



# DRIVING TOWARDS THE FUTURE

**ANNUAL REPORT  
2018**









## Table of Contents

Vision and Mission.....	4
Current Service Areas .....	4
Board of Directors.....	5
A Letter from the Chairman .....	6
A Letter from the CEO.....	7
Fiscal Resources .....	8
Service Delivery .....	9-10
Virginia Rides .....	11
STAR Transit .....	12
Organizational Chart .....	13
Financials .....	14-15



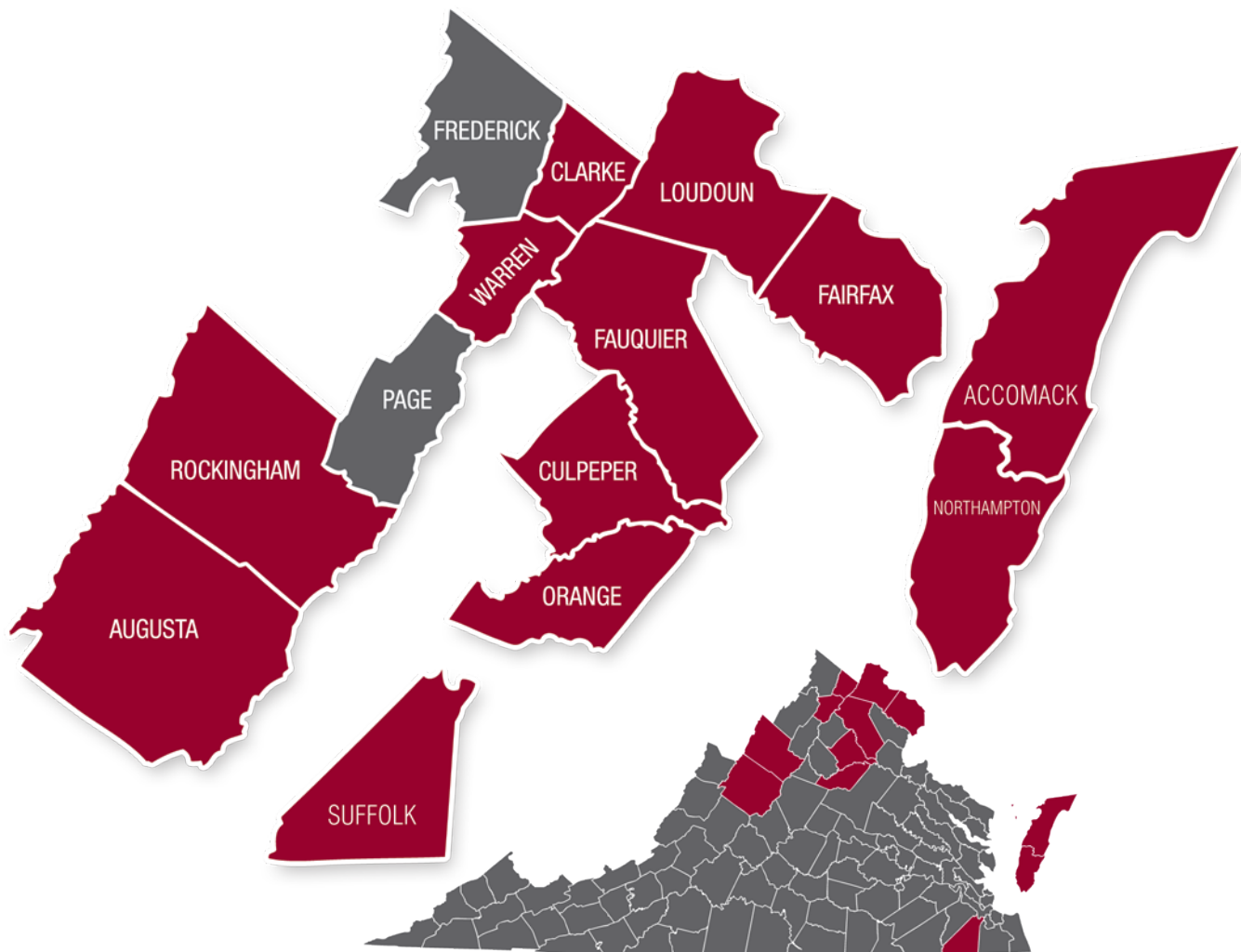
# VIRGINIA REGIONAL TRANSIT

## VISION:

Virginia Regional Transit is a recognized leader in providing high-quality local and rural community transportation solutions.

## MISSION:

Virginia Regional Transit operates, manages, and plans fixed-route, demand-response, and commuter transportation services. The organization delivers efficient, cost-effective and quality services for riders so they can move about their communities and live their lives fully. The organization strives to be the provider of choice for our customers, looking to offer transportation as a vital community resource.





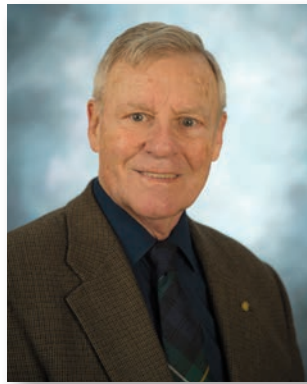
## Board of Directors



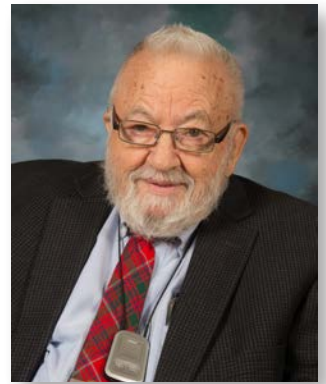
Bruce Simms  
President & CEO



Maxie Brown  
Chairman



Noel Brown  
Vice Chairman



Charles Grant  
Chairman Emeritus



Joe Boling  
Treasurer



Jim Askegren  
Secretary



Janet Clarke  
Director



Randy Sutliff, Esq.  
Director



Russ Neyman  
Director



Mary Gayle Holden  
Retained Corporate Attorney



# VIRGINIA REGIONAL TRANSIT

## From the Chairman Maxie Brown

---



I would like to take this opportunity to express my appreciation and congratulations to the Virginia Regional Transit (VRT) Board of Directors on what has been an uplifting, prosperous, and overall very successful year. As we continue to deal with transportation challenges in every part of our country, Virginia is dealing with increasing challenges of its very

own. With challenge, however, comes opportunity. VRT leadership is committed to seize these opportunities to make our transportation options even more diverse, accessible and affordable.

One of VRT's core values is to provide transportation to the people who need it most, such as persons with disabilities, low-wage earners, older adults, and others who don't have the means to get around any other way. Our services now span from Northern Virginia through the Shenandoah Valley, in the Tidewater area and on the Eastern Shore. We will continue to pursue long term growth, attracting new customers and areas to serve.

In Board news, Member Robert Chirles concluded his tenure this year. I would like to thank him for his service and valuable contributions. Also, during 2018, the Board welcomed new members Joe Boling, Jim Askegren and Janet Clarke. Our new members exemplify leadership experience and are highly qualified to take our team to the next level. Welcome aboard!

A company is nothing without its people.... VRT employees are exemplary individuals! I have first-hand knowledge that they are kind and go out of their way to get our customers to their destinations in a safe, courteous and reliable manner.

VRT thanks our local and state partners. We will continue to work with these valuable partners to adapt to the challenges of regional transportation. As our Vision states: VRT strives to be "a recognized leader in providing high-quality local and rural community transportation solutions."

Please read the report that follows. Let's work together!

Sincerely,

Maxie Brown, Chairman  
Virginia Regional Transit





## From the Chief Executive Officer Bruce Simms

---



Virginia Regional Transit (VRT) had a successful year, delivering solid results for our customers and our employees, while making investments for our future. While we limited our capacity growth, we were able to provide 793,128 rides which was an increase in overall ridership from the previous year.

Our top priority last year was to focus on personnel development from our front line personnel to our senior leadership team. In preparation for future growth and to position ourselves to secure future opportunities, we feel we have an industry leading team. This was accomplished through the enhancement of our training program for our operations staff and specialized training/certifications for our leadership team.

In recent years, we have focused on developing and strengthening relationships with surrounding transit agencies to support those areas we serve and to enhance and ensure connectivity for our customers. We strive to create a seamless transit experience as we work to eliminate barriers to provide continuous transportation for those who choose to use public transportation.

### **“Where are we going”, not “where we were”**

Transportation challenges that include connecting urbanized areas to rural areas is an issue for every city in the US. Alternative transportation options that serve everyone’s best interest is necessary to today’s world. We will stay connected to the transit industry as a whole

and push ourselves out of our comfort zones to stay on the leading edge and understand the needs of our customer base. Virginia Regional Transit strives to be the transit provider of choice and provide superior customer outcomes.

As we look to 2018-19, our focus on being the transportation partner of choice will be driven by the following differentiators:

**Our Culture** – Our culture is the foundation of every decision we make. Our people are our strongest asset and is what separates VRT from the competition. Ensuring that we provide an industry competitive incentive/benefit package is key to our success. Our culture is one that believes on giving back to the communities we serve by actively participating in community organizations across the state.

**Technology** – VRT’s customers operate in a fast paced environment and they expect immediate and accurate information. For this reason, we will invest in technology that will simplify the customer experience and provide up to the minute information. This will be done by continuing to enhance our customer friendly website, utilizing bus location technology and by creating a VRT APP that will encompass all of VRT’s customer’s needs.

**Increased emphasis on growth** – Disciplined contract bidding for contracts that fit our service model with focus on being cost competitive through cost efficiencies.

We will continue to invest in the experience of our customers. We have an outstanding management team, with highly qualified operators servicing Virginia. I am proud of our accomplishments and I invite you to read the entire report.



# VIRGINIA REGIONAL TRANSIT

## Fiscal Resources



**Sally Dehler**

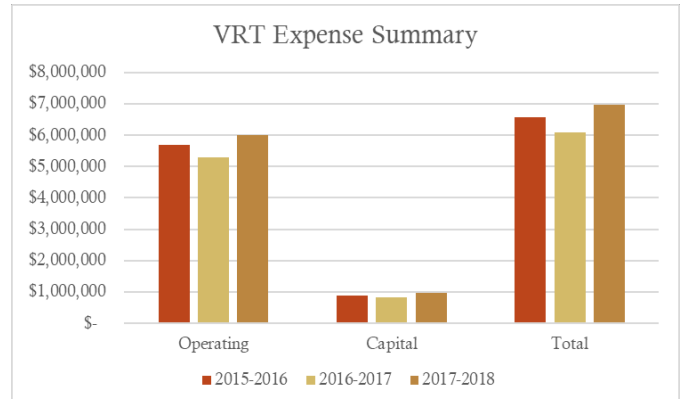
Director of Financial Services & Human Resources

Virginia Regional Transit (VRT) ended fiscal year 2018 with an operational net surplus. Continued focus on our contract services brought us the first full year of a renewed five-year contract with the Central Shenandoah Planning District Commission (CSPDC), a renewed City of Suffolk contract and a new contract with Rappahannock-Rapidan Regional Commission.

Additionally, we maintained rural service in two of our regions. Federal, state and local funding covers the costs of rural routes, one year at a time, on a cost-reimbursable basis. Federal and state grants are available for the purchase of capital assets used in providing these rural services; thus, we do not have to use our resources to make these investments. VRT is proud to partner with Loudoun County to be the home of its new Park-n-Ride lot and significant time and effort was spent in FY2018 bringing this to fruition.

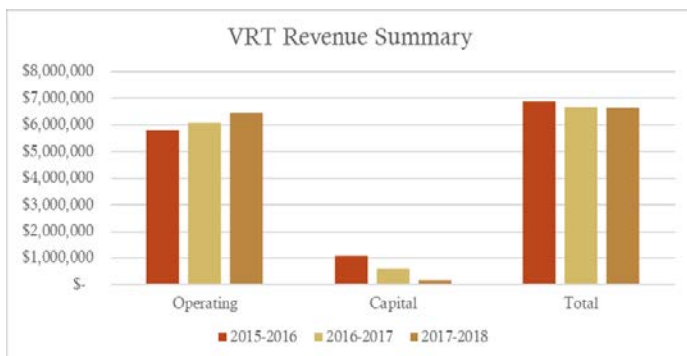
providing quality school bus and special event services to special needs groups and individuals with a goal of growth in FY 2019.

In fiscal year 2018 both VRT and Virginia Rides invested in operations. Salaries, wages and employee benefits remain the single largest percentage of operating costs at 64%. Fuel and other vehicle costs are second. In an effort to simplify and streamline operations, all employees were moved from Transit Holding, LLC to Virginia Regional Transit on 7/1/18. Our robust time system now allows employees to properly charge time to projects worked. Additional benefit enhancements implemented in FY 2018 included funding 403B match bi-weekly (vs annually), on-line paystubs, automated reminders, and allowing employees to update their own personal information.



Consolidation of banking relationships was accomplished and both companies have access to lines of credit and term loans, if needed. Fiscal year end cash deposits of \$1.5M give VRT security to operate.

With continued focus on winning competitive transit contracts, maintaining excellent customer service, containing costs and improving processes, VRT and VA Rides are poised for growth.



Virginia Rides ended its fiscal year with an operating surplus (before depreciation) of \$92K. As a 501c3 nonprofit, Virginia Rides will continue to focus on



## Service Delivery



**Phil Thompson**  
Director of Operations

Promoting effective partnerships, Virginia Regional Transit continues to leverage strength and creativity with strategic partners to enhance transit services provided to residents and guests of the Commonwealth of Virginia. VRT continuously evaluates and evolves to meet the ever changing needs of the areas we serve. The ability to

constantly adapt our service provision enables VRT to effectively deliver a reliable and efficient service model. Our connection to the communities we serve is the driving force behind an increase in the number of rides provided during FY18 to an impressive total of 793,128. This reflects an increase of 15,910 rides over the previous fiscal year.

"Controlled Growth" accurately describes the thorough and thoughtful methodology of VRT's positioning during the 2018 fiscal year. VRT has approached each and every opportunity presented with a focus on positive community impact, effects on our current portfolio and operational positioning for long range growth beyond our current geographic footprint. We continue to provide industry information and insight to stakeholders and localities in an effort to promote public transportation in the Commonwealth, and with that focus, we continue to see operational expansions. The success of our transit systems have set the stage for an impressive expansion of service as we move into fiscal year 2019.

A few highlights of enhancements in passenger experience during fiscal year 2018 were:

### NOVA Region

VRT's Northern region changed its name from Loudoun Region to NOVA to more accurately represent its service area. No longer limited to Loudoun County, the NOVA Region provides rural Demand Response service to Clarke County as well. Demand Response routes in Loudoun County continue to increase in passenger utilization, providing 19,961 rides during FY18, an increase of 5,114 or 34%. Overall the NOVA region provided 37,562 rides in FY18, an increase of 5,275 over fiscal year 2017.

### Central Region

VRT's Central Region moved forward with a bid opportunity for a 5310 funded route during FY18. As VRT was successful in this competitive bid process, we were able to modify an existing hybrid demand / fixed route service to provide scheduled rides along the Route 29 corridor between Culpeper and Charlottesville. VRT also began operation of the Warren County "Corridor Connector" service in August of 2017 and shifted the Front Royal Area Trolley service into the Central Region in 2018. These welcome additions assisted the region in exceeding last year's totals by 58,627; now marking an impressive 196,783 rides provided in fiscal year 2018.

### Mountain Region

VRT's Mountain Region continues to provide outstanding customer service for the BRITE Transit system under contract to the Central Shenandoah Planning District Commission. As a contract operator for the BRITE Transit system, VRT continues to be a vital part of the Central Shenandoah Planning District Commission policy and advisory boards, adding statistical information and transit system suggestions for improvements and success.

### Suffolk Transit

During FY18, the Suffolk Transit service was offered as a competitive bid service. VRT is pleased to have been awarded a five year contract which began July 2018 in conjunction with the beginning of the State fiscal year 2019. This contract provides five



# VIRGINIA REGIONAL TRANSIT

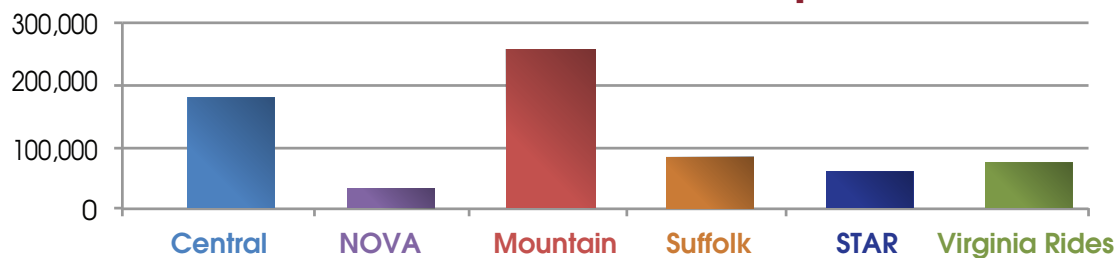
## Service Delivery

additional one year renewal options to continue providing outstanding passenger service to the City of Suffolk. Ridership numbers indicate an overall decrease of 2,522 from FY17 or a decline of 2%. The Suffolk Transit system in conjunction with the FY19 contract start, will increase its service hours significantly and begin to offer Saturday transit service. We fully anticipate a significant increase in ridership moving forward into FY19.

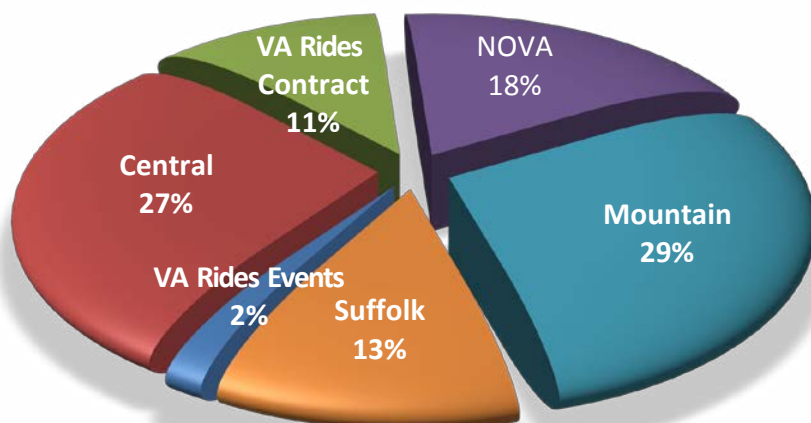
Providing an impactful and efficient passenger service to such a large and diverse area of the Commonwealth of Virginia has allowed Virginia Regional Transit to press forward with many new initiatives that will benefit the residents and guests of our service areas in a multitude of ways. Several

regions will see the fruits of these labors going forward into fiscal year 2019, such as three approved expansions in the Central Region totaling over 4,472 hours and an approved expansion of Suffolk Transit to increase fixed route service levels by over 4,953 additional hours. VRT continues to invest in our leadership team, providing training and promoting industry participation opportunities to those individuals who will be leading our company to the next generation of passenger service delivery. This investment and positioning will ensure we capitalize on expansion opportunities and continue to provide outstanding transit service and resources to our communities.

### FY 2018 Ridership



### VRT / VA Rides Revenue Hours FY18



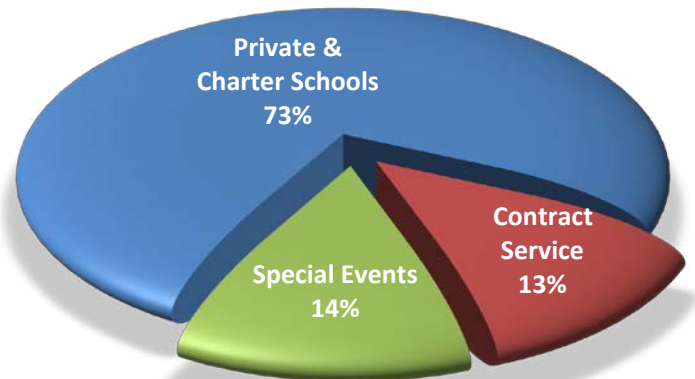


## Virginia Rides

Virginia Rides, an affiliate organization to Virginia Regional Transit, provides school bus transportation, charter service and contract transportation services throughout the Commonwealth of Virginia and beyond. As a limited liability, not-for-profit Company, Virginia Rides provides effective and economical transportation solutions for independent schools and organizations that require a safe and reliable product from a reputable company. Virginia Rides has placed a concentrated effort on innovative and creative contract management during fiscal year 2018 with the intention of setting a solid foundation to build upon. Virginia Rides has embarked upon a goal oriented business development journey with the intention of growing our contract base in the coming year by joining associations and dedicating our resources effectively toward marketing and outreach. Virginia Rides management and staff excelled in managing its latest five year contract which began in 2017. This experience and expansion has been of great value as we position the company for growth. Virginia Rides fiscal year follows the calendar year, and as we look back we find Virginia Rides has been steadfast in its provision of service. Preliminary accounting indicates Virginia Rides has provided 13,587 hours of service during fiscal year 2018, an increase of 12% over the previous year.

Utilizing fiscal year 2018 to set firmly its foundation and build upon its management strengths has allowed Virginia Rides to evaluate its portfolio and identify market opportunities that will benefit the company most. This thoughtful consideration and positioning will allow Virginia Rides to create and navigate opportunities ensuring profitability and sustainability while providing our clients an outstanding service as we move into fiscal year 2019.

### VA Rides Revenue Hours



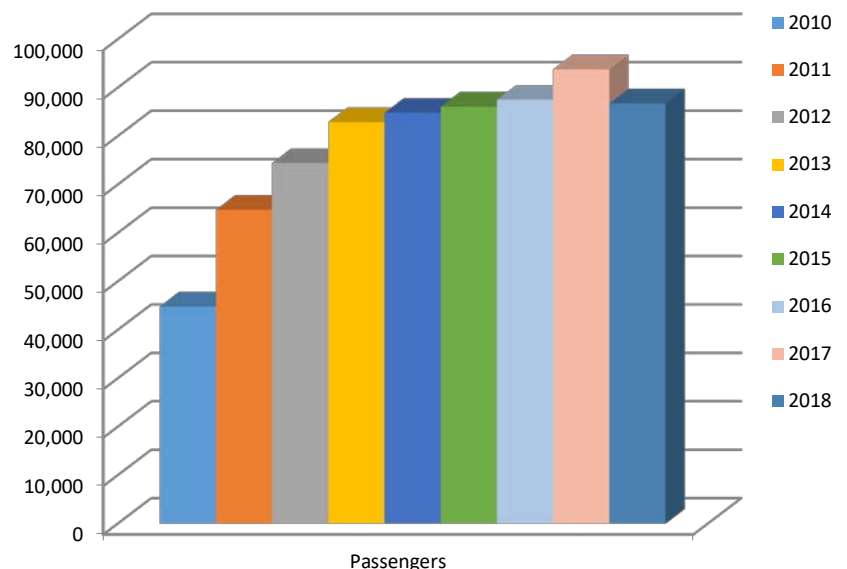


# VIRGINIA REGIONAL TRANSIT

## STAR Transit

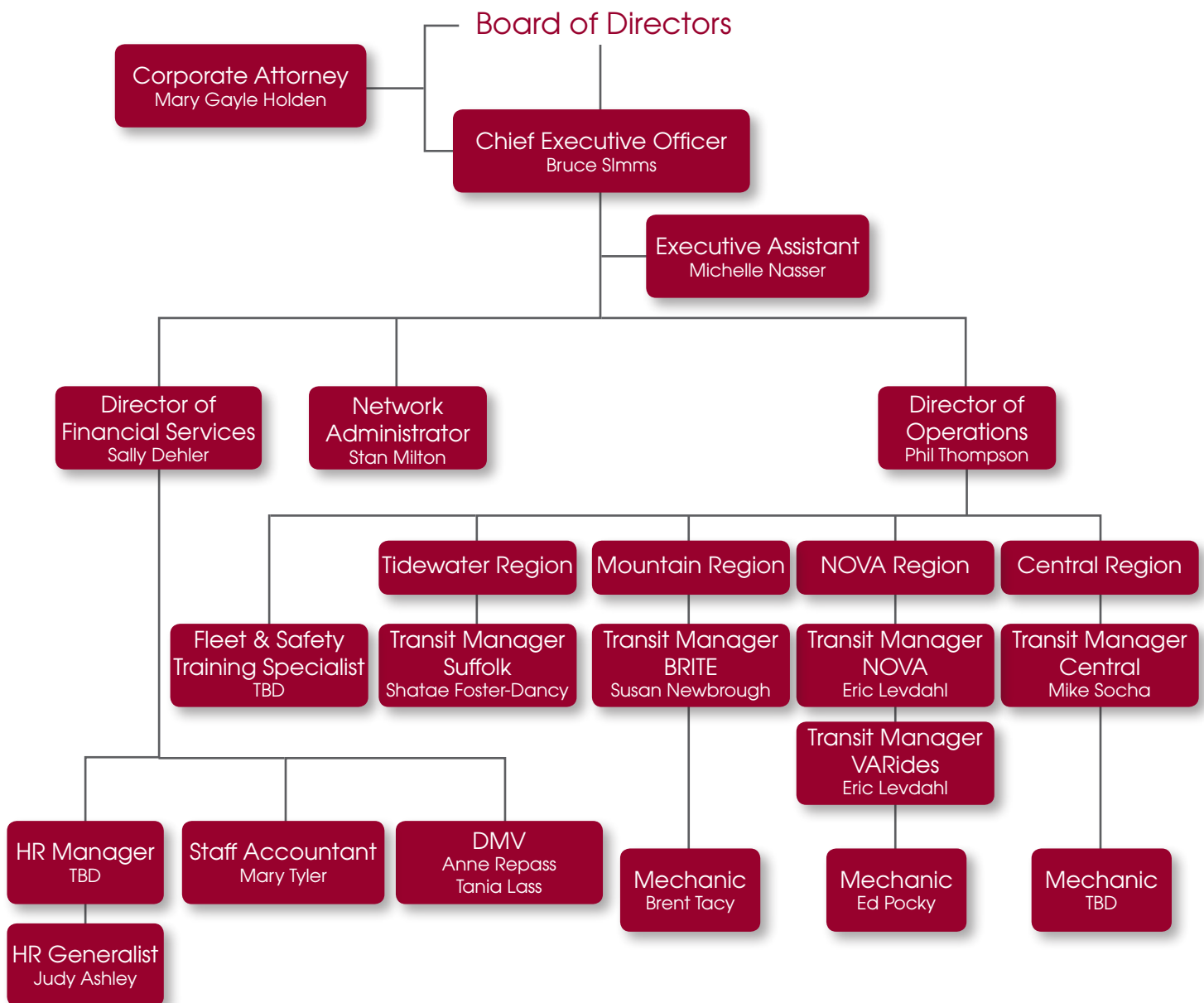
STAR Transit is a rural transit system located on the Eastern Shore of Virginia managed by Virginia Regional Transit. Owned by the Accomack Northampton Transportation District Commission, STAR Transit provided 86,770 rides during FY18, a decline of 8%. Closely monitoring monthly ridership statistics during the year made apparent the adverse effect high passenger volume had on the system's on-time performance and reliability. In a proactive manner, fiscal year 18 was a year of planning; receiving approval for system updates and route expansions focused on providing a more dependable service provision to the residents and guests of the Eastern Shore. During the year, the system received final approval to update the entire service brochure with more accurate timing and safer

route turns and lanes of travel. STAR Transit also received approval for a new Demand Response route to begin in FY19. It is this acute focus on ridership trends that allows the partnership between STAR Transit and Virginia Regional Transit to be successful. With this partnership, proactive measures can be taken to enhance the provision of service and to be more efficient and effective, ensuring that any declines in utilization are met with thoughtful solutions and modifications to increase community impact. Virginia Regional Transit values the relationship with STAR Transit and the ability to assist other partners across the Commonwealth of Virginia in a contract management role.





## Organizational Chart



# **VIRGINIA REGIONAL TRANSIT**

## **STATEMENT OF CASH FLOWS**

**For The Year Ended June 30, 2018**

### **Cash Flows from Operating Activities**

Change in net assets	\$ (338,004)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	973,697
Gain on disposal of assets	(79,428)
Changes in assets and liabilities:	
(Increase) decrease in assets:	
Contracts receivable	(38,974)
Grants receivable	155,882
Other receivables	(24,374)
Prepaid expenses/deposits/advances	(70,805)
Increase (decrease) in liabilities:	
Accounts payable	(950,499)
Accrued expenses	22,818
Deferred income	6,471
<b>Net cash (used in) operating activities</b>	<b>(343,216)</b>

### **Cash Flows from Investing Activities**

Purchase of fixed assets	(481,875)
Proceeds on sale of vehicles and equipment	102,482
<b>Net cash (used in) investing activities</b>	<b>(379,393)</b>

### **Cash Flows from Financing Activities**

Funding from capital lease obligation	794,690
Debt repayment including capital lease obligation	(145,339)
<b>Net cash provided by financing activities</b>	<b>649,351</b>

**Net decrease in cash** (73,258)

### **Cash and cash equivalents**

Beginning	1,572,757
Ending	\$ 1,499,499

### **Supplemental disclosures of cash flow information**

Cash payments for interest	\$ 47,294
Cash payments for U.S. federal income taxes	\$ -
Capital lease obligations incurred for use of equipment	\$ 900,240

See Notes to Financial Statements.



# VIRGINIA REGIONAL TRANSIT

## STATEMENT OF ACTIVITIES

For The Year Ended June 30, 2018

	Unrestricted			Temporarily Restricted	Totals
	Operations	Capital/ Non-operating	Total		
<b>SUPPORT AND REVENUE</b>					
Public support					
Federal funds	1,398,128	83,239	1,481,367	-	1,481,367
Virginia State funds	485,830	16,648	502,478	-	502,478
Virginia RTAP funds	16,650	-	16,650	-	16,650
Loudoun County funds	459,366	-	459,366	-	459,366
Local government funds	520,789	-	520,789	-	520,789
Local private funds	11,249	-	11,249	-	11,249
Facilities in-kind	71,490	-	71,490	-	71,490
Total public support	2,963,502	99,887	3,063,389	-	3,063,389
Revenue					
Passenger fares	79,300	-	79,300	-	79,300
Ridership contract services	2,681,168	-	2,681,168	-	2,681,168
Ridership management services	24,000	-	24,000	-	24,000
Advertising service	47,150	-	47,150	-	47,150
Rental income	17,310	-	17,310	-	17,310
Emission/DMV revenue	124,814	-	124,814	-	124,814
Reimbursements	506,793	-	506,793	-	506,793
Special event, net	4,741	-	4,741	-	4,741
Gain on sale of assets	-	79,428	79,428	-	79,428
Total revenue	3,485,276	79,428	3,564,704	-	3,564,704
Net assets released from restrictions					
Satisfaction of usage restrictions	-	-	-	-	-
<b>Total support and revenue</b>	<b>6,448,778</b>	<b>179,315</b>	<b>6,628,093</b>	<b>-</b>	<b>6,628,093</b>
<b>EXPENSES</b>					
Leased employee costs	3,807,466	-	3,807,466	-	3,807,466
Vehicle operating costs	999,594	-	999,594	-	999,594
Communication services	117,579	-	117,579	-	117,579
Office expense	139,667	-	139,667	-	139,667
Occupancy and maintenance	155,250	-	155,250	-	155,250
Conferences and travel	37,336	-	37,336	-	37,336
RTAP conferences and travel	13,922	-	13,922	-	13,922
Insurance	325,727	-	325,727	-	325,727
Advertising	31,287	-	31,287	-	31,287
Professional services	74,827	-	74,827	-	74,827
Commissions	10,879	-	10,879	-	10,879
Interest expense	47,294	-	47,294	-	47,294
Hiring expense	33,484	-	33,484	-	33,484
Miscellaneous	9,569	-	9,569	-	9,569
Leased vehicles	25,300	-	25,300	-	25,300
Other fixed charges	94,198	-	94,198	-	94,198
Vehicle equipment	14,996	-	14,996	-	14,996
Transportation service	54,025	-	54,025	-	54,025
Depreciation expense	-	973,697	973,697	-	973,697
<b>Total expenses</b>	<b>5,992,400</b>	<b>973,697</b>	<b>6,966,097</b>	<b>-</b>	<b>6,966,097</b>
<b>Changes in net assets</b>	<b>456,378</b>	<b>(794,382)</b>	<b>(338,004)</b>	<b>-</b>	<b>(338,004)</b>
<b>Facility transfer</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Equity reclassification</b>	<b>369,845</b>	<b>(369,845)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets, beginning of year</b>	<b>1,008,400</b>	<b>13,741,105</b>	<b>14,749,505</b>	<b>-</b>	<b>14,749,505</b>
<b>Net assets, end of year</b>	<b>\$ 1,834,623</b>	<b>\$ 12,576,878</b>	<b>\$ 14,411,501</b>	<b>\$ -</b>	<b>\$ 14,411,501</b>

See Notes to Financial Statements.



109 North Bailey Lane • Purcellville, Virginia 20132  
Toll Free 877-777-2708  
[www.vatransit.org](http://www.vatransit.org)

DESIGNED & PRINTED BY GAM