



Virginia Department of Rail and Public Transportation

# **Quarterly Financial Report**

**September 30, 2020**

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### 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. As a result, the majority of rail financial activity is transitioning from DRPT to the VPRA this fiscal year, resulting in significant changes to this quarterly report.

#### 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 current fiscal year as compared to the budget adopted by the CTB using a cash basis of accounting. In the current quarter, the schedule compares the budget for the first quarter of the fiscal year (July 1 – September 30) to the actual expenditures for the first quarter of FY 2021 using the cash basis of accounting.

| Department of Rail and Public Transportation<br>Budget vs. Actual<br>Fiscal Year 2021<br>(\$ in Millions) |                          |                        |                        |                    |                    |
|---|--------------------------|------------------------|------------------------|--------------------|--------------------|
|   | FY 2021<br>Budget        | 3 Months<br>Budget     | Actual<br>9/30/2020    | Variance           | Percentage         |
| Transit Programs  | \$ 645.8                 | \$ 146.9               | \$ 146.9               | \$ -               | 0.0%               |
| Rail Programs   | 20.0                     | 2.0                    | 2.0                    | -                  | 0.0%               |
| Agency Operating Budget   | 17.2                     | 4.2                    | 4.2                    | -                  | 0.0%               |
| Agency Total before VPRA  | <u>\$ 683.0</u>          | <u>\$ 153.1</u>        | <u>\$ 153.1</u>        | <u>\$ -</u>        | <u>0.0%</u>        |
| VPRA Payments   | 393.2                    | -                      | -                      | -                  | 0.0%               |
| Agency Total after VPRA   | <u><u>\$ 1,076.2</u></u> | <u><u>\$ 153.1</u></u> | <u><u>\$ 153.1</u></u> | <u><u>\$ -</u></u> | <u><u>0.0%</u></u> |

There are no variances reported in the first quarter of FY 2021. Due to the impacts of the Covid-19 pandemic, the development and adoption of the FY 2021 budget and six year improvement plan were delayed until after the first quarter ended. Since the September 30, 2020 actual results were available at the time of budget preparation, they were used for budgeting purposes in the first quarter of FY 2021. DRPT has set a threshold for detailed explanation of variances that are greater than \$10.1 million (1% of the Total Budget) AND 15% variance between the actual results and budget.

The actual expenses for the Agency Operating Budget include DRPT payroll expenses and indirect costs associated with the VPRA. The expenses associated with the VPRA will be reimbursed by the VPRA in the future. Included in the \$4.2 million of the Agency Operating budget are \$0.5 million of reimbursable VPRA expenses. Excluding these reimbursable VPRA costs, DRPT Administrative expenses for the first quarter are \$3.7 million.

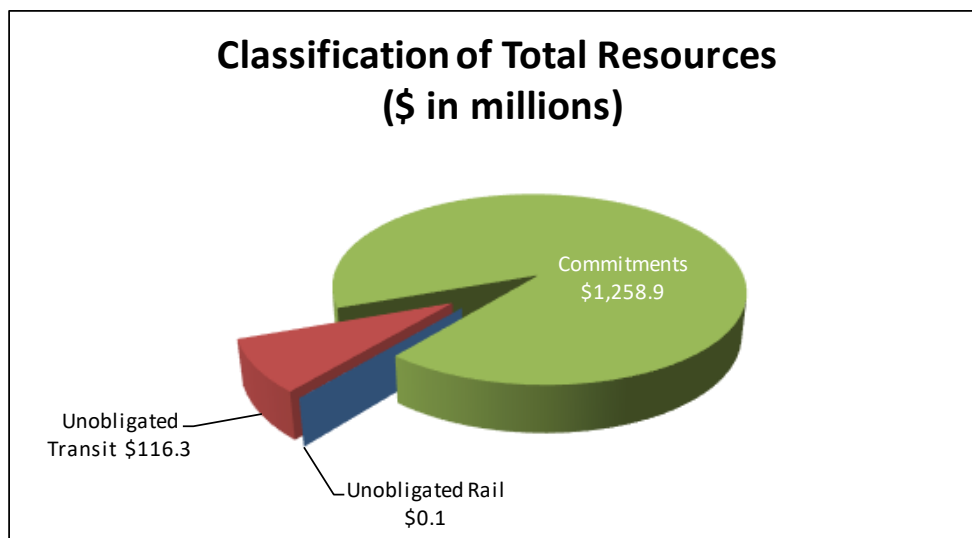
It is important to note that DRPT's reliance on our transportation partners for accurate information will impact the accuracy of our budgeted expenditures. The vast majority of the DRPT budgeted expenditures are initiated by a reimbursement request from one of our project partners who controls the actual project development. As such, DRPT must gather information from these partners about the timing of almost 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 will be to work with our project partners to attain 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 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 (see page 8) 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 available funds after our commitments are met. Essentially, the chart shows what percentage of the 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 quarter ended September 30, 2020, the total unobligated balance for all funds is \$116.4 million, which includes \$116.3 million for the transit programs and \$0.1 million for the rail programs. The total unobligated balance is 8.5% of total resources as compared to 6.6% at September 30, 2019. The unobligated balances include the net activity of resources less allocations in the FY 2021 Six Year Improvement Plan.



Chapter 1230 of the 2020 Virginia Acts of Assembly established the Virginia Passenger Rail Authority (VPRA) in FY 2021. In the bill, the IPROC and REF funds no longer exist starting in FY 2021 and the passenger rail programs and related unobligated balances are part of the VPRA. Commitments include \$302.7 million of cash that will be transferred to the VPRA once an agreement is signed between DRPT and the VPRA. The \$0.1 million of Unobligated Rail are freight and rail planning funds that will remain with DRPT.

The transit programs unobligated balance of \$116.3 million consists of \$64.2 million of Federal funds that have restrictions on their potential use. The Federal funds include \$24.6 million of CARES Act funding and other federal funds that have accumulated due to using funding from the CARES Act. In addition, the transit programs balance includes \$38.2 million of Commonwealth Mass Transit funds, \$5.0 million of transit bonds, \$7.9 million in the transit operating and capital reserves, \$0.8 million of WMATA dedicated funds, and \$0.2 million of other transit capital funds.

The large balances of the Commonwealth Mass Transit Fund and the Federal funds are mainly due to demands for transit capital funding being less than anticipated in the FY 2018 and FY 2019 Six Year Improvement Programs. Some of this drop in demand resulted from transit projects receiving funding through the Smart Scale program. In addition, Federal funds increased due to the Federal Transit Administration allocating CARES Act funding to address needs related to the Coronavirus in the fourth quarter of FY 2020. A portion of the Federal CARES funds are being used in place of Commonwealth Mass Transit funds and FTA 5311 funds to cover rural service in FY 2021. The WMATA Dedicated Funds represent revenues collected in excess of commitments that will be used to help assure stability in future monthly payments.

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 first quarter (July 1, 2020 – September 30, 2020) financial picture. For a definition of individual line items in the subsequent schedules, please consult the glossary beginning on page 16.

### 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 first quarter of the fiscal year (July 1 – September 30) with the actual expenditures for the first quarter of FY 2021 using a cash basis of accounting. The budget was prepared in October 2020 and therefore September 30, 2020 actual results are used for budgeting purposes in the first quarter of FY2021. For transit programs, the FY 2021 expenditures are equal to the estimate, as compared to a 7.0% variance at the same time last year. In the rail programs, the current year expenditures are equal to the estimate, as compared to the prior year's variance of 74.2% as of September 30.

| Schedule of Budget vs. Actual                 |                    |                    |                     |             |                        |       |
|---|--------------------|--------------------|---------------------|-------------|------------------------|-------|
| As of September 30, 2020                      |                    |                    |                     |             |                        |       |
| (\$ in Millions)                              |                    |                    |                     |             |                        |       |
|   | Adopted<br>FY 2021 | 3 Months<br>Budget | Actual<br>9/30/2020 | Variance    | Percentage<br>Variance | Notes |
| <b>Public Transportation Programs</b>         |                    |                    |                     |             |                        |       |
| Operating Assistance                          | \$ 132.0           | \$ 22.4            | \$ 22.4             | \$ -        | 0.0%                   |       |
| Capital Assistance                            | 101.4              | 15.2               | 15.2                | -           | 0.0%                   |       |
| Special Programs                              | 8.7                | 1.8                | 1.8                 | -           | 0.0%                   |       |
| WMATA Assistance                              | 223.6              | 62.1               | 62.1                | -           | 0.0%                   |       |
| Dedicated Funding                             | 154.5              | 38.6               | 38.6                | -           | 0.0%                   |       |
| <b>Total</b>                                  | <b>620.2</b>       | <b>140.1</b>       | <b>140.1</b>        | <b>-</b>    | <b>0.0%</b>            |       |
| <b>Commuter Assistance Programs</b>           | <b>12.0</b>        | <b>4.0</b>         | <b>4.0</b>          | <b>-</b>    | <b>0.0%</b>            |       |
| <b>Human Service Transportation Pgm</b>       | <b>10.0</b>        | <b>1.8</b>         | <b>1.8</b>          | <b>-</b>    | <b>0.0%</b>            |       |
| <b>Planning, Regulation, &amp; Safety Pgm</b> | <b>3.6</b>         | <b>1.0</b>         | <b>1.0</b>          | <b>-</b>    | <b>0.0%</b>            |       |
| <b>Total Transit Programs</b>                 | <b>645.8</b>       | <b>146.9</b>       | <b>146.9</b>        | <b>-</b>    | <b>0.0%</b>            |       |
| <b>Rail Assistance Programs</b>               |                    |                    |                     |             |                        |       |
| Rail Preservation Programs                    | 8.3                | 0.6                | 0.6                 | -           | 0.0%                   |       |
| Rail Industrial Access                        | 1.6                | -                  | -                   | -           | N/A                    |       |
| Freight Rail and Rail Planning Programs       | 10.1               | 1.4                | 1.4                 | -           | 0.0%                   |       |
| <b>Total Rail Programs</b>                    | <b>20.0</b>        | <b>2.0</b>         | <b>2.0</b>          | <b>-</b>    | <b>0.0%</b>            |       |
| <b>Agency Operating Budget</b>                | <b>17.2</b>        | <b>4.2</b>         | <b>4.2</b>          | <b>-</b>    | <b>0.0%</b>            |       |
| <b>Agency Total before VPRA</b>               | <b>\$ 683.0</b>    | <b>\$ 153.1</b>    | <b>\$ 153.1</b>     | <b>\$ -</b> | <b>0.0%</b>            |       |
| <b>VPRA Recurring Payments</b>                | <b>88.6</b>        | <b>-</b>           | <b>-</b>            | <b>-</b>    | <b>N/A</b>             |       |
| <b>VPRA One-Time Payment</b>                  | <b>304.6</b>       | <b>-</b>           | <b>-</b>            | <b>-</b>    | <b>N/A</b>             |       |
| <b>Agency Total</b>                           | <b>\$ 1,076.2</b>  | <b>\$ 153.1</b>    | <b>\$ 153.1</b>     | <b>\$ -</b> | <b>0.0%</b>            |       |

Note: Any variances of \$10.1 million (1% of the total budget) AND 15% are explained.

## 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, as well as all 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 allocation in FY 2021 and prior. 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 10.

| Schedule of Resources and Commitments |               |                 |                 |                 |
|---------------------------------------|---------------|-----------------|-----------------|-----------------|
| As of September 30, 2020              |               |                 |                 |                 |
| (\$ in Millions)                      |               |                 |                 |                 |
|                                       | 9/30/2020     |                 |                 | 9/30/2019       |
|                                       | Rail          | Transit         | Total           | Total           |
| <b>Resources</b>                      |               |                 |                 |                 |
| Cash                                  | \$ 330.2      | \$ 182.7        | \$ 512.9        | \$ 455.2        |
| Estimated Revenues - FY 2021          | 74.8          | 368.2           | 443.0           | 429.6           |
| Accounts Receivable                   | 12.5          | 2.3             | 14.8            | 3.4             |
| Bonds Receivable                      | -             | 14.5            | 14.5            | 16.2            |
| Anticipated Bond Proceeds             | 25.1          | 120.4           | 145.5           | 166.3           |
| Anticipated Reimbursement - VDOT      | 0.8           | 68.8            | 69.6            | 275.6           |
| Anticipated Reimbursement - VPRA      | 44.8          | -               | 44.8            | -               |
| Anticipated Reimbursement - DEQ       | -             | 8.9             | 8.9             | 8.9             |
| Anticipated Reimbursement - Federal   | 6.0           | 115.3           | 121.3           | 162.3           |
| <b>Total Resources (A)</b>            | <b>494.2</b>  | <b>881.1</b>    | <b>1,375.3</b>  | <b>1,517.5</b>  |
| <b>Commitments</b>                    |               |                 |                 |                 |
| Transit & TDM Commitments             | -             | 764.8           | 764.8           | 887.1           |
| Rail Commitments                      | 101.4         | -               | 101.4           | 529.1           |
| VPRA Commitments                      | 392.7         | -               | 392.7           | -               |
| Due to VDOT                           | -             | -               | -               | 0.5             |
| <b>Total Commitments (B)</b>          | <b>494.1</b>  | <b>764.8</b>    | <b>1,258.9</b>  | <b>1,416.7</b>  |
| <b>Funds Available</b>                | <b>\$ 0.1</b> | <b>\$ 116.3</b> | <b>\$ 116.4</b> | <b>\$ 100.8</b> |



**Variance Notes**

**(A)** Total Resources at September 30, 2020 decreased by \$142.2 million from the \$1,517.5 million reported last year. Cash balances increased \$57.7 million mainly due to the lead time required to develop multi-year rail programs. As of July 1, 2020, passenger rail programs and related unobligated balances are part of the VPRA. A one-time cash payment of \$302.7 million, which is currently included in the Cash balance, will be transferred to the VPRA once an agreement is signed between DRPT and the VPRA. The \$302.7 million is the final cash balance of the REF and IPROC funds at June 30, 2020 less year-end adjustments and encumbered administrative obligations to be paid by DRPT and is a reduction of \$1.9 million from the amount budgeted prior to adjustments of \$304.6 million on the Schedule of Budget vs Actual (page 7). Estimated revenues increased \$13.4 million primarily because of the timing of collections. Accounts Receivable increased \$11.4 million due mainly to payments made on behalf of the VPRA that will be collected once the \$302.7 million cash transfer to VPRA is recorded. Bonds Receivable decreased \$1.7 million. Anticipated Bond Proceeds decreased by \$20.8 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. Anticipated Reimbursements from VDOT decreased \$206.0 million from September 30, 2019 primarily due to the Atlantic Gateway, Fourth Track, and I-95 Corridor improvement projects using PTF funding being transferred to the VPRA. Anticipated Reimbursement from VPRA of \$44.8 million are freight rail and rail planning projects as of June 30, 2020 that will continue to be administered by DRPT and are reimbursed by VPRA as they are incurred. Anticipated Reimbursements from DEQ of \$8.9 million are unchanged. These are expected funds from the Volkswagen settlement to be used for purchasing electric buses. Anticipated Reimbursement from Federal sources decreased \$41.0 million because of the transfer of Atlantic Gateway, PRTC/VRE track lease, and other I-95 Corridor improvement projects to the VPRA, which are partially offset by an increase in CARES Act funding.

**(B)** Total Commitments decreased by \$157.8 million. Rail commitments decreased \$427.7 million because of the transfer of all passenger rail projects to the VPRA. These are partially offset by the increase of \$392.7 million of commitments to the VPRA. The VPRA commitments include a \$302.7 million one-time transfer of cash to the VPRA and the 93% share of annual estimated revenues in the Commonwealth Rail Fund established in Chapter 1230 of the 2020 Virginia Acts of Assembly. The \$302.7 million is the final cash balance of the REF and IPROC funds at June 30, 2020 less year-end adjustments and encumbered administrative obligations to be paid by DRPT and is a reduction of \$1.9 million from the amount budgeted prior to adjustments of \$304.6 million on the Schedule of Budget vs Actual (page 7). Transit commitments decreased \$122.3 million primarily due to the completion of many major capital projects and the effects of the Coronavirus on future capital outlays. Due to VDOT decreased \$0.5 million as no payments were due to VDOT at the end of the quarter.

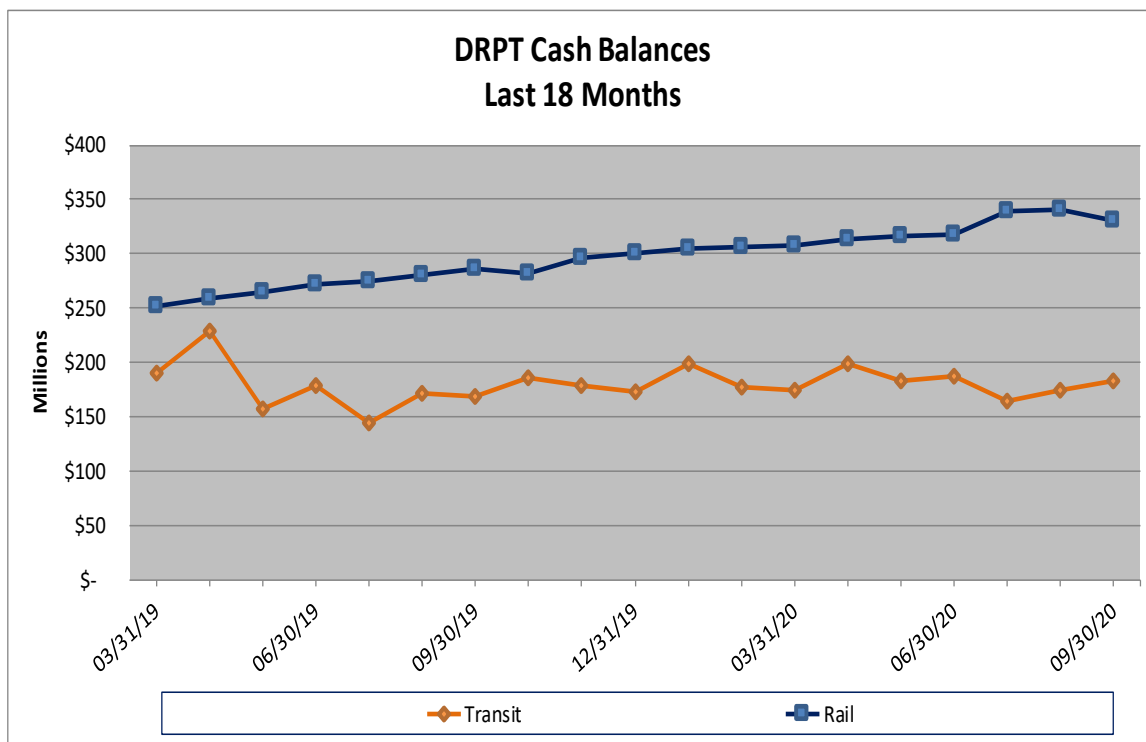
**Funds Available**

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 September 30, 2020                  |               |                 |                 |                 |                |
| (\$ in Millions)                          |               |                 |                 |                 |                |
|   | 9/30/2020     |                 |                 | 9/30/2019       | Variance       |
|   | Rail          | Transit         | Total           | Total           |                |
| Unobligated Freight & Rail Planning Funds | \$ 0.1        | \$ -            | \$ 0.1          | \$ 19.7         | \$ (19.6)      |
| Unobligated Rail Preservation Funds       | -             | -               | -               | 0.4             | (0.4)          |
| Unobligated Mass Transit Funds            | -             | 38.2            | 38.2            | 30.1            | 8.1            |
| Transit Operating/Capital Reserve         | -             | 7.9             | 7.9             | 7.9             | -              |
| Unobligated Transit Bonds                 | -             | 5.0             | 5.0             | 7.0             | (2.0)          |
| Unobligated WMATA Dedicated Funds         | -             | 0.8             | 0.8             | 6.2             | (5.4)          |
| Unobligated Transit Federal Funds         | -             | 64.2            | 64.2            | 29.3            | 34.9           |
| Unobligated Transit Other                 | -             | 0.2             | 0.2             | 0.2             | -              |
| <b>Total Funds Available</b>              | <b>\$ 0.1</b> | <b>\$ 116.3</b> | <b>\$ 116.4</b> | <b>\$ 100.8</b> | <b>\$ 15.6</b> |

The total funds available increased by \$15.6 million from last year to this year. Chapter 1230 of the 2020 Acts of Assembly established the Virginia Passenger Rail Authority (VPRRA) in FY 2021. In the bill, the IPROC and REF funds no longer exist starting in FY 2021 and the passenger rail programs and related unobligated balances are part of the VPRRA. As such, the Unobligated Freight and Rail Planning Funds decreased \$19.6 million. The Rail Preservation Funds decreased \$0.4 million since all unobligated funds were applied to projects in the FY 2021 Six Year Improvement Program.

The Unobligated Mass Transit Funds increased \$8.1 million. The Unobligated Transit Bonds decreased \$2.0 million as bond funding is being used to cover a shortfall in WMATA dedicated funding in the FY 2021 SYIP. The Unobligated WMATA Dedicated Funds decreased \$5.4 million. These funds now consist of interest that is being used to make scheduled WMATA payments in future months when revenues collected are less than required payments. The Unobligated Transit Federal funds increased \$34.9 million. The Federal Funds have restrictions on their potential use and include \$24.6 million of stimulus funded by the CARES Act through the FTA that has not yet been committed.

**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. The rail cash balances are relatively high compared to transit due to the lead time required to develop the associated rail program which includes the Transforming Rail Initiative. In July 2020, \$302.7 million of the rail cash balance effectively became part of the capital structure of the Virginia Passenger Rail Authority. The \$302.7 million is the final cash balance of the REF and IPROC funds at June 30, 2020 less year-end adjustments and encumbered administrative obligations to be paid by DRPT of \$1.9 million from the amount budgeted prior to adjustments of \$304.6 million on the Schedule of Budget vs Actual (page 7). The cash is reported in the chart above since it will not be transferred to the VPRA until an agreement is signed between DRPT and the VPRA..

Chapter 856 of the 2018 Acts of Assembly established a new Dedicated WMATA funding program. The agreement related to that program took some time to be completed. The large decline in May 2019 cash for transit programs mirrors the execution of the contract and catch up payments made in that program. The increase in June 2019 was due to revenue collections in the Mass Transit Trust Fund and the Dedicated WMATA Capital Fund. In July 2019 the Department had significant outstanding bonds receivable balances that were received in August 2019. Likewise, in September 2019 the Department had significant outstanding bonds receivable balances that were received in October 2019. Significant bond receivable balances in December 2019 were received in January 2020. Again, significant bond receivable balances in March 2020 were received in April 2020. In July 2020, DRPT made significant payments to WMATA for PRIIA, dedicated funding, and capital and operating assistance.

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 time period. Capital demands in FY 2018 and FY 2019 were less than anticipated. Demands in the FY 2020 SYIP increased but spending declined in the fourth quarter of FY 2020 and into FY 2021 due to the unfavorable economic effects of the Coronavirus. Much of the rail cash balance will be transferred to the new Virginia Passenger Rail Authority in FY 2021. Adjusted for the cash transfer, the six month average cash balance for DRPT freight rail and rail planning initiatives is \$23.5 million.

| <b>Working Cash Needs</b>                  |                         |                        |
|--|-------------------------|------------------------|
| <b>As of September 30, 2020</b>            |                         |                        |
| <b>(\$ in Millions)</b>                    |                         |                        |
|  | <u>Transit</u>          | <u>Rail</u>            |
| Annual Budget (Including Administration)   | \$ 662.5                | \$ 20.5                |
| 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>110.4 (A)</u></b> | <b><u>10.3 (B)</u></b> |
| Six Month Average Cash Balance             | 181.8                   | 326.2                  |
| Less: One Time VPRA Payment                | <u>-</u>                | <u>(302.7)</u>         |
| <b>Avg Cash Excluding One Time Payment</b> | <b>181.8</b>            | <b>23.5</b>            |
| <b>Excess / (Shortfall)</b>                | <b><u>\$ 71.4</u></b>   | <b><u>\$ 13.2</u></b>  |

(A) - 60 days cash reserve  
 (B) - 180 days cash reserve

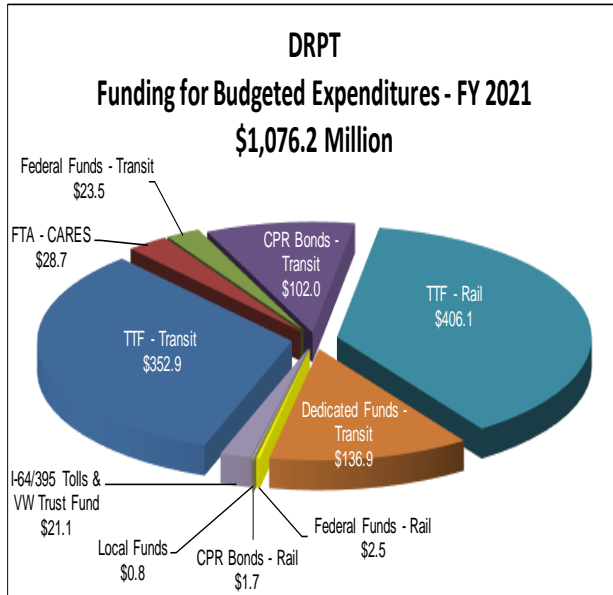
## Receivables

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. Moreover, accounts receivable includes payments made on behalf of the VPRA, which will be collected when the \$302.7 million cash transfer to VPRA is recorded. The \$302.7 million is the final cash balance of the REF and IPROC funds at June 30, 2020 less year-end adjustments and encumbered administrative obligations to be paid by DRPT and is a reduction of \$1.9 million from the amount budgeted prior to adjustments of \$304.6 million on the Schedule of Budget vs Actual (page 7). 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. The aging of accounts receivable is not a concern as of September 30, 2020 as the balance is due from VDOT and municipalities that remain current on their payments and VPRA, which is currently being administered by DRPT.

|                            | <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> | \$ 14.7          | \$ 0.1            | \$ -                | \$ -                 | \$ 14.8      |
| <b>Bonds Receivable</b>    | \$ 14.5          | \$ -              | \$ -                | \$ -                 | \$ 14.5      |

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

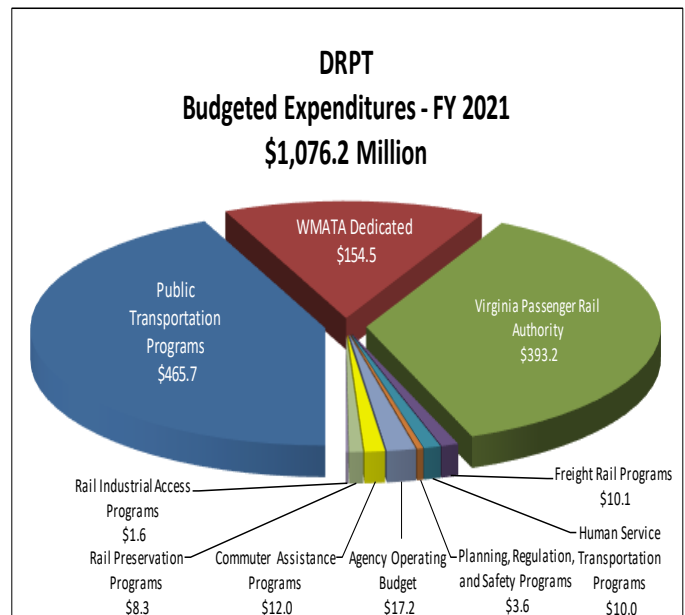
### Funding for Budgeted Expenditures FY 2021



The major sources of funds for the \$1,076.2 million DRPT budget are depicted in this chart. This does not represent the estimated revenues for FY 2021; instead, it shows the sources of funding for the budgeted expenditures for the year. For example, \$50.0 million of Commonwealth of Virginia Transportation Capital Projects Revenue Bonds is allocated to transit in the FY 2021 SYIP, but the budget and the funding sources statement includes \$102.0 million of projected expenditures for FY 2021. 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 FY 2021

In FY 2021, DRPT anticipates spending \$1,076.2 million of federal, state, and local funds compared to \$730.5 million in FY 2020. The increase of \$345.7 million is mainly due to the establishment of the VPRA and the anticipated cash and revenue transfers to the new Agency from DRPT. The chart depicts the FY 2021 DRPT budget across the agency's service areas and the newly created Virginia Passenger Rail Authority (VPRA).



**Payments to Grantees**

The following is a list of grantees that have received payments totaling \$0.4 million or more during FY 2021. 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 (Dedicated)                              | \$ 38.6 |
| WMATA - NVTC (WMATA Assistance)                | 39.7    |
| WMATA - PRIIA (WMATA Assistance)               | 22.4    |
| Hampton Roads Transit                          | 6.4     |
| County of Loudoun (OTS)                        | 5.7     |
| County of Arlington                            | 5.2     |
| Virginia Railway Express                       | 4.1     |
| City of Alexandria                             | 3.9     |
| Greater Richmond Transit Company               | 3.5     |
| Potomac Rappahannock Transportation Commission | 3.0     |
| National Railroad Passenger Corp. (Amtrak)     | 1.8     |
| JAUNT, Inc                                     | 1.3     |
| Greater Roanoke Transit Company                | 1.2     |
| Greater Lynchburg Transit Company              | 1.2     |
| District of Columbia DOT                       | 1.1     |
| Danville Transit                               | 1.0     |
| Williamsburg Area Transport (WATA)             | 1.0     |
| Va Regional Transportation Association         | 0.8     |
| CSX  | 0.8     |
| Town of Blacksburg                             | 0.8     |
| Norfolk Southern Railway                       | 0.7     |
| Washington Metrorail Safety Commission         | 0.7     |
| County of Fairfax                              | 0.7     |
| Appalachian Agency for Senior Citizens         | 0.5     |
| Bay Transit                                    | 0.5     |
| Charlottesville Transit                        | 0.5     |
| Accomack Northampton TDC - Star Transit        | 0.4     |
| City of Petersburg                             | 0.4     |

**Glossary of Schedule Line Items**

1. **Accounts Receivable:** Expenditures incurred on projects funded by VDOT 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. DRPT will collect these funds in full when the cash transfer agreement is signed between VPRA and DRPT.
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 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 will be transferred to the VPRA when an agreement is signed between the VPRA and DRPT. DRPT will then request 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:** Funds received in advance from VDOT including Rail Industrial Access projects that were completed under budget or did not move forward as anticipated.
9. **Estimated revenues – FY 2021:** Remaining revenues anticipated to be collected in the current fiscal year 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 a one time payment of \$302.7 million due to the Virginia Passenger Rail Authority. The \$302.7 million is the final cash balance of the REF and IPROC funds at June 30, 2020 less year-end adjustments and encumbered administrative obligations to be paid by DRPT and is a reduction of \$1.9 million from the amount budgeted prior to the adjustments. The commitments also include 93% of the annual revenues collected in the Commonwealth Rail Fund.
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 five percent as permitted by the Appropriations Act that DRPT takes 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 that will be made to the VPRA for 93% of the annual revenues received from the Commonwealth Rail Fund, as they are received by DRPT.
21. VPRA One-Time Payment: This \$304.6 million is the budgeted estimate of the cash balance as of June 30, 2020 in the REF and IPROC Funds. After year-end adjustments and adjustments for encumbered administrative obligations to be paid by DRPT, the cash balance available for transfer to the VPRA is \$302.7 million.