



Virginia Department of Rail and Public Transportation

Quarterly Financial Report

December 31, 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 six months of the fiscal year (July 1 – December 31) to the actual expenditures for the first two quarters of FY 2021 using the cash basis of accounting.

Department of Rail and Public Transportation Budget vs. Actual Fiscal Year 2021 (\$ in Millions)					
	FY 2021 Budget	6 Months Budget	Actual 12/31/2020	Variance	Percentage
Transit Programs	\$ 645.8	\$ 314.0	\$ 276.6	\$ 37.4	11.9%
Rail Programs	20.0	10.1	3.5	6.6	65.3%
Agency Operating Budget	17.2	8.6	7.6	1.0	11.6%
Agency Total before VPRA	\$ 683.0	\$ 332.7	\$ 287.7	\$ 45.0	13.5%
VPRA Payments	393.2	348.8	-	348.8	100.0%
Agency Total after VPRA	\$ 1,076.2	\$ 681.5	\$ 287.7	\$ 393.8	57.8%

The total variance of actual expenditures compared to the anticipated expenditures for the first two quarters of FY 2021 is 57.8% or \$393.8 million. Excluding transactions between the VPRA and DRPT the actual expenditures compared to the anticipated expenditures for the first two quarters of FY 2021 is 13.5% or \$45.0 million.

For Transit Programs the current year expenditures are below the estimate by 11.9% or \$37.4 million. One large transit agency was delayed in authorizing operating assistance funding. In addition, there are timing differences between the expenditure of operating funds and the reimbursement of operating expenses in rural agencies that use Federal CARES Act funding. Federal funding is done on a reimbursement basis while State operating payments are scheduled. Capital projects were delayed including facility construction and bus purchases, mainly due to the impact of the Covid-19 pandemic.

In Rail Programs, the current year expenditures are below the estimate by 65.3% or \$6.6 million. These variances were due to delays across the board in rail projects due to the impact of the Covid-19 pandemic on the freight rail industry. 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.

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.

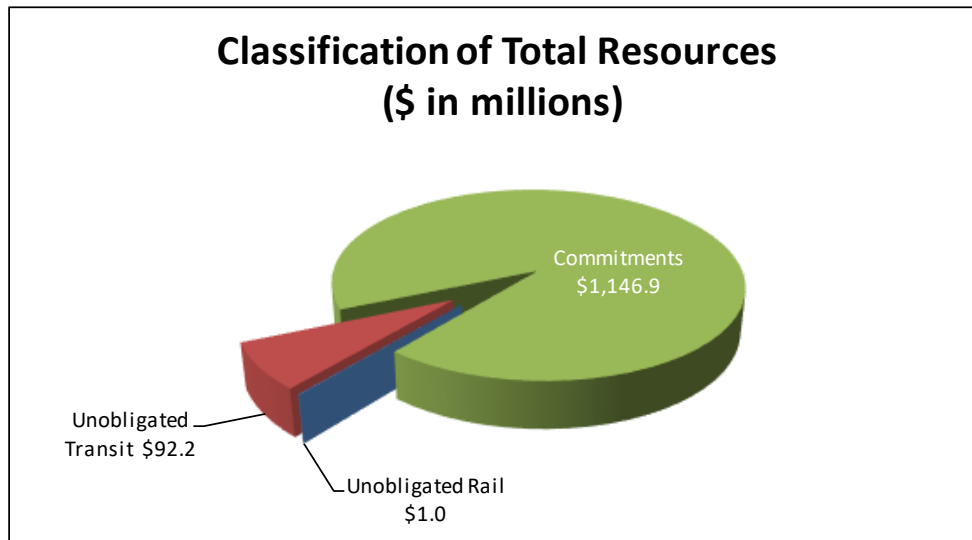
Unobligated Funds

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 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 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 December 31, 2020, the total unobligated balance for all funds is \$93.2 million, which includes \$92.2 million for the transit programs and \$1.0 million for the rail

programs. The total unobligated balance is 7.5% of total resources as compared to 7.7% at December 31, 2019.



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 \$92.2 million consists of \$36.6 million of Federal funds that have restrictions on their potential use, such as \$7.9 million of CARES Act funding. In addition, the transit programs balance includes \$37.9 million of Commonwealth Mass Transit funds, \$8.7 million of transit bonds, \$7.9 million in the transit operating and capital reserves, \$0.8 million of WMATA dedicated funds, and \$0.3 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 operating expenses for 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 two quarters (July 1, 2020 – December 31, 2020) financial picture. For a definition of individual line items in the subsequent schedules, please consult the glossary beginning on page 18.

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 six months of the fiscal year (July 1 – December 31) with the actual expenditures for the first two quarters of FY 2021 using a cash basis of accounting. For transit programs, the FY 2021 expenditures are off by 11.9% from the estimate, as compared to a 1.5% variance at the same time last year. In the rail programs, the current year expenditures are off by 65.3% compared to the prior year's variance of 68.0% as of December 31.

Schedule of Budget vs. Actual						
As of December 31, 2020						
(\$ in Millions)						
	Adopted FY 2021	6 Months Budget	Actual 12/31/2020	Variance	Percentage Variance	Notes
Public Transportation Programs						
Operating Assistance	\$ 132.0	\$ 60.0	\$ 47.1	\$ 12.9	21.5%	A
Capital Assistance	101.4	43.2	23.8	19.4	44.9%	B
Special Programs	8.7	4.1	2.9	1.2	29.3%	
WMATA Assistance	223.6	116.8	114.6	2.2	1.9%	
Dedicated Funding	154.5	72.3	75.8	(3.5)	-4.8%	
Total	620.2	296.4	264.2	32.2	10.9%	
Commuter Assistance Programs	12.0	7.2	5.5	1.7	23.6%	
Human Service Transportation Pgm	10.0	8.6	5.4	3.2	37.2%	
Planning, Regulation, & Safety Pgm	3.6	1.8	1.5	0.3	16.7%	
Total Transit Programs	645.8	314.0	276.6	37.4	11.9%	
Rail Assistance Programs						
Rail Preservation Programs	8.3	3.3	1.5	1.8	54.5%	
Rail Industrial Access	1.6	0.9	-	0.9	100.0%	
Freight Rail and Rail Planning Programs	10.1	5.9	2.0	3.9	66.1%	
Total Rail Programs	20.0	10.1	3.5	6.6	65.3%	
Agency Operating Budget	17.2	8.6	7.6	1.0	11.6%	
Agency Total before VPRA	\$ 683.0	\$ 332.7	\$ 287.7	\$ 45.0	13.5%	
VPRA Recurring Payments	88.6	44.2	-	44.2	100.0%	C
VPRA One-Time Payment	304.6	304.6	-	304.6	100.0%	C
Agency Total	\$ 1,076.2	\$ 681.5	\$ 287.7	\$ 393.8	57.8%	

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

Variance notes:

(A) Transit Operating Assistance expenditures were \$12.9 million, or 21.5% less than the estimate in the budget. The following project specific details help to explain the total variance for Operating Assistance expenditures:

- Scheduled operating payments to Fairfax County of \$7.8 million were expected to be made for the first half of FY 2021. Fairfax County has approved the funding agreements and payment will be made in the third quarter of FY 2021.
- The CARES Act passed late in FY 2020 made funding available for expenses related to the operations of rural transit systems. Due to the timing required for application, authorization, and reimbursement, \$6.8 million of budgeted CARES operating funds have not yet been invoiced. These payments are expected to begin in the third quarter of FY 2021 and continue through the second quarter of FY 2022. Operating expenses for Rural transit systems are currently being reimbursed through older 5311 funding and CARES funding programmed in the fourth quarter of FY 2020.
- The remaining variance is due to many smaller projects that differ from the estimated cash flows for a variety of reasons.

(B) Transit Capital Assistance expenditures were \$19.4 million, or 44.9% less than the estimate in the budget. The following project specific details help to explain the total variance for Capital Assistance expenditures:

- Loudoun County was expected to invoice \$4.6 million for the purchase and rehabilitation of buses. The buses have been on order for a little more than a year and are expected to arrive in the third quarter.
- NVTC was expected to invoice \$2.9 million for Alexandria for the purchase of electric buses and charging infrastructure. Six buses and the charging stations have been ordered. Three buses and six charging stations have arrived and invoicing for those units is expected in the third quarter.
- NVTC was expected to invoice \$2.4 million more for the construction of Silver Line Metro garages and related facilities. The Herndon and Innovation garages are substantially complete. Final punch list items and retainage payments are expected to be made in the fourth quarter.
- NVTC was expected to invoice \$0.8 million for the rehabilitation of buses for Arlington. The project is complete and these funds will be deobligated in the third quarter.
- NVTC was expected to invoice \$0.7 million for the rehabilitation of buses for Fairfax County. The project was temporarily delayed due to the pandemic but is back on track to annually complete 20-25 buses.
- Hampton Roads Transit was expected to invoice \$0.7 million to rehabilitate rail cars. Material lead times and contractor services for overhauls have been adversely affected by the pandemic. The overhauls are expected to be completed in the first quarter of FY 2022.
- NVTC was expected to invoice \$0.6 million for the US 15 Richmond Highway Bus Rapid Transit project. The project is substantially complete. NVTC is drawing down Federal funds before requesting reimbursement of State funds on this project.

- NVTC was expected to invoice \$0.5 million for the Bus Rapid Transit project in the West end of Alexandria. The project is ongoing with NVTA using Smart Scale funds so these funds have been deobligated.
- Blacksburg was expected to invoice \$0.5 million more for the construction of the bus administrative building. A construction contract has been awarded and ground breaking will begin in the fourth quarter.
- Hampton Roads Transit was expected to invoice \$0.4 million for ferry dock improvements. The project is substantially complete and invoicing is expected in the third quarter.
- The remaining variance is due to many smaller projects that differ from the estimated cash flows for a variety of reasons.

(C) DRPT's FY 2021 budget includes \$393.2 million of expenditures to be made to the Virginia Passenger Rail Authority. This amount includes \$304.6 million which 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. This cash payment is expected to be made in the third quarter. The budget also includes \$88.6 million of recurring 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. A lump sum catch up payment is expected to be made in the third quarter and monthly payments will be made following that.

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 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.

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 12.

Schedule of Resources and Commitments				
As of December 31, 2020				
(\$ in Millions)				
	12/31/2020			12/31/2019
	Rail	Transit	Total	Total
Resources				
Cash	\$ 349.3	\$ 192.8	\$ 542.1	\$ 473.1
Estimated Revenues - FY 2021	50.4	249.7	300.1	284.5
Accounts Receivable	18.1	7.5	25.6	2.2
Bonds Receivable	-	13.3	13.3	16.1
Anticipated Bond Proceeds	25.1	106.2	131.3	140.9
Anticipated Reimbursement - VDOT	-	75.4	75.4	276.9
Anticipated Reimbursement - VPRA	44.8	-	44.8	-
Anticipated Reimbursement - DEQ	-	4.6	4.6	8.9
Anticipated Reimbursement - Federal	5.6	97.3	102.9	153.7
Total Resources (A)	493.3	746.8	1,240.1	1,356.3
Commitments				
Transit & TDM Commitments	-	654.6	654.6	732.4
Rail Commitments	99.6	-	99.6	519.4
VPRA Commitments	392.7	-	392.7	-
Total Commitments (B)	492.3	654.6	1,146.9	1,251.8
Funds Available	\$ 1.0	\$ 92.2	\$ 93.2	\$ 104.5

Variance Notes

(A) Total Resources at December 31, 2020 decreased by \$116.2 million from the \$1,356.3 million reported last year. Cash balances increased \$69.0 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 \$15.6 million primarily because of the timing of collections. Accounts Receivable increased \$23.4 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 \$2.8 million. Anticipated Bond Proceeds decreased by \$9.6 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 \$201.5 million from December 31, 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 the 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 expenses are incurred. Anticipated Reimbursements from DEQ decreased \$4.3 million. These are expected funds from the Volkswagen settlement to be used for purchasing electric buses. Anticipated Reimbursement from Federal sources decreased \$50.8 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 \$104.9 million. Rail commitments decreased \$419.8 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 \$77.8 million primarily due to the completion of many major capital projects and the effects of the Coronavirus on future capital outlays.

Funds Available

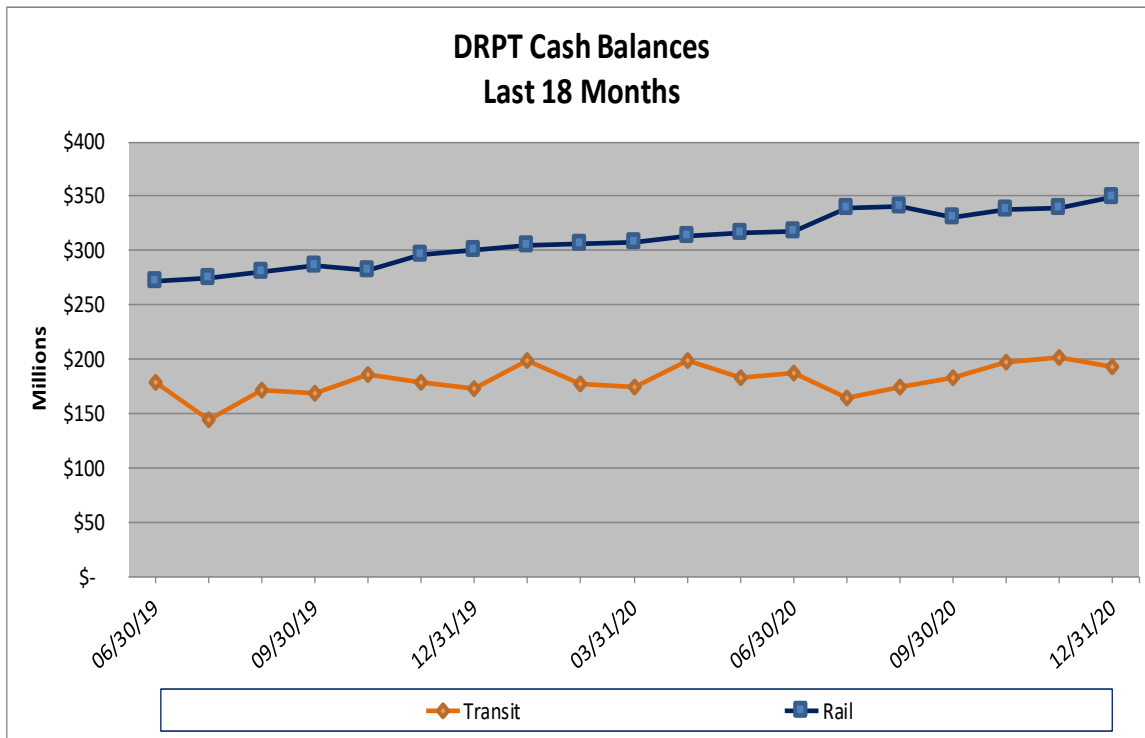
The following schedule outlines the Department's available balances after meeting all current commitments. These balances are available to fund new projects within the parameters mandated by the Code of Virginia for each separate source. Please see the glossary for a more detailed explanation of each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

Schedule of Available Balances					
As of December 31, 2020					
(\$ in Millions)					
	12/31/2020			12/31/2019	Variance
	Rail	Transit	Total	Total	
Unobligated Freight & Rail Planning Funds	\$ 1.0	\$ -	\$ 1.0	\$ 20.1	\$ (19.1)
Unobligated Rail Preservation Funds	-	-	-	0.4	(0.4)
Unobligated Mass Transit Funds	-	37.9	37.9	32.3	5.6
Transit Operating/Capital Reserve	-	7.9	7.9	7.9	-
Unobligated Transit Bonds	-	8.7	8.7	7.3	1.4
Unobligated WMATA Dedicated Funds	-	0.8	0.8	6.4	(5.6)
Unobligated Transit Federal Funds	-	36.6	36.6	29.9	6.7
Unobligated Transit Other	-	0.3	0.3	0.2	0.1
Total Funds Available	\$ 1.0	\$ 92.2	\$ 93.2	\$ 104.5	\$ (11.3)

The total funds available decreased by \$11.3 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 \$19.1 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 \$5.6 million. The large balance of the Mass Transit Funds are mainly due to demands for transit capital funding being less than anticipated in the FY 2018 SYIP and the FY 2019 SYIP. The Unobligated Transit Bonds increased \$1.4 million. The Unobligated WMATA Dedicated Funds decreased \$5.6 million. These funds now consist of interest that is being used to make scheduled WMATA payments when revenues collected are less than required payments. The Unobligated Transit Federal funds increased \$6.7 million. The Federal Funds have restrictions on their potential use and include \$7.9 million of stimulus funded by the CARES Act through the FTA that has not yet been committed. Other Unobligated Transit funds increased \$0.1 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. 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 which was budgeted at \$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. The gradual increase in rail cash from September 2020 to December 2020 are due to revenue collections in excess of expenses and interest collected.

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. From July 2020 to November 2020 the gradual increase in cash balances is due to revenue collections in excess of expenses. Federal CARES funding is being used in lieu of State funds to pay for the operations of many rural transit agencies. In December 2020, DRPT made a quarterly payment to WMATA for PRIIA.

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 \$36.6 million.

Working Cash Needs		
As of December 31, 2021		
(\$ in Millions)		
	<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>
Working Cash Needs	<u>110.4 (A)</u>	<u>10.3 (B)</u>
Six Month Average Cash Balance	185.5	339.3
Less: One Time VPRA Payment	<u>-</u>	<u>(302.7)</u>
Avg Cash Excluding One Time Payment	185.5	36.6
Excess / (Shortfall)	<u>\$ 75.1</u>	<u>\$ 26.3</u>

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

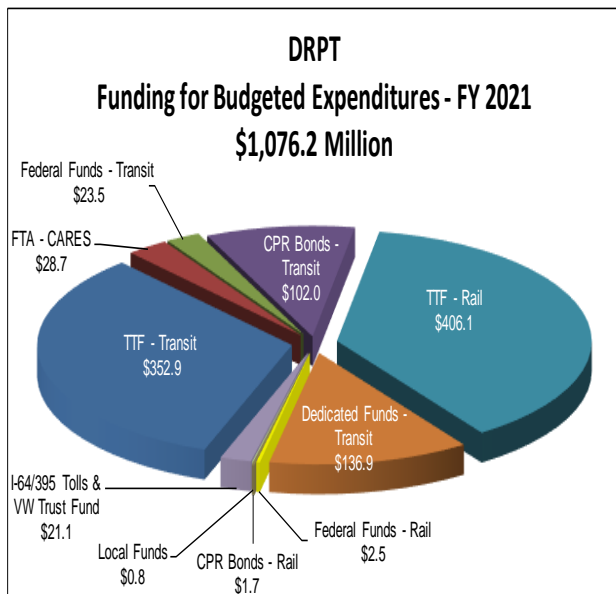
Receivables

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 which support the WMATA dedicated funding program. 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 December 31, 2020 as \$18.0 million is due from the VPRA which is currently administered by DRPT, and the remaining balance is due from the Federal government, VDOT, and municipalities that remain current on their payments.

	<u>0-30 days</u>	<u>31-90 days</u>	<u>> 90 days</u>	<u>> 365 days</u>	<u>Total</u>
Accounts Receivable	\$ 25.6	\$ -	\$ -	\$ -	\$ 25.6
Bonds Receivable	\$ 13.3	\$ -	\$ -	\$ -	\$ 13.3

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

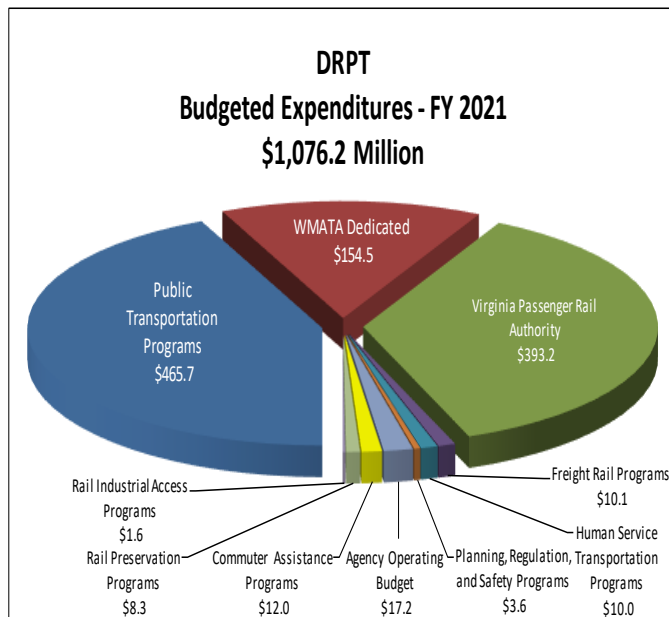
Funding for Budgeted Expenditures FY 2021



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 \$1.0 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 - NVTC (WMATA Assistance)	\$ 79.5
WMATA (Dedicated)	75.8
WMATA - PRIIA (WMATA Assistance)	35.1
Hampton Roads Transit	14.6
Virginia Railway Express	7.7
County of Arlington	7.5
County of Loudoun (OTS)	6.6
Greater Richmond Transit Company	6.2
Potomac Rappahannock Transportation Commission	5.2
City of Alexandria	5.1
Town of Blacksburg	3.6
City of Newport News	3.3
CSX	2.7
County of Fairfax	2.3
JAUNT, Inc	2.1
National Railroad Passenger Corp. (Amtrak)	1.9
Greater Roanoke Transit Company	1.8
Greater Lynchburg Transit Company	1.7
Va Regional Transportation Association	1.6
Appalachian Agency for Senior Citizens	1.6
Williamsburg Area Transport (WATA)	1.6
Washington Metrorail Safety Commission	1.4
Bay Transit	1.2
UHSTS (RADAR) - Roanoke County	1.1
District of Columbia DOT	1.1
Danville Transit	1.1
Norfolk Southern Railway	1.0

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.