

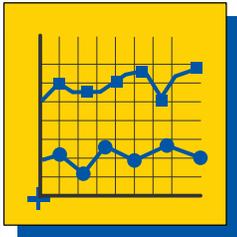
REPORT CARD

First Quarter FY04

October 23, 2003

OVERVIEW

From Virginia's Transportation Commissioner Philip Shucet



Financial Report FY04

Period Ending
August 31, 2003

Cash Balances

Highway Maintenance Fund
• \$70 million
Transportation Trust Fund
• \$150 million
VTA, Toll, Bond and Debt
Service Funds
• \$1 billion

Revenues

Forecasted
• \$390 million
Actual
• \$360 million

Expenditures

Forecasted
• \$580 million
Actual
• \$480 million

Other Financing

(includes payments to/from
federal bonds and other state
agencies)
Forecasted
• \$20 million
Actual
• \$120 million*

*Includes transfers received in
August that were anticipated in
September and October.

VDOT faced four major trials in the first quarter.

- The I-64 pavement situation in Hampton Roads, leading to the resignation of the Chief Engineer of Operations.
- Hurricane Isabel and associated expenses of \$100 million.
- The flooding of the Midtown Tunnel.
- The lack of routine maintenance performed at the Hampton Roads Bridge Tunnel, leading to the resignation of the facility manager.

Despite the trials, progress in delivering more of Virginia's construction program on time was made. Our goal for the year is a modest 40 percent of construction contracts completed on time. For the first quarter of this fiscal year, 15 out of 73 construction contracts scheduled to be completed were on time. An additional 3 contracts scheduled for completion in the

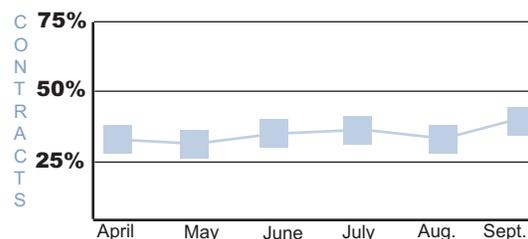
second quarter were finished early. Completing projects on time will continue to be our main focus.

Our performance in project budget compliance continues to improve. The fully implemented Cost Estimating System has produced more accurate budget estimates and greater consistency across the agency in how those estimates are reached.

In the first quarter, cash balances were at expected levels, however the hit to the budget felt by Hurricane Isabel will cause us to take a hard look at our construction, maintenance and administration budgets. Further measures will be necessary in order to maintain sufficient cash flow through the remainder of the year.

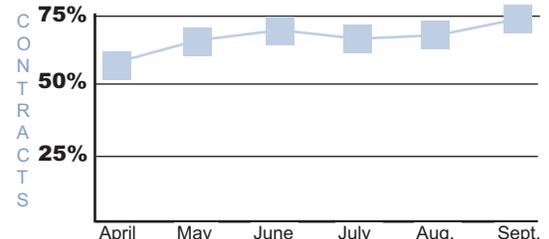
DASHBOARD DEADLINES AND BUDGETS: WORK UNDER WAY

Dashboard Deadlines
as of end of September 2003



■ On schedule

Dashboard Budgets
as of end of September 2003



■ Within budget

How VDOT is Measuring Up

First Quarter Notes

☐ Hurricane Isabel, along with the Sept. 22-23 tornadoes and rains, toppled trees and produced extensive flooding resulting in more than 1,000 primary and secondary road closings. Crews opened 80 percent of those within seven days.

☐ Advertisement for 50 positions across the state requiring PE licenses attracted intense interest. Those positions are expected to be filled by the third quarter.

☐ Agency compliance with environmental specifications in the first quarter was 95.6%. The FY04 Goal is 95%.

☐ PPTA opportunities continue to expand. There are currently 12 projects under consideration. Two new proposals were received: I-495 High Occupancy Toll lanes and the Powhite Parkway Extension.

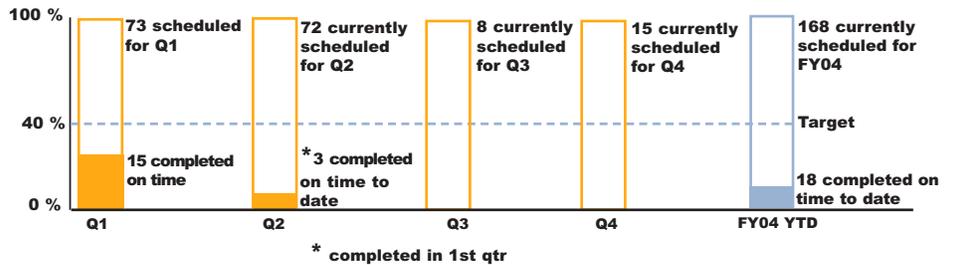
☐ Project managers are now in place for all major transportation projects in Virginia. These managers have been given full authority and responsibility for project schedules, budgets and staff supervision.

☐ VDOT requested \$22 million in unobligated Federal Funds to accelerate construction projects.

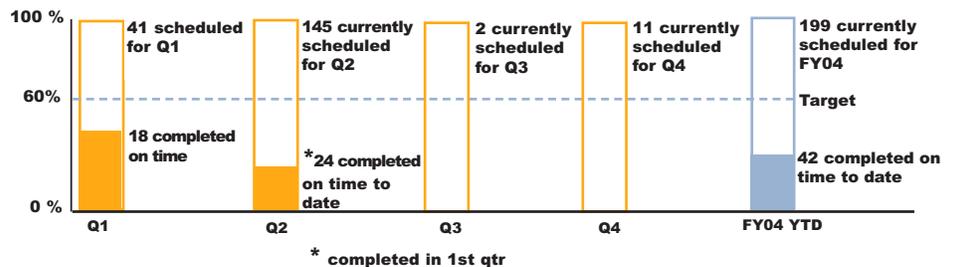
☐ VDOT has secured \$800,000 in federal grants to expand our Disadvantaged Business Enterprise (DBE) program. Included are funds for a youth technical training program and training for Welfare-to-Work participants.



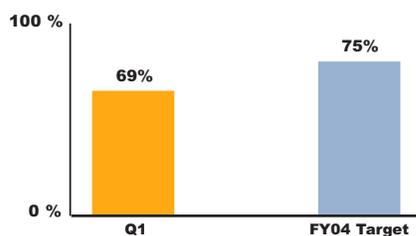
FY04 CONSTRUCTION CONTRACTS: SCHEDULED VS. COMPLETED



FY04 MAINTENANCE CONTRACTS: SCHEDULED VS. COMPLETED

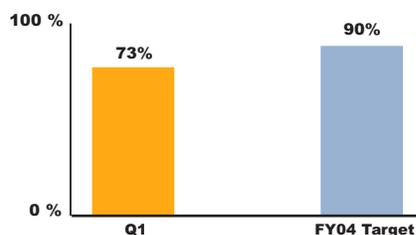


CONSTRUCTION CONTRACTS ON BUDGET



For the first quarter, 22 (69%) construction contracts were within 110% of contract award amount, and 10 (31%) were over.

MAINTENANCE CONTRACTS ON BUDGET



For the first quarter, 27 (73%) of maintenance contracts were within 110% of contract award amount, and 10 (27%) were over.