CVTA
Central Virginia Transportation Authority

NOTES
This meeting is open to the public. Members of the public are invited to attend in person or virtually. Please alert the CVTA at **information@cvtava.org** if electronic transmission of this meeting fails for the public. Please refer to our **Statement Regarding Virtual Meeting Participation by Members of the Public** for more information.

Check out our complete **Public Participation Guide** online to learn about the different ways you can stay connected and involved.

Meetings are also live streamed and archived on our YouTube Channel at **Plan RVA - YouTube.**

Members of the public are invited to submit public comments either verbally or in writing. Written comments can be submitted through the Q&A/Chat function on Zoom or by email to **information@CVTAVA.org**.

**Photo: Goochland County**

# Central Virginia Transportation Authority

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# AGENDA

## CENTRAL VIRGINIA TRANSPORTATION AUTHORITY

**Friday, January 31, 2025, 9:00 a.m.**
**PlanRVA James River Boardroom,**
**424 Hull Street, Suite 300, Richmond, VA 23224 and via Zoom**

*If you wish to participate in this meeting virtually, please register via Zoom at the following link:*
**https://planrva-org.zoom.us/webinar/register/WN_aj-6YoAXT8CnL7cPkzrqCw**

**Call to Order** *(Davis)*

**Pledge of Allegiance** *(Davis)*

**Certification of a Quorum** *(Scott)*

**Welcome and Introductions** *(Davis)*

**A. ADMINISTRATION**

1. **Confirmation of Member Participation from a Remote Location**
   *(as needed) (Davis)*
   **Action requested (if there are member requests to participate remotely): motion to confirm that the Chair's decision to approve or disapprove the member(s) request to participate from a remote location was in conformance with the CVTA Policy for Remote Participation of Members; and, the voice of the remotely participating member(s) can be heard by all persons at the primary or central meeting location (voice vote).**

2. **Consideration of Amendments to the Agenda**
   *(Davis)*

3. **Approval of CVTA Meeting Minutes**
   *(Davis/5 minutes)*
   a. **November 15, 2024**– page 4
      **Action requested: motion to approve meeting minutes as presented (voice vote).**
   b. **December 5, 2024** – page 10
      **Action requested: motion to approve meeting minutes as presented (voice vote).**

4. **Open Public Comment Period**

5. **CVTA Chairman's Report**
   *(Davis/5 minutes)*

6. **CVTA Executive Director's Report**
   *(Parsons/15 minutes)*
   a. **SPA Framework for Fall Line Trail Wayfinding Reimbursement** – page 14
      **Information Item.**
   b. **Bond Validation Schedule Update**
      **Information Item.**

**B. ACTION ITEMS**

1. **Regional Project Selection and Allocation Framework** – page 15
   *(Parsons/20 minutes)*
   **Requested action: motion to approve the Regional Project Selection and Allocation Framework (roll call vote).**

2. **GRTC Annual Certification**– page 36
   *(Parsons/10 minutes)*
   **Requested action: motion to approve the GRTC annual certification report (voice vote).**

3. **Round 4 Application Process** – page 89
   *(Parsons/10 minutes)*
   **Requested action: motion to approve CVTA Round 4 Application Process (voice vote).**

4. **PFM – Financial Advisory Services for Bond Validation Process**
   *(Parsons/10 minutes)*
   **Requested action: motion to approve proposed PFM Task Order 2 for financial advisory services for bond validation process (roll call vote).**

5. **Working Capital Reserve Strategy** – page 90
   *(Parsons/10 minutes)*
   **Requested action: motion to approve working capital reserve strategy (roll call vote).**

**C. REPORTS**

1. **CVTA Finance Committee Update**
   *(10 minutes)*
   a. **Finance Committee Chair's Report** *(Spoonhower)*
   b. **Financial Activities and Investment Reports** *(Parsons)* – page 92

2. **CVTA Technical Advisory Committee (TAC) Update**
   *(Smith/10 minutes)*
   a. **TAC Chair's Report**

**D. OTHER BUSINESS**

1. **Agency Reports - PlanRVA and RRTPO** – page 95

2. **CVTA Member Comments**

**E. ADJOURNMENT**

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Central Virginia Transportation Authority

e: information@CVTAva.org
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**CENTRAL VIRGINIA TRANSPORTATION AUTHORITY MEETING MINUTES**
**Friday, November 15, 2024, 9:00 a.m.**
**PlanRVA James River Boardroom and via Zoom**
**424 Hull Street, Suite 300, Richmond, VA 23224**

**Members:**

| Jurisdiction/ Agency | Member | Present | Absent | Designee | Present | Absent |
|---|---|---|---|---|---|---|
| **Town of Ashland** | John H. Hodges, | X | | Daniel McGraw | | X |
| **Charles City County** | Byron Adkins, Sr. | X | | Ryan Patterson | | X |
| **Chesterfield County** | Kevin P. Carroll | X | | James Holland | | X |
| **Goochland County** | Neil Spoonhower | X | | Tom Winfree | X | |
| **Hanover County** | Sean Davis | X | | Ryan Hudson | | X |
| **Henrico County** | Tyrone Nelson | X | | Vacant | | |
| **New Kent County** | John Moyer | X | | Amy Pearson | | X |
| **Powhatan County** | Steve McClung | | X | Mark Kinney | | X |
| **City of Richmond** | Mayor Levar M. Stoney | X | | Kristen Nye | | X |
| **VA House of Delegates** | Delegate Rae Cousins | X | | N/A | | |
| **Senate of Virginia** | Senator Ghazala F. Hashmi | X | | N/A | | |
| **Commonwealth Transportation Board** | J. Rex Davis | X | | N/A | | |

**Non-Voting Ex-Officio Members:**

| Agency | Member | Present | Absent | Designee | Present | Absent |
|---|---|---|---|---|---|---|
| **CRAC** | Perry J. Miller | X | | John Rutledge | | X |
| **GRTC** | Sheryl Adams | X | | Adrienne Torres | | X |
| **RMTA** | Joi Taylor Dean | X | | N/A | | |
| **VDRPT** | Zach Trogdon | | X | Tiffany Dubinsky | X | |
| **VDOT** | Stephen Brich | | X | Dale Totten (A) | X | |
| | | | | Mark Riblett (A) | X | |
| **Virginia Port Authority** | Barbara Nelson | X (virtual) | | Thomas Cross (A) | | X |

*The technology used for the CVTA meeting was a web-hosted service created by Zoom and YouTube Live Streaming and was open and accessible for participation by members of the public. A recording of this meeting is available on our Plan RVA YouTube Channel.*

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**Call to Order**
The Central Virginia Transportation Authority Chair, Sean Davis, presided and called the meeting to order at 9:01 a.m.

**Pledge of Allegiance**
The Pledge of Allegiance was led by Mr. Spoonhower.

**Welcome and Introductions**
Chair Davis welcomed all attendees.

Janice Scott, Board Relations Manager, took roll call and confirmed that a quorum was present. It was later determined that the absence of a representative from Henrico County prevents any action taken from being approved due to the requirement that Authority members representing at least 4/5 of the region's population be present in order to pass any motion. Chair Davis announced that the actions taken at the beginning of the meeting are null and void. He made a motion to that effect, seconded by Levar Stoney, and the members present at the time were polled and expressed their agreement.

Chair Davis called a brief recess at 9: 10 a.m.

The meeting was reconvened at 9:20 a.m., at which point there were enough members present to affirm 4/5 population votes. Ms. Scott called the roll for attendance and re-certified that a quorum was present.

**A. ADMINISTRATION**

1. **Confirmation of Member Participation from a Remote Location**
   Chair Davis reported that Barbara Nelson requested approval to participate remotely due to her principal residence location being more than 60 miles from the meeting location.

   Chair Davis announced his approval of the request to participate remotely.

   On motion by John Hodges, seconded by John Moyer, the members of the Authority voted unanimously to approve that the member's request to participate from a remote location was in conformance with the CVTA Policy for Remote Participation of member; and, the voice of the remotely participating member could be heard by all persons at the primary or central meeting location (voice vote).

   The quorum was updated to show the presence of the remote member.

2. **Consideration of Amendments to the Meeting Agenda**
   On motion by Byron Adkins, seconded by Rae Cousins, the members of the Central Virginia Transportation Authority voted unanimously to amend the agenda to change the action for Item B.-3. - Fall Line Trail Management: A Resource Guide, from "approve" to "amend" (voice vote).

3. **Approval CVTA Meeting Minutes – September 27, 2024**
   On motion by Ghazala Hashmi, seconded by Tyrone Nelson, the members of the Authority voted to approve the CVTA meeting minutes as presented (voice vote).

4. **Open Public Comment Period**
   There were no citizens present in-person or virtually wishing to offer public comments.

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Mr. Moyer announced that he attended a VACo meeting this past week. He noted that the experience left him with a greater appreciation for the exceptional level of cooperation that exists on the CVTA and in the Richmond Region.

**5. CVTA Chairman's Report**
Chair Davis did not have a formal report.

**6. CVTA Executive Director's Report**
**a. VDOT Emergency Funds**
Chet Parsons, Executive Director, reported that he spoke with Laura Farmer, VDOT CFF, regarding the impacts of Hurricane Helene and implications on state funding. He shared Ms. Farmer's written response that detailed VDOT's process and the financial resources planned for emergency responses.

Mr. Parsons noted that the new CVTA website, which will go live next week, will have a member portal that will include information such as member home addresses. He asked members to fill out a member profile form if they wish this information to be available to other members.

Mr. Parsons also reported on the progress of the draft CVTA Impact Report for FY24 and reviewed the report with Authority members.

Chair Davis announced that the CVTA Finance Committee Chair report would be heard at this time so that Mr. Spoonhower could leave the meeting early if necessary.

Mr. Spoonhower reported on the presentations and actions from the October 9th Finance Committee meeting:

- Kristy Choi, PFM, gave the presentation and reported that CVTA's financial policies outline a Working Capital Reserve ("WCR") equal to at least 3 months of the budgeted, annual Regional CVTA Funds. Using FY 2024 preliminary Regional CVTA Funds, the WCR requirement equal to approximately $18 million.
- The committee reviewed how the tax and investment reports that are presented each month are developed so that committee members could have a better understanding of how the information is collected and compiled for reporting to the Authority.
- The committee heard a presentation from Megan Martz Gilliland with Kaufman & Canoles, on the next steps in the process. It was noted that a resolution to approve the bond documents will be ready for preview/approval soon so that they can be made part of the validation process.
- The Regional Funding Deallocation Policy was reviewed. The policy, if adopted, can be revised if/when the Authority determines changes are necessary.
- Michael Garber with PBMares presented the FY24 audit report to the committee and reported that the Authority received a clean report.

Mr. Spoonhower noted that the committee is scheduled to meet again on December 11th.

**B. <u>ACTION ITEMS</u>**

**1. CVTA Audit Report**
Michael Garber, PBMares, reported that the Authority received a clean report on the FY24 audit. Mr. Garber provided an overview of the audit results and offered to answer any questions.

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On motion by Neil Spoonhower, the members of the Central Virginia Transportation Authority voted unanimously to approve the following resolution (roll call vote; see below):

***Resolved,*** *that the Central Virginia Transportation Authority (CVTA) approves the Fiscal Year 2024 Audit Report.*

| Jurisdiction/Agency | Member | Vote |
|---|---|---|
| **Town of Ashland** | John H. Hodges, | Aye |
| **Charles City County** | Byron Adkins, Sr. | Aye |
| **Chesterfield County** | Kevin P. Carroll | Aye |
| **Goochland County** | Neil Spoonhower | Aye |
| **Hanover County** | Sean Davis | Aye |
| **Henrico County** | Tyrone Nelson | Aye |
| **New Kent County** | John Moyer | Aye |
| **Powhatan County** | Steve McClung | Absent |
| **City of Richmond** | Levar Stoney | Aye |
| **VA House of Delegates** | Delegate Rae Cousins | Aye |
| **Senate of Virginia** | Senator Ghazala F. Hashmi | Aye |
| **Commonwealth Transportation Board** | J. Rex Davis | Aye |

**2. Regional Funding Deallocation Policy**

Mr. Parsons presented this request and reported that, as part of the CVTA Regional Project Selection and Allocation Framework, regional project applicants are encouraged to leverage CVTA funds for additional outside funding, such as Smart Scale, revenue sharing, or federal grants when possible. The CVTA has supported leveraging funds for regional projects to aid project delivery in an expedited timeframe. Projects with funding intended to be leveraged are not considered active until the project is fully funded.

He noted there are multiple opportunities for the project sponsor to take advantage of the leveraged funding. Following the award of CVTA regional funding, if the project sponsor is not able to obtain full funding through leveraged resources, the sponsor may consider the following options:

- The project estimate may be adjusted for inflation and programmed forward to the anticipated funding year of the additional source
- The project sponsor may also request a new amount for leveraging funds
- If this new amount is not included in the CVTA funding scenario, the project sponsor can adjust the request or retain the original funding request and try for a second time to achieve additional project funding
- If the adjusted leveraging amount is approved by the CVTA, the process is reset with the new funding amount as the first leveraging attempt.

Mr. Parsons explained that If the project sponsor is still unable to fully fund the project, the project will be deemed eligible for deallocation. The policy under consideration identifies how the CVTA shall treat projects eligible for deallocation and, if funds are deallocated, how such funds will be directed back into the regional project funding budget.

Eric Gregory, legal counsel, was asked to provide further clarification on the need for the policy and what options the Authority will have in various situations going forward if the policy is adopted.

Authority members discussed various potential scenarios for project funding.

There was a question about when the four-year period begins (in the following statement in the draft policy: "If the project sponsor is unable to fully fund the project within four years of having regional CVTA funds allocated, the project will be deemed eligible for deallocation."). Mr. Parsons clarified that it begins when the Authority takes action on the allocations plan.

On motion by Neil Spoonhower, seconded by Kevin Carroll, the members of the Central Virginia Transportation Authority voted unanimously to approve the following resolution:

***Resolved,*** *that the Central Virginia Transportation Authority (CVTA) approves a revision to its Financial Policies and Procedures to include a Deallocation Policy for Leveraging Funds.*

| Jurisdiction/Agency | Member | Vote |
|---|---|---|
| **Town of Ashland** | John H. Hodges, | Aye |
| **Charles City County** | Byron Adkins, Sr. | Aye |
| **Chesterfield County** | Kevin P. Carroll | Aye |
| **Goochland County** | Neil Spoonhower | Aye |
| **Hanover County** | Sean Davis | Aye |
| **Henrico County** | Tyrone Nelson | Aye |
| **New Kent County** | John Moyer | Aye |
| **Powhatan County** | Steve McClung | Absent |
| **City of Richmond** | Levar Stoney | Aye |
| **VA House of Delegates** | Delegate Rae Cousins | Aye |
| **Senate of Virginia** | Senator Ghazala F. Hashmi | Aye |
| **Commonwealth Transportation Board** | J. Rex Davis | Aye |

**3. Fall Line Trail Management: A Resource Guide**

Mr. Parsons presented this request and reported that staff was asked to collect and prepare information to guide discussions with the CVTA TAC regarding Fall Line Trail management. While the long-term management of this regional multi-use facility is critically important, the CVTA recognizes it is a funding agency and does not have the authority to make decisions regarding facility management. Rather, facility management will be a decision between the trail owner and each locality.

The report gathers and summarizes all materials that have been requested by the CVTA Technical Advisory Committee and can serve as a foundation for future regional conversations regarding the management of the Fall Line Trail.

John Hodges asked that the map be amended to correctly reflect the Town of Ashland's ownership of the half-mile section located within the town.

There was discussion about what the next step in the process will be. Mr. Parsons clarified that there could likely be agreements between VDOT and each locality to specify who will manage/maintain each part of the trail.

Barbara Smith, TAC Chair, came forward and clarified that TAC recognized the importance in distinguishing between management and maintenance. She noted that in Chesterfield the county is the owner of the trail and will collaborate with VDOT on various elements. She also clarified that the document provides information on how other trails in Virginia are handled, including those that have a separate entity that oversees the trail, such as the Capital Trail Foundation, rather than having individual localities assume those responsibilities.

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Mr. Parsons noted that it may be prudent to initiate discussions with the RRTPO and PlanRVA to explore options. Chair Davis asked that staff request this matter be added to upcoming PlanRVA Commission and RRTPO Policy Board agendas for discussion. It was noted that the City of Colonial Heights and the City of Petersburg have portions of the trail as well and will need to be included on the discussions.

On motion by John Hodges, seconded by John Moyer, the members of the Central Virginia Transportation Authority voted unanimously to approve the following resolution (voice vote):

***Resolved,*** *that the Central Virginia Transportation Authority (CVTA) accepts the Fall Line Trail Management: A Resource Guide report and reconfirms its role as lead funding partner.*

**C. REPORTS**

**1. CVTA Finance Committee Update**

**a. Finance Committee Chair's Report** (heard prior to action items)

**b. Financial Activity and Investment Reports**

These reports were included in the meeting agenda packet.

**2. CVTA Technical Advisory Committee (TAC) Update**

**a. TAC Chair's Report**

Ms. Smith reported on the activity from the November 4th TAC meeting:

- CVTA Regional Project Selection and Allocation Framework. The committee reviewed the parking lot items in the framework document that still need resolution. A sub-committee will be formed to work out the details of transit scoring and activity centers. prior to the December TAC meeting.
- The committee reviewed the deobligation process.
- The various options for the use of leveraging for PE were discussed along with the impact of potential future bonding. A list of projects that might be potential bond projects will be reviewed at the next meeting so the group can discuss how best to get them ready.
- The Fall Line Trail management resource guide was reviewed and the committee is recommending Authority acceptance of the report.
- Fall Line Wayfinding - Reimbursement Process. The Authority set aside 1.5M for wayfinding implementation. TAC is reviewing options; currently, it seems that adding wayfinding details as amendments to existing SPAs may be the best way to handle it.

**D. OTHER BUSINESS**

**1. Agency Reports: PlanRVA and RRTPO**

The reports were included in the meeting agenda packet.

**2. CVTA Member Comments**

Tiffany Dubinsky announced that Tiffany Robinson has been selected as the new DRPT Director. She reported that Ms. Robinson will likely attend an upcoming CVTA meeting.

Chair Davis thanked Mayor Stoney for his service on the Authority.

**E. ADJOURNMENT**

Chair Davis adjoined the meeting at 10:25 a.m.

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Central Virginia Transportation Authority

THE REGIONAL COMMISSION

Richmond Regional Transportation Planning Organization

# JOINT ANNUAL MEETING MINUTES

## Central Virginia Transportation Authority (CVTA)
## PlanRVA Commission
## Richmond Regional Transportation Planning Organization (RRTPO) Policy Board

**Thursday, December 5, 2024, 9:15 a.m.**
PlanRVA James River Boardroom, 424 Hull Street, Suite 300, Richmond, VA 23224

**MEMBERS and ALTERNATES PRESENT (X):**

| | | | |
|---|---|---|---|
| **Town of Ashland** | | **Henrico County** | |
| Anita Barnhart, RRTPO | | Chris Bast, PlanRVA | |
| Brent Chambers, PlanRVA | X | Roscoe Cooper, PlanRVA, RRTPO | X |
| Steve Trivett, PlanRVA | | Tyrone Nelson, CVTA, PlanRVA | X |
| John H. Hodges, CVTA, RRTPO | X | Jody Rogish, PlanRVA, RRTPO | X |
| Daniel McGraw, **PlanRVA Chair**, CVTA | X | Dan Schmitt, CVTA, PlanRVA, RRTPO | |
| **Charles City County** | | Misty Roundtree, PlanRVA | |
| Byron M. Adkins, Sr., CVTA, PlanRVA, RRTPO | X | William Mackey, PlanRVA | |
| Ryan Patterson, CVTA, PlanRVA, RRTPO | | **New Kent County** | |
| **Chesterfield County** | | John Moyer, CVTA, RRTPO | X |
| Kevin P. Carroll, CVTA, PlanRVA, RRTPO | X | Jordan Stewart, PlanRVA, RRTPO | X |
| Tim Davey, PlanRVA | | Amy Pearson, CVTA, PlanRVA | X |
| James Holland, RRTPO, CVTA, PlanRVA | | Milton Hathaway, PlanRVA | X |
| James Ingle, PlanRVA | X | **Powhatan County** | |
| Mark S. Miller, PlanRVA, RRTPO | | Bill Donati, PlanRVA | X |
| Frank Petroski, PlanRVA | X | Mark Kinney, CVTA, RRTPO | |
| Jessica Schneider, RRTPO, PlanRVA | X | Steve McClung, CVTA, PlanRVA, RRTPO | |
| **Goochland County** | | Denise Morissette, RRTPO | |
| Dwain Cosby, PlanRVA | X | Bob Powers, PlanRVA, RRTPO | |
| Jonathan Lyle, PlanRVA, RRTPO | X | Jessica Winall, PlanRVA | |
| Neil Spoonhower, CVTA, PlanRVA | X | **City of Richmond** | |
| Charlie Vaughters, RRTPO | | Andreas D. Addison, PlanRVA, RRTPO | X |
| Tom Winfree, CVTA | X | Cameron George, PlanRVA | X |
| **Hanover County** | | Katherine L. Jordan, RRTPO | X |
| Sean M. Davis, **CVTA Chair,** PlanRVA, RRTPO | X | Cynthia I. Newbille, **RRTPO Chair**, PlanRVA | |
| Sue Dibble, PlanRVA | X | Kristen Nye, CVTA | |
| Ryan Hudson, CVTA, RRTPO | | Rodney Poole, PlanRVA | |
| Larry Leadbetter, PlanRVA | X | Ellen F. Robertson, PlanRVA, RRTPO | |
| Faye O. Prichard, PlanRVA, RRTPO | X | Mayor Levar M. Stoney, CVTA | |
| Charlie Waddell, PlanRVA | X | | |

**MEMBERS and ALTERNATES PRESENT (X) continued:**

| | | | |
|---|---|---|---|
| **Capital Region Airport Commission** | | **RRTPO Community Transportation Advisory Committee (CTAC)** | |
| Perry Miller, CVTA | | Andrew Bunn, RRTPO | |
| John B. Rutledge, CVTA, RRTPO | X | **Senate of Virginia** | |
| **Commonwealth Transportation Board** | | Senator Ghazala F. Hashmi, CVTA | X |
| J. Rex Davis, CVTA | X | **Virginia Department. of Aviation** | |
| **Federal Highway Administration** | | Rusty Harrington, RRTPO | |
| Thomas L. Nelson Jr., RRTPO | | **Virginia Department of Transportation** | |
| Ivan Rucker, RRTPO | | Stephen Brich, CVTA | |
| **Federal Transit Administration** | | Dale Totten, CVTA, RRTPO | |
| Daniel Koenig (Liaison), RRTPO | | Mark E. Riblett, CVTA, RRTPO | X |
| **GRTC Transit System** | | **Virginia Department of Rail and Public Transportation** | |
| Sheryl Adams, CVTA, RRTPO | X | Tiffany T. Dubinsky, RRTPO | X |
| Adrienne Torres, CVTA, RRTPO | | Zach Trogdon, CVTA | |
| **RIC Metropolitan Transp. Authority** | | Wood Hudson, RRTPO | x |
| Joi Taylor Dean, CVTA, RRTPO | X | **Virginia House of Delegates** | |
| **RideFinders** | | Delegate Rae Cousins, CVTA | X |
| Cherika N. Ruffin, RRTPO | x | **Virginia Port Authority** | |
| John O'Keefe, RRTPO | | Stephen Edwards, CVTA | |
| | | Barbara Nelson, CVTA | |

**Call to Order**
Sean M. Davis, Chair, CVTA, called the meeting to order at approximately 9:15 a.m.

**Pledge of Allegiance**
The Pledge of Allegiance was led by Mr. Spoonhower.

**Welcome and Introductions**
Chair Davis welcomed all attendees and welcomed Dr. Daniel McGraw, PlanRVA Chair, and Jody Rogish, RRTPO Policy Board Vice Chair. He also welcomed Frank Thorton, CVTA Chairman Emeritus.

Chair McGraw and Vice Chair Rogish also welcomed attendees and shared their thoughts on their respective agencies and the importance of bringing the three boards together.

Chet Parsons, CVTA Executive Director, shared information on the CVTA's new website.

**RVA Rising – A Journey of Progress for Greater Richmond**
Martha Shickle, PlanRVA Executive Director, opened the presentation on RVA Rising and introduced Barbara Sipe, United Way, who explained the program and its purpose. The presentation can be found on the meeting webpage.

Ms. Sipe explained that RVA Rising is a long-term, collaborative effort to ensure everyone in the Richmond region can thrive here. Driven by data and community input, RVA Rising brings people and institutions together to pursue strategies that will create systems change and increase economic mobility for all.

The program is a journey of partnership that has been going on since 2020 and picks up where the Capital Region Collaborative left off in 2018. RVA Rising represents a growing coalition of anchors across the region.

RVA Rising is a bold vision that will take a generation to fully realize. The commitment needs to last beyond individual involvement. To ensure the work progresses and milestones are met, a collective impact model is being followed that emphasizes:

1. A high level of coordination and communication to ensure key partners are aligning their efforts towards common goals
2. Community engagement is an essential and ongoing activity that informs key decisions at every stage of this iterative process.

Brian Anderson, Chamber RVA, came forward and provided additional details about the program. He noted that the goal is to highlight the work being done by each locality and ensure resources are where they need to be.

Following the presentation, board members had questions and comments. Mr. Anderson and Ms. Sipe provided clarification on funding for the program. Ms. Shickle offered clarification that real time data is being utilized whenever available. It is directional, but not prescriptive.

**Aligning our Organizations with RVA Rising's Vision**
Ms. Shickle explained that the Commission recently set a new member dues rate; this will help fund a regional data hub. She reported on efforts to coalesce the regional strategic plan.

**Regional Strategic Plan (Pathways to the Future) Vision Thems:**

- Strategic and resilient infrastructure
- A healthy environment
- Attainable housing
- A strong economy
- Equitable opportunity and choice for everyone

**RVA Rising Alignment Highlights**

- PlanRVA's work maps to many of RVA Rising's five areas of focus, particularly work within…
  - Community Development: maps strongly to the Rewarding Work, High-Quality Education, and Opportunity Rich and Inclusive Neighborhoods areas of focus
  - Environment: maps to the Healthy Environment and Access to Good Health Care area of focus
- The 2025 update of the **Comprehensive Economic Development Strategy (CEDS)** will include a focus on upward mobility in the data and action plan, and coordination with RVA Rising partners.

RRTPO Vice Chair Rogish announced that the agency was awarded $1.495 million in FHWA funding through the Prioritization Process Pilot Program (PPPP). This will be used for Pathways to the Future project scoring. More information about the program can be found here.

The purpose of PPPP is to support data-driven approaches to planning that, upon completion, can be evaluated for public benefit. The program provides funding to develop and implement a publicly accessible, transparent prioritization process for the ranking and selection of projects for inclusion in short-range and long-range transportation plans.

Mr. Parsons came forward and explained that there has always been a connection between the CVTA and the planning that's being done at PlanRVA and the RRTPO. The LRTP is created by the RRTPO. CVTA can then provide funding for the necessary projects. To date, the CVTA has committed just over $1.2 billion in funding to the projects that have been identified in the region.

Mr. Parsons out connections between RVA Rising—PlanRVA providing support for engagement and data, RRTPO producing the regional plan, and CVTA implementing key elements.

Daniel McGraw, PlanRVA Commission Chair, announced that PlanRVA has been awarded $1.5 billion in FEMA funding through the Regional Catastrophic Preparedness Grant. The funds will be used for enhanced regional resilience, support to vulnerable populations, collaborative community efforts and sustainable planning for the future. More information about the program can be found here.

**Special Recognitions and 2024 Chair Reflections**
Chair Davis shared his thoughts on the regional progress that's been made since the CVTA's inception.

Frank Thornton came forward and shared his thoughts on the history of the CVTA and expressed his appreciation to board members and other local elected officials for their dedication to serving the citizens of their localities.

Chair Davis presented recognition plaques to Mr. Thornton and Kevin Carroll for their previous service as Chair of the CVTA. Mr. Carroll shared his thoughts on his time as Chair of the Authority. A plaque for Mayor Levar Stoney was given to Lincoln Saunders, Chief Administrative Officer for the City of Richmond, who shared his thoughts on the CVTA and what it has accomplished.

**Adjournment**
Chair Davis adjourned the meeting at 10:50 a.m.

**CVTA AGENDA 1/31/25; ITEM A.-6.-a.**

**Wayfinding Implementation - Standard Project Agreements**

**Central Virginia Transportation Authority**

**BACKGROUND:** At its meeting on September 27, 2024, the Central Virginia Transportation Authority allocated $1.5 million to be set aside for implementing the Fall Line Wayfinding Plan along the entire 43-mile planned improvement corridor. The process for reimbursement for wayfinding costs is outlined below.

CVTA has an established reimbursement process for regional project expenditures from both local and VDOT administered sources. The proposed framework for wayfinding reimbursement follows that model.

Each impacted locality (or VDOT) will enter into a new Standard Project Agreement (SPA) that covers all approved segments of the Fall Line within that jurisdiction or under the purview of VDOT. The format for the SPA will mirror the current approved format for regional projects and include simple updates that reflect details of the Fall Line wayfinding improvements.

Rather than undergo amendments to individual segment SPAs, each government (or VODT) will be assigned a new CVTA project identification number that only covers wayfinding implementation costs. Those costs, developed as part of the adopted wayfinding plan, will be included as part of each SPA Appendix A as the allocated project funding amount.

Each locality should utilize the adopted standard project agreement form and appendices to initiate a new locality SPA specifically for wayfinding.

**Action Requested:** No action required – use of adopted SPA templates and process.

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# CVTA Regional Project Selection and Allocation Framework

PROPOSED REVISIONS JANUARY 31, 2025

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# Overview

The 2020 General Assembly legislation, House Bill 1541, created the Central Virginia Transportation Authority (CVTA), allowing the Richmond region to use specified tax revenues to fund transportation needs of the region (Code of Virginia Section 33.2-3700 - 3713):

The funds for the CVTA are generated through the following sources:

- Sales and use tax of 0.7 percent (revenue collection began October 2020); and
- Wholesale gas tax of 7.6 cents per gallon of gasoline and 7.7 cents per gallon of diesel fuel (revenue collection began July 2020).

These tax generated funds are to be divided accordingly:

- 15% to the Greater Richmond Transit Company (GRTC) to provide transit and mobility services;
- 35% to the CVTA for regional transportation projects; and
- 50% distributed proportionally to each member locality for local projects which may include construction, maintenance, or expansion of roads, sidewalks, trails, mobility services, or transit located in the locality.

## CVTA Regional Funds

As of December 2024, the CVTA funds designated for regional transportation projects is projected to generate approximately $90 million per year or $635 million between 2025 and 2032. In order to spend these funds, state code requires the Authority to develop a prioritization process based on objective analysis that considers the benefits of a project relative to its cost. This framework document serves to outline the process for project selection and allocation. The process should be reviewed and updated after each funding cycle to implement improvements through lessons learned and to remain flexible to changes in available funding (i.e., future bonding capacity).

A motivating factor in establishing the CVTA was the region's desire to fund regional transportation projects which were not likely to be funded through other sources due to their high project costs. It is through this lens that the project selection and allocation process was developed. Member localities and regional transportation partners will engage in a competitive process where projects are submitted for funding. Together, the CVTA members will assess the projects' merit and regional value before determining final allocations.

# Project Selection Process

The process for obtaining CVTA regional funding for transportation projects will be selective as regional needs surpass the available funding. To ensure a fair and transparent process, the following four-step project selection process has been developed. A general description of each step is included below.

# Step 1: Project Submissions

## Funding Cycle and Schedule

The CVTA regional funding cycle will coincide with non-Smart Scale years (generally odd years). CVTA staff will work with the CVTA Technical Advisory Committee (TAC) to develop an application schedule with the goal of having an approved funding scenario in advance of the Smart Scale pre-application start date. A calendar of the project selection process will be published each cycle at least a month in advance of the call for projects. CVTA staff will present the project selection schedule to the TAC. All applications and supplemental materials are due by the application deadline. CVTA staff will provide a reminder to TAC before the deadline and indicate the preferred method of submission.

## Off-Cycle Requests

Off-cycle funding requests for new and existing projects will be considered on a case-by-case basis.

Step 1: Applicant submits request to CVTA Executive Director, including all required details for project evaluation

Step 2: TAC will validate the need for the off-cycle project request (i.e., why project cannot wait for formal application cycle);

Step 3: Staff checks to see if funds are available in year needed or if funds can be reprogrammed; TAC action required to move to Step 3;

Step 4: Staff reports on eligibility, scores, ranks and reviews against previous funding scenario; and

Step 5: TAC makes recommendation to Authority.

## Sponsor Eligibility and Application Limits

All CVTA locality members are eligible to submit requests for CVTA regional funding. The number of applications allowed per locality member will be two times the weighted voting for localities. Refer to **Table 1**.

**Table 1: CVTA Regional Funds – Application Limit by Sponsor Type**

| CVTA Member Locality/Agency | Population* | CVTA Weighted Votes | Total Applications |
|---|---|---|---|
| Town of Ashland | 7,553 | 1 | 2 |
| Charles City County | 7,331 | 1 | 2 |
| Chesterfield County | 333,450 | 4 | 8 |
| Goochland County | 22,277 | 2 | 4 |
| Hanover County | 96,460 | 3 | 6 |
| Henrico County | 320,717 | 4 | 8 |
| New Kent County | 20,468 | 2 | 4 |
| Powhatan County | 28,442 | 2 | 4 |
| City of Richmond | 217,938 | 4 | 8 |
| | | Total Number of Possible Applications = | 46 |

*July 1, 2015 Weldon Cooper

## Project Categories and Eligibility

Funding is limited and regional needs are abundant; therefore, criteria was established to constrain the list of eligible projects to focus on projects that would provide regional rather than local benefits. Applications submitted for CVTA regional funding will be classified into seven categories: Highway, Bike/Pedestrian, Transit, Multimodal, Bridge, Studies, and Preliminary Engineering (PE)-Only. Proposed projects must meet the criteria defined in **Tables 2** and **3** to be eligible for CVTA regional funding.

**Table 2: Project Categories and Eligibility for CVTA Regional Funding (1 of 2)**

| Project Category | Eligibility Criteria | Potential Projects |
|---|---|---|
| Highway | ▪ Limited-Access Roadways<br>» No volume threshold criteria<br>» Interstate (e.g., I-95, I-64, I-295)<br>» Freeway (e.g., Route 288, Route 150, Powhite Parkway)<br>▪ Arterial Roadways<br>» Existing Roadways<br>– Principal arterial with an existing ADT > 20,000 VPD<br>– Minor arterial with an existing ADT > 20,000 VPD<br>• Sources: VDOT Functional Classification Map, VDOT published count book or traffic count data<br>» New Alignments<br>– Submitting locality/agency to justify based on:<br>• Expected functional classification, supported by comprehensive plan<br>• Projected ADT, within 20 years, that meets 20,000 VPD threshold defined above<br>» Intersections<br>– Intersection of two arterials, at least one leg with ADT > 20,000 VPD<br>▪ Projects on the following high priority corridors are eligible (no functional classification or volume threshold criteria):<br>» Arterial Preservation Network (APN)<br>– Source: VDOT's Arterial Preservation program<br>» Corridor of Statewide Significance (CoSS)<br>– Source: OIPI's VTrans2040 the state's long-range multimodal transportation plan<br>▪ A map showing eligible roadways based on the above criteria (not including New Alignments) can be found here: https://arcg.is/00q9yL<br>▪ Every applicant may submit one priority highway project outside of the criteria listed above. | ▪ Road widening<br>▪ Realignment, extension, or relocation<br>▪ New interchange or interchange modification<br>▪ Grade separation<br>▪ Intersection improvements<br>▪ New road or alignment<br>▪ ITS improvements |
| Bike/ Pedestrian | ▪ Limited to regional trail networks<br>» Regional trail defined as: multi-jurisdictional trail with a defined/conceptual alignment<br>» Infrastructure supporting a regional trail<br>» Spurs that directly connect to regional trails are eligible | ▪ Example regional trails: Fall Line Trail, East Coast Greenway, James River Heritage Trail<br>▪ Trailheads, parking lots, support stations |

ADT = Average Daily Traffic

VPD = Vehicles Per Day

**Table 3: Project Categories and Eligibility for CVTA Regional Funding (2 of 2)**

| Project Category | Eligibility Criteria | Potential Projects |
|---|---|---|
| Transit | ▪ Limited to leveraging funds/local match funds for other federal and state fund sources, for regional capital transit projects | ▪ Bus Rapid Transit (BRT)<br>▪ Express Routes<br>▪ Fixed route or on-demand service<br>▪ Transit stations or centers |
| Multimodal | ▪ Park and Ride lots<br>▪ Rail and Port<br>▪ Limited to leveraging funds/local match funds for other federal and state fund sources, for park and ride lots for construction or expansion; rail and port capacity or capital improvements | ▪ Capacity change in intermodal corridors including highways, navigable waterways, and rail<br>▪ Intercity passenger rail<br>▪ New, relocated, and station upgrades |
| Bridge | ▪ Bridge must be on VDOT's State of Good Repair (SGR) eligibility list (posted annually www.virginiadot.org/projects/state-of-good-repair/) and meet CVTA Highway regionally-eligible criteria<br>▪ New bridge projects are not eligible in this category and will be considered in the Highway project category<br>▪ Bridge rehabilitation and replacement projects that include betterment (adding capacity, bike/pedestrian, etc.) will be categorized in the most appropriate non-bridge category | ▪ Bridge rehabilitation and replacement projects – unsuccessful in securing SGR funds |
| Studies | ▪ Studies involving CVTA regionally-eligible facilities<br>▪ Studies that are part of an agency's work program will not be considered for CVTA regional funds | ▪ Operational and Safety studies<br>▪ Interchange access requests (IAR)<br>▪ Transit feasibility studies<br>▪ Regional bike/pedestrian alignment studies |
| Preliminary Engineering-Only | ▪ PE-Only projects involving CVTA regionally-eligible facilities | ▪ Preliminary engineering to clear environmental reviews<br>▪ Development of construction plans to right-of-way stage |

## Step 2: Project Screening

All projects requesting CVTA regional funding will be screened by CVTA staff and TAC to ensure that the project is eligible for funding. The following items will be evaluated during project screening:

- Project scope is well defined and includes total cost estimate and requested CVTA regional funding amount.
- Project estimate and schedule is reasonable as determined by a third-party review. Applicant estimate is submitted using VDOT Cost Estimating Workbook (CEWB). Applicants' estimates and the third-party estimates are reviewed by TAC with TAC making a final recommendation to the full authority.
- Submission includes supplemental data and studies, if available and the agency who will administer the project (locality/agency or VDOT).
- For study requests, the regional nature and appropriateness to fund with CVTA regional funds will be considered along with efforts to fund through other study funding programs.
- Projects are not required to be in the Long-Range Transportation Plan (LRTP). The LRTP will be amended to include projects selected for regional funding that are not currently in the plan.

## Step 3: Project Scoring and Ranking

Per state code, all projects requesting CVTA regional funding will be prioritized using a data-driven process that considers benefits and cost. Projects will be ranked within each of the seven project categories based on the benefit to cost score. Ranking within each project category allows projects with similar characteristics to be compared against the others. Project scoring will be conducted by CVTA staff. Project categories will be scored using the measures discussed below.

### Project Category: Highway, Bike/Pedestrian, Transit, Studies, Preliminary Engineering (PE)-Only

All project categories, except for the Bridge category, will be evaluated using selected goals and performance measures developed for the ConnectRVA 2045 LRTP. The core goals selected for prioritization were 1) Safety, 2) Mobility, and 3) Equity/Accessibility/Economic Development The Transit category will utilize a modified Safety goal and an additional goal: 4) Connection to Activity Centers. See **Table 4 and Table 4A** for descriptions and weighting for each goal and performance measure. The selected goals and performance measures provide the most discernible differences to compare regional improvements.

Scoring will be weighted and normalized for each measure and project benefits will be measured against project costs. Transit scores will be normalized to zero rather than the lowest project score. Scores will be evaluated to determine the impact of outliers on the normalized scores and may be adjusted to better compare benefits. A summary of how the goals and performance measures were selected and a link to the LRTP technical documentation is provided in **Appendix I**.

### Project Category: Bridge

Regionally-eligible bridge projects will be evaluated using VDOT's State of Good Repair (SGR) score to rank and prioritize projects within the Bridge category. VDOT administers the SGR funding program.

The SGR program uses five factors to score and prioritize structurally-deficient/poor condition bridge rehabilitation and replacement projects for funding. SGR scoring is conducted by VDOT annually with scores posted here https://www.virginiadot.org/projects/state-of-good-repair/. The SGR score is based on the five factors described in **Table 6**.

**Table 4: CVTA Regional Scoring for Project Categories: Highway, Bike/Pedestrian, Studies and PE-Only (for these categories)**

| **Goal** | Safety | | Mobility | | Accessibility | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Economic Development | | Equity | |
| **Goal Weight** | 38.5% | | 23% | | 38.5% | | | |
| **Performance Measure** | Crash Frequency | Crash Rate | Person Throughput | Person Hours of Delay | Access to Destinations | Access to Jobs | Access to Jobs (EJ) | Access to Destinations (EJ) |
| **Performance Measure Weight** | 70% | 30% | 50% | 50% | 30% | 30% | 20% | 20% |
| **Description** | Reduction in EPDO of Fatal and Injury Crashes (5-year period) | Reduction in EPDO of Fatal and Injury Crashes per 1 million VMT | Increase in Person Throughput (Peak Period) | Reduction in Person Hours of Delay (Peak Period) | Increase in average access to weighted destinations per 1,000 persons (travel time of 30 minutes for all modes) for all population | Increase in average job accessibility per person | Increase in average job accessibility per person (Total EJ Population within EJ Area) | Increase in average access to destinations per 1,000 persons (travel time of 30 minutes for all modes) for EJ population |
| **Unit of Measure** | EPDO | EPDO per 1 Million VMT | Persons | Person Hours | Weighted Destinations per 1,000 Persons | Jobs per Person | Jobs per Person | Weighted Destinations per 1,000 Persons |

EPDO = Equivalent Property Damage Only
VMT = Vehicle Miles Traveled
EJ = Environmental Justice

**Table 5: CVTA Regional Scoring for Project Categories: Transit, Transit Studies and Transit PE-Only**

| **Goal** | Safety | | | Mobility | | Accessibility | | | | Connection to Activity Centers |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Economic Development | | Equity | | |
| **Goal Weight** | 30% | | | 20% | | 30% | | | | 20% |
| **Performance Measure** | Crash Frequency Reduction | Safe Access to Transit | PSAP Priority Corridors | Person Throughput | Person Hours of Delay | Access to Destinations | Access to Jobs | Access to Jobs (EJ) | Access to Destinations (EJ) | Connection to Activity Centers |
| **Performance Measure Weight** | 80% | 10% | 10% | 50% | 50% | 30% | 30% | 20% | 20% | 100% |
| **Description** | Reduction in EPDO of Fatal and Injury Crashes (5-year period) | Completeness of pedestrian network in ¼-mile transit service buffer | Provides/improves alternate mode of travel on PSAP priority corridors | Increase in Person Throughput (Peak Period) | Reduction in Person Hours of Delay (Peak Period) | Increase in average access to weighted destinations per 1,000 persons (travel time of 30 minutes for all modes) for all population | Increase in average job accessibility per person | Increase in average job accessibility per person (Total EJ Population within EJ Area) | Increase in average access to destinations per 1,000 persons (travel time of 30 minutes for all modes) for EJ population | Increase in the Activity Center Units adjacent to the project from current plan year to future (20-year) year |
| **Unit of Measure** | EPDO | | | Persons | Person Hours | Weighted Destinations per 1,000 Persons | Jobs per Person | Jobs per Person | Weighted Destinations per 1,000 Persons | Activity Center Units |

EPDO = Equivalent Property Damage Only

EJ = Environmental Justice

**Table 6: CVTA Regional Scoring for Project Category: Bridge**

| **SGR Factor** | Importance | Condition | Design Redundancy and Safety | Structure Capacity | Cost Effectiveness |
|---|---|---|---|---|---|
| **Factor Weight** | 30% | 25% | 15% | 10% | 20% |
| **Description** | Traffic volume, truck traffic, detour route, future traffic volume, and key route designations | Measures overall condition of the bridge using detailed condition data compiled from the safety inspection report | Fracture-critical bridges, fatigue prone details, and scour and seismic vulnerability | Consideration of whether the bridge will be posted or has issues with clearances or waterway adequacy | Ratio of actual project cost to the cost for full replacement |

### Step 4: Project Selection

A six-year program for allocations is developed based on the following steps. Some steps may be iterative in nature until consensus is reached.

1) CVTA staff will provide the scored regional projects ranked within each project category to CVTA TAC for an initial review and to the full Authority as an information item.
2) CVTA staff will request projected annual allocations for a six-year window of regional funding from the Finance Committee.
3) CVTA staff will use the project rankings and projected annual allocations to develop a recommended funding scenario considering the guidelines below and following the allocation process described in the subsequent section of the document.
    - If applicant submits one application for leveraging and one PE-Only application for the same project both funding requests need to be considered independent of the other (as standalone applications).
    - The distribution of funds should be roughly proportional to the total value of the requested amount per each project category
    - Studies should not exceed 5% and PE-Only projects should not exceed 10% of the annual CVTA regional funding
4) CVTA TAC will review CVTA staff's draft funding scenario, make revisions if necessary and provide a funding scenario to the CVTA Authority, requesting authorization for public review.
5) CVTA staff will manage a public comment period consistent with the RRTPO Public Engagement Plan. All comments will be provided to the Authority before they take a final vote on the project selections and allocations.

## Project Allocations

Projects selected by the CVTA are programmed for funding according to the project schedule and needs. The allocation of funds by the CVTA is the final step in the project selection process. The following section outlines the CVTA's approach to allocating available funds, addressing funding shortfalls and surpluses, and changing project schedules.

### Allocation Process

#### Order of Allocations

The following order of allocations is used to ensure existing, active projects are funded and prioritized above new projects while maintaining a reserve fund to address cost overruns and changes in available funding.

1. Year 6 funding to balance entry (see target balance below)
2. Additional funding for programmed phases of active projects in Years 1-5, starting with Year 1
3. Next phase of existing projects already approved by the CVTA for Year 6
4. New projects in order of priority and based on available funding

#### General Programming Guidance

Funds are allocated to projects based on the project schedule and the availability of funds. In general, the allocated funds should cover the entire amount requested for a phase (PE, RW, CN) but may be split over multiple years based on the project schedule and availability of funding. Leveraging funds used for Smart Scale, will be programmed to allow projects to advance ahead of other fund source availability. Allocations cover a six-year period consistent with §33.2-3706. The goal of the allocation process is to fully allocate all six years of funding with some funding held in unallocated balance entry to cover cost increases and allow for new project selection in the future. The target allocation percentages assigned to projects and held in a unallocated balance entry account is summarized in **Table 6** below.

**Table 7: Balance Entry & Project Allocation Percentages**

| | Previous | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 |
|---|---|---|---|---|---|---|---|
| Projects | 100% | 90% | 85% | 80% | 75% | 70% | 65% |
| Balance | 0% | 10% | 15% | 20% | 25% | 30% | 35% |

### Funding Limits

CVTA regional funds applied to studies should not exceed 5% of the annual CVTA regional funding, approximately $3.25M. CVTA regional funds applied to PE-Only projects should not exceed 10% of the annual CVTA regional funding, approximately $6.5M.

### Future Commitments

If a project cannot be fully funded within the six-year period covered by the SYIP, the necessary funding for future phases should be documented by year as "future commitments". If the CVTA decides not to commit to funding subsequent phases (as in the case of leveraging funds), this decision should be noted in the allocations and future commitments tables. Documenting future phases and commitments allows for better estimation of available funding prior to the application period. If the available funding for a year is insufficient to cover new projects, the CVTA may elect to only accept applications for cost overruns on existing active projects for the year.

## Leveraging Funds

Applicants for CVTA regional funds are encouraged to leverage CVTA funds for outside funding, such as Smart Scale, Revenue Sharing and federal grants, when possible. When a selected project request is intended to support leveraging, the CVTA will program the funds so the project can be delivered as quickly as possible considering the year the complementary fund source will be programmed. The use of the funds for leveraging is documented in the allocations table. Projects with funding intended for leveraging are not considered active projects until fully funded.

No Change to Leveraging Amount: If the project sponsor is unsuccessful in its first attempt to obtain additional funds to fully fund the project, the leveraging funds will be adjusted for inflation and programmed to fit the anticipated allocation year of the complimentary funding source.

Adjusted Leveraging Amount: The project sponsor may request a new amount for leveraging funds. If this new amount is not included in the CVTA recommended funding scenario, the sponsor can adjust the request or retain the amount of the original leveraging (for a second attempt to fully fund). If an adjusted leveraging amount is approved, the sponsor's attempt to fully fund the project will be considered the first attempt with the new leveraging amount.

Funds from Leveraging for PE: The sponsor may request a portion of the leveraging funds, in the amount necessary to develop 30% plans for the original project scope. 30%-design may include the following: survey, roadway, bridge and structures, right of way and utility impacts, hydraulics, traffic, and environmental work. The leveraging available for the second attempt will be reduced accordingly unless the applicant successfully applies for a new leveraging amount (refer to Adjusted Leveraging Amount). The request for PE funds from the leveraging amount must be made prior to the next CVTA regional application cycle.

If the sponsor is unsuccessful in the second attempt to obtain funds to fully fund the project, the project funds will be deallocated. The project sponsor may submit a new application for the entire project cost or leveraging to be rescored with other new projects. A subsequent request for leveraging should include documentation to support requested leveraging amount.
(See **Appendix II** for a definition of "committed and reasonably expected funds").

## Cost Overruns

All active projects are initially eligible to request additional funding to cover cost overruns but may become ineligible as described in the "Quarterly Reporting" section. Additional funding requests must be submitted during the annual application window. Requests outside the normal application window are only accepted for the construction phase when construction costs are over budget. Changes to the project scope will not be accepted as a justification for additional funding. Any request for additional funding must include documentation of the reason for the cost increase. If the request results in a cumulative allocation increase of up to 10% relative to the initial CVTA approved allocation for the phase, CVTA TAC may approve additional allocations. CVTA staff may consider the use of balance entry or funding swaps, which do not negatively impact project schedules, to address overruns.

If the request results in a cumulative allocation increase of more than 10% relative to the initial CVTA approved allocation for the phase, CVTA TAC will review the request and recommend to the CVTA any combination of the following options for their approval:

- Use balance entry funds
- Reduced project scope
- Use of local or other non-regional CVTA funds
- Deselect and deallocate the project

## Surplus Funds

All surplus funds are returned to CVTA balance entry to be reallocated through the CVTA selection and allocation process. Funds are deemed surplus upon project completion or cancellation. Projects that are completed or cancelled are no longer considered active projects and are not eligible for additional funding in the future. In some cases, the CVTA may deallocate funding from a project if that project does not meet certain criteria to remain eligible (Appendix III). Once those funds are deallocated, they may be considered surplus and directed back into the regional project funding budget.

Any CVTA funding on a project that receives additional committed funding from another source is also deemed surplus if the total allocation exceeds the estimated project cost. CVTA staff will identify overfunded projects and reallocate surplus funding. Unlike completed or cancelled projects, projects which are overfunded are still considered active projects, even if all regional funding is removed from the project. As active projects, these projects are eligible for additional funding in accordance with the cost overrun guidelines in the previous section

## Project Development and Reporting

To provide oversight in the use of regional funds, the CVTA has implemented a quarterly reporting requirement for CVTA funded projects, see
**Table** 8. Project sponsors are expected to complete the quarterly report, according to the following schedule until the project is closed out:

**Table 8: CVTA Quarterly Reporting Schedule**

| Period Covered: | Submission Date: |
|---|---|
| July 1 – September 30 | November 1 |
| October 1 – December 31 | February 1 |
| January 1 – March 31 | May 1 |
| April 1 – June 30 | August 1 |

A reporting form will be made available on the CVTA website. The report should, at minimum, include the following items:

- Current cost estimate and schedule
- Current phase(s) authorized
- Next major milestone (start preliminary engineering, public involvement, start right-of-way and utility phase, complete right-of-way and utility phase, advertise project for construction, award construction contract)
- Any delays or challenges in implementation

If project quarterly reports have not been submitted, reimbursement or future pay-go payments for the project may be withheld and the project may be ineligible for additional funding for cost overruns.

The CVTA will maintain a program database on the CVTA website. This page will include a summary of all active and selected projects and their progress toward implementation. This page will be updated with the quarterly reports and after new project selection each year.

# Appendix I: Scoring Methodology

All project categories, except for the Bridge category, will be evaluated using selected goals and performance measures developed for the ConnectRVA 2045 LRTP. Scoring will be weighted and normalized for each measure and project benefits will be measured against project costs. Transit scores will be normalized to zero rather than the lowest project score. For more details on the methodology, please see the LRTP technical documentation found here: https://planrva.org/wp-content/uploads/ConnectRVA2045-Project-Evaluation-and-Scoring-Process.pdf

The performance measures used to prioritize the ConnectRVA 2045 LRTP were reviewed to determine which measures would provide the most discernible differences to compare regional improvements. The core goals selected for prioritization were 1) Safety, 2) Mobility, and 3) Accessibility (Economic Development & Equity). The transit category will utilize a modified Safety goal and an additional goal: 4) Connection to Activity Centers; see below for additional detail on scoring for transit category goals. See **Table 4**, 4A and 5 for descriptions and weighting for each goal and performance measure. These core performance measures were selected for the following reasons:

1. The measures are performance-based and quantify the direct benefit of a proposed improvement.
2. The measures are the most applicable to regional projects.
3. The measures balance the overwhelming impact of cost compared to benefits. This is particularly true for the Highway project category.

Other ConnectRVA 2045 LRTP goals/performance measures, while relevant, were deemed unnecessary for comparing regional projects and excluded for the following reasons:

1. The following measures estimate benefits more qualitatively based on the local proximity of a proposed project to relevant features. These measures do not draw clear distinctions and are less relevant to the benefits of regional projects:
   - *Economic Development: Connections to Truck Intensive Areas*
   - *Environmental: Sensitive Features*
   - *Land Use: Connection to Activity Centers*
2. The following measures do not provide significant differentiation between projects scores and are redundant to performance measures evaluated under the goals Mobility, Equity and Accessibility, Economic Development, Environmental/Land Use:
   - *Economic Development: Truck Throughput* similar to *Mobility: Person Throughput measure*
   - *Economic Development: Job Growth* similar to *Equity & Accessibility: Access to Jobs measures*
   - *Environmental/Land Use: Connection to Activity Centers* similar to *Equity & Accessibility: Access to Destinations measures*
3. The following environmental measures are not necessary to prioritize regional projects because mitigating environmental impacts is part of the project development process:
   - *Environmental: Sensitive Features, Air Pollution and Vehicle Miles Traveled per Capita*

Transit Category Scoring Modifications:

1. Safety
    a. Crash frequency reduction only is used; Crash rate is not used.
    b. Safe Access to Transit – Within a ¼-mile buffer around the project, the length of existing and funded sidewalks is divided by the length of the roadways times two.
    c. PSAP Priority Corridors – Using the VDOT Pedestrian and Bicycle Safety Action Plan, determine length of project on a PBSAP Top 5% corridor and divide by the total length of the project.
4. Connection to Activity Centers – Additional goal for transit category only. For more details, see the LRTP technical documentation found here: https://planrva.org/wp-content/uploads/ConnectRVA2045-Project-Evaluation-and-Scoring-Process.pdf, 2.5 Environment/Land Use, EL4. Connection to Activity Centers.

# Appendix II: Other Funding

The CVTA staff calculates the cost-benefit of a project based on the total cost of the project less any other funding contributions. Funds that are already committed to a project and funds that are reasonably expected are counted as other funding contributions when determining the project cost. Examples of committed and expected funds are listed in the table below.

**Table 9: Committed and Expected Funds**

| Example of Committed Funds | Example of Reasonably Expected Funds |
|---|---|
| Funds included in the adopted budget of local, state, or federal agency | Funds included in the adopted budget but not yet allocated to a project |
| Funds awarded by agencies or organizations with project selection authority | Funds in a draft budget or appropriation |
| Funds included in a constrained Capital Improvement Program (CIP) or a transit agency Development Plan | Funds from future budgets, but consistent with historic levels of the funding source(s) |

Supporting documentation must be provided for all outside funding as part of the project application. Examples of documentation include Six-Year Improvement Program (SYIP) project pages, locality or agency budgets or capital improvement programs, or award letters from selecting agencies. Any undocumented other funds will not be counted in calculating the overall cost-benefit score for a project.

# Appendix III: Deallocation Policy

## Deallocation of regional funding by the Central Virginia Transportation Authority

As part of the CVTA Regional Project Selection and Allocation Framework, regional project applicants are encouraged to leverage CVTA funds for additional outside funding, such as Smart Scale, revenue sharing, or federal grants when possible. The CVTA intends to support awarding leveraging funds to aid project delivery in an expedited timeframe. Projects with funding intended to be leveraged are not considered active until the project is fully funded. However, leverage funds allocated by CVTA for a regional project are considered allocated funds and cannot be allocated to another project until deallocated.

Following the award of CVTA regional funding to leverage additional funding for a project, if the project sponsor is not able to obtain full funding through leveraged resources, the project estimate will be adjusted for inflation and programmed forward to the anticipated funding year of the additional source. The project sponsor may also request a new amount for leveraging funds. If this new amount is not included in the CVTA funding scenario, the project sponsor can adjust the request or retain the original funding request and try for a second time to achieve additional project funding. If the adjusted leveraging amount is approved by the CVTA, the process is reset with the new funding amount as the first leveraging attempt.

If the project sponsor is unable to fully fund the project within four years of having regional CVTA funds allocated, the project will be deemed eligible for deallocation. The following process identifies how the CVTA shall treat projects eligible for deallocation and, if funds are deallocated, how such funds will be directed back into the regional project funding budget.

Deallocation will first be considered by the Technical Advisory Committee. The TAC will advise the Finance Committee on a recommended action. The Finance Committee will review and consider TAC's recommended action and provide an ultimate recommendation to the Authority for consideration and action.

The CVTA will notify the project sponsor and/or Virginia Department of Transportation in writing that it will consider the recommendation to deallocate CVTA funds from a project to allow the opportunity for a response to the proposed action. The project sponsor and/or VDOT responses to a potential deallocation, if any, will be considered by the Finance Committee, which shall make a recommendation to the CVTA for action. If the project sponsor or VDOT do not act or respond within the designated timeframe, CVTA may take action, by motion or resolution, to deallocate funds from the project and place them back into balance entry for CVTA regional project funds.

301 East Belt Boulevard
Richmond, VA 23224



**Central Virginia Transportation Authority**
**Annual Certification of Expenditures**
**Greater Richmond Transit Company (GRTC)**

Central Virginia Transportation Authority (CVTA) member jurisdictions and the Greater Richmond Transit Company (GRTC), which receive revenues from the Central Virginia Transportation Fund (Fund), must annually provide sufficient documentation as required by the CVTA showing that they used the revenues distributed to them under Chapter 37, Title 33.2 of the *Code of Virgi*nia (§33.2-3701) for purposes set forth therein.

Fund revenues returned to member jurisdictions must be used to improve local mobility, which may include construction, maintenance, or expansion of roads, sidewalks, trails, mobility services, or transit located in the locality.

Fund revenues distributed to GRTC must be used to provide transit and mobility services in Planning District 15 as defined in GRTC's Regional Public Transportation Plan developed in conformance with guidelines required by the Code of Virginia (§33.2-286) and approved by CVTA pursuant to the Chapter 1235.

GRTC has submitted documentation sufficient to meet the requirements of Chapter 37, Title 33.2 of the *Code of Virginia* (§33.2-3701), including its Regional Public Transportation Plan, quarterly reports to the CVTA, and this Annual Certification Report.

Pursuant to and in compliance with these requirements and in conjunction with the documentation submitted as part of this Annual Certification, I hereby certify, on behalf of GRTC that all revenues distributed to GRTC from the Fund were used in compliance with the applicable provisions of Chapter 37, Title 33.2 of the *Code of Virginia* (§33.2-3701) as shown by the submitted documentation.

Signed:

S Adams — November 19, 2024

Sheryl Adams — Date
Chief Executive Officer

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# GRTC Transit System
# CVTA Special Fund Annual Certification Report
# For the Year Ended June 30, 2024
# Full Year Summary

| | | |
|---|---|---|
| **Beginning Balance @ June 30, 2023** | | $ 36,106,150.25 |
| | | |
| **Receipts:** | | |
| **Subtotal Receipts** | | $ 34,600,877.97 |
| | | |
| **Uses:** | | |
| **Subtotal Costs Incurred in preparing GRTC Regional Public Transportation Plan** | | $ - |
| | | |
| **Subtotal Costs Incurred in preparing GRTC Micromobility Plan** | | $ (123,287.41) |
| | | |
| GRTC Operating and Capital Expense | | |
| GRTC Operating Expense | (22,914,050.00) | |
| GRTC Capital Expense | (494,635.00) | |
| **Subtotal GRTC Operating and Capital Expense** | | $ (23,408,685.00) |
| | | |
| **Ending Balance @ June 30, 2024** | | $ 47,175,055.81 |

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# Breakdown by Quarter
## 1st Quarter Activity

| | | | |
|---|---|---|---|
| **Beginning Balance @ June 30, 2023** | | | $ 36,106,150.25 |
| | | | |
| **Receipts:** | | | |
| July 28, 2023 | GRTC 15% Funds Distribution - Month of June 2023 | $ 2,712,261.23 | |
| August 25, 2023 | GRTC 15% Funds Distribution - Month of July 2023 | 2,578,996.36 | |
| September 27, 2023 | GRTC 15% Funds Distribution - Month of August 2023 | 2,603,255.61 | |
| July 1, 2023 | Interest Income WF Treasury Sweep June 2023 | 45,994.30 | |
| July 31, 2023 | Interest Income LGIP EM- July 2023 | 74,218.30 | |
| July 31, 2023 | July 2023 LGIP EM Share unrealized gain/(loss) | 22,792.35 | |
| August 1, 2023 | Interest Income WF Treasury Sweep July 2023 | 42,076.47 | |
| August 31, 2023 | Interest Income LGIP EM- August 2023 | 78,750.84 | |
| August 31, 2023 | August 2023 LGIP EM Share unrealized gain/(loss) | - | |
| September 1, 2023 | Interest Income WF Treasury Sweep August 2023 | 47,722.02 | |
| September 30, 2023 | Interest Income LGIP EM- September 2023 | 78,537.85 | |
| **Subtotal Receipts** | | | $ 8,284,605.33 |
| | | | |
| **Uses:** | | | |
| Costs incurred in preparing GRTC Regional Public Transportation Plan | | | |
| **Subtotal Costs Incurred in preparing GRTC Regional Public Transportation Plan** | | | $ - |
| | | | |
| Costs incurred in preparing GRTC Micromobility Plan | | | |
| Four Square Invoice 06219 Microtransit Implementation Plan | | $ (9,615.23) | |
| Four Square Invoice 06325 Microtransit Implementation Plan | | (23,573.92) | |
| Four Square Invoice 06326 Microtransit Implementation Plan | | (22,984.42) | |
| **Subtotal Costs Incurred in preparing GRTC Micromobility Plan** | | | $ (56,173.57) |
| | | | |
| GRTC Operating and Capital Expense | | | |
| GRTC Operating Expense Qtr 1 FY2024 Draw | | $ (5,728,512.50) | |
| GRTC Capital Expense Qtr 1 FY2024 Local Share Draw | | (123,658.75) | |
| **Subtotal GRTC Operating and Capital Expense** | | | $ (5,852,171.25) |
| | | | |
| **Ending Balance @ September 30, 2023** | | | $ 38,482,410.76 |

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# Breakdown by Quarter
## 2nd Quarter Activity

| | | | |
|---|---|---|---|
| **Beginning Balance @ September 30, 2023** | | | $ 38,482,410.76 |

**Receipts:**

| | | | |
|---|---|---|---|
| November 1, 2023 | GRTC 15% Funds Distribution - Month of September 2023 | $ 2,798,401.56 | |
| November 28, 2023 | GRTC 15% Funds Distribution - Month of October 2023 | 2,746,724.12 | |
| October 1, 2023 | Interest Income WF Treasury Sweep September 2023 | 56,946.75 | |
| October 31, 2023 | Interest Income LGIP EM- October 2023 | 82,367.91 | |
| October 31, 2023 | October 2023 LGIP EM Share unrealized gain/(loss) | 23,026.92 | |
| November 1, 2023 | Interest Income WF Treasury Sweep October 2023 | 45,213.60 | |
| November 30, 2023 | Interest Income LGIP EM- November 2023 | 83,310.31 | |
| November 30, 2023 | November 2023 LGIP EM Share unrealized gain/(loss) | 69,330.80 | |
| December 1, 2023 | Interest Income WF Treasury Sweep November 2023 | 54,716.72 | |
| December 31, 2023 | Interest Income LGIP EM- December 2023 | 84,516.41 | |
| December 31, 2023 | December 2023 LGIP EM Share unrealized gain/(loss) | 92,777.33 | |
| **Subtotal Receipts** | | | $ 8,938,196.50 |

**Uses:**

| | | |
|---|---|---|
| Costs incurred in preparing GRTC Regional Public Transportation Plan | | |
| **Subtotal Costs Incurred in preparing GRTC Regional Public Transportation Plan** | | $ - |
| | | |
| Costs incurred in preparing GRTC Micromobility Plan | | |
| Four Square Invoice 06451 Microtransit Implementation Plan | $ (17,598.78) | |
| Four Square Invoice 06623 Microtransit Implementation Plan | $ (23,025.17) | |
| Four Square Invoice 06624 Microtransit Implementation Plan | (6,338.75) | |
| **Subtotal Costs Incurred in preparing GRTC Micromobility Plan** | | $ (46,962.70) |
| | | |
| GRTC Operating and Capital Expense | | |
| GRTC Operating Expense Qtr 2 FY2024 Draw | $ (5,728,512.50) | |
| GRTC Capital Expense Qtr 2 FY2024 Local Share Draw | (123,658.75) | |
| **Subtotal GRTC Operating and Capital Expense** | | $ (5,852,171.25) |

| | |
|---|---|
| **Ending Balance @ December 31, 2023** | $ 41,521,473.31 |

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# Breakdown by Quarter
## 3rd Quarter Activity

| | | | |
|---|---|---|---|
| **Beginning Balance @ December 31, 2023** | | | **$ 41,521,473.31** |
| **Receipts:** | | | |
| January 25, 2024 | GRTC 15% Funds Distribution - Month of December 2023 | $ 2,758,391.90 | |
| February 27, 2024 | GRTC 15% Funds Distribution - Month of January 2024 | 2,956,383.38 | |
| March 29, 2024 | GRTC 15% Funds Distribution - Month of February 2024 | 2,588,196.71 | |
| January 1, 2024 | Interest Income WF Treasury Sweep December 2023 | 71,050.38 | |
| January 31, 2024 | Interest Income LGIP EM- January 2024 | 84,635.13 | |
| January 31, 2024 | January 2024 LGIP EM Share unrealized gain/(loss) | 23,279.25 | |
| February 1, 2024 | Interest Income WF Treasury Sweep January 2024 | 59,100.55 | |
| February 29, 2024 | Interest Income LGIP EM- February 2024 | 86,264.28 | |
| February 29, 2024 | February 2024 LGIP EM Share unrealized gain/(loss) | (70,092.74) | |
| March 31, 2024 | Interest Income WF Treasury Sweep February 2024 | 63,755.75 | |
| March 31, 2024 | Interest Income LGIP EM- March 2024 | 86,310.58 | |
| March 31, 2024 | March 2024 LGIP EM Share unrealized gain/(loss) | 23,451.12 | |
| **Subtotal Receipts** | | | $ 8,730,726.29 |
| **Uses:** | | | |
| Costs incurred in preparing GRTC Regional Public Transportation Plan | | | |
| **Subtotal Costs Incurred in preparing GRTC Regional Public Transportation Plan** | | | $ - |
| Costs incurred in preparing GRTC Micromobility Plan | | | |
| Four Square Invoice 06884 Microtransit Implementation Plan | | $ (4,184.36) | |
| Four Square Invoice 06885 Microtransit Implementation Plan | | (6,474.60) | |
| Four Square Invoice 06719 Microtransit Implementation Plan | | (9,492.18) | |
| **Subtotal Costs Incurred in preparing GRTC Micromobility Plan** | | | $ (20,151.14) |
| GRTC Operating and Capital Expense | | | |
| GRTC Operating Expense Qtr 3 FY2024 Draw | | $ (5,728,512.50) | |
| GRTC Capital Expense Qtr 3 FY2024 Local Share Draw | | (123,658.75) | |
| **Subtotal GRTC Operating and Capital Expense** | | | $ (5,852,171.25) |
| **Ending Balance @ March 31, 2024** | | | **$ 44,379,877.21** |

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# Breakdown by Quarter
## 4th Quarter Activity

| | | | |
|---|---|---|---|
| **Beginning Balance @ March 31, 2024** | | | $ 44,379,877.21 |
| | | | |
| **Receipts:** | | | |
| April 25, 2024 | GRTC 15% Funds Distribution - Month of March 2024 | $ 2,655,542.53 | |
| May 31, 2024 | GRTC 15% Funds Distribution - Month of April 2024 | 2,854,497.66 | |
| June 25, 2024 | GRTC 15% Funds Distribution - Month of May 2024 | 2,638,954.87 | |
| April 1, 2024 | Interest Income WF Treasury Sweep March 2024 | 80,355.32 | |
| April 30, 2024 | Interest Income LGIP EM- April 2024 | 83,230.85 | |
| April 30, 2024 | April 2024 LGIP EM Share unrealized gain/(loss) | (47,075.90) | |
| May 1, 2024 | Interest Income WF Treasury Sweep April 2024 | 66,720.34 | |
| May 31, 2024 | Interest Income LGIP EM- May 2024 | 83,492.29 | |
| May 31, 2024 | May 2024 LGIP EM Share unrealized gain/(loss) | 47,243.71 | |
| June 1, 2024 | Interest Income WF Treasury Sweep May 2024 | 78,127.52 | |
| June 30, 2024 | Interest Income LGIP EM- June 2024 | 82,554.80 | |
| June 30, 2024 | June 2024 LGIP EM Share unrealized gain/(loss) | 23,705.86 | |
| **Subtotal Receipts** | | | $ 8,647,349.85 |
| | | | |
| **Uses:** | | | |
| Costs incurred in preparing GRTC Regional Public Transportation Plan | | | |
| **Subtotal Costs Incurred in preparing GRTC Regional Public Transportation Plan** | | | $ - |
| | | | |
| Costs incurred in preparing GRTC Micromobility Plan | | | |
| **Subtotal Costs Incurred in preparing GRTC Micromobility Plan** | | | $ - |
| | | | |
| GRTC Operating and Capital Expense | | | |
| GRTC Operating Expense Qtr 4 FY2024 Draw | | $ (5,728,512.50) | |
| GRTC Capital Expense Qtr 4 FY2024 Local Share Draw | | (123,658.75) | |
| **Subtotal GRTC Operating and Capital Expense** | | | $ (5,852,171.25) |
| | | | |
| **Ending Balance @ June 30, 2024** | | | $ 47,175,055.81 |

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# Greater Richmond Transit Company

## Financial Report

June 30, 2024

BROWN EDWARDS
certified public accountants

Greater Richmond Transit Company

## Contents

BROWNEDWARDS
certified public accountants

# Independent Auditor's Report

To the Honorable Members of the Board of Directors of
Greater Richmond Transit Company
Richmond, Virginia

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the accompanying financial statements of Greater Richmond Transit Company and its blended component unit as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Greater Richmond Transit Company's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Richmond Transit Company and its blended component unit, as of June 30, 2024, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis of Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Greater Richmond Transit Company and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Greater Richmond Transit Company's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Greater Richmond Transit Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about Greater Richmond Transit Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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## *Summarized Comparative Information*

We have previously audited Greater Richmond Transit Company's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 20, 2023. In our opinion, the summarized comparative information presented herein, as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it was derived.

## *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management, and, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Greater Richmond Transit Company's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2024, on our consideration of Greater Richmond Transit Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Greater Richmond Transit Company's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Greater Richmond Transit Company's internal control over financial reporting and compliance.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia
November 11, 2024

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# Greater Richmond Transit Company

## Management's Discussion and Analysis

**June 30, 2024**

Herein contained are the audited financial statements for the year ended June 30, 2024, for the Greater Richmond Transit Company (the "Company"). This report contains the Company's Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows. This information, in conjunction with the related notes, provides full disclosure of all the material financial operations of the Company. These statements are the representations of management, who bear the responsibility for their accuracy, completeness, and fairness. Management is committed to providing accurate, concise and quality financial information to the governmental supporters, residential users of our services, and to all other interested parties. Management believes the data, as presented, is accurate in all material respects, and fairly sets forth the financial position and results of operations of the Company and makes disclosures necessary to enable the reader to gain a well-informed understanding of the financial affairs of the Company.

In June 1999, the Governmental Accounting Standards Board (GASB) issued a Statement titled, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. This statement, known as the "Reporting Model" statement, affects the way the Company prepares and presents financial information. The statement established the current requirements and reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easy to understand and useful to the people who use governmental financial information to make decisions. The following are required by the statement:

### *Statement of Net Position*

This statement is designed to display the financial position of the Company. This statement reports all assets, including capital assets and infrastructure, and liabilities of the Company.

### *Statement of Revenues, Expenses and Changes in Net Position*

This statement reports revenues and expenses in a format that focuses on the entire operating results of the Company. Other non-operating revenues, operating contributions and capital asset transactions are also included in this statement.

### *Statement of Cash Flows*

This statement shows the actual cash inflows and outflows of the Company using the direct method of presentation.

Management's discussion and analysis regarding the results of operations and financial position as of June 30, 2024 and 2023, and for the years then ended follows.

# Greater Richmond Transit Company

## Management's Discussion and Analysis

**June 30, 2024**

*Results of Operations*

| | 2024 | 2023 |
|---|---|---|
| Governmental purchased service | $ 200,000 | $ 200,000 |
| Charter revenue | 45,529 | - |
| Special service revenue | 1,211,409 | 1,337,914 |
| Advertising revenue | 3,250 | 464,004 |
| Total operating revenues | 1,460,188 | 2,001,918 |
| Salaries and wages | 33,185,357 | 27,480,517 |
| Employee benefits and payroll taxes | 18,748,319 | 19,503,660 |
| Fees and services | 3,938,754 | 2,990,471 |
| Materials and supplies | 8,066,470 | 7,171,843 |
| Utilities | 575,735 | 781,661 |
| Insurance | 2,106,861 | 1,687,237 |
| Purchased transportation services | 8,334,213 | 7,150,540 |
| Other | 1,869,750 | 2,257,162 |
| COVID-19 expenses | 202,048 | 216,536 |
| Depreciation and amortization | 9,965,421 | 10,540,380 |
| Total operating expenses | 86,992,928 | 79,780,007 |
| Operating loss | (85,532,740) | (77,778,089) |
| Other non-operating revenues and expenses, net | 1,171,150 | 607,511 |
| Operating contributions | 74,110,294 | 64,662,962 |
| Capital grant contributions | 19,711,233 | 7,922,242 |
| Gain on disposal of capital assets | - | 9,092 |
| Change in net position | 9,459,937 | (4,576,282) |
| Net position, beginning of year | 36,124,028 | 40,700,310 |
| Net position, end of year | **$ 45,583,965** | **$ 36,124,028** |

The Company's results of operations for the year ended June 30, 2024, reflect an increase in total net position of $9,459,937.

All services provided by the Company are dependent upon the availability of operating revenues, non-operating revenues, operating contributions, and capital grant contributions. Operating revenues include governmental revenues in the form of purchase-of-service agreements with local governments; charter revenue for charter services provided through local transportation companies; special service revenue in the form of contract business with local universities; and advertising revenue from sales of various bus advertising displays.

With the onset of the COVID-19 pandemic in 2020, ridership decreased between 30% to 40% overall from 2019 levels. During FY 2024, ridership now exceeds pre-pandemic levels, and the Company experienced approximately 114% growth in ridership over FY 2023. With the understanding that a significant portion of GRTC passengers were essential front-line workers, the Company stopped charging fares in March 2020 and continued with zero fares thereafter with the commitment being carried through FY 2025. The Company has utilized increased levels of State Operating Contributions (TSDAC) and a State TRIP Grant along with matching contributions to fill the funding void as a result of the zero-fare.

# Greater Richmond Transit Company

## Management's Discussion and Analysis

**June 30, 2024**

Operating revenue of $1,460,188 in FY 2024 decreased $541,730 from FY 2023. Advertising revenue decreased by $460,754 due to the Company suspending its advertising program in FY 2023 and during FY 2024 the Company's advertising policy and program was revamped and the resources to manage the program were being put in place. Charter revenue increased for FY 2024 by $45,529 due to the Company having increased operator staffing allowing charter work to be accomplished. Special service revenue decreased by $126,505 due to the removal of frequency incentives in the contract renewal.

Operating expenses increased $7,212,921 over FY 2023. Contributing to the increase in expense was:

- Salaries and Wages increased $5,704,840 due to an increase in staffing levels in operating and maintenance and annual wage increases contained in the current Collective Bargaining Unit Agreement and recruiting and retention incentives paid to attract and retain operators and mechanics.
- Fees and Services increased $948,283 due to consulting studies for the BRT expansion offset by a reduction advertising expense from FY 2023 related to recruitment of operators and mechanics.
- Materials and supplies increased $894,627 due to increased revenue milage over FY 2024 increasing the demand for equipment and parts purchases.
- Purchased transportation costs increased in FY 2024 by $1,183,673 due to demand for services and increased service costs from third party providers. Specialized service includes the paratransit (CARE) service, Care on Demand, as well as the welfare-to-work (CVAN) service. GRTC provided an optional premium service "Care on Demand" that supports the paratransit eligible participant to book their services the same day with singular occupancy for their trip. This service reduces the overall cost per trip and was a portion of the cause for the decreased expenses.

Other non-operating revenues and expenses, net include interest on cash temporarily idle during the year that is invested in a highly liquid investment portfolio with the Virginia Local Government Investment Pool (LGIP) and other income not part of the ordinary income from operations. This amount increased in FY 2024 by $563,639, primarily due to strong performance of the LGIP accounts and Treasury sweep accounts that earned higher interest income during the year driven by the increase in the Federal rates and higher average invested balances.

Operating contributions, which accounts for approximately 85% in FY 2024 and 81% in FY 2023 of operating expenses, respectively, came directly from various governmental grant subsidies and operating contributions from the Central Virginia Transportation Authority, Virginia Department of Rail and Public Transportation (State), Federal Transit Administration (FTA), City of Richmond, and other local organizations. Funding for operations from the Federal Government increased by $9,844,995 in FY 2024 due to an increase in the use of Federal COVID Relief funding versus the prior year to support the operator training programs and due to increases in federal formula grants for preventative maintenance. Capital grants and contributions are used to purchase nearly all capital assets of the Company and include funding from the Federal Transit Administration, Central Virginia Transportation Authority, City of Richmond, and the Virginia Department of Rail and Public Transportation. Capital grants and contributions increased in FY 2024 by $11,788,991 as a result of the purchasing of rolling stock and investments in infrastructure during the current year.

The increase in net position of $9,459,937 includes $9,965,421 in noncash operating expenses relating to depreciation and amortization recorded in the Statement of Revenues, Expenses, and Changes in Net Position.

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# Greater Richmond Transit Company

## Management's Discussion and Analysis

**June 30, 2024**

*Financial Position*

| | 2024 | 2023 |
|---|---|---|
| Current and other assets | $ 80,719,884 | $ 71,758,603 |
| Capital assets | 88,919,037 | 73,029,946 |
| Total assets | 169,638,921 | 144,788,549 |
| Deferred outflows | 17,446,444 | 29,977,146 |
| Current liabilities | 14,366,334 | 10,255,238 |
| Long-term liabilities | 66,705,420 | 69,092,014 |
| Total liabilities | 81,071,754 | 79,347,252 |
| Deferred inflows | 60,429,646 | 59,294,415 |
| Net investment in capital assets | 85,643,646 | 72,516,012 |
| Restricted | 4,415,640 | 5,502,483 |
| Unrestricted | (44,475,321) | (41,894,467) |
| Net position | **$ 45,583,965** | **$ 36,124,028** |

Current and other assets increased by $8,961,281 primarily due to receipt of distributions from Central Virginia Transportation Authority (CVTA) to be expended in accordance with the approved Regional Public Transportation Plan for FY 2024 and due to an increase in grant receivables due to the timing of rolling stock receipts in June 2024 and zero fare support from the Commonwealth of Virginia. Capital assets increased by $15,889,091, primarily due to the purchases of rolling stock offset by annual depreciation and amortization of capital assets. Current liabilities increased by $4,111,096 due to higher accounts payable due to the timing of capital purchases at the end of FY 2024 and an increase in the liability for self-insured loss. Long-term liabilities decreased by $2,386,594 primarily due to the decrease in pension liability (see Note 8).

*Requests for Information*

The financial report is designated to provide our customers, investors, and creditors with a general overview of GRTC's finances and to show the Company's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial and Administrative Officer, 301 East Belt Boulevard, Richmond, Virginia 23224.

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# Financial Statements

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# Greater Richmond Transit Company

## Statement of Net Position

**June 30, 2024**

| | 2024 | For Comparative Purposes Only 2023 |
|---|---|---|
| **ASSETS** | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents (Note 3) | $ 59,464,758 | $ 54,929,886 |
| Receivables: | | |
| Grants (Note 4) | 9,023,448 | 3,601,546 |
| Trade | 33,438 | 129,167 |
| Other | 869,724 | 1,762,862 |
| Total receivables | 9,926,610 | 5,493,575 |
| Allowance for uncollectibles | (150,000) | (38,250) |
| Net receivables | 9,776,610 | 5,455,325 |
| Prepaid expenses | 394,360 | 359,018 |
| Total current assets | 69,635,728 | 60,744,229 |
| RESTRICTED ASSETS | | |
| Cash and cash equivalents (Notes 3 and 5) | 2,719,786 | 2,719,786 |
| OTHER ASSETS | | |
| Materials and supplies | 1,147,510 | 1,124,632 |
| Cash and cash equivalents, board-designated (Notes 3 and 10) | 5,772,966 | 5,772,966 |
| Subscription prepayments (Note 7) | 1,443,894 | 1,396,990 |
| Total other assets | 8,364,370 | 8,294,588 |
| CAPITAL ASSETS, NET (Note 5) | 88,919,037 | 73,029,946 |
| Total assets | 169,638,921 | 144,788,549 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | |
| Pension deferrals (Note 8) | 17,446,444 | 29,977,146 |
| Total assets and deferred outflows of resources | **$ 187,085,365** | **$ 174,765,695** |

*The Notes to Financial Statements are an integral part of this statement.*

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# Greater Richmond Transit Company

## Statement of Net Position

**June 30, 2024**

| | 2024 | For Comparative Purposes Only 2023 |
|---|---|---|
| **LIABILITIES** | | |
| CURRENT LIABILITIES | | |
| Accounts payable | $ 6,389,088 | $ 3,842,051 |
| Accrued expenses: | | |
| Payroll related | 1,873,671 | 1,548,087 |
| Accrued uninsured accident claims (Note 9) | 1,320,700 | 621,450 |
| Other accrued expenses | 762,764 | 654,246 |
| Compensated absences | 910,096 | 884,770 |
| Unearned operating revenue | 115,727 | 127,136 |
| Grant funding received in advance | 2,211,845 | 1,937,156 |
| Note payable, City of Richmond | 543,100 | 543,100 |
| Current potion of lease liability (Note 6) | 86,143 | 81,821 |
| Current portion of subscription liability (Note 7) | 137,779 | - |
| Other post-employment benefits | 15,421 | 15,421 |
| Total current liabilities | 14,366,334 | 10,255,238 |
| LONG-TERM LIABILITIES | | |
| Net pension liability (Note 8) | 65,428,146 | 68,659,901 |
| Lease liability, less current portion (Note 6) | 345,969 | 432,113 |
| Subscription liability, less current portion (Note 7) | 931,305 | - |
| Total long-term liabilities | 66,705,420 | 69,092,014 |
| Total liabilities | 81,071,754 | 79,347,252 |
| **DEFERRED INFLOWS OF RESOURCES** | | |
| Pension deferrals (Note 8) | 15,069,188 | 23,731,695 |
| Deferred revenue - Central Virginia Transit Authority (CVTA) funds (Note 17) | 45,360,458 | 35,562,720 |
| Total deferred inflows of resources | 60,429,646 | 59,294,415 |
| **NET POSITION** | | |
| Net investment in capital assets | 85,643,646 | 72,516,012 |
| Restricted, capital projects (Notes 3 and 5) | 2,719,786 | 2,719,786 |
| Restricted, annual regional public transportation and microtransit plans (Note 17) | 1,695,854 | 2,782,697 |
| Unrestricted | (44,475,321) | (41,894,467) |
| Total net position | 45,583,965 | 36,124,028 |
| Total liabilities, deferred inflows of resources, and net position | $ 187,085,365 | $ 174,765,695 |

*The Notes to Financial Statements are an integral part of this statement.*

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# Greater Richmond Transit Company

## Statement of Revenues, Expenses, and Changes in Net Position

**Year Ended June 30, 2024**

| | 2024 | For Comparative Purposes Only 2023 |
|---|---|---|
| **OPERATING REVENUES** | | |
| Governmental purchased service | $ 200,000 | $ 200,000 |
| Charter | 45,529 | - |
| Special service | 1,211,409 | 1,337,914 |
| Advertising | 3,250 | 464,004 |
| Total operating revenues | 1,460,188 | 2,001,918 |
| **OPERATING EXPENSES** | | |
| Salaries and wages | 33,185,357 | 27,480,517 |
| Employee benefits and payroll taxes | 18,748,319 | 19,503,660 |
| Fees and services | 3,938,754 | 2,990,471 |
| Materials and supplies | 8,066,470 | 7,171,843 |
| Utilities | 575,735 | 781,661 |
| Insurance and provision for uninsured accident claims | 2,106,861 | 1,687,237 |
| Purchased transportation services (Note 14) | 8,334,213 | 7,150,540 |
| Other | 1,869,750 | 2,257,162 |
| COVID-19 expense | 202,048 | 216,536 |
| Depreciation and amortization | 9,965,421 | 10,540,380 |
| Total operating expenses | 86,992,928 | 79,780,007 |
| Operating loss | (85,532,740) | (77,778,089) |
| **NONOPERATING REVENUES (EXPENSES)** | | |
| Operating contributions: | | |
| Federal Transit Administration | 4,696,855 | 1,719,878 |
| Federal Transit Administration ARPA funds | 8,921,724 | 2,053,706 |
| City of Richmond | 8,824,665 | 8,397,015 |
| County of Henrico | 4,242,935 | 4,034,641 |
| County of Chesterfield | 1,490,370 | 235,170 |
| Virginia Department of Rail and Public Transportation | 22,146,974 | 24,949,239 |
| Virginia Department of Rail and Public Transportation - CMAQ | 582,081 | 676,560 |
| Central Virginia Transportation Authority Funds (Note 17) | 23,164,050 | 22,222,423 |
| Other local organizations, matching contributions | 40,640 | 374,330 |
| Total operating contributions | 74,110,294 | 64,662,962 |
| Capital transactions: | | |
| Capital grants and contributions | 19,711,233 | 7,922,242 |
| Gain on disposal of capital assets | - | 9,092 |
| Total capital transactions | 19,711,233 | 7,931,334 |
| Other income (expense): | | |
| Interest income | 1,109,675 | 596,421 |
| Interest expense | (43,314) | - |
| Other income | 104,789 | 11,090 |
| Total other income | 1,171,150 | 607,511 |
| Total nonoperating revenues | 94,992,677 | 73,201,807 |
| Change in net position | 9,459,937 | (4,576,282) |
| **NET POSITION** | | |
| Beginning of year | 36,124,028 | 40,700,310 |
| End of year | $ 45,583,965 | $ 36,124,028 |

*The Notes to Financial Statements are an integral part of this statement.*

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# Greater Richmond Transit Company

## Statement of Cash Flows

**Year Ended June 30, 2024**

| | 2024 | For Comparative Purposes Only 2023 |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| Governmental purchased service receipts | $ 200,000 | $ 200,000 |
| Other receipts | 1,675,998 | 593,671 |
| Payments to employees | (32,834,447) | (28,439,565) |
| Payment to employee benefits and payroll taxes | (18,080,226) | (15,555,617) |
| Payments to suppliers and others | (23,129,090) | (20,856,270) |
| Net cash used by operating activities | (72,167,765) | (64,057,781) |
| **INVESTING ACTIVITIES** | | |
| Interest income | 1,109,675 | 596,421 |
| Interest expense | (1,791) | - |
| Net cash provided by investing activities | 1,107,884 | 596,421 |
| **CAPITAL AND RELATED FINANCING ACTIVITIES** | | |
| Purchase of capital assets | (23,293,259) | (12,704,024) |
| Cash paid for lease liabilities | (81,822) | (66,553) |
| Subscription prepayments | (280,405) | (1,396,990) |
| Proceeds from sale of capital assets | - | 9,092 |
| Capital contributions Central Virgina Transportation Authority | 944,802 | 551,870 |
| Capital grants related local contributions | 18,346,832 | 7,759,829 |
| Net cash used in capital financing activities | (4,363,852) | (5,846,776) |
| **NONCAPITAL FINANCING ACTIVITIES** | | |
| Operating contributions from federal, state, and local sources | 46,197,740 | 49,633,359 |
| Operating contributions from Central Virgina Transportation Authority | 33,656,076 | 31,505,815 |
| Miscellaneous nonoperating revenue | 104,789 | 11,090 |
| Net cash provided by noncapital financing activities | 79,958,605 | 81,150,264 |
| Increase in cash and cash equivalents | 4,534,872 | 11,842,128 |
| **CASH AND CASH EQUIVALENTS** | | |
| Beginning of year | 63,422,638 | 51,580,510 |
| End of year | **$ 67,957,510** | **$ 63,422,638** |
| **SUMMARY OF CASH AND CASH EQUIVALENTS** | | |
| Cash and cash equivalents, current | $ 59,464,758 | $ 54,929,886 |
| Cash and cash equivalents, restricted | 2,719,786 | 2,719,786 |
| Cash and cash equivalents, board designated | 5,772,966 | 5,772,966 |
| | **$ 67,957,510** | **$ 63,422,638** |

*The Notes to Financial Statements are an integral part of this statement.*

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# Greater Richmond Transit Company

## Statement of Cash Flows
**Year Ended June 30, 2024**

| | 2024 | For Comparative Purposes Only 2023 |
|---|---|---|
| **RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES** | | |
| Operating loss | $ (85,532,740) | $ (77,778,089) |
| Adjustments to reconcile operating loss to net cash used by operating activities: | | |
| Depreciation and amortization | 9,965,421 | 10,540,380 |
| Loss on disposal of capital assets | 515,527 | - |
| Pension expense, net of employer contributions | 636,440 | 4,561,429 |
| Change in current assets and liabilities: | | |
| Receivables, trade and other, net | 427,219 | (1,207,241) |
| Prepaid expenses | (35,342) | 400,305 |
| Materials and supplies | (22,878) | (71,194) |
| Accounts payable | 772,842 | 1,179,749 |
| Accrued expenses | 1,091,829 | (1,850,484) |
| Compensated absences | 25,326 | 168,370 |
| Unearned revenue | (11,409) | (1,006) |
| Net cash used by operating activities | **$ (72,167,765)** | **$ (64,057,781)** |
| **SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES** | | |
| Capital purchases included in accounts payable at year-end | **$ 1,774,195** | **$ -** |
| Acquisition of lease asset: | | |
| Right-of-use asset lease | $ - | $ 548,175 |
| Deferred rent liability applied | - | 32,312 |
| Lease liability incurred | - | (580,487) |
| Cash paid paid to acquire right-of-use asset | $ - | $ - |
| Acquisition of subscription asset: | | |
| Subscription aquired | $ 1,302,585 | $ - |
| Prepayment applied | (233,501) | - |
| Amount financed | (1,069,084) | - |
| Cash paid to aquire subscription | $ - | $ - |

# Greater Richmond Transit Company

## Notes to Financial Statements
**June 30, 2024**

## Note 1 – Organization

### *Reporting Entity*

Greater Richmond Transit Company (the Company or GRTC) is a public service corporation incorporated on April 12, 1973, and organized to provide mass transportation services to the Richmond Metropolitan area. The Company began operations on September 1, 1973, by purchasing the assets of the Virginia Transit Company. The Company is a joint venture between the City of Richmond and County of Chesterfield, Virginia to provide mass transportation for passengers on a regional basis and associated para-transit service mandated by the Americans with Disabilities Act for the purposes of providing continuous services within and between the jurisdictions of the City of Richmond, Chesterfield County and Henrico County. The Company is governed by a nine-member board of directors; three of which are appointed by the City of Richmond, three of which are appointed by Chesterfield County, and three of which are appointed by Henrico County.

The accompanying annual financial report includes the financial activities of the Company, and its blended component unit, Ridefinders. Financial information for the Company and the blended component unit is accounted for in the accompanying financial statements in accordance with principles defining the governmental reporting entity adopted by the Government Accounting Standards Board.

### *Blended Component Unit*

Greater Richmond Transit Company is stock, non-profit corporation established to foster community participation in the Greater Richmond, Virginia area in ridesharing activities, including carpools, vanpools, and traditional transit. Ridefinders is the regional non-profit ridesharing and transportation demand management agency that works to move more commuters in fewer vehicles throughout the Central Virginia region to protect air quality and increase the efficiency of the region’s transportation network. The Company and Ridefinders have a financial and operational relationship which requires that Ridefinders’ financial statements be blended into the Company’s financial statements. Condensed combining financial statements for the Company and its blended component unit are presented in Note 16.

## Note 2 – Summary of Significant Accounting Policies

The accounting policies affecting the significant elements of the financial statements are as follows:

- The financial statements are reported and accounted for on the economic resources measurement focus and the accrual basis of accounting wherein all assets and liabilities associated with the operation of these activities are included in the statement of net position.

The financial statements of the Company are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Company applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

In June 1999, the GASB issued a statement titled, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. This statement, known as the "Reporting Model" statement, affects the way the Company prepares and presents financial information. The statement established new requirements and a new reporting model for the annual financial reports of state and local governments. The statement was developed to make annual reports easy to understand and useful to the people who use governmental financial information to make decisions and includes:

# Greater Richmond Transit Company

## Notes to Financial Statements

**June 30, 2024**

### *Management's Discussion and Analysis*

The reporting model statement requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of “management’s discussion and analysis" (MD&A). This analysis is similar to the analysis the private sector provides in their annual reports.

### *Statement of Net Position*

This statement is designed to display the financial position of the governmental entity. Governments report all assets, including capital assets and infrastructure, in the statement of net position.

### *Statement of revenues, expenses, and changes in net position*

This statement reports revenues and expenses in a format that focuses on the entire operating results of the governmental entity. Capital asset transactions are included in this statement.

### *Statement of Cash Flows*

This statement is displayed using a direct format whereby actual cash inflows and outflows are presented.

### *Estimates*

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses reported during that period. Actual results could differ from those estimates and assumptions.

### *Revenues and Expenses*

Charter, special service, and advertising revenues are recorded as revenue at the time such services are performed. Revenues from governmental grants are earned when the expenses related to the grants are incurred.

Governmental purchased service is comprised of funds received from the City of Petersburg to subsidize the operation of express bus routes.

The Company reports as nonoperating revenues and expenses amounts arising from capital asset transactions, operating grant contributions from governmental entities, investment related transactions and miscellaneous nonoperating revenues and expenses.

Operating losses are subsidized in part by operating grants from the Federal Transit Administration (FTA), the Virginia Department of Rail and Public Transportation (VDRPT), the City of Richmond, the County of Chesterfield, and the County of Henrico. The funding from VDRPT is for fuel, tires, Free Fare, maintenance parts and supplies and administrative expenses. Among other requirements of the FTA grants, state and local governments must provide a certain matching share of funds and/or support (as defined by FTA guidelines) for operating assistance. The FTA, state, and city grants are subject to financial and compliance audits. Such audits could result in requests for reimbursement to the granting agency for expenditures disallowed under the terms of the grants.

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### *Cash and Cash Equivalents*

Cash and cash equivalents include short-term, highly liquid investments with initial maturities of three months or less. Designated cash at June 30, 2024, represents funds reserved by the Board of Directors for a contingency fund for unforeseen events. Restricted cash at June 30, 2024, is comprised of funds restricted for future eligible capital projects as required by FTA.

### *Trade Receivables*

Trade accounts receivable primarily represent balances owed for advertising and marketing with the Company and bus services within the Richmond area and part of Chesterfield and Henrico counties. The Company grants credit to customers, substantially all of whom are businesses located in the vicinity of the operating locations. The Company provides an allowance for doubtful accounts that is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

### *Materials and Supplies*

Materials and supplies, consisting primarily of replacement parts for transit equipment, are stated at cost using the moving-average cost method wherein after each goods acquisition, the average unit cost of an item is recomputed by adding the cost of the newly acquired goods or units to the cost of the units already in inventory.

### *Capital Assets*

The Company's capital assets with useful lives of more than one year are stated at historical cost. The Company generally capitalizes assets with costs of $5,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded as a capital transaction on the statement of revenues, expenses, and changes in net position.

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets held and used is measured by a comparison of the carrying amount of an asset to undiscounted expected cash flows. Future events could cause the Company to conclude that impairment indicators exist and that long-lived assets may be impaired.

Depreciable assets are depreciated over the following estimated useful lives:

| | |
|---|---|
| Buildings | 10 – 30 years |
| Buses, vans, vehicles | 4 – 12 years |
| Bus stop and parking facilities | 5 – 15 years |
| Shop and garage equipment | 4 – 30 years |
| Office furniture and equipment | 5 years |
| Software | 4 – 5 years |
| Bus communication and other equipment | 4 – 12 years |
| Office space leased - lease asset | term of lease |
| Equipment leased - lease asset | term of lease |

# Greater Richmond Transit Company

## Notes to Financial Statements

**June 30, 2024**

### *Right-of-Use Lease Asset and Related Lease Liability*

The Company is a lessee for noncancellable leases for office space and various office equipment. The Company recognizes intangible right-to-use assets (lease asset) and a related lease liabilities on the financial statements. At the commencement of a lease, the Company initially measures a lease liability at the present value of payments expected to be made during the lease period. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain direct costs. Subsequent to the initial measurement and recognition, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements include how the Company determines the (1) discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Company uses an incremental borrowing rate as the discount rate for leases.
- The lease terms include the noncancellable periods of the leases. Lease payments are included in the measurement of the lease liability and are composed of fixed payments.
- The Company monitors any changes in circumstances that would require a remeasurement of its leases and will remeasure if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital assets and lease liabilities are reported with long-term debt in the statement of net position.

### *Subscription-Based Information Technology Arrangements (SBITAs)*

The Company occasionally enters into subscription-based information technology arrangements. The County recognizes a subscription liability with values of $5,000 or more.

At the commencement of a subscription, the Company initially measures the subscription liability at the present value of future payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the subscription term.

Key estimates and judgments related to subscriptions include how the Company determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments. The Company monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with capital assets and subscription liabilities are reported with long-term debt on the Statement of Net Positions.

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### *Deferred Outflows/Inflows of Resources*

In addition to assets and liabilities, the statements that present net position report a separate section for deferred outflows/inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Company has the following items that qualify for reporting in these categories:

- Contributions subsequent to the measurement date for pensions are always a deferred outflow; this will be applied to the net pension liability in the next fiscal year.
- Differences between expected and actual experience for economic/demographic factors in the measurement of the total pension liability. This difference will be recognized in pension expense over the expected average remaining service life of all employees provided with benefits in the plan and may be reported as a deferred inflow or outflow as appropriate.
- Difference between projected and actual earnings on pension plan investments. This difference will be recognized in pension expenses over the closed five-year period and may be reported as a deferred outflow or inflow as appropriate.
- Differences resulting from changes in assumptions on pension plan investments. These differences will be recognized in pension expense over the estimated remaining service life of employees subject to the plan.
- Revenues deferred as asset recognition criteria have not yet been met. Deferred revenues represent resources that are received that are attributable to a future period. The Company receives funding from the Central Virginia Transit Authority (CVTA) that is to be used to capital and operation needs for future fiscal years. The total is reflected as deferred revenue on the statement of net position. See Note 17 for additional information.

### *Unearned Revenue*

Unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

### *Grants*

Grant funding received in advance represents grant assets received but for which revenue recognition criteria has not yet been met (i.e., funds have not yet been spent for grant-related purposes).

### *Note Payable*

The note payable - City of Richmond is a non-interest-bearing unsecured note, which is due on demand. At June 30, 2024, the fair value of the indebtedness approximates the amount recorded in the financial statements.

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### *Net Position*

Net position is the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation less any outstanding debt related to acquisition, construction or improvement of those assets.

When net position resources are available for a specific purpose in more than one classification, it is the Company's policy to use the most restrictive funds first in the following order: restricted and unrestricted as they are needed.

### *Advertising Costs*

Advertising costs are expensed when incurred.

### *Income Taxes*

The Company, as an entity formed to serve the City of Richmond and Chesterfield County (governmental entities), is exempt from federal and state income taxes.

## Note 3 – Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, checking accounts, money markets, and the Virginia Local Government Investment Pool (LGIP). All investment accounts maintained by the Company must abide by the general investment criteria established by the Commonwealth of Virginia for public funds.

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Custodial Credit Risk for deposits is the risk that in the event of a bank failure, the Company's deposits may not be returned, or the Company will not be able to recover collateral securities in the possession of an outside party. Concentration of Credit Risk is the risk of loss attributed to the magnitude of the Company's investment in a single issuer. Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. In order to minimize its exposure to all five of these risks, the Company has a policy of complying with the investment guidelines established by the Commonwealth of Virginia for public funds.

At June 30, 2024, the Company's deposits with banks and LGIP was $71,993,867 and the associated total carrying value was $67,957,510. All deposits of the Company, except the sweep accounts, are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with the Virginia Security for Public Deposits Act (the "Act") Section 2.2-4400 et. seq. of the Code of Virginia. Under the Act, banks and savings institutions holding public deposits in excess of the amount insured by the FDIC must pledge collateral to the Commonwealth of Virginia Treasury Board. Financial institutions may choose between two collateralization methodologies and depending upon that choice, will pledge collateral that ranges in the amounts from 50% to 130% of excess deposits. The money market funds are not subject to the FDIC or the Act and are therefore not collateralized. Otherwise, all deposits are considered fully collateralized.

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# Greater Richmond Transit Company

## Notes to Financial Statements
**June 30, 2024**

The carrying value of the Company's cash and cash equivalents consists of the following at June 30, 2024:

| | |
|---|---|
| Virginia Local Government Investment Pool | $ 39,429,195 |
| Sweep accounts | 28,463,723 |
| Petty cash funds | 64,592 |
| Total cash and cash equivalents | 67,957,510 |
| Restricted for future eligible capital projects as required by FTA - represents the federal interest in the sale proceeds of the former maintenance and administrative facility (Note 5) | (2,719,786) |
| Board designated (Note 10) | (5,772,966) |
| Unrestricted and undesignated | **$ 59,464,758** |

## Note 4 – Grants Receivable

Federal, state, and local grants receivable consist of the following at June 30, 2024:

| | |
|---|---|
| Department of Transportation - Federal Transit Administration | $ 1,313,008 |
| Virginia Department of Rail and Public Transportation | 7,710,440 |
| Total grants receivable | **$ 9,023,448** |

## Note 5 – Capital Assets

During the year ended June 30, 2010, upon completion of the new maintenance and administrative facility, the Company recorded an asset impairment loss in the amount of $1,100,000, which represented the remaining book value of the old maintenance and administrative facility. During the subsequent years, the asset impairment loss increased $1,002,509 and totaled $2,102,509 at June 30, 2015. During the year ended June 30, 2016, upon sale of the old maintenance and administrative facility, the Company removed the book value of the old maintenance and administrative facility and removed the impairment loss reserve in the amount of $2,102,509. In connection with the sale, in accordance with FTA regulations, $2,719,786 of the sale proceeds represents the federal interest in the proceeds and is restricted for future eligible capital projects. See CIP commitments disclosed at Note 15.

# Greater Richmond Transit Company

## Notes to Financial Statements
**June 30, 2024**

Capital asset activity for the year ended June 30, 2024, was as follows:

| | Balance at July 1, 2023 | Additions | Transfers and Disposals | Balance at June 30, 2024 |
|---|---|---|---|---|
| Capital assets not subject to depreciation: | | | | |
| Land | $ 2,644,056 | $ - | $ - | $ 2,644,056 |
| Construction in progress | 2,838,986 | 2,252,909 | - | 5,091,895 |
| Total capital assets not subject to depreciation | 5,483,042 | 2,252,909 | - | 7,735,951 |
| Capital assets subject to depreciation: | | | | |
| Buildings | 53,648,609 | - | - | 53,648,609 |
| Leased building | 453,752 | - | - | 453,752 |
| Buses, vans, vehicles | 83,872,695 | 15,121,626 | (2,502,422) | 96,491,899 |
| Bus stop and parking facilities | 4,624,509 | 715,321 | - | 5,339,830 |
| Shop and garage equipment | 1,187,464 | 4,806,789 | - | 5,994,253 |
| Office furniture and equipment | 8,853,557 | - | - | 8,853,557 |
| Leased equipment | 94,423 | - | - | 94,423 |
| Software | 3,901,000 | 1,406,380 | - | 5,307,380 |
| Bus communications and other equipment | 10,358,356 | 841,702 | - | 11,200,058 |
| Subscriptions | - | 1,302,585 | - | 1,302,585 |
| Total capital assets subject to depreciation | 166,994,365 | 24,194,403 | (2,502,422) | 188,686,346 |
| Accumulated depreciation and amortization: | | | | |
| Buildings | (24,593,303) | (1,770,740) | - | (26,364,043) |
| Leased building | (58,128) | (62,313) | - | (120,441) |
| Buses, vans, vehicles | (52,187,930) | (6,056,843) | 1,909,622 | (56,335,151) |
| Bus stop and parking facilities | (3,610,489) | (172,785) | - | (3,783,274) |
| Shop and garage equipment | (785,435) | (214,455) | - | (999,890) |
| Office furniture and equipment | (8,780,851) | (14,640) | - | (8,795,491) |
| Leased equipment | (9,442) | (18,885) | - | (28,327) |
| Software | (2,454,743) | (695,908) | - | (3,150,651) |
| Bus communications and other equipment | (6,967,140) | (788,275) | - | (7,755,415) |
| Subscription | - | (170,577) | - | (170,577) |
| Total accumulated depreciation and amortization | (99,447,461) | (9,965,421) | 1,909,622 | (107,503,260) |
| Total capital assets subject to depreciation and amortization, net | 67,546,904 | 14,228,982 | (592,800) | 81,183,086 |
| Total capital assets, net | **$ 73,029,946** | **$ 16,481,891** | **$ (592,800)** | **$ 88,919,037** |

## Note 6 – Lease Liability

The Company's blended component unit (Ridefinders), entered into a noncancellable lease agreement for office facilities in The Ironfronts Building. The Company recognized an intangible right-to-use asset and related lease liability at July 1, 2022. Payments of $6,110 are due monthly and escalate each year through June 2029 and are discounted at 2.92%.

The Company, as a lessee, has entered into a noncancellable lease agreement for the use of office equipment. The lease commenced on January 1, 2023, and as a result, the Company recognized an intangible right-to-use asset and related lease liability. Payments of $1,675 are due monthly through December 2027 and are discounted at 2.56%.

# Greater Richmond Transit Company

## Notes to Financial Statements

**June 30, 2024**

The following is a summary of changes in the lease liability reported on the statement of net position for the fiscal year ended June 30, 2024:

| | Balance July 1, 2023 | Increase | Decrease | Balance June 30, 2024 | Amounts Due Within One Year |
|---|---|---|---|---|---|
| Lease liability | $ 513,934 | $ - | $ (81,822) | $ 432,112 | $ 86,143 |

Future maturities are as follows:

| | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 86,143 | $ 10,896 | $ 97,039 |
| 2026 | 86,021 | 8,521 | 94,542 |
| 2027 | 90,573 | 6,018 | 96,591 |
| 2028 | 85,194 | 3,435 | 88,629 |
| 2029 | 84,181 | 1,178 | 85,359 |
| | $ 432,112 | $ 30,048 | $ 462,160 |

## Note 7 – Subscription-Based Information Technology Arrangements ("SBITA")

The Company entered into a SBITA for the creation and use of a paratransit scheduling software in March 2023. Prior to 2024, the Company had recognized a prepayment for implementation costs and the first year's subscription license fee totaling $233,500, which was included on the statement of net position. The software was placed in service in August 2023, and as a result, the Company recognized a subscription liability of $1,069,084 and asset of $1,302,585. The subscription is for an initial five-year term with the option to renew for an additional two years.

The Company entered into another SBITA for the creation and use of an enterprise resource planning system in May 2022. The Company recognized a prepayment for implementation costs and a subscription license fee totaling $1,443,894 and $1,163,490, for June 30, 2024 and 2023, respectively, which is included on the statement of net position. The first module of the system, payroll module, is expected to be placed in service in a future year. The subscription is for an initial five-year term with the option to renew for an additional five-year term.

The SBITA GRTC liabilities will be based on the future payments expected to be made, discounted to the estimated present value. The assets will be valued using the initial value of the liability, adjusted for payments made at or before the subscription commencement date (i.e., prepaid costs).

The following is a summary of changes in the subscription liability reported on the statement of net position for the fiscal year ended June 30, 2024:

| | Balance July 1, 2023 | Increase | Decrease | Balance June 30, 2024 | Amounts Due Within One Year |
|---|---|---|---|---|---|
| Subscription liability | $ - | $ 1,069,084 | $ - | $ 1,069,084 | $ 137,779 |

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Future maturities are as follows:

| | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 137,779 | $ 45,221 | $ 183,000 |
| 2026 | 152,607 | 39,393 | 192,000 |
| 2027 | 168,062 | 32,938 | 201,000 |
| 2028 | 184,171 | 25,829 | 210,000 |
| 2029 | 201,961 | 18,039 | 220,000 |
| Thereafter | 224,504 | 9,496 | 234,000 |
| | **$ 1,069,084** | **$ 170,916** | **$ 1,240,000** |

## Note 8 – Retirement Plans

The operating company, Old Dominion Transit Management Company, has four retirement plans covering substantially all employees. One plan, an Internal Revenue Service Code Section 401(a) deferred compensation plan, which is noncontributory and covers qualified salaried employees, is funded as accrued. The second and third plans, started during 2002, are contributory Internal Revenue Code Section 457(b) deferred compensation plans available to certain eligible employees. The fourth plan is described in the succeeding paragraphs. The assets of the plans are required to be held in trust. Based on the plans' governmental status, the Company's obligation under the plans is limited to its contributions. The aggregate contributions for these plans were $4,392,522 during the year ended June 30, 2024, and are included in employee benefits and payroll taxes on the statement of revenues, expenses, and changes in net position.

### *Plan Description*

The fourth plan mentioned in the preceding paragraph, the Old Dominion Transit Employees Disability and Retirement Allowance Plan ("the Plan"), is a single employer, defined benefit plan and is maintained pursuant to agreements between Old Dominion Transit Management Company and Local 1220 of the Amalgamated Transit Union. The Plan is administered by a committee of four people, two appointed by the Company and two by the Local 1220. Prior to August 1, 2022, the Plan covered substantially all of the employees covered under the collective bargaining agreement between Old Dominion Transit Management Company and Local 1220 who have completed 60 days of service, and also includes certain employees who are not members of Local 1220. Effective August 1, 2002, the Plan will not cover any person who is not covered by the collective bargaining unit represented by Local 1220 and is (1) hired on and after August 1, 2002, or (2) a member of the Plan as of September 30, 2002, who, on or before October 31, 2002, irrevocably waived further membership in the Plan after September 30, 2002. Participants are eligible for normal retirement after attaining age 62 with at least 5 years of continuous service. Participants who are at least age 55 with at least 20 years of service with the Company may elect to commence benefits before their normal retirement date with reduced benefits. Any participant who is at least age 55 and has continuous service such that the sum of his age and service is at least 85 is eligible for unreduced benefits. At January 1, 2023, there were 278 current active members in the Plan. At January 1, 2023, 211 retirees and beneficiaries were receiving benefits from the Plan. Any participant with at least five years of continuous service who terminated employment may elect to either (a) be paid their accumulated contributions with interest or (b) leave their contributions in the fund and become fully vested in the benefits they had accrued to the date of termination.

### *Benefit Formula*

A formula is used to determine monthly benefits upon retirement. The retirement benefit formula is computed as 1.5% of the participant’s highest four-year average monthly compensation multiplied by the number of years of the participant’s continuous service, subject to a monthly minimum benefit of $222 for participants in the Plan as of October 1, 2000. Each retirement and disability allowance being paid may be adjusted to reflect increases in the consumer price index that have occurred during the preceding year, subject to a maximum increase of 4% per year.

# Greater Richmond Transit Company

## Notes to Financial Statements

**June 30, 2024**

### *Status of the Plan as a Governmental Plan*

By letter dated April 18, 1978, the Pension Benefit Guaranty Corporation determined that the Plan was a governmental plan under Title IV of the Employee Retirement Income Security Act of 1974 (ERISA). By ruling dated May 29, 1979, the Internal Revenue Service determined that the Plan was a governmental plan within the meaning of Section 414(d) of the Internal Revenue Code. By letter dated January 23, 1981, the Department of Labor issued an advisory opinion that the Plan was a governmental plan within the meaning of Section 3(32) of ERISA. A governmental plan is not subject to most of the provisions of ERISA.

### *Publicly Available Report*

The Plan issues a publicly available financial report that includes financial statements and required supplemental information for the Old Dominion Transit Employees Disability and Retirement Allowance Plan. The financial report may be obtained through management of the Company. The Plan's fiduciary net position disclosed herein has been determined on the same basis as that used by the Plan.

The Plan's separate financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Retirement and termination benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. If available, quoted market prices are used to value investments. Securities traded on a national or international exchange are valued at the last reported sales price at existing exchange rates. Bonds with no quoted market value are generally valued by comparison with comparable securities with similar yields and ratings. Investments that do not have an established market are reported at estimated fair value. Appreciation and depreciation of assets held for investment during the year are based on the fair value at the end of the Plan year as compared to the fair value at the beginning of the Plan year for investments acquired in a previous Plan year. For investments acquired during the year, appreciation and depreciation are calculated by determining the difference between fair value at the end of the Plan year and the cost basis of the investments. Gain or loss on investments disposed of (realized) during the year is calculated by comparing the sales proceeds with the cost basis for all investment disposals. Interest income is recorded on an accrual basis.

### *Funding Policy*

The cost of providing retirement and disability benefits under the Plan is shared between the Company and the employee. The collective bargaining process between the Company and the Local 1220 determines the amount of contribution that the employee and the Company must contribute for plan benefits. The portion of such aggregate contributions to be contributed by the Company for participants who are not members of the bargaining unit represented by Local 1220, is determined by the Company. In no event, however, may the monthly contribution made by any member be less than $25. Contribution rates are shown below:

| | Bargained | | Non-Bargained | |
|---|---|---|---|---|
| **Effective Date** | **Employee** | **Employer** | **Employee** | **Employer** |
| October 1, 2022 | 12.0% | 15.0% | 12.0% | 15.0% |
| October 1, 2024 | 12.0% | 15.5% | 12.0% | 15.5% |

Contributions are vested after five years of continuous service with the Company (ten years prior to October 1, 2000, and fifteen years prior to October 1, 1997).

# Greater Richmond Transit Company

## Notes to Financial Statements
**June 30, 2024**

*Actuarial Valuation*

In the latest actuarial valuation as of December 31, 2023, the consulting actuaries, Milliman, Inc., reported a total pension liability of $105,071,057. This accrued liability less the value of the trust fund of $39,642,911 at December 31, 2023, results in a net pension liability of $65,428,146. The fiduciary net position as a percentage of the total pension liability was 37.73% at December 31, 2023. The 2023 annual covered payroll was $19,168,011. The ratio of the net pension liability to annual covered payroll was 341.3% for 2023.

No Plan provisions have changed since the last actuarial valuation.

*Changes in Net Pension Liability*

| | Total Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) – (b) |
|---|---|---|---|
| Balances at December 31, 2022 | $ 103,201,962 | $ 34,542,061 | $ 68,659,901 |
| Changes for the year: | | | |
| Service cost | 3,070,885 | - | 3,070,885 |
| Interest | 4,401,942 | - | 4,401,942 |
| Effect of economic/demographic gains or losses | (1,454,937) | - | (1,454,937) |
| Effects of assumptions changes or inputs | 1,794,996 | - | 1,794,996 |
| Contributions - employer | - | 3,420,403 | (3,420,403) |
| Contributions - employee | - | 2,709,957 | (2,709,957) |
| Net investment income | - | 5,060,444 | (5,060,444) |
| Benefit payments, including refunds of employee contributions | (5,943,791) | (5,943,791) | - |
| Administrative expense | - | (146,163) | 146,163 |
| Net changes | 1,869,095 | 5,100,850 | (3,231,755) |
| Balances at December 31, 2023 | **$ 105,071,057** | **$ 39,642,911** | **$ 65,428,146** |

*Actuarial Assumptions*

The significant assumptions and other inputs used to measure the total pension liability are as follows:

| | |
|---|---|
| Discount Rate | 4.09% |
| Long term expected rate of return, net of investment expense | 6.50% |
| Bond buyer general obligation 20-bond municipal bond index | 3.26% |

The Plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the Plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the Plan's fiduciary net position is not projected to be sufficient.

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Other key actuarial assumptions:

| | |
|---|---|
| Valuation date | January 1, 2023 |
| Measurement date | December 31, 2023 |
| Inflation | 3.00% |
| Salary increases including inflation | 12% per year for participants with less than four years of service and 4.5% per year for participants with at least four years of service |
| Active and healthy inactive mortality | Rates from the separate Pub-2010 General Mortality generationally projected using Projection Scale MP-2021 |
| Actuarial cost method | Entry age normal |
| Cost of living adjustments | None |
| Termination rate | 30% at less than 1 year of service<br>20% between 1 and 2 years of service<br>15% between 2 and 4 years of service<br>4% at 4 years of service or greater |
| Retirement rate | 10% at age 55<br>5% at ages 56 to 59<br>10% at ages 60 and 61<br>70% at age 62<br>40% at age 63<br>20% at age 64<br>100% at age 65 |

### *Long-Term Expected Rate of Return*

The best estimate range for the long-term expected rate of return was determined by the actuaries by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of December 31, 2023.

| Asset Class | Index | Allocation | Arithmetic Rate of Return | Geometric Rate of Return |
|---|---|---|---|---|
| U.S. Cash | BAML 3-month Tbill | 0.11% | 0.76% | 0.74% |
| U.S. Core fixed income | Barclays Aggregate | 11.94% | 2.21% | 2.08% |
| U.S. Short treasury bonds | US 1-3 Yr Gvt/Credit | 1.74% | 1.29% | 1.24% |
| U.S. Government bonds | US Government | 1.72% | 1.67% | 1.51% |
| U.S. Securitized Securities | US MBS | 5.33% | 2.64% | 2.52% |
| U.S. Municipal bonds | Municipal | 0.05% | 1.58% | 1.45% |
| Non-U.S. bonds | JPM GBI Global ExUS | 0.19% | 0.51% | 0.05% |
| U.S. Equity market | Russell 3000 | 78.92% | 5.50% | 3.82% |
| Assumed inflation - mean | | | 3.00% | 3.00% |
| Assumed inflation - standard deviation | | | 1.44% | 1.44% |
| Portfolio real mean return | | | 4.80% | 3.73% |
| Portfolio nominal mean return | | | 7.80% | 6.84% |
| Portfolio standard deviation | | | | 14.49% |
| Long-term expected rate of return | | | | 6.50% |

### *Sensitivity Analysis*

According to the actuaries, the following presents the net pension liability of the Company, calculated using the discount rate of 4.09%, as well as what the Company's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.09%) or 1 percentage point higher (5.09%) than the current rate.

| | 1% Decrease 3.09% | Current Discount Rate 4.09% | 1% Increase 5.09% |
|---|---|---|---|
| Total pension liability | $ 118,492,239 | $ 105,071,057 | $ 93,924,911 |
| Fiduciary net position | 39,642,911 | 39,642,911 | 39,642,911 |
| Net pension liability | **$ 78,849,328** | **$ 65,428,146** | **$ 54,282,000** |

### *Depletion Date Projection*

In order to determine if the Plan's fiduciary net position is projected to be sufficient to make projected benefit payments, the actuaries prepared a depletion date projection using the following techniques and assumptions:

- Current active members contribute the required employee contribution amounts.
- The Company contributes 15% of the compensation for all employees.
- Benefit payments are projected based on the actuarial assumption and the current plan provisions.
- Members are assumed to receive pay increases, terminate, retire, become disabled, die, and so forth according to the actuarial assumptions used for the January 1, 2023, valuation.
- Terminating and retiring members will not be replaced with new employees.
- Current administrative expenses are assumed to increase by 3.00% per year.
- All cash flows are assumed to occur on average halfway through the year.
- The long-term expected rate of return on pension plan investments is 6.50%.
- The tax-exempt, high quality general obligation municipal bond index rate is 3.26%.
- The funding policy used to determine actuarially determined contributions does not change.
- The actuarial assumptions do not change.
- The plan provisions do not change except if any material future changes have been agreed upon as of the measurement date.
- The depletion date is December 31, 2040.

Actual results at each point in time will yield different values, reflecting the actual experience of the plan membership and assets.

### *Pension Expense and Deferred Inflows and Outflows*

For the year ending June 30, 2024, the Company recognized pension expense of $2,593,335.

The deferred inflows and outflows of resources as of June 30, 2024, are as follows:

| | Outflows of Resources | Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 708,192 | $ 1,222,568 |
| Changes of assumptions | 13,022,570 | 13,846,620 |
| Pension contributions made subsequent to the measurement date | 1,956,895 | - |
| Net difference between projected and actual earnings | 1,758,787 | - |
| | **$ 17,446,444** | **$ 15,069,188** |

# Greater Richmond Transit Company

## Notes to Financial Statements

**June 30, 2024**

$1,956,895 reported as deferred outflows of resources related to pensions resulting from the Company's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the fiscal year ending June 30, 2024. Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending | | |
|---|---|---|
| 2025 | $ | (2,109,417) |
| 2026 | | 1,878,827 |
| 2027 | | 1,239,381 |
| 2028 | | (588,430) |

*Pension Plan Data*

Information about the Old Dominion Transit Employees Disability and Retirement Allowance Plan is also available in the separately issued 2023 Annual Comprehensive Financial Report (ACFR). A copy of the 2023 ACFR may be requested from the plan's Chief Financial and Administrative Officer at 301 East Belt Boulevard, Richmond, VA, 23224.

## Note 9 – Accrued Uninsured Accident Claims

The Company has joined the Virginia Transit Liability Pool (the "Pool"). Under the Pool, the Company has $20,000,000 liability and excess coverage (with a $325,000 self-insurance retention). At June 30, 2024, the Company was liable for any settlement in excess of $20,000,000. Additional liability insurance is purchased through multiple insurance carriers for up to $10,000,000 per accident.

The following schedule reflects the activity in accrued uninsured accident claims during the year ended June 30, 2024:

| | | |
|---|---|---|
| Balance, June 30, 2022 | $ | 330,825 |
| Provision | | 553,495 |
| Claims paid | | (262,870) |
| Balance, June 30, 2023 | | 621,450 |
| Provision | | 1,218,600 |
| Claims paid | | (519,350) |
| Balance, June 30, 2024 | **$** | **1,320,700** |

The Company records the provisions for uninsured accident claims based upon the management's estimate of the total liability for each claim. Because of the inherent uncertainties in estimating accident claims, it is at least reasonably possible that the estimates used will change in the near term.

## Note 10 – Board Designated Reserves

The Board of Directors of the Company has designated cash reserves of $5,772,966 at June 30, 2024, for a contingency fund.

# Greater Richmond Transit Company

## Notes to Financial Statements
**June 30, 2024**

## Note 11 – Materials and Supplies Agreements

The Company obtains tires and tubes for its buses through a three-year agreement with The Goodyear Tire & Rubber Company ("Goodyear") dated August 15, 2023. The agreement provides for two one-year option terms, which extends the agreement through August 15, 2028. Fees are based on a monthly fixed cost and the mileage driven by each bus. Costs incurred in connection with tires and tubes were $483,352 for the year ended June 30, 2024, and are included in materials and supplies on the statement of revenues, expenses, and changes in net position.

## Note 12 – Vanpool Program

The Company furnishes commuter vanpool services through various agreements, all of which are on a month to-month basis. The cost of such services to the Company is based on the number of passenger vans provided. Cost incurred in connection with commuter vanpool service for the year ended June 30, 2024, were $249,225 which are included in fees and services expense on the statement of revenues, expenses, and changes in net position.

## Note 13 – Union Contract

The Company has an agreement with the Amalgamated Transit Union, Local Union 1220 (the "Union"), on October 1, 2020, in connection with the Company's transit operators and mechanics. This agreement is effective from October 1, 2020, through September 30, 2023. In October 2023, the Union ratified, and the Company approved an updated agreement for the period from October 1, 2023, through September 30, 2026.

## Note 14 – Purchased Transportation Services

The Company furnished specialized transportation services (CARE and CVAN services) for disabled persons through an agreement with National Express Transit Corporation dated December 1, 2022. The cost of such services to the Company is based on a fixed cost per revenue hour. Costs incurred in connection with disabled person's specialized transportation were $8,334,213 for the year ended June 30, 2024.

## Note 15 – Commitments and Contingencies

The Company, from time to time, is a defendant in civil actions. The Company intends to vigorously defend the claims asserted against it by all claimants. The ultimate resolution of these matters is not ascertainable at this time. No provision has been made in the accompanying financial statements related to these matters.

Prior to year end, the Company entered into a contract with Rummel, Klepper & Khal LLC for construction management, engineering, and inspection services for the Downtown Transfer Plaza and demolition of the Church annex property. The total for the contract is not to exceed $20,000,000.

Prior to year end, the Company entered into a contract with Waco, Inc for the Pulse BRT Station Platforms. The total for the contract is not to exceed $774,469.

# Greater Richmond Transit Company

## Notes to Financial Statements

**June 30, 2024**

*Special Purpose Grants*

Special purpose grants are subject to audit to determine compliance with their requirements. The Company's management believes that if any refunds are required, they are immaterial.

## Note 16 – Ridefinders

The accompanying financial statements include the amounts of Greater Richmond Transit Co. and its blended component unit (Ridefinders). Effective July 1, 1998, the Board of Directors of the Company became the governing board of Ridefinders. All significant intercompany transactions and balances have been eliminated. Ridefinders was established to foster community participation in the Richmond area in ride sharing activities. Ridefinders issues separately audited financial statements. Copies of Ridefinders audit reports may be obtained from the Company's finance department. The financial statements of Ridefinders are presented as a blended entity in the accompanying financial statements.

The condensed combining statement of net position of Ridefinders and GRTC at June 30, 2024, is as follows:

| | Ridefinders | GRTC | Total |
|---|---|---|---|
| Other assets | $ 347,726 | $ 80,372,158 | $ 80,719,884 |
| Capital assets | 333,311 | 88,585,726 | 88,919,037 |
| Total assets | 681,037 | 168,957,884 | 169,638,921 |
| Deferred outflows of resources | - | 17,446,444 | 17,446,444 |
| Total assets and deferred outflows of resources | **$ 681,037** | **$ 186,404,328** | **$ 187,085,365** |
| Current liabilities | $ 93,976 | $ 14,272,358 | $ 14,366,334 |
| Long-term liabilities | 297,353 | 66,408,067 | 66,705,420 |
| Total liabilities | 391,329 | 80,680,425 | 81,071,754 |
| Deferred inflows of resources | - | 60,429,646 | 60,429,646 |
| Net investment in capital assets | 35,958 | 85,607,688 | 85,643,646 |
| Restricted | - | 4,415,640 | 4,415,640 |
| Unrestricted | 253,750 | (44,729,071) | (44,475,321) |
| Net position | 289,708 | 45,294,257 | 45,583,965 |
| Total liabilities, deferred inflows of resources and net position | **$ 681,037** | **$ 186,404,328** | **$ 187,085,365** |

The condensed combining statement of revenues, expenses, and changes in net position of Ridefinders and GRTC for the year ended June 30, 2024, is as follows:

| | Ridefinders | GRTC | Total |
|---|---|---|---|
| Operating revenues | $ 25,656 | $ 1,434,532 | $ 1,460,188 |
| Operating expenses | 600,574 | 86,392,354 | 86,992,928 |
| Operating income (loss) | (574,918) | (84,957,822) | (85,532,740) |
| Nonoperating revenues | 609,581 | 94,383,096 | 94,992,677 |
| Change in net position | 34,663 | 9,425,274 | 9,459,937 |
| Net position, beginning of year | 255,045 | 35,868,983 | 36,124,028 |
| Net position, end of year | **$ 289,708** | **$ 45,294,257** | **$ 45,583,965** |

# Greater Richmond Transit Company

## Notes to Financial Statements

**June 30, 2024**

The condensed combining statement of cash flows of Ridefinders and GRTC for the year ended June 30, 2024, is as follows:

| | Ridefinders | GRTC | Total |
|---|---|---|---|
| Net cash used in operating activities | $ (9,154) | $ (72,158,611) | $ (72,167,765) |
| Net cash provided by investing activities | - | 1,107,884 | 1,107,884 |
| Net cash used in capital and related financing activities | - | (4,363,852) | (4,363,852) |
| Net cash provided by noncapital financing activities | - | 79,958,605 | 79,958,605 |
| Increase (decrease) in cash | (9,154) | 4,544,026 | 4,534,872 |
| Cash, beginning of year | 185,891 | 63,236,747 | 63,422,638 |
| Cash, end of year | **$ 176,737** | **$ 67,780,773** | **$ 67,957,510** |

Ridefinders has recorded various transactions with the Company for 2024, which are summarized as follows:

| | |
|---|---|
| Payroll and related expenses | **$ 403,290** |
| Accounts receivable | **$ 32,402** |
| Balance owed from GRTC forgiven by RideFinders | **$ 120,602** |

Effective January 1, 1998, all Ridefinders' employees became GRTC employees. Ridefinders and GRTC entered into an employee lease agreement whereby Ridefinders leases its employees from GRTC.

## Note 17 – Deferred Revenue, Central Virginia Transportation Authority (CVTA)

In 2021, the Central Virginia Transportation Authority (CVTA) was created. CVTA is responsible for administering transportation funding generated from the imposition of an additional regional sales and use tax and taxes on the sales of gasoline and diesel. The funding is to be used for transportation-related purposes for the various localities located in Central Virginia. The Company has received a total of $45,360,458 that is to be used for capital and operational needs in future years to be approved by CVTA and as such, is reflected as deferred revenue on the statement of net position. Funding approved by CVTA for expenditure during the year ended June 30, 2024, was $23,732,500, of which $568,450 is for capital purposes and is included in capital contributions on the statement of revenues, expenses, and changes in net position. Funding approved by CVTA for specific, nonoperating purposes for which those purposes had not yet been met or expended as of June 30, 2024, was $1,695,854 and is included in restricted net position on the statement of net position. These restricted purposes consist primarily of costs associated with the development of annual Regional Public Transportation Plans and capital projects.

# Required Supplementary Information, Other Than Management's Discussion and Analysis

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# Greater Richmond Transit Company

## Schedule of Changes in Net Pension Liability and Related Ratios

| Year Ended December 31, | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| **TOTAL PENSION LIABILITY** | | | | | | | | | | |
| Service cost | $ 3,070,885 | $ 1,960,124 | $ 4,470,182 | $ 3,762,068 | $ 3,409,609 | $ 1,878,738 | $ 2,043,015 | $ 1,948,697 | $ 1,450,042 | $ 2,853,856 |
| Interest | 4,401,942 | 5,088,293 | 3,337,107 | 3,431,709 | 3,370,599 | 4,027,357 | 3,830,331 | 3,796,263 | 4,057,519 | 4,445,277 |
| Differences between expected and actual experience | 1,794,996 | 22,252,191 | (41,539,863) | 5,400,805 | 31,264,920 | (5,830,131) | 2,803,368 | 7,988,685 | (13,996,709) | 31,902,783 |
| Effect of plan changes | - | - | - | - | - | - | - | - | (24,336,327) | - |
| Effect of economic/demographic gains or losses | (1,454,937) | 635,577 | (515,340) | 3,513,631 | (2,818,974) | 449,165 | - | - | - | - |
| Benefit payments, including refunds | (5,943,791) | (6,016,359) | (5,779,554) | (5,310,675) | (5,051,835) | (5,321,234) | (5,216,184) | (5,056,520) | (4,952,698) | (4,516,684) |
| Net change in total pension liability: | 1,869,095 | 23,919,826 | (40,027,468) | 10,797,538 | 30,174,319 | (4,796,105) | 3,460,530 | 8,677,125 | (37,778,173) | 34,685,232 |
| Total pension liability, beginning | 103,201,962 | 79,282,136 | 119,309,604 | 108,512,066 | 78,337,747 | 83,133,852 | 79,673,322 | 70,996,197 | 108,774,370 | 74,089,138 |
| Total pension liability, ending (a) | $105,071,057 | $103,201,962 | $ 79,282,136 | $119,309,604 | $108,512,066 | $ 78,337,747 | $ 83,133,852 | $ 79,673,322 | $ 70,996,197 | $108,774,370 |
| **PLAN FIDUCIARY NET POSITION** | | | | | | | | | | |
| Contributions, employer | $ 3,420,403 | $ 2,772,252 | $ 2,779,428 | $ 2,483,999 | $ 2,171,361 | $ 1,822,920 | $ 1,626,882 | $ 1,696,893 | $ 1,632,672 | $ 1,552,764 |
| Contributions, employee | 2,709,957 | 2,105,519 | 1,851,601 | 1,518,153 | 1,381,914 | 1,239,610 | 1,174,232 | 1,200,867 | 1,164,749 | 1,064,699 |
| Net investment income | 5,060,444 | (6,308,253) | 4,716,698 | 3,758,328 | 6,249,173 | (1,182,755) | 4,783,954 | 1,467,178 | (796,759) | 1,525,695 |
| Benefit payments | (5,943,791) | (6,016,359) | (5,779,554) | (5,310,675) | (4,975,690) | (5,397,378) | (5,216,185) | (5,044,233) | (4,952,698) | (4,516,684) |
| Administrative expenses | (146,163) | (135,002) | (304,397) | (128,209) | (107,011) | (46,161) | (51,721) | (65,815) | (66,427) | (81,776) |
| Other changes | - | 2,264 | - | 15,920 | 2,003 | 3,181 | 3,873 | 46,006 | - | - |
| Net change in plan fiduciary net position | 5,100,850 | (7,579,579) | 3,263,776 | 2,337,516 | 4,721,750 | (3,560,583) | 2,321,035 | (699,104) | (3,018,463) | (455,302) |
| Plan fiduciary net position, beginning | 34,542,061 | 42,121,640 | 38,857,864 | 36,520,348 | 31,798,598 | 35,359,181 | 33,038,146 | 33,737,250 | 36,755,713 | 37,211,015 |
| Plan fiduciary net position, ending (b) | $ 39,642,911 | $ 34,542,061 | $ 42,121,640 | $ 38,857,864 | $ 36,520,348 | $ 31,798,598 | $ 35,359,181 | $ 33,038,146 | $ 33,737,250 | $ 36,755,713 |
| Net pension liability, ending (a) - (b) | $ 65,428,146 | $ 68,659,901 | $ 37,160,496 | $ 80,451,740 | $ 71,991,718 | $ 46,539,149 | $ 47,774,671 | $ 46,635,176 | $ 37,258,947 | $ 72,018,657 |
| Plan fiduciary net position as a percentage of the total pension liability | 37.7% | 33.5% | 53.1% | 32.6% | 33.7% | 40.6% | 42.5% | 41.5% | 47.5% | 33.8% |
| Covered payroll* | $ 19,168,011 | $ 19,390,527 | $ 19,789,787 | $ 18,616,042 | $ 16,448,830 | $ 16,367,124 | $ 16,514,954 | $ 16,514,954 | $ 15,420,198 | $ 15,018,061 |
| Net pension liability as a percentage of covered payroll | 341.3% | 354.1% | 187.8% | 432.2% | 437.7% | 284.3% | 289.3% | 282.4% | 241.6% | 479.5% |

*Covered payroll represents the total pensionable payroll for employees covered under the pension plan, in accordance with GASB Statement No. 82.

*See accompanying notes and Independent Auditor's Report.*

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# Greater Richmond Transit Company

## Schedule of Employer Pension Contributions

| Year Ended December 31, | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | $ 3,118,046 | $ 2,462,290 | $ 3,493,861 | $ 3,450,831 | $ 3,589,495 | $ 2,433,113 | $ 2,542,550 | $ 2,347,897 | $ 3,742,841 | $ 3,475,196 |
| Actual employer contributions | 3,420,403 | 2,772,252 | 2,779,428 | 2,483,999 | 2,171,361 | 1,822,920 | 1,626,882 | 1,696,893 | 1,632,672 | 1,552,764 |
| Contribution (excess) deficiency | **$ (302,357)** | **$ (309,962)** | **$ 714,433** | **$ 966,832** | **$ 1,418,134** | **$ 610,193** | **$ 915,668** | **$ 651,004** | **$ 2,110,169** | **$ 1,922,432** |
| Employer's covered payroll | **$ 19,168,011** | **$ 19,390,527** | **$ 19,789,787** | **$ 18,616,042** | **$ 16,448,830** | **$ 16,367,124** | **$ 16,514,954** | **$ 16,514,954** | **$ 15,420,198** | **$ 15,018,061** |
| Contributions as a percentage covered payroll | 17.84% | 14.30% | 14.04% | 13.34% | 13.20% | 11.14% | 9.85% | 10.27% | 10.59% | 10.34% |

Note: Information in this schedule is presented for the year in which information is available.

*See accompanying notes and Independent Auditor's Report.*

# Greater Richmond Transit Company

## Notes to Required Supplementary Information - Pension

### Year Ended June 30, 2024

The following actuarial methods and assumptions were used in the funding valuation as of December 31, 2023:

| | |
|---|---|
| Valuation date | January 1, 2023 |
| Measurement date | December 31, 2023 |
| Actuarial cost method | Entry age normal |
| Investment rate of return | 6.50% |
| Interest on employee contributions | 3.00% |
| Cost of living adjustments | None |
| Inflation | 3.00% |
| Salary increases | 12% per year for participants with less than four years of service and 4.5% per year for participants with at least four years of service. |
| Termination | Rates varying by service as in the table below: |

| Years of Service | Probability |
|---|---|
| Less than 1 | 30.00% |
| Between 1 and 2 | 20.00% |
| Between 2 and 4 | 15.00% |
| 4 or more | 4.00% |

| | |
|---|---|
| Incidence of disability | Rates are from the 1985 Pension Unisex Disability Table, Class 2. Sample rates for active employees varying by age are shown below: |

| Age | Probability |
|---|---|
| 25 | 0.094% |
| 35 | 0.219% |
| 45 | 0.511% |
| 55 | 1.498% |
| 65 | 2.718% |

| | |
|---|---|
| Active and Healthy Inactive Mortality | Rates from the Pub-2010 General Employee and Retiree Amount-Weighted Mortality tables, projected with scale MP-2021. |
| Disabled Mortality | Rates from the Pub-2010 General Disabled Annuitants Amount-Weighted Mortality tables, projected with scale MP-2021. |
| Retirement | Rates for active employees varying by age as in the table below: |

| Age | Probability |
|---|---|
| 55 | 10.000% |
| 56-59 | 5.000% |
| 60-61 | 10.000% |
| 62 | 70.000% |
| 63 | 40.000% |
| 64 | 20.000% |
| 65 | 100.000% |

All future deferred vested participants are assumed to retire at age 62. The Company provides the assumed dates of retirement for current deferred vested participants.

| | |
|---|---|
| Form of payment | All participants are assumed to elect straight life annuities. |
| Post-retirement Returns of Contributions | Refunds of accumulated contributions are approximated with a five-year certain annuity. |

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# Compliance Section

BROWNEDWARDS
certified public accountants

# Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Members of the Board of Directors of
Greater Richmond Transit Company
Richmond, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Greater Richmond Transit Company, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Greater Richmond Transit Company's basic financial statements and have issued our report thereon dated November 11, 2024.

## Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Greater Richmond Transit Company's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Greater Richmond Transit Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Greater Richmond Transit Company's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Greater Richmond Transit Company and its blend component unit's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Greater Richmond Transit Company's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia
November 11, 2024

BROWNEDWARDS
certified public accountants

# Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Honorable Members of the Board of Directors of
Greater Richmond Transit Company
Richmond, Virginia

## Report on Compliance for Each Major Federal Program

### *Opinion on Compliance for Each Major Program*

We have audited Greater Richmond Transit Company's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Company's major federal programs for the year ended June 30, 2024. The Company's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Company complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal documentation of the Greater Richmond Transit Company's compliance with the compliance requirements referred to above.

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## *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Greater Richmond Transit Company's federal programs.

## *Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Greater Richmond Transit Company's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Greater Richmond Transit Company's compliance the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Greater Richmond Transit Company's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Greater Richmond Transit Company's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Greater Richmond Transit Company's internal control over compliance Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Brown, Edwards & Company, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

Newport News, Virginia
November 11, 2024

# Greater Richmond Transit Company

## Schedule of Expenditures of Federal Awards

**June 30, 2024**

| Federal Granting Agency/Recipient State Agency/Grant Program | Assistance Listing Number | Grant Number | Total Awards Expended |
|---|---|---|---|
| **DIRECT AWARDS** | | | |
| Department of Transportation, Federal Transit Administration (FTA): | | | |
| Federal Transit Cluster: | | | |
| Federal Transit - Formula Grants | 20.507 | VA90-X535 / VA2017-021 | $ 162,331 |
| | 20.507 | VA2016-027 | 61,049 |
| | 20.507 | VA2017-022 | 154,482 |
| | 20.507 | VA2020-009 | 304,101 |
| | 20.507 | VA2021-040 | 341,690 |
| | 20.507 | VA2022-007 | 1,034,907 |
| | 20.507 | VA2023-007 | 204,713 |
| | 20.507 | VA2023-008 | 729,731 |
| | 20.507 | VA2023-025 | 3,839 |
| | 20.507 | VA2024-029 | 311,747 |
| ARPA Federal Transit - Formula Grants | | | |
| | 20.507 | VA2022-023 | 8,921,724 |
| Total Federal Transit - Formula Grants | | | 12,230,314 |
| Bus and Bus Facilities Formula Program | | | |
| | 20.526 | VA2023-005 | 10,032,000 |
| | 20.526 | VA2023-020 | 128,797 |
| | 20.526 | VA2021-X034 | 3,496,516 |
| | 20.526 | VA2020-011 | 440,385 |
| Total Bus and Bus Facilities Formula Program | | | 14,097,698 |
| Total Federal Transit Cluster | | | **$ 26,328,012** |

# Greater Richmond Transit Company

## Notes to Schedule of Expenditures of Federal Awards

**June 30, 2024**

## Note 1 – Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is presented on an accrual basis of accounting consistent with the basis of accounting used by Greater Richmond Transit Company. The schedule includes all known federal funds expended by the Company for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the presentation of the basic financial statements.

## Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. The Company has elected to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance.

## Note 3 – Subrecipient Payments

None of the expenditures reported on the Schedule were passed through to sub recipients.

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# Greater Richmond Transit Company

## Schedule of Findings and Questioned Costs

**June 30, 2024**

## A – Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. No significant deficiencies and no material weaknesses relating to the audit of financial statements were reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on the Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements were disclosed.
4. No significant deficiencies and no material weaknesses relating to the audit of the major federal award program were reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award program expresses an unmodified opinion.
6. The audit disclosed no audit findings related to the major program.
7. The program tested as major was:

| Name of Program | Assistance Listing Number |
|---|---|
| Federal Transit Cluster: | |
| Federal Transit - Formula Grants | 20.507 |
| Bus and Bus Facilities Formula Program | 20.526 |

8. The threshold used to distinguish between Type A and Type B programs is $789,840.
9. The Company was determined to be a low-risk auditee.

## B – Findings – Financial Statements

None noted.

## C – Findings and Questioned Costs – Major Federal Award Program Audit

None noted.

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# FY26 REGIONAL PROJECT APPLICATION CYCLE

## PROJECT SUBMISSION

**Staff**

**Application Form Prep**
June 16 - June 30

**Applications Accepted**
July 1 - July 31

**TAC**

**Review schedule**
June 9

**Update on application form and review project application status**
July 14

**Finance**

**Review current allocations plan**
July 9

## SCREENING & SCORING

**Staff**

**Regional Eligibility**
August 1 - August 15

**On-call Estimate & Schedule Review**
August 15 - October 17

**Project Categorization**
August 1 - August 15

**Scope Clarification**
August 15 - September 5

**Supporting Data Sufficiency**
August 15 - September 5

**GIS Mapping**
September 5 - September 19

**Travel Demand Modeling**
(Mobility) September 5 - October 17

**GIS Scoring**
(Safety, Accessibility) September 15 - October 17

**TAC**

**Status update on screening and scoring**
September 8

**Benefit scores delivered for local review**
November 10

**Finance**

**Review available funding**
September 10



## PRIORITIZATION

**Staff**

**Develop preliminary funding scenario(s)**
October 17 - November 11

**Develop preliminary allocation plan(s)**
November 11 - November 21

**Support TAC Estimating Ad Hoc Work Group**
October 17 - November 21

**Prepare Scorecards**
October 17 - November 21

**TAC Review**
(Existing & New Priorities)
November 21 - December 8

**TAC**

**Project revisions and recommendations**
December 8

**Estimating Ad Hoc Work Group**
November 10

**Finance**

**Review preliminary funding scenario with leveraging**
November 12

**Authority**

**Status update**
October 24

## ALLOCATIONS

**Staff**

**Revise Allocations Plan(s)**
(post TAC Review)
December 8 - December 26

**Finance Committee Review**
December 26 - January 14

**Revise Allocations Plan**
(post Finance Committee Review)
January 14 - January 15

**Full Authority prep**
January 14 - January 23

**Staff Develop Smart Scale Allocations Memo**
January 26 - January 30

**TAC**

**Review draft allocations plan(s)**
December 8

**Review & recommend full 6-year project list and funding scenario**
January 12

**Finance**

**Review & recommend full 6-year project list and funding scenario**
January 14

**Authority**

**Authorize public hearing and public review period**
January 23

**Public review period**
January 26 - February 13

**Public hearing to approve 6-year project list and funding scenario**
February 27

cvtava.org

CVTA
Central Virginia Transportation Authority

**CVTA AGENDA 1/31/25; ITEM B.-5.**

**Working Capital Reserve Strategy**

**Central Virginia Transportation Authority**

**BACKGROUND:** The CVTA has committed to establishing a Working Capital Reserve to provide a safeguard for regional project allocations as the development atmosphere evolves over time. The strategy below outlines the process for establishing and maintaining that reserve.

**Working Capital Reserve Strategy**

CVTA's financial policies provide for a Working Capital Reserve ("WCR") equal to at least 3 months of the budgeted, annual Regional CVTA Funds. Based upon the FY 2024 preliminary Regional CVTA Funds, the WCR requirement is equal to approximately $18 million, which for the purposes of establishing the WCR, is the baseline. This amount will fluctuate slightly each year, corresponding to the latest round of revenue estimates received by CVTA each December.

At the close of fiscal year 2024, CVTA had approximately $11.6 million in investment interest earnings from the Regional CVTA Funds. At its September 27, 2024, meeting, the Authority directed the allocation of $11.6 million in investment earnings, as follows:

1. Allocate $1.5 million to fund wayfinding implementation for the Fall Line Trail
2. **Allocate $5.05 million to initially fund the WCR**
3. Allocate $5.05 million to fund regional projects, to be determined

With $5.05 million of initial funding, the Authority will need to allocate an additional $12.95 million to fully fund the WCR to its current requirement. In order to achieve this, staff and PFM recommended that the Authority direct 100% of its monthly investment earnings from Regional Funds to the WCR until it is fully funded. Although investment earnings will fluctuate, it is estimated that, at the expected rate of return, it will take roughly 15 months (to January 2026) to fully fund the WCR. The WCR requirement will be reevaluated by June 30, 2025 (set forth in the Financial Policies), and at that time, staff and PFM will also reevaluate the funding status of the WCR.

PBMares, CVTA's auditor, has reviewed the recommended approach to fund the WCR to ensure it is compliant from the auditor's perspective. Following its review, PBMares indicated that there are no issues with this approach and it does not foresee future audit concerns.

This staff report discusses the following framework for completing the development of the WCR and maintaining its balance over time. The Authority delegates to the Finance Committee the ability to provide direction to the Executive Director on the oversight of the WCR and may modify or adjust the WCR funding strategy as needed, with regular reports to the FC and full board included in the monthly financial reports and as part of the annual budget process.

*Monthly:*
The Executive Director shall work with the CVTA Fiscal Agent to include additional data points in the financial report and investment report outlining the current status of a) the monthly regional investment earnings contribution to the WCR, b) a new line item in the financial report showing the WCR as a unique funding recipient, and c) the overall impact of the monthly investment to the bottom line of the WCR

*Annually:*
By June 30 of each year, staff will provide an update on the success of the WCR funding strategy and any recommendations necessary to ensure its long term impact.

**Finance Committee Recommendation:**

Committee members discussed the strategy and the importance of monthly reporting for tracking purposes. It was noted that because the money is left in the investment pool, it could increase or decrease. The purpose of the monthly reporting is so that changes in the strategy can be made when necessary to minimize loss.

On motion by Kevin Carroll, seconded by John Moyer, the members of the CVTA Finance Committee voted to recommend approval of the Working Capital Reserve Strategy as presented

**REQUESTED ACTION:**

Motion to recommend approval of the Working Capital Reserve Strategy as presented (Roll Call vote)

**CVTA RESOLUTION**: The following resolution is presented for Central Virginia Transportation Authority approval:

***Resolved,*** *that the Central Virginia Transportation Authority (CVTA) approves the Working Capital Reserve Strategy.*

# CENTRAL VIRGINIA TRANSPORTATION AUTHORITY
## Tax Collections and Allocations
### For the Fiscal Year Ended June 30, 2025

**Local Distribution Fund**

| | June Tax Activity 09/30/24 | July Tax Activity 10/31/24 | August Tax Activity 11/30/24 | September Tax Activity 12/31/24 | October Tax Activity 01/31/25 | November Tax Activity 02/28/25 | December Tax Activity 03/31/25 | January Tax Activity 04/30/25 | February Tax Activity 05/31/25 | March Tax Activity 06/30/25 | YTD | LTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Receipt of Taxes: | | | | | | | | | | | | |
| Sales and Use Tax | $ 13,821,290 | $ 14,267,011 | | | | | | | | | $ 28,088,301 | $ 603,983,678 |
| Local Fuels Tax | 4,518,500 | 4,813,805 | | | | | | | | | 9,332,305 | 209,997,534 |
| Total Receipt of Taxes | 18,339,791 | 19,080,816 | - | - | - | - | - | - | - | - | 37,420,606 | 813,981,212 |
| Cash Outflows & Transfers: | | | | | | | | | | | | |
| Transfers: | | | | | | | | | | | | |
| Operating Fund | 741,166 | - | - | - | - | - | - | - | - | - | 741,166 | 2,760,934 |
| Regional Fund | 6,159,519 | 6,678,286 | | | | | | | | | 12,837,804 | 283,927,098 |
| Payments to GRTC | 2,639,794 | 2,862,122 | | | | | | | | | 5,501,916 | 121,683,041 |
| Total transfers | 9,540,478 | 9,540,408 | - | - | - | - | - | - | - | - | 19,080,886 | 408,371,073 |
| Local Distributions: | | | | | | | | | | | | |
| Ashland | 33,081 | 37,711 | | | | | | | | | 70,792 | 1,391,968 |
| Charles City | 44,553 | 47,071 | | | | | | | | | 91,623 | 2,361,791 |
| Chesterfield | 2,495,633 | 2,689,317 | | | | | | | | | 5,184,950 | 116,811,473 |
| Goochland | 246,777 | 247,498 | | | | | | | | | 494,274 | 10,224,979 |
| Hanover | 1,275,402 | 1,351,690 | | | | | | | | | 2,627,092 | 56,370,491 |
| Henrico | 2,766,795 | 3,006,344 | | | | | | | | | 5,773,139 | 129,267,675 |
| New Kent | 191,331 | 193,312 | | | | | | | | | 384,643 | 9,576,907 |
| Powhatan | 208,017 | 227,479 | | | | | | | | | 435,496 | 9,142,449 |
| Richmond | 1,537,724 | 1,739,987 | | | | | | | | | 3,277,711 | 70,462,406 |
| Total local distributions | 8,799,312 | 9,540,408 | - | - | - | - | - | - | - | - | 18,339,720 | 405,610,140 |
| Local Distribution Fund ending balance | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ (0) |

**Operating Fund**

| | June Tax Activity 09/30/24 | July Tax Activity 10/31/24 | August Tax Activity 11/30/24 | September Tax Activity 12/31/24 | October Tax Activity 01/31/25 | November Tax Activity 02/28/25 | December Tax Activity 03/31/25 | January Tax Activity 04/30/25 | February Tax Activity 05/31/25 | March Tax Activity 06/30/25 | YTD |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Beginning balance, July 1, 2024 | | | | | | | | | | | $ 259,209 |
| Transfer from Local Distribution Fund | $ 741,166 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | 741,166 |
| Prior year accounts payable | | | | | | | | | | | - |
| Payment of operating costs | (46,679) | (116,503) | | | | | | | | | (163,182) |
| Interest income | 592 | 2,095 | | | | | | | | | 2,687 |
| Operating Fund ending balance | $ 695,079 | $ (114,408) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 839,880 |

**Regional Fund**

| | June Tax Activity 09/30/24 | July Tax Activity 10/31/24 | August Tax Activity 11/30/24 | September Tax Activity 12/31/24 | October Tax Activity 01/31/25 | November Tax Activity 02/28/25 | December Tax Activity 03/31/25 | January Tax Activity 04/30/25 | February Tax Activity 05/31/25 | March Tax Activity 06/30/25 | YTD |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Beginning balance, July 1, 2024 | | | | | | | | | | | $ 283,197,740 |
| Transfer from Local Distribution Fund | $ 6,159,519 | $ 6,678,286 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | 12,837,804 |
| Payment for regional projects | (86,518) | | | | | | | | | | (86,518) |
| Interest income | 1,265,857 | 907,476 | | | | | | | | | 2,173,333 |
| Receivable Due from Locality | | | | | | | | | | | - |
| Regional Fund ending balance | $ 7,338,857 | $ 7,585,762 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 298,122,359 |
| | | | | | | | | | | *Working Capital Reserve* | *7,223,333* |

Notes:
* Activity month is reported. CVTA receives funds three months after the activity month.
* At its September 27, 2024 meeting, the Authority directed the allocation of $5.05 million of investment earnings to fund a portion of the Working Capital Reserve (WCR). In order to fully fund the $12.95 million reserve balance, beginning in FY2025, 100% of the monthly investment earnings from Regional Funds will be allocated to the WCR until it is fully funded.

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Central Virginia Transportation Authority

# MONTHLY INVESTMENT REPORT

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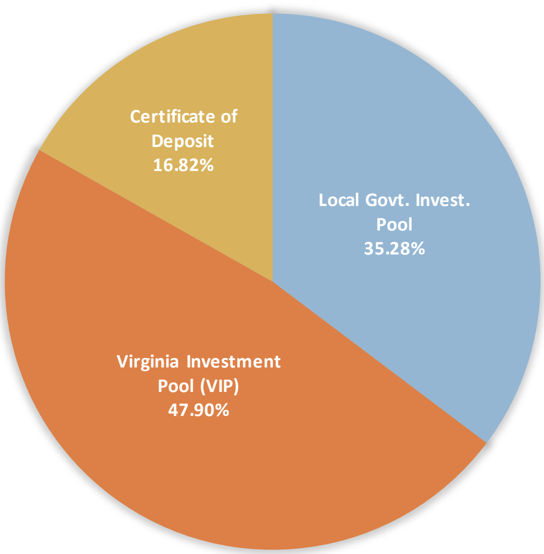
# NOVEMBER 2024

This investment report for November 2024 is presented in accordance with the Investment Policy of the Treasurer of Chesterfield County, Virginia. The objective of the policy is to obtain the highest possible yield on available financial assets, consistent with constraints imposed by safety objectives, cash flow considerations and the laws of the Commonwealth of Virginia that restrict the placement of public funds. All investments held are in compliance with this policy.

**Investments at a glance (as of 11/30/2024)**

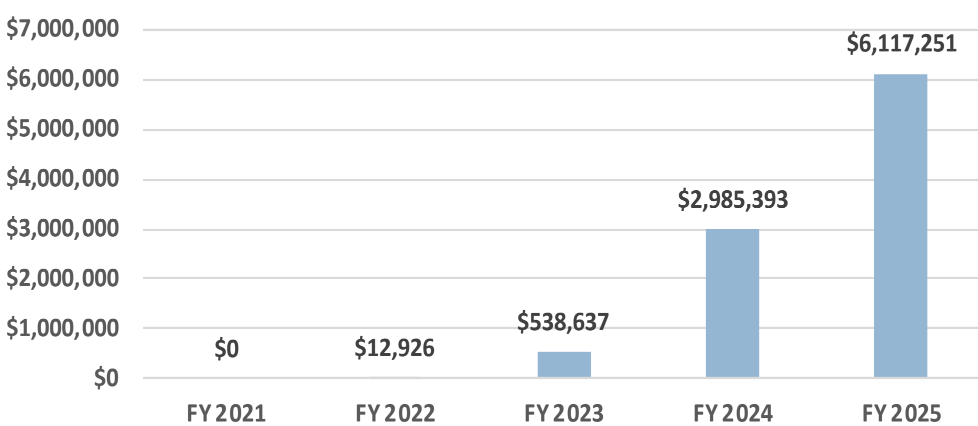
| | |
|---|---|
| Total Book Value | $297,561,798.40 |
| Average Days to Maturity | 24 |
| Yield to Maturity 365 Day Equivalent | 5.03% |

## Investment Type Allocation




| Portfolio Mix | Balance |
|---|---|
| Local Govt. Invest. Pool (LGIP) | $104,963,473.46 |
| Virginia Investment Pool (VIP) | $142,534,349.94 |
| Federal Agency Discount | $0.00 |
| Federal Agency Coupon | $0.00 |
| Corporate Bond | $0.00 |
| Commercial Paper | $0.00 |
| Certificate of Deposit | $50,063,975.00 |
| US Treasury Discount | $0.00 |
| **Total** | **$297,561,798.40** |

## Cumulative Interest Earnings FY2025




Interest earnings through November 2024 exceeded prior years. Short term yields have remained high to combat inflation, however, the Federal Reserve reduced rates by another 25 basis points at the December meeting. Cash flow projections provided by the financial advisory committee will determine how long maturities may be invested.

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# Benchmark Comparisons

The 91-Day Treasury Bill, 6-Month Treasury Bill and the Virginia Treasury Prime Liquidity are used as benchmarks for Central Virginia Transportation Authority's (CVTA) portfolio performance. The portfolio outperformed all of the yield benchmarks and two of the year over year benchmarks for the month of November. Short term yields have remained high to combat inflation, however, the Federal Reserve reduced rates by another 25 basis points at the December meeting.

**YIELD BENCHMARKING**

| | CURRENT YIELD | YEAR AGO | YoY CHANGE |
|---|---|---|---|
| Portfolio | 5.03% | 5.52% | -0.49% pts |
| 91-day T-Bill | 4.62% | 5.52% | -0.90% pts |
| 6-month T-Bill | 4.43% | 5.44% | -1.01% pts |
| Va. Treas. Prime Liq. | 4.31% | 4.78% | -0.47% pts |

# Compliance Report

The Treasurer's Investment Policy specifies limits on categories of investments to obtain diversification and avoid incurring unreasonable risk inherent in over-investing in specific instruments. CVTA's Investment Portfolio is in compliance with the Treasurer's Investment Policy.

| | Code of Virginia | | | Treasurer's Investment Policy | | | |
|---|---|---|---|---|---|---|---|
| Investment Category | Maximum Maturity | Authorized % Limit | Rating Requirement | Maximum Maturity | Authorized % Limit | Rating Requirement | November Actual % |
| Local Government Investment Pool (LGIP) | N/A | 100% | N/A | N/A | 100% | N/A | 35.28% |
| Virginia Investment Pool Trust Fund (VIP) | N/A | 100% | N/A | N/A | 100% | N/A | 47.90% |
| Federal Agency Discount | No Limit | 100% | N/A | 5 Years | 100% | N/A | 0.00% |
| Federal Agency Coupon | No Limit | 100% | N/A | 5 Years | 100% | N/A | 0.00% |
| Corporate Bonds | 5 Years | 100% | AA/Aa | 5 Years | 100% | AA/Aa | 0.00% |
| Commercial Paper | 270 Days | 35% | A1/P1/F1/D1 | 270 Days | 35% | A1/P1/F1/D1 | 0.00% |
| Certificate of Deposit | 5 Years | 100% | A1/P1/AA/Aa | 5 Years | 100% | A1/P1/AA/Aa | 16.82% |
| U.S. Treasury Discount | No Limit | 100% | N/A | 5 Years | 100% | N/A | 0.00% |

# Understanding Key Investment Terms

| | |
|---|---|
| **Local Government Investment Pool (LGIP)** | A State-administered fund that enables governmental entities to realize the economies of large-scale investing and professional funds management. |
| **Virginia Investment Pool Trust Fund (VIP)** | A fund, administered by the Virginia Municipal League (VML) and Virginia Association of Counties (VACo), that provides political subdivisions of the Commonwealth of Virginia the ability to pool their funds and invest under the direction and daily supervision of a professional fund manager. |
| **Federal Agency Discount** | Fixed income government agency obligations priced below par and maturing in more than one year. |
| **Federal Agency Coupon** | Fixed income government agency obligations with a stated interest rate and maturing in more than one year. |
| **Corporate Bonds** | Corporate Bonds are debt securities issued by publicly-held corporations to raise money for expansion or other business needs with a rating from at least two agencies of Aa by Moody's Investor Service, Inc., AA by Standard and Poors, Inc. or AA by Fitch, and a maturity of no more than five years. |
| **Commercial Paper** | "Prime Quality" paper with a maturity of 270 days or less and rated at least prime 1, A-1, or F-1 by the major credit rating agencies. |
| **Certificate of Deposit** | Negotiable certificates of deposits of domestic banks and domestic offices of foreign banks with a rating of at least A-1 or P-1 for maturities one year or less, and AA or Aa for maturities over one year and not exceeding five years. |
| **U.S.** Treasury **Discount** | Fixed income government securities priced below par and maturing in less than one year. |

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Richmond Regional Transportation Planning Organization

# RRTPO AGENCY UPDATE
# CVTA Meeting – January 2025

*This report provides a summary of recent and upcoming activity of the Policy Board and its committees. Detailed information, including meeting videos and agendas for upcoming meetings can be found on the meeting webpage.*

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**The RRTPO TAC met on January 14th. Agenda topics included:**

- **2025 Safety Performance Targets**

Setting safety targets is an annual requirement for the RRTPO as part of the federal performance-based planning and programming requirements. For roadway safety, the RRTPO is required to track and set targets for five performance measures:

- Fatalities
- Fatality Rate (per 100M vehicle miles traveled)
- Serious Injuries
- Serious Injury Rate (per 100M vehicle miles traveled)
- Non-Motorized Fatalities and Serious Injuries

TAC recommended Policy Board approval of the following 2025 Safety Targets, which follow the hybrid approach adopted in 2024 and state assumptions on VMT growth.

| Performance Measure | Baseline (Year) | 2025 Target | Annual Change | Approach to Target Setting |
|---|---|---|---|---|
| Fatalities | 116 (2022) | 107 | -2.6% | Keep unmet 2024 Target |
| Fatality Rate | 1.170 (2022) | 1.003 | -- | Adjust for 2.4% annual increase in VMT, 2025 target |
| Serious Injuries | 871 (2023) | 843 | -1.61% | Near term trendline (declining) |
| Serious Injury Rate | 8.566 (2023) | 7.875 | -- | Adjust for 2.4% annual increase in VMT, 2025 target |
| Non-Motorized Fatalities and Serious Injuries | 109 (2022) | 109 | 0.0% | Flat target based on 2022 average; increase expected |

**BikePedRVA 2045 Update**

The committee was provided with an overview of efforts to update the bicycle and pedestrian plan, BikePedRVA. This effort is being undertaken to feed into the Long-Range Transportation Plan and Transportation Alternatives program and includes refining the terms used to define the active transportation network for the Richmond region.

**Upcoming Meetings:**

- Equity Working Group – January 31, 2025, 11:30 a.m.
- RRTPO Policy Board – February 6, 2025, 9:30 a.m.
  - Expected topics include:
    - Presentation from VDOT on Virginia State Route 895
    - SmartScale Update
    - Request for approval of the 2025 Safety Performance Targets (recommendation from TAC).
- TAC – February 11, 2025, 9:00 a.m.

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# PlanRVA AGENCY UPDATE
# CVTA Meeting – January 2025

*This report provides a summary of recent and upcoming activity of the Commission and its committees. Detailed information, including meeting videos and agendas for upcoming meetings can be found on the [PlanRVA meeting webpage](PlanRVA meeting webpage).*

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**The PlanRVA Public Outreach & Engagement Committee met on January 9th. Agenda topics included:**

- **Equity Working Group**
  Committee members heard an overview of the working group's purpose and planned composition. It was explained that the group will be asked to look into potential ways to compensate individuals for public participation. The group will also review the Title 6 plan to ensure PlanRVA is meeting the compliance requirements.

  Jessica Schneider, Cameron George and Milton Hathaway volunteered to serve on the working group.

- **Pathways to the Future – Regional Symposium**
  The symposium will be framed to highlight the regional strategic plan and demonstrate how the different elements connect (example: how transportation connects to housing). The audience is intended to be community leaders, partner/stakeholder agency/organization representatives and board/committee members. The symposium is scheduled for Friday, March 14th (registration will be open January 23rd).

- **LRTP Engagement Update**

**<u>Upcoming Meetings*</u>**

- Equity Working Group – January 31, 2025, 11:30 a.m.
- Commission – February 13, 2025, 9:30 a.m.
  - Expected topics include:
    - Request to adopt resolution and Memorandum of Understanding between PlanRVA and PHA – Virginia Housing Grant
    - Request to approve FY25 Quarter 2 Financial Statements
    - Request to approve FY25 Budget Review/Amendments
    - Equity Working Group Update

**Don't forget to check out our newsletter:**
**The Better Together Connector (linked)**