

October 20, 2022

Finance Committee Meeting



Agenda

FY22 Financial Statements	Steve Pittard (VPRA)
FY24 Budget Cycle	Shannon Perry (VPRA)
Investment Portfolio	Steve Pittard (VPRA) Shannon Perry (VPRA)

FY22 Financial Statements - Unaudited

FY22 Statement of Net Position - Unaudited

HIGHLIGHTS

- VPRA ended the fiscal year with over \$1.0 billion of assets, a \$242.6 million increase from prior year.
- Liquidity/working capital of the Authority significantly improved (FY22 quick ratio of 2.86, up from 1.15 in the prior year).
- \$237.7 million of land and assets were reclassified from an intangible asset to record the Buckingham Branch rail corridor accepted on November 30, 2021.
- In June of 2022, the Authority acquired from NS the V-line comprised of \$31.2 million of land and \$9.6 million of rail infrastructure.

DRAFT Condensed Statement of Net Position

	2022	2021	Increase (Decrease)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets	\$ 428,759,654	\$ 243,057,114	\$ 185,702,540
Capital and other noncurrent assets, net	614,950,630	558,630,502	56,320,128
Total Assets	1,043,710,284	801,687,616	242,022,668
Deferred Outflows of Resources	604,086	-	604,086
Total Assets and Deferred Outflows of Resources	1,044,314,370	801,687,616	242,626,754
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION			
Current Liabilities	149,525,227	210,833,373	(61,308,146)
Long-term liabilities	100,031,434	125,071,883	(25,040,449)
Total Liabilities	249,556,661	335,905,256	(86,348,595)
Deferred Inflows of Resources	92,289	-	92,289
Total liabilities and deferred inflows of resources	249,648,950	335,905,256	(86,256,306)
NET POSITION:			
Net Investment in Capital Assets	479,229,208	224,771,672	254,457,536
Unrestricted	315,436,212	241,010,688	74,425,524
Total Net Position	\$ 794,665,420	\$ 465,782,360	\$ 328,883,060

FY22 Statement of Revenues, Expenses, & Changes in Net Position - Unaudited

HIGHLIGHTS

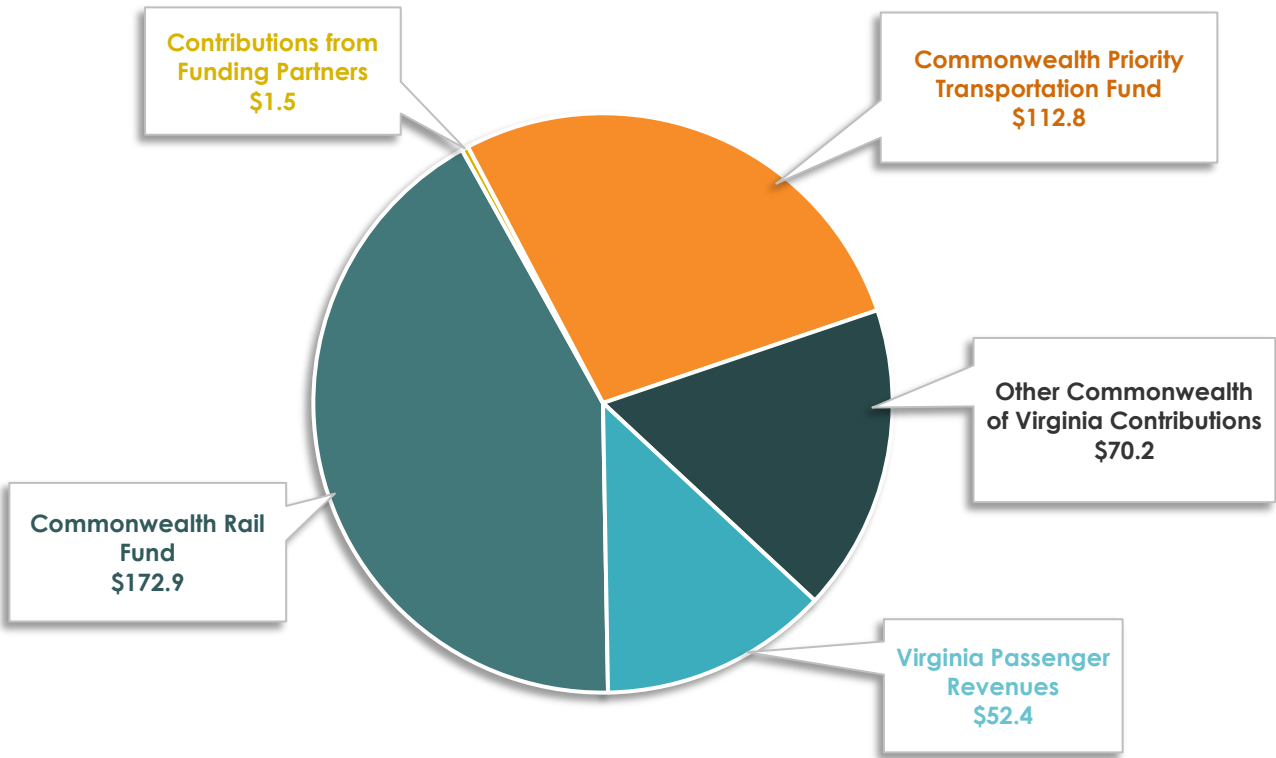
- During FY22, operating income from passenger rail services covered 81% of the combined train operating expenses and Authority administrative costs, an increase from 69% for the prior year.
- Nonoperating revenues were \$358.2M compared to \$494.5M the prior year. Additionally, \$95.9M of funding was collected and categorized as unearned revenue during FY22.
- Interest income declined in the current year as rates decreased from ~0.5% to ~0.08%. The Authority is positioned to significantly benefit in FY23 from higher yields and improved liquidity.

DRAFT Condensed Statements of Revenues, Expenses and Changes in Net Position

	2022	2021	Increase (Decrease)
Operating Revenues	\$ 52,355,858	\$ 22,232,251	\$ 30,123,607
Operating Expenses	(64,712,839)	(32,167,160)	(32,545,679)
Depreciation and Amortization	(1,659,707)	-	(1,659,707)
Net Operating (Loss)	(14,016,688)	(9,934,909)	(4,081,779)
Nonoperating Revenues (Expenses):			
Transfer In: Commonwealth of Virginia	-	320,002,684	(320,002,684)
Commonwealth Rail Fund	172,852,567	97,760,332	75,092,235
Commonwealth Priority Transportation Fund	112,810,942	74,692,622	38,118,320
Contributions from Funding Partners	1,543,658	-	1,543,658
Other Commonwealth of Virginia Contributions	70,205,632	-	70,205,632
Interest Income	811,708	2,066,058	(1,254,350)
Other Nonoperating Expense	(15,324,759)	(18,804,427)	3,479,668
Total Nonoperating Revenues, net	342,899,748	475,717,269	(132,817,521)
Change in Net Position	328,883,060	465,782,360	(136,899,300)
Net Position, beginning of the year	465,782,360	-	465,782,360
Net Position, ending	\$ 794,665,420	\$ 465,782,360	\$ 328,883,060

FY22 Major Sources of Revenues - Unaudited

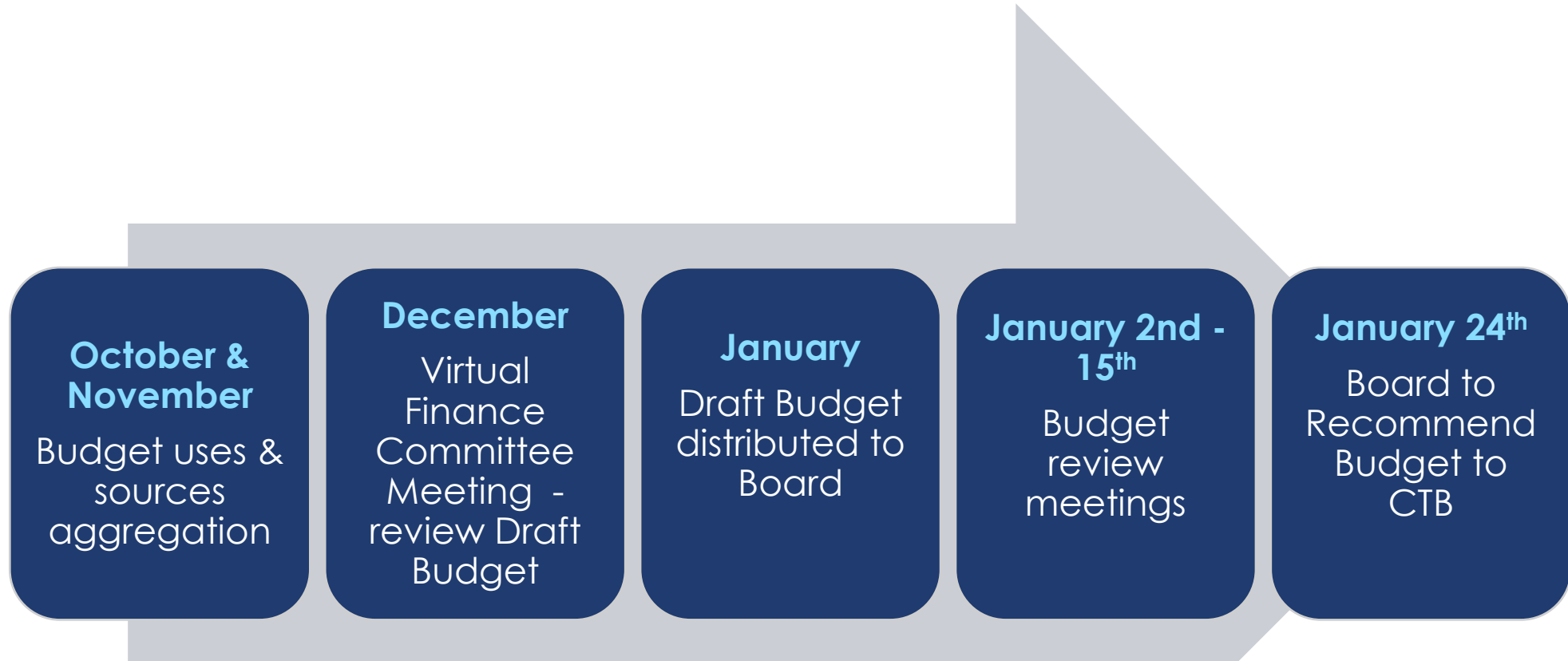
(Total \$409.8M)





FY24 Budget Cycle

FY24 Budget Timeline



Total Project Budget vs Annual Project Budget

Project Description	Total Project Budget	Expenses June 30, 2021	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Total FY22 - FY28
I-95 Corridor										
Alexandria 4th Track	210.4	0.2	10.4	42.6	45.9	63.4	47.9	-	-	210.2

POINTS OF CLARIFICATION:

- Board approved budget is the total project budget, fiscal year budget does not limit annual spend
- If annual spend is projected to exceed budget, Board notification is required to explain if:
 - 1) the project is ahead of schedule
 - 2) the project is over budget (Board action will be undertaken per the Bylaws)
- Current bylaws authorize the Executive Director to act upon the approved budget, which is the total project budget

FY23 Project & Grant Budget Adjustments

CURRENT BUDGET

Project Description	Total Project Budget	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Total VPRA	VPRA Grant	VPRA Funding
Manassas Park Parking Garage and Bridge	30.4	2.1	21.4	-	-	-	-	-	23.5	23.5	77%

FY24 BUDGET CYCLE

Project Description	Total Project Budget	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Total VPRA	VPRA Grant	VPRA Funding
Manassas Park Parking Garage and Bridge	30.4	2.1	3.9	17.5	-	-	-	-	23.5	23.5	77%

DISCUSSION POINTS:

- Allow changes to FY23 budget amounts within FY24 budget cycle
- Budget adjustments will not amend approved FY23 budget or change budget-to-actual reporting
- Provides better budget data for FY24 and succeeding years

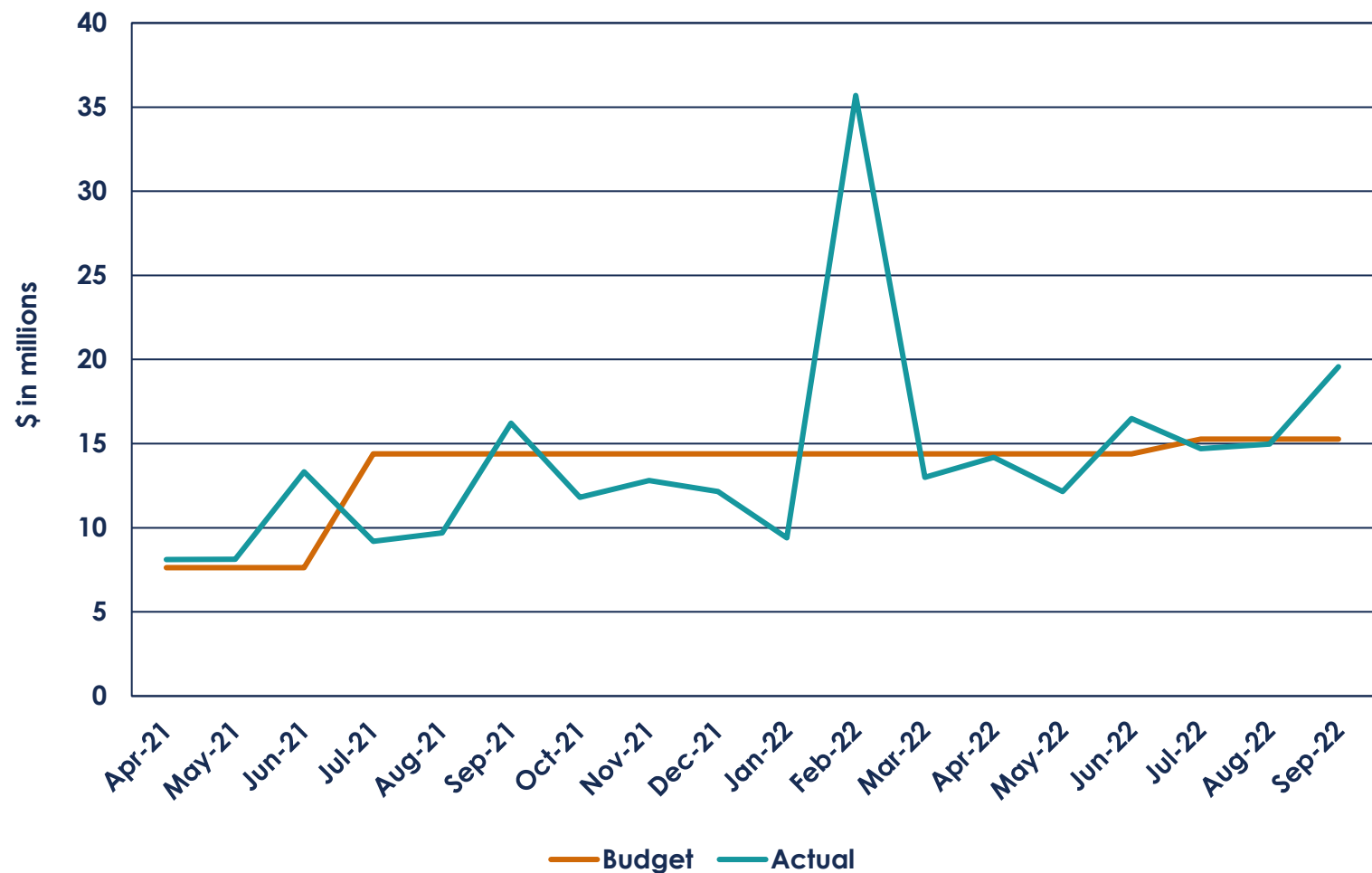


Investment Portfolio

VPRA Monthly Revenues

Rolling 18-Month Trend Analysis

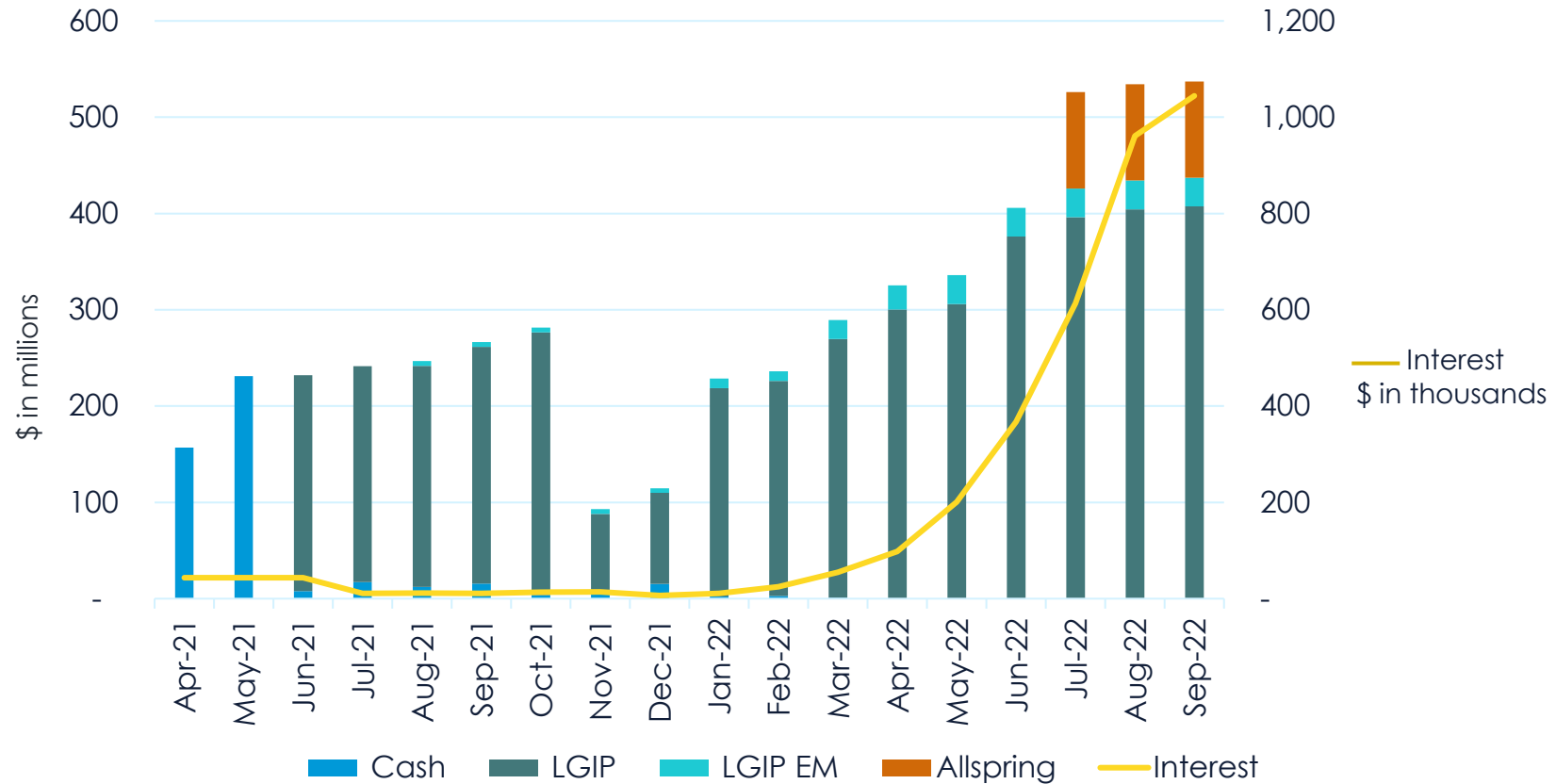
- FY23 CRF revenues are projected to be \$183.2M.
- In September, CRF revenues were \$19.6M, exceeding the monthly estimate by \$4.3M. The year-to-date excess is \$3.4M above the forecast.
- Historically, September revenues have exceeded the first two months of a new fiscal year.



VPRA Cash/Investment Mix & Interest

Rolling 18-Month Trend Analysis

- As of September 30, 2022, VPRA's investments are as follows:
 - \$407.4M in LGIP
 - \$29.7M in LGIP Extended Maturity
 - \$100.0M in Allspring Portfolio
- The FY23 increase results from the collection of:
 - \$49M of CRF revenues
 - \$119M CROC Bond Revenue
- Monthly interest earned in September was over \$1M, a substantial increase from \$6K in December 2021.



VPRA Investments: Principal

As of September 30, 2022

	Historical Book Value*	Market Value	Unrealized Gain/(Loss) (\$)	Unrealized Gain/(Loss) (%)
LGIP EM	30,165,271	29,854,296	(310,975)	(1.0%)
Allspring	99,987,438	99,308,796	(678,643)	(0.7%)

LGIP EM

Currently, the investment pool has a 1% market value loss which is attributable to the continued rise in interest rates. As assets in the portfolio are reinvested in higher-yield securities, the market value is expected to rebound. The VPRA has the ability and intent to hold this investment until the market value has rebounded.

Allspring

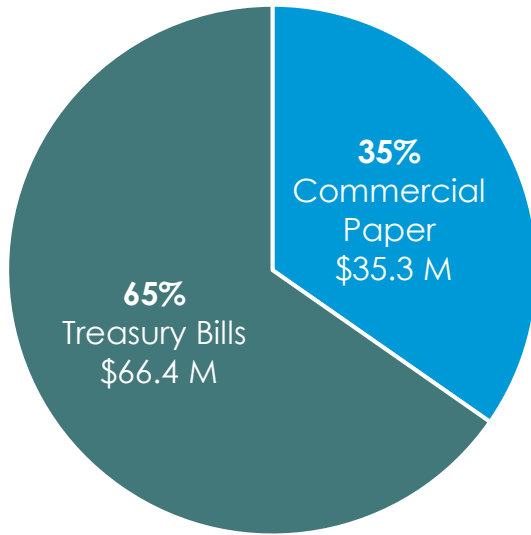
The unrealized loss relates to the \$65M of treasury bills which were purchased at a discount. We do not anticipate selling any treasury bills prior to them maturing at face value, therefore the unrealized loss will not be recognized. The treasury bills in VPRA's portfolio have an average maturity of one year and three months.

**Investment book value is as of the date of purchase.*

VPRA Investments: Liquidity

As of September 30, 2022

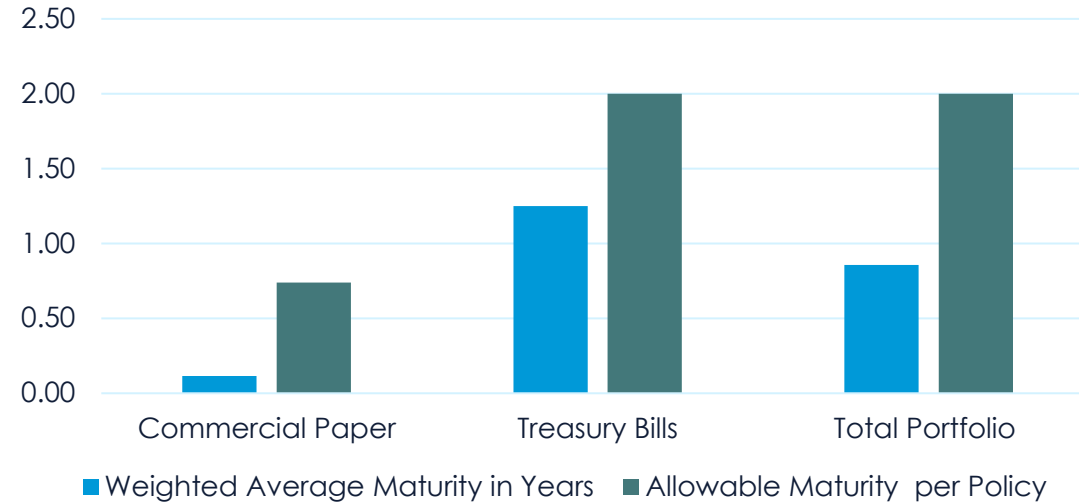
Portfolio Diversification



Allowable % per Policy

Commercial Paper	35%
Treasury Bills	100%

Weighted Average Maturity in Years



VPRA's investment portfolio currently holds \$56M of short-term investments. Due to the anticipation of further interest rate increases, the strategy to maintain shorter maturity will allow investment at a preferential rate in the near term.

Commercial Paper
maturing in Q2

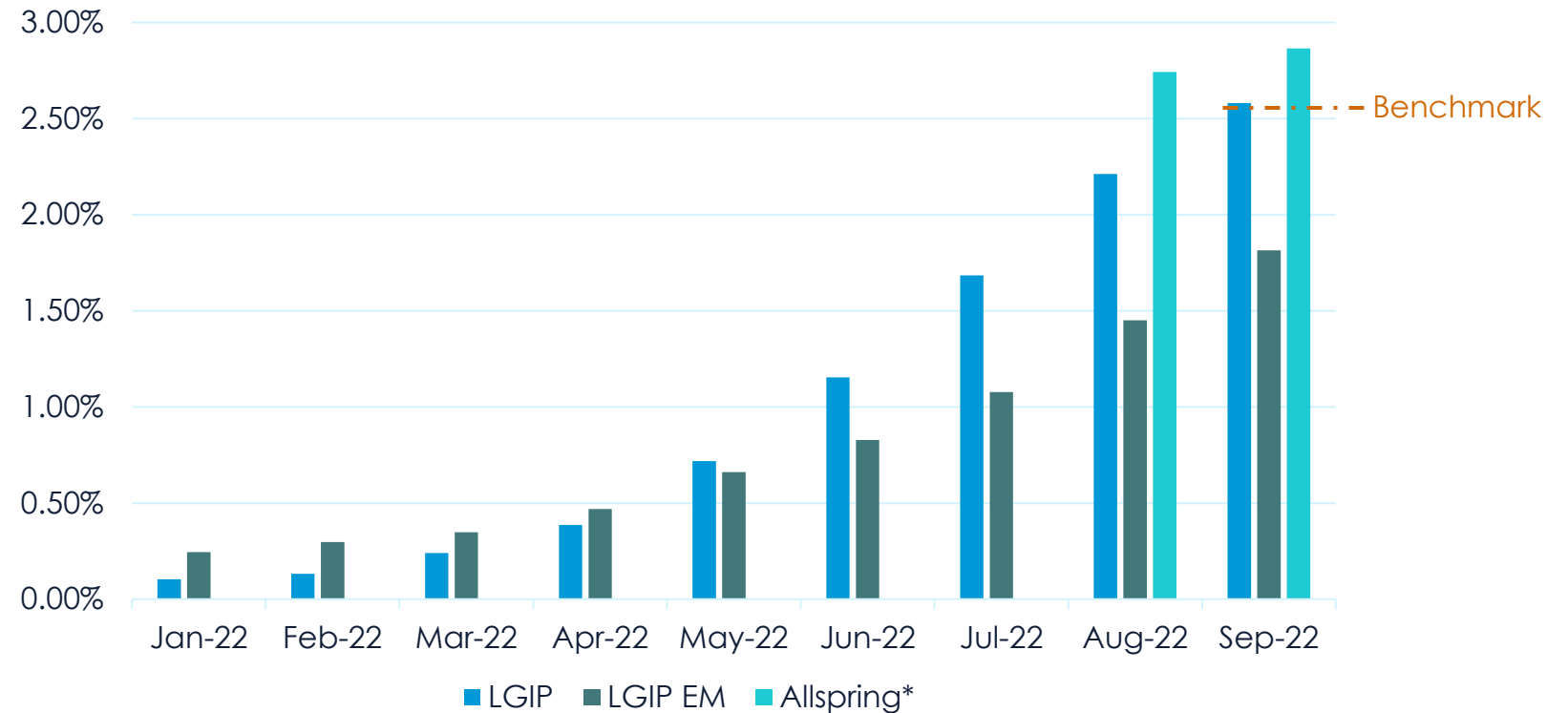


Total
\$32,750,000

VPRA Investment: Return

2022 Calendar Year Trend Analysis

- The September Allspring Effective Yield of 2.87% exceeded the LGIP benchmark effective yield of 2.58%.
- The LGIP effective yield has increased 249 basis points since December 2021.



**Allspring's Effective Yield has been reduced by investment management & custodian fees.*



THANK YOU

Questions?

