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ITEM ID: 2026-288-0

TRANSMITTAL DATE: September 18, 2026

MEETING DATE: September 25, 2026

TO: Board of Directors

FROM: Tom Schamber, Chief Financial Officer
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SUBJECT: FY2025-26 Working Capital Fund Report, Quarter Ending June 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. \$50,000,000 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 Q4 FY26 totaled \$24,615,199.12. Collections, or repayments against WCF expenses totaled \$26,801,693.60 for the quarter, for a net WCF repayment of \$ 2,186,494.48. Further detail has been provided in Attachment B.

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 \$1,131,990.23 in FY26 was paid to Member Agencies in August 2026. Interest earned for Q4 FY26 was \$164,619.77. 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 A.

The WCF ending balance as of June 30, 2026, was \$28,991,802.33, and a summary reconciliation is provided below.

WCF Activity and Balances, Q4 FY26 (\$ in millions)	
Beginning Quarter Balance	\$26.64
Less: Advances Taken	(24.62)
Plus: Collections Received	26.80
Plus: Interest Received	.16
Ending Quarter Balance	\$28.99

Next Steps

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

Prepared by: Tom Schamber, Chief Financial Officer

Approved by: Tom Schamber, Chief Financial Officer

Attachment(s)

[Attachment A - Member Agency Allocation of Interest](#)
[Attachment B - FY26 Q4 Eligible Capital Project Activity](#)
[Presentation - FY26 Q4 Working Capital Fund Report](#)