



DRIVING TOWARDS THE FUTURE



ANNUAL REPORT
2021

The background is an abstract composition of diagonal streaks in various shades of blue, ranging from deep navy to bright cerulean. A prominent horizontal band of vibrant yellow and green streaks cuts across the middle of the image. The text is centered within this band.

DRIVING TOWARDS THE FUTURE



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VIRGINIA REGIONAL TRANSIT

VISION:

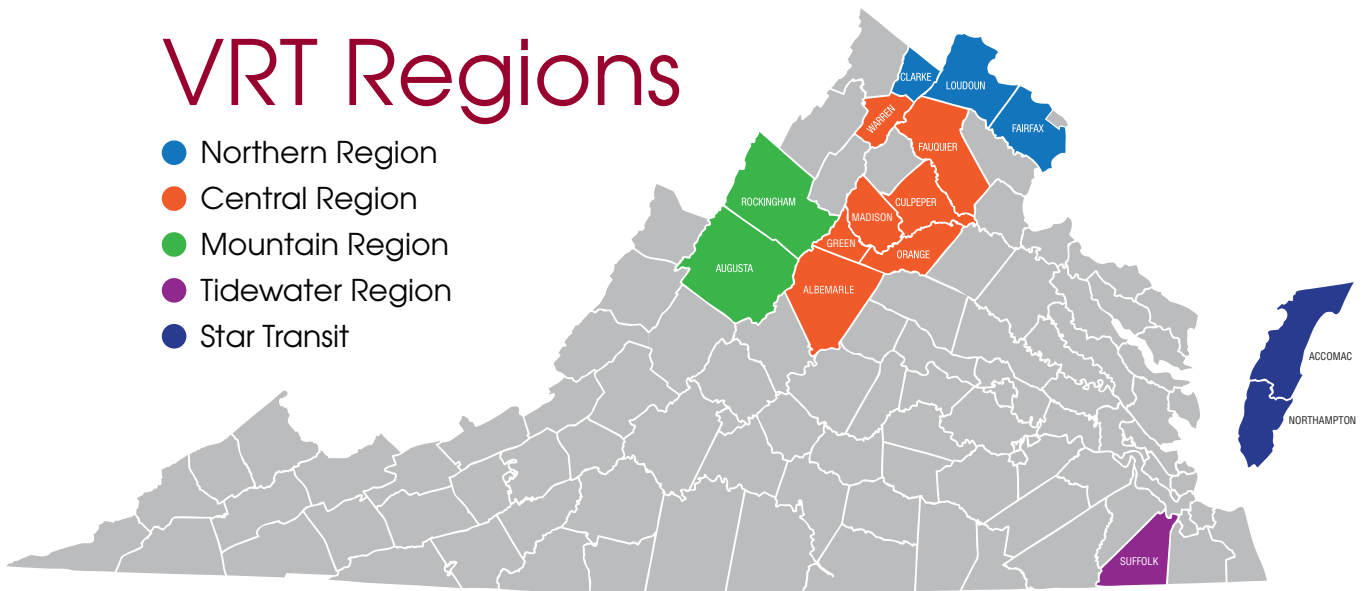
Virginia Regional Transit is a recognized leader in providing high-quality local and rural community transportation solutions.

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.

VRT Regions

- Northern Region
- Central Region
- Mountain Region
- Tidewater Region
- Star Transit

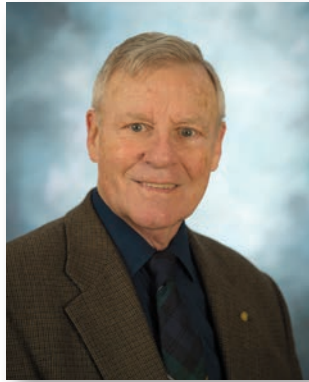


ANNUAL REPORT 2021

Board of Directors



Bruce Simms
President & CEO



Noel Brown
Chairman



Joe Boling
Vice Chairman



Charles Grant
Chairman Emeritus



Erin Rayner
Treasurer



Jim Askegren
Secretary



Janet Clarke
Director



Russ Neyman
Director



Shaelyn Mullaney
Director

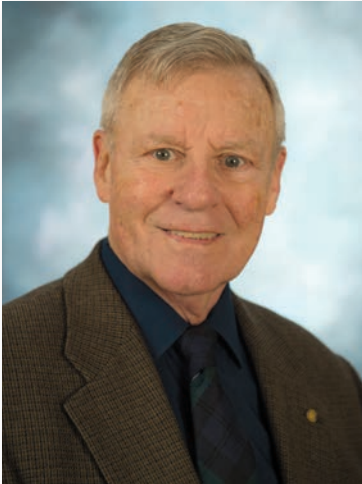


Mary Gayle Holden
Retained Corporate Attorney



VIRGINIA REGIONAL TRANSIT

From the Chairman Noel Brown



As you will see when reviewing our 2021 Annual Report which follows, Virginia Regional Transit and Virginia Rides are emerging from the very challenging Covid-19 period with clear signs of returning growth and renewed strength. The past twenty months have been as stressful as any we have experienced in our thirty-year history, but we are encouraged

about the future prospects for serving our current clients and reaching new constituencies.

This encouragement arises from the strong management team and diligent group of drivers, dispatchers, and support staff who consistently place service above self as they find ways to meet the needs

of people who have no other transportation option than what we have committed ourselves to provide.

But much of the credit for our resurgence as a real asset to the many Virginia jurisdictions we serve belongs to the state and local officials, both elected and appointed, who have been, amidst many distractions, so faithful in their own commitment of our mutual customers. Your flexibility, patience and innovative thinking have encouraged us to try harder to overcome every obstacle and answer every call. You have reminded us that an enlightened society spares no effort in meeting essential needs of its members, and transportation ranks high on that list. We are honored that you have granted us your trust to assist you as you demonstrate government at its best. Thank you for partnering with us.

Sincerely,

Noel Brown, Chairman
Virginia Regional Transit



From the Chief Executive Officer Bruce Simms



As we reflect over the past year, I am pleased to report that Virginia Regional Transit (VRT) remains in full operation and ridership is steadily returning to pre-pandemic levels. Although the COVID-19 pandemic necessitated that we alter some of our operations, public transportation is an essential public service. We are proud of the

way we have continued to serve those who needed a ride, while following social distancing and masking mandates.

Partnering with many local and regional government agencies, VRT has been instrumental in providing essential trips to those needing access to employment, medical facilities and human service agencies. As we look forward to putting the pandemic behind us, we recognize that there are still challenges ahead of us. Production of new buses has slowed dramatically, which means longer lead times for VRT in ordering them. Our maintenance staff remains diligent in keeping our rolling stock in top shape until we can acquire new capital equipment.

At VRT, we remain focused on our mission- being a vital community resource and being the transit provider of choice in every area we serve, offering transportation that produces a superior customer experience. During 2021, after much research and planning, VRT was able to introduce a bus locator app that provides up to the minute status of bus location. This added benefit gives our customers more access to finding transportation and allows them the flexibility of time management.

During FY 2021, Virginia Regional Transit experienced a positive fiscal year. This was mainly due to the ongoing support of State and Federal funding provided for public transportation. Virginia Rides continued to experience challenges due to an ongoing decrease of special events, leading to reduced revenue hours.

Looking forward, the future of Virginia Regional Transit is bright. Our ability to remain flexible allows us to make both creative and smart business decisions as we adapt to the ever-changing needs of our customers. Our employees continue to be our greatest asset, from our dedicated drivers and dispatchers, to our transit managers, to our maintenance teams, to our administrative and support staff. 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 in black ink, appearing to read 'Bruce Simms'.

Bruce Simms
CEO
Virginia Regional Transit





VIRGINIA REGIONAL TRANSIT

Fiscal Resources

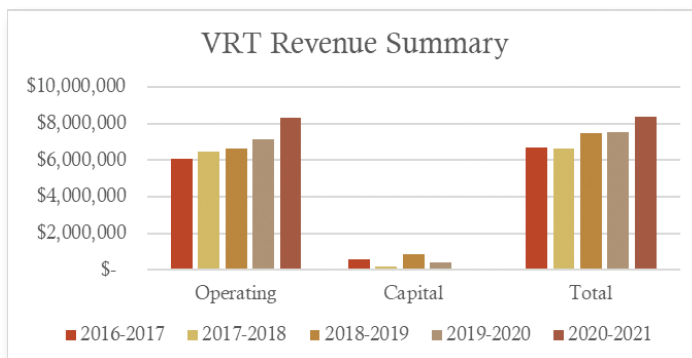


Sally Dehler

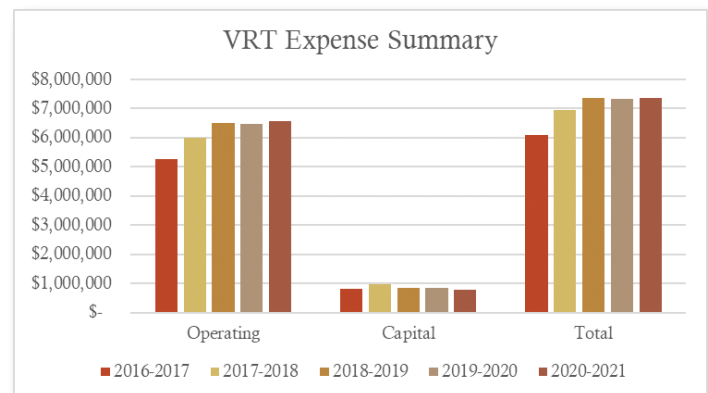
Director of Financial Services & Human Resources

Although FY2021 was still a challenging year due to continuing pandemic effects, Virginia Regional Transit (VRT) ended the year with a surplus. This was partly due to CARES funding granted by the Federal government to assist in public transit. Approximately 39% of VRT's annual revenues are from contract work, meaning VRT is the contractor hired to perform transportation

services for a public entity. The remaining 61% is from Federal section 5311 grant funding for non-urbanized area programs. Federal, state and local funding cover the costs of rural routes on an annual, cost-reimbursable basis. Additionally, federal and state grants are available for the purchase of capital assets used in providing these rural services, leaving VRT to match only 4% for these investments.



Salaries, wages and employee benefits remain the largest percentage of annual operating costs at 60%. Depreciation, fuel, general liability insurance and other vehicle costs compose the additional 27% of expenses. Increases in minimum wage and rising



fuel costs will reflect in projected higher expenses for both companies during the next fiscal year. Both companies have access to lines of credit and term loans if needed.

Virginia Rides, a limited liability, not-for-profit affiliate organization to Virginia Regional Transit, ended its fiscal year on 12/31/21 with a small deficit. As Virginia Rides provides charter transportation for several charter and private schools, operations were negatively impacted by the pandemic as many of these schools closed during the spring and fall 2020. As schools resumed in-person classes in the spring of 2021, Virginia Rides saw an increase in ridership and continues to focus on providing quality school bus and special event transportation services.

There has been a lot of discussion over the past few months about "re-emerging" into the world as the pandemic abates, but our employees, riders and clients never retreated. Virginia Regional Transit and Virginia Rides have continued to operate and provide a vital community resource. We are proud of the way our employees, our most valuable resource, have stepped up to provide the people in our communities a reliable and safe way to reach their jobs, medical appointments, grocery stores, pharmacies and families.

Service Delivery FY21



Phil Thompson
Director of Operations

As Virginia Regional Transit's transportation network continues to demonstrate its resiliency in overcoming the COVID-19 pandemic, we continue in our commitment to serve and to build a framework for the future that will create service models for any need or application. VRT continues to build upon our commitment to the provision of

unparalleled transit service to improve the lives of those who rely on us as well as expanding transit service to new areas across the Commonwealth.

This last year was unprecedented in numerous respects and our organizations had to contend with challenges the likes of which we have never seen before. Carried by the support of funding partners and the communities we serve, our front line staff faced this extraordinary uncertainty head on and consistently rose to the occasion. Our outstanding team of transit professionals is stronger now because of the challenges we have met together. Our operations have been refined by this moment in time but not defined by it.

During Fiscal Year 2021, while other transit providers experienced service reductions and cancellations for a myriad of reasons including staffing shortages, funding shortfalls and lack of transit utilization, VRT continued transit provision in all service areas without any significant reductions or delays. Due to COVID-19's arrival date landing in the second and third quarter of fiscal year 2020, the effects to our ridership numbers weren't fully reflected until this past fiscal year 2021. Although total ridership is lower, ridership numbers are trending upwards since their

lowest point in April and May of 2021. With that as our backdrop, VRT statewide public transit systems provided 543,950 rides during FY21, a decrease of 10% from the previous year. Of that total, STAR Transit ended FY21 with a 15% decline in ridership. Virginia Rides, operating on a calendar based fiscal year rebounded tremendously with a 300% increase in ridership over the previous year. Based on monthly ridership data, we anticipate ridership to continue its trend upward, and are focused on rebuilding and reassuring our ridership base into FY22 and beyond.

VRT Public Transit Passenger Experience Update FY 2021:

NOVA Region

VRT's NOVA region has fully deployed the first phase of VRT's web based On-Demand reservation system upgrades. This new system includes cloud based data storage, remote dispatch access and android tablets for route buses. Dispatch centers can make changes to vehicle operator manifests, send alerts and monitor on-time performance seamlessly throughout the day. Vehicle operators are able to utilize tablet based GPS for directions to each scheduled stop, and to receive cancellation and update information through direct message boards. The NOVA region provided 24,131 rides during FY21 throughout the rural areas of Loudoun and Clarke County. On-Demand programs for Loudoun and Clarke provided 11,849 rides while the fixed route Purcellville Connector provided 11,146 rides in FY21. The Purcellville Connector's ¾ mile Complimentary Paratransit service exceeded FY20 ridership numbers, providing 1,136 rides.

Central Region

During FY21, the Central Region remained steady and focused on its provision of transit service in its multi-jurisdictional program. On-Demand programs in Fauquier and Culpeper are implementing the first phase of VRT's web based On-Demand reservation system upgrades. Full implementation of phase 1 will be completed spring of 2022. An

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VIRGINIA REGIONAL TRANSIT

Service Delivery FY21 *continued*

initiative which began in 2019 came to fruition in FY21 as VRT worked with technology company "TransLoc" to develop and implement a custom VRT bus app available on the app store and used on any smartphone device to receive real-time bus stop times and locations for all VRT rural fixed routes. State of good repair items such as entranceway slope and grade corrections, roof repairs and a complete replacement of all rooftop HVAC units were completed during FY21.

For additional passenger connectivity, Culpeper Transit now links daily to the Virginia Breeze bus line, connecting local fixed route riders to commuter bus service to as far North as Washington D.C. and as far South as Danville, Virginia. Additional connections for commuter service exist through the Culpeper Foothills Express, linking local area fixed routes to neighboring transit systems in Greene County and throughout the City of Charlottesville. During FY21, Central Region provided 117,290 rides for residents and guests for more than 13 Towns and Counties served within this district.

Mountain Region

VRT's Mountain Region, completing its fourth year of operation as the contractor of choice for the BRITE Transit system during FY21, has successfully secured contract extension through June 2024. With and through this partnership, VRT has engaged in the development and preparation for deployment of BRITE Transit's Afton Express and has succeeded in securing a contract for operation through FY23. This will mark VRT's first commuter routes in operation

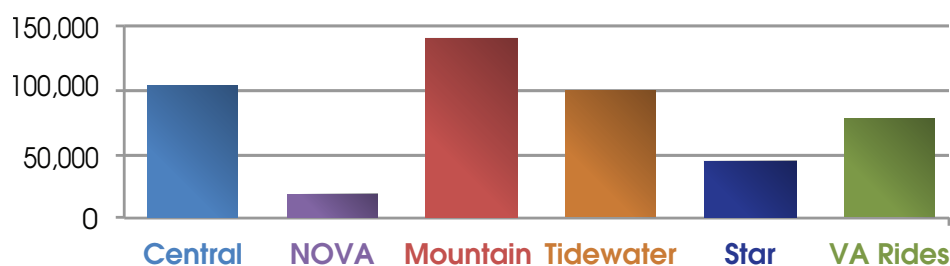
and will provide service connecting Staunton City, Augusta County and Waynesboro City to Charlottesville, Virginia along the I-64 corridor. Commuter route amenities include reclining seats, luggage racks, USB charge ports and Wi-Fi for the comfort and convenience of our commuting passengers. During FY21, the Mountain Region provided 149,731 rides to the residents and guests of the Shenandoah Valley and Piedmont area of Virginia.

Tidewater Region

During FY21, VRT's Tidewater Region completed their third year as the provider of choice for the City of Suffolk to operate Suffolk Transit. VRT assisted the City through a positive Federal triennial audit of the transit system and its processes during FY21. The Tidewater Region's hours of service have remained static for FY21 without any reductions in service levels throughout the pandemic. As the region looks toward FY22, several initiatives will take place such as a realignment of bus routes from hub and spoke to bi-directional service and a transitioning of its most popular routes from 20 passenger BOC's to 24+2 diesel powered truck buses. Overall the Suffolk Transit system provided 108,658 rides during FY21.

A key part of VRT's success is our focus on retention of client base and our drive toward transit expansions across a very diverse portfolio. As FY21 came to a close, VRT and its affiliates were pleased to provide a total of 140,129 hours of revenue service throughout our vast network of transit operations in and around the Commonwealth of Virginia. This impressive total

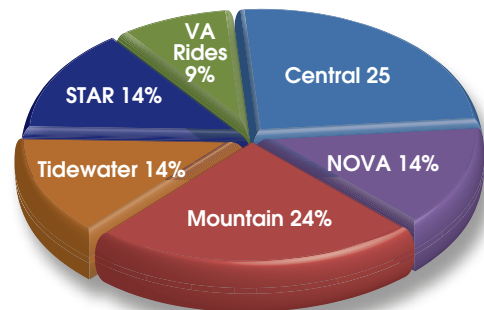
FY 2021 Ridership



Service Delivery FY21 *continued*

indicates an increase of over 5,250 hours from FY20 and a rebound of over 3,000 hours of service above pre-pandemic totals in FY19. Within that total, VRT's public transit sector continued operation of all pre-pandemic transit service without any significant reductions, delivering an impressive 107,948 hours of service. During FY21 VRT also worked toward transit expansion initiatives through route development partnerships and through public sector bids. These efforts in planning and development during the most challenging of times will bear fruit in FY22 and continue to demonstrate our ability to promote and expand effective and efficient transit service.

FY21 Service Hours



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 FY21, Virginia Rides completed the first full year of transportation service for two new independent school contracts and purchased additional capital assets for operation. As a result of our team's steadfast and unwavering support in the most challenging of times for charter transportation, Virginia Rides hours of service rebounded by 198% of the previous year for a FY21 total of 11,937 hours provided. As VAR works to rebuild from the pandemic closures and cancellations, service area

expansions are ongoing including opportunities in the Commonwealth of Pennsylvania. VAR looks toward FY22 with great anticipation of retaining current service contracts, updating agreements and forging new and lasting partnerships.

FY21 VA Rides Service Hours





VIRGINIA REGIONAL TRANSIT

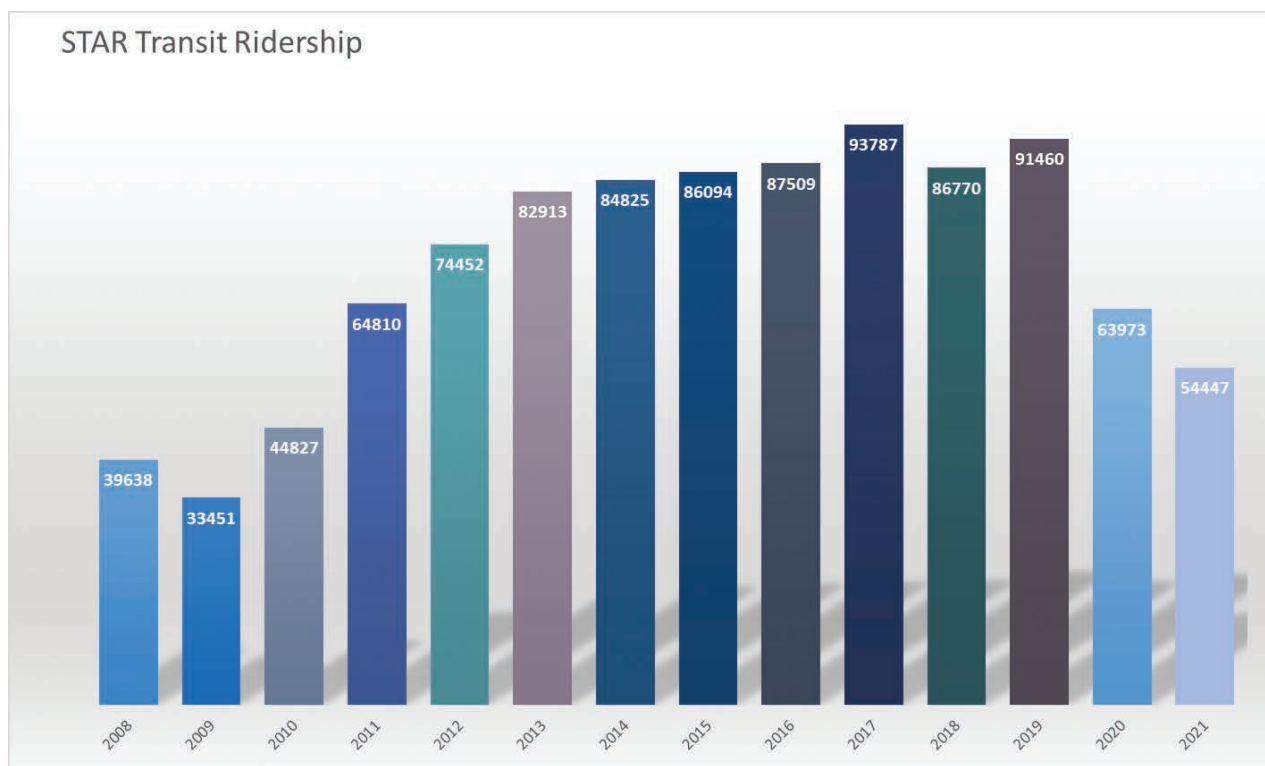
STAR Transit

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 54,447 rides during FY21, a decrease of 15% from the previous year. This decline is attributed entirely to the COVID-19 pandemic as passengers increasingly decided not to travel and as bus seating restrictions were set in place for social distancing. Although ridership numbers are greatly reduced year over year, month to month tracking shows an upward trend from its lowest point in August of 2020. STAR Transit moved forward with several new initiatives in FY21, such as the implementation of the Silver Loop in Accomack County, a new fixed route serving Oak Hall, Horntown, New Church, Atlantic and the Maryland and Virginia State line. STAR Transit also realigned the Yellow route in Cape Charles to streamline service passenger service to the route 13 corridor Red and Purple route. Planning is

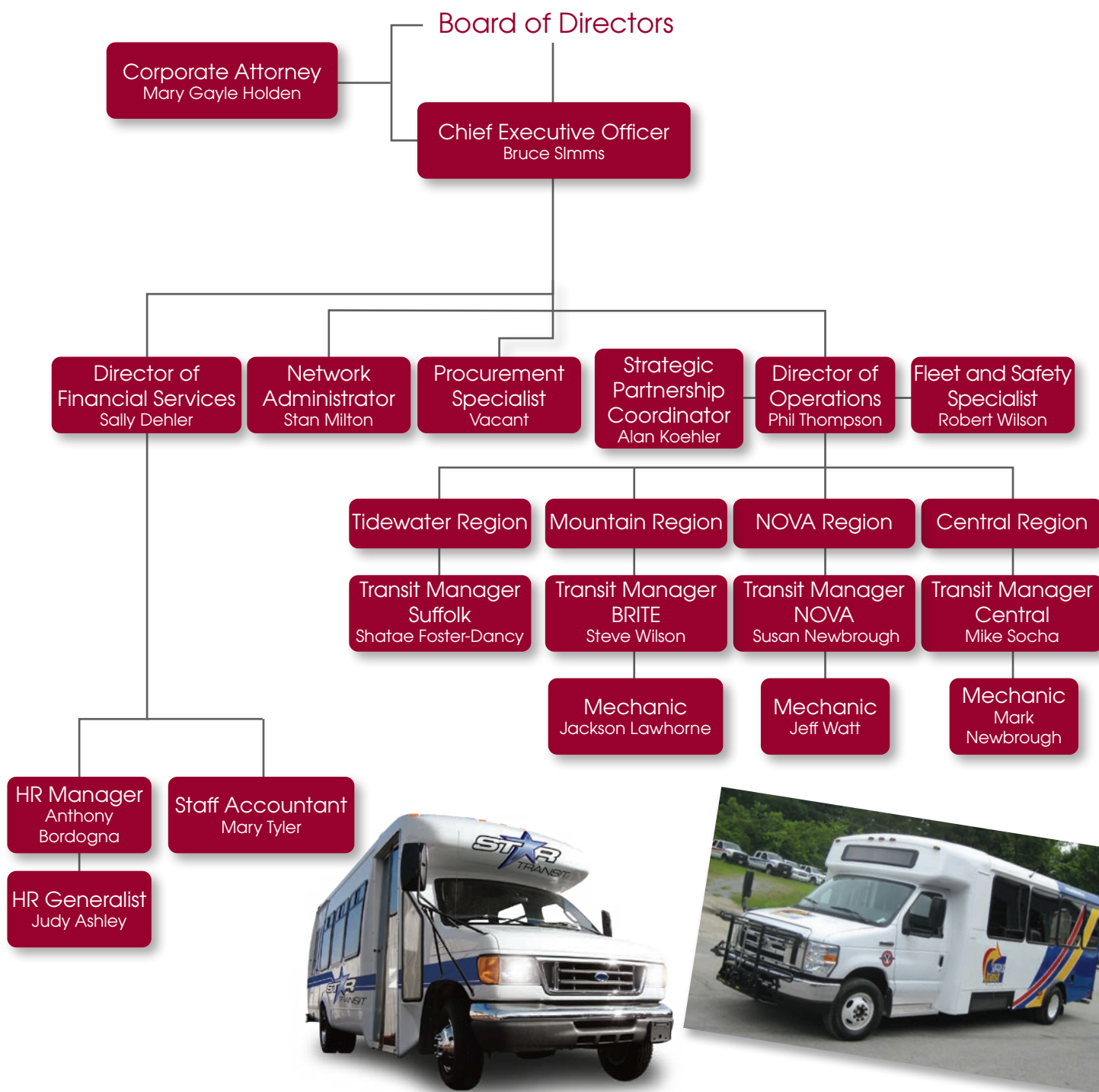
underway to deploy a Northampton Express route with limited daily service between Cape Charles and Onley. During FY21, Phase II of STAR Transit's parking area expansion began with excavation and paving of the south side of the facility. STAR Transit also installed a keyless entry system with ADA push button entrance capability and completed the installation of a second restroom adjacent to the lobby area. STAR Transit and Virginia Regional Transit together remain focused on the safety and wellbeing of our passengers and dedicated to providing an outstanding transit experience for the residents and guests of the Eastern Shore.



STAR Transit Ridership



Organizational Chart





VIRGINIA REGIONAL TRANSIT

VIRGINIA REGIONAL TRANSIT

STATEMENT OF FINANCIAL POSITION

June 30, 2021

ASSETS

Current Assets

Cash deposits	\$ 2,892,573
Contracts receivable	284,529
Grants receivable	658,944
Virginia Rides receivable	101,203
Other receivables	14,020
Prepaid expenses and deposits	53,424
Total current assets	4,004,693

Property, vehicles and equipment (net of accumulated depreciation of \$7,575,889)	12,377,690
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Total assets	\$ 16,382,383
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 106,650
Accrued expenses	313,116
Current maturities of notes payable	133,957
Deferred income	30,562
Total current liabilities	584,285

Notes payable, net of current portion	134,635
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Total liabilities	718,920
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Net assets

Without Donor Restriction	
Capital investment	12,109,098
Committed for capital reinvestment	43,225
Undesignated	3,511,140
With Donor Restriction	-
Total net assets	15,663,463

Total liabilities and net assets	\$ 16,382,383
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See Notes to Financial Statements.

ANNUAL REPORT

2021

VIRGINIA REGIONAL TRANSIT

STATEMENT OF ACTIVITIES

For The Year Ended June 30, 2021

	Without Donor Restriction			With Donor Restriction	Totals
	Operations	Capital/ Non-operating	Total		
SUPPORT AND REVENUE					
Public support					
Federal funds	\$ 3,267,790	\$ 49,556	\$ 3,317,346	\$ -	\$ 3,317,346
Virginia State funds	179,229	19,911	199,140	-	199,140
Virginia RTAP funds	551	-	551	-	551
Loudoun County funds	494,313	-	494,313	-	494,313
Local government funds	663,297	-	663,297	-	663,297
Local private funds	13,008	-	13,008	-	13,008
Facilities in-kind	71,490	-	71,490	-	71,490
Total public support	4,689,678	69,467	4,759,145	-	4,759,145
Revenue					
Passenger fares	25	-	25	-	25
Ridership contract services	3,222,143	-	3,222,143	-	3,222,143
Ridership management services	34,687	-	34,687	-	34,687
Advertising service	55,629	-	55,629	-	55,629
Rental income	59,310	-	59,310	-	59,310
DMV revenue	150,148	-	150,148	-	150,148
Reimbursements	16,754	-	16,754	-	16,754
Interest and other	4,341	-	4,341	-	4,341
Special event, net	-	-	-	-	-
Gain on sale of assets	-	785	785	-	785
Total revenue	3,543,037	785	3,543,822	-	3,543,822
Net assets released from restrictions					
Satisfaction of usage restrictions	-	-	-	-	-
Total support and revenue	8,232,715	70,252	8,302,967	-	8,302,967
EXPENSES					
Program Services	5,954,744	767,178	6,721,922	-	6,721,922
Supportive Services					
Management & General	615,792	18,943	634,735	-	634,735
Fundraising	10,649	-	10,649	-	10,649
Total expenses	6,581,185	786,121	7,367,306	-	7,367,306
Changes in net assets	1,651,530	(715,869)	935,661	-	935,661
Net asset reclassification	(328,177)	328,177	-	-	-
Net assets, beginning of year	2,231,012	12,496,790	14,727,802	-	14,727,802
Net assets, end of year	\$ 3,554,365	\$ 12,109,098	\$ 15,663,463	\$ -	\$ 15,663,463

See Notes to Financial Statements.



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