



Suburban Mobility Authority for Regional Transportation

1st Quarter Financial Report

FY2024 – September 30, 2023

As Presented By:

Finance Department

1st Quarter FY2024 Financial Reports

Submitted By: Ryan Byrne, CFO

1/25/2024

The first quarter financial statement of FY 2024 has been completed. SMART's balance sheet remains stable. As compared to first quarter FY2023, FY2024 total assets for the same period are 4.2% higher. The key individual asset that supports the asset increase is Cash and Cash Equivalents, due to additional efforts to collect grants receivable more timely. Total first quarter FY2024 liabilities (excluding pension and OPEB) are down 11.7% as compared to first quarter FY2023. This overall liability decrease is largely a result of the timing of payments on the Authority's accounts payable. The net asset unrestricted balance remains positive, meaning the authority maintains a surplus of assets over liabilities.

First quarter FY2024, overall revenues compared to FY2024 overall appropriation is below target by approximately 19.09% or \$8.7M. Fare revenue remains lower than pre pandemic levels, as a result of lower ridership. State reimbursements were lower than budget as a result of lower eligible expenditures.

First quarter FY2024, overall actual expenditures compared to FY2024 appropriation for the same time period are currently 19.57% below FY2024 appropriation. Fixed route costs, as well as connector and general administration personal services costs (wages and fringes) are down as compared to current appropriation. This trend is largely due to open fixed route and connector bus positions, and reduced service miles as compared to pre pandemic levels.

I will be available to answer any questions regarding this report at the Board's convenience.

SMART - General
STATEMENT OF REVENUE AND EXPENSES
OPERATIONAL STATEMENT
For the Three Months Ending September 30, 2023

SMART OPERATIONAL INCOME STATEMENT	YTD ACTUAL	YTD BUDGET	VARIANCE	% VARIANCE	FY 2023/24	
					ANNUAL BUDGET	BUDGET REMAINING
REVENUES						
Route Revenue:						
Fare Revenue	\$1,363,916.34	\$1,338,648.00	\$25,268.34	-1.89%	\$5,355,000.00	(\$3,991,083.66)
Mircotransit	70,441.52	50,004.00	20,437.52	-40.87%	200,000.00	(129,558.48)
Total Route Revenue	1,434,357.86	1,388,652.00	45,705.86	-3.29%	5,555,000.00	(4,120,642.14)
Federal Sources:						
Section 5307	3,750,000.00	2,000,001.00	1,749,999.00	-87.50%	8,000,000.00	(\$4,250,000.00)
Other Federal Grants	98,158.83	1,725,003.00	(1,626,844.17)	94.31%	6,900,000.00	(\$6,801,841.17)
Total Federal Sources	3,848,158.83	3,725,004.00	123,154.83	-3.31%	14,900,000.00	(11,051,841.17)
State Sources:						
State Act 51	3,106,862.00	11,250,000.00	(8,143,138.00)	72.38%	45,000,000.00	(\$41,893,138.00)
Other State Revenue	35,383.65	40,875.00	(5,491.35)	13.43%	163,500.00	(128,116.35)
Total State Sources	3,142,245.65	11,790,876.00	(8,648,630.35)	73.35%	47,163,500.00	(44,021,254.35)
Local Sources:						
Contributions from Local Transit Authorities	23,721,249.99	23,721,249.00	0.99	0.00%	94,885,000.00	(\$71,163,750.01)
Total From Local Sources	23,683,749.99	23,683,749.00	0.99	0.00%	94,735,000.00	(71,051,250.01)
Other Income:						
Advertising	162,702.70	250,002.00	(87,299.30)	34.92%	1,000,000.00	(\$837,297.30)
Rental Income	9,949.14	7,497.00	2,452.14	-32.71%	30,000.00	(\$20,050.86)
Interest Income	2,011,212.56	1,125,000.00	886,212.56	-78.77%	4,500,000.00	(\$2,488,787.44)
Fleet Maint Reimbursement	41,542.09	38,751.00	2,791.09	-7.20%	155,000.00	(\$113,457.91)
Admin Fees Revenue	145,514.82	142,749.00	2,765.82	-1.94%	571,000.00	(\$425,485.18)
Miscellaneous	104,191.37	70,521.00	33,670.37	-47.75%	282,100.00	(\$177,908.63)
Local Comm Transit Operating Rev	44,156.39	44,253.00	(96.61)	0.22%	177,000.00	(\$132,843.61)
Total Other Income	2,519,269.07	2,178,774.00	340,495.07	-15.63%	8,715,100.00	(6,195,830.93)
Restricted Pass Through Revenue (Exp Match):	2,307,210.86	2,883,996.00	(576,785.14)	20.00%	11,536,000.00	(\$9,228,785.14)
TOTAL REVENUES	36,934,992.26	45,651,051.00	(8,716,058.74)	19.09%	182,604,600.00	(145,669,607.74)

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SMART OPERATIONAL INCOME STATEMENT	YTD ACTUAL	YTD BUDGET	VARIANCE	% VARIANCE	FY 2023/24	
					ANNUAL BUDGET	BUDGET REMAINING
EXPENSES						
WAGE AND WAGE RELATED EXPENSES:						
ACTIVE EMPLOYEES:						
Active Salaries, Wages & Taxes						
Administrative	1,961,806.62	2,371,161.00	409,354.38	17.26%	9,621,332.00	7,659,525.38
Operations	7,816,674.78	12,138,596.00	4,321,921.22	35.60%	48,592,588.00	40,775,913.22
Maintenance	2,374,903.31	3,384,713.00	1,009,809.69	29.83%	13,522,707.00	11,147,803.69
Total Active Salaries, Wages, Taxes % of Total Revenue	12,153,384.71	17,894,470.00	5,741,085.29	32.08%	71,736,627.00	59,583,242.29
Active Employee Benefits:						
Hospitalization/Medical	2,453,324.04	3,042,093.00	235,484.27	7.74%	12,168,330.00	9,361,721.27
Life, AD&D, Drug, Dental, Optical	261,392.62	319,038.00	57,645.38	18.07%	1,276,140.00	1,014,747.38
Other Employee Benefits	101,959.39	129,084.00	27,124.61	21.01%	516,320.00	414,360.61
Workers Compensation	419,001.00	321,597.00	(97,404.00)	-30.29%	1,286,370.00	867,369.00
Health Care Saving Plan	206,653.32	349,587.00	142,933.68	40.89%	1,398,351.00	1,191,697.68
FICA	903,383.61	1,186,974.00	283,590.39	23.89%	4,747,900.00	3,844,516.39
Pension Funding	4,544.59	2,792,871.00	2,788,326.41	99.84%	11,171,470.00	11,166,925.41
Total Active Employee Benefits	4,350,258.57	7,443,009.00	2,739,465.74	36.81%	29,771,939.00	25,421,680.43
% of Total Active Wages	36%	42%				
Total Active Employee Wages & Benefits:	16,503,643.28	25,337,479.00	8,480,551.03	7.80%	101,508,566.00	85,004,922.72
RETIRED EMPLOYEES:						
Post Employment Benefits:						
OPEB Net Unfunded Obligation	3,454,545.33	4,999,999.00	(1,454,546.33)	30.91%	8,000,000.00	4,545,454.67
Retiree Medical & Drug Premiums	1,771,962.12	2,248,689.00	476,726.88	21.20%	8,994,760.00	7,222,797.88
Total Post Retirement	5,226,507.45	7,248,688.00	(977,819.45)	-13.49%	16,994,760.00	11,768,252.55
Total Wage & Wage Related Expenses	21,730,150.73	\$ 32,586,167	\$ 7,502,732	23.02%	\$ 118,503,326	\$ 96,773,175

SMART - General
STATEMENT OF REVENUE AND EXPENSES
OPERATIONAL STATEMENT
For the Three Months Ending September 30, 2023

SMART OPERATIONAL INCOME STATEMENT	YTD ACTUAL	YTD BUDGET	VARIANCE	% VARIANCE	FY 2023/24	
					ANNUAL BUDGET	BUDGET REMAINING
Operations:						
Operational Expenses						
Direct Variable (Vehicle):						
Diesel Fuels	1,551,962.87	2,346,201.00	794,238.13	33.85%	9,384,823.00	7,832,860.13
Gas, Oil, Lubricants, Etc.	172,067.57	136,497.00	(35,570.57)	-26.06%	546,000.00	373,932.43
Repair Parts	984,616.14	875,004.00	(109,612.14)	-12.53%	3,500,000.00	2,515,383.86
Leased Batteries	140,000.00	35,001.00	(104,999.00)	-299.99%	140,000.00	
Tires	296,094.21	319,251.00	23,156.79	7.25%	1,277,000.00	980,905.79
Vehicle Liability	3,671,549.06	2,475,243.00	(1,196,306.06)	-48.33%	9,901,000.00	6,229,450.94
Bus Contract Repairs-Maintenance	557,571.93	391,551.00	(166,020.93)	-42.40%	1,566,200.00	1,008,628.07
Towing	42,658.00	45,747.00	3,089.00	6.75%	183,000.00	140,342.00
Other Repair Parts	2,403.86	14,997.00	12,593.14	83.97%	60,000.00	57,596.14
Total Direct Variable (Vehicle)	7,418,923.64	6,650,742.00	(768,181.64)	-11.55%	26,603,023.00	19,184,099.36
Microtransit	2,015,267.99	1,673,748.00	(341,519.99)	-20.40%	6,695,000.00	4,679,732.01
Indirect Variable:						
Fare Collection Costs	46,636.44	135,696.00	89,059.56	65.63%	542,800.00	496,163.56
Route Facilities Maint.	36,335.70	157,077.00	120,741.30	76.87%	628,300.00	591,964.30
Other-Operational	80,816.76	119,004.00	38,187.24	32.09%	476,000.00	395,183.24
Total Indirect Variable	163,788.90	411,777.00	247,988.10	60.22%	1,647,100.00	1,483,311.10
Facilities:						
Utilities	353,530.85	442,626.00	89,095.15	20.13%	1,770,540.00	1,417,009.15
Contract Bldg Maint	256,055.62	298,002.00	41,946.38	14.08%	1,192,000.00	935,944.38
Building Maint	18,456.41	65,067.00	46,610.59	71.63%	260,300.00	241,843.59
Other-Maintenance	62,974.63	87,093.00	24,118.37	27.69%	348,400.00	285,425.37
Business Insurance	23,058.24	24,600.00	1,541.76	6.27%	98,400.00	75,341.76
Total Facilities	714,075.75	917,388.00	203,312.25	22.16%	3,669,640.00	2,955,564.25
Total Operational Expenses	\$ 10,312,056	\$ 9,653,655	\$ (658,401)	-6.82%	\$ 38,614,763	\$ 28,302,707

SMART - General
STATEMENT OF REVENUE AND EXPENSES
OPERATIONAL STATEMENT
For the Three Months Ending September 30, 2023

SMART OPERATIONAL INCOME STATEMENT	YTD ACTUAL	YTD BUDGET	VARIANCE	% VARIANCE	FY 2023/24	
					ANNUAL BUDGET	BUDGET REMAINING
Administration, Other, Contingency:						
Administration						
General Supplies	53,401.07	114,504.00	61,102.93	53.36%	457,950.00	404,548.93
Professional, Outside Serv	573,450.98	737,829.00	164,378.02	22.28%	2,951,300.00	2,377,849.02
Outside Counsel-non V/L & W/C	73,813.21	137,499.00	63,685.79	46.32%	550,000.00	476,186.79
Civil Settlements	-	24,999.00	24,999.00	100.00%	100,000.00	100,000.00
Computer Maint	31,814.29	234,249.00	202,434.71	86.42%	937,000.00	905,185.71
Marketing Expense	49,965.62	643,251.00	593,285.38	92.23%	2,573,000.00	2,523,034.38
Other Administration	159,531.28	243,780.00	88,331.44	36.23%	975,151.00	819,702.44
Total Administration	941,976.45	\$ 2,136,111	\$ 1,198,217	56.09%	\$ 8,544,401	\$ 7,602,425
Contingency	7,033.42	\$ 450,000	\$ 450,000	100.00%	\$ 1,800,000	\$ 1,792,967
Other						
Vehicle Purchase Expense	-	249,999.00	249,999.00	100.00%	1,000,000.00	1,000,000.00
Depreciation-Eligible	62,700.00	62,499.00	(201.00)	-0.32%	250,000.00	187,300.00
Total Other	62,630.13	\$ 312,498	\$ 249,867	79.96%	\$ 1,250,000	\$ 1,187,370
Community Partner						
Community Credit Exp.	1,080,156.00	1,080,162.00	6.00	0.00%	4,320,650.00	3,240,494.00
POS, Comm Transit Svc & Alloc Overhead	299,585.82	296,673.00	(2,912.82)	-0.98%	1,186,700.00	887,114.18
Total Special Services	1,379,741.82	\$ 1,376,835	\$ (2,907)	-0.21%	\$ 5,507,350	\$ 4,127,608
Restricted Pass Through Expense (Rev. Match)	2,307,210.86	2,883,999.00	576,788.14	20.00%	11,536,000.00	9,228,789.14
Total Community Partner	\$ 3,686,953	\$ 4,260,834	\$ 573,881	13.47%	\$ 17,043,350	\$ 13,356,397
TOTAL EXPENSES (Wages & Operational)	\$ 36,740,800	\$ 49,399,265	\$ 9,316,296	18.86%	\$ 185,755,840	\$ 149,015,040
NET INCOME (LOSS)	\$ 194,193	\$ (3,748,214)	\$ 3,942,407			

Q1 Operational Expense - Community Partner

FY 2023/24

SMART OPERATIONAL INCOME STATEMENT	YTD ACTUAL	YTD BUDGET	VARIANCE	% VARIANCE	ANNUAL BUDGET	BUDGET REMAINING
Community Partner						
Community Credit Exp.	1,080,156.00	1,080,162.00	6.00	0.00%	4,320,650.00	3,240,494.00
POS, Comm Transit Svc & Alloc Overhead	299,585.82	296,673.00	(2,912.82)	-0.98%	1,186,700.00	887,114.18
Total Special Services	1,379,741.82	\$ 1,376,835	\$ (2,907)	-0.21%	\$ 5,507,350	\$ 4,127,608
Restricted Pass Through Expense (Rev. Match)	2,307,210.86	2,883,999.00	576,788.14	20.00%	11,536,000.00	9,228,789.14
Total Community Partner	\$ 3,686,953	\$ 4,260,834	\$ 573,881	13.47%	\$ 17,043,350	\$ 13,356,397
TOTAL EXPENSES (Wages & Operational)	\$ 36,740,800	\$ 49,399,265	\$ 9,316,296	18.86%	\$ 185,755,840	\$ 149,015,040
NET INCOME (LOSS)	\$ 194,193	\$ (3,748,214)	\$ 3,942,407			

SMART FUNCTIONAL INCOME STATEMENT	1st Quarter FY 2023/24			
	ACTUAL	BUDGET	\$\$ VARIANCE FAV(UNFAV)	% VARIANCE
REVENUES				
FEDERAL OPERATING REVENUE				
Section 5307 & 5309	\$3,750,000.00	\$2,000,001.00	1,749,999.00	87.50%
Other Federal Grants	98,158.83	1,725,003.00	(1,626,844.17)	-94.31%
Total Federal Operating Revenue	3,848,158.83	3,725,004.00	123,154.83	-3.31%
STATE OF MICHIGAN				
Act 51	3,106,862.00	11,250,000.00	(8,143,138.00)	72.38%
State PM Revenue	-	500,001.00	(500,001.00)	100.00%
Other State Grant	35,383.65	40,875.00	(5,491.35)	13.43%
Total State Operating Revenue	3,142,245.65	11,790,876.00	(8,648,630.35)	-73.35%
LOCAL CONTRIBUTION				
Contribution From County Transit Authorities	23,721,249.99	23,721,249.00	0.99	0.00%
Contra Revenue - Local Contribution	(37,500.00)	(37,500.00)		0.00%
Total Local Contribution Revenue	23,683,749.99	23,683,749.00	0.00	0.00%
Local Comm Stabilization	-	500,001.00	(500,001.00)	100.00%
OPERATIONS:				
Fixed Route	1,559,984.58	1,560,423.00	(438.42)	0.03%
Connector	124,102.87	140,499.00	(16,396.13)	11.67%
Mircotransit	70,441.52	50,004.00	20,437.52	-40.87%
Admin Fee Revenue	145,514.82	142,749.00	2,765.82	-1.94%
Interest Revenue	2,011,212.56	1,125,000.00	886,212.56	-78.77%
Fleet Maint Reimbursement	41,542.09	38,751.00	2,791.09	-7.20%
Other Revenues	828.49	9,999.00	(9,170.51)	91.71%
Restricted Revenue	2,307,210.86	2,883,996.00	(576,785.14)	20.00%
Total Operating Revenues	\$ 36,934,992	\$ 45,651,051	\$ (8,716,059)	-19.1%
OPERATING EXPENSES				
FUNCTIONAL OPERATIONS:				
Fixed Route	17,301,855.02	24,925,447.00	7,623,591.98	30.61%
Connector	3,833,390.65	5,513,130.00	1,679,739.35	30.47%
Microtransit	2,015,267.99	1,673,748.00	(341,519.99)	-20.40%
General Administration	9,777,195.84	12,263,608.00	2,486,412.16	-18.50%
Community Credits	1,080,156.00	1,080,162.00	6.00	0.00%
Vehicle Purchase Expense	-	249,999.00	249,999.00	100.00%
Purchase of Service	200,991.00	172,923.00	(28,068.00)	-16.23%
Community Transit Service	154,998.91	123,750.00	(31,248.91)	-25.25%
Depreciation	62,700.00	62,499.00	(201.00)	-0.32%
Contingency	7,033.42	450,000.00	442,966.58	100.00%
Restricted Expenses	2,307,210.86	2,883,999.00	576,788.14	20.00%
Total Operating Expenses	\$ 36,740,800	\$ 49,399,265	\$ 12,658,465	25.6%
Operating Revenues over (under) Expenses	\$ 194,193	\$ (3,748,214)	\$ 3,942,407	

SMART
Balance Sheet - Summary of All Funds
For the Three Months Ending September 30, 2023

SMART BALANCE SHEET	FY2024	FY2023	Y/E FY2023
ASSETS			
Current Assets			
Cash and Cash Equivalents	147,412,416.27	130,596,787.20	170,036,384.50
Investments	16,933,732.77	16,563,442.00	16,839,043.16
Receivables:			
Accrued Interest Receivable	25,397.92	25,397.92	28,152.40
Grants Receivable	28,961,936.79	25,305,461.14	29,857,909.36
Local Contributions Receivable	21,007,011.88	18,537,125.99	544,623.16
Other Receivables	1,048,112.46	1,419,419.43	1,390,965.71
Materials and Supplies Inventory	3,158,677.99	3,037,048.56	3,362,055.78
Prepaid Expenses	2,487,396.19	2,439,042.16	361,223.30
Total Current Assets	221,034,682.27	197,923,724.40	222,420,357.37
Noncurrent Assets			
Cash Restricted for Re-Investment	69,866.97	121,707.70	69,866.97
Capital Assets, net	157,039,595.83	165,006,733.61	154,167,363.74
Total Noncurrent Assets	157,109,462.80	165,128,441.31	154,237,230.71
Total Assets	\$ 378,144,145	\$ 363,052,166	\$ 376,657,588
Deferred Outflows of Resources			
Deferred Outflows-Pension	43,704,696.01	17,868,658.00	43,704,696.01
Deferred Outflows-OPEB	7,828,435.00	15,994,171.00	7,828,435.00
Total Deferred Outflows	51,533,131.01	33,862,829.00	51,533,131.01
Total Assets and Deferred Outflows	\$ 429,677,276	\$ 396,914,995	\$ 428,190,719
LIABILITIES AND NET ASSETS			
Current Liabilities			
Municipal and Community Credits Payable	8,998,578.34	7,765,326.33	7,823,014.00
Accounts Payable under POS agreements	2,571,401.80	4,253,518.47	1,357,809.05
Accrued Self Insurance	10,790,402.68	14,661,746.68	10,669,416.00
Payable to the State of Michigan	133,869.01	3,742,124.49	25,737.01
Accounts Payable and Accrued Expenses	11,975,600.96	9,019,030.56	13,484,985.71
Accrued Compensation	4,826,948.88	5,048,230.05	4,513,901.97
Total Current Liabilities	39,296,801.67	44,489,974.58	40,867,331.74
Noncurrent Liabilities			
Net OPEB Obligation	18,019,185.47	58,422,140.79	18,019,185.47
Net Pension Obligation	76,631,122.14	37,903,252.58	76,631,122.14
Lease Liability	3,019,879.00	1,973,198.00	3,019,879.00
Total Liabilities	136,966,988.28	142,788,565.95	138,537,518.35
Deferred Inflows of Resources			
Deferred Inflows-OPEB	49,841,792.00	35,409,767.00	49,841,792.00
Deferred Inflows-Pension	15,592,907.08	20,285,642.41	15,592,907.08
Deferred Inflows-Lessor	498,439.00	550,287.00	498,439.00
Total Deferred Inflows	65,933,138.08	56,245,696.41	65,933,138.08
Total Liabilities and Deferred Inflows	202,900,126.36	199,034,262.36	204,470,656.43
RETAINED EARNINGS			
Net Position:			
Invested in Capital Assets, net of related debt	157,039,595.83	165,006,733.61	154,167,363.74
Restricted	69,866.97	121,707.70	69,866.97
Unrestricted	87,686,872.39	91,174,431.83	87,502,017.42
Total Net Position	226,777,149.72	197,880,732.35	223,720,062.66
Total Liabilities and Net Position	363,744,138.00	340,669,298.30	362,257,581.01
Total Liabilities, Deferred Inflows and Net Position	\$ 429,677,276	\$ 396,914,995	\$ 428,190,719