

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

MEMORANDUM

TO: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

THROUGH: John Mason, Interim Executive Director

FROM: Michael Longhi, Chief Financial Officer

SUBJECT: NVTA Operating Budget

DATE: May 2, 2014

1. **Purpose:** To update the Authority on the NVTA Operating Budget.
2. **Background:** NVTA is funded through the participating jurisdictions and interest earnings. The Memorandum of Agreement (MOA) between NVTA and the member cities/counties permits the appropriate jurisdictional share of NVTA operational costs to be deducted directly from the 30% distribution or to be billed to jurisdictions.
3. **Comments:** As of this report, the rate of NVTA expenditure is below projections. Current expenses of approximately \$543,300 include approximately \$156,093 in bond preparation expenses. This results in actual cost of operations being approximately \$387,200 or 43% of the budget through ten months of the fiscal year. Specific considerations include:
 - a. Interest income is tied to the projected rate of regional (70%) project funding utilized by member jurisdictions as well as market rates. Interest earned on the 30% funding will be remitted to the member jurisdictions.
 - b. A significant amount (\$156,093) of NVTA expenses to date is related to preparation for the first bond issuance (bond validation suit and development of debt policy). Some of these expenses are recognized as committed but are unpaid, pending receipt of additional cash related to the execution of the MOAs. Many of these expenses are eligible for reimbursement when the bonds are sold.
 - c. The rate of budgeted expenditures is increasing as we've hired staff, employee benefits are used, computer equipment purchased and other additional start-up costs have an impact.
 - d. Extensive research and analysis has been done with respect to an appropriate accounting system. Results are being shared with Finance Committee at its meeting today (May 2). Our prior estimate of system purchase in range of \$25,000 and annual costs at \$12,000 remain unchanged.
 - e. No changes to the operating budget are recommended at this time.

Attachment: NVTA Operating Budget for FY 2014 through April 30, 2014

XVII. ATTACHMENT

Northern Virginia Transportation Authority Proposed FY 2015 Operating Budget July 1, 2013 through April 30, 2014				
	Approved Budget	Received	Anticipated	Projected Revenue
INCOME:				
Cash on hand	\$ 212,117.00	\$ 212,117.36	\$ -	\$ 212,117.36
Interest (70% Regional Revenues)	\$ 100,000.00	\$ 42,790.52		\$ 42,790.52
Billed to Member Jurisdictions	\$ 591,595.00	\$ 572,071.88	\$ 19,523.12	\$ 591,595.00
Misc. Income		\$ 7,473.19		
Total Income	\$ 903,712.00	\$ 834,452.95	\$ 19,523.12	\$ 846,502.88
EXPENDITURES:				
	Approved Budget	Expended	Committed	Available Balance
Professional Service				
Legal	\$ 125,000.00	\$ 74,093.13	\$ -	\$ 50,906.87
Public Outreach	\$ 30,000.00	\$ -	\$ -	\$ 30,000.00
Financial Services	\$ 80,000.00	\$ -	\$ 82,000.00	\$ (2,000.00)
Professional Subtotal	\$ 235,000.00	\$ 74,093.13	\$ 82,000.00	\$ 78,906.87
Operational Expenses				
Start Up Expenses				
Office Space Build Out	\$ 4,000.00	\$ -	\$ -	\$ 4,000.00
One-time h/w, s/w	\$ 948.00	\$ -	\$ -	\$ 948.00
IT/Telecommunications	\$ -	\$ -	\$ -	\$ -
Computers/Installation	\$ 9,972.00	\$ 16,112.49	\$ 2,160.00	\$ (8,300.49)
Start Up Subtotal	\$ 14,920.00	\$ 16,112.49	\$ 2,160.00	\$ (3,352.49)
Annual Expenses				
Telephone Service	\$ 1,650.00	\$ -	\$ -	\$ 1,650.00
Copier/Postage	\$ 9,000.00	\$ 2,696.30	\$ -	\$ 6,303.70
Annual 3d party s/w costs	\$ 895.00	\$ -	\$ -	\$ 895.00
Monthly internet fee (Cox)	\$ 840.00	\$ 889.64	\$ -	\$ (49.64)
Cell phones	\$ 10,000.00	\$ -	\$ -	\$ 10,000.00
Lease Space	\$ 5,460.00	\$ -	\$ -	\$ 5,460.00
Mileage/Transportation	\$ 6,000.00	\$ 772.41	\$ -	\$ 5,227.59
Operating/Meeting Expenses	\$ 1,000.00	\$ 5,588.11	\$ -	\$ (4,588.11)
Insurance	\$ 3,000.00	\$ 2,673.00	\$ -	\$ 327.00
Annual Expenses	\$ 37,845.00	\$ 12,619.46	\$ -	\$ 25,225.54
Operational Subtotal	\$ 52,765.00	\$ 28,731.95	\$ 2,160.00	\$ 21,873.05
Personnel Expenses				
Salaries & Taxes	\$ 342,628.00	\$ 183,176.97	\$ -	\$ 159,451.03
Benefits	\$ 122,700.00	\$ 10,422.99	\$ 12,068.00	\$ 100,209.01
Personnel Subtotal	\$ 465,328.00	\$ 193,599.96	\$ 12,068.00	\$ 259,660.04
Expense Subtotal	\$ 753,093.00	\$ 296,425.04	\$ 96,228.00	\$ 360,439.96
Operating Reserve (20%)	\$ 150,619.00		\$ 150,619.00	\$ -
Total Expenditures	\$ 903,712.00	\$ 296,425.04	\$ 246,847.00	\$ 360,439.96
Billed to Local Governments	\$591,595			
	2010	Billed		
	Population	Amounts		
City of Alexandria	6.30%	\$ 37,270		
Arlington	9.40%	\$ 55,610		
City of Fairfax	1.00%	\$ 5,916		
Fairfax County	48.00%	\$ 283,966		
City of Falls Church	0.60%	\$ 3,550		
Loudoun	14.20%	\$ 84,006		
City of Manassas	1.70%	\$ 10,057		
City of Manassas Park	0.60%	\$ 3,550		
Prince William	18.20%	\$ 107,670		
	100.00%	\$ 591,595		