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ITEM ID:	**2026-358-0**
TRANSMITTAL DATE:	**November 6, 2026**
MEETING DATE:	**November 13, 2026**
TO:	**Board of Directors**
FROM:	**Tom Schamber, Chief Financial Officer** **--**
SUBJECT:	**FY2026-27 Working Capital Fund Report, Quarter Ending September 30, 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 million 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 Q1 FY27 totaled $20,710,238.17. Collections, or repayments against WCF expenses totaled $15,711,889.31 for the quarter, for a net WCF activities of $(4,998,348.86). Further detail has been provided in Attachment B.

The total interest earned of $1,131,990.23 for FY26 was distributed to Member Agencies in August 2026. Total interest earned for Q1 FY27 was $168,582.82. Interest income has declined from prior quarters due to lower market interest rates and lower WCF balances resulting from the implementation of WCF advance activities. Further details of interest earned have been provided in Attachment A.

The WCF ending balance as of September 30, 2026, was $23,030,046.06, and a summary reconciliation is provided below.

WCF Activity and Balances, Q1 FY27 ($ in millions)	
Beginning Quarter Balance	$28.99
Less: Advances Taken	(20.71)
Plus: Collections Received	15.71
Plus: Interest Received	0.17
Interest Dist. to Member Agency	(1.13)
Ending Quarter Balance	$23.03

Next Steps

The Working Capital Fund report for the quarter ended December 31, 2026 will be provided in February 2027.

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Approved by:	Tom Schamber, Chief Financial Officer

Attachment(s)

Attachment A - Member Agency Allocation of Interest
Attachment B - FY27 Q1 Eligible Capital Project Activity
Presentation - FY27 Q1 Working Capital Fund Report