



November 15, 2024

To the Honorable Commission Board Members  
Northern Virginia Transportation Commission  
Arlington, Virginia

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

***OMB Guidance for Grants and Agreements***

During April 2024, the United States Office of Management and Budget (OMB) issued the revised OMB Guidance for Grants and Agreements, which is now called the OMB Guidance for Federal Financial Assistance.

With this revision, there have been significant changes made to 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly known as the “Uniform Guidance”. This revision is noted as the most significant update to the Uniform Guidance since it was released in 2013.

We recommend the Commission review the guidance and adopt the changes necessary to comply with the new OMB Guidance for Federal Financial Assistance.

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

The Virginia Auditor of Public Accounts has introduced a new requirement regarding compliance with the Virginia Security for Public Deposits Act. Beginning with the quarter ended December 2023, entities were required to verify on a quarterly basis whether their cash account balances held in banks and other financial institutions have been properly reported as public funds. During our audit, it was noted the Commission had already implemented this review. We recommend the Commission continue reviewing on a quarterly basis that its cash accounts are still held in banks and other financial institutions that are public depository accounts.

The following are Governmental Accounting Standard Board (GASB) pronouncements we believe should be communicated to the Commission.

### ***New GASB Pronouncements***

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

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

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

The requirements related to GASB Statement No. 101 will be effective for the Commission beginning with its year ending June 30, 2025.

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

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

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

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

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

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

#### **GASB Statement No. 104, *Disclosure of Certain Capital Assets***

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

Statement No. 104 will be effective for the Commission beginning with its year ending June 30, 2026.

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

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

*PBMares, LLP*

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