



DRIVING TOWARDS THE FUTURE



ANNUAL REPORT
2022



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VIRGINIA REGIONAL TRANSIT

VISION:

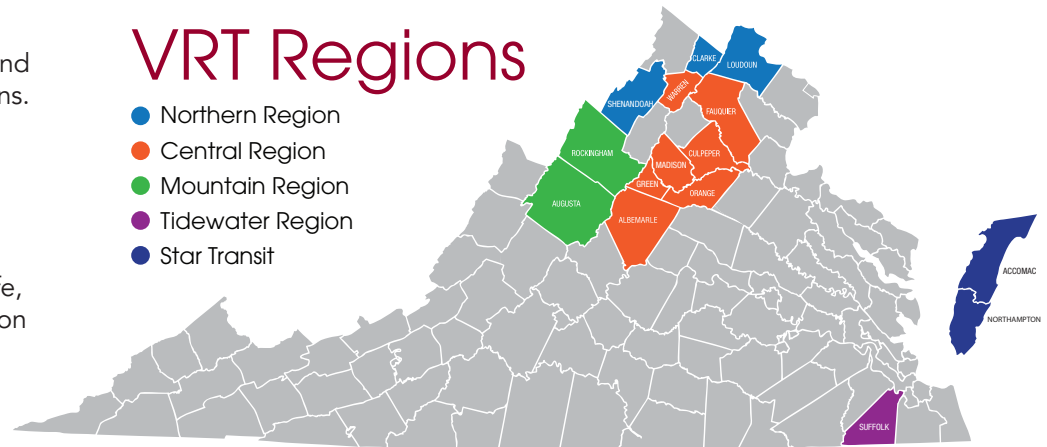
Virginia Regional Transit, a recognized leader in providing high-quality local and rural community transportation solutions.

MISSION:

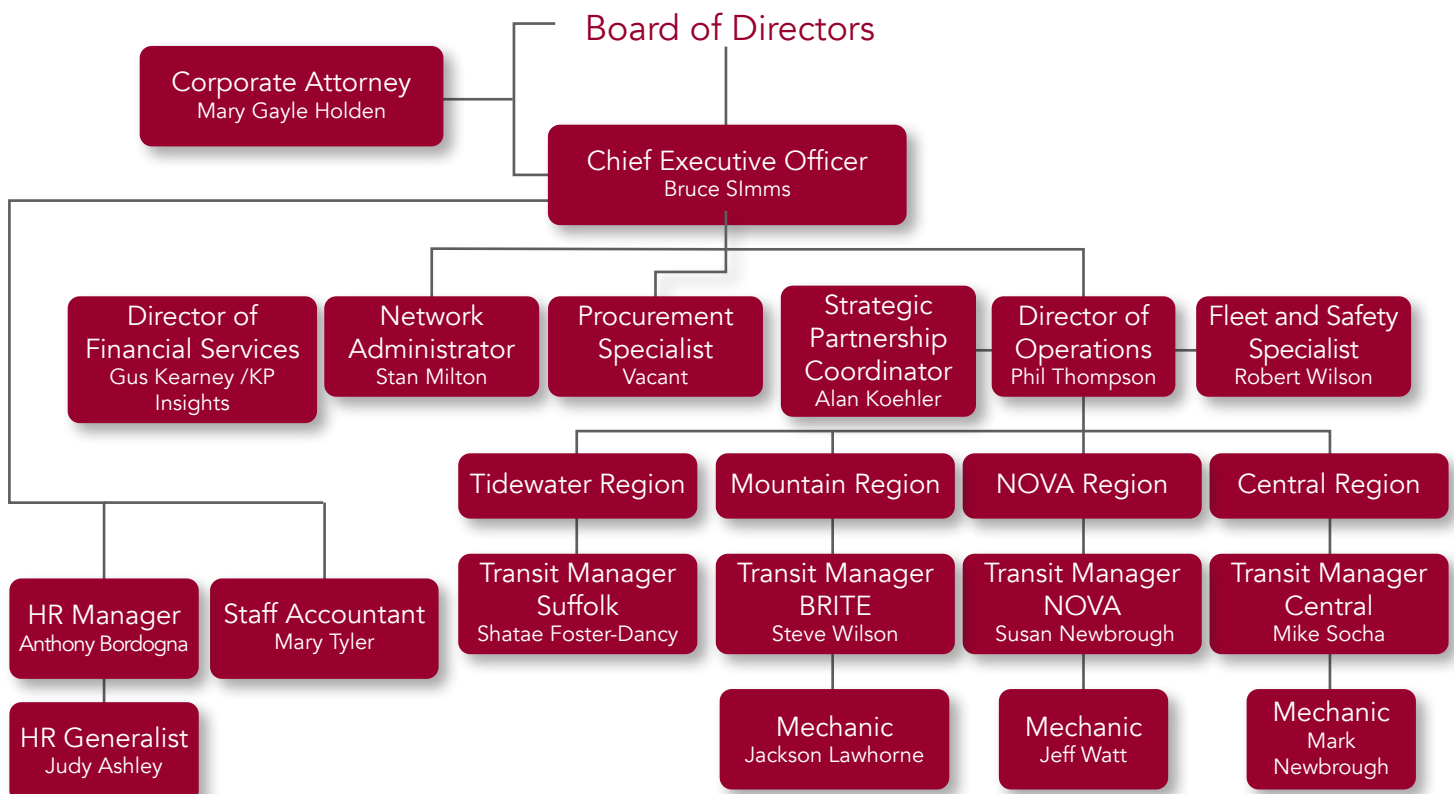
Virginia Regional Transit, delivering safe, high quality, cost-effective transportation services.

VRT Regions

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



Organizational Chart



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

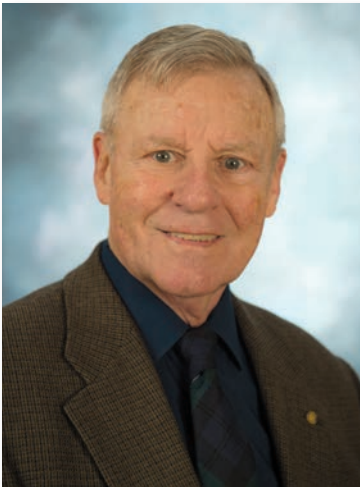


Mary Gayle Holden
Retained Corporate Attorney



VIRGINIA REGIONAL TRANSIT

A Message from the Chairman Noel Brown



The attached 2022 Annual Report for Virginia Regional Transit presents clearly the positive growth and service quality trends evidenced in 2021 have continued and even accelerated. All the critical components of a transportation business, i.e., financial stability, ridership safety, extent and availability of transport and management oversight have met or exceeded

our goals. As the Covid crisis has eased and recedes in our rear-view mirror, we are thankful for your continued support as riders, government partners and general advocates of the help we provide getting people to where they need to be.

Our ridership numbers have increased by almost 15 percent, our geographic coverage continues to expand, and safety incidents declined both in quantity and cost. All our team members are committed to meeting the needs of our constituents in a way that earns their confidence, respect and support.

Thank you, all, for partnering with us.

Sincerely,

Noel Brown, Chairman
Virginia Regional Transit



A Message from the Chief Executive Officer Bruce Simms



As we conclude our 32nd year, I am pleased to report that Virginia Regional Transit (VRT) remains strong as we put the many industry-wide challenges from the past few years behind us.

Public transit remains an essential part of every community as we help provide transportation to every individual that needs it and improve quality of life. As we

have partnered 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.

VRT currently provides public transportation to over 12% of the Commonwealth through various methods including Demand Response, Paratransit, Fixed Route, Deviated Fixed Route, and Commuter service through both contract and Rural funding opportunities. During the past fiscal year, VRT supplied over 600,000 rides and 115,000 service hours among five statewide regions run by over 125 highly trained and dedicated staff.

In our efforts to remain fiscally responsible, VRT elected to right size our capital assets which included selling one of our federally funded facilities in Northern Virginia, allowing us to centralize and streamline operations.

Looking forward using new 2020 Census data, many opportunities could surface in the Commonwealth allowing Virginia Regional Transit to grow and connect more riders. 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.

I want to express my utmost and deep appreciation for the work each VRT employee provides every day. Our employees are our greatest asset and we're proud of their dedication to excellent customer service.

The VRT team and Board is committed to making continual improvements, enhancing equity within our organization, and continues to focus on excellence in public transit for a safer and more connected Virginia. We look forward to another successful year ahead!

A handwritten signature in black ink, appearing to read 'Bruce Simms'.

Bruce Simms
CEO
Virginia Regional Transit





VIRGINIA REGIONAL TRANSIT

Fiscal Resources

Virginia Regional Transit (VRT) ended fiscal year 2022 with a net surplus and positive cash flow from operations. This is critical as approximately 46% of VRT's revenues are from contract work (VRT is the contractor hired to perform transportation services for a public entity) and 54% is grant funded from Federal section 5311 non-urbanized area programs.

The contract portion of our business will require capital financing and credit sources other than Federal and State grants. We are accomplishing this by positive financial results from operations, by additional revenue streams and by entering short-term and long-term credit relationships with financial institutions based upon our financial strength. Contract Services are on a fixed price basis. To be successful with a positive result, we must manage our contracts efficiently and effectively and monitor and control all costs. Localities and government divisions are primarily the entities that contract with us for these services. Typically, these contracts are for one or more years. Capital investments are made from VRT's resources. We must continually increase our investment in the Contract Services fleet to grow this segment of the business.

Planned Rural Service has grown each year as routes and services have increased. 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.



In fiscal year 2022 VRT 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.

With continued focus on maintaining operating surpluses, winning competitive transit contracts, excellent customer service, containing costs and improving processes, VRT is poised for growth and will give us the financial flexibility to meet the future changes in the transit industry.



Service Delivery FY22



Phil Thompson
Director of Operations

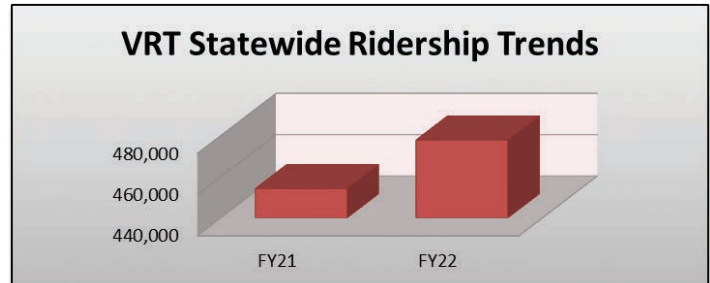
Virginia Regional Transit looks back at fiscal year 2022 with great enthusiasm as we recognize the outstanding performance of our regional teams and the extraordinary success of the organization overall. From an impressive expansion of public transit to a successful implementation of new and exciting information and technology services for our passengers to use and enjoy, VRT

has continued to press forward with focus and excellence. Throughout the year, and as reflected by its results, VRT's proven service model and framework for success positioned our team well for the challenges of 2022 and resulted in a year reflective of a thriving transportation provider.

Fiscal year 2022 was not only a year of stabilization as we exited a pandemic, but was also a year of substantial growth and opportunity. As our team continued in a steadfast commitment to the communities we serve and focused intently on our clients' needs, new public transit services launched, new transportation contracts were executed, existing contracts were renewed and our focus on safety was unwavering. Our organization has continued to lead transit initiatives and serve as a resource to transit operations across the Commonwealth.

Although many metropolitan and small urban settings have not seen a return to pre-pandemic transit utilization, VRT has tracked an impressive rebound in ridership across all service areas. Trends indicate that the progress made in 2022 will result in a return to normal within the next fiscal cycle. Reflective of a change in methodology regarding ridership statistics, VRT statewide transit systems provided 477,768 rides during FY22, an increase of 5% from the previous year. These numbers should be an encouragement to our team, our clients and transit

operations everywhere and serve as a reminder to us all that the need for transit services remains strong.



VRT Public Transit Passenger Experience Update FY 2022:

NOVA Region

VRT's NOVA region assisted in the development and testing of the second phase of VRT's web based On-Demand reservation system upgrades. This system's second phase of development allows our team to import a desired trip into the software program and instantly receive a recommended route vehicle that best suits the trip request. This algorithm additionally takes into consideration vehicle maximum occupancy during the day as determined by the route schedule.

During FY22, VRT continued to right size capital assets, including the Bailey Lane Purcellville, Virginia property. During FY22, the Bailey Lane facility was sold and VRT NOVA operations successfully relocated to a operations and maintenance facility located at 412 Browning Court in Purcellville Virginia. This seamless transition has afforded VRT the opportunity to consolidate portions of the transit operation and realign interoffice connectivity.

Continuing in its long standing tradition of providing transit access in the Commonwealth of Virginia, specifically to the Counties of Loudoun and Clarke, On-Demand programs for Loudoun and Clarke provided 22,002 rides by reservation. Additionally, VRT's Purcellville Connector fixed route service provided 10,971 rides while the Purcellville Connector's $\frac{3}{4}$ mile Complementary Paratransit service provided 414 rides. The VRT NOVA region provided 33,387 rides during FY22. This reflects an overall increase of 38% compared to FY21.

Continued >



VIRGINIA REGIONAL TRANSIT

Service Delivery FY22 *continued*

Central Region

During FY22, the Central Region continued to be a leader in rural transit initiatives for its multi-jurisdictional programs. The Central Region was a steadfast partner of VRT NOVA in their development of phase II of VRT's web based On-Demand reservation system upgrades. Additionally, a rebranding effort was successfully navigated in the region, creating "Culpeper Transit." This encompasses the Culpeper Trolley system as well as other fixed routes that may have scheduled bus stops in the immediate vicinity of the Town of Culpeper. Culpeper Transit branded signs were ordered for installation along the Town's fixed routes.

Passenger amenities were a focus during FY22, with VRT providing and coordinating the installation of five bus stop shelters. Newly constructed bus stop shelters can be found and enjoyed along fixed routes serving the Town of Front Royal and the County of Warren.

An exhaustive review of all fixed route transit services in the Central Region spanning from Charlottesville and Orange to Warrenton and Front Royal was completed during FY22, providing new graphics and designs as well as enhanced maps, bus stop pins and timetable formats for ease of use. Culpeper Transit continues to connect each weekday with DRPT's Virginia Breeze bus line, connecting local fixed route riders to commuter bus service to both Washington D.C. and Danville, Virginia.

Central Region continues to provide Express service linking the Counties of Culpeper, Madison, Greene and Albemarle through the VRT Foothills Express transit service. This route additionally provides connections Tuesday, Wednesday, and Thursday to the Afton Express Commuter Bus Service in the City of Charlottesville. Through these connections VRT provides transit continuity linking Culpeper, to as far away as Harrisonburg Virginia. During FY22, Central Region provided 128,550 rides for residents and guests for more than 13 Towns and Counties served within this district. This total is an increase of over 9% from the previous year.

Mountain Region

VRT's Mountain Region continued its outstanding operation of the BRITE Transit system during FY22. As a trusted partner in transit operations, VRT successfully deployed and

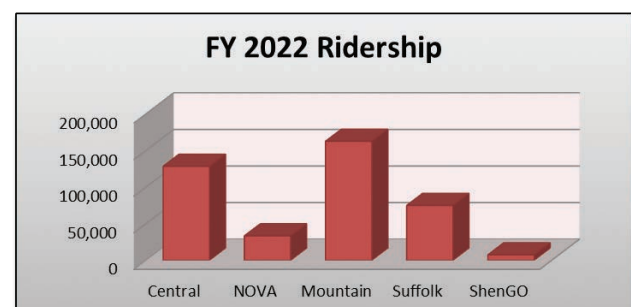
operates the Afton Express commuter bus service connecting the Shenandoah Valley to the City of Charlottesville. This commuter bus line provides four round trips daily across the Rockfish Gap of the Blue Ridge Mountains providing direct access to employment centers, reducing pollution through ride share and providing comfortable in-cabin amenities for our passengers to enjoy. During FY22 this service proved itself to be successful and has scheduled an expansion of service for the next fiscal year. In addition to this expansion and after a review of ridership data, VRT fully expects this route will continue for many years to come. During FY22 the Mountain Region of VRT provided 162,733 rides, an increase from the prior year of over 8%.

Tidewater Region

During FY22, VRT's Tidewater Region assisted the City of Suffolk with a realignment of all fixed routes to bi-directional service. This transition has streamlined service by reducing bus transfers and headways. Additional amenities have been introduced to passenger service throughout the year larger capacity diesel powered truck buses. During FY22 VRT's Tidewater Region provided 74,962 rides to the residents and guests of the City of Suffolk.

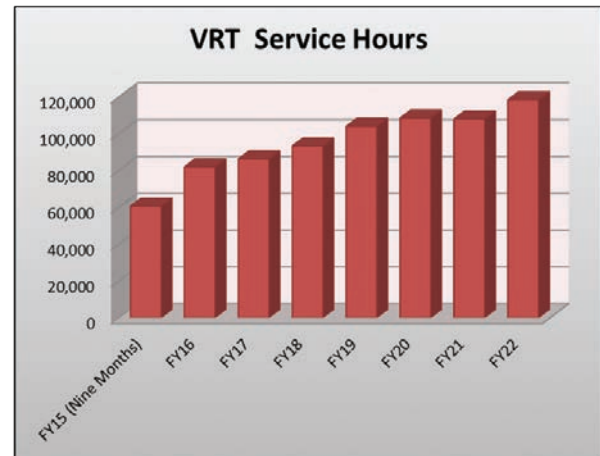
ShenGO Region

An exciting transit expansion began in FY22 within the Northern Shenandoah Valley. In October 2021, VRT opened a new office in Woodstock, and began contract operation of the ShenGO Transit system serving the County of Shenandoah. This new service provides two fixed routes Monday through Saturday 12 hours per day. Passengers can utilize this service for continuous transit service from New Market to Strasburg. Beginning in quarter two of fiscal year 2022, ShenGO operations attained outstanding inaugural year results. Support and growth of this new transit system is expected to continue for many years to come. VRT's ShenGO transit system provided



Service Delivery FY22 *continued*

7,476 rides for the residents and guests in Shenandoah County. Fiscal year 2022 has been an exciting and progressive moment in VRT's history. Our ability to design and deliver quality transit service supported by strong operational performance is one of our key differentiators. While facing significant challenges ranging from price inflation, rolling stock shortages, and material and labor availability, VRT has been unwavering in our ongoing commitment to a responsible business model and developing our talented staff. It is our pleasure to report that during Fiscal Year 2022 VRT and its affiliates across the Commonwealth of Virginia provided a total of 118,393 hours of revenue service, assisting many in our communities that without our services would have no other means of transportation. This represents an impressive increase of 10,445 hours from FY21 totals.



Human Resources

In FY22, Human Resources continued operating at a high level with the purpose of aiding operations and providing solutions for our 175 employees. We increased our electronic footprint by adding to the functions of our payroll system (Paycom) and this frees up time for us to focus on more important tasks like recruiting and training. We worked with the operations team to develop new tasks that they were able to do independently of us and now they can track and measure their own employees using reports and tabs within Paycom. This has proven very valuable in creating staff schedules and understanding hiring needs. We also provided more training to employees to understand and manage their own profiles with Paycom to track such things as time off, paycheck deductions and benefits. The goal is to help our employees learn and accomplish much more in Paycom to feel more connected to the company culture and its mission of empowering employees.

In addition to our focus on employee knowledge, Human Resources implemented a cost of living increase due to the high inflation rate seen all around us in 2022. We provided this increase as a way for our employees to understand how much we value them and listen to their thoughts on ways to improve their lives, not only at work but also at home. With a renewed sense of employee development, our turnover rate was below the transportation industry average for the first time in 4 years. We also took on a new contract and hired 10 new vehicle operators in a very short time frame. We will

continue to focus on employee retention and training as we move into the new year.

In the benefits department, we only had a modest increase in the price of our health care coverage, and we were able to keep the dental and vision plans the same. We are also always looking for new and innovative ways to entice new employees to come to work for us. One such way is the addition of an employee referral bonus that is open to all regions. This has drastically helped us hire people we may not have reached otherwise. Human Resources continues to look for ways to enhance our benefit package for the purpose of attracting and retaining qualified personnel.

After the few challenging years of Covid, Human Resources looks poised to help VRT reach new heights. We plan to increase our visibility to the staff and help each region develop a plan of hiring success. We aim to provide new and fun ways to train and retrain staff while helping those star individuals rise within the company. We look to automate and streamline more processes and train a more self-reliant workforce, while always being available to help in any way we can. We embrace our new strategic objectives to attract, develop, and retain top talent, and will be nonstop in our pursuit to become a best-in-class HR department.



VIRGINIA REGIONAL TRANSIT

STAR Transit

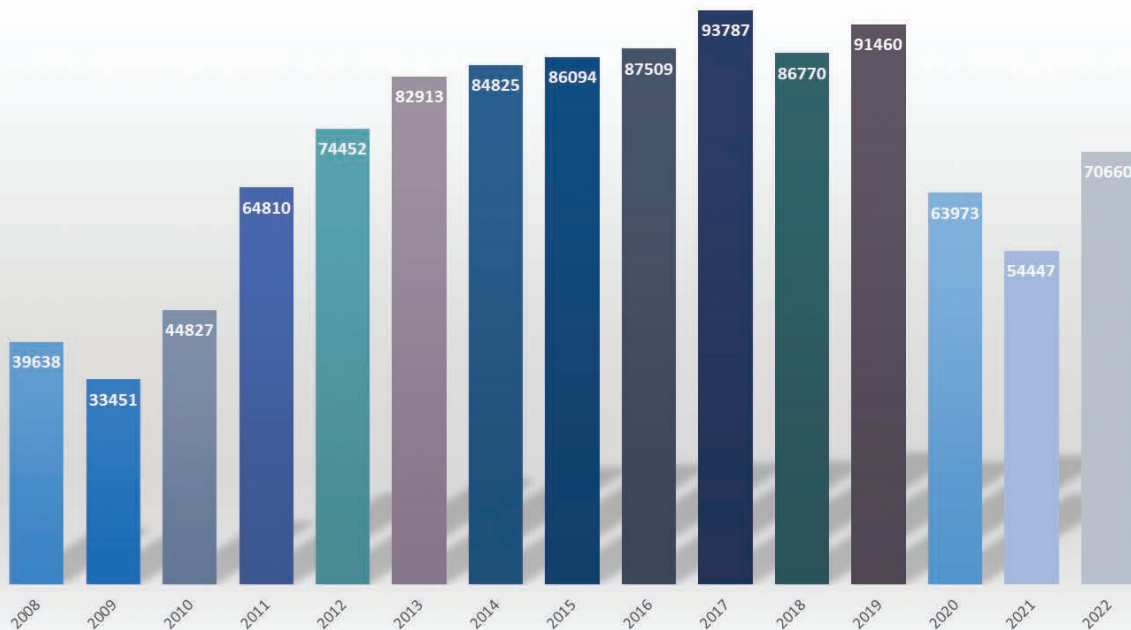
STAR Transit, a public transit system serving the residents and guests of the Eastern Shore of Virginia is owned by the Accomack Northampton Transportation District Commission and managed by Virginia Regional Transit.

STAR Transit provided 70,660 rides during FY22, which represents an impressive increase of over 29% from the previous federal fiscal year. In an ongoing effort to assist those who use or plan to use public transportation, STAR Transit reviewed and adjusted all route maps and timetables in print and online. During FY22, the Northampton On-Demand service successfully transitioned to the Northampton Express, assisting regional commuters to access employment and services from Cape Charles to Onley Virginia. Additionally, STAR Transit completed an as-built engineering survey for

Phase I and II of the parking area expansion project. This initiative also included modifications to the storm-water retention area and the final, Phase III, of proposed driveway and parking expansions. STAR Transit and Virginia Regional Transit remain intently focused on providing transit solutions for the residents of the areas we serve. It is through our community engagement that impactful transit solutions are received and from those implementations, impressive ridership results are delivered.



STAR Transit Ridership



ANNUAL REPORT

2022

VIRGINIA REGIONAL TRANSIT

STATEMENT OF FINANCIAL POSITION

June 30, 2022

ASSETS

Current Assets

Cash deposits	\$ 5,858,691
Contracts receivable	388,186
Grants receivable	375,520
Virginia Rides receivable	70,481
Other receivables	174
Prepaid expenses and deposits	49,952
Total current assets	6,743,004

Property, vehicles and equipment (net of accumulated depreciation of \$5,948,498)	4,416,961
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Total assets	\$ 11,159,965
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 188,253
Accrued expenses	255,580
Deferred income	20,105
Total current liabilities	463,938

Net assets

Without Donor Restriction	
Capital investment	4,416,961
Committed for capital reinvestment	50,779
Undesignated	6,228,287
With Donor Restriction	-
Total net assets	10,696,027

Total liabilities and net assets	\$ 11,159,965
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See Notes to Financial Statements.



VIRGINIA REGIONAL TRANSIT

VIRGINIA REGIONAL TRANSIT

STATEMENT OF ACTIVITIES For The Year Ended June 30, 2022

	Without Donor Restriction			With Donor Restriction	Totals
	Operations	Capital/ Non-operating	Total		
SUPPORT AND REVENUE					
Public support					
Federal funds	\$ 2,679,044	\$ 56,024	\$ 2,735,068	\$ -	\$ 2,735,068
Virginia State funds	1,103,265	2,204	1,105,469	-	1,105,469
Virginia RTAP funds	7,654	-	7,654	-	7,654
Loudoun County funds	494,313	-	494,313	-	494,313
Local government funds	695,995	-	695,995	-	695,995
Local private funds	13,000	-	13,000	-	13,000
Facilities in-kind	71,490	-	71,490	-	71,490
Total public support	5,064,761	58,228	5,122,989	-	5,122,989
Revenue					
Ridership contract services	4,220,741	-	4,220,741	-	4,220,741
Ridership management services	34,680	-	34,680	-	34,680
Advertising service	61,752	-	61,752	-	61,752
Rental income	29,255	-	29,255	-	29,255
Reimbursements	7,141	-	7,141	-	7,141
Interest and other	15,565	-	15,565	-	15,565
Special event, net of expenses (\$27,877)	9,369	-	9,369	-	9,369
Gain on sale of facility	-	211,908	211,908	-	211,908
Gain on sale of assets	-	24,272	24,272	-	24,272
Total revenue	4,378,503	236,180	4,614,683	-	4,614,683
Net assets released from restrictions					
Satisfaction of usage restrictions	-	-	-	-	-
Total support and revenue	9,443,264	294,408	9,737,672	-	9,737,672
EXPENSES					
Program Services	7,185,108	563,513	7,748,621	-	7,748,621
Supportive Services					
Management & General	602,924	21,885	624,809	-	624,809
Fundraising	7,396	-	7,396	-	7,396
Total expenses	7,795,428	585,398	8,380,826	-	8,380,826
Changes in net assets	1,647,836	(290,990)	1,356,846	-	1,356,846
Net asset reclassification	1,076,865	(1,076,865)	-	-	-
Property relinquished to DRPT	-	(6,324,282)	(6,324,282)	-	(6,324,282)
Net assets, beginning of year	3,554,365	12,109,098	15,663,463	-	15,663,463
Net assets, end of year	\$ 6,279,066	\$ 4,416,961	\$ 17,020,309	\$ -	\$ 10,696,027

See Notes to Financial Statements.



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