



Suburban Mobility Authority for Regional Transportation

2nd Quarter Financial Report

FY2024 – December 31, 2023

As Presented By:

Finance Department

2nd Quarter FY2024 Financial Reports

Submitted By: Ryan Byrne, CFO

2/22/2024

The second quarter financial statement of FY 2024 has been completed. SMART's balance sheet remains stable. As compared to second quarter FY2023, FY2024 total assets for the same period are 4.3% 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 second quarter FY2024 liabilities (excluding pension and OPEB) are down 3.7% as compared to second 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.

Second quarter FY2024, overall revenues compared to FY2024 overall appropriation is below target by approximately 16.27% or \$14.8M. 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.

Second quarter FY2024, overall actual expenditures compared to FY2024 appropriation for the same time period are currently 25.77% 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
Balance Sheet - Summary of All Funds
For the Six Months Ending December 31, 2023

SMART BALANCE SHEET	FY2024	FY2023	Y/E FY2023
ASSETS			
Current Assets			
Cash and Cash Equivalents	140,872,960.82	112,498,707.26	170,036,384.50
Investments	17,364,531.65	16,692,240.28	16,839,043.16
Receivables:			
Accrued Interest Receivable	13,235.73	27,936.87	28,152.40
Grants Receivable	26,359,631.18	30,723,348.32	29,857,909.36
Local Contributions Receivable	35,854,904.72	37,602,299.69	544,623.16
Other Receivables	1,256,796.60	966,804.62	1,390,965.71
Materials and Supplies Inventory	2,791,684.13	3,034,002.18	3,362,055.78
Prepaid Expenses	2,008,574.71	2,098,287.66	361,223.30
Total Current Assets	226,522,319.54	203,643,626.88	222,420,357.37
Noncurrent Assets			
Cash Restricted for Re-Investment	69,866.97	121,707.70	69,866.97
Capital Assets, net	161,316,738.59	168,044,659.33	154,167,363.74
Total Noncurrent Assets	161,386,605.56	168,166,367.03	154,237,230.71
Total Assets	\$ 387,908,925	\$ 371,809,994	\$ 376,739,765
Deferred Outflows of Resources			
Deferred Outflows-Pension	28,111,788.93	17,868,658.00	28,111,788.93
Deferred Outflows-OPEB	7,828,435.00	15,994,171.00	7,828,435.00
Total Deferred Outflows	35,940,223.93	33,862,829.00	35,940,223.93
Total Assets and Deferred Outflows	\$ 423,849,149	\$ 405,672,823	\$ 412,679,989
LIABILITIES AND NET ASSETS			
Current Liabilities			
Municipal and Community Credits Payable	9,704,896.28	8,094,226.36	7,823,014.00
Accounts Payable under POS agreements	3,966,478.48	3,472,826.19	1,357,809.05
Accrued Self Insurance	10,811,259.18	14,534,480.07	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	10,569,445.81	7,546,444.86	13,484,985.71
Accrued Compensation	4,684,218.94	4,027,812.61	4,513,901.97
Total Current Liabilities	39,994,034.70	41,520,390.58	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	2,704,306.00	1,973,198.00	3,019,879.00
Total Liabilities	137,348,648.31	139,818,981.95	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-Lessor	479,331.00	550,287.00	498,439.00
Total Deferred Inflows	50,321,123.00	56,245,696.41	50,340,231.00
Total Liabilities and Deferred Inflows	187,669,771.31	196,064,678.36	188,877,749.35
RETAINED EARNINGS			
Net Position:			
Invested in Capital Assets, net of related debt	161,316,738.59	168,044,659.33	154,167,363.74
Restricted	69,866.97	121,707.70	69,866.97
Unrestricted	74,792,772.16	41,441,777.52	69,482,831.95
Total Net Position	236,179,377.72	209,608,144.55	223,720,062.66
Total Liabilities and Net Position	373,528,026.03	349,427,126.50	362,257,581.01
Total Liabilities, Deferred Inflows and Net Position	\$ 423,849,149	\$ 405,672,823	\$ 412,679,989

SMART - General
 STATEMENT OF REVENUE AND EXPENSES
 OPERATIONAL STATEMENT
 For the Six Months Ending December 31, 2023

SMART OPERATIONAL INCOME STATEMENT	YTD ACTUAL	YTD BUDGET	VARIANCE	% VARIANCE	FY 2023/24	
					ANNUAL BUDGET	BUDGET REMAINING
REVENUES						
Route Revenue:						
Fare Revenue	\$2,748,576.27	\$2,677,296.00	\$71,280.27	-2.66%	\$5,355,000.00	(\$2,606,423.73)
Mircotransit	164,494.27	100,008.00	64,486.27	-64.48%	200,000.00	(35,505.73)
Total Route Revenue	2,913,070.54	2,777,304.00	135,766.54	-4.89%	5,555,000.00	(2,641,929.46)
Federal Sources:						
Section 5307	222,194.76	3,450,006.00	(3,227,811.24)	93.56%	8,000,000.00	(\$6,677,805.24)
Other Federal Grants	4,024,566.77	4,000,000.00	24,566.77	6.25%	6,900,000.00	(\$3,975,433.23)
Total Federal Sources	4,246,761.53	7,450,006.00	(3,203,244.47)	43.00%	14,900,000.00	(10,653,238.47)
State Sources:						
State Act 51	15,370,235.00	22,500,000.00	(7,129,765.00)	31.69%	45,000,000.00	(\$29,629,765.00)
Other State Revenue	908,892.37	1,081,746.00	(172,853.63)	15.98%	163,500.00	745,392.37
Total State Sources	16,279,127.37	23,581,746.00	(7,302,618.63)	30.97%	47,163,500.00	(30,884,372.63)
Local Sources:						
Contributions from Local Transit Authorities	41,625,554.56	47,442,498.00	(5,816,943.44)	12.26%	94,885,000.00	(\$53,259,445.44)
Total From Local Sources	41,550,554.56	47,367,498.00	(5,816,943.44)	12.28%	94,735,000.00	(53,184,445.44)
Other Income:						
Advertising	334,104.70	500,004.00	(165,899.30)	33.18%	1,000,000.00	(\$665,895.30)
Rental Income	31,176.65	14,994.00	16,182.65	-107.93%	30,000.00	\$1,176.65
Interest Income	4,239,772.17	2,250,000.00	1,989,772.17	-88.43%	4,500,000.00	(\$260,227.83)
Fleet Maint Reimbursement	83,562.13	77,502.00	6,060.13	-7.82%	155,000.00	(\$71,437.87)
Admin Fees Revenue	292,032.01	285,498.00	6,534.01	-2.29%	571,000.00	(\$278,967.99)
Miscellaneous	487,426.88	141,042.00	346,384.88	-53.43%	282,100.00	\$205,326.88
Local Comm Transit Operating Rev	88,312.78	1,088,508.00	(1,000,195.22)	100.22%	2,177,000.00	(\$2,088,687.22)
Local Comm Stabilization						
Total Other Income	5,556,387.32	4,357,548.00	1,198,839.32	-27.51%	8,715,100.00	(3,158,712.68)
Restricted Pass Through Revenue (Exp Match):	5,900,624.14	5,767,992.00	132,632.14	-2.30%	11,536,000.00	(\$5,635,375.86)
TOTAL REVENUES	76,446,525.46	91,302,094.00	(14,855,568.54)	16.27%	182,604,600.00	(106,158,074.54)

SMART - General
STATEMENT OF REVENUE AND EXPENSES
OPERATIONAL STATEMENT
For the Six Months Ending December 31, 2023

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	4,017,916.81	4,742,321.00	724,404.19	15.28%	9,621,332.00	5,603,415.19
Operations	15,919,119.81	24,277,198.00	8,358,078.19	34.43%	48,592,588.00	32,673,468.19
Maintenance	4,797,421.61	6,769,431.00	1,972,009.39	29.13%	13,522,707.00	8,725,285.39
Total Active Salaries, Wages, Taxes % of Total Revenue	24,734,458.23	35,788,950.00	11,054,491.77	30.89%	71,736,627.00	47,002,168.77
Active Employee Benefits:						
Hospitalization/Medical	5,223,380.23	6,084,186.00	860,805.77	2.31%	12,168,330.00	6,944,949.77
Life, AD&D, Drug, Dental, Optical	522,995.37	638,076.00	115,080.63	18.04%	1,276,140.00	753,144.63
Other Employee Benefits	197,752.93	258,168.00	60,415.07	23.40%	516,320.00	318,567.07
Workers Compensation	838,002.00	643,194.00	(194,808.00)	-30.29%	1,286,370.00	448,368.00
Health Care Saving Plan	465,757.00	699,174.00	233,417.00	33.38%	1,398,351.00	932,594.00
FICA	1,888,606.94	2,373,948.00	485,341.06	20.44%	4,747,900.00	2,859,293.06
Pension Funding	6,057.28	5,585,742.00	5,579,684.72	99.89%	11,171,470.00	11,165,412.72
Total Active Employee Benefits	9,142,551.75	14,886,018.00	5,743,466.25	38.58%	29,771,939.00	20,629,387.25
% of Total Active Wages	37%	42%				
Total Active Employee Wages & Benefits:	33,877,009.98	50,674,968.00	16,797,958.02	33.15%	101,508,566.00	67,631,556.02
RETIRED EMPLOYEES:						
Post Employment Benefits:						
OPEB Net Unfunded Obligation	3,636,363.33	5,999,998.00	2,363,634.67	39.39%	8,000,000.00	4,363,636.67
Retiree Medical & Drug Premiums	2,937,593.70	4,497,378.00	1,559,784.30	34.68%	8,994,760.00	6,057,166.30
Total Post Retirement	6,573,957.03	10,497,376.00	3,923,418.97	37.38%	16,994,760.00	10,420,802.97
Total Wage & Wage Related Expenses	40,450,967.01	\$ 61,172,344	\$ 20,721,377	33.87%	\$ 118,503,326	\$ 78,052,359

SMART - General
 STATEMENT OF REVENUE AND EXPENSES
 OPERATIONAL STATEMENT
 For the Six Months Ending December 31, 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	3,044,016.07	4,692,402.00	1,648,385.93	35.13%	9,384,823.00	6,340,806.93
Gas, Oil, Lubricants, Etc.	242,922.51	272,994.00	30,071.49	11.02%	546,000.00	303,077.49
Repair Parts	2,118,673.03	1,750,008.00	(368,665.03)	-21.07%	3,500,000.00	1,381,326.97
Leased Batteries		70,002.00	70,002.00	100.00%	140,000.00	140,000.00
Tires	610,276.29	638,502.00	28,225.71	4.42%	1,277,000.00	666,723.71
Vehicle Liability	5,843,560.22	4,950,486.00	(893,074.22)	-18.04%	9,901,000.00	4,057,439.78
Bus Contract Repairs-Maintenance	693,052.73	783,102.00	90,049.27	11.50%	1,566,200.00	873,147.27
Towing	120,817.00	91,494.00	(29,323.00)	-32.05%	183,000.00	62,183.00
Other Repair Parts	9,523.91	29,994.00	20,470.09	68.25%	60,000.00	50,476.09
Total Direct Variable (Vehicle)	12,682,841.76	13,301,484.00	618,642.24	4.65%	26,603,023.00	13,920,181.24
Microtransit	3,383,542.87	3,347,496.00	(36,046.87)	-1.08%	6,695,000.00	3,311,457.13
Indirect Variable:						
Fare Collection Costs	171,793.39	271,392.00	99,598.61	36.70%	542,800.00	371,006.61
Route Facilities Maint.	79,633.76	314,154.00	234,520.24	74.65%	628,300.00	548,666.24
Other-Operational	113,197.51	238,008.00	124,810.49	52.44%	476,000.00	362,802.49
Total Indirect Variable	364,624.66	823,554.00	458,929.34	55.73%	1,647,100.00	1,282,475.34
Facilities:						
Utilities	533,257.88	885,252.00	351,994.12	39.76%	1,770,540.00	1,237,282.12
Contract Bldg Maint	438,270.31	596,004.00	157,733.69	26.47%	1,192,000.00	753,729.69
Building Maint	58,750.05	130,134.00	71,383.95	54.85%	260,300.00	201,549.95
Other-Maintenance	184,637.33	174,186.00	(10,451.33)	-6.00%	348,400.00	163,762.67
Business Insurance	46,116.48	49,200.00	3,083.52	6.27%	98,400.00	52,283.52
Total Facilities	1,261,032.05	1,834,776.00	573,743.95	31.27%	3,669,640.00	2,408,607.95
Total Operational Expenses	\$ 17,692,041	\$ 19,307,310	\$ 1,615,269	8.37%	\$ 38,614,763	\$ 20,922,722

SMART - General
STATEMENT OF REVENUE AND EXPENSES
OPERATIONAL STATEMENT
For the Six Months Ending December 31, 2023

SMART OPERATIONAL INCOME STATEMENT	YTD ACTUAL	YTD BUDGET	VARIANCE	% VARIANCE	FY 2023/24	
					ANNUAL BUDGET	BUDGET REMAINING
Administration, Other, Contingency:						
Administration						
General Supplies	133,400.74	229,008.00	95,607.26	41.75%	457,950.00	324,549.26
Professional, Outside Serv	1,531,479.00	1,575,660.00	44,181.00	2.80%	2,951,300.00	1,515,821.00
Outside Counsel-non V/L & W/C	91,720.92	274,998.00	183,277.08	66.65%	550,000.00	458,279.08
Civil Settlements	1,500.00	49,998.00	48,498.00	97.00%	100,000.00	98,500.00
Computer Maint	911,637.86	468,498.00	(443,139.86)	-94.59%	937,000.00	25,362.14
Marketing Expense	254,006.94	1,286,502.00	1,032,495.06	80.26%	2,573,000.00	2,318,993.06
Other Administration	280,142.33	487,546.00	208,351.21	42.73%	975,151.00	695,948.21
Total Administration	3,203,887.79	\$ 4,372,210	\$ 1,169,270	26.74%	\$ 8,544,401	\$ 5,340,513
Contingency						
	19,912.42	\$ 900,000	\$ 880,088	97.79%	\$ 1,800,000	\$ 1,780,088
Other						
Vehicle Purchase Expense	-	499,998.00	499,998.00	100.00%	1,000,000.00	1,000,000.00
Depreciation-Eligible	389,590.00	124,998.00	(264,592.00)	-211.68%	250,000.00	(139,590.00)
Total Other	415,118.11	\$ 624,996	\$ 209,878	33.58%	\$ 1,250,000	\$ 834,882
Community Partner						
Community Credit Exp.	2,160,312.00	2,160,324.00	12.00	0.00%	4,320,650.00	2,160,338.00
POS, Comm Transit Svc & Alloc Overhead	600,174.01	593,346.00	(6,828.01)	-1.15%	1,186,700.00	586,525.99
Total Special Services	2,760,486.01	\$ 2,753,670	\$ (6,816)	-0.25%	\$ 5,507,350	\$ 2,746,864
Restricted Pass Through Expense (Rev. Match)	5,900,624.14	5,767,992.00	(132,632.14)	-2.30%	11,536,000.00	5,635,375.86
Total Community Partner	\$ 8,661,110	\$ 8,521,662	\$ (139,448)	-1.64%	\$ 17,043,350	\$ 8,382,240
TOTAL EXPENSES (Wages & Operational)	\$ 70,443,037	\$ 94,898,522	\$ 24,456,433	25.77%	\$ 185,755,840	\$ 115,312,803
NET INCOME (LOSS)	\$ 6,003,489	\$ (3,596,428)	\$ 9,599,917			

SMART FUNCTIONAL INCOME STATEMENT	2nd Quarter FY 2023/24			
	ACTUAL	BUDGET	\$\$ VARIANCE FAV(UNFAV)	% VARIANCE
REVENUES				
FEDERAL OPERATING REVENUE				
Section 5307 & 5309	\$222,194.76	\$3,450,006.00	(3,227,811.24)	93.56%
Other Federal Grants	4,024,566.77	4,000,000.00	24,564.77	-0.61%
Total Federal Operating Revenue	4,246,761.53	7,450,006.00	(3,203,246.47)	-3.31%
STATE OF MICHIGAN				
Act 51	15,370,235.00	22,500,000.00	(7,129,765.00)	31.69%
Other State Grant	908,892.37	1,081,746.00	(172,853.63)	15.98%
Total State Operating Revenue	16,279,127.37	23,581,746.00	(7,302,618.63)	-30.97%
LOCAL CONTRIBUTION				
Contribution From County Transit Authorities	41,625,554.56	47,442,498.00	(5,816,943.44)	12.26%
Total Local Contribution Revenue	41,550,554.56	47,367,498.00	0.00	0.00%
Local Comm Stabilization	-	1,000,000.00	(1,000,000.00)	100.00%
OPERATIONS:				
Fixed Route	3,149,477.52	3,120,848.00	28,631.52	-0.92%
Connector	268,269.27	280,998.00	(12,728.73)	4.53%
Mircotransit	164,494.27	100,008.00	64,486.27	-64.48%
Admin Fee Revenue	292,032.01	285,498.00	6,534.01	-2.29%
Interest Revenue	4,239,772.17	2,250,000.00	1,989,772.17	-88.43%
Fleet Maint Reimbursement	83,562.13	77,502.00	6,060.13	-7.82%
Other Revenues	271,850.49	19,998.00	251,852.49	-1259.39%
Restricted Revenue	5,900,624.14	5,767,992.00	132,632.14	-2.30%
Total Operating Revenues	\$ 76,446,525	\$ 91,302,094	\$ (14,855,569)	-16.3%
OPERATING EXPENSES				
FUNCTIONAL OPERATIONS:				
Fixed Route	33,898,438.22	49,950,901.00	16,163,797.92	32.28%
Connector	8,930,552.68	11,024,108.00	2,093,555.32	18.99%
Microtransit	3,383,542.87	3,347,496.00	(36,046.87)	-1.08%
General Administration	15,020,803.35	20,529,359.00	5,508,559.65	26.83%
Community Credits	2,160,312.00	2,160,324.00	12.00	0.00%
Vehicle Purchase Expense		499,998.00	499,998.00	100.00%
Purchase of Service	408,067.42	345,846.00	(62,221.42)	-17.99%
Community Transit Service	305,392.72	247,500.00	(57,892.72)	-23.39%
Depreciation	389,590.00	124,998.00	(264,592.00)	-211.68%
Contingency	19,912.42	900,000.00	880,087.58	100.00%
Restricted Expenses	5,900,624.14	5,767,992.00	(132,626.14)	-2.30%
Total Operating Expenses	\$ 70,443,037	\$ 94,898,522	\$ 24,566,830	25.9%
Operating Revenues over (under) Expenses	\$ 6,003,489	\$ (3,596,428)	\$ 9,599,917	