



Virginia Passenger Rail Authority

Presentation to the Board of Directors

October 7, 2025



Our Audit Team

Mike Garber, CPA, MBA, Partner (Concurring Reviewer)

- State and Local Government co-leader for PBMares with over 30 years of experience

Dwight Buracker, CPA, Partner (Service Partner)

- State and Local Government partner for PBMares with over 20 years of experience with focus on transportation industry

Tyler Farnsworth, CPA, Director

- State and Local Government team member with over 10 years of experience

Hunter Simmons, CPA, Supervisor/In-Charge

- State and Local Government team member with over 5 years of experience

Overall Audit Results

- Unmodified opinion on the basic financial statements. (pages 9 – 11)
- No items to report as required under Government Auditing Standards as of and for the year ended June 30, 2025, for internal control and compliance. (pages 80-81)
- Audits completed as planned; no significant changes to our approach were required. Report was completed by the required September 30th deadline established by the Auditor of Public Accounts.
- Single Audit related to federal funding still outstanding.
- Special reports issued: Examination report for VRS compliance

Overall Audit Results Continued

Financial Statement Highlights:

- Net Position increased approximately \$361 million as indicated on page 25 of the financial statements.
- Unrestricted Net Position was \$570 million. This is the amount available to fund VPRA operations. (Page 24)
- Restricted Net Position was \$50 million. This amount is restricted for use by the source of the revenue received. (Page 24)
- Net investment in capital assets was \$1.2 billion. This amount represents VPRA's investment in property, rail infrastructure, construction in progress, right to use leased assets and subscription assets. (Page 24 and 39)

Key Audit and Accounting Issues

Significant Accounting Estimates

- Capital Assets— Depreciation and amortization. Valuation of swapped assets.
- Investments - valuation
- Pension and other postemployment benefits
- Lease liabilities and Right-to-use leased assets
- Subscription liability and Right-to-use Subscription Asset

Audit Adjustments

- None

Auditor's Required Communication

Area

- Auditor's Responsibilities with regard to the Financial Statement Audit
- Overview of the Planned Scope and Timing of the Audit
- Accounting Policies and Practices

Comments

- Our responsibility under auditing standards generally accepted in the United States of America; Government Auditing Standards, and *Specifications from the Auditor of Public Accounts (APA)* have been described to you in our contract.
- Issued a separate letter regarding the planned scope and timing of the audit
- Adoption of, or change in, accounting policies
- Significant or Unusual Transactions
- Management's Judgments and Accounting Estimates

Auditor's Required Communication

Area

- Disagreements with Management
- Consultation with Other Accountants
- Significant issues Discussed with Management
- Significant Difficulties Encountered in Performing the Audit
- Certain Written Communication Between Management and Our Firm

Comments

- None encountered
- We are not aware of any
- None
- None encountered. Great cooperation and complete access to all information required
- Arrangement Letter and Representation Letter.

Other Communications

Area

- Auditor's Judgment About the Quality of the Accounting Principles
- Fraud and Illegal Acts
- Independence
- Management letter

Comments

- Management employs an appropriate level of conservatism in applying accounting principles.
- Inquiry of the Executive Committee about their knowledge of significant fraud or illegal acts.
- We are not aware of any relationship that we believe, based on current authoritative guidance, would impair our independence.
- A separate management letter has been issued containing information related to upcoming GASB pronouncements and other recommendations.

Additional Communication

We want to thank the VPRA Finance Team for all their upfront prep work and diligence in preparing for this year's audit. The effort put forth by your finance team to improve year-end audit preparation and processes was key to completing the audit by the APA due date of September 30, 2025.

Thank You!



Questions, Comments, and Observations

PBMares, LLP

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ACCOUNTING & CONSULTING