary net position	270,608	133,197	337,053	138,677	134,311	160,701	148,265	77,473	81,549
Plan fiduciary net position - beginning	1,211,226	1,078,029	740,976	602,299	467,988	307,287	159,022	81,549	-
Plan fiduciary net position - ending (b)	$ 1,481,834	$ 1,211,226	$ 1,078,029	$ 740,976	$ 602,299	$ 467,988	$ 307,287	$ 159,022	$ 81,549
The Authority's net pension liability (asset) - ending (a)-(b)	$ (27,305)	$ (17,302)	$ (63,208)	$ 55,115	$ 42,494	$ 32,752	$ 38,389	$ 48,985	$ (81,549)
Plan fiduciary net position as a percentage of total pension asset	102%	101%	106%	93%	93%	93%	89%	76%	0%
Covered-employee payroll	$ 1,368,501	$ 1,096,137	$ 964,145	$ 1,005,520	$ 865,480	$ 917,690	$ 826,772	$ 624,845	$ 488,557
The Authority's net pension liability (asset) as a percentage of covered-employee payroll	-2%	-2%	-7%	5%	5%	4%	5%	8%	-17%

SCHEDULE OF CHANGES IN AUTHORITY'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS – VIRGINIA RETIREMENT SYSTEM (Continued)

Notes to Schedule:

(1) **Changes of benefit terms –** There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

(2) **Changes of assumptions:** The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021.

Non-10 Largest – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF AUTHORITY'S SHARE OF NET OPEB LIABILITY – GROUP LIFE INSURANCE PROGRAM
For the Measurement Dates of June 30

	Fiscal year June 30,						
	2023	2022	2021	2020	2019	2018	2017
Total Group Life Insurance OPEB Liability							
The Authority's Portion of the Net GLI OPEB Liability	0.00817%	0.00681%	0.00661%	0.66500%	0.00560%	0.00553%	0.00497%
The Authority's Proportionate Share of the Net GLI OPEB Liability	$ 97,984	$ 81,999	$ 76,959	$ 110,978	$ 91,127	$ 84,000	$ 75,000
The Authority's Covered Payroll	$ 1,924,868	$ 1,500,926	$ 1,364,032	$ 1,098,077	$ 1,098,173	$ 1,051,730	$ 917,664
The Authority's Proportionate Share of the Net GLI OPEB Liability as a Percentage of its Covered Payroll	5.09%	5.46%	5.64%	10.11%	8.30%	7.99%	8.17%
Plan Fiduciary Net Position as a percentage of the Total GLI OPEB Liability	69.30%	67.21%	67.45%	52.64%	52.00%	51.22%	48.86%

The amounts presented have a measurement date of June 30, 2022

Notes to Schedule:

(1) **Changes of benefit terms –** There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

(2) **Changes of assumptions:** The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest 10 Locality Employers-General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service.
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

(3) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF AUTHORITY CONTRIBUTIONS – OPEB – GROUP LIFE INSURANCE PROGRAM

	Fiscal year June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (CRC)	$ 11,485	$ 10,422	$ 8,105	$ 7,395	$ 7,126	$ 5,716	$ 5,469	$ 4,772	$ 3,281	$ 2,275
Contributions in relation to the CRC	11,485	10,422	8,105	7,395	7,126	5,716	5,469	4,772	3,281	2,275
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	$ 2,121,196	$ 1,924,868	$ 1,500,926	$ 1,364,032	$ 1,098,077	$ 1,098,173	$ 1,051,730	$ 917,664	$ 683,642	$ 473,980
Contributions as a percentage of covered-employee payroll	0.54%	0.54%	0.54%	0.54%	0.65%	0.52%	0.52%	0.52%	0.48%	0.48%

(1) This schedule is presented to illustrate the requirement to show 10 years of information.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF AUTHORITY'S SHARE OF NET OPEB LIABILITY – VIRGINIA LOCAL DISABILITY PROGRAM

	Fiscal year June 30,						
	2023	2022	2021	2020	2019	2018	2017
Total Virginia Local Disability Program OPEB Liability							
The Authority's Portion of the Net VLDP OPEB Liability	0.23738%	0.21849%	0.23427%	0.25748%	0.22944%	0.21833%	0.21506%
The Authority's Proportionate Share of the Net VLDP OPEB Liability (Asset)	$ (3,819)	$ (1,285)	$ 7,451	$ 6,908	$ 4,648	$ 1,000	$ 1,000
The Authority's Covered Payroll	$ 1,452,890	$ 1,024,940	$ 941,055	$ 959,464	$ 708,987	$ 530,126	$ 394,910
The Authority's Proportionate Share of the Net VLDP OPEB Liability (Asset) as a Percentage of its Covered Payroll	-0.26%	-0.13%	0.79%	0.72%	0.66%	0.19%	0.25%
Plan Fiduciary Net Position as a percentage of the Total VLDP OPEB Liability	116.89%	107.99%	119.59%	76.84%	49.19%	51.39%	38.40%

The amounts presented have a measurement date of June 30, 2022

Notes to Schedule:

(1) **Changes of benefit terms** – There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation

(2) **Changes of assumptions** –The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from July 1, 2016, through June 30, 2020, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2021. Changes to the actuarial assumptions as a result of the experience study and VRS Board action are as follows:

Non-Largest 10 Locality Employers-General Employees

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled	Update to PUB2010 public sector mortality tables. For future mortality improvements, replace load with a modified Mortality Improvement Scale MP-2020.
Retirement Rates	Adjusted rates to better fit experience for Plan 1; set separate rates based on experience for Plan 2/Hybrid; changed final retirement age from 75 to 80 for all.
Withdrawal Rates	Adjusted rates to better fit experience at each age and service decrement through 9 years of service.
Disability Rates	No change
Salary Scale	No change
Discount Rate	No change

(3) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF AUTHORITY CONTRIBUTIONS – OPEB – VIRGINIA LOCAL DISABILITY PROGRAM

	Fiscal year June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (CRC)	$ 13,199	$ 12,358	$ 8,507	$ 7,851	$ 6,915	$ 5,111	$ 3,181	$ 2,369	$ 1,781	$ 876
Contributions in relation to the CRC	13,199	12,358	8,507	7,851	6,915	5,111	3,181	2,369	1,781	876
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	$ 1,552,824	$ 1,452,890	$ 1,024,940	$ 941,055	$ 959,464	$ 708,987	$ 530,126	$ 394,910	$ 296,810	$ 146,012
Contributions as a percentage of covered-employee payroll	0.85%	0.85%	0.83%	0.83%	0.72%	0.72%	0.60%	0.60%	0.60%	0.60%

(1) This schedule is presented to illustrate the requirement to show 10 years of information.

Northern Virginia Transportation Authority

Supplementary Information

YEAR ENDED JUNE 30, 2024

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF GENERAL AND ADMINISTRATION EXPENDITURES
Year Ended June 30, 2024

General and Administration Expenditures:		
Personnel expenses		$ 2,764,414
Salaries & wages	$ 2,169,836	
Benefits & retirement	594,578	
Professional services		194,208
Legislative services fees	80,693	
Auditing & accounting services fees	39,000	
Public outreach & regional event support costs	29,101	
Investment custody services fees	20,020	
Financial advisory services fees	17,325	
Payroll & bank services fees	5,382	
Bond trustee services fees	2,687	
Technical and technology hosting services		242,323
GIS & Project Management & Monitoring systems	107,689	
Financial reporting & accounting systems	92,502	
Network-IT-Hosting services	39,233	
Web development & hosting services	2,899	
Office lease & transition expenses		255,103
Professional development, memberships, industry & training conferences		41,007
Office supplies, furniture and equipment expenses		24,309
Phone services		15,057
Insurance and liability bonds cost		12,621
Mileage and transportation costs		6,723
Hosted meeting expenses		5,585
Copier printing and duplication charges		4,071
Advertisement-job positions		955
Postage		11
Total general and administration expenditures		**$ 3,566,387**

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF CHANGES IN NET POSITION BY JURISDICTION
LOCAL DISTRIBUTION FUND (30%)
Year Ended June 30, 2024

	Arlington County	Fairfax County	Loudoun County	Prince William County	City of Alexandria	City of Fairfax	City of Falls Church	City of Manassas	City of Manassas Park	Totals
Revenues										
Intergovernmental:										
Commonwealth of Virginia										
Sales tax	$ 10,225,573	$ 44,380,803	$ 20,780,288	$ 16,805,776	$ 7,204,900	$ 2,426,131	$ 1,163,792	$ 2,451,634	$ 541,101	$ 105,979,998
Regional congestion relief fee	1,112,104	3,986,722	2,053,340	1,772,147	656,857	112,811	48,106	125,944	59,463	9,927,494
Interstate operations enhancement program	493,596	2,152,420	1,058,019	810,827	349,728	119,746	52,304	116,568	29,098	5,182,306
Northern Virginia transportation district fund transfer	572,806	2,497,880	1,209,377	941,224	407,100	139,294	62,460	136,804	33,055	6,000,000
Commonwealth fund interest income	35,853	152,851	68,570	57,566	24,738	8,301	3,969	8,138	1,781	361,767
Investment earnings	21,496	91,330	43,002	34,996	14,881	4,803	2,280	4,883	1,152	218,823
Total revenues	12,461,428	53,262,006	25,212,596	20,422,536	8,658,204	2,811,086	1,332,911	2,843,971	665,650	127,670,388
Expenditures										
Distribution of 30% local funds										
Total expenditures	$ 12,461,428	$ 53,262,006	$ 25,212,596	$ 20,422,536	$ 8,658,204	$ 2,811,086	$ 1,332,911	$ 2,843,971	$ 665,650	$ 127,670,388

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF CHANGES IN RESTRICTED FUNDING FOR APPROPRIATED PROJECTS – REGIONAL REVENUE FUND

Jurisdiction	Appropriation Year	SPA Title	Total NVTA Appropriated Funds	Actual Invoicing	Remaining Appropriation as of 6/30/2024	% of Total	Phases
Arlington County	2014	Silver/Blue Line Mitigation (4 New Buses) (2014)	$ 1,000,000	$ 797,696	$ -	100.00%	Asset Acquisition
Arlington County	2014	Boundary Channel Drive Interchange (2014)	4,335,000	4,335,000	-	100.00%	Construction
Arlington County	2014	Crystal City Multimodal Center (2014)	1,500,000	1,326,173	-	100.00%	Construction
Arlington County	2014	Columbia Pike Multimodal Street Improvements - East (2014)	12,000,000	12,000,000	-	100.00%	Construction
Arlington County	2015	Ballston Metrorail Station West Entrance (2015)	12,000,000	2,654,040	9,345,960	22.12%	Design/Engineering/Environmental
Arlington County	2015	Glebe Road Corridor ITS Improvements (2015)	2,000,000	624,763	1,375,237	31.24%	Construction, Design/Engineering/Environmental
Arlington County	2015	Columbia Pike Multimodal Street Improvements - West (2015)	10,000,000	4,380,587	5,619,413	43.81%	Construction, Design/Engineering/Environmental
Arlington County	2017	Lee Highway Corridor ITS Enhancements (2017)	3,000,000	406,354	2,593,646	13.55%	Construction, Design/Engineering/Environmental, ROW and Utilities
Arlington County	2017	Crystal City Streets (2017)	11,600,000	7,040,139	4,559,861	60.69%	Construction, Design/Engineering/Environmental
Arlington County	2018	Crystal City Metrorail Station East Entrance and Intermodal Connections (2018)	5,000,000	5,000,000	-	100.00%	Design/Engineering/Environmental
Arlington County	2018	ART Operations and Maintenance Facilities (2018)	39,027,000	34,431,755	4,595,245	88.23%	Asset Acquisition, Construction, Design/Engineering/Environmental
Arlington County	2018	Pentagon City Multimodal Connections and Transitway Extension (2018)	28,850,000	1,831,343	27,018,657	6.35%	Construction
Arlington County	2018	Intelligent Transportation System Improvements (2018)	10,000,000	1,862,821	8,137,179	18.63%	Acquisition, Construction, Design/Environmental, ROW and Utilities
Arlington County	2020	Rosslyn Multimodal Network Improvements (2020)	11,874,000	54,488	11,819,512	0.46%	Construction, Design/Engineering/Environmental, ROW and Utilities
City of Alexandria	2014	Traffic Signal Upgrades/Transit Signal Priority (2014)	660,000	382,181	-	100.00%	Construction, Design/Engineering/Environmental
City of Alexandria	2014	DASH Bus Expansion (5 New) (2014)	1,462,500	1,462,500	-	100.00%	Asset Acquisition
City of Alexandria	2014	Shelters and RTI for DASH/WMATA (2014)	450,000	450,000	-	100.00%	Construction
City of Alexandria	2014	Potomac Yard Metrorail Station EIS (2014)	2,000,000	2,000,000	-	100.00%	Design/Engineering/Environmental
City of Alexandria	2015	Duke Street Transit Signal Priority Installation (2015)	190,000	190,000	-	100.00%	Asset Acquisition
City of Alexandria	2015	Potomac Yard Metrorail Station (2015)	1,500,000	1,500,000	-	100.00%	Design/Engineering/Environmental
City of Alexandria	2015	West End Transitway Study (2015)	2,400,000	1,102,092	1,297,908	45.92%	Design/Engineering/Environmental
City of Alexandria	2017	Potomac Yard Metrorail Station (2017)	66,000,000	66,000,000	-	100.00%	Construction
City of Alexandria	2018	Alexandria ITS Projects (2018)	1,195,491	646,738	-	100.00%	Construction
City of Alexandria	2018	Alexandria Bus Network ITS (2018)	150,000	150,000	-	100.00%	Asset Acquisition
City of Alexandria	2018	West End Transitway: Northern Segment (Phase 1) (2018)	2,200,000	-	2,200,000	0.00%	ROW and Utilities
City of Alexandria	2018	DASH Transit Service Enhancements and Expansion (2018)	11,933,161	9,368,336	2,564,825	78.51%	Asset Acquisition, Construction, Study
City of Alexandria	2018	Alexandria Duke St Transitway (2018)	12,000,000	1,648,414	10,351,586	13.74%	Design/Engineering/Environmental
City of Fairfax	2014	Chain Bridge Road Widening/Improvements (2014)	5,000,000	5,000,000	-	100.00%	Construction, ROW and Utilities
City of Fairfax	2015	Cue 35-Foot Buses (6 New) (2015)	3,000,000	2,536,210	-	100.00%	Asset Acquisition
City of Fairfax	2015	Kamp Washington Intersection Improvements (2015)	1,000,000	1,000,000	-	100.00%	Construction
City of Fairfax	2015	Northfax - Intersection Improvements at Route 29/50 and Route 123 (2015)	10,000,000	10,000,000	-	100.00%	Construction, ROW and Utilities
City of Fairfax	2015	Jermantown / Route 50 Roadway Improvements (2015)	1,000,000	1,000,000	-	100.00%	Construction
City of Fairfax	2018	Jermantown Road Corridor Improvements Project (2018)	21,000,000	567,843	20,432,157	2.70%	Construction, Design/Engineering/Environmental, ROW and Utilities
City of Fairfax	2018	Intersection Improvements at Eaton Place/Chain Bridge Road (2018)	10,750,000	-	10,750,000	0.00%	Construction, Design/Engineering/Environmental, ROW and Utilities
City of Fairfax	2018	Old Lee Highway Multimodal Improvements Phase 1 (2018)	5,000,000	-	5,000,000	0.00%	Construction, ROW and Utilities
City of Fairfax	2018	Roadway Network Northfax West (2018)	2,500,000	2,427,685	72,315	97.11%	Design/Engineering/Environmental, ROW and Utilities
City of Fairfax	2020	Roadway Network Northfax West (2020)	2,200,000	-	2,200,000	0.00%	Construction, ROW and Utilities
City of Fairfax	2020	Government Center Parkway Extension (2020)	3,540,000	-	3,540,000	0.00%	Construction, ROW and Utilities
City of Falls Church	2014	Funding for Bus Shelters (2014)	200,000	200,000	-	100.00%	Construction, Design/Engineering/Environmental, ROW and Utilities
City of Falls Church	2014	Pedestrian Access to Transit (2014)	700,000	700,000	-	100.00%	Construction, Design/Engineering/Environmental, ROW and Utilities

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF CHANGES IN RESTRICTED FUNDING FOR APPROPRIATED PROJECTS – REGIONAL REVENUE FUND (Continued)

Jurisdiction	Appropriation Year	SPA Title	Total NVTA Appropriated Funds	Actual Invoicing	Remaining Appropriation as of 6/30/2024	% of Total	Phases
City of Falls Church	2014	Pedestrian Bridge at Van Buren Street (2014)	$ 300,000	$ 130,228	$ -	100.00%	Construction, Design/Engineering/Environmental
City of Falls Church	2018	West Falls Church & Joint Campus Revitalization District Multimodal Transportation Project (2018)	15,700,000	12,858,046	2,841,954	81.90%	Construction, Design/Engineering/Environmental
City of Falls Church	2020	Downtown Falls Church Multimodal Improvements (2020)	8,300,000	-	8,300,000	0.00%	Construction, ROW and Utilities
City of Falls Church	2020	West Falls Church Access to Transit and Multimodal Connectivity (2020)	6,900,000	100,228	6,799,772	1.45%	Construction, Design/Engineering/Environmental, ROW and Utilities
City of Manassas	2015	Route 28 Widening: Godwin Drive to the Southern City Limits (2015)	3,294,000	3,294,000	-	100.00%	Construction, Design/Engineering/Environmental, ROW and Utilities
Fairfax County	2014	Route 28 Widening 6 to 8 lanes (NB from McLearen Road to Dulles Toll Road) (2014)	11,100,000	11,100,000	-	100.00%	Construction
Fairfax County	2014	Route 28 Widening 6 to 8 lanes (SB from Dulles Toll Road to Route 50) (2014)	20,000,000	20,000,000	-	100.00%	Construction
Fairfax County	2014	Innovation Center Metrorail Station (2014)	41,000,000	37,372,896	3,627,104	91.15%	Construction, Design/Engineering/Environmental
Fairfax County	2015	Connector Buses (12 New) (2015)	6,000,000	5,922,262	-	100.00%	Asset Acquisition
Fairfax County	2015	West Ox Bus Garage Expansion (2015)	20,000,000	11,710,280	-	100.00%	Construction
Fairfax County	2015	Fairfax County Parkway Widening Rte. 123 to Rte. 29 (Study) (2015)	10,000,000	10,000,000	-	100.00%	Design/Engineering/Environmental
Fairfax County	2015	Frontier Drive Extension & Interchange Improvements (2015)	2,000,000	2,000,000	-	100.00%	Design/Engineering/Environmental
Fairfax County	2015	Route 28 Widening: Prince William County Line to Route 29 (2015)	5,000,000	5,000,000	-	100.00%	Design/Engineering/Environmental
Fairfax County	2015	Route 1 Widening - Mount Vernon Memorial Highway to Napper Road (2015)	1,000,000	1,000,000	-	100.00%	Design/Engineering/Environmental
Fairfax County	2015	Route 7 Bridge Widening: Over Dulles Toll Road (2015)	13,900,000	13,900,000	-	100.00%	Construction
Fairfax County	2015	Innovation Center Metrorail Station (2015)	28,000,000	27,837,813	162,187	99.42%	Construction
Fairfax County	2015	Rolling Road Widening - Old Keene Mill Road to Franconia Springfield Parkway (2015)	5,000,000	3,750,000	1,250,000	75.00%	Design/Engineering/Environmental, ROW and Utilities
Fairfax County	2017	Route 7 Widening - Colvin Forest Drive to Jarrett Valley Drive (2017)	10,000,000	10,000,000	-	100.00%	ROW and Utilities
Fairfax County	2017	Fairfax County Parkway Widening Rte 123 to Rte 29 (widening) (2017)	10,000,000	3,262,406	6,737,594	32.62%	ROW and Utilities
Fairfax County	2017	Route 28 Widening: Prince William County Line to Route 29 (2017)	5,000,000	4,617,648	382,352	92.35%	ROW and Utilities
Fairfax County	2018	Fairfax County Parkway Widening from Ox Road to Lee Highway includes a grade separated interchange at the intersection of Popes Head Road (2018)	67,000,000	-	67,000,000	0.00%	Construction, ROW and Utilities
Fairfax County	2018	Frontier Drive Extension and Intersection Improvements (2018)	25,000,000	-	25,000,000	0.00%	ROW and Utilities
Fairfax County	2018	Route 28 Widening: Prince William County Line to Rte 29 (2018)	16,000,000	9,192,323	6,807,677	57.45%	Construction
Fairfax County	2018	Rolling Road Widening: Hunter Village Drive to Old Keene Mill Road (2018)	11,111,000	-	11,111,000	0.00%	Construction, ROW and Utilities
Fairfax County	2018	Route 1 Widening - Mount Vernon Memorial Highway to Napper Road (2018)	127,000,000	17,764,669	109,235,331	13.99%	Construction, Design/Engineering/Environmental, ROW and Utilities
Fairfax County	2018	Richmond Highway Bus Rapid Transit - Phases I & II (2018)	250,000,000	50,560,310	199,439,690	20.22%	Construction, Design/Engineering/Environmental, ROW and Utilities
Loudoun County	2014	Leesburg Park and Ride (2014)	1,000,000	1,000,000	-	100.00%	Construction
Loudoun County	2014	Two New Transit Buses (2014)	880,000	880,000	-	100.00%	Asset Acquisition
Loudoun County	2014	Belmont Ridge Road, North of the Dulles Greenway (2014)	20,000,000	20,000,000	-	100.00%	Construction, ROW and Utilities
Loudoun County	2014	Route 28 Hot Spot Improvements (Sterling Boulevard to the Dulles Toll Road) (2014)	12,400,000	12,400,000	-	100.00%	Construction
Loudoun County	2015	Transit Buses (4 New) (2015)	1,860,000	1,860,000	-	100.00%	Asset Acquisition
Loudoun County	2015	Loudoun County Parkway Development (2015)	31,000,000	12,223,300	-	100.00%	Construction, Design/Engineering/Environmental, ROW and Utilities
Loudoun County	2015	Belmont Ridge Road Widening (Truro Parish Dr to Croson Ln) (2015)	19,500,000	10,990,235	8,509,765	56.36%	Construction
Loudoun County	2018	Route 28 Northbound Widening –between the Dulles Toll Road and Sterling Boulevard (2018)	20,000,000	18,420,600	-	100.00%	Construction
Loudoun County	2018	Route 9 Traffic Calming (2018)	12,112,000	12,112,000	-	100.00%	Construction, Design/Engineering/Environmental, ROW and Utilities
Loudoun County	2018	Route 15 Bypass Widening: Battlefield Parkway to Montresor Road (2018)	54,000,000	494,787	53,505,213	0.92%	Construction, ROW and Utilities
Loudoun County	2018	Extend Shellhorn Road: Loudoun County Parkway (Route 607) to Randolph Drive (Route 1072) (2018)	16,000,000	9,112,386	6,887,614	56.95%	ROW and Utilities
Loudoun County	2018	Northstar Boulevard - Shreveport Drive to Tall Cedars Parkway (2018)	64,805,000	13,446,141	51,358,859	20.75%	Construction, ROW and Utilities
Loudoun County	2018	Prentice Drive Extension: Lockridge Road (Route 789) to Shellhorn Road (Route 643) (2018)	76,230,000	4,166,689	72,063,311	5.47%	Construction, ROW and Utilities

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF CHANGES IN RESTRICTED FUNDING FOR APPROPRIATED PROJECTS – REGIONAL REVENUE FUND (Continued)

Jurisdiction	Appropriation Year	SPA Title	Total NVTA Appropriated Funds	Actual Invoicing	Remaining Appropriation as of 6/30/2024	% of Total	Phases
Loudoun County	2018	Dulles West Boulevard Widening: Loudoun County Parkway to Northstar Boulevard (2018)	$ 47,800,000	$ 5,286,945	$ 42,513,055	11.06%	Construction, Design/Engineering/Environmental, ROW and Utilities
Loudoun County	2018	Evergreen Mills Road Intersection Realignments – Watson Road and Reservoir Road (2018)	14,000,000	2,444,346	11,555,654	17.46%	Construction, Design/Engineering/Environmental, ROW and Utilities
NOVA Parks	2018	Falls Church Enhanced Regional Bike Routes (W&OD) (2018)	3,244,959	2,802,546	-	100.00%	Construction, Design/Engineering/Environmental
NVTC	2014	Transit Alternatives Analysis Study in the Route 7 Corridor (2014)	838,000	834,665	-	100.00%	Study
Prince William County	2014	Route 28 From Linton Hall Road to Fitzwater Drive (2014)	28,000,000	28,000,000	-	100.00%	Construction
Prince William County	2014	Route 1 From Featherstone Road to Marys Way (2014)	3,000,000	2,939,093	-	100.00%	Design/Engineering/Environmental
Prince William County	2015	Route 28 Widening: Route 234 Bypass to Linton Hall Road (2015)	16,700,000	16,700,000	-	100.00%	Construction, Design/Engineering/Environmental
Prince William County	2015	Route 28 Congestion Study - Godwin Drive Extension Alternative (2015)	2,500,000	2,499,553	-	100.00%	Study
Prince William County	2015	Route 1 Widening: Featherstone Road to Marys Way (2015)	49,400,000	44,398,773	5,001,227	89.88%	Construction, Design/Engineering/Environmental, ROW and Utilities
Prince William County	2015	Route 1 (Fraley Blvd) Widening: Brady's Hill Road to Dumfries Road (2015)	6,900,000	6,115,142	784,858	88.63%	Design/Engineering/Environmental
Prince William County	2017	Route 28 Widening: Route 234 Bypass to Linton Hall Road (2017)	10,000,000	4,599,189	5,400,811	45.99%	Construction
Prince William County	2017	Route 1 Widening: Featherstone Road to Marys Way (2017)	11,000,000	10,678,206	321,794	97.07%	Construction
Prince William County	2018	RT28 corridor improvements (Fitzwater Dr to Pennsylvania Ave) (2018)	15,000,000	14,997,857	-	100.00%	Construction
Prince William County	2018	Route 28 Corridor Feasibility Study - Environmental Impact Statement (2018)	3,500,000	3,500,000	-	100.00%	Study
Prince William County	2018	Construct Route 28 Corridor Roadway Improvements (2018)	89,000,000	1,476,396	87,523,604	1.66%	Construction, Design/Engineering/Environmental, ROW and Utilities
Prince William County	2018	Prince William Parkway at Clover Hill Road Innovative Intersection (2018)	1,900,000	848,312	1,051,688	44.65%	Design/Engineering/Environmental
Prince William County	2018	Construct Interchange at Prince William Parkway and University Blvd (2018)	24,200,000	21,883,583	2,316,417	90.43%	Construction, Design/Engineering/Environmental, ROW and Utilities
Prince William County	2018	Construct Interchange at Route 234 and Brentsville Road (2018)	54,900,000	47,625,129	7,274,871	86.75%	Construction, Design/Engineering/Environmental, ROW and Utilities
Prince William County	2018	Summit School Rd Extension and Telegraph Rd Widening (2018)	11,000,000	6,614,747	4,385,253	60.13%	Design/Engineering/Environmental, ROW and Utilities
Prince William County	2018	Widen Route 1 (Fraley Blvd) to six lanes between Brady's Hill Rd and Dumfries Rd (RT234) (2018)	44,860,000	3,294,713	41,565,287	7.34%	ROW and Utilities
Prince William County	2020	Summit School Road Extension and Telegraph Road Widening (2020)	24,000,000	349,042	23,650,958	1.45%	Construction
Prince William County	2020	North Woodbridge Mobility Improvements (2020)	8,000,000	1,779,079	6,220,921	22.24%	Construction, Design/Engineering/Environmental, ROW and Utilities
Prince William County	2022	Van Buren Road North (2022)	8,000,000	-	8,000,000	0.00%	Design/Engineering/Environmental
PRTC	2014	PRTC New Gainesville Service (1 Bus) (2014)	580,000	559,275	-	100.00%	Asset Acquisition
PRTC	2015	Western Bus Maintenance & Storage Facility (2015)	16,500,000	16,499,998	-	100.00%	Construction
Town of Herndon	2014	Herndon Metrorail Intermodal Access improvements (2014)	1,100,000	1,100,000	-	100.00%	ROW and Utilities
Town of Herndon	2014	Herndon Parkway Intersection Improvements at Van Buren St (2014)	500,000	446,376	-	100.00%	Design/Engineering/Environmental, ROW and Utilities
Town of Herndon	2014	Herndon Parkway Intersection Improvements at Sterling Rd (2014)	500,000	498,397	-	100.00%	Construction, Design/Engineering/Environmental
Town of Herndon	2015	East Elden Street Improvements & Widening (2015)	10,400,000	2,567,795	7,832,205	24.69%	ROW and Utilities
Town of Leesburg	2014	Edwards Ferry Road at the Route 15 Leesburg Bypass Grade Separation (2014)	1,000,000	1,000,000	-	100.00%	Study
Town of Leesburg	2015	Route 15 Bypass/Edwards Ferry Road Interchange (2015)	1,000,000	1,000,000	-	100.00%	Study
Town of Leesburg	2015	Route 7/Battlefield Parkway Interchange (2015)	13,000,000	13,000,000	-	100.00%	Design/Engineering/Environmental
Town of Leesburg	2017	Route 7 (East Market Street)/Battlefield Parkway Interchange (2017)	20,000,000	20,000,000	-	100.00%	Construction
Town of Leesburg	2018	Construct Interchange at Route 7 and Battlefield Parkway (2018)	25,000,000	25,000,000	-	100.00%	Construction
Town of Leesburg	2018	Interchange Improvements at Route 15 Leesburg Bypass and Edwards Ferry Road (2018)	5,400,000	2,924,667	2,475,333	54.16%	Design/Engineering/Environmental
Town of Leesburg	2018	Construct Interchange at Route 15 Bypass and Battlefield Parkway (2018)	2,000,000	1,271,180	728,820	63.56%	Design/Engineering/Environmental, Study
VRE	2014	VRE Lorton Station Second Platform (2014)	800,270	800,270	-	100.00%	Construction, Design/Engineering/Environmental
VRE	2014	VRE Gainesville-Haymarket Extension Project Development (2014)	1,500,000	1,500,000	-	100.00%	Study
VRE	2015	Rippon Station Expansion and Second Platform (2015)	39,482	39,482	-	100.00%	Design/Engineering/Environmental

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF CHANGES IN RESTRICTED FUNDING FOR APPROPRIATED PROJECTS – REGIONAL REVENUE FUND (Continued)

Jurisdiction	Appropriation Year	SPA Title	Total NVTA Appropriated Funds	Actual Invoicing	Remaining Appropriation as of 6/30/2024	% of Total	Phases
VRE	2015	Slaters Lane Rail Crossover (2015)	$ 7,000,000	$ 2,553,665	$ -	100.00%	Construction, Design/Engineering/Environmental
VRE	2015	Crystal City Platform Extension Study (2015)	400,000	394,243	-	100.00%	Design/Engineering/Environmental
VRE	2015	Manassas Park Station Parking Expansion (2015)	500,000	500,000	-	100.00%	Design/Engineering/Environmental
VRE	2015	Franconia-Springfield Platform Improvements (2015)	13,000,000	1,493,498	11,506,502	11.49%	Construction, Design/Engineering/Environmental
VRE	2017	Manassas Park Station Parking Expansion (2017)	2,000,000	1,798,128	201,872	89.91%	Design/Engineering/Environmental
VRE	2018	VRE Crystal City Station Improvements (2018)	4,000,000	1,757,259	2,242,741	43.93%	Design/Engineering/Environmental
WMATA	2014	Traction Power Upgrades on the Orange Line in Virginia (2014)	4,978,685	2,524,634	-	100.00%	Construction, Design/Engineering/Environmental
WMATA	2017	Blue Line Traction Power Upgrades (2017)	17,443,951	15,313,076	2,130,875	87.78%	Construction, Design/Engineering/Environmental
			$ 1,994,994,499	**$ 907,765,664**	**$ 1,049,177,670**		

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF RESTRICTED APPROVED FUNDING FOR FY2025-FY2029 ADOPTED PROGRAMS FOR THE REGIONAL REVENUE FUND

Jurisdiction	Adoption Year	Project Title	Total Approved Funding	Phases
Arlington County	2020	Arlington W&OD Trail Enhancements	$ 650,000	Design/Engineering/Environmental
Arlington County	2020	CC2DCA Intermodal Connector	18,000,000	Construction, Design/Engineering/Environmental
Arlington County	2022	Ballston-MU Metrorail Station West Entrance	80,000,000	Construction
Arlington County	2024	CC2DCA Multimodal Connection (formerly known as CC2DCA Intermodal Connector)	21,100,000	Construction
Arlington County	2024	Shirlington Bus Station Expansion	11,600,000	Construction, Design/Engineering/Environmental, ROW and Utilities
City of Alexandria	2020	Alexandria Duke Street Transitway	75,000,000	Asset Acquisition, Construction, ROW and Utilities
City of Alexandria	2022	West End Transitway Phase 1b	5,000,000	Design/Engineering/Environmental
City of Alexandria	2022	Alexandria Bike and Pedestrian Trails Construction and Reconstruction	5,000,000	Construction
City of Alexandria	2024	South Van Dorn Street Bridge Enhancements	10,000,000	Construction
City of Alexandria	2024	Safety Improvements at High-Crash Intersections	3,000,000	Design/Engineering/Environmental
City of Alexandria	2024	Alexandria Metroway Enhancements	7,000,000	Construction, ROW and Utilities
City of Alexandria	2024	Smart & Connected Vehicle Infrastructure	5,000,000	Construction, Design/Engineering/Environmental
City of Fairfax	2020	Old Lee Highway Multimodal Improvements	8,000,000	Construction
City of Fairfax	2020	Jermantown Road/Route 29 Intersection Improvements	700,000	Construction, Design/Engineering/Environmental, ROW and Utilities
City of Fairfax	2024	Blenheim Boulevard Multimodal Improvements	5,400,000	Construction
City of Fairfax	2024	Northfax Network Improvements - Northfax East-West Road	12,932,754	Design/Engineering/Environmental, ROW and Utilities
City of Falls Church	2022	North Washington Street Multimodal Improvements Project	22,500,000	Construction, Design/Engineering/Environmental, ROW and Utilities
City of Falls Church	2024	City of Falls Church Signal Prioritization Project	1,400,000	Construction, Design/Engineering/Environmental
City of Manassas	2022	Liberia Avenue 3rd Lane Eastbound	8,851,639	Construction, Design/Engineering/Environmental, ROW and Utilities
City of Manassas	2024	Roundabout at Route 28 and Sudley Rd	4,020,000	Construction
City of Manassas Park	2024	Route 28-Centreville Road Corridor Improvements	40,000,000	Construction, Design/Engineering/Environmental, ROW and Utilities
Fairfax County	2018	Rock Hill Road Bridge	20,604,670	Construction, Design/Engineering/Environmental, ROW and Utilities
Fairfax County	2018	Richmond Highway (Route 1)/CSX Underpass Widening	12,000,000	Construction
Fairfax County	2020	Fairfax County Parkway Widening: Lee Highway (Route 29) to Nomes Court	37,400,000	Construction, Design/Engineering/Environmental, ROW and Utilities
Fairfax County	2020	Rolling Road Widening from Hunter Village Drive to Old Keene Mill Road	27,700,000	Construction, Design/Engineering/Environmental, ROW and Utilities
Fairfax County	2020	Soapstone Drive Extension	15,000,000	Construction, Design/Engineering/Environmental, ROW and Utilities
Fairfax County	2020	Richmond Highway Widening From Route 235 North to Route 235 South	120,387,962	Construction, ROW and Utilities
Fairfax County	2022	Seven Corners Ring Road Improvements	4,200,000	Design/Engineering/Environmental
Fairfax County	2022	Connector Buses (8 New) - Fairfax Connector Buses for Tysons to Franconia Service	10,000,000	Asset Acquisition
Fairfax County	2022	Fairfax County Parkway Widening (Nomes Court to Route 123)	108,000,000	Construction, Design/Engineering/Environmental, ROW and Utilities
Fairfax County	2022	Richmond Highway Widening From Route 235 North to Route 235 South	60,207,038	Construction, Design/Engineering/Environmental, ROW and Utilities
Fairfax County	2022	Richmond Highway (Route 1) Bus Rapid Transit	80,000,000	Acq, Construction, Design/Engineering/Environmental, ROW/Utilities
Fairfax County	2022	Soapstone Drive Extension	73,793,037	Construction, Design/Engineering/Environmental, ROW and Utilities

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

SCHEDULE OF RESTRICTED APPROVED FUNDING FOR FY2025-FY2029 ADOPTED PROGRAMS FOR THE REGIONAL REVENUE FUND (Continued)

Jurisdiction	Adoption Year	Project Title	Total Approved Funding	Phases
Fairfax County	2024	Frontier Drive Extension and Intersection Improvements	$ 111,957,472	Construction
Fairfax County	2024	Seven Corners Ring Road Improvements	122,229,417	Construction, Design/Engineering/Environmental, ROW and Utilities
Fairfax County	2024	Route 7 Multimodal Improvements (I-495 to I-66)	101,351,506	Design/Engineering/Environmental, ROW and Utilities
Fairfax County	2024	Braddock Road Multimodal Improvements Phase II (Humphries Drive to Southampton Drive)	27,299,000	Design/Engineering/Environmental, ROW and Utilities
Loudoun County	2020	Construct Crosstrail Boulevard (Route 653): Sycolin Road to Dulles Greenway (Route 267)	36,700,000	Construction
Loudoun County	2020	Evergreen Mills Road Widening from Northstar Boulevard to Stone Springs Boulevard	18,000,000	Construction, Design/Engineering/Environmental, ROW and Utilities
Loudoun County	2022	Northern Virginia ITS/ICM Improvements	2,500,000	Construction
Loudoun County	2022	Ryan Road Widening (Phase 2)	16,000,000	Construction, ROW and Utilities
Loudoun County	2022	Route 7 Improvements	20,000,000	Construction, ROW and Utilities
Loudoun County	2022	Loudoun County Parkway Interchange at US 50	35,250,000	Construction, Design/Engineering/Environmental, ROW and Utilities
Loudoun County	2024	Old Ox Road Widening - Shaw Road to Oakgrove Road	30,000,000	Construction
Loudoun County	2024	Sycolin Road Widening - Loudoun Center Place to Crosstrail Boulevard	15,000,000	Construction, ROW and Utilities
Loudoun County	2024	Route 15 at Braddock Road Roundabout	10,000,000	Construction, ROW and Utilities
Prince William County	2020	Widen/Relocate Route 1: BradyÆs Hill Road to Dumfries Road (Route 234)	78,000,000	Construction
Prince William County	2022	University Boulevard Extension: Devlin Road to Wellington Road	53,000,000	Construction
Prince William County	2022	Route 1 at Route 123 Interchange	3,000,000	Design/Engineering/Environmental
Prince William County	2022	Old Bridge Road Widening: Colby Drive to Minnieville Road	25,000,000	Construction, Design/Engineering/Environmental, ROW and Utilities
Prince William County	2024	Route 234 and Sudley Manor Drive Interchange	115,000,000	Construction, Design/Engineering/Environmental, ROW and Utilities
Prince William County	2024	Route 234 Bicycle and Pedestrian Facility Over I-95	12,000,000	Construction, Design/Engineering/Environmental, ROW and Utilities
Prince William County	2024	Route 234 Operational Improvements	10,000,000	Asset Acquisition, Construction, Design/Engineering/Environmental
Prince William County	2024	The Landing at Prince William Transit Center	25,000,000	Construction, Design/Engineering/Environmental, ROW and Utilities
Prince William County	2024	Triangle Mobility Hub and First/Last Mile Connection Improvements	10,000,000	Construction, Design/Engineering/Environmental, ROW and Utilities
Town of Herndon	2022	Herndon Parkway Improvements at Worldgate Drive Extension	4,581,000	Construction, ROW and Utilities
Town of Vienna	2018	Mill St NE Parking Garage	2,300,000	Construction
Virginia Passenger Rail Authority	2020	Franconia-Springfield Passenger Rail Bypass	22,958,821	Construction
VRE	2020	VRE Crystal City Station Improvements	15,800,000	Construction
VRE	2024	VRE Backlick Road Station Improvements	6,145,103	Construction
			$ 1,843,519,419	

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 Board of Commissioners of the Virginia Port Authority (Member)
and Management of Northern Virginia Transportation Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *Specifications for Audits of Authorities, Boards and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia, the financial statements of the governmental activities, each major fund, the remaining fund information, and the budgetary comparisons of the Northern Virginia Transportation Authority, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 21, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 that a material misstatement of the Authority'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 that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PBMares, LLP

Harrisonburg, Virginia
October 21, 2024