

Quarterly Financial Report

June 30, 2024

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 overwhelming majority of these funds are directed to a variety of recipients, including public transportation providers, local and regional government entities, freight railroads, and the Virginia Passenger Rail Authority (VPRA). The General Assembly and Governor created the VPRA on July 1, 2020. The VPRA is a separate legal entity that is charged with the oversight of passenger rail activities in the Commonwealth including the state-supported Amtrak service. 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 As of June 30, 2024 (\$ in Millions)				
	<u>FY 2024 Budget</u>	<u>Actual 6/30/2024</u>	<u>Variance</u>	<u>Percentage</u>
Transit Programs	\$ 836.4	\$ 753.7	\$ 82.7	9.9%
Rail Programs	25.5	30.2	(4.7)	-18.4%
Agency Operating Budget	19.6	17.3	2.3	11.7%
Agency Total before VPRA	<u>\$ 881.5</u>	<u>\$ 801.2</u>	<u>\$ 80.3</u>	9.1%
VPRA Payments	159.1	160.6	(1.5)	-0.9%
Agency Total after VPRA	<u>\$ 1,040.6</u>	<u>\$ 961.8</u>	<u>\$ 78.8</u>	7.6%

On June 30, the total variance of the actual expenditures compared to the anticipated expenditures for the FY2024 is 7.6% or \$78.8 million. For Transit Programs the expenditures are below the estimate by 9.9% or \$82.7 million. Capital projects including facility construction, bus purchases, bus overhauls, and IT hardware and software replacements are delayed due to the impact of supply chain issues.

In Rail Programs, the expenditures are above the estimate by 18.4% or \$4.7 million. Most of the difference is due to payments made to Norfolk Southern on the Lambert Point project and the Virginia Port Authority for the Virginia inland port capacity expansion in Front Royal and the NIT central yard expansion project.

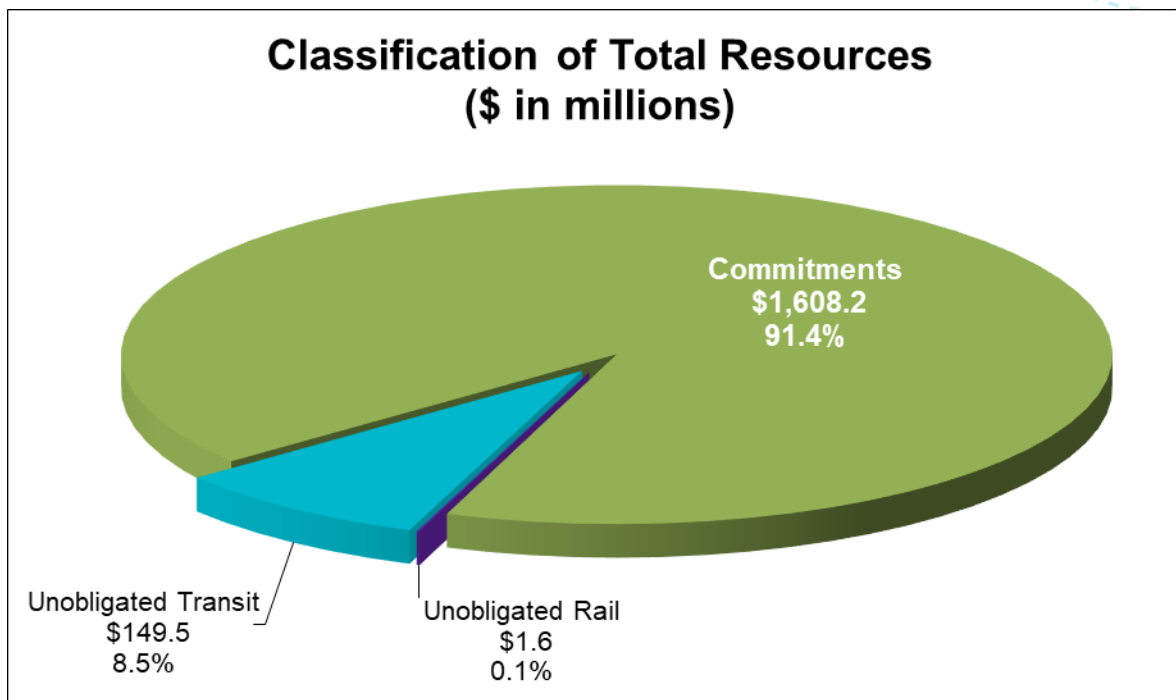
It is important to note that DRPT's reliance on our transportation partners for accurate information will impact the accuracy of our budgeted expenditures. The vast majority of the DRPT budgeted expenditures are initiated by a reimbursement request from one of our project partners who controls the actual project development. As such, DRPT must gather information from these partners about the timing of over 2,000 projects 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 like 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 10) 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 fiscal year ended June 30, 2024, the total unobligated balance for all funds is \$151.1 million, which includes \$149.5 million for the transit programs and \$1.6 million for the rail programs. The total unobligated balance is 8.6% of total resources as compared to 9.9% on June 30, 2023. The unobligated balances have been reduced by the amount needed for project allocations approved in the FY 2025 SYIP.



The rail programs balance of \$1.6 million consists of \$0.7 million of unobligated freight and rail planning funds. In addition, the rail programs balance includes \$0.9 million of rail preservation funds. All current unobligated rail preservation funds are programmed in the FY 2025 SYIP.

The transit programs unobligated balance of \$149.5 million consists of \$21.1 million of Federal funds that have restrictions on their potential use, such as \$0.9 million of Coronavirus Aid, Relief, and Economic Security (CARES) Act and American Rescue Plan Act (ARPA) funding. In addition, the transit programs balance includes \$65.9 million of Commonwealth Mass Transit funds, \$10.0 million in the transit operating and capital reserves, \$37.7 million of I-66 toll funds, \$0.3 million of unobligated transit bonds, \$14.3 million of WMATA Dedicated funds, and \$0.2 million of other transit capital funds.

The Federal Transit Administration allocated 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. The remainder of these funds were allocated to capital needs. The additional capital funds and supply chain issues related to capital projects have resulted in a large balance of both unobligated and committed Federal funds.

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 financial picture for the fiscal year 2024 (July 1, 2023 – June 30, 2024). 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 budget for the fiscal year (July 1 – June 30) with the actual expenditures for the FY 2024 using a cash basis of accounting. For transit programs, the FY 2024 expenditures are 9.9% below the estimate, as compared to a 5.9% variance at the same time last year. The major variances were in Capital Assistance and Ridership Incentive programs partially offset by a one-time payment of Operating Assistance made to NVTC for reimbursement of toll revenues not collected on I-66 during Covid. In the rail programs, the current year expenditures are 18.4% above the estimate compared to the prior year's variance of 50.7% below the estimate as of June 30.

Schedule of Budget vs. Actual As of June 30, 2024 (\$ in Millions)					
	Adopted FY 2024	Actual 6/30/2024	Variance	Percentage Variance	Notes
Public Transportation Programs					
Operating Assistance	\$ 165.9	\$ 174.7	\$ (8.8)	-5.3%	
Capital Assistance	181.8	123.4	58.4	32.1%	A
Special Programs	10.4	6.0	4.4	42.3%	
Ridership Incentive Programs	24.6	6.6	18.0	73.2%	B
WMATA Assistance	268.2	259.8	8.4	3.1%	
Total	650.9	570.5	80.4	12.4%	
Commuter Assistance Programs	11.8	10.1	1.7	14.4%	
Human Service Transportation Pgm	13.4	14.3	(0.9)	-6.7%	
Planning, Regulation, & Safety Pgm	5.8	4.3	1.5	25.9%	
WMATA Dedicated	154.5	154.5	-	0.0%	
Total Transit Programs	836.4	753.7	82.7	9.9%	
Rail Assistance Programs					
Rail Preservation Programs	11.2	5.2	6.0	53.6%	
Rail Industrial Access	4.3	1.5	2.8	65.1%	
Freight Rail and Rail Planning Programs	10.0	23.5	(13.5)	-135.0%	C
Total Rail Programs	25.5	30.2	(4.7)	-18.4%	
Agency Operating Budget	19.6	17.3	2.3	11.7%	
Agency Total before VPRA	\$ 881.5	\$ 801.2	\$ 80.3	9.1%	
VPRA Recurring Payments	159.1	160.6	(1.5)	-0.9%	
Agency Total	\$ 1,040.6	\$ 961.8	\$ 78.8	7.6%	
Note: Any variances of \$10.4 million (1% of the total budget) and 15% are explained.					

Variance notes:

(A) Transit Capital Assistance expenditures were \$58.4 million or 32.1% less than the estimate in the budget. The following project specific details help to explain the total variance for Capital Assistance expenditures:

- HRT was expected to invoice \$8.2 million related to hardware, software, and cyber security needs. These grants consist of many different projects that include multiple new software implementations, hardware improvements on the servers and networks, and cyber security contracts. Most projects were executed in the fourth quarter of fiscal year 2024 and are still in the start-up stages. These projects will be ongoing throughout fiscal year 2025.
- GRTC was expected to invoice \$7.5 million for the purchase of buses. Buses have been ordered and are expected to arrive in the first quarter of fiscal year 2025. Payment should be completed by the second quarter of fiscal year 2025.
- NVTC was expected to invoice \$5.6 million more for Arlington for work on the Shirlington Operations Facility. The first phase is expected to be completed in the second quarter of fiscal year 2025. This is a multi-year project in which electrification of this facility is scheduled to be completed in the second quarter of fiscal year 2027.
- HRT was expected to invoice \$5.4 million more for the purchase of buses. The buses have been ordered with the first deliveries already invoiced. The remaining buses are expected to arrive between the second quarter of fiscal year 2025 and the third quarter of fiscal year 2026.
- NVTC was expected to invoice \$5.2 million for Fairfax County for the purchase of eight buses. The buses arrived in the fourth quarter of fiscal year 2024 but three buses were not accepted. There is a delay on receiving replacement parts. Final payment is expected to be made in the third quarter of fiscal year 2025.
- Blacksburg Transit was expected to invoice \$4.9 million more for its administrative and maintenance facility construction project. The start of the project was delayed due to difficulties in bringing a construction management firm on board and finalizing a bid through the Town of Blacksburg's procurement department. The delay is expected to push completion of the project to the second quarter of fiscal year 2025.
- Loudon County was expected to invoice \$3.9 million more for bus purchases. All buses were purchased except for two battery electric buses which were ordered in April 2022 and have been delayed due to battery supply chain issues. The delivery of these battery electric buses could be delayed to the second quarter of fiscal year 2025. Approximately \$1.6 million will be invoiced in the first quarter of fiscal year 2025 for the conventional buses. Loudon plans to deobligate any remaining funding on the grant at that time.
- HRT was expected to invoice \$3.0 million for the purchase of bus security and surveillance equipment. The contract is not yet in place. This is a sizeable project for its type, and it is anticipated that it will take approximately two years to complete.
- HRT was expected to invoice \$2.4 million more for the purchase of facility security and surveillance equipment. The vendor has stated that they are facing challenges with a labor shortage which is delaying part of the project. Some phases of the project are underway and other phases are in the procurement process. The total project is slated to be completed by the fourth quarter of fiscal year 2027.
- HRT was expected to invoice \$2.0 million for the purchase of sixty support vehicles. Fifty-six vehicles have been ordered and thirty-one have been received. All vehicles are expected to be received by the second quarter of fiscal year 2025.
- NVTC was expected to invoice \$1.7 million for Arlington for the Crystal City Metrorail Station East entrance project. These are matching funds for a Federal grant Arlington is finalizing

with the FTA. Design work is completed, and groundbreaking was July 2024. The project is expected to be completed in fiscal year 2027.

- HRT was expected to invoice \$1.4 million more for building renovation expenses. External reconstruction is complete, and some corrective items are being addressed. Interior renovations are expected to be completed by the fourth quarter of fiscal year 2025.
- NVTC was expected to invoice \$1.2 million for the Crystal City Potomac Yard transitway northern and southern extensions project. This project was tied to Amazon HQ2 development, so this has been delayed. Arlington County is moving ahead with the project and taking on portions that Amazon was going to complete as part of the Pen Place development. One hundred percent design for Segment 2A is complete. Arlington County will issue an ITB in the first quarter of fiscal year 2025 with a scheduled construction start in the second quarter of fiscal year 2025. Invoicing will begin in the first quarter of fiscal year 2025.
- 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 \$18.0 million or 73.2% less than the estimate in the budget. The following project specific details help to explain the total variance for Transit Ridership Incentive expenditures:

- Fairfax County was expected to invoice \$5.0 million for fare collection equipment. WMATA has selected new fare box technology for better regional integration. Payments are expected to be made within fiscal year 2025 and plan to be completed by the fourth quarter of fiscal year 2026. Approximately \$2.1 million of these funds are not needed for the original purpose and will be deobligated.
- Loudon County was expected to invoice \$3.7 million for fare collection equipment. WMATA has selected new fare box technology for better regional integration. The contract for this grant is pending. Payments are expected to begin in fiscal year 2025 and to be completed by the fourth quarter of fiscal year 2026.
- NVTC was expected to invoice \$3.1 million for subsidized SmarTrip cards. These cards are reduced fare meaning card holders will only be charged for 50% of the fare associated with the rides. WMATA is facing supply chain issues, and the project is being extended and is expected to be completed in the fourth quarter of fiscal year 2025.
- HRT was expected to invoice \$2.8 million for its micro transit pilot program. The contract was executed in the fourth quarter of fiscal year 2024. A notice to proceed has been issued and planning meetings have begun. Service launch is expected in the third quarter of fiscal year 2025.
- The Greater Richmond Transit Company was expected to invoice \$2.5 million for its zero-fare project. Zero-fares are on-going, and invoicing is expected to continue through fiscal year 2025.
- 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 \$13.5 million or 135.0% more 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 invoiced \$6.3 million more than expected for the Front Royal capacity expansion project. There initially was a delay in the Federal funding agreement resulting in expected payments being made in fiscal year 2025. Payments were actually

- processed in the third and fourth quarter of fiscal year 2024. The project is ongoing.
- Norfolk Southern invoiced \$4.0 million more than expected on the Lambert's Point project. Construction was completed ahead of schedule and under budget. The efficient construction implementation resulted in payments being made sooner than expected.
 - The Virginia Port Authority invoiced \$3.1 million more than expected for the NIT central yard expansion project. The Port has completed construction on the Norfolk International Terminal on-dock rail yard expansion. The project was behind schedule for some time, but in the last year progress accelerated resulting in some expected fiscal year 2025 payments being made in fiscal year 2024.
 - 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 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 like 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 2024 and prior. Commitments are also increased by the amount of current unobligated funds needed for project allocations approved in the FY 2025 SYIP. 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.

Schedule of Resources and Commitments
As of June 30, 2024
(\$ in Millions)

	6/30/2024			6/30/2023
	Rail	Transit	Total	Total
Resources				
Cash	\$ 50.2	\$ 532.2	\$ 582.4	\$ 527.8
Estimated Revenues - FY 2025	15.6	857.7	873.3	827.4
Accounts Receivable	-	7.7	7.7	5.9
Bonds Receivable	-	-	-	0.4
Anticipated Bond Proceeds	11.0	31.5	42.5	54.2
Anticipated Reimbursement - VDOT	1.3	126.2	127.5	130.9
Anticipated Reimbursement - VPRA	9.4	-	9.4	16.7
Anticipated Reimbursement - DEQ	-	7.3	7.3	7.8
Anticipated Reimbursement - Federal	7.9	101.3	109.2	92.4
Total Resources (A)	95.4	1,663.9	1,759.3	1,663.5
Commitments				
Transit & TDM Commitments	-	1,514.4	1,514.4	1,389.2
Rail Commitments	85.0	-	85.0	91.9
VPRA Commitments	8.8	-	8.8	11.7
Due to VDOT / VPRA	-	-	-	5.5
Total Commitments (B)	93.8	1,514.4	1,608.2	1,498.3
Funds Available	\$ 1.6	\$ 149.5	\$ 151.1	\$ 165.2

Variance notes:

(A) Total Resources on June 30, 2024, increased by \$95.8 million from the \$1,663.5 million reported in FY 2023. The following line-item details help to explain the variance in Total Resources:

- Cash increased \$54.6 million due to the delay in many transit capital projects caused by the COVID-19 pandemic and the receipt in June 2024 of \$36.5 million of I-66 Inside the Beltway funds. We anticipate cash balances to decline as supply chain constraints diminish for major capital projects.
- Estimated Revenues increased \$45.9 million due to formula driven revenue changes.
- Accounts Receivable increased \$1.8 million.
- Bonds Receivable decreased \$0.4 million. Bond receivables are generally collected within one month from VDOT.
- Anticipated Bond Proceeds decreased by \$11.7 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 \$3.4 million.

- Anticipated Reimbursement from the VPRA decreased \$7.3 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 \$16.8 million.

(B) Total Commitments on June 30, 2024, increased \$109.9 million from the \$1,498.3 million reported in FY 2023. The following line-item details help explain the variance in Total Commitments:

- Transit commitments increased \$125.2 million due to formula driven revenue changes in the approved FY 2025 SYIP.
- Rail commitments decreased \$6.9 million.
- The VPRA commitments decreased \$2.9 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 decreased \$5.5 million. As of June 30, no funding is due back to VDOT or VPRA.

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.

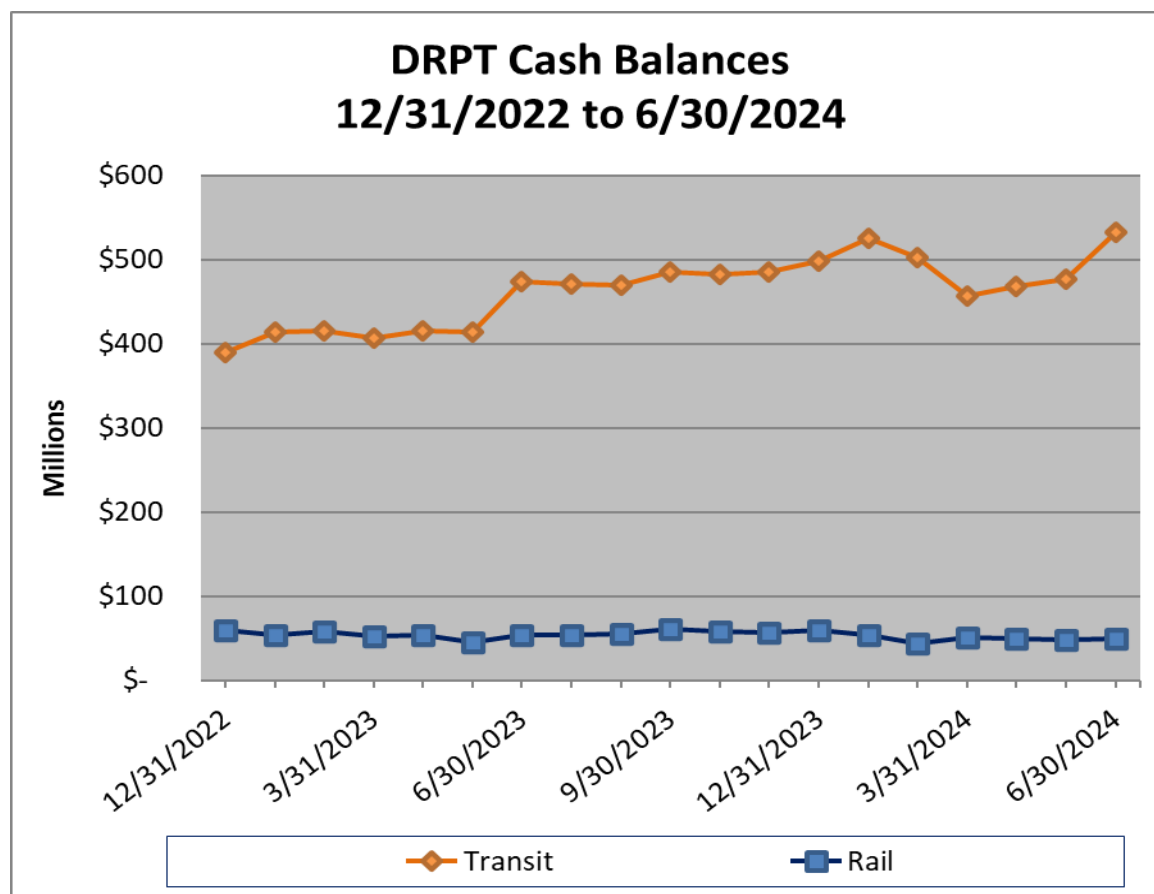
Schedule of Available Balances						
As of June 30, 2024						
(\$ in Millions)						
	6/30/2024			6/30/2023		
	Rail	Transit	Total	Total	Variance	
Unobligated Freight & Rail Planning Funds	\$ 0.7	\$ -	\$ 0.7	\$ 3.7	\$ (3.0)	
Unobligated Rail Preservation Funds	0.9	-	0.9	0.6	0.3	
Unobligated Mass Transit Funds	-	65.9	65.9	70.3	(4.4)	
Transit Operating/Capital Reserve	-	10.0	10.0	10.0	-	
Unobligated I-66 Toll Funds	-	37.7	37.7	60.1	(22.4)	
Unobligated Transit Bonds	-	0.3	0.3	0.1	0.2	
Unobligated WMATA Dedicated Funds	-	14.3	14.3	(1.7)	16.0	
Unobligated Transit Federal Funds	-	21.1	21.1	21.9	(0.8)	
Unobligated Transit Other	-	0.2	0.2	0.2	-	
Total Funds Available	\$ 1.6	\$ 149.5	\$ 151.1	\$ 165.2	\$ (14.1)	

The Total Funds Available decreased by \$14.1 million from FY 2023 to FY 2024. The following line-item details help to explain the variance in Total Funds Available:

- The Unobligated Freight and Rail Planning Funds decreased \$3.0 million. Allocations exceeded revenues in the approved FY 2025 SYIP.
- The Rail Preservation Funds increased \$0.3 million. All unobligated funds are allocated to projects in the out years of the approved FY 2025 SYIP.
- The Unobligated Mass Transit Funds decreased \$4.4 million. Allocations exceeded revenues in the approved FY 2025 SYIP.
- The Transit Operating and Capital Reserve is at the maximum allowed reserve of \$10.0 million.
- Unobligated I-66 Toll Funds decreased \$22.4 million. DRPT is working with transit partners along the corridor and VRE to identify funding opportunities as transportation needs increase post pandemic. Transit and rail projects in the Northern Virginia area such as new commuter bus routes to DC from Front Royal, buses for PRTC, and the continuation of new commuter bus routes in Fairfax County were included in the approved FY 2025 SYIP.

- The Unobligated Transit Bonds increased \$0.2 million. Bond funding for capital projects is being prioritized over Mass Transit funds as the program is coming to an end. Projects using \$0.3 million of bond funds were deobligated after the approval of the FY 2025 SYIP.
- The Unobligated WMATA Dedicated Funds increased \$16.0 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 Unobligated Transit Federal funds decreased \$0.8 million. Some Federal programs enacted during the COVID pandemic are ending in the near future.
- 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 that are now starting to be received. Bus purchases can take up to two years (or more for electric buses) given the current supply chain issues. This will result in retaining high cash balances until the back orders are filled.

(A) Rail cash inflows and outflows have remained relatively steady from December 2022 to June 2024. The slight increase of cash in March 2024 was caused by the timing of revenue collections and distribution. Revenue was collected in the last week of March 2024 and was distributed to VPRA in the first week of April 2024.

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

- Revenue collections slightly outpaced expenses from December 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.
- Transit cash inflows and outflows have remained relatively steady with a slight increase of cash on hand from July 2023 to December 2023.
- In January 2024 the annual collection of \$16.6 million of I-395 toll funds was received.
- In February 2024 the annual collection of \$16.6 million of I-395 toll funds were transferred to NVTC.
- In March 2024 a one-time payment to NVTC of \$16.6 million of I-66 Outside the Beltway funds was made to NVTC to make NVTC whole for the payments it did not receive from the Commonwealth in fiscal years 2021 and 2022 due to the negative effects of the COVID pandemic on toll revenues. In addition, larger than normal payments were made for transit buses and paratransit vans in the month.
- In June 2024 DRPT received \$36.5 million of I-66 Outside the Beltway funds from VDOT.

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. 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.

Working Cash Needs
As of June 30, 2024
(\$ in Millions)

	<u>Transit</u>	<u>Rail</u>
Annual Budget (Excl \$159.1M VPRA payments)	\$ 855.4	\$ 26.1
Divided by 12 Months	÷12	÷12
Times Number of Months Reserve	X 2	X 6
Working Cash Needs	142.6 (A)	13.1 (B)
Six Month Average Cash Balance	493.5	49.8
Excess / (Shortfall)	\$ 350.9	\$ 36.7

(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, 2024 as the balance is due from the Federal government, VDOT, and municipalities that historically have remained current on their payments.

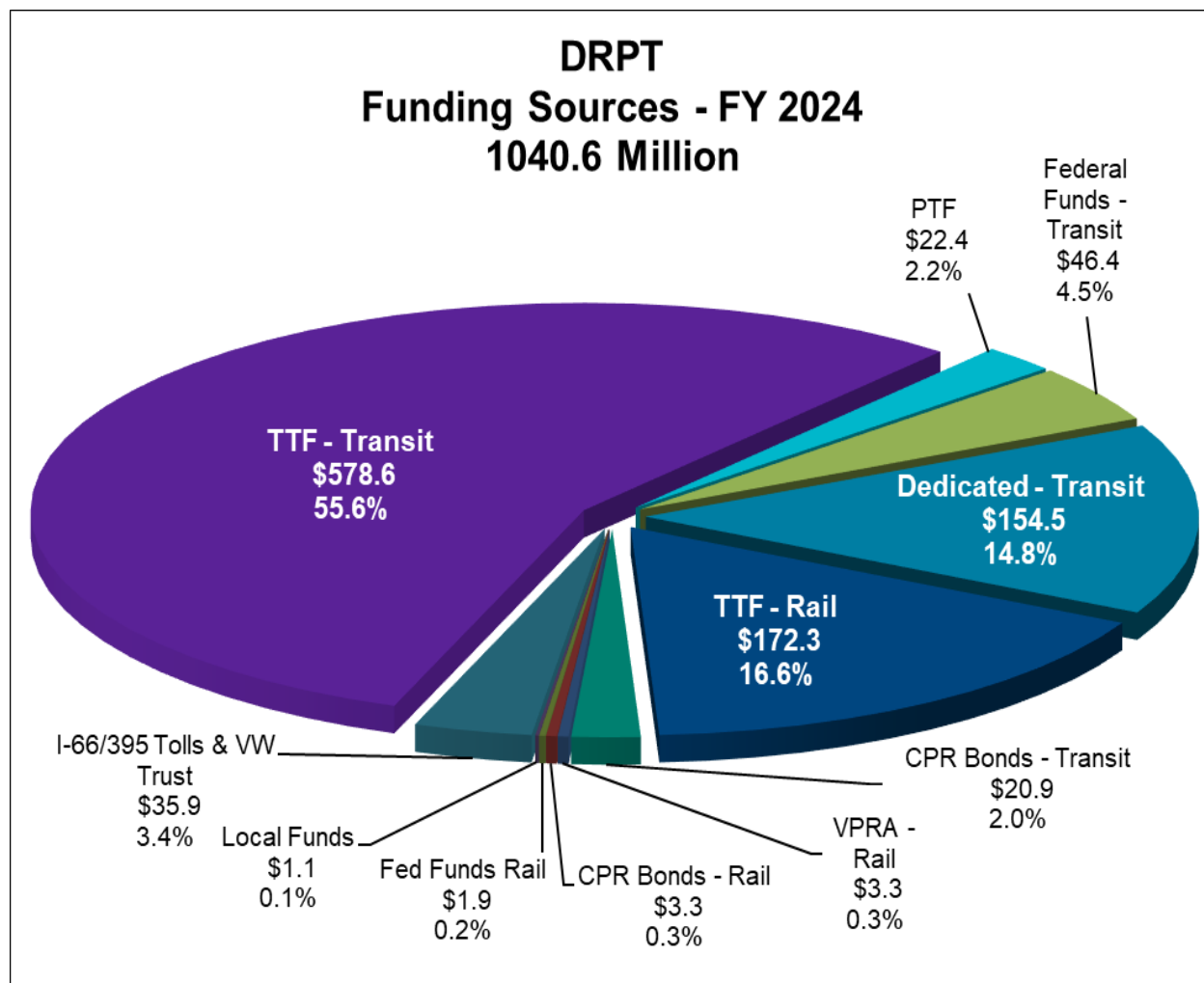
Schedule of Receivables
As of June 30, 2024
(\$ in Millions)

	<u>0-30 days</u>	<u>31-90 days</u>	<u>> 90 days</u>	<u>> 365 days</u>	<u>Total</u>
Accounts Receivable	\$ 7.7	\$ -	\$ -	\$ -	\$ 7.7
Bonds Receivable	\$ -	\$ -	\$ -	\$ -	\$ -

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

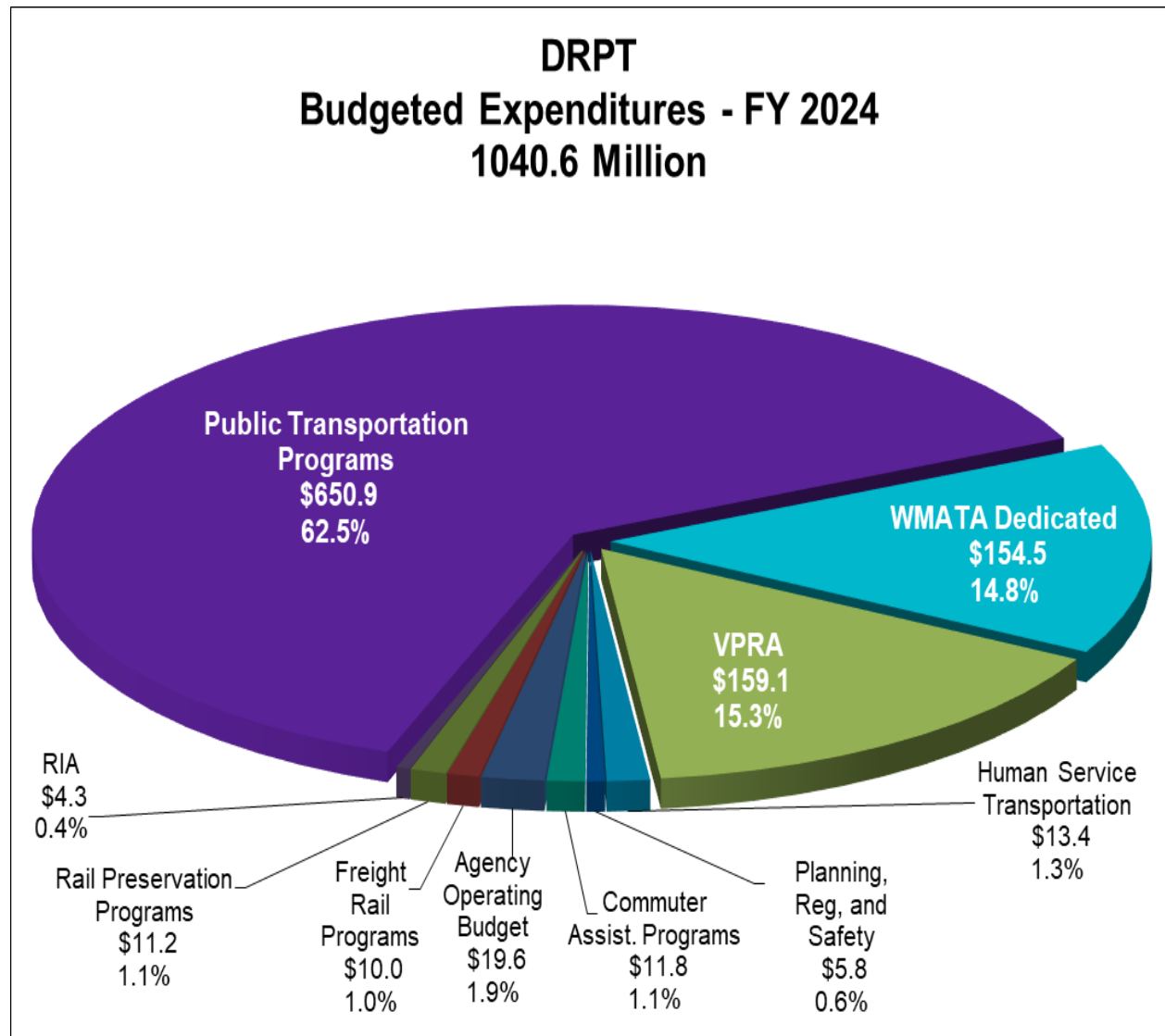
Funding Sources for FY 2024

The major sources of funds for the \$1,040.6 million DRPT budget are depicted in this chart. This does not represent the estimated revenues for FY 2024; instead, it shows the sources of funding for the budgeted expenditures for the year. For example, \$13.2 million was allocated to Planning and Freight rail projects in the FY 2024 SYIP, but the budget and the funding sources statement included \$10.0 million of projected Planning and Freight rail expenditures for FY 2024. This is the result of the two-to-three-year lag on some rail planning and freight projects between the SYIP allocation and the timing of the actual expenditures.



Budgeted Expenditures for FY 2024

In FY 2024, DRPT anticipated spending \$1,040.6 million of Federal, State, and local funds compared to \$1,044.7 million in FY 2023 or a decrease of \$4.1 million. The following chart depicts the FY 2024 DRPT budget across the agency's service areas and payments to the VPRA.



Payments to Grantees

The following is a list of grantees that have received payments totaling \$2.0 million or more during FY 2024. 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)	\$ 210.6
WMATA (Dedicated)	154.5
WMATA - PRIIA (WMATA Assistance)	49.2
County of Fairfax	51.9
NVTC	39.3
Hampton Roads Transit	37.5
City of Alexandria	31.4
Virginia Railway Express	23.4
Greater Richmond Transit Company	21.5
County of Arlington	18.1
Potomac Rappahannock Transportation Commission	16.1
Virginia Port Authority	14.9
County of Loudoun (OTS)	8.4
JAUNT, Inc	6.3
Greater Roanoke Transit Company	6.3
Town of Blacksburg	6.3
Va Regional Transportation Association	6.1
Bay Transit	5.6
Norfolk Southern Railway	5.6
Charlottesville Transit	5.5
Buckingham Branch RR	4.0
Williamsburg Area Transport	3.3
Mountain Empire Older Citizens	3.0
Danville Transit	3.0
Greater Lynchburg Transit Company	2.9
Appalachian Agency for Senior Citizens	2.9
Fredericksburg Regional Transit	2.2
District Three Governmental Cooperative	2.1
City of Harrisonburg	2.0

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.
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 2025:** Revenues anticipated to be collected in fiscal year 2025 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.