



DRIVING
TOWARDS
THE FUTURE

ANNUAL REPORT
2020





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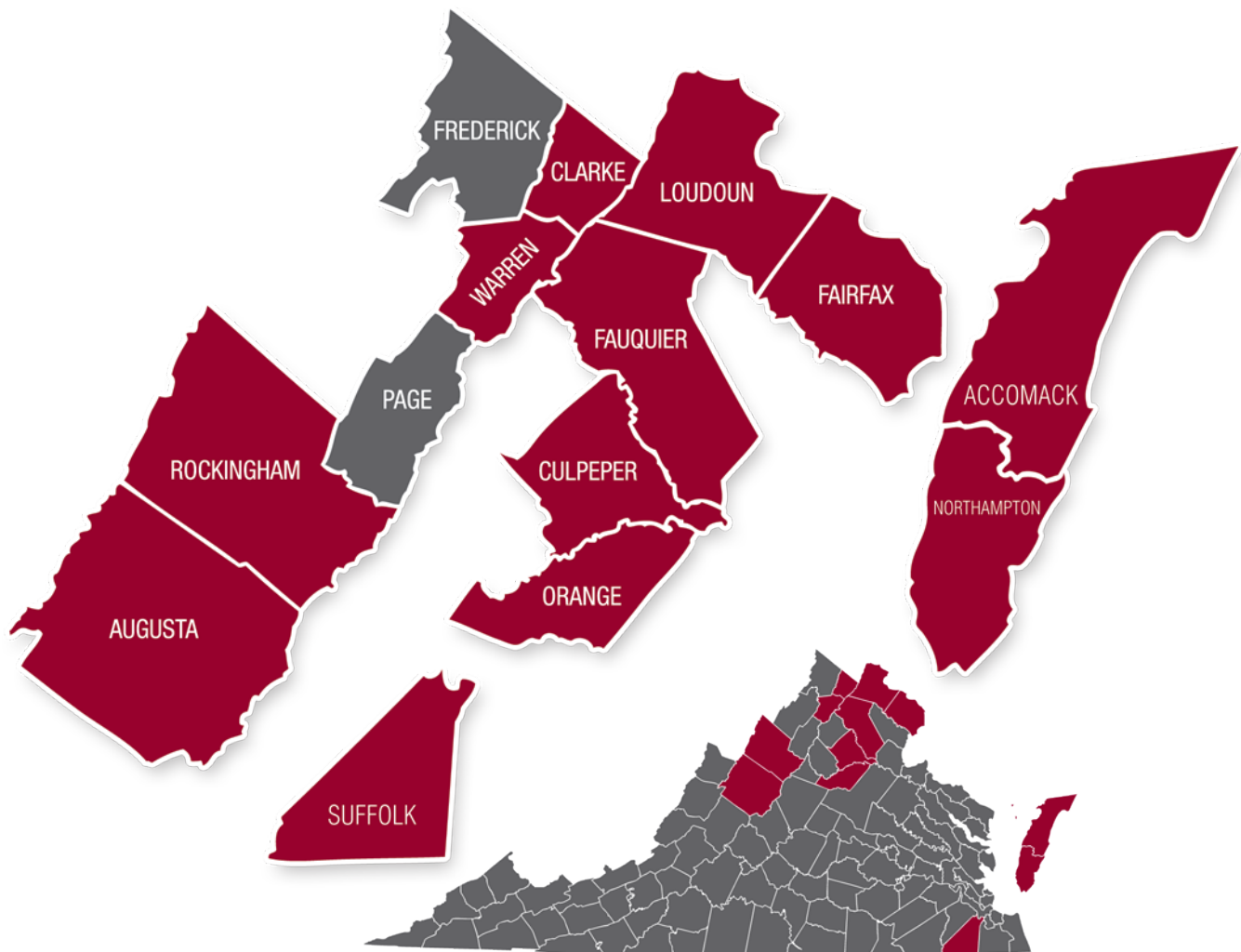
VIRGINIA REGIONAL TRANSIT

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.



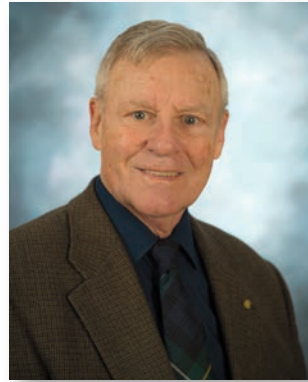
Board of Directors



Bruce Simms
President & CEO



Maxie Brown
Chairman



Noel Brown
Vice Chairman



Charles Grant
Chairman Emeritus



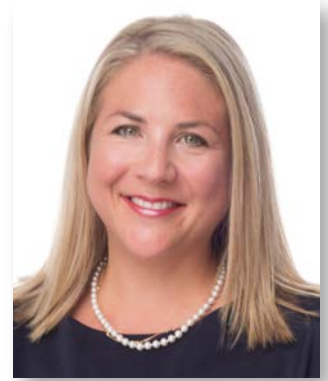
Joe Boling
Treasurer



Jim Askegren
Secretary



Janet Clarke
Director



Erin Rayner
Director



Russ Neyman
Director



Shaelyn Mullaney
Director



John Boyle
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 gratitude to the Virginia Regional Transportation (VRT) Board of Directors on what has been a challenging, turbulent, and record-breaking 2020. As we continue to deal with COVID-19 and an unpredictable and evolving environment, VRT leadership remains steadfast in its endeavor to provide exceptional transportation options.

Under the excellent leadership of CEO Bruce Simms, VRT successfully negotiated two additional contracts, with the potential of adding more contracts during the next fiscal year. We are hopeful that these negotiations will result in growth that far exceeds our expectations.

The VRT Board of Directors would like to thank former Chairman and long-time member Randolph Sutliff, who concluded his tenure this year. On behalf of the Board of Directors, thank you Randy for your service and valuable contributions. Also, during 2020, the Board welcomed new members John Boyle, Erin Rayner and Shaelyn Mullaney. Our new members exemplify leadership experience and are highly qualified to take our team to the next level. Welcome aboard!

VRT thanks our valuable local and state partners, as continue to work with them 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."

We are all in this together!

Sincerely,

Maxie Brown, Chairman
Virginia Regional Transit



From the Chief Executive Officer Bruce Simms



As Virginia Regional Transit celebrates 30 years and we reflect on the strong business practices that got us where we are today, we have also experienced a year like no other. The COVID-19 pandemic has altered the way we conduct business, as well as how we live our lives. Public transportation is an essential business and we are proud to

say that we continued to serve those who needed a ride while following social distancing and masking mandates. Virginia Regional Transit has worked to become a solution for support during these difficult times.

Partnering with local and regional government agencies, Virginia Regional Transit has been instrumental in providing essential trips to those needing access to employment, essential medical facilities and human service agencies. Providing these essential trips during this time would not have been possible without the hard work and dedication of our operations team. Our front line personnel dedicated themselves to providing a safe, sanitary and customer friendly environment and I want to extend my heartfelt appreciation to each of our employees.

VRT is committed to working with the community and other transit providers to overcome the fear of riding public transportation by providing timely and transparent information to our customers through the use of our website (www.vatransit.org) and social media. Our company mission remains focused on being a vital community resource and the transit provider of choice, offering transportation that produces superior customer experiences.

I am pleased to report that Virginia Regional Transit experienced a positive fiscal year. This is mainly due to the ongoing support of State and Federal funding provided for public transportation. VA Rides experienced quite a challenge during the Pandemic with all revenue operations ending in March of 2020. However, VA Rides operations resumed in September and I am proud to announce the addition of two new contracts.

With great challenges come great opportunities and I feel that both Virginia Regional Transit and VA Rides are poised for growth largely due to the dedication of our outstanding management team. I am proud of what the VRT team has accomplished during this difficult year, as you will see in this annual report.

A stylized, handwritten signature of Bruce Simms in black ink.

Bruce Simms
CEO
Virginia Regional Transit



VIRGINIA REGIONAL TRANSIT
1990-2020



VIRGINIA REGIONAL TRANSIT

Fiscal Resources

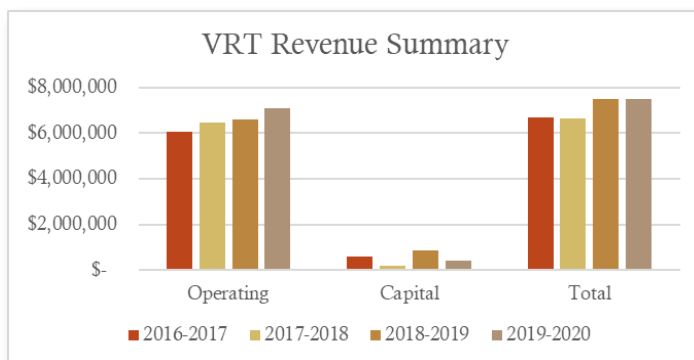


Sally Dehler

Director of Financial Services & Human Resources

Virginia Regional Transit (VRT) ended fiscal year 2020 with a surplus. Approximately 43% of VRT's revenues are from contract work (VRT is the contractor hired to perform transportation services for a public entity) and 57% is grant funded from Federal section 5311 non-urbanized area programs. Federal, state and local funding covers the costs of rural

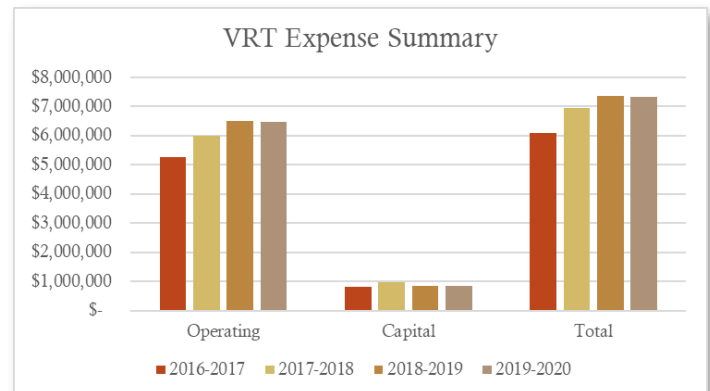
routes, one year at a time, on a cost-reimbursable basis. Federal and state grants are available for the purchase of capital assets used in providing these rural services; thus, we do not have to use our resources to make these investments.



Virginia Rides ended its fiscal year (12/31/19) with an operating surplus (before depreciation) of \$44K and a deficit after depreciation. Current calendar year 2020 operations have been negatively impacted by the Coronavirus which closed all schools in March. As a 501c3 nonprofit, Virginia Rides will continue to focus on providing quality school bus and special event

services to special needs groups and individuals with a goal of growth in calendar year 2021.

In fiscal year 2020 both VRT and Virginia Rides invested in operations. Salaries, wages and employee benefits remain the single largest percentage of operating costs at 60%. Depreciation, Fuel, General Liability Insurance and other vehicle costs make up an additional 28% of expenses.



Both companies have access to lines of credit and term loans, if needed. Fiscal year end cash deposits of \$1.9M 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.



Service Delivery



Phil Thompson
Director of Operations

In an ever-changing environment, the key to Virginia Regional Transit's success is our ability to balance continuity with change. We change by adapting our service delivery to meet evolving consumer demands and pushing forward community centric solutions. Providing transportation that enhances quality of life and convenience for our clients is the

source of our financial sustainability and earned trust from our customers. We seek to engage our customers directly, so we can listen to their needs and serve them well. Our ongoing outreach and dialogue helped reinforce the critical role of our services, management and capabilities in providing safe, comfortable and affordable transportation solutions during the 2020 fiscal year. Our adaptability has promoted our successful operation as an essential service during the most unprecedented times. Our ability to anticipate, adapt and innovate in many different service models continues to be demonstrated as we move forward together into a new fiscal year.

Our previous Fiscal Year 2019 proved to be an impressive year for the combined service portfolio, having provided 869,404 rides for our communities across the Commonwealth of Virginia including VRT, STAR and Virginia Rides. Of that impressive provision of service, VRT's public transit systems were directly responsible for 648,630 of those rides. Our efforts to build upon VRT's clear vision for the future continued to provide exciting results in FY19.

Reflecting now upon FY20's results, VRT has weathered the storm well compared to similar transit agencies

across the nation regarding ridership decreases. Nevertheless, our operations were heavily impacted by the COVID19 pandemic beginning in March 2020. The health crisis necessitated social distancing, reduced bus seating capacities, stay at home orders, retail and restaurant closures as well as tele-work requirements which all influenced a decline in transit ridership across the country. Even with this decline, VRT's public transit systems came to a FY20 close having provided 604,451 rides, which was a decrease in ridership of just 6.8%. STAR Transit closed FY20 with a 30% decline in ridership, and Virginia Rides, operating on a calendar based fiscal year anticipates a sharp decline in ridership. We are hopeful for the future of our essential services and eager to continue delivering quality service.

VRT Public Transit Passenger Experience Update FY 2020:

NOVA Region

VRT's NOVA region has completed a rebranding of all buses in rural operations, having transitioned the color scheme back to the look of VRT in 2010, and away from vinyl graphics. Demand Response routes in Loudoun County reached an impressive 38,076 rides in FY19, but then decreased to 32,322 rides in FY20. Hours of service increased slightly, having added Complimentary Paratransit service to the region along the ¾ mile corridor of the Purcellville Connector Fixed Route service.

Central Region

During FY19, VRT's Central Region increased its provision of service by over 3k hours, and for the first time, eclipsed the 200,000 ride mark for a single fiscal year. FY20 has been a focused planning year for expanding rural service, evaluating and planning route enhancements and rebranding the system. Ridership in FY20 has contracted by 27% to a total of 161,074 rides compared to the previous year, but continues to perform over expectations in our current climate. Hours of operation are slightly higher in FY20 due to a delay in expansion efforts the previous year.

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VIRGINIA REGIONAL TRANSIT

Service Delivery

Mountain Region

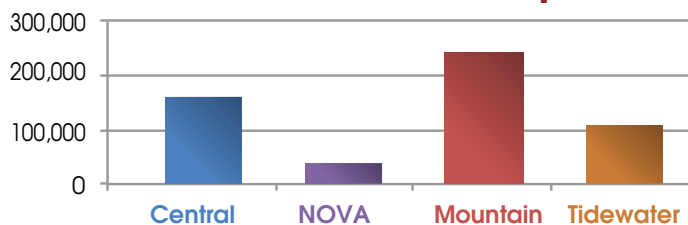
VRT's Mountain Region has successfully completed its third year as the contractor of choice for the BRITE Transit system in the Shenandoah Valley. As a fully engaged partner with the Central Shenandoah Planning District Commission, the Mountain Region has received an increase of over 3k service hours in FY20. Expansion efforts include Friday evening service on the BRCC routes, Saturday Service in the City of Waynesboro and evening service on the Stuarts Draft Link fixed route. In FY19, the Mountain Region provided an impressive 275,059 rides to the residents and guests of the Shenandoah Valley, contracting 17% to end FY20 with a total of 234,019.

Tidewater Region

VRT's Tidewater Region has completed their second year as the provider of choice for the City of Suffolk. Fiscal Year 2019 set record ridership numbers for the City of Suffolk, having provided 130,410 rides for the residents and guests of the area. FY20 saw a decline in ridership of 15% to a level of 113,063 due to the pandemic. Though ridership declined in FY20, the total outpaced FY18, indicating the reliability and effectiveness of the transit system. Hours of service have remained relatively unchanged in FY20.

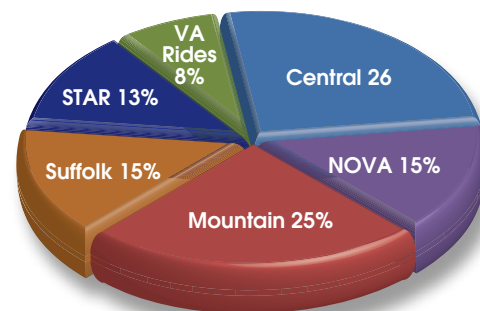
provision during the 2019 fiscal year overall, with gains in each and every aspect of operation to an impressive level of 136,713 total hours. Of those, VRT's public transit sector was responsible for an impressive 103,641 hours of service. These expansions set the stage for continued success and have formed a firm foundation to both rely and build new service offerings upon. Fiscal Year 2020 continued to reflect increases in service hours for Rural and Contract operations operated or managed by VRT as the organization has shifted its focus toward business development opportunities. During FY20, VRT increased service hours in direct public transit provision to a total of 108,443 hours and has received a Certificate of Operating Authority by the State of West Virginia. These accomplishments in expansion and planning continue to reflect VRT's dedication to our clients and communities; ensuring public transportation remains a vital resource and essential service. Our organization continues to make impressive and concerted efforts to ensure our regions have experienced and knowledgeable leadership teams in place to provide safe, efficient and affordable transportation services for the communities we serve.

FY 2020 Ridership



Delivering accelerated service growth requires superiority in our current core business- in each aspect of service cost, in all manner of customer service and in varying models of service provision. VRT is achieving successes in these areas and continues to enhance our client portfolio in a highly competitive industry. VRT recorded an impressive 7k hour increase in service

Revenue Hour Totals



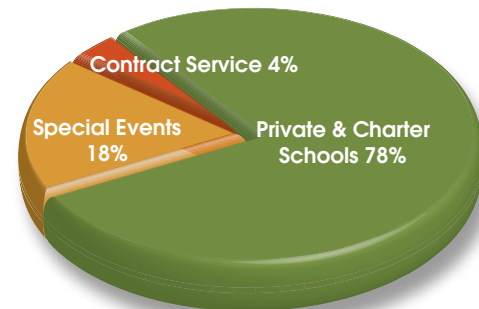
Total Projected FY20 Revenue Hours 134,972

Virginia Rides

As a limited liability, not-for-profit Company, 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. During FY19, Virginia Rides created a framework for success, planning for and embarking upon a journey that would provide new opportunities and streamlining our bid processes. That effort has resulted in a very active FY19 rebranding our buses to a sleek executive coach style, entering into charter agreements with collegiate and minor league sports organizations, and expanding our reach throughout the Commonwealth. Despite the pandemic, Virginia Rides has added two additional school transportation contracts during FY20.

Virginia Rides provided over 15,280 hours of service during FY19, an increase of 11% over the previous year. VAR's FY20, due to the pandemic and school closures, has seen setbacks in business operations, and is projected to end the year with a significant loss in revenue hours. While the decline is painful, VAR has seized upon exciting opportunities during the summer of 2020, and has stepped forward into new markets by application to the Maryland Public Service Commission as an approved shuttle bus company. VAR has signed two new school contracts during the summer of 2020 with transportation service commencing in August and September respectively. Interest in our school bus transportation services is at an all-time high and we fully anticipate a significant rebound in 2021 over and above our FY19 record.

FY19 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 91,460 rides during FY19, an increase of over 10% from the previous year. These impressive gains were attributed to the restructuring of routes as approved by the ANTDC board, streamlining service, and adjusting times and routes for accuracy and dependability. As the COVID19 pandemic set in, ridership for FY20 was greatly affected, as STAR Transit closed its Fiscal Year 2020 having provided 63,973 rides to the residents and guests of the Eastern Shore of Virginia, a decline of 30%. Although a challenging year, STAR Transit continued to invest in the transit service during FY20, receiving and placing into service its first "truck bus," a 24 passenger Ford F550. The larger vehicle purchase is aimed to enhance the passenger experience by adding additional seating areas and a larger cabin. Phase I of a parking area expansion effort was completed, having paved a facility North side exit and exterior bus wash area. STAR Transit also received and installed a mobile bus wash tower. To enhance safety and communications, STAR Transit received a grant funded two way radio system with integrated GPS technology. With this, dispatch can

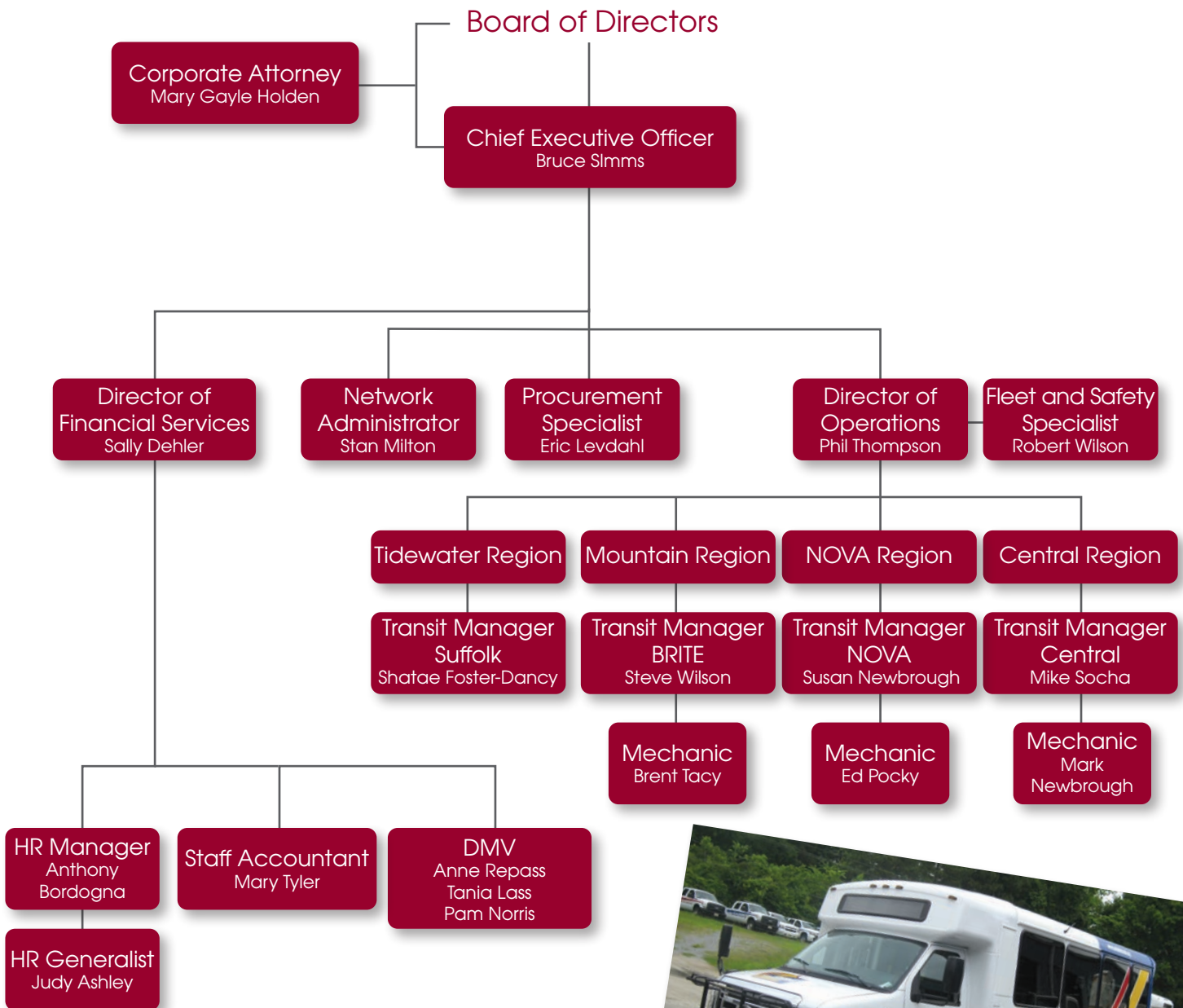
easily monitor and communicate to our passengers the exact location of each route, as well as keep in constant communications with the vehicle operators throughout the day. STAR Transit and Virginia Regional Transit, though an effective contract management partnership, continue to enhance the provision of transit services on the Eastern Shore, and together, create efficient and effective solutions to increase ridership and enhance the passenger experience.



STAR Transit Ridership



Organizational Chart





VIRGINIA REGIONAL TRANSIT

VIRGINIA REGIONAL TRANSIT

STATEMENT OF FINANCIAL POSITION

June 30, 2020

ASSETS

Current Assets

Cash deposits	\$ 1,873,868
Contracts receivable	279,282
Grants receivable	370,226
Other receivables	57,214
Prepaid expenses/deposits/advances	35,670
Total current assets	2,616,260

Property, vehicles and equipment (net of accumulated depreciation of \$6,820,699)	13,014,691
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Total assets	\$ 15,630,951
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 169,287
Accrued expenses	201,961
Current maturities of notes payable	249,284
Deferred income	14,000
Total current liabilities	634,532

Notes payable, net of current portion	268,617
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Total liabilities	903,149
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Net assets

Without Donor Restriction	
Capital investment	12,496,790
Committed for capital reinvestment	50,779
Undesignated	2,180,233
With Donor Restriction	-
Total net assets	14,727,802

Total liabilities and net assets	\$ 15,630,951
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See Notes to Financial Statements.

VIRGINIA REGIONAL TRANSIT

STATEMENT OF ACTIVITIES

For The Year Ended June 30, 2020

	Without Donor Restriction			With Donor Restriction	
	Operations	Capital/ Non-operating	Total		Totals
SUPPORT AND REVENUE					
Public support					
Federal funds	\$ 1,586,266	\$ 311,638	\$ 1,897,904	\$ -	\$ 1,897,904
Virginia State funds	737,502	62,328	799,830	-	799,830
Virginia RTAP funds	11,164	-	11,164	-	11,164
Loudoun County funds	461,448	-	461,448	-	461,448
Local government funds	646,144	-	646,144	-	646,144
Local private funds	13,008	-	13,008	-	13,008
Facilities in-kind	71,490	-	71,490	-	71,490
Total public support	3,527,022	373,966	3,900,988	-	3,900,988
Revenue					
Passenger fares	68,851	-	68,851	-	68,851
Ridership contract services	3,260,438	-	3,260,438	-	3,260,438
Ridership management services	33,395	-	33,395	-	33,395
Advertising service	47,810	-	47,810	-	47,810
Rental income	57,810	-	57,810	-	57,810
DMV revenue	95,725	-	95,725	-	95,725
Reimbursements	12,836	-	12,836	-	12,836
Special event, net	13,266	-	13,266	-	13,266
Gain on sale of assets	-	29,075	29,075	-	29,075
Total revenue	3,590,131	29,075	3,619,206	-	3,619,206
Net assets released from restrictions					
Satisfaction of usage restrictions	-	-	-	-	-
Total support and revenue	7,117,153	403,041	7,520,194	-	7,520,194
EXPENSES					
Program Services	5,797,783	824,921	6,622,704	-	6,622,704
Supportive Services					
Management & General	673,401	25,359	698,760	-	698,760
Fundraising	7,339	-	7,339	-	7,339
Total expenses	6,478,523	850,280	7,328,803	-	7,328,803
Changes in net assets	638,630	(447,239)	191,391	-	191,391
Net asset reclassification	(217,675)	217,675	-	-	-
Net assets, beginning of year	1,810,057	12,726,354	14,536,411	-	14,536,411
Net assets, end of year	\$ 2,231,012	\$ 12,496,790	\$ 14,727,802	\$ -	\$ 14,727,802

See Notes to Financial Statements.



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