



Quarterly Financial Report

June 30, 2022

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 transitioned from DRPT to the VPRA in fiscal year 2021, resulting in a large reduction of commitments due to VPRA activities, estimated rail revenues, and payments to VPRA in FY 2022.

Budget vs. Actual

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

Department of Rail and Public Transportation Budget vs. Actual Fiscal Year 2022 (\$ in Millions)				
	<u>FY 2022 Budget</u>	<u>Actual 6/30/2022</u>	<u>Variance</u>	<u>Percentage</u>
Transit Programs	\$ 817.6	\$ 738.9	\$ 78.7	9.6%
Rail Programs	33.4	14.8	18.6	55.7%
Agency Operating Budget	17.5	16.3	1.2	6.9%
Agency Total before VPRA	<u>\$ 868.5</u>	<u>\$ 770.0</u>	<u>\$ 98.5</u>	11.3%
VPRA Payments	174.5	173.0	1.5	0.9%
Agency Total after VPRA	<u>\$ 1,043.0</u>	<u>\$ 943.0</u>	<u>\$ 100.0</u>	9.6%

At June 30, 2022, the total variance of the actual expenditures compared to the anticipated expenditures for the FY 2022 is 9.6% or \$100.0 million. For Transit Programs the expenditures are below the estimate by 9.6% or \$78.7 million. 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. State operating payments are made on a schedule while Federal funding is reimbursed after expenditures are incurred. Capital projects, including facility construction, bus purchases, bus overhauls, and IT hardware and software replacements were delayed mainly due to the impact of the COVID-19 pandemic and related supply chain issues.

In Rail Programs, the expenditures are below the estimate by 55.7% or \$18.6 million. These variances were mainly due to delays across the board in rail projects due to the impact of the COVID-19 pandemic on the freight rail industry. In addition, funding changes and delays in getting approvals for agreements delayed some major projects. DRPT has set a threshold for detailed explanation of variances that are greater than \$10.5 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 is to work with our project partners to realize a variance of 10% or less by each year end.

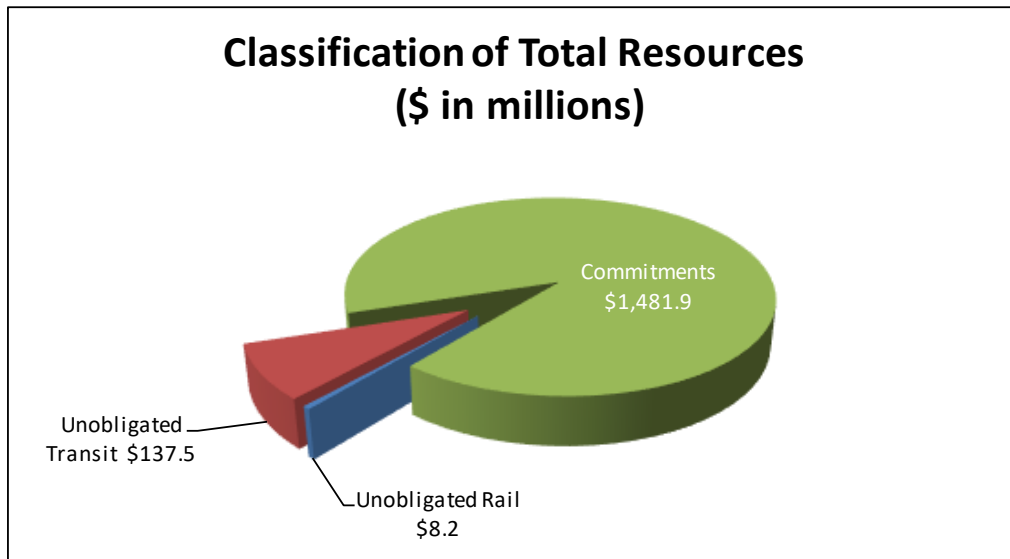
Unobligated Funds

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

The key output of the Schedule of Resources and Commitments (page 9) is the detail of unobligated funds that are currently available to fund rail and transit projects. The chart on the following page illustrates the amount of funds available after our commitments are met. Essentially, the chart shows what percentage of DRPT resources are already supporting ongoing rail and transit initiatives. It is important to note that unique allocation parameters govern the allowable use of the unobligated balances.

For the year ended June 30, 2022, the total unobligated balance for all funds is \$145.7 million, which includes \$137.5 million for the transit programs and \$8.2 million for the rail programs. The total unobligated balance is 9.0% of total resources as compared to 3.7% at June

30, 2021. Unobligated balances have been reduced by the amount needed for project allocations proposed in the FY 2023 SYIP.



Chapter 1230 of the 2020 Virginia Acts of Assembly established the Virginia Passenger Rail Authority (VPRA) in FY 2021. In the bill, the Intercity Passenger Rail Operating and Capital (IPROC) fund and Rail Enhancement Fund (REF) no longer exist starting in FY 2021 and the passenger rail programs and related unobligated balances are part of the VPRA. Commitments including \$302.7 million of cash were transferred to the VPRA in February 2021. The \$8.2 million of Unobligated Rail is freight and rail planning funds that remain with DRPT.

The transit programs unobligated balance of \$137.5 million consists of \$32.6 million of Federal funds that have restrictions on their potential use, such as \$4.4 million of Coronavirus Aid, Relief, and Economic Security (CARES) Act and American Rescue Plan Act (ARPA) funding. In addition, the transit programs balance includes \$71.1 million of Commonwealth Mass Transit funds, \$10.0 million in the transit operating and capital reserves, \$22.7 million of I-66 toll funds, \$0.9 million of transit bonds, and \$0.2 million of other transit capital funds. Unobligated balances have been reduced by the amount needed to fund commitments in the FY 2023 SYIP.

Federal funding 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 and ARPA funds in FY 2021. 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 and FY 2022. In addition, there has been a reduced demand for capital due to COVID. This has 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 fiscal year (July 1, 2021 – June 30, 2022) financial picture. For a definition of individual line items in the subsequent schedules, please consult the glossary.

Schedule of Budget vs. Actual

This schedule reports the actual results of the agency's activities during the current fiscal year as compared to the budget adopted by the CTB. In the current quarter, the schedule compares the full budget for the fiscal year (July 1 – June 30) with the actual expenditures for FY 2022 using a cash basis of accounting. For transit programs, the FY 2022 expenditures are 9.6% below the estimate, as compared to a 9.4% variance at the same time last year. In the rail programs, the current year expenditures are 55.7% below the estimate compared to the prior year's variance of 61.0% as of June 30.

Schedule of Budget vs. Actual					
As of June 30, 2022					
(\$ in Millions)					
	Adopted FY 2022	Actual 6/30/2022	Variance	Percentage Variance	Notes
Public Transportation Programs					
Operating Assistance	\$ 194.7	\$ 185.5	\$ 9.2	4.7%	
Capital Assistance	110.0	62.7	47.3	43.0%	A
Special Programs	8.8	3.2	5.6	63.6%	
Ridership Incentive Programs	8.5	-	8.5	100.0%	
WMATA Assistance	315.1	314.6	0.5	0.2%	
Total	637.1	566.0	71.1	11.2%	
Commuter Assistance Programs	12.5	10.7	1.8	14.4%	
Human Service Transportation Pgm	9.4	4.4	5.0	53.2%	
Planning, Regulation, & Safety Pgm	4.1	3.3	0.8	19.5%	
WMATA Dedicated	154.5	154.5	-	0.0%	
Total Transit Programs	817.6	738.9	78.7	9.6%	
Rail Assistance Programs					
Rail Preservation Programs	7.5	7.2	0.3	4.0%	
Rail Industrial Access	2.3	1.8	0.5	21.7%	
Freight Rail and Rail Planning Programs	23.6	5.8	17.8	75.4%	B
Total Rail Programs	33.4	14.8	18.6	55.7%	
Agency Operating Budget	17.5	16.3	1.2	6.9%	
Agency Total before VPRA	\$ 868.5	\$ 770.0	\$ 98.5	11.3%	
VPRA Recurring Payments	174.5	173.0	1.5	0.9%	
Agency Total	\$ 1,043.0	\$ 943.0	\$ 100.0	9.6%	
Note: Any variances of \$10.4 million (1% of the total budget) and 15% are explained.					

Variance notes:

(A) Transit Capital Assistance expenditures were \$47.3 million or 43.0% less than the estimate in the budget. The following project specific details help to explain the total variance for Capital Assistance expenditures:

- Northern Virginia Transportation Commission (NVTC) was expected to invoice \$21.7 million for Alexandria's Potomac Yard Metrorail Station access improvement project. Construction is ongoing and scheduled for completion in the second quarter of fiscal year 2023. Reimbursement for this project is expected to begin in the first quarter of fiscal year 2023.
- NVTC was expected to invoice \$6.4 million for Virginia Railway Express (VRE) for the VRE lifecycle overhaul and upgrade facility. Construction began in December 2020 and is expected to be completed in the third quarter of fiscal year 2023. Older grants are being used first. A letter of understanding is in place. Newer funds are being consolidated and invoicing using the newer funds is expected to begin in the first quarter of fiscal year 2023.
- Hampton Roads Transit was expected to invoice \$2.3 million more for video surveillance and security equipment. The contract was awarded April 2022 and the project is on going. The project is expected to be approximately 50% completed by the second quarter of fiscal year 2023.
- Jaunt was expected to invoice \$1.8 million for the purchase of light duty buses. These grants were put on hold pending a review of the service area needs. The review was completed in October 2021. The order was submitted in the third quarter of fiscal year 2022. Delivery was estimated to take place in the third quarter of fiscal year 2023. Due to supply chain issues the deliveries may be extended out to 2025.
- Hampton Roads Transit was expected to invoice \$1.7 million for hardware and software to replace the enterprise systems. Software replacement and training is scheduled for the first quarter of fiscal year 2023. Final invoicing is expected by the second quarter of fiscal year 2023.
- NVTC was expected to invoice \$1.6 million for Arlington for the Crystal City Potomac Yard Transitway expansion project. Construction of the first segment began in April 2022. Ground breaking took place in May 2022. Older grants are being used first to fund this project.
- NVTC was expected to invoice \$1.6 million more for Arlington for the Intelligent Transportation System and security program to upgrade legacy on-board bus control systems and head signs. The project is expected to be completed in the first quarter of fiscal year 2023.
- NVTC was expected to invoice \$1.1 million for Fairfax County for bus rehabilitation. The project was delayed due to the transition of service providers. The project restarted in the first quarter of FY 2021 and is expected to be completed by the first quarter of FY 2023. Older grants are being billed first.
- NVTC was expected to invoice \$1.0 million for Fairfax County for fare collection equipment. Funding for this project was deobligated. A new project is being set up using priority transportation funds.

- The City of Harrisonburg was expected to invoice \$1.0 million for on-board systems. The systems are currently being installed and invoicing is expected in the first quarter of fiscal year 2023.
- NVTC was expected to invoice \$0.9 million more for Arlington for Ballston multimodal improvements. The project is approaching completion and invoicing is expected to be completed in the first quarter of fiscal year 2023.
- NVTC was expected to invoice \$0.8 million for Fairfax County for bus shelters. The County has expended less than projected on shelter replacement in fiscal year 2022 due to supply chain issues and long lead times for delivery at eight sites that are currently under construction. Twenty-eight other sites are in the design or land acquisition phases.
- The remaining variance is due to many smaller projects that differ from the estimated cash flows for a variety of reasons.

(B) Freight Rail and Rail Planning expenditures were \$17.8 million, or 75.4% less than the estimate in the budget. The following project specific details help to explain the total variance for Freight Rail and Rail Planning expenditures:

- DRPT anticipated \$8.1 million of I-66 outside the beltway toll funds to be made available for rail projects when the annual budget for FY 2022 was created. We have not allocated these funds to rail at this point due to the impacts of COVID and are reevaluating the corridor needs.
- The Virginia Port Authority was expected to invoice \$4.2 million for the Front Royal capacity expansion project. There was a delay in the Federal funding agreement but all agreements are in place and a notice to proceed is expected in the first quarter of fiscal year 2023. Invoicing will begin in the second quarter of fiscal year 2023.
- The Virginia Port Authority was expected to invoice \$2.6 million for the NIT central yard expansion project. There was a delay in the Federal funding agreement but all agreements are in place and a notice to proceed is expected in the first quarter of fiscal year 2023. Invoicing will begin in the second quarter of fiscal year 2023.
- The Commonwealth Railway was expected to invoice \$2.2 million for the Marshalling yard expansion project. The project required additional coordination with a local sub-recipient. The locality is finalizing design plans and a notice to proceed is expected in the second quarter of fiscal year 2023.
- 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 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 is to work with our project partners to realize a variance of 10% or less by each year-end.

Resources and Commitments

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

DRPT resources include cash and receivables for anticipated expenditures and anticipated collections of revenues that will be used to fund the DRPT projects that are allocated in the current and prior year’s SYIPs. These anticipated collections are included because the commitments include the remaining balance of all active DRPT projects with SYIP allocation in FY 2022 and prior. Commitments are also increased by the amount of current unobligated funds needed for project allocations proposed in the Fiscal Year 2023 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 11.

Schedule of Resources and Commitments				
As of June 30, 2022				
(\$ in Millions)				
	6/30/2022			6/30/2021
	Rail	Transit	Total	Total
Resources				
Cash	\$ 42.5	\$ 367.0	\$ 409.5	\$ 258.4
Estimated Revenues - FY 2023	17.3	824.8	842.1	948.0
Accounts Receivable	0.5	9.4	9.9	9.3
Bonds Receivable	4.1	0.4	4.5	5.5
Anticipated Bond Proceeds	17.7	55.4	73.1	97.2
Anticipated Reimbursement - VDOT	-	170.0	170.0	82.7
Anticipated Reimbursement - VPRA	23.7	-	23.7	38.5
Anticipated Reimbursement - DEQ	-	8.3	8.3	9.6
Anticipated Reimbursement - Federal	5.1	81.4	86.5	93.7
Total Resources (A)	110.9	1,516.7	1,627.6	1,542.9
Commitments				
Transit & TDM Commitments	-	1,378.9	1,378.9	1,131.2
Rail Commitments	89.0	-	89.0	100.8
VPRA Commitments	13.7	-	13.7	222.6
Due to VDOT / VPRA	-	0.3	0.3	30.7
Total Commitments (B)	102.7	1,379.2	1,481.9	1,485.3
Funds Available	\$ 8.2	\$ 137.5	\$ 145.7	\$ 57.6

Variance Notes

(A) Total Resources at June 30, 2022 increased by \$84.7 million from the \$1,542.9 million reported in FY 2021. The following line item details help to explain the variance in Total Resources:

- Cash balances increased \$151.1 million. The delay in many transit capital projects caused by the Covid-19 pandemic and the surge in transit revenue collections have led to a relatively high cash balance. We anticipate the cash balance to decline as supply chain constraints diminish for major capital projects.
- Estimated Revenues decreased \$105.9 million. The transfer of passenger rail programs to VPRA significantly reduced estimated rail revenues for FY 2023 for DRPT. This reduction of rail revenues was partially offset by an increase in estimated revenues for transit programs.
- Accounts Receivable increased \$0.6 million.
- Bonds Receivable decreased \$1.0 million.
- Anticipated Bond Proceeds decreased by \$24.1 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 increased \$87.3 million from June 30, 2021 primarily due to Smart Scale initiatives, the transfer from VPRA of a large rail car purchase project for VRE using VDOT concession funds, and Interstate Operation and Enhancement Funds to be used by Potomac and Rappahannock Transportation Commission (PRTC), Hampton Roads Transit (HRT) and Greater Richmond Transit Company (GRTC). In addition, \$39.8 million of Priority Transportation funds were allocated to DRPT by the CTB in December 2021.
- Anticipated Reimbursement from the VPRA decreased \$14.8 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 \$1.3 million. These are expected funds from the Volkswagen settlement to be used for purchasing electric buses.
- Anticipated Reimbursement from Federal sources decreased \$7.2 million as CARES and ARPA funds are being drawn down.

(B) Total Commitments at June 30, 2022 decreased \$3.4 million from the \$1,485.3 million reported in FY 2021. The following line item details help to explain the variance in Total Commitments:

- Transit commitments increased \$247.7 million. This includes an increase in allocations in the FY 2023 Six Year Improvement Plan (SYIP) of \$55.2 million over the FY 2022 SYIP. In addition, transit commitments include \$39.8 million of projects supported by the additional Priority Transportation funds approved by the CTB in December 2021. Moreover, the remainder of the increase in transit commitments are largely the delay in many capital projects caused by the Covid-19 pandemic.
- Rail commitments decreased \$11.8 million.

- The VPRA commitments decreased \$208.9 million. The majority of rail financial activity transitioned from DRPT to the VPRA in fiscal year 2021, resulting in a large reduction of commitments due to VPRA activities in FY 2022.
- Funds due to VDOT / VPRA decreased \$30.4 million. The decrease includes excess Mass Transit Trust Funds collected in FY 2021 that were paid to the Priority Transportation Fund in FY 2022.

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.

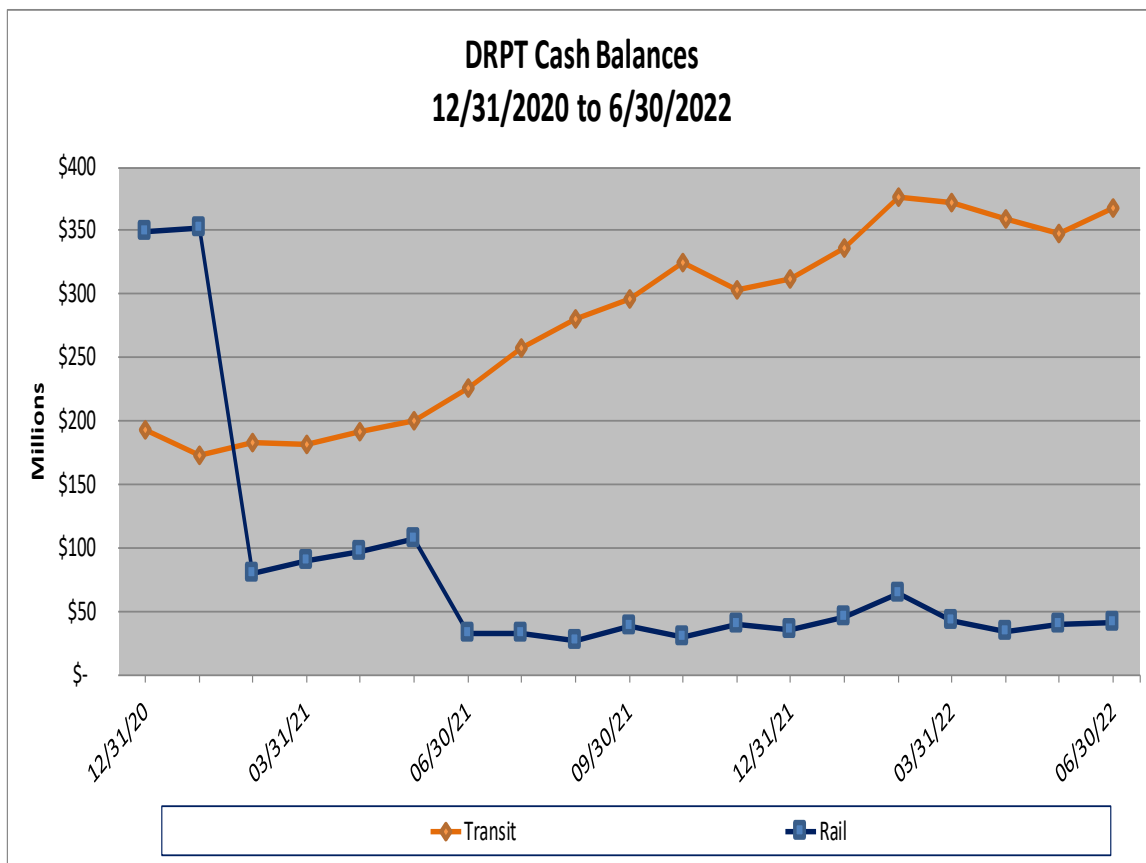
Schedule of Available Balances					
As of June 30, 2022					
(\$ in Millions)					
	6/30/2022			6/30/2021	Variance
	Rail	Transit	Total	Total	
Unobligated Freight & Rail Planning Funds	\$ 7.3	\$ -	\$ 7.3	\$ 3.2	\$ 4.1
Unobligated Rail Preservation Funds	0.9	-	0.9	-	0.9
Unobligated Mass Transit Funds	-	71.1	71.1	5.1	66.0
Transit Operating/Capital Reserve	-	10.0	10.0	10.0	-
Unobligated I-66 Toll Funds	-	22.7	22.7	13.6	9.1
Unobligated Transit Bonds	-	0.9	0.9	0.6	0.3
Unobligated WMATA Dedicated Funds	-	-	-	2.3	(2.3)
Unobligated Transit Federal Funds	-	32.6	32.6	22.6	10.0
Unobligated Transit Other	-	0.2	0.2	0.2	-
Total Funds Available	\$ 8.2	\$ 137.5	\$ 145.7	\$ 57.6	\$ 88.1

The Total Funds Available increased by \$88.1 million from FY 2021 to FY 2022. The following line item details help to explain the variance in Total Funds Available:

- The Unobligated Freight and Rail Planning Funds increased \$4.1 million due to the revenue uplift of \$2.7 million in January 2022 and \$1.4 million of estimated FY 2023 revenues in excess of allocations in the FY 2023 SYIP.
- The Unobligated Rail Preservation Funds increased \$0.9 million.

- The Unobligated Mass Transit Funds increased \$66.0 million primarily due to the mid-year revenue uplift and estimated FY 2023 revenues in excess of allocations in the FY 2023 SYIP.
- The Transit Operating and Capital Reserve is at the maximum allowed reserve of \$10.0 million.
- The Unobligated Transit Bonds increased \$0.3 million.
- Unobligated I-66 Toll funds increased \$9.1 million. These funds will be used for transit and rail projects in the Northern Virginia area.
- The Unobligated WMATA Dedicated Funds decreased \$2.3 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 increased \$10.0 million. The Federal Funds have restrictions on their potential use and include \$4.4 million of stimulus funded by CARES and ARPA through the FTA that has not yet been committed.
- 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. The rail cash balances prior to February 2021 were relatively high compared to transit due to the lead-time required to develop the associated rail program that included the Transforming Rail Initiative.

Transit cash balances overall have seen a large increase due to the effects of COVID on the economy. There are industry-wide supply chain issues and inflationary pressures that are impacting the ability to secure replacement vehicles and other commodities for capital projects, which are significantly slowing the spend rate for the capital program. 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 (hundreds) that have been funded but cannot be ordered. Bus purchases can take up to two years given the current supply chain issues. This will result in retaining high cash balances in the near future until the purchases are finally completed.

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

- 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 cash was reported in the chart above until February 2021 and was then transferred to the VPRA, which accounts for the large drop in the rail cash balance at that time.
- The large drop in cash in June 2021 was due to the catch up payment to the VPRA for 93% of the annual revenues and interest collected in the Commonwealth Rail Fund throughout FY 2021.
- Rail cash inflows and outflows have remained relatively steady since July 2021 except for the spike in February 2022, which was due to a timing difference of the 93% VPRA revenues booked at month end but not paid until the following week in March 2022.

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

- Significant scheduled operating payments were made in January 2021 reducing the transit cash balance.
- Between July 2021 and October 2021 revenue collections far exceeded estimates, which resulted in the CTB authorizing a mid-year uplift in revenue projections. In addition, Federal CARES funding is 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 November 2021, DRPT transferred \$30.7 million to VDOT for excess Mass Transit funds collected in FY 2021.
- Between November 2021 and February 2022, revenues continued to outpace expenses. Due to the mid-year revenue uplift, scheduled operating payments to many of the larger transit agencies were increased in each month from March to May 2022 reducing cash balances.
- Revenue collections again outpaced expenses in June 2022.

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. 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, 2022		
(\$ in Millions)		
	<u>Transit</u>	<u>Rail</u>
Annual Budget (Excl \$174.5M VPRA payments)	\$ 834.4	\$ 34.1
Divided by 12 Months	÷12	÷12
Times Number of Months Reserve	<u>X 2</u>	<u>X 6</u>
Working Cash Needs	<u>139.1 (A)</u>	<u>17.1 (B)</u>
Six Month Average Cash Balance	359.9	44.7
Excess / (Shortfall)	<u>\$ 220.8</u>	<u>\$ 27.6</u>
(A) - 60 days cash reserve		
(B) - 180 days cash reserve		

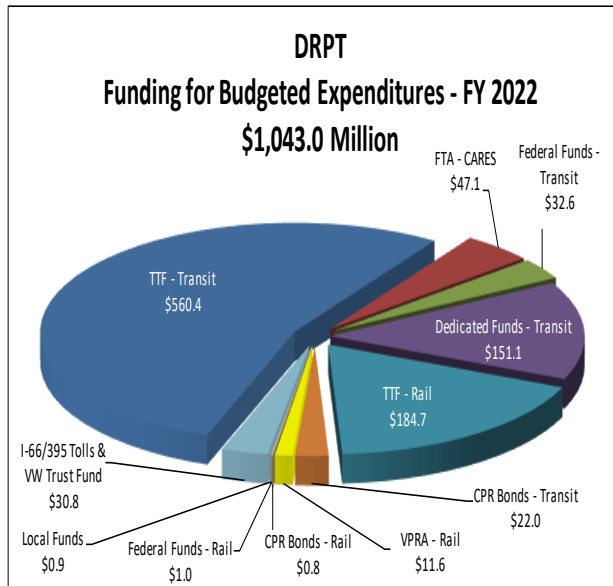
Receivables

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 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, 2022 as the balance is due from the Federal government, VDOT, VPRA and municipalities that historically have remained current on their payments. The non-current receivables are due from the Department of Environmental Quality (DEQ), which controls the collection of Federal funds from the Volkswagen settlement. There are on-going communications to determine the proper documentation requirements needed by the Federal government for DEQ to collect these funds. Most of these expenses were payments for electric bus purchases, which are allowable expenses under the funding agreements. The full non-current balance of \$8.5 million was collected before the issuance of this report.

Schedule of Receivables						
As of June 30, 2022						
(\$ 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	\$ 1.4	\$ 0.2	\$ 1.9	\$ 6.4	\$	9.9
Bonds Receivable	\$ 4.5	\$ -	\$ -	\$ -	\$	4.5

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

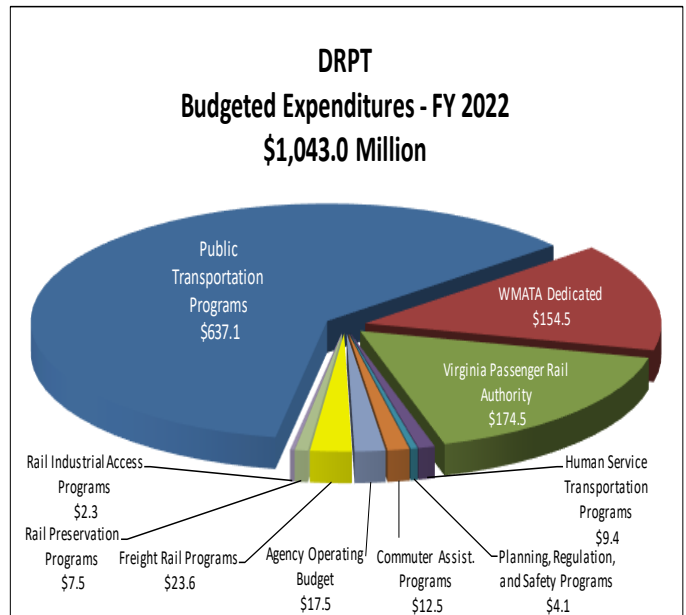
Funding for Budgeted Expenditures FY 2022



The major sources of funds for the \$1,043.0 million DRPT budget are depicted in this chart. This does not represent the estimated revenues for FY 2022; instead, it shows the sources of funding for the budgeted expenditures for the year. For example, \$97.8 million of the Transportation Trust Fund is allocated to transit capital projects in the FY 2022 SYIP, but the budget and the funding sources statement includes \$110.0 million of projected expenditures for FY 2022. 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 2022

In FY 2022, DRPT anticipated spending \$1,043.0 million of federal, state, and local funds compared to \$1,076.2 million in FY 2021. The decrease of \$33.2 million is mainly due to the establishment of the VPRA and the one-time cash and revenue transfers to the new Agency from DRPT in FY 2021 partially offset with the mid-year revenue uplift authorized by the CTB. The chart depicts the FY 2022 DRPT budget across the agency's service areas and the recurring annual payments to the newly created Virginia Passenger Rail Authority (VPRA).



Payments to Grantees

The following is a list of grantees that have received payments totaling \$1.3 million or more during FY 2022. 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)	\$265.1
WMATA - PRIIA (WMATA Assistance)	49.5
WMATA (Dedicated)	154.5
Hampton Roads Transit	46.2
County of Fairfax	29.8
Greater Richmond Transit Company	25.1
Virginia Railway Express	21.4
NVTC	20.9
County of Arlington	13.4
City of Alexandria	11.6
Potomac Rappahannock Transportation Commission	11.4
Greater Roanoke Transit Company	8.9
County of Loudoun (OTS)	6.8
JAUNT, Inc	6.6
City of Petersburg	5.8
Town of Blacksburg	4.8
Buckingham Branch RR	4.6
Bay Transit	4.5
Va Regional Transportation Association	4.2
Greater Lynchburg Transit Company	3.8
VDOT Central Office	3.4
Williamsburg Area Transport (WATA)	3.3
Charlottesville Transit	3.3
Danville Transit	3.0
Appalachian Agency for Senior Citizens	2.9
Mountain Empire Older Citizens	2.3
District III Governmental Cooperative	2.1
City of Harrisonburg	1.8
UHSTS (RADAR) - Roanoke County	1.6
Accomack Northampton TDC - Star Transit	1.6
City of Fairfax	1.4
Central Shenandoah PDC	1.4
Fredericksburg Regional Transit	1.3

Glossary of Terms

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

9. Estimated revenues – FY 2023: Revenues anticipated to be collected in fiscal year 2023 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.