



Interurban Transit Partnership

Finance Committee Members

Rick Baker *Mayor Stephen Kepley (Chair)*
Mayor Gary Carey *Mayor Katie Favale* *Mayor Steve Maas*

FINANCE COMMITTEE MEETING

Wednesday, November 3, 2021 – 4:00 p.m.

Rapid Central Station Conference Room (250 Grandville Avenue, SW) | Virtual Meeting

AGENDA

	<u>PRESENTER</u>	<u>ACTION</u>
1. PUBLIC COMMENT		
2. MINUTES REVIEW – August 11, 2021	Mayor Kepley	Review
3. Information		
a. Watkins Ross Admin/Union Pension	Chris Veenstra	
b. Audit Plan	Linda Medina	
c. Preliminary September Operating Statement	Linda Medina	
d. Federal Covid Funding	Linda Medina	
e. Insurance Update	Linda Medina	
4. ADJOURNMENT		

Next meeting: January 19, 2022



Interurban Transit Partnership

Finance Committee Members

Mayor Stephen Kepley (Chair)
Rick Baker *Mayor Gary Carey* *Mayor Katie Favale* *Mayor Steve Maas*

FINANCE COMMITTEE MEETING MINUTES

Wednesday, August 11, 2021 – 4:00 p.m.

Rapid Central Station Conference Room (250 Grandville Avenue, SW) | Virtual Meeting

ATTENDANCE:

Committee Members Present:

Mayor Kepley, Mayor Steve Maas, Rick Baker

Committee Members Absent:

Mayor Katie Favale

Staff Attendees:

Nancy Groendal, Linda Medina, Deb Prato, Steve Schipper

Other Attendees:

Carmen Baines

Mayor Kepley called the meeting to order at 4:00 p.m.

1. PUBLIC COMMENT

No public comment was offered.

2. MINUTES – June 30, 2021

June 30, 2021, meeting minutes were distributed and reviewed. They are approved as written.

3. DISCUSSION

a. Projected Year End Totals – Ms. Medina

In April this year we asked the Board to amend the budget to \$48.3M. The projected year end annual budget is coming in at \$46.3M. On the Revenue side there was a small reduction in state operating assistance. Major changes came in on the expense side, salaries/wages. We were able to reduce over- time. Utilities and Insurance there was a slight change of \$2M and we are looking to be under budget.

b. Health Insurance/Self- Funding – Ms. Groendal

Ms. Carmen Baines from BCBS presented a few slides on history of Health Insurance Renewal and gave updates on the current premiums. There was an increase of 1.8% bringing the premium up to \$4.256M. The Rapid received a one-time fee credit of \$75,000. Mayor Kepley asked what role BCBS plays in self-funded accounts. Ms. Baines stated that fully insured individuals pay a monthly premium, and self-funded individuals pay Blue Cross a small TPA (Third Party Administrative) fee and pay a fixed fee for overages. Ms. Prato stated that her pick is staying with the Blues. Mayor Maas inquired about what the delta is going to look like. He is in favor of a deeper dive on self-funding and is a strong proponent of a self-funded option for The Rapid employees.

c. Vanguard vs Fidelity – Ms. Prato

Administrative Pension Plan. Does the Finance Committee need to be at the Pension Planning meeting? We need to decide. We moved the Vanguard fund to the Fidelity fund. A motion was approved, and Mayor Carey supported. Motion passed unanimously.

d. Workers Compensation Insurance – Mr. Schipper

Regarding workers comp, we had two (2) catastrophic claims that have been moved away. We have a positive report of \$23,000 less than what was budgeted, so this is a very good news story.

e. Paratransit Locations – Ms. Prato

The Real Estate at the Cottage Grove MV location is different than other Real Estate purchases. We have operational concerns. When the MV contract is up, they have stated that they are going to sell. Then current owners have a number in mind; however, we are moving to the appraisal step to see what direction to take, and where the monies will come from.

4. AJOURNMENT

This meeting was adjourned at 5:15 p.m.

The next meeting is scheduled for January 19, 2022

Respectfully submitted,



Kris Heald, Board Secretary



Date: November 3, 2021
To: Finance Committee
From: Linda Medina, Finance Manager
Subject: 2020 AUDIT PLAN DOCUMENT

OVERVIEW

To review the FY 2020 audit plan as submitted by BDO USA, LLP (BDO) to perform ITP's audit.

BACKGROUND

Professional standards require that BDO communicate to the Board their audit plan each year. The attached document provides an overview of BDO's plan for the audit of the financial statements and schedule of expenditures of federal awards for year ending September 30, 2021. This document will be presented to the Board on December 1, 2021.

Feel free to contact me at 774-1149 or imedina@ridetherapid.org if you have any questions regarding the plan.



Report to Members of the Board of Directors

INTERURBAN TRANSIT PARTNERSHIP

Audit Planning for the
Year Ending September 30, 2021

BDO[®]

Contents

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<u>WELCOME</u>	3
<u>EXECUTIVE SUMMARY</u>	4
<u>IMPLEMENTATION OF NEW GASB STANDARDS</u>	11

The following communication was prepared as part of our audit, has consequential limitations, and is intended solely for the information and use of those charged with governance (e.g., Board of Directors and Audit Committee) and, if appropriate, management of the Company and is not intended and should not be used by anyone other than these specified parties.

Welcome

September 1, 2021

Members of the Board of Directors
Interurban Transit Partnership

Professional standards require us to communicate with you regarding matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. This document provides an overview of our plan for the audit of the financial statements and schedule of expenditures of federal awards of Interurban Transit Partnership (ITP) as of and for the year ending September 30, 2021, including a summary of the nature, scope, and timing of the planned audit work.

We are pleased to be of service to ITP and look forward to discussing our audit plan, as well as other matters that may be of interest to you.

Respectfully,

BDO USA, LLP

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Executive Summary



Responsibilities

BDO USA, LLP, as your auditor, is responsible for forming and expressing an opinion(s) about whether the financial statements and the schedule of expenditures of federal awards that have been prepared by management, with your oversight, are prepared, in all material respects, in conformity with accounting principles generally accepted in the United States of America. In addition, our audit will be conducted in accordance with standards for financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance). The audit of the financial statements does not relieve you of your responsibilities and does not relieve management of their responsibilities. The engagement letter, a copy of which has been provided to you, includes specific details regarding the auditor's and management's responsibilities.



Audit Strategy

Overall, our audit strategy is to assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design further audit procedures responsive to assessed risks. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. In connection with our audit, we will obtain a sufficient understanding of the ITP's internal control to plan the audit of the financial statements. However, such understanding is required for the purposes of determining our audit procedures and not to provide any assurance concerning such internal control. In addition, Government Auditing Standards require that we also plan and perform the audit to obtain reasonable assurance about whether ITP has complied with applicable laws, regulations and the terms and conditions of the federal awards that may have a direct and material effect on each of ITP's major federal programs.

We focus on areas with higher risk of material misstatement (whether due to error or fraud). Our audit strategy includes consideration of:

- ▶ prior year audit results together with current year preliminary analytical review, including discussions with management and those charged with governance regarding ITP's operations,
- ▶ inherent risk within ITP,
- ▶ recent developments within the industry, regulatory environment and general economic conditions,
- ▶ recently issued and effective accounting and financial reporting guidance,
- ▶ ITP's significant accounting policies and procedures, including those requiring significant management judgments and estimates and those related to significant unusual transactions,
- ▶ the control environment and the possibility that the control system and procedures may fail to prevent or detect a material error or fraud,
- ▶ Information about systems and the computer environment in which the related systems operate,
- ▶ a continual assessment of materiality thresholds based upon qualitative and quantitative factors affecting ITP, and
- ▶ internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures.

Planned Scope

Based upon our initial assessment, our planned scope for the audit is described below:

- ▶ The areas indicated below relate to significant risks identified during our risk assessment procedures and include a brief description of how we propose to address them:
 - Revenue recognition -we will test revenue through detailed testing.
 - Management override of controls - will test through detailed testing of various journal entries throughout the year.
- ▶ We will plan and perform the audit of the financial statements for the year ending September 30, 2021 in accordance with *Government Auditing Standards*.
- ▶ We will consider ITP's internal control over financial reporting as a basis for designing audit procedures for the purpose of expressing our opinion(s) on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ITP's internal control.
- ▶ We will perform tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions is not an objective of our audit.
- ▶ We will plan and perform the audit of the Schedule of Expenditures of Federal Awards (SEFA) for the year ending September 30, 2021 in accordance with GAS and the Uniform Guidance and will issue an in relation to opinion.
- ▶ We will consider Internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.



Overall Audit Timeline

The following represents our anticipated schedule with regard to our audit of the financial statements of ITP:

	Sep	Oct	Nov	Dec	Jan
Planning	✓				
Interim Fieldwork		✓			
Year-End Fieldwork			✓	✓	
Release Reports on Financial Statements					✓
Completion of NTD Procedures					✓



Appendix A

Our engagement letter to you dated August 30, 2021, describes our responsibilities in accordance with professional standards and certain regulatory authorities with regard to independence and the performance of our services. This letter also stipulates the responsibilities of ITP with respect to independence as agreed to by ITP. Please refer to that letter for further information.



Client Service Team

As a matter of policy, we attempt to provide continuity of service to our clients to the greatest extent possible. Where engagement team rotation is necessary, we will discuss this matter with you and determine the appropriate individual to be assigned to the engagement based on particular experience, expertise, and engagement needs.

We are pleased to be of service to ITP and look forward to answering questions you may have regarding our audit plan as well as other matters that may be of interest to you.

The following is the contact information for the engagement partner and senior manager responsible:

John LaFramboise
jlaframboise@bdo.com

Joshua Laramy
jlaramy@bdo.com





Implementation of New GASB Standards



GASB Statement No. 83, *Certain Asset Retirement Obligations*

Effective Dates	Date per Pronouncement	Date as amended per GASB Statement No. 95
	Reporting Periods Beginning After 6/15/2018	Reporting Periods Beginning After 6/15/2019

- ▶ Establishes measurement criteria for recording a liability for the retirement or removal of certain assets such as nuclear power plants, sewage treatment facilities, coal-fired power plants, wind turbines, and x-ray machines.
- ▶ Governments with legal obligations to perform future asset retirement activities related to its tangible capital assets would be required to recognize a liability.
- ▶ Must be both an external obligating event, such as a court judgment or federal, state or local law; and an internal obligating event, such as contamination or retirement.
- ▶ A liability and corresponding deferred outflow are recorded when the liability is both incurred and reasonably estimable.
- ▶ The liability is based on the best estimate of the current value of outlays expected to be incurred.
- ▶ Deferred outflows should be amortized over the estimated useful life of the tangible capital asset.
- ▶ Annual remeasurement required, adjusting for effects of inflation or deflation.
- ▶ Exception for minority owner (<50%).

GASB Statement No. 84, *Fiduciary Activities*

Effective Dates	Date per Pronouncement	Date as amended per GASB Statement No. 95
	Reporting Periods Beginning After 12/15/2018	Reporting Periods Beginning After 12/15/2019

- ▶ Establishes criteria for reporting fiduciary activities that focuses on whether the government controls the assets and the fiduciary relationship with the beneficiaries.
- ▶ Four fiduciary funds will be used: Pension and OPEB trust funds; Investment trust funds; Private-purpose trust funds; and Custodial funds.
- ▶ Custodial funds replace agency funds for activities that are not held in trust.
- ▶ For activities other than a Pension or OPEB plan for which a trust agreement exists, an investment trust fund or private purpose trust fund will be used.
- ▶ For stand-alone business-type activities, fiduciary activities should be reported in separate fiduciary fund financial statements, unless resources are expected to be held three months or less.



GASB Statement No. 87, *Leases*

Effective Dates	Date per Pronouncement (as amended)	Date as amended per GASB Statement No. 95
	Fiscal Years Beginning After 12/15/2019	Fiscal Years Beginning After 6/15/2021

- ▶ Requires recognition of certain lease assets and liabilities for leases that are currently classified as operating leases.
- ▶ New definition of a lease - a contract that conveys the right to use another entity's nonfinancial asset for a period in an exchange or exchange-like transaction.
- ▶ Eliminates the distinction between operating and capital leases.
- ▶ Excludes short-term leases, leases that transfer ownership and service concession arrangements that are covered by GASB Statement No. 60.
- ▶ Lessees would recognize a lease liability and an intangible right-to-use lease asset which would be amortized in a systematic and reasonable manner over the shorter of the lease term or the useful life of the underlying asset.
- ▶ Lessors would recognize a lease receivable and deferred inflow of resources which would be recognized as revenue in a systematic and rational manner over the term of the lease.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*

Effective Dates	Date per Pronouncement	Date as amended per GASB Statement No. 95
	Reporting Periods Beginning After 6/15/2018	Reporting Periods Beginning After 6/15/2019

- ▶ Defines debt for purposes of disclosure as a liability that arises from a contractual obligation to pay cash or other assets in one or more payments to settle an amount that is fixed as of the date the obligation is established.
- ▶ Excludes pension and OPEB liabilities, leases (except for contracts reported as a financed purchase of the underlying assets) and accounts payable as those should be disclosed in separate notes.
- ▶ Includes capital appreciation bonds and variable rate debt.
- ▶ Additional note disclosures required for unused lines of credit, assets pledged as collateral, specific debt agreement terms.
- ▶ Debt disclosures should separate information for direct borrowings and direct placements of debt from other debt.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*

Effective Dates	Date per Pronouncement	Date as amended per GASB Statement No. 95
	Reporting Periods Beginning After 12/15/2019	Reporting Periods Beginning After 12/15/2020

- ▶ Upon implementation, in financial statements using the economic resources measurement focus (business-type activities and enterprise funds) interest incurred during construction should be recognized as an expense of the period.
- ▶ Interest costs on construction-in-progress will be capitalized only to the implementation date of this Statement. The provisions of this Statement are to be applied prospectively and will therefore not require a restatement of any balances.
- ▶ In financial statements using the current financial resources measurement focus (governmental funds), interest incurred during construction should be recognized as an expenditure (no change).
- ▶ If a government has regulated operations as defined by paragraph 476 of GASB Statement No. 62, this Statement does not eliminate or remove the requirement to capitalize qualifying interest costs as a regulatory asset.



GASB Statement No. 90, *Majority Equity Interests*, an Amendment of GASB Statements No. 14 and No. 61

Effective Dates	Date per Pronouncement	Date as amended per GASB Statement No. 95
	Reporting Periods Beginning After 12/15/2018	Reporting Periods Beginning After 12/15/2019

- ▶ A majority equity interest in a legally separate organization will be reported as an investment if it meets the definition of an investment.
- ▶ Measured using the equity method, unless held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund or an endowment/permanent fund. These funds would utilize fair value to measure the majority equity interest.
- ▶ For all other majority equity interests in a legally separate organization, report the legally separate organization as component unit and the fund that holds the equity interest should report an asset using the equity method.
- ▶ Acquisition of a component unit in which the government holds 100% interest would be measured using acquisition value.

GASB Statement No. 91, *Conduit Debt Obligations*

Effective Dates	Date per Pronouncement	Date as amended per GASB Statement No. 95
	Reporting Periods Beginning After 12/15/2020	Reporting Periods Beginning After 12/15/2021

- ▶ Clearly defines the characteristics of a conduit debt obligation and establishes that a conduit debt obligation is not a liability of the issuer.
- ▶ An issuer should recognize a liability associated with an additional commitment or voluntary commitment to support debt service if certain recognition criteria are met.
- ▶ As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether the recognition criteria are met. An issuer that has only made a limited commitment should evaluate whether those recognition criteria are met when an event occurs that cause the issuer to evaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.
- ▶ Standard addresses accounting for arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities.
- ▶ Standard enhances note disclosures related to conduit debt.



GASB Statement No. 92, *Omnibus 2020*

Effective Dates	Date per Pronouncement	Date as amended per GASB Statement No. 95
	Key Provisions Effective as Noted Below	Except for Provisions Effective upon Statement Issuance, all other Provisions are Delayed One Year

Key Provisions of the Statement are as follows:

- ▶ Effective Upon Statement Issuance- February 5, 2020:
 - The effective date for interim financial reporting of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, is for fiscal years beginning after December 15, 2019.
 - Clarifies that for public entity risk pools, amounts recoverable from reinsurers or excess insurers related to paid claims and claims adjustment expenses may be reported as a reduction of expenses.
 - The terms derivative and derivatives should be replaced with derivative instrument and derivative instruments, respectively.
- ▶ Effective for Fiscal Years Beginning After June 15, 2020:
 - Clarification of the reporting of intra-entity transfers of assets between a government employer or noncontributing entity to a defined benefit pension or other postemployment (OPEB) plan that are within the same reporting entity.
- ▶ Effective for Reporting Periods Beginning After June 15, 2020:
 - Clarification that a government that reports a fiduciary activity for assets that are accumulated for purposes of providing pension or OPEB through certain defined benefit plans should recognize liabilities in accordance with Statement No. 84.
- ▶ Effective for Government Acquisitions Occurring in Reporting Periods Beginning After June 15, 2020:
 - In a government acquisition, liabilities and assets related to the acquired entity’s asset retirement obligations (AROs) should be measured using the accounting and financial reporting requirements of Statement No. 83, when the AROs fall within the scope of that standard.



GASB Statement No. 93, *Replacement of Interbank Offered Rates*

	Date per Pronouncement	Date as amended per GASB Statement No. 95
Effective Dates	Effective as Noted Below	Paragraphs 13 and 14 are Effective for Fiscal Years Beginning After June 15, 2021

- ▶ Effective for Reporting Periods Beginning After June 15, 2020:
 - Provides exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment.
 - Clarifies the hedge accounting termination provisions when a hedged item is amended to replace the reference rate.
 - Clarifies that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable.
 - Identifies a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap.
 - Clarifies the definition of reference rate, as it is used in Statement 53, as amended.
 - Provides an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. (paragraphs 13 and 14).
- ▶ Effective for Reporting Periods Ending After December 31, 2021:
 - Removes LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap (paragraph 11b).

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

Effective Dates	Date per Pronouncement
	Fiscal Years Beginning After June 15, 2022

- ▶ For the Public-Private and Public-Public Partnerships (P3s) that meet the definition of a service concession arrangement (SCA), this Statement carries forward the financial reporting requirements for SCAs that were included in Statement 60, with modifications to apply the more extensive requirements related to recognition and measurement of leases to SCAs.
- ▶ For P3s that meet the definition of a lease, the guidance in Statement No. 87 should be applied, if existing assets of the transferor that are not required to be improved by the operator as part of the P3 arrangement are the only underlying P3 assets and the P3s do not meet the definition of an SCA.
- ▶ This Statement provides specific guidance for all other P3s from the perspective of both a government that transfers rights to another party and governmental operators that receive those rights.
- ▶ The Statement requires governments to account for Availability Payment Arrangement (APAs) in which ownership of the asset transfers by the end of the contract as a financed purchase of the underlying infrastructure or other nonfinancial asset. It also requires a government to report an APA that is related to operating or maintaining a nonfinancial asset as an outflow of resources (for example, expense) in the period to which payments relate.

GASB Statement No. 96, *Subscription Based Information Technology Arrangements*

Effective Dates	Date per Pronouncement
	Fiscal Years Beginning After June 15, 2022

- ▶ Addresses accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. Standard is based on the standards established in Statement No. 87, Leases.
- ▶ Defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.
- ▶ Requires governments with SBITAs to recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability (with an exception for short-term SBITAs—those with a maximum possible term of 12 months).
- ▶ Provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA.



GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Plans Deferred Compensation Plans

Effective Dates	Date per Pronouncement
	Effective as Noted Below

► Effective Upon Statement Issuance - June 23, 2020:

- Requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically performs.
- Requires that the financial benefit burden criteria in Statement No. 84, Fiduciary Activities, be applicable to only defined benefit pension and OPEB plans administered through a trust.

► Effective for Fiscal Years Beginning After June 15, 2021:

- Requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan.
- Requires that a Section 457 plan that meets the definition of a pension apply all accounting and financial reporting requirements relevant to pensions.
- Clarifies that Statement 84, as amended, should be applied to all Section 457 plans to determine whether those arrangements should be reported as fiduciary activities.

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The Rapid
 FY 2021 Preliminary Operating Statement
 Year to Date as of September 30, 2021

	YTD as of Sep 30		Variance		FY 2020 YTD Actual	Note - Annual FY 2021 Budget
	Budget	Actual	\$	%		
Revenues and Operating Assistance						
Passenger Fares	\$ 2,878,860	\$ 2,923,642	\$ 44,782	1.6%	\$ 3,994,794	\$ 3,009,153
Sale of Transportation Services						
CMH Contribution	223,970	294,850	70,880	31.6%	390,641	223,970
Dash Contract	2,279,054	2,205,921	(73,133)	-3.2%	2,058,508	2,279,054
Grand Valley State University	2,833,029	2,842,767	9,738	0.3%	2,282,371	2,833,029
Van Pool Transportation	29,910	26,481	(3,429)	-11.5%	57,302	29,910
Township Services	593,259	540,715	(52,544)	-8.9%	570,393	593,259
Other	357,959	297,311	(60,648)	-16.9%	382,609	227,664
Subtotal Sale of Transportation Services	6,317,180	6,208,044	(109,136)	-1.7%	5,990,191	6,186,886
State Operating	15,286,053	14,221,808	(1,064,244)	-7.0%	13,348,413	15,277,210
Property Taxes	17,395,471	17,393,363	(2,108)	0.0%	16,791,217	17,395,471
Advertising & Miscellaneous	590,210	660,382	70,172	11.9%	599,905	590,211
Subtotal Revenues and Operating Assistance	42,467,774	41,407,239	(1,060,534)	-2.5%	40,724,520	42,458,931
Grant Operating Revenue (Cares Act)	5,886,517	19,343,168	13,456,651	100.0%	11,137,091	5,886,517
Total Revenues and Operating Assistance	\$ 48,354,291	\$ 60,750,407	\$ 12,396,116	25.6%	\$ 51,861,611	\$ 48,345,448
Expenses						
Salaries and Wages						
Administrative	\$ 5,384,641	\$ 5,101,511	\$ (283,130)	-5.3%	\$ 5,032,138	\$ 5,384,641
Operators	14,014,550	12,553,605	(1,460,945)	-10.4%	13,246,310	14,014,550
Maintenance	2,071,539	1,992,196	(79,343)	-3.8%	2,012,580	2,071,539
Subtotal Salaries and Wages	21,470,730	19,647,312	(1,823,418)	-8.5%	20,291,028	21,470,730
Benefits	9,360,339	8,803,381	(556,958)	-6.0%	8,347,716	9,360,756
Contractual Services	4,016,219	3,336,482	(679,737)	-16.9%	2,664,387	4,016,219
Materials and Supplies						
Fuel and Lubricants	1,671,209	1,856,181	184,972	11.1%	1,660,604	1,671,209
Other	1,604,591	1,447,665	(156,926)	-9.8%	1,710,081	1,604,591
Subtotal Materials and Supplies	3,275,800	3,303,845	28,045	0.9%	3,370,685	3,275,800
Utilities, Insurance, and Miscellaneous	5,193,879	4,776,563	(417,316)	-8.0%	3,080,475	5,193,879
Purchased Transportation	5,056,464	5,137,989	81,525	1.6%	5,326,226	5,056,464
Expenses Before Capitalized Operating	48,373,432	45,005,574	(3,367,858)	-7.0%	43,080,516	48,373,848
Capitalized Operating Expenses	-	-	-	0.0%	-	-
Total Operating Expenses	\$ 48,373,432	\$ 45,005,574	\$ (3,367,858)	-7.0%	\$ 43,080,516	\$ 48,373,848
Net Surplus/(Deficit) before CARES/CRRSAA		\$ (3,598,334)			\$ (2,355,996)	
Net Surplus/(Deficit) after CARES/CRRSAA		\$ 15,744,833			\$ 8,781,095	



Date: November 3, 2021
To: Finance Committee
From: Linda Medina, Finance Manager
Subject: SEPTEMBER PRELIMINARY OPERATING STATEMENT

OVERVIEW

To review the September's preliminary Operating Statement.

BACKGROUND

Revenues are trending to be under budget by 2.5% and expenses are under budget by 7%. This statement does not reflect audited numbers.

FY 21 revenues increased by 1.7% compared to FY 20 before CARES Act funding. Fare revenues are still significantly less than FY20, but State Operating and Property Taxes increased in FY 21.

FY 21 expenses increased by 4.5% compared to FY 20. The main increase is due to insurance, additional cleaning and safety protocols, and the Laker Line in full operation in FY 21.

Please feel free to reach out to me directly at (616) 774-1149 or lmedina@ridetherapid.org with any additional questions.