



ITEM ID: 2026-209-0

TRANSMITTAL DATE: May 15, 2026

MEETING DATE: May 22, 2026

TO: Board of Directors

FROM: Tom Schamber, Chief Financial Officer
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SUBJECT: FY2025-26 Working Capital Fund Report, Quarter Ending March 31, 2026

Issue

SCRRA Working Capital Fund Policy - FIN 9.7, as well as executed Member Agency MOUs related thereto, require quarterly reporting of Working Capital Fund (WCF) activity to the SCRRA Board of Directors. This quarterly report and accompanying attachments provide the following information:

1. Summary and project-level detail for WCF advances and repayments;
2. WCF interest income received; and
3. Reconciliation of beginning and ending quarterly WCF balances.

Recommendation

Receive and file.

Strategic Commitment

This report aligns with the Strategic Business Plan commitment of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair, investing in the development of our employees and maintaining fiscal sustainability.

Background

In April of 2024, the SCRRA Board of Directors approved the establishment of the \$50 million Working Capital Fund (WCF). Pursuant to the Policy, the goal of the WCF shall be to begin a separation of Operating and Capital Funds, and to provide liquidity to fund the reimbursement cycle for grant-funded capital projects. Usage of the funds is limited under the Policy to advance fund reimbursable expenses for capital projects for which grants have been awarded. Given the anticipated volume of capital activity, the Working Capital Fund may need to be increased in the future in order to fully separate Operating Funds from Capital Funds.

Member Agencies were invoiced for their respective WCF allocation deposits, based upon Track Miles Owned, in June of 2024. \$50,000,000 has been collected and deposited in a segregated money market demand account at U.S. Bank specifically established for this purpose. Funds in this account are not commingled with Operating Funds, nor are they used for the payment of any expenses pursuant to Third-Party Agreements or any other advance-funded capital project. The WCF is not used for SCRRA on-going operations or operating projects of any kind. Funds are allocated to eligible Capital Program projects on a consolidated basis as incurred. WCF advance and repayment transactions are governed by the Policy and a detailed Standard Operating Procedures document which has been provided to the Member Agencies.

Discussion

Advance and repayment transactions for the Working Capital Fund began in November 2025. Advances taken against the WCF in Q3 FY26 totaled \$31,560,931.69. Collections, or repayments against WCF expenses totaled \$18,753,553.81 for the quarter, for a net advance of \$12,807,377.88; it had been anticipated that collections would lag behind expenses for a time due to the start-up of the grant collections cycle on the new WCF project expenses. These transactions covered activity for 208 eligible projects, including 156 State of Good Repair projects, 26 New Capital and Capital Replacement projects, and 26 SCORE projects. Further detail has been provided in Attachment A.

Fiscal year interest earned on unused WCF balances is returned to the Member Agencies within 90 days after the conclusion of each fiscal year. The total interest earned of \$994,617.90 for FY25 was paid to Member Agencies in August 2025. Interest earned for Q3 FY26 was \$202,160.66. Interest income has declined from prior quarters due to lower market interest rates and lower WCF balances resulting from the commencement of advance activities. Further details of interest earned have been provided in Attachment B.

The WCF ending balance as of March 31, 2026, was \$26,640,688.08, and a summary reconciliation is provided on the next page.

WCF Activity and Balances, Q3 FY26 (\$ in millions)	
Beginning Quarter Balance	\$39.25
Less: Advances Taken	(31.56)
Plus: Collections Received	18.75
Plus: Interest Received	<u>.20</u>
Ending Quarter Balance	\$26.64

Next Steps

The Working Capital Fund report for the quarter ended June 30, 2026, will be provided in September 2026.

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Approved by: Tom Schamber, Chief Financial Officer

Attachment(s)

- [Attachment A - FY26 Q3 WCF Interest Schedule](#)
- [Attachment B - FY26 Q3 WCF Project Schedules](#)
- [Presentation - Working Capital Fund Q3 FY26](#)