



# Quarterly Financial Report

---

**June 30, 2023**

## Executive Summary

This report provides the Commonwealth Transportation Board (CTB) and other interested parties an update regarding the Agency budget and the related variances between anticipated expenditures and actual expenditures; cash balances; resources versus commitments; and funds available for allocation. The General Assembly and Governor approved the creation of the Virginia Passenger Rail Authority (VPRA) beginning on July 1, 2020. The VPRA is a separate legal entity that is charged with the oversight of passenger rail activities in the Commonwealth. A majority of rail financial activity is now reported by the VPRA. The VPRA receives ongoing funding from DRPT of 93% of the estimated revenues of the Commonwealth Rail Fund.

### Budget vs. Actual

A key schedule included in this report is a Budget versus Actual Expenditure analysis. This schedule reports the actual results of the agency's activities during the fiscal year as compared to the budget adopted by the CTB using a cash basis of accounting.

Department of Rail and Public Transportation Budget vs. Actual Fiscal Year 2023 (\$ in Millions)				
	<u>FY 2023 Budget</u>	<u>Actual 6/30/2023</u>	<u>Variance</u>	<u>Percentage</u>
Transit Programs	\$ 804.2	\$ 757.0	\$ 47.2	5.9%
Rail Programs	36.5	18.0	18.5	50.7%
Agency Operating Budget	18.3	17.6	0.7	3.8%
Agency Total before VPRA	<u>\$ 859.0</u>	<u>\$ 792.6</u>	<u>\$ 66.4</u>	<u>7.7%</u>
VPRA Payments	185.7	188.9	(3.2)	-1.7%
Agency Total after VPRA	<u>\$ 1,044.7</u>	<u>\$ 981.5</u>	<u>\$ 63.2</u>	<u>6.0%</u>

At June 30, 2023, the total variance of the actual expenditures compared to the anticipated expenditures for the FY 2023 is 6.0% or \$63.2 million. For Transit Programs the expenditures are below the estimate by 5.9% or \$47.2 million. In general, Capital projects, including facility construction, bus purchases, bus overhauls, and IT hardware and software replacements are delayed mainly due to the impact of the COVID-19

pandemic and related supply chain issues. Although capital spending is beginning to grow again, production bottlenecks remain. In addition, this was the second year of funding for the new Transit Ridership Improvement Program. Increased time was needed for agencies to plan and collect local matching funds for larger projects. The planned spending on these projects will move forward into fiscal year 2024 and beyond.

In Rail Programs, the expenditures are below the estimate by 50.7% or \$18.5 million. These variances were mainly due to delays across the board in rail projects due to the impact of the COVID-19 pandemic on the freight rail industry. In addition, there have been delays in securing Federal and local funding agreements for some larger projects.

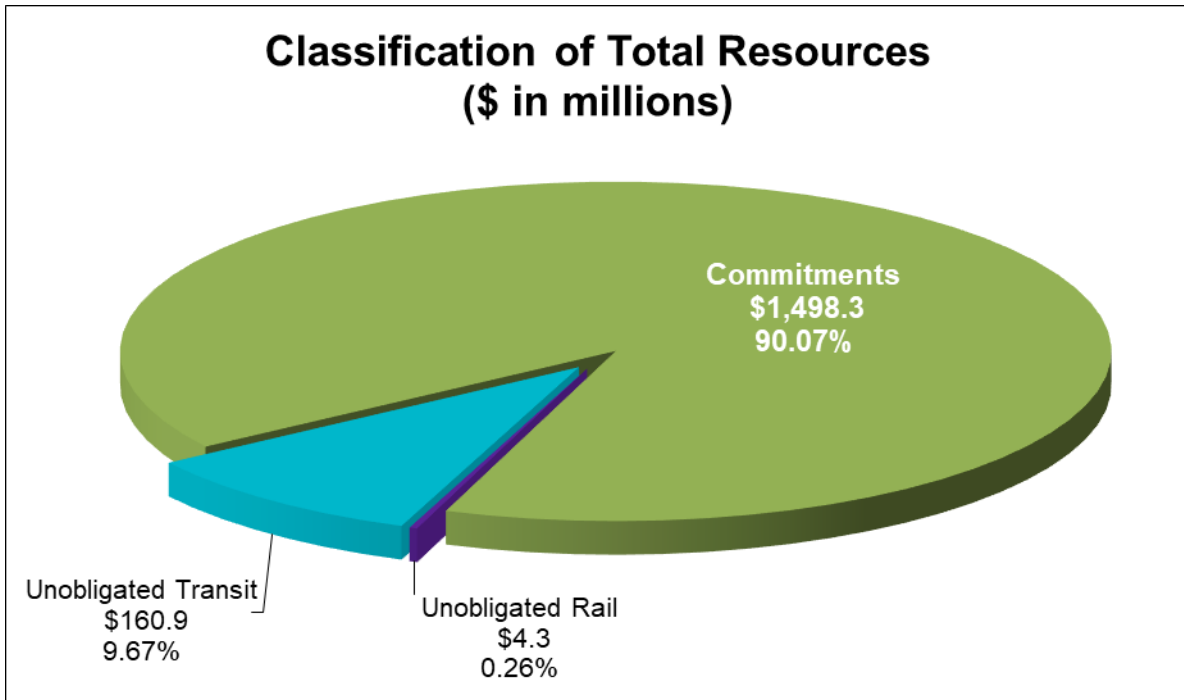
It is important to note that DRPT's reliance on our transportation partners for accurate information will impact the accuracy of our budgeted expenditures. The vast majority of the DRPT budgeted expenditures are initiated by a reimbursement request from one of our project partners who controls the actual project development. As such, DRPT must gather information from these partners about the timing of over 2,000 projects in order to estimate cash basis expenditures each year. Based on this operating format for DRPT, a variance of up to 15% would not be unreasonable. Ultimately, the goal for DRPT is to work with our project partners to realize a variance of 10% or less by each year end.

## **Unobligated Funds**

The detailed analysis section of this report includes a Schedule of Resources and Commitments that identifies available resources that may be allocated to new projects. This schedule is supported by a reconciliation of current and prior year resources and the related Six Year Improvement Program (SYIP) allocations of those resources to various projects by the CTB. It utilizes the modified accrual basis of accounting and is similar to a balance sheet. The schedule also provides an indication of the utilization and collection efforts of DRPT's resources (assets).

The key output of the Schedule of Resources and Commitments (page 11) is the detail of unobligated funds that are currently available to fund rail and transit projects. The chart on the following page illustrates the amount of funds available after our commitments are met. Essentially, the chart shows what percentage of DRPT resources are already supporting ongoing rail and transit initiatives. It is important to note that unique allocation parameters govern the allowable use of the unobligated balances.

For the year ended June 30, 2023, the total unobligated balance for all funds is \$165.2 million, which includes \$160.9 million for the transit programs and \$4.3 million for the rail programs. The total unobligated balance is 9.9% of total resources as compared to 9.0% on June 30, 2022. The unobligated balances have been reduced by the amount needed for project allocations proposed in the FY 2024 SYIP.



The rail programs balance of \$4.3 million consists of \$3.7 million of unobligated freight and rail planning funds. In addition, the rail programs balance includes \$0.6 million of rail preservation funds.

The transit programs unobligated balance of \$160.9 million consists of \$21.9 million of Federal funds that have restrictions on their potential use, such as \$2.6 million of Coronavirus Aid, Relief, and Economic Security (CARES) Act and American Rescue Plan Act (ARPA) funding. In addition, the transit programs balance includes \$70.3 million of Commonwealth Mass Transit funds, \$10.0 million in the transit operating and capital reserves, \$60.1 million of I-66 toll funds, \$0.1 million of transit bonds, \$0.2 million of other transit capital funds, and a deficit of \$1.7 million of WMATA Dedicated funds. The deficit in WMATA Dedicated funds is due to the timing of revenue collections and expenses. The deficit is expected to be fully funded in FY 2024. Despite this deficit, the Commonwealth fulfilled its FY 2023 obligation of \$154.5 million to WMATA.

High balances of Federal funds are due to the Federal Transit Administration allocating CARES Act funding to address needs related to the Coronavirus in the fourth quarter of FY 2020 and ARPA funds in FY 2021. A portion of the Federal CARES funds were used in place of Commonwealth Mass Transit funds and FTA 5311 funds to cover operating expenses for rural service in FY 2021 and FY 2022. This has resulted in a large balance of both unobligated and committed Federal funds which are decreasing as these funds are used.

The detailed report included herein provides a more in-depth look at DRPT's assets (cash and receivables), liabilities (project and grant commitments), and annual operational results as compared to the approved budget.



## Detailed Quarterly Analysis

The following pages present a detailed reporting of the Department's fiscal year (July 1, 2022 – June 30, 2023). For a definition of individual line items in the subsequent schedules, please consult the glossary.

## Schedule of Budget vs. Actual

This schedule reports the actual results of the agency's activities during the current fiscal year as compared to the budget adopted by the CTB. In the current quarter, the schedule compares the full budget for the fiscal year (July 1 – June 30) with the actual expenditures for the FY 2023 using a cash basis of accounting. For transit programs, the FY 2023 expenditures are 5.9% below the estimate, as compared to a 9.6% variance at the same time last year. In the rail programs, the current year expenditures are 50.7% below the estimate compared to the prior year's variance of 55.7% as of June 30.

Schedule of Budget vs. Actual					
As of June 30, 2023					
(\$ in Millions)					
	Adopted FY 2023	Actual 6/30/2023	Variance	Percentage Variance	Notes
<b>Public Transportation Programs</b>					
Operating Assistance	\$ 215.1	\$ 209.9	\$ 5.2	2.4%	
Capital Assistance	122.5	100.9	21.6	17.6%	A
Special Programs	8.6	7.1	1.5	17.4%	
Ridership Incentive Programs	24.3	10.1	14.2	58.4%	B
WMATA Assistance	252.6	252.1	0.5	0.2%	
<b>Total</b>	<b>623.1</b>	<b>580.1</b>	<b>43.0</b>	<b>6.9%</b>	
<b>Commuter Assistance Programs</b>	<b>11.6</b>	<b>12.8</b>	<b>(1.2)</b>	<b>-10.3%</b>	
<b>Human Service Transportation Pgm</b>	<b>10.3</b>	<b>6.2</b>	<b>4.1</b>	<b>39.8%</b>	
<b>Planning, Regulation, &amp; Safety Pgm</b>	<b>4.7</b>	<b>3.4</b>	<b>1.3</b>	<b>27.7%</b>	
<b>WMATA Dedicated</b>	<b>154.5</b>	<b>154.5</b>	<b>-</b>	<b>0.0%</b>	
<b>Total Transit Programs</b>	<b>804.2</b>	<b>757.0</b>	<b>47.2</b>	<b>5.9%</b>	
<b>Rail Assistance Programs</b>					
Rail Preservation Programs	11.1	5.8	5.3	47.7%	
Rail Industrial Access	2.6	1.2	1.4	53.8%	
Freight Rail and Rail Planning Programs	22.8	11.0	11.8	51.8%	C
<b>Total Rail Programs</b>	<b>36.5</b>	<b>18.0</b>	<b>18.5</b>	<b>50.7%</b>	
<b>Agency Operating Budget</b>	<b>18.3</b>	<b>17.6</b>	<b>0.7</b>	<b>3.8%</b>	
<b>Agency Total before VPRA</b>	<b>\$ 859.0</b>	<b>\$ 792.6</b>	<b>\$ 66.4</b>	<b>7.7%</b>	
<b>VPRA Recurring Payments</b>	<b>185.7</b>	<b>188.9</b>	<b>(3.2)</b>	<b>-1.7%</b>	
<b>Agency Total</b>	<b>\$ 1,044.7</b>	<b>\$ 981.5</b>	<b>\$ 63.2</b>	<b>6.0%</b>	

**Note: Any variances of \$10.4 million (1% of the total budget) and 15% are explained.**

## Variance notes:

(A) Transit Capital Assistance expenditures were \$21.6 million or 17.6% less than the estimate in the budget. The following project specific details help to explain the total variance for Capital Assistance expenditures:

- NVTC was expected to invoice \$3.6 million more for Alexandria for access improvements to the Potomac Yard Metrorail Station. The station was opened for service in 2023, but final construction activities and punch-list completion are ongoing. Completion is expected in the second quarter of fiscal year 2024 with final invoicing expected in the third quarter of fiscal year 2024.
- NVTC was expected to invoice \$3.5 million more for Fairfax County for design and construction of the Silver Line innovation metro garage. Invoicing on this project is complete and the remaining balance has been deobligated.
- HRT was expected to invoice \$3.3 million more for Ferry purchases. This order was completed early and under budget with the remainder of funding deobligated.
- Jaunt was expected to invoice \$2.7 million for the purchase of light duty buses. These grants were put on hold pending a review of service area needs which was completed in October 2021. All buses were ordered in the third quarter of fiscal year 2022. The first bus is expected to arrive in the first quarter of fiscal year 2024. Delivery should be completed by the end of the second quarter of fiscal year 2024.
- The City of Harrisonburg was expected to invoice \$2.5 million for bus purchases. The project was delayed due to the delay in finalizing the State bus contract. Gillig is in the process of providing a final quote at which time a notice to proceed will be sent. Buses are expected to arrive the third quarter of fiscal year 2025.
- Charlottesville was expected to invoice \$2.2 million for body on chassis bus purchases. Four buses have been ordered and delivery is expected in the first quarter of fiscal year 2024. Ten more buses are expected to be ordered in the first quarter of fiscal year 2024. Delivery would be expected eighteen to twenty-four months from the order date.
- PRTC was expected to invoice \$2.1 million for bus purchases. Production has been delayed. Delivery is now expected in the first quarter of fiscal year 2024.
- The remaining variance is due to many smaller projects that differ from the estimated cash flows for a variety of reasons.

(B) Ridership Incentive Program expenditures were \$14.2 million or 58.4% less than the estimate in the budget. The following project specific details help to explain the total variance for Transit Ridership Incentive expenditures:

- DRPT anticipated that an additional \$10.9 million of Transit Ridership Improvement Programs would be funded when the annual budget for FY 2023 was created. This was the second year of the new program and grantees were still learning about the program. In addition, increased project planning time for larger projects and time to collect local matching funds were needed. Furthermore, the initial restrictions on the use of the funds were tight. Legislation was recently passed relaxing the requirements to use these funds. As such, grant applications for projects utilizing these funds are expected to increase in Fiscal Years 2024 and 2025.
- Fairfax County was expected to invoice \$2.1 million for subsidized Smart Card trips. These cards are reduced fare, meaning card holders will only be charged for 50% of the fare associated with the rides. There has been a delay in receiving the cards from WMATA. Payment is expected in the first quarter of fiscal year 2024.

- Hampton Roads Transit was expected to invoice \$0.4 million more for a Norfolk Naval Station internal circulator. The initial planning and coordination with the naval base took longer than anticipated. The route has been in operation since November 2022. Payments are expected to continue through the first quarter of fiscal year 2024.
- Petersburg Area Transit was expected to invoice \$0.4 million for Southern Express service. This project would provide service from Petersburg to Southern Virginia. Petersburg has not been able to reach agreement with other involved counties. It is anticipated that this project will not move forward.
- Greater Lynchburg Transit Company (GLTC) was expected to invoice \$0.3 million more for a Route 4 regional connectivity improvement project which provides an increased transit presence on a major commercial corridor in the City of Lynchburg. GLTC has begun the service and it is anticipated that invoicing will continue through the first quarter of fiscal year 2024.
- The remaining variance is due to many smaller projects that differ from the estimated cash flows for a variety of reasons.

(C) Freight Rail and Rail Planning Program expenditures were \$11.8 million, or 51.8% less than the estimate in the budget. The following project specific details help to explain the total variance for Freight Rail and Rail Planning expenditures:

- The Virginia Port Authority was expected to invoice \$2.7 million for the Front Royal capacity expansion project. There was a delay in the Federal funding agreement, but all agreements are in place and the project is actively moving forward. Invoicing is delayed from the Port but is expected in the first quarter of fiscal year 2024.
- The Virginia Port Authority was expected to invoice \$2.6 million for the Commonwealth Railway Marshalling yard expansion project. The project required additional coordination with a local sub-recipient. The City of Norfolk is putting together their funding commitment. The project will move forward when this funding commitment is secured.
- DRPT anticipated \$2.8 million of funds would be made available for rail planning projects such as State of Good Repair, Master Planning, Future Service Development Planning, and Station Improvement Planning projects when the annual budget for FY 2023 was created. Due to delays in Federal funding opportunities that require State match, funding for these projects will be pushed into FY 2024.
- The Shenandoah Valley Railroad was expected to invoice \$0.4 million for the Pleasant Creek rail siding project. The cold storage customer that required the increase in rail service has suffered from supply chain issues that may cause this project to be cancelled and funds deobligated.
- The remaining variance is due to many smaller projects that differ from the estimated cash flows for a variety of reasons.

As stated earlier, it is important to note that DRPT's reliance on our transportation partners for accurate information will impact the accuracy of our budgeted expenditures. The vast majority of the DRPT budgeted expenditures are initiated by a reimbursement request from one of our project partners who controls the actual project development. As such, DRPT must gather information from these partners about the timing of over 2,000 projects in order to estimate cash basis expenditures each year. Based on this operating format for DRPT, a variance of up to 15% would not be unreasonable. Ultimately, the goal for DRPT is to work with our project partners to realize a variance of 10% or less by each year-end.

## Resources and Commitments

The Schedule of Resources and Commitments outlines the Department’s financial assets and obligations, broken down by rail and transit. The current year totals are compared to the prior year balances and any substantial variances are explained. This schedule is supported by a reconciliation of current and prior year resources and the related allocations of those resources to various projects by the CTB. It utilizes the modified accrual basis of accounting and is similar to a balance sheet. The schedule also provides an indication of the utilization and collection efforts of DRPT’s resources (assets).

DRPT resources include cash and receivables for anticipated expenditures and anticipated collections of revenues that will be used to fund the DRPT projects that are allocated in the current and prior year’s SYIPs. These anticipated collections are included because the commitments include the remaining balance of all active DRPT projects with SYIP allocations in FY 2023 and prior. Commitments are also increased by the amount of current unobligated funds needed for project allocations proposed in the Fiscal Year 2024 Six Year Improvement Program. More information about each of the line items in the schedule can be found in the glossary.

The key output of the Schedule of Resources and Commitments is the detail of unobligated funds that are currently available to fund rail and transit projects. The remaining funds (“Funds Available”) are discussed in more detail on page 12.

<b>Schedule of Resources and Commitments</b>				
<b>As of June 30, 2023</b>				
<b>(\$ in Millions)</b>				
	<b>6/30/2023</b>			<b>6/30/2022</b>
	<b>Rail</b>	<b>Transit</b>	<b>Total</b>	<b>Total</b>
<b>Resources</b>				
Cash	\$ 54.3	\$ 473.5	\$ 527.8	\$ 409.5
Estimated Revenues - FY 2024	15.3	812.1	827.4	842.1
Accounts Receivable	5.4	0.5	5.9	9.9
Bonds Receivable	-	0.4	0.4	4.5
Anticipated Bond Proceeds	11.2	43.0	54.2	73.1
Anticipated Reimbursement - VDOT	0.5	130.4	130.9	170.0
Anticipated Reimbursement - VPRA	16.7	-	16.7	23.7
Anticipated Reimbursement - DEQ	-	7.8	7.8	8.3
Anticipated Reimbursement - Federal	5.0	87.4	92.4	86.5
<b>Total Resources (A)</b>	<b>108.4</b>	<b>1,555.1</b>	<b>1,663.5</b>	<b>1,627.6</b>
<b>Commitments</b>				
Transit & TDM Commitments	-	1,389.2	1,389.2	1,378.9
Rail Commitments	91.9	-	91.9	89.0
VPRA Commitments	11.7	-	11.7	13.7
Due to VDOT / VPRA	0.5	5.0	5.5	0.3
<b>Total Commitments (B)</b>	<b>104.1</b>	<b>1,394.2</b>	<b>1,498.3</b>	<b>1,481.9</b>
<b>Funds Available</b>	<b>\$ 4.3</b>	<b>\$ 160.9</b>	<b>\$ 165.2</b>	<b>\$ 145.7</b>

### **Variance notes:**

(A) Total Resources on June 30, 2023 increased by \$35.9 million from the \$1,627.6 million reported in FY 2022. The following line-item details help to explain the variance in Total Resources:

- Cash increased \$118.3 million due to the delay in many transit capital projects caused by the COVID-19 pandemic and the receipt in June 2023 of \$39.8 million of Priority Transportation funds that the Commonwealth Transportation Board had restored to the Commonwealth Mass Transit Fund in December 2021. We are estimating that DRPT will need to transfer \$13.4 million in FY 2024 back to VDOT for excess Mass Transit funds collected in FY 2023 since a surplus of Mass Transit Funds was generated. We anticipate cash balances to decline as supply chain constraints diminish for major capital projects.
- Estimated Revenues decreased \$14.7 million due to formula driven revenue changes.

- Accounts Receivable decreased \$4.0 million.
- Bonds Receivable decreased \$4.1 million. Bond receivables are generally collected within one month from VDOT.
- Anticipated Bond Proceeds decreased by \$18.9 million mainly due to the end of the ten-year period of the initial bond authorization and the completion of many multi-million dollar projects over the past year. This balance will continue to decrease in the future.
- Anticipated Reimbursements from VDOT decreased \$39.1 million. Priority Transportation funds of \$39.8 million that were collected in June 2023 were included in anticipated reimbursements from VDOT in the prior year.
- Anticipated Reimbursement from the VPRA decreased \$7.0 million. These freight rail and rail planning projects are administered by DRPT and are reimbursed by VPRA as expenses are incurred. This balance will continue to decrease as projects are completed.
- Anticipated Reimbursements from DEQ decreased \$0.5 million. These are expected funds from the Volkswagen settlement to be used for purchasing electric buses. This balance is expected to decrease in the future.
- Anticipated Reimbursement from Federal sources increased \$5.9 million.

**(B)** Total Commitments on June 30, 2023 increased \$16.4 million from the \$1,481.9 million reported in FY 2022. The following line-item details help explain the variance in Total Commitments:

- Transit commitments increased \$10.3 million due to formula driven revenue changes.
- Rail commitments increased \$2.9 million.
- The VPRA commitments decreased \$2.0 million. These commitments include the 93% of the revenue and interest collected in the Commonwealth Rail Fund that have not been transferred to the VPRA as of the quarter end.
- Funds due to VDOT / VPRA increased \$5.2 million. It is estimated that DRPT will need to transfer \$5.0 million in FY 2024 back to VDOT to the Priority Transportation Fund for excess Mass Transit funds collected in FY 2023.

## Funds Available

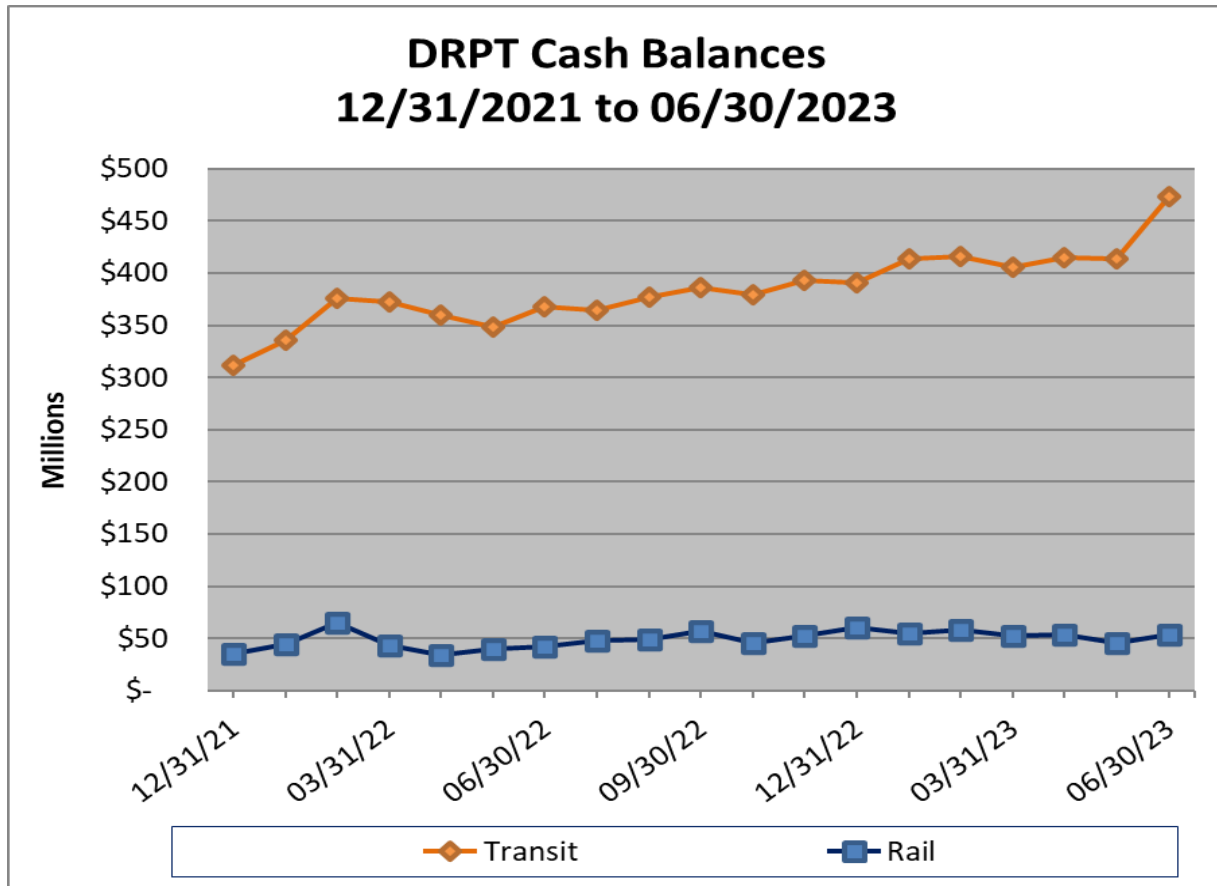
The following schedule outlines the Department's available balances after meeting all current commitments. These balances are available to fund new projects within the parameters mandated by the Code of Virginia for each separate source. Please see the glossary for a more detailed explanation of each of the schedule line items.

<b>Schedule of Available Balances</b>					
<b>As of June 30, 2023</b>					
<b>(\$ in Millions)</b>					
	<u>6/30/2023</u>			<u>6/30/2022</u>	<u>Variance</u>
	<u>Rail</u>	<u>Transit</u>	<u>Total</u>	<u>Total</u>	
Unobligated Freight & Rail Planning Funds	\$ 3.7	\$ -	\$ 3.7	\$ 7.3	\$ (3.6)
Unobligated Rail Preservation Funds	0.6	-	0.6	0.9	(0.3)
Unobligated Mass Transit Funds	-	70.3	70.3	71.1	(0.8)
Transit Operating/Capital Reserve	-	10.0	10.0	10.0	-
Unobligated I-66 Toll Funds	-	60.1	60.1	22.7	37.4
Unobligated Transit Bonds	-	0.1	0.1	0.9	(0.8)
Unobligated WMATA Dedicated Funds	-	(1.7)	(1.7)	-	(1.7)
Unobligated Transit Federal Funds	-	21.9	21.9	32.6	(10.7)
Unobligated Transit Other	-	0.2	0.2	0.2	-
<b>Total Funds Available</b>	<u>\$ 4.3</u>	<u>\$ 160.9</u>	<u>\$ 165.2</u>	<u>\$ 145.7</u>	<u>\$ 19.5</u>

The Total Funds Available increased by \$19.5 million from FY 2022 to FY 2023. The following line-item details help to explain the variance in Total Funds Available:

- The Unobligated Freight and Rail Planning Funds decreased \$3.6 million. Allocations exceeded revenues in the FY 2024 SYIP.
- The Rail Preservation Funds decreased \$0.3 million. All unobligated funds are allocated to projects in the out years of the FY 2024 SYIP.
- The Unobligated Mass Transit Funds decreased \$0.8 million. Allocations exceeded revenues in the FY 2024 SYIP.
- The Transit Operating and Capital Reserve is at the maximum allowed reserve of \$10.0 million.
- Unobligated I-66 Toll funds increased \$37.4 million. These funds will be used for transit and rail projects in the Northern Virginia area.
- The Unobligated Transit Bonds decreased \$0.8 million. Bond funding for capital projects is being prioritized over Mass Transit funds as the program is coming to an end.
- The Unobligated WMATA Dedicated Funds decreased \$1.7 million. These funds consist of interest and any excess revenues collected that are being used to make scheduled WMATA payments when revenues collected are less than required payments. The deficit is due to the timing of collections and payments. This is expected to be fully funded in FY 2024. Despite this deficit, the \$154.5 million obligation in FY 2023 was fulfilled.
- The Unobligated Transit Federal funds decreased \$10.7 million as some Federal programs enacted during the COVID pandemic are coming to an end.
- Other Unobligated Transit funds remained unchanged at \$0.2 million.

## Cash Balances and Working Cash Needs



DRPT’s cash balances for both rail and transit are depicted in a trend analysis over the last eighteen months in the preceding chart. Transit cash balances overall have seen a large increase due to the effects of COVID on the economy. There have been industry-wide supply chain issues and inflationary pressures that have impacted the ability to secure replacement vehicles and other commodities for capital projects, which slowed the spend rate for the capital program during the height of the pandemic. Moreover, the State had been without a bus contract for over a year due to the conflict between state and federal law compounding the supply chain issues. This conflict in laws was addressed legislatively by the 2022 General Assembly. As such, there is a significant backlog in bus purchases that have been funded but not yet received. Bus purchases can take up to two years given the current supply chain issues. This will result in retaining high cash balances in the near future until the purchases are finally completed.

(A) The following details help to explain the trends in Rail cash balances:

- There was a spike in cash flow in February 2022 due to a timing difference of the 93% VPRA revenues booked at month end but not paid until the following week in March 2022.

- Rail cash inflows and outflows have remained relatively steady from March 2022 to June 2023.

(B) The following details help to explain the trends in Transit cash balances:

- Between December 2021 and February 2022, revenues outpaced expenses in accordance with the CTB authorization of a mid-year uplift in revenue projections in November 2021.
- Due to the mid-year revenue uplift, scheduled operating payments to many of the larger transit agencies were increased in each month from March to May 2022 reducing cash.
- Revenue collections again slightly outpaced expenses from June 2022 to May 2023. In addition, Federal CARES funding was being used in lieu of State funds to pay for the operations of many rural transit agencies, further increasing cash balances from State revenue sources.
- In June 2023 VDOT transferred \$39.8 million of Priority Transportation funds that the Commonwealth Transportation Board had restored to the Commonwealth Mass Transit Fund in December 2021. We are estimating that DRPT will need to transfer \$5.0 million in FY 2024 back to VDOT for excess Mass Transit funds collected in FY 2023 due to the Priority Transportation Fund.

The following table calculates the working cash needs for rail and transit using the current annual CTB adopted budget. DRPT has determined that two months of working cash is sufficient for transit, while six months of working cash is needed for freight rail and rail planning, as these projects are usually larger and span a longer period of time. The delays in capital spending due to COVID, the revenue uplift, and Federal CARES funding used in lieu of State funds to pay for the operations of many rural transit agencies have contributed to the relatively high State cash balances.

<b>Working Cash Needs</b>		
<b>As of June 30, 2023</b>		
<b>(\$ in Millions)</b>		
	<u>Transit</u>	<u>Rail</u>
Annual Budget (Excl \$185.7M VPRA payments)	\$ 821.7	\$ 37.3
Divided by 12 Months	÷12	÷12
Times Number of Months Reserve	<u>X 2</u>	<u>X 6</u>
<b>Working Cash Needs</b>	<b><u>137.0 (A)</u></b>	<b><u>18.7 (B)</u></b>
<b>Six Month Average Cash Balance</b>	<b>422.9</b>	<b>53.4</b>
<b>Excess / (Shortfall)</b>	<b><u>\$ 285.9</u></b>	<b><u>\$ 34.7</u></b>
(A) - 60 days cash reserve		
(B) - 180 days cash reserve		

## Receivables

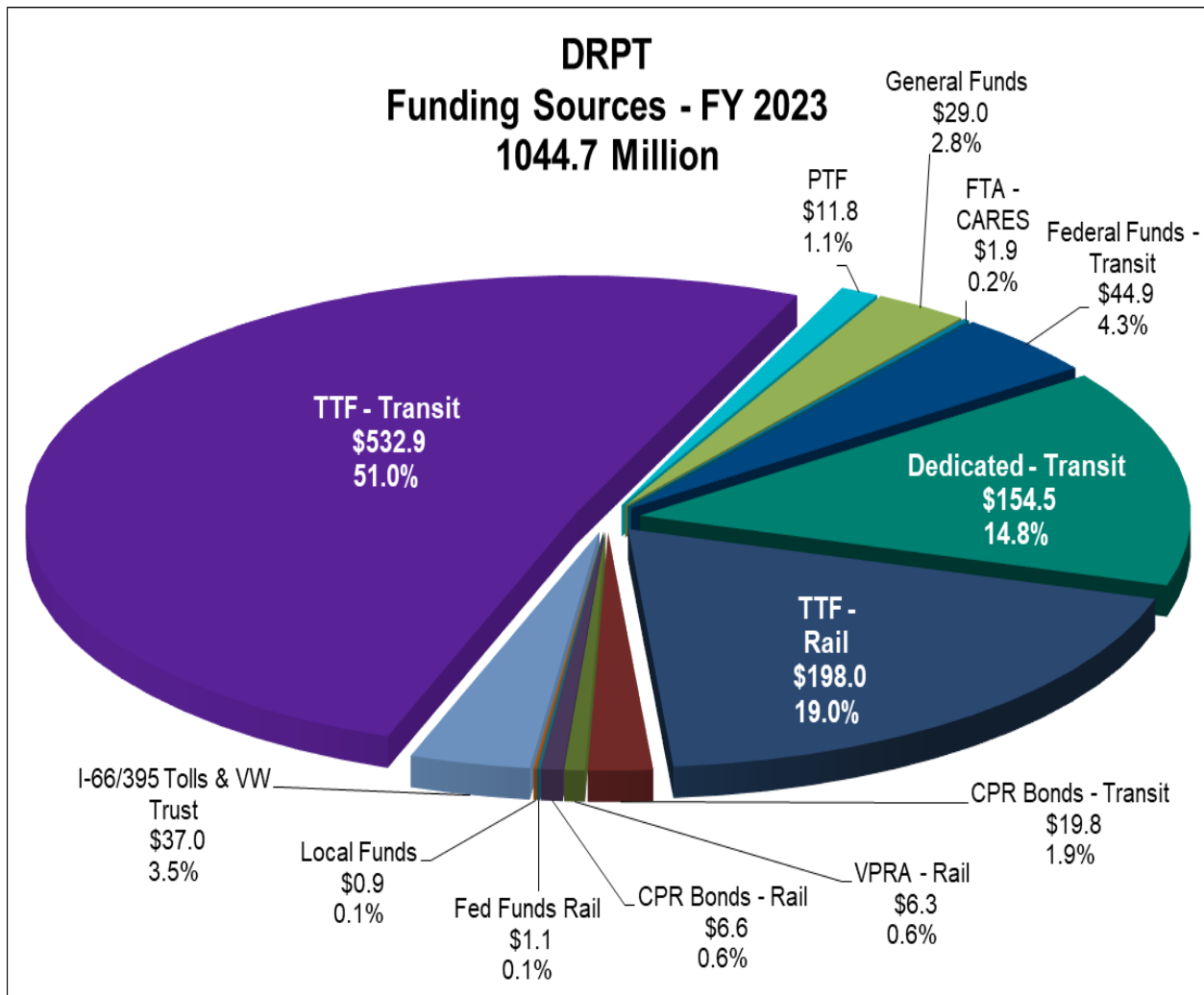
DRPT has accounts receivable from VDOT for numerous small projects that are paid on a reimbursement basis using highway funds. In addition, DRPT invoices some municipalities in Northern Virginia on a recurring basis for the collection of regional tax revenues that support the WMATA dedicated funding program. The bonds receivable are collected from VDOT as they function as the trustee for the bond issuance proceeds. Bonds receivable are generally collected within thirty days of invoicing VDOT. Current accounts receivable are not a concern as of June 30, 2023 as the balance is due from the Federal government, VDOT, and municipalities that historically have remained current on their payments.

Schedule of Receivables						
As of June 30, 2023						
(\$ in Millions)						
	<u>0-30 days</u>	<u>31-90 days</u>	<u>&gt; 90 days</u>	<u>&gt; 365 days</u>	<u>Total</u>	
<b>Accounts Receivable</b>	\$ 5.9	\$ -	\$ -	\$ -	\$ 5.9	
<b>Bonds Receivable</b>	\$ 0.4	\$ -	\$ -	\$ -	\$ 0.4	

The remainder of this report provides some background on the annual CTB budget and highlights our largest partners by funding disbursed.

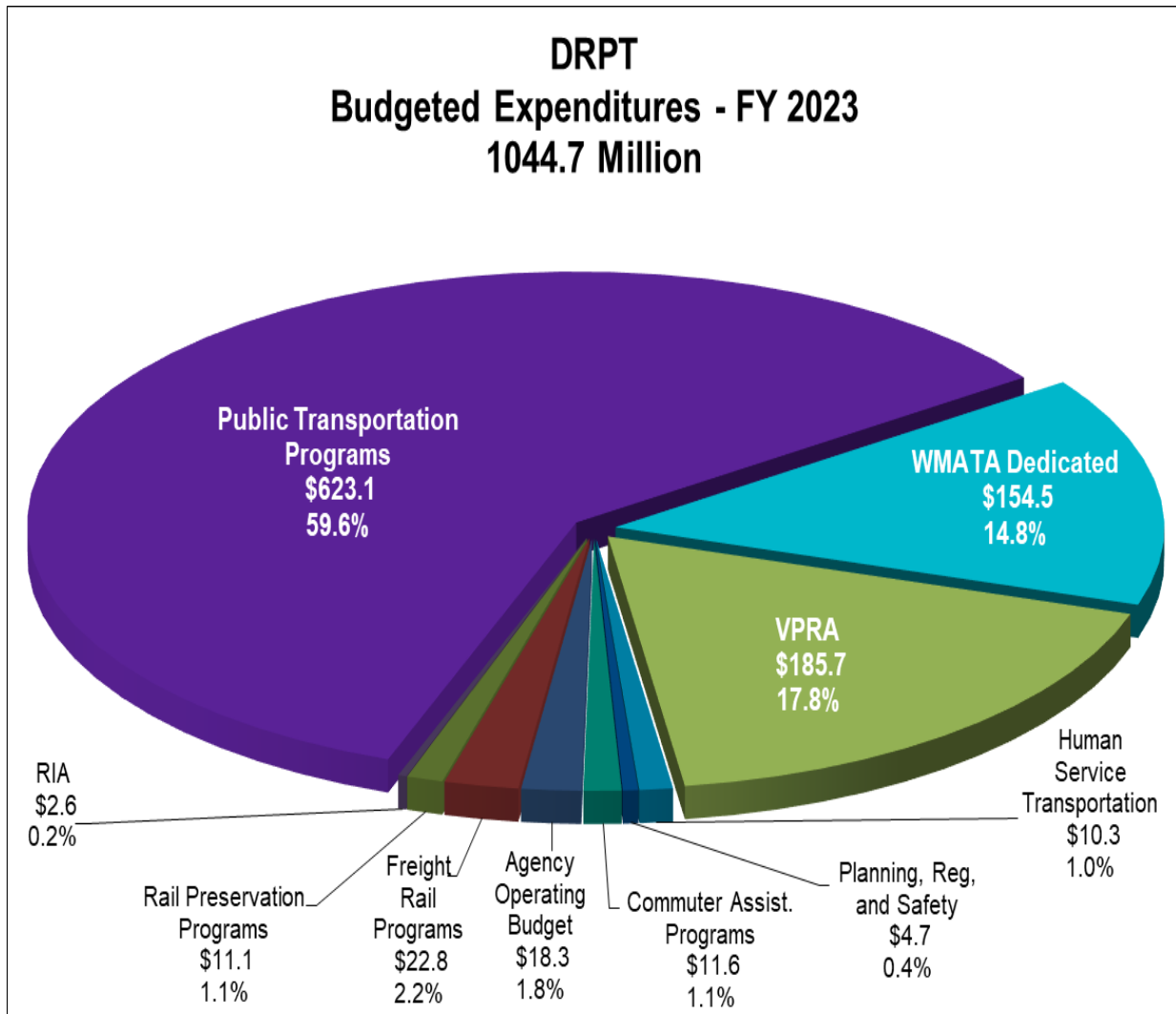
## Funding Sources for FY 2023

The major sources of funds for the \$1,044.7 million DRPT budget are depicted in this chart. This does not represent the estimated revenues for FY 2023; instead, it shows the sources of funding for the budgeted expenditures for the year. For example, \$87.9 million of the Transportation Trust Fund was allocated to transit capital projects in the FY 2023 SYIP as amended in December 2022, but the budget and the funding sources statement included \$122.5 million of projected transit capital assistance expenditures for FY 2023. This is the result of the two to three year lag on some transit capital projects between the SYIP allocation and the timing of the actual expenditures.



## Budgeted Expenditures for FY 2023

In FY 2023, DRPT anticipated spending \$1,044.7 million of federal, state, and local funds compared to \$1,043.0 million in FY 2022 or an increase of \$1.7 million. This was primarily due to implementing *Code of Virginia* allocation percentages in FY 2023, adjusting CTB Directed funding, and mid-year revenue uplifts in FY 2022 and FY 2023.



## Payments to Grantees

The following is a list of grantees that have received payments totaling \$1.2 million or more during FY 2023. This list provides an indication of the wide variety of project partners that DRPT works with to accomplish its transportation goals (Amounts in millions):

WMATA - NVTC (WMATA Assistance)	\$ 202.6
WMATA - PRIIA (WMATA Assistance)	49.5
WMATA (Dedicated)	154.5
County of Fairfax	48.7
NVTC	47.9
Virginia Railway Express	42.4
Hampton Roads Transit	41.8
Greater Richmond Transit Company	30.7
County of Arlington	28.2
City of Alexandria	16.4
Potomac Rappahannock Transportation Commission	14.1
Virginia Port Authority	10.5
County of Loudoun (OTS)	10.1
Greater Roanoke Transit Company	7.9
Town of Blacksburg	6.9
JAUNT, Inc	5.2
City of Fairfax	3.8
Buckingham Branch RR	3.5
Bay Transit	3.4
Charlottesville Transit	3.2
City of Petersburg	3.2
Va Regional Transportation Association	3.0
City of Harrisonburg	2.9
Danville Transit	2.7
Williamsburg Area Transport (WATA)	2.6
Greater Lynchburg Transit Company	2.3
Central Shenandoah PDC	2.0
Mountain Empire Older Citizens	2.0
Fredericksburg Regional Transit	1.7
City of Richmond	1.7
Appalachian Agency for Senior Citizens	1.7
Metropolitan Washington COG	1.3
Washington Metrorail Safety Commission	1.2

## Glossary of Terms

1. **Accounts Receivable:** Expenditures incurred on projects funded by VDOT, DEQ, VPRA, and the Federal Government that have not been reimbursed. In addition, DRPT invoices some municipalities in Northern Virginia on a recurring basis for the collection of regional tax revenues. Past collection's history indicates that all receivables are collected so no allowance for doubtful accounts is needed. The balance also includes receivables for payments made by DRPT on behalf of the VPRA.
2. **Anticipated Bond Proceeds:** The balance remaining on bond-funded projects that will be requested for reimbursement from VDOT when expenditures are incurred.
3. **Anticipated Reimbursement from FEDS:** The balance remaining on projects funded by the Federal government that will be requested for reimbursement when expenditures are incurred. These include CARES Act, CRRSAA, and ARPA funding awarded from the FTA to DRPT.
4. **Anticipated Reimbursement from VDOT:** The balance remaining on projects funded by VDOT that will be requested for reimbursement from VDOT when expenditures are incurred. These include reimbursement for Smart Scale projects.
5. **Anticipated Reimbursement from VPRA:** The balance remaining on projects that were funded primarily by IPROC and REF funds that were not transferred to the Virginia Passenger Rail Authority. The cash balance related to these projects was transferred to the VPRA in FY 2021. DRPT requests reimbursement from VPRA as expenses are incurred.
6. **Anticipated Reimbursement from DEQ:** The balance remaining on transit capital projects including electric buses that are funded by DEQ as a result of the Volkswagen settlement that will be requested for reimbursement from DEQ when expenditures are incurred.
7. **Bonds Receivable:** Expenditures incurred on bond-funded projects that have not been reimbursed by VDOT. These receivables are generally paid within 30 days.
8. **Due to VDOT / VPRA:** Funds received in advance from VDOT including Rail Industrial Access projects that were completed under budget or did not move forward as anticipated. At year-end this balance can also include excess Mass Transit Trust Fund revenues that must be paid into the Priority Transportation Fund that is maintained by VDOT. These also include funds due to VPRA for prior year's rail projects that received funds in advance and were completed under budget or did not move forward as anticipated.

9. **Estimated revenues – FY 2024:** Revenues anticipated to be collected in fiscal year 2024 based on economic forecasts.
10. **Rail Commitments:** Freight rail or rail planning obligations that have been approved by the Commonwealth Transportation Board or the Agency Director.
11. **VPRA Commitments:** This includes the 93% of the annual revenues and interest collected in the Commonwealth Rail Fund that has not been transferred to the VPRA.
12. **Transit and Transportation Demand Management (TDM) Commitments:** Obligations that have been approved by the Commonwealth Transportation Board or the Agency Director.
13. **Unobligated Federal Funds:** Available federal funds that have not been allocated to a project or funds that remain on a project that has been completed.
14. **Unobligated Mass Transit Funds:** Available balances in the Mass Transit Fund. These balances can be comprised of funds that have not been allocated to a project or funds that remain on a project that has been completed.
15. **Operating and Capital Reserve:** Balance set aside (capped at \$10 million) of up to five percent of the Commonwealth Mass Transit Fund revenues in a given biennium to ensure stability in providing operating and capital funding to transit entities from year to year.
16. **Unobligated Freight and Rail Planning Funds:** Available balances of the Commonwealth Rail Fund (CRF). These balances can be comprised of funds that have not been allocated to a project or funds that remain on a project that has been completed.
17. **Unobligated Rail Preservation Funds:** Available balances in the Rail Preservation fund including bonds.
18. **Unobligated Transit Bonds:** Available bond allocations that have not been allocated to a capital project or bond allocations that remain on a project that has been completed.
19. **Unobligated Transit Other:** Available balances related to other transit funding such as transportation demand management projects. It also includes the remaining balance of the up to five percent (as permitted by the Appropriations Act) that DRPT can take off the top to fund administration costs of the agency. Any unused balances are given back to the grantees the following year.
20. **VPRA Recurring Payments:** These are payments made to the VPRA for 93% of the annual revenues received from the Commonwealth Rail Fund. They are paid to VPRA twice a month.