

# Citizens Oversight Committee Agenda Item 7 - Annual Comprehensive Financial Report December 13, 2023



# Annual Financial Report

- Auditor's Governance Letter
- Annual Comprehensive Financial Report
- Annual Single Audit

# Auditor's Governance Letter

## Auditor's Communication to the Board

- Auditor's Responsibilities
- Significant Risks Identified
- Accounting Practices
- Corrected or Uncorrected Misstatements
- Disagreements with Management
- Significant Matters, Findings, or Issues
- Other Information

# Auditor's Governance Letter

## Uncorrected and Corrected Misstatements

- July 1, 2022, opening balance in accounts receivable contains grant amounts recognized prior to the execution of grant agreement of \$1,173,374
  - Ongoing issue with State AHSC grant for Windsor
- June 30, 2023, ending balance of accounts receivable of the freight fund includes \$91,791 that has been determined to be uncollectible.
  - Lease - NCRA
- Both are determined to be immaterial to the financial statements

# Annual Comprehensive Financial Report

- Letter of Transmittal
- Independent Auditor's Report
- Management's Discussion and Analysis
- Statements
  - Net Position
  - Revenue, Expenses, and Changes in Net Position
  - Cash Flows
  - Notes
- Required Supplementary Information
- Statistical Section

# Annual Comprehensive Financial Report

## Independent Auditor's Report

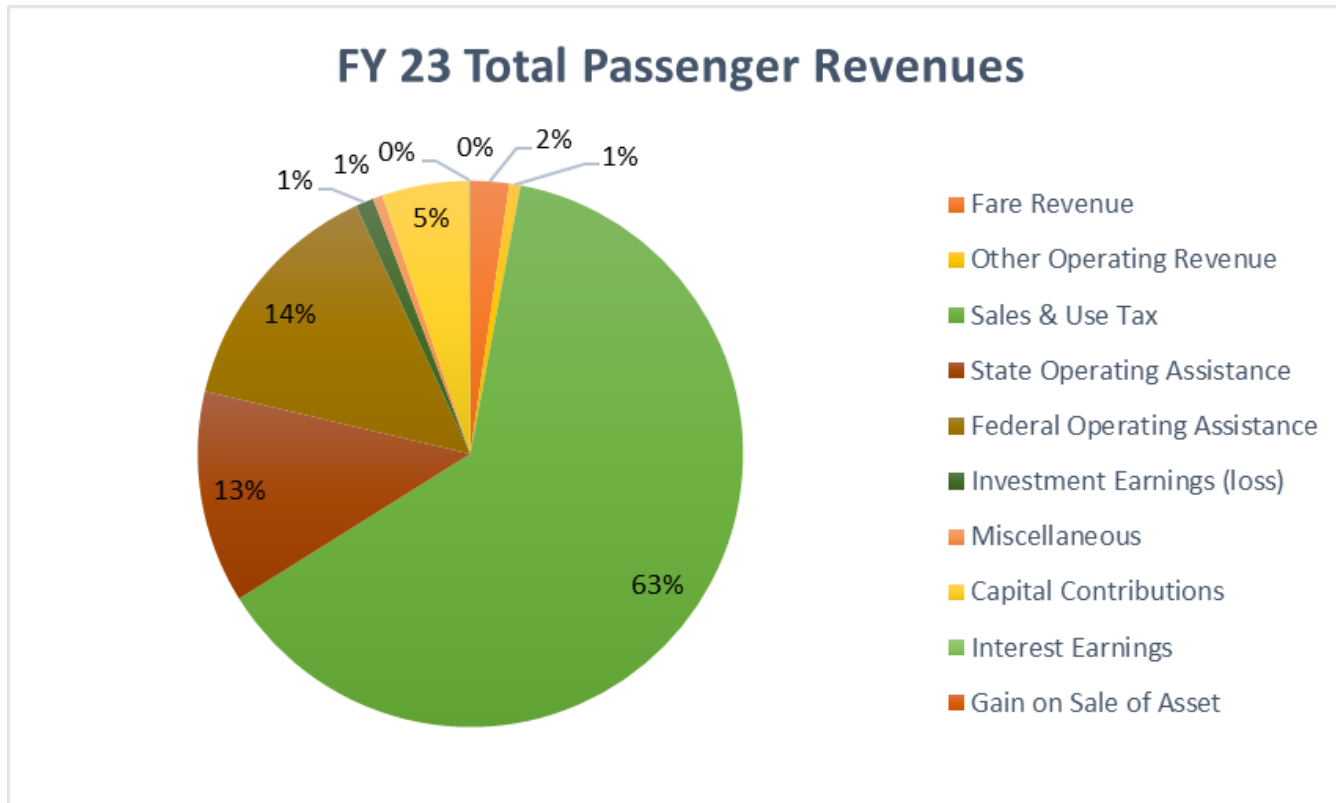
- Financial Statements present fairly, in all material respects, the respective financial position of the passenger and freight enterprise fund of SMART

# Annual Comprehensive Financial Report

## Management's Discussion and Analysis

- Passenger Revenues
  - Sales Tax was \$574,545 higher (1.2%) higher than FY 22
  - State Revenues were 75% higher than FY 22
  - Federal Funds were 7% higher than FY 22
  - Fare Revenues was 40% higher than FY 22
  - Investment earnings were \$2.8 million higher due to much higher interest rates

# Passenger Revenues



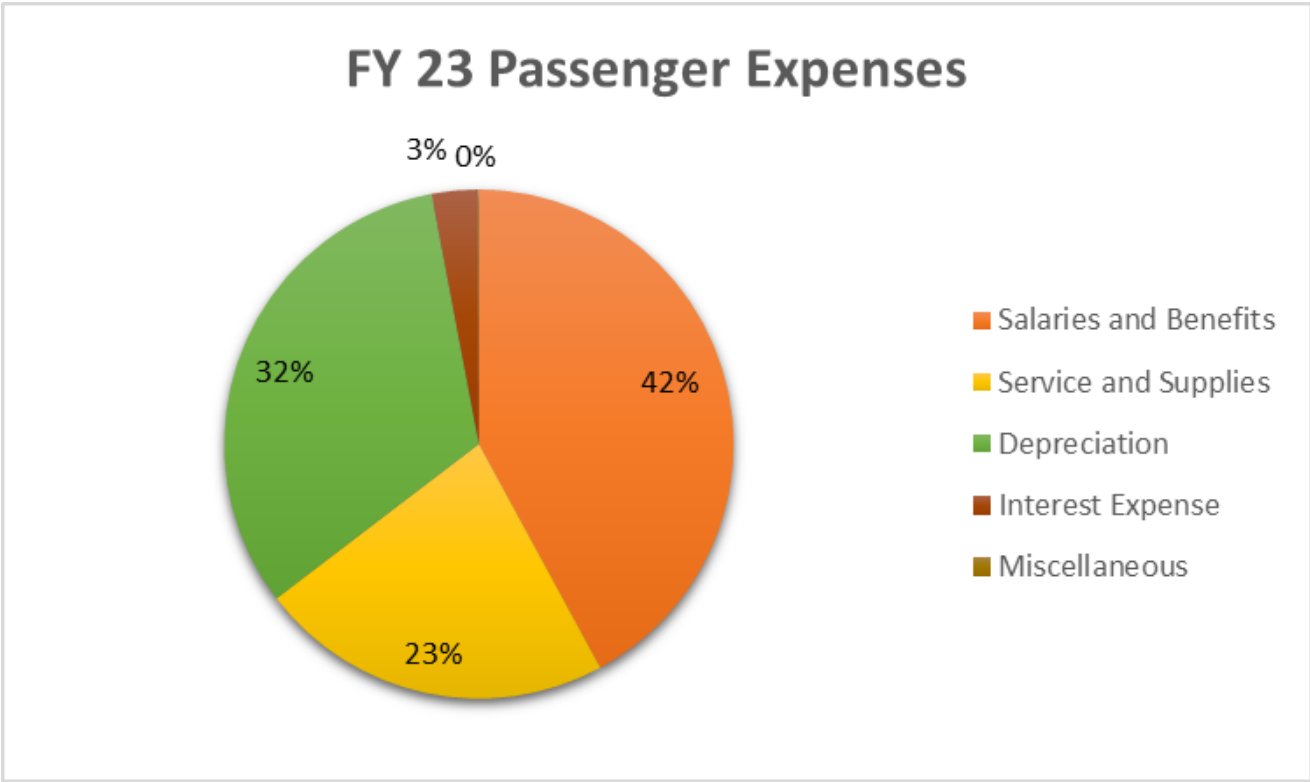


# Annual Comprehensive Financial Report

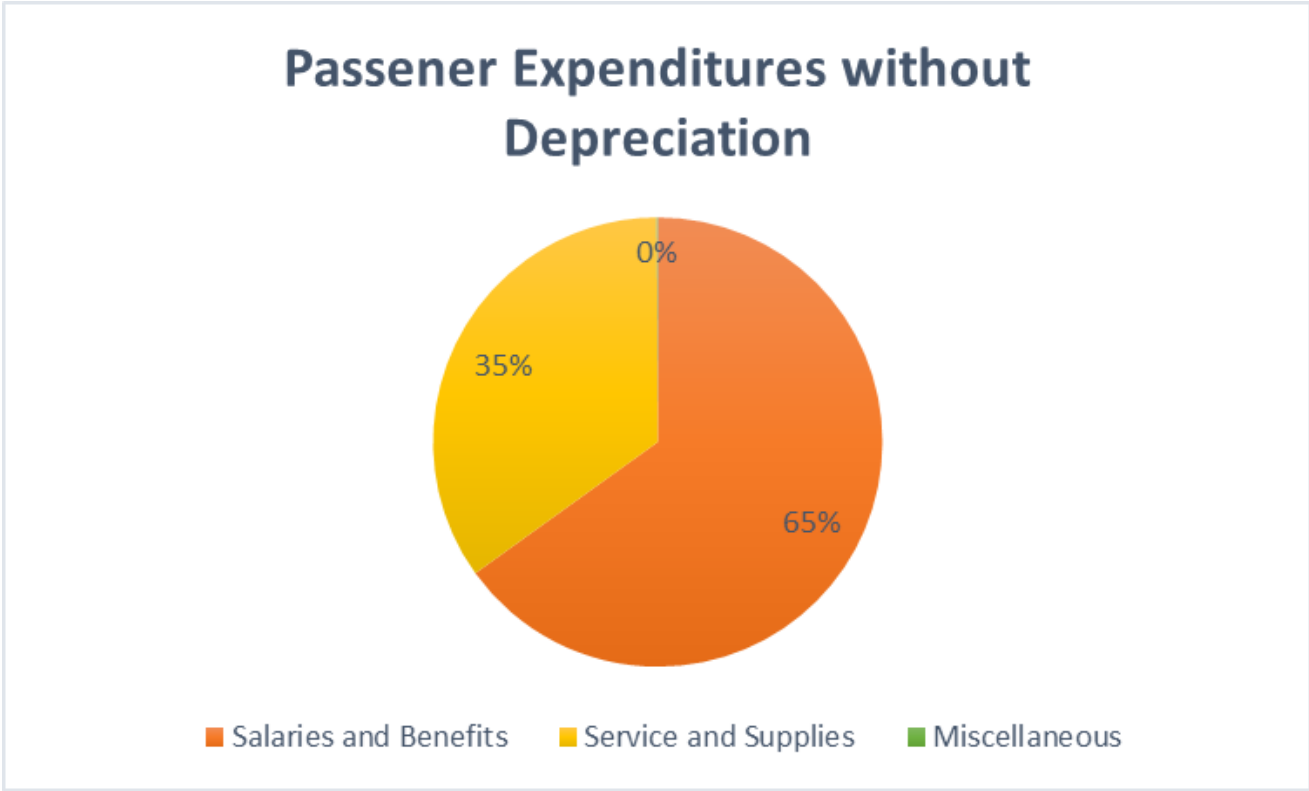
## Management's Discussion and Analysis

- Passenger Expenditures
  - Salaries and Benefits increased by 45%
  - Service and Supplies increased by 42%
  - Depreciation decreased by 7%
  - Interest expense increased by 6%
  - Miscellaneous decreased by 73%

# Passenger Expenditures with Depreciation



# Passenger Expenditures without Depreciation

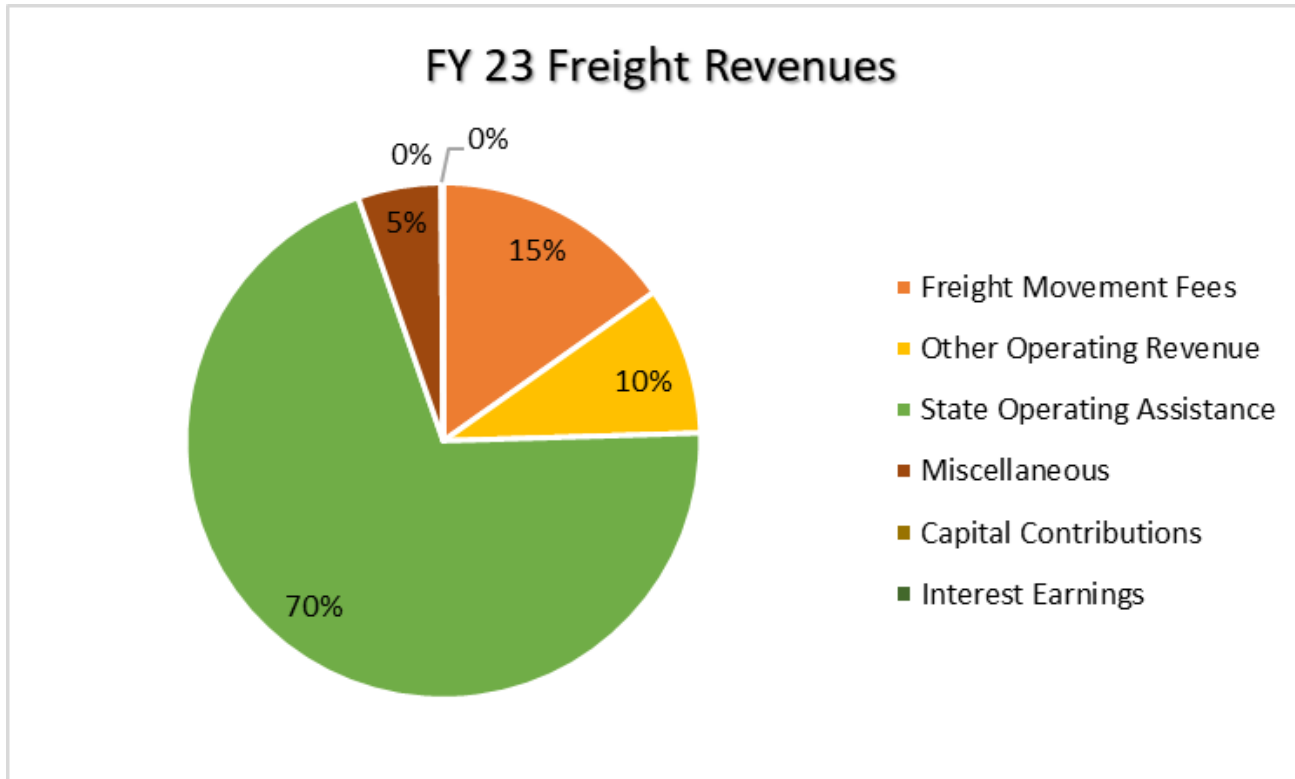


# Annual Comprehensive Financial Report

## Management's Discussion and Analysis

- Freight Revenues
  - State Assistance comprised 70% of total revenues for freight
  - Freight movement fees increased by 152%
  - Other Operating (Lease Income) increased by 35%
  - Miscellaneous (Tax Credit Sale) increased by 100%

# Freight Revenues

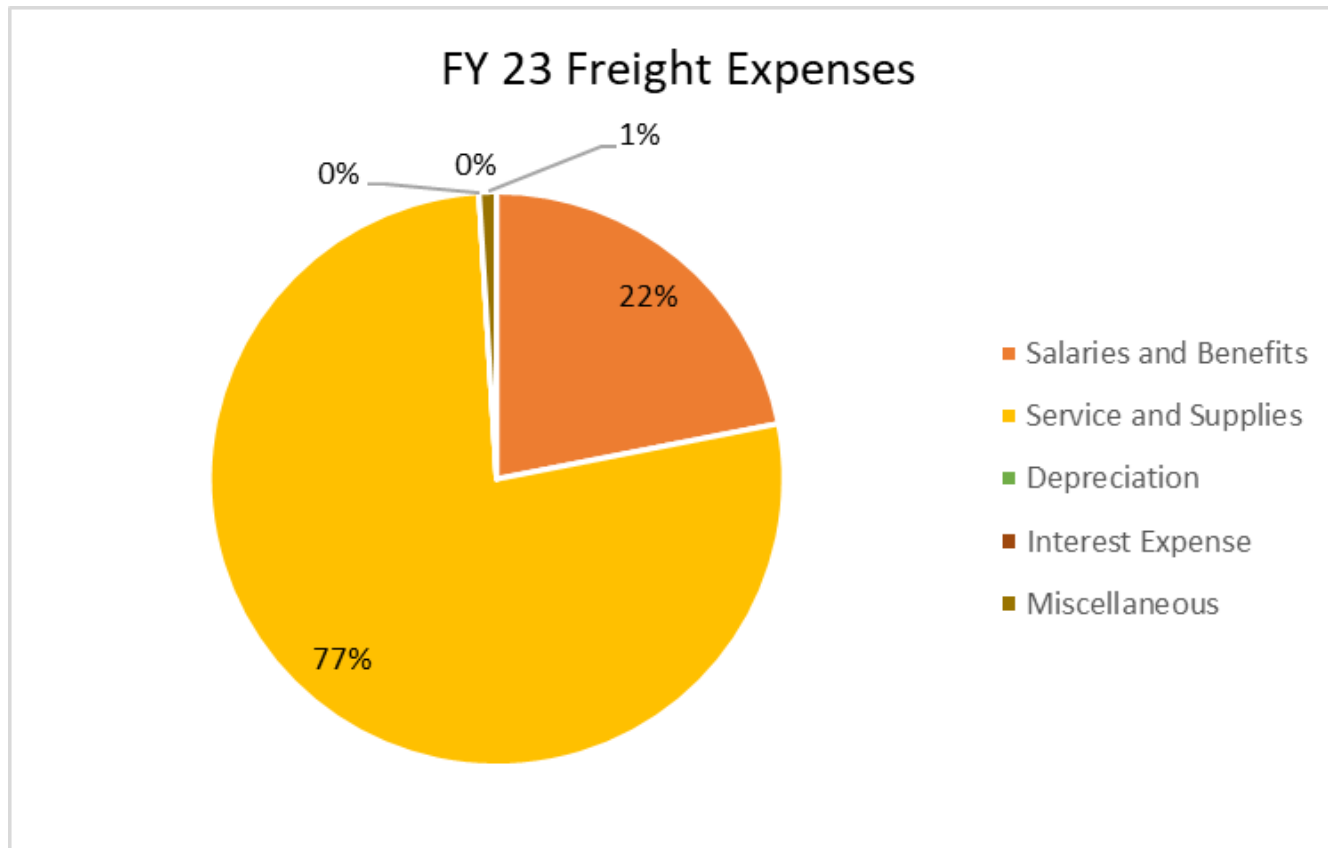


# Annual Comprehensive Financial Report

## Management's Discussion and Analysis

- Freight Expenditures
  - Salaries and Benefits are 23% of total expenditures
  - Service and Supplies are 77% of total expenditures
  - No depreciable assets

# Freight Expenditures



# Annual Comprehensive Financial Report

- Statements
  - Net Position – (Balance Sheet)
  - Revenue, Expenses, and Changes in Net Position (Income Statement)
  - Cash Flows
  - Notes
- Required Supplementary Information
  - Additional information on Pension Plan and OPEB



# Annual Comprehensive Financial Report

- Statistical Section
  - Financial Trends
  - Revenue Capacity
  - Debt Capacity
  - Demographic and Economic Information
  - Operating Information

# Single Audit

- Summary of Auditor's Results
- Financial Statement Findings
- Federal Award Findings and Questioned Costs
- Schedule of Prior Audit Findings

# Single Audit

## Summary of Auditor's Results

- Internal Control
  - No material weaknesses identified
- Compliance
  - No instances of non-compliance or other matters that are required to be reported under Government Auditing Standards
- Major Federal Program
  - District complied in all material respects with the compliance requirements in OMB Compliance Supplement
- Opinion on Financial Statements
  - Unmodified

# Single Audit

- Financial Statement Findings
  - None
- Federal Award Findings and Questioned Costs
  - None
- Schedule of Prior Audit Findings
  - FY 2022 Finding Resolved
    - Value of capital assets received by freight fund
      - Recognized as donation valued at fair value vs transfer of operations which is valued at book value

# Questions?

# Connect with us:

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