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**SMART**

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*Financial Report  
with Supplementary  
Information June 30, 2023*



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## Independent Auditor's Report

To the Board of Directors  
Suburban Mobility Authority for  
Regional Transportation

### Report on the Audits of the Financial Statements

#### **Opinions**

We have audited the financial statements of the business-type activities and fiduciary activities of the Suburban Mobility Authority for Regional Transportation (the "Authority" or SMART) as of and for the years ended June 30, 2023 and 2022 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Authority as of June 30, 2023 and 2022 and the respective changes in its financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditor's Responsibilities for the Audits of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Directors  
Suburban Mobility Authority for  
Regional Transportation

In performing the audits in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Supplementary Information***

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The other supplementary information, as identified in the table of contents, except for the community-based report numbered 12, the nonfinancial report numbered 19, and all reports for the year ended September 30, 2022 (those numbered 2, 4, 6, 8, 10, and 13-18), is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, except for the community-based report numbered 12, the nonfinancial report numbered 19, and all reports for the year ended September 30, 2022 (those numbered 2, 4, 6, 8, 10, and 13-18), is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Directors  
Suburban Mobility Authority for  
Regional Transportation

**Additional Information**

Management is responsible for the accompanying community-based report numbered 12, the nonfinancial report numbered 19, and all reports for the year ended September 30, 2022 (those numbered 2, 4, 6, 8, 10, and 13-18), which are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Our opinions on the financial statements do not cover such information, and we do not express an opinion or any form of assurance thereon.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2023 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



December 7, 2023

# Suburban Mobility Authority for Regional Transportation

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## Management's Discussion and Analysis

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The following discussion and analysis has been prepared by the Suburban Mobility Authority for Regional Transportation's (the "Authority" or SMART) management and should be read in conjunction with the financial statements and related note disclosures. The discussion is intended to present an overview of SMART's financial performance for the years ended June 30, 2023 and 2022 and does not purport to make any statement regarding the future operations of the organization. While SMART is an instrumentality of the State of Michigan, it is not a component of the State, as defined by the Governmental Accounting Standards Board (GASB).

### ***Using This Annual Report***

This annual financial report consists of a series of financial statements. The statement of net position and the statement of revenue, expenses, and changes in net position provide information about the activities of SMART as a whole and present a longer-term view of the Authority's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the cost of providing the Authority's services has been fully funded.

### ***Financial Highlights***

- Total operating revenue has increased in fiscal year 2022-2023 (FY 2023) as compared to fiscal year 2021-2022 (FY 2022). This total operating revenue increase is 10.65 percent, or approximately \$676,000. This is largely due to increased ridership.
- The other component of total operating revenue is other operating income. This revenue component had an actual overall increase of approximately \$259,000, or approximately 17.20 percent, compared to FY 2022. This revenue stream primarily consists of advertising, rental, and miscellaneous operating revenue.
- Nonoperating revenue increased by approximately \$8.6 million, or 5.75 percent, in FY 2023 compared to FY 2022. The investment was increased due to interest rates and local property tax contributions.
- In FY 2023, operating expenses of approximately \$129.1 million, before depreciation, are approximately \$2.2 million higher than FY 2022. This is largely due to an increase in materials and supplies cost, including fuel, and increased expense related to SMART expanding microtransit programs and wages being down due to SMART not paying hazard pay.
- Capital contribution spending in FY 2023 amounted to \$11.2 million. This is a decrease of approximately \$13.1 million, or 54 percent, for FY 2023. SMART heavily relies on federal capital funds to purchase capital assets (i.e., bus replacement and facility rehabilitation). SMART does not have as many capital projects open during FY 2023, as we plan for major capital improvement in FY 2024 and FY 2025.
- Current liabilities decreased by approximately \$5.7 million primarily due to an increase in municipal and community credits payable of \$1.1 million, a decrease in payables under purchase of service agreements of \$1.8 million, and a decrease in accounts payable of \$3.1 million.
- Net position, which is detailed later, increased by \$26.0 million to \$223.7 million, which is a combination of the \$9.8 million decrease in net investment in capital assets and \$35.8 million increase in unrestricted net position due to FY 2023 financial activity.

## Suburban Mobility Authority for Regional Transportation

### Management's Discussion and Analysis (Continued)

#### The Authority's Net Position

A summary of SMART's assets, liabilities, deferred outflows and inflows, and net position at June 30, 2023, 2022, and 2021 is as follows:

	2021	2022	2023
<b>Assets</b>			
Current and other assets:			
Cash and investments	\$ 139,242,775	\$ 160,998,019	\$ 186,875,427
Receivables	54,263,078	36,912,759	31,821,653
Other assets	3,586,869	3,443,963	3,875,319
Capital assets	<u>160,793,326</u>	<u>162,892,550</u>	<u>154,167,366</u>
Total assets	357,886,048	364,247,291	376,739,765
<b>Deferred Outflows of Resources</b>	36,178,049	33,862,829	35,940,224
<b>Liabilities</b>			
Current liabilities	33,658,077	36,273,824	30,557,924
Noncurrent liabilities	<u>124,478,821</u>	<u>107,816,535</u>	<u>108,061,777</u>
Total liabilities	158,136,898	144,090,359	138,619,701
<b>Deferred Inflows of Resources</b>	<u>69,819,636</u>	<u>56,257,544</u>	<u>50,340,231</u>
<b>Net Position</b>			
Net investment in capital assets	158,472,484	160,919,352	151,147,487
Restricted	101,639	121,708	69,867
Unrestricted	<u>7,533,440</u>	<u>36,721,157</u>	<u>72,502,703</u>
Total net position	<u><b>\$ 166,107,563</b></u>	<u><b>\$ 197,762,217</b></u>	<u><b>\$ 223,720,057</b></u>

SMART's current assets, including restricted cash, had a net increase of \$21.2 million, which represents an increase of approximately 10.5 percent compared to FY 2022. Restricted cash decreased from approximately \$122,000 to \$70,000 at the end of FY 2023.

Amounts invested in capital assets decreased by \$8.7 million to \$154.2 million.

Unrestricted net position, the portion of net position that can be used to finance day-to-day operations, increased by \$35.8 million from FY 2022.

#### The Authority's Changes in Net Position

	2021	2022	2023
<b>Operating Revenue</b>	\$ 2,635,839	\$ 6,349,427	\$ 7,025,687
<b>Operating Expenses</b>	<u>137,187,131</u>	<u>148,922,018</u>	<u>150,868,405</u>
<b>Operating Loss</b>	(134,551,292)	(142,572,591)	(143,842,718)
<b>Nonoperating Revenue</b>	<u>150,519,770</u>	<u>150,006,644</u>	<u>158,633,923</u>
<b>Income - Before capital contributions</b>	15,968,478	7,434,053	14,791,205
<b>Capital Contributions</b>	<u>34,718,815</u>	<u>24,220,601</u>	<u>11,166,635</u>
<b>Change in Net Position</b>	50,687,293	31,654,654	25,957,840
<b>Net Position - Beginning of year</b>	<u>115,420,270</u>	<u>166,107,563</u>	<u>197,762,217</u>
<b>Net Position - End of year</b>	<u><b>\$ 166,107,563</b></u>	<u><b>\$ 197,762,217</b></u>	<u><b>\$ 223,720,057</b></u>

As described earlier in financial highlights, total operating revenue has increased in FY 2023 as compared to FY 2022. This is mainly a result of fare being collected during all of FY 2023.

## Suburban Mobility Authority for Regional Transportation

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### Management's Discussion and Analysis (Continued)

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Operating expenses before depreciation are \$2.2 million higher than FY 2022. This is largely due to an increase in materials and supplies cost, including fuel, and increased expense related to SMART expanding microtransit programs.

#### ***Capital Assets and Debt Administration***

The Authority continues to invest in infrastructure, equipment, and vehicles. SMART had approximately \$154.2 million and \$162.9 million invested in capital assets as of June 30, 2023 and 2022, respectively. During FY 2023, SMART had total capital asset additions of approximately \$11.5 million, primarily consisting of bus equipment software and facilities projects.

More detailed information concerning capital assets can be found in Note 5 in the notes to the financial statements.

#### ***Economic Factors and Next Year's Budgets and Rates***

The Regional Transit Authority (RTA) is the designated recipient for federal funds to the tricounty urbanized area consisting of Wayne, Oakland, and Macomb counties. A portion of these funds is passed through to SMART. The current allocation of Section 5307 federal capital funding passed through the RTA is 50.0 percent to SMART, 49.0 percent to DDOT, and 1 percent to the Detroit Transportation Corporation (the "People Mover"). It is anticipated for FY 2022 that the Section 5307 federal capital funding passed through the RTA will again be 50.0 percent to SMART, 49.0 percent to DDOT, and 1 percent to the Detroit Transportation Corporation. For FY 2023, Section 5307 funding of approximately \$43.7 million is included in SMART's capital budget.

In December 2022, voters in the service areas of Macomb, Oakland, and Wayne counties approved a \$0.95 per thousand taxable value millage rate. The millage is applied against taxable value across Macomb and Oakland counties and in participating communities in Wayne County. The millage rate is subject to the State Headlee Amendment annually. The millage has been voter approved for a 10-year in Oakland, 5-year in Macomb, and 4-year in Wayne fiscal period starting in FY 2023 and is estimated to generate \$95 million annually for SMART.

SMART has adopted a balanced budget for FY 2023. The FY 2023 operating budget is approved for \$147.5 million. In addition, the FY 2023 restricted pass-through revenue and expense budget has been approved for \$11.4 million. In FY 2023, the board also approved a federal/state \$433.1 million capital spending plan. This capital plan is a six-year spending plan with an estimated \$72.1 million per year to be applied for and spent. In addition, the board continued to support incorporating \$77.7 million in prior year unspent approved grant dollars within the FY 2023 capital spending plan.

#### ***Requests for Further Information***

This financial report is designed to provide our customers, taxpayers, and other interested parties with a general overview of the finances of the Suburban Mobility Authority for Regional Transportation and to demonstrate SMART's accountability for the money it receives. If you have questions about this report or need additional information, contact SMART at the Buhl Building, 535 Griswold Street, Suite 600, Detroit, MI 48226.



# Suburban Mobility Authority for Regional Transportation

## Statement of Net Position

June 30, 2023 and 2022

	Enterprise Operating Fund	
	2023	2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 170,036,384	\$ 143,935,101
Investments (Note 3)	16,839,043	17,062,918
Receivables:		
Local contributions receivable (Note 1)	544,623	368,300
Accrued interest receivable	27,660	26,140
Current portion of leases receivable	18,718	40,964
Other receivables	858,962	910,199
Grant receivable (Note 4)	29,857,910	35,034,661
Materials and supplies inventories	3,362,054	2,822,250
Prepaid expenses and other assets	443,398	500,005
Total current assets	221,988,752	200,700,538
Noncurrent assets:		
Restricted cash (Note 3)	69,867	121,708
Leases receivable - Net of current portion	513,780	532,495
Nondepreciable capital assets (Note 5)	29,837,620	23,435,205
Depreciable capital assets - Net (Note 5)	124,329,746	139,457,345
Total noncurrent assets	154,751,013	163,546,753
Total assets	376,739,765	364,247,291
<b>Deferred Outflows of Resources</b>		
Deferred pension costs (Note 10)	28,111,789	17,868,658
Deferred OPEB costs (Note 12)	7,828,435	15,994,171
Total deferred outflows of resources	35,940,224	33,862,829
<b>Liabilities</b>		
Current liabilities:		
Municipal and community credits payable (Note 1)	7,802,055	6,682,211
Amounts payable under purchase of service agreements	1,380,610	3,211,379
Current portion of accrued self-insurance (Note 9)	4,837,305	5,033,123
Accounts payable	8,686,427	11,807,208
Accrued liabilities and other:		
Accrued salaries and wages	918,202	797,699
Operating assistance reserve	3,018,205	3,757,573
Other accrued liabilities	41,595	1,438,731
Current portion of long-term liabilities (Note 8)	3,873,525	3,545,900
Total current liabilities	30,557,924	36,273,824
Noncurrent liabilities:		
Accrued self-insurance - Net of current portion (Note 9)	10,669,415	9,564,194
Net pension liability (Note 10)	76,631,122	37,903,253
Net OPEB liability (Note 12)	18,019,186	58,422,141
Long-term liabilities - Net of current portion (Note 8)	2,742,054	1,926,947
Total noncurrent liabilities	108,061,777	107,816,535
Total liabilities	138,619,701	144,090,359

## Suburban Mobility Authority for Regional Transportation

### Statement of Net Position (Continued)

June 30, 2023 and 2022

	Enterprise Operating Fund	
	2023	2022
<b>Deferred Inflows of Resources</b>		
Deferred pension cost reductions (Note 10)	\$ -	\$ 20,285,642
Deferred OPEB cost reductions (Note 12)	49,841,792	35,409,767
Deferred inflows from leases	498,439	562,135
Total deferred inflows of resources	<u>50,340,231</u>	<u>56,257,544</u>
<b>Net Position</b>		
Net investment in capital assets	151,147,487	160,919,352
Restricted	69,867	121,708
Unrestricted	72,502,703	36,721,157
Total net position	<u>\$ 223,720,057</u>	<u>\$ 197,762,217</u>

## Suburban Mobility Authority for Regional Transportation

### Statement of Revenue, Expenses, and Changes in Net Position

Years Ended June 30, 2023 and 2022

	Enterprise Operating Fund	
	2023	2022
<b>Operating Revenue</b>		
Fares	\$ 5,259,208	\$ 4,842,163
Other income	1,766,479	1,507,264
Total operating revenue	7,025,687	6,349,427
<b>Operating Expenses</b>		
Salaries and wages	48,713,035	53,311,499
Fringe benefits	26,120,040	22,558,892
Materials and supplies	14,090,794	13,032,125
Contractual services	6,031,594	4,198,017
Utilities	1,295,817	1,234,229
Claims and insurance	8,834,733	7,510,090
Purchased transportation (Note 7)	15,872,370	16,624,029
Miscellaneous expense	1,149,686	4,428,808
Depreciation	21,759,710	22,062,034
Microtransit	7,000,626	3,962,295
Total operating expenses	150,868,405	148,922,018
<b>Operating Loss</b>	(143,842,718)	(142,572,591)
<b>Nonoperating Revenue (Expense)</b>		
Investment income (loss)	3,100,677	(1,150,553)
Gain on sale of assets	71,115	59,809
Federal operating and preventive maintenance assistance	16,514,962	23,248,703
State operating grants	46,267,197	43,482,936
Local contributions (Note 6)	87,814,682	81,299,002
Other state and local sources	1,986,988	2,533,919
Interest expense	(57,264)	(43,242)
Other nonoperating revenue	2,935,566	576,070
Total nonoperating revenue	158,633,923	150,006,644
<b>Income - Before capital contributions</b>	14,791,205	7,434,053
<b>Capital Contributions</b>	11,166,635	24,220,601
<b>Change in Net Position</b>	25,957,840	31,654,654
<b>Net Position - Beginning of year</b>	197,762,217	166,107,563
<b>Net Position - End of year</b>	\$ 223,720,057	\$ 197,762,217

# Suburban Mobility Authority for Regional Transportation

## Statement of Cash Flows

Years Ended June 30, 2023 and 2022

	Enterprise Operating Fund	
	2023	2022
<b>Cash Flows from Operating Activities</b>		
Receipts from transit operations	\$ 7,076,924	\$ 6,170,297
Payments to suppliers	(27,569,005)	(23,184,139)
Payments to employees and fringes	(84,222,619)	(105,392,725)
Payments to claims and insurance	(7,925,330)	(7,079,152)
Payments for purchased transportation	(23,583,921)	(17,657,804)
Net cash and cash equivalents used in operating activities	(136,223,951)	(147,143,523)
<b>Cash Flows from Noncapital Financing Activities</b>		
State operating grants	48,409,662	47,387,699
Federal operating and preventive maintenance assistance	14,795,444	27,247,587
Local contributions	87,638,359	83,462,788
Other nonoperating receipts	4,911,931	3,092,037
Net cash and cash equivalents provided by noncapital financing activities	155,755,396	161,190,111
<b>Cash Flows from Capital and Related Financing Activities</b>		
Receipt of capital grants	15,181,071	33,367,164
Proceeds from sale of capital assets	130,924	137,624
Purchase of capital assets	(11,539,361)	(24,220,600)
Lease payments	(577,669)	(390,886)
Net cash and cash equivalents provided by capital and related financing activities	3,194,965	8,893,302
<b>Cash Flows from Investing Activities</b>		
Interest received on investments - Net of losses	3,099,157	(1,164,577)
Proceeds from sale and maturities of investment securities	223,875	1,342,118
Net cash and cash equivalents provided by investing activities	3,323,032	177,541
<b>Net Increase in Cash and Cash Equivalents</b>	26,049,442	23,117,431
<b>Cash and Cash Equivalents - Beginning of year</b>	144,056,809	120,939,378
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 170,106,251</b>	<b>\$ 144,056,809</b>
<b>Classification of Cash and Cash Equivalents</b>		
Cash and cash equivalents	\$ 170,036,384	\$ 143,935,101
Restricted cash	69,867	121,708
Total cash and cash equivalents	<b>\$ 170,106,251</b>	<b>\$ 144,056,809</b>
<b>Reconciliation of Operating Loss to Net Cash from Operating Activities</b>		
Operating loss	\$ (143,842,718)	\$ (142,572,591)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	21,759,710	22,062,034
Noncash change in net pension liability	8,199,096	(8,442,852)
Noncash change in net OPEB liability	(17,805,194)	(19,298,534)
Noncash change in self-insurance liability	909,403	430,938
Changes in assets and liabilities:		
Materials and supplies inventory	(539,804)	385,875
Other receivables	51,237	(179,130)
Prepaid and other assets	56,607	(222,900)
Accounts payable	(4,517,917)	(453,935)
Municipal and community credits payable	1,119,844	1,011,666
Payable under purchase service contracts	(1,830,769)	1,916,854
Accrued wages and compensated absences	216,554	(1,780,948)
Net cash and cash equivalents used in operating activities	<b>\$ (136,223,951)</b>	<b>\$ (147,143,523)</b>

**Significant Noncash Transactions** - In 2023, SMART entered into leases that increased right-to-use assets and lease liabilities by approximately \$1.5 million.

**Suburban Mobility Authority for Regional Transportation**

**Fiduciary Funds  
Statement of Fiduciary Net Position**

**June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Assets</b> - Interest in pooled investments	\$ 110,526,554	\$ 100,618,245
<b>Liabilities</b>	<u>-</u>	<u>-</u>
<b>Net Position</b> - Restricted for postemployment benefits other than pension	<u><u>\$ 110,526,554</u></u>	<u><u>\$ 100,618,245</u></u>

# Suburban Mobility Authority for Regional Transportation

## Fiduciary Funds Statement of Changes in Fiduciary Net Position

Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Additions</b>		
Investment income (loss)	\$ 7,605,774	\$ (8,775,581)
Contributions - Employer contributions	8,187,899	16,565,578
Total additions	<u>15,793,673</u>	<u>7,789,997</u>
<b>Deductions</b>		
Benefit payments	5,693,299	6,665,578
Administrative expenses	192,065	184,962
Total deductions	<u>5,885,364</u>	<u>6,850,540</u>
<b>Net Increase in Fiduciary Net Position</b>	9,908,309	939,457
<b>Net Position - Beginning of year</b>	<u>100,618,245</u>	<u>99,678,788</u>
<b>Net Position - End of year</b>	<u><u>\$ 110,526,554</u></u>	<u><u>\$ 100,618,245</u></u>

June 30, 2023 and 2022

### Note 1 - Significant Accounting Policies

The following is a summary of the significant accounting policies used by the Suburban Mobility Authority for Regional Transportation (SMART or the "Authority"):

#### ***Organization***

The Suburban Mobility Authority for Regional Transportation, an instrumentality of the State of Michigan, is a public benefit agency created pursuant to the provisions of Act No. 204 of the Public Acts of Michigan of 1967, as amended. SMART is charged with the responsibility to plan, acquire, construct, operate, maintain, replace, improve, extend, and contract for public transportation facilities within the counties of Macomb, Monroe, Oakland, and Wayne. SMART is managed by a seven-member board of directors, which represents the counties that comprise SMART's operating region.

In December 2012, the passage of Michigan Public Act (PA) 387 created the Regional Transit Authority (RTA) and added Washtenaw County to the formerly tricounty transit region composed of Macomb, Oakland, and Wayne counties. SMART, the Detroit Department of Transportation (DDOT), the Ann Arbor Area Transportation Authority (AAATA), and the Detroit Transportation Corporation (the "People Mover") are subrecipients of the RTA for state and federal operating assistance, capital grants, and loans. The State of Michigan and the Federal Transit Administration (FTA) pay such funds directly to SMART at the direction of the RTA.

PA 387 also terminated the Regional Transit Coordinating Council (RTCC), the then-existing designated recipient, and made the Southeast Michigan Council of Governments (SEMCOG) the designated recipient of federal funds until October 1, 2013, when the RTA became the designated recipient. In March 2013, prior to PA 387, SEMCOG determined the allocation of operating assistance funds under Act 51 and federal capital funds to the tricounty urbanized area. Based on information submitted by the agencies, SEMCOG allocated 51.5 percent to SMART, 47.5 percent to DDOT, and 1 percent to the Detroit Transportation Corporation. This allocation remains in effect and is subject to change based on annual review by the RTA. Capital grants or loans are not allocated on a formula basis but rather are allocated on a specific project or asset basis in accordance with the terms of the grant or loan.

#### ***Reporting Entity***

The financial reporting entity, as defined by Statement Nos. 14 and 39 (as amended by Statement Nos. 61 and 80) of the Governmental Accounting Standards Board (GASB), is composed of the primary government and its component units. The primary government includes all departments and operations for which SMART exercises oversight responsibility. Oversight responsibility was evaluated based on consideration of financial interdependency, selection of governing authority, designation of management, the ability to significantly influence management, and accountability for fiscal matters. The reporting entity of SMART consists solely of the primary government and its component unit.

Based on the guidelines outlined in GASB Statement Nos. 14 and 39 (as amended by GASB Statement Nos. 61 and 80) with respect to any other governmental unit, including the transportation agencies with which SMART has entered into purchase of service agreements, or the Act 196 Transportation Authorities in the counties served by SMART, SMART does not select its governing authority, designate its management, exercise significant influence over its daily operations, or maintain its accounting records.

SMART is not included within the reporting entity of the State of Michigan because the State of Michigan has no authority to appoint or remove SMART's management or board of directors and is not accountable for its fiscal matters.

#### ***Fiduciary Component Unit***

Although legally separate from the Authority, the Other Postemployment Benefits Fund is reported as a fiduciary component unit because it is governed by SMART's board of directors and imposes a financial burden on SMART.

June 30, 2023 and 2022

### Note 1 - Significant Accounting Policies (Continued)

#### ***Accounting and Reporting Principles***

The Authority follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board. The following is a summary of the significant accounting policies used by the Authority:

#### ***Report Presentation***

This report includes the fund-based statements of the Authority. In accordance with government accounting principles, a government-wide presentation with program and general revenue is not applicable to special purpose governments engaged only in business-type activities.

#### ***Fund Accounting***

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees). The Authority reports all activity in a single enterprise fund except for the following fiduciary fund.

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts are not used to operate the Authority's programs. Activities that are reported as fiduciary include the Other Postemployment Benefits Fund, which accumulates resources for future retiree health care payments to retirees.

#### ***Basis of Accounting***

Proprietary and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

#### ***Specific Balances and Transactions***

##### **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

##### **Investments**

Investments are reported at fair value or estimated fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sale price at current exchange rates.

##### **Local Contributions Receivable**

Local contributions receivable are shown net of estimated uncollectible amounts. No other allowances for anticipated uncollectible amounts are included in the financial statements, as SMART considers all other receivables to be fully collectible.

##### **Materials and Supplies Inventory**

Inventory consists of maintenance parts, repair parts, operating and office supplies, and fuel used in the operation of the transit system. Inventories are recorded at average cost. In accordance with industry practice, all inventories are classified as current assets, even though a portion of the inventories is not expected to be utilized within one year.



**Note 1 - Significant Accounting Policies (Continued)**

**Restricted Assets**

The Authority has unspent proceeds from the sale of assets originally acquired with capital grant funds. SMART has notified the federal granting agency and is required to segregate those funds for future acquisitions of capital assets.

**Capital Assets**

Capital assets are defined by the Authority as assets with an initial individual cost of more than \$2,500 (\$1,000 for computer equipment) and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost or estimated historical cost. Improvements that are expected to extend the useful lives of existing assets are capitalized. Donated fixed assets are recorded at estimated acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is computed using the straight-line method with a half year in the first and last years of the asset's depreciable life based upon the estimated useful lives of the assets as follows:

	<u>Depreciable Life - Years</u>
Connector transit buses and related equipment	4 to 10
Fixed-route buses and related equipment	7 to 14
Buildings and building improvements	25
Leasehold improvements*	5 to 25
Equipment and office furnishings	3 to 10

\*Leasehold improvements are amortized over the shorter life of the specific improvement or the term of the related lease.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an expense until then. The Authority has deferred outflows related to pensions and OPEB, as detailed in Notes 10 and 12, respectively.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as revenue until that time. The Authority reports deferred inflows of resources related leases and pensions and OPEB, as detailed in Notes 10 and 12, respectively.

**Net Position Flow Assumption**

The Authority will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**Note 1 - Significant Accounting Policies (Continued)**

**Pension**

The Authority offers pension benefits to retirees. The Authority records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Other Postemployment Benefit Costs**

The Authority offers retiree health care benefits to employees upon retirement. The Authority records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Claims Expense/Liability**

SMART has a self-insurance program for general and vehicle liability, as well as workers' compensation claims. Claims are accrued in the year the expenses are incurred, based upon the estimates of the claim liabilities made by management, SMART legal counsel, and actuaries. Reserves are also provided for estimates of claims incurred during the year but not yet reported. Claims expense is accrued in the period during which the incidents of loss occur based upon estimates of the expected liability, as determined by management with the assistance of third-party administration, legal counsel, and actuaries. Claims liabilities are estimated by management using the most current available information.

**Municipal and Community Credits Payable**

Annually, SMART receives municipal credit funding from the State of Michigan and funds community credits. SMART passes those moneys through to various individual communities. Every year, SMART executes contracts with each individual community, which allows it to receive municipal and community credit monies. SMART receives the monies upfront from the State, and then each community must request reimbursement from SMART related to contractually allowed expenses. The difference between the amount the State has awarded and sent to SMART and the amount for which the communities have requested reimbursement by June 30 of each respective fiscal year end is recorded as a municipal and community credit payable.

**Compensated Absences (Vacation and Sick Leave)**

SMART employees earn vacation and sick leave, which is generally fully vested when earned. Unused vacation time may be carried over to the following year, with certain limitations. For union employees, the vacation carryover is limited to one year, and for nonunion employees, it can be carried over for two years. Upon termination of employment, employees are paid for unused accumulated vacation. For union employees, sick leave may be accumulated and paid upon retirement and, for certain employees, upon voluntary termination of employment. For union employees, certain accumulated sick leave may also be converted into additional vacation time. Accumulated unpaid vacation and sick leave are recorded as compensated absence liabilities.

June 30, 2023 and 2022

### Note 1 - Significant Accounting Policies (Continued)

#### **Proprietary Funds Operating Classification**

SMART distinguishes operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of SMART is charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

#### **Grant Activities**

The federal government, through the Federal Transit Administration and the Michigan Department of Transportation (MDOT), provides financial assistance and grants directly to the Authority for operations and acquisition of property and equipment. Operating grants and special fare assistance awards made on the basis of entitlement periods are recorded as grant receivables and revenue over the entitlement periods. Federal and state capital acquisition grants fund the purchase of capital items, including buses, bus terminals, and related transportation equipment used by SMART and other transit agencies within the southeastern Michigan region. Capital grants for the acquisition of capital assets are recorded as grants receivable in the statement of net position and capital contributions in the statement of revenue, expenses, and changes in net position when the related qualified expenditures are incurred.

When assets acquired with capital grant funds are disposed of, the Authority is required to notify the granting federal agency. A proportional amount of the proceeds or fair market value, if any, of such property may be used to acquire like-kind replacement vehicles or can be remitted to the granting federal agency at its discretion.

#### **Passenger Fares**

Passenger fares are recorded as revenue at the time services are performed.

#### **Cost Allocation Plan**

The Authority did not have any cost allocation plans in the current year.

#### **Leases**

The Authority is a lessee for noncancelable leases of building space, parking spaces, and bus batteries. The Authority recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the statement of net position. The Authority recognizes lease assets and liabilities with an initial value of \$2,500 or more.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases.

June 30, 2023 and 2022

### Note 1 - Significant Accounting Policies (Continued)

- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

The Authority is a lessor for noncancelable leases of land by telecommunication companies. The Authority recognizes a lease receivable and a deferred inflow of resources in the statement of net position.

At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Authority determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- The Authority uses the actual rate charged to lessees as the discount rate for leases, if known.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

#### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Significant estimates affecting the financial statements relate to the obligation for other postemployment benefits, the required contribution for pensions, estimated liabilities related to self-insurance, the allowance for collectibility of local contribution receivables, the accrual for pending property tax appeals and anticipated chargebacks from the counties, and the reserve for Act 51 revenue.

#### **Upcoming Accounting Pronouncements**

In April 2022, the Governmental Accounting Standards Board issued Statement No. 99, *Omnibus 2022*, which establishes or amends accounting and financial reporting requirements for specific issues related to financial guarantees, derivative instruments, leases, public-public and public-private partnerships (PPPs), subscription-based information technology arrangements (SBITAs), the transition from the London Interbank Offered Rate (LIBOR), the Supplemental Nutrition Assistance Program (SNAP), nonmonetary transactions, pledges of future revenue, the focus of government-wide financial statements, and terminology. The standard has various effective dates. The Authority does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

**Note 1 - Significant Accounting Policies (Continued)**

In June 2022, the Governmental Accounting Standards Board issued Statement No. 100, *Accounting Changes and Error Corrections*, which enhances the accounting and financial reporting requirements for accounting changes and error corrections. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2024.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2025.

**Note 2 - State of Michigan Operating Assistance Funds**

Under Act 51 of the Public Acts of 1951, as amended, the State of Michigan makes distributions of funds that have been appropriated for mass transit operating assistance. As indicated in Note 1, the RTA is the designated recipient for such funds, and SMART is a subrecipient of the RTA. SMART has recorded operating grant revenue under Act 51 based on a formula that takes into account the eligible costs incurred by SMART, locally generated revenue of SMART, the percentage of the RTA's funding that is allocable to SMART, and preliminary information made available by the Michigan Department of Transportation as to the amount of funds expected to be available to the RTA.

The latest final determination of State of Michigan operating assistance allocable to SMART, in accordance with the ACT 51 funding formula, was for the State of Michigan's fiscal year ended September 30, 2019. Furthermore, SMART awaits the final determination for the years ended September 30, 2020, 2021, 2022, and 2023. SMART has recorded an estimated net receivable of approximately \$2,905,000 as of June 30, 2023 based on management's anticipation of the results of the State's final determination of the ACT 51 funding formula for the open years.

Act 51 requires SMART to provide a portion of the State of Michigan operating assistance as funding to municipalities within its transportation district. Amounts not used by the municipalities within two years must be expended by SMART for operating purposes within the county in which the city, village, or township resides. SMART was required to provide approximately \$3,261,000 pursuant to this provision in each of fiscal years 2023 and 2022. Refer to Note 1 for additional information regarding the State of Michigan operating assistance funds.

**Note 3 - Deposits and Investments**

Deposits and investments are reported in the financial statements as follows:

Cash and cash equivalents	\$ 170,036,384
Investments	16,839,043
Restricted cash	<u>69,867</u>
Total deposits and investments	<u>\$ 186,945,294</u>

**Note 3 - Deposits and Investments (Continued)**

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers’ acceptances of United States banks; commercial paper rated within the two highest classifications that matures no more than 260 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The Authority has designated three banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 20 of 1943 has authorized investments in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers’ acceptances of United States banks; commercial paper rated within the highest classifications established by no less than two standard rating services that matures no more than 260 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan; and investment pools organized under the Local Government Investment Pool Acts, 1982 PA 367 and 1985 PA 121.

The Authority’s cash and investments are subject to several types of risk, which are examined in more detail below.

**Custodial Credit Risk of Bank Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the Authority’s deposits may not be returned to it. SMART does not have a deposit policy for custodial credit risk. At year end, the Authority had bank deposits of \$172,266,423 (checking and savings accounts), of which \$171,241,423 was uninsured and uncollateralized.

**Interest Rate Risk**

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. SMART’s investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 260-day maturity.

At year end, SMART had the following investments:

Investment	Fair Value	Weighted- average Maturity (Years)
Negotiable certificates of deposit	\$ 8,147,440	2.52
U.S. government agency securities	8,691,603	2.92

**Fair Value Measurements**

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

**Note 3 - Deposits and Investments (Continued)**

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Authority has the following recurring fair value measurements as of June 30, 2023:

- Negotiable certificates of deposit of \$8,147,440 are valued using a matrix pricing model (Level 2 inputs).
- U.S. government agency securities of \$8,691,603 are valued using a matrix pricing model (Level 2 inputs).
- Interest in pooled investments (MERS Total Market Portfolio) of \$110,526,554 is valued at net asset value per share.

The MERS Total Market Portfolio is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity, and commodities. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets. The Municipal Employees' Retirement System (MERS) manages the asset allocation and monitors the underlying investment managers of the MERS Total Market Portfolio. There are no unfunded commitments or rules regarding redemption frequency or notice period.

**Note 4 - Grants Receivable**

At June 30, 2023 and 2022, grants receivable are composed of the following:

	2023	2022
Accounts receivable - Billed:		
Federal government grants	\$ 3,136,693	\$ 4,542,041
State of Michigan grants	10,974,438	15,677,870
Total billed	14,111,131	20,219,911
Accounts receivable - Unbilled:		
Federal government grants	14,862,837	13,279,833
State of Michigan grants	881,367	1,485,944
Local grants	2,575	48,973
Total unbilled	15,746,779	14,814,750
Total	\$ 29,857,910	\$ 35,034,661

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements

June 30, 2023 and 2022

### Note 5 - Capital Assets

Capital asset activity during the fiscal year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2023
Capital assets not being depreciated:					
Land	\$ 3,473,174	\$ -	\$ -	\$ -	\$ 3,473,174
Construction in progress	19,957,031	(5,066,550)	11,539,355	(70,390)	26,359,446
Trademark	5,000	-	-	-	5,000
Subtotal	23,435,205	(5,066,550)	11,539,355	(70,390)	29,837,620
Capital assets being depreciated:					
Fixed-route buses and equipment	123,194,280	2,451,850	-	-	125,646,130
Connector buses and related equipment	82,990,948	243,845	-	(722,942)	82,511,851
Buildings and improvements	50,106,437	171,070	-	-	50,277,507
Office furnishings and equipment	2,363,756	-	-	-	2,363,756
Other equipment	87,582,768	2,199,785	-	-	89,782,553
Leasehold improvements	8,316,895	-	-	-	8,316,895
Right-to-use asset - Building space	2,660,182	-	1,565,555	-	4,225,737
Subtotal	357,215,266	5,066,550	1,565,555	(722,942)	363,124,429
Accumulated depreciation:					
Fixed-route buses and equipment	45,865,263	-	9,266,030	-	55,131,293
Connector buses and related equipment	54,359,432	-	6,525,308	(722,942)	60,161,798
Buildings and improvements	39,021,572	-	971,157	-	39,992,729
Office furnishings and equipment	2,134,655	-	46,108	-	2,180,763
Other equipment	68,275,021	-	4,211,752	-	72,486,773
Leasehold improvements	7,368,134	-	180,880	-	7,549,014
Right-to-use asset - Building space	733,844	-	558,469	-	1,292,313
Subtotal	217,757,921	-	21,759,704	(722,942)	238,794,683
Net capital assets being depreciated	139,457,345	5,066,550	(20,194,149)	-	124,329,746
Net capital assets	\$ 162,892,550	\$ -	\$ (8,654,794)	\$ (70,390)	\$ 154,167,366



# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements

June 30, 2023 and 2022

### Note 5 - Capital Assets (Continued)

Capital asset activity during the fiscal year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2022
Capital assets not being depreciated:					
Land	\$ 3,473,174	\$ -	\$ -	\$ -	\$ 3,473,174
Construction in progress	21,260,887	(25,465,114)	24,220,600	(59,342)	19,957,031
Trademark	5,000	-	-	-	5,000
Subtotal	24,739,061	(25,465,114)	24,220,600	(59,342)	23,435,205
Capital assets being depreciated:					
Fixed-route buses and equipment	108,069,107	15,125,173	-	-	123,194,280
Connector buses and related equipment	84,035,611	56,585	-	(1,101,248)	82,990,948
Buildings and improvements	49,449,776	656,661	-	-	50,106,437
Office furnishings and equipment	2,363,756	-	-	-	2,363,756
Other equipment	77,956,073	9,626,695	-	-	87,582,768
Leasehold improvements	8,316,895	-	-	-	8,316,895
Right-to-use asset - Building space	2,660,182	-	-	-	2,660,182
Subtotal	332,851,400	25,465,114	-	(1,101,248)	357,215,266
Accumulated depreciation:					
Fixed-route buses and equipment	37,206,215	-	8,659,048	-	45,865,263
Connector buses and related equipment	48,247,372	-	7,213,308	(1,101,248)	54,359,432
Buildings and improvements	37,998,555	-	1,023,017	-	39,021,572
Office furnishings and equipment	2,088,547	-	46,108	-	2,134,655
Other equipment	63,708,287	-	4,566,734	-	68,275,021
Leasehold improvements	7,181,237	-	186,897	-	7,368,134
Right-to-use asset - Building space	366,922	-	366,922	-	733,844
Subtotal	196,797,135	-	22,062,034	(1,101,248)	217,757,921
Net capital assets being depreciated	136,054,265	25,465,114	(22,062,034)	-	139,457,345
Net capital assets	\$ 160,793,326	\$ -	\$ 2,158,566	\$ (59,342)	\$ 162,892,550

The eligible depreciation for fiscal year 2023 of \$696,947 (\$21,759,710 total depreciation reported less ineligible depreciation of \$21,062,763) includes only depreciation of assets purchased with local funds where the useful life of the asset purchased has been approved by the Office of Passenger Transportation (OPT).

**Note 5 - Capital Assets (Continued)**

**Construction Commitments**

The Authority has active purchase contract commitments at year end related to the multiple capital purchases. At year end, the Authority's significant commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Bus purchase	\$ 16,853,981	\$ 9,330,295
Building construction	6,049,863	13,369,603
Bus shelters	229,639	345,362
Software	2,465,849	2,412,859
Communication boards	888,400	898,100
Bus components	2,743,743	5,716,720
	<u>\$ 29,231,475</u>	<u>\$ 32,072,939</u>
Total		

**Note 6 - Property Taxes**

In November 2022, Wayne and Macomb counties had property tax millages approved as follows: Wayne County was approved at 0.994 mills for four years from 2022-2025, and Macomb County was approved at 0.95 mills for five years from 2022-2026. These millages were levied and collected in 2023. In February 2023, Oakland County and SMART established an Interlocal Public Transportation Agreement. The agreement stated Oakland County will continue to provide a foundation of \$31.6 million in millage funding per year to SMART to preserve services that were in place as of December 31, 2022, as well as an additional \$10.1 million in millage funding for expanded services. Revenue received by Macomb County, Michigan; the Wayne County Act 196 Authority; and the Oakland County Act 196 Authority, which was contributed to SMART for the years ended June 30, 2023 and 2022, totaled \$87,814,682 and \$81,299,002, respectively.

**Note 7 - Community Support and Purchase of Service**

SMART has entered into purchase of service agreements with various transportation agencies, including community transit operators, all of which are separate transit systems operating in SMART's region. The agreements generally require that operating losses (as defined in the respective agreements) of these transportation agencies be subsidized up to specified maximum amounts.

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements

June 30, 2023 and 2022

### Note 7 - Community Support and Purchase of Service (Continued)

Expenses under the purchase of service agreements for the years ended June 30 are composed of the following:

	2023	2022
Purchased transportation:		
Community-based services	\$ 195,000	\$ 195,000
Community credits	4,114,900	3,983,400
Community transit bus service	328,000	328,000
Total purchased transportation	4,637,900	4,506,400
Pass-through community support:		
Municipal credits	3,261,080	3,261,080
Specialized services	922,292	922,294
JARC and New Freedom	2,727,695	2,267,489
Royal Oak Township	11,751	16,823
Community transit bus service	3,318,258	4,499,526
CARES Act	993,394	-
Federal relief funding	-	1,150,417
Total purchase of service	11,234,470	12,117,629
Total	\$ 15,872,370	\$ 16,624,029

### Note 8 - Long-term Liabilities

Long-term debt activity for the year ended June 30, 2023 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Accumulated compensated absences	\$ 3,499,649	\$ 2,612,571	\$ (2,516,520)	\$ 3,595,700	\$ 3,379,958
Lease liability (Note 15)	1,973,198	1,529,350	(482,669)	3,019,879	493,567
Total long-term debt	\$ 5,472,847	\$ 4,141,921	\$ (2,999,189)	\$ 6,615,579	\$ 3,873,525

Activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Accumulated compensated absences	\$ 4,068,493	\$ 2,989,199	\$ (3,558,043)	\$ 3,499,649	\$ 3,191,239
Lease liability (Note 15)	2,320,842	-	(347,644)	1,973,198	354,661
Total long-term debt	\$ 6,389,335	\$ 2,989,199	\$ (3,905,687)	\$ 5,472,847	\$ 3,545,900

### Note 9 - Risk Management

SMART is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation).

**Note 9 - Risk Management (Continued)**

In fiscal years 2023 and 2022, SMART was a qualifying self-insurer for vehicle and general liability loss with a self-retention per occurrence amount of \$1 million and excess insurance totaling \$10 million per occurrence. SMART is self-insured for workers' compensation claims up to \$500,000 per specific claim and is insured up to \$5 million for aggregate losses in excess of the \$500,000 individual claim. Vehicle, general, and workers' compensation claim liabilities are actuarially determined based on known information. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Recorded liabilities include an estimated amount for claims that have been incurred but not reported (IBNR). Management represents, based on existing known information and prior experience, that the estimated reserve for claims is adequate to satisfy all claims filed, or expected to be filed, for incidents that occurred through June 30, 2023.

SMART carries third-party commercial insurance for other areas of liability risk, including health benefits. Settled claims have not exceeded commercial coverage in any of the preceding five years.

Changes in the balances of self-insured liabilities during fiscal years 2023, 2022, and 2021 were as follows:

	2023	2022	2021
Claims liability - July 1	\$ 14,597,317	\$ 14,166,379	\$ 11,534,718
Incurred claims - Current year, including adjustments to IBNR	8,369,997	5,906,962	7,521,756
Claim payments	<u>(7,460,594)</u>	<u>(5,476,024)</u>	<u>(4,890,095)</u>
Claims liability - June 30	<u>\$ 15,506,720</u>	<u>\$ 14,597,317</u>	<u>\$ 14,166,379</u>

**Note 10 - Agent Defined Benefit Pension Plan**

***Plan Description***

The Suburban Mobility Authority for Regional Transportation participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan, which covers all full-time employees of the Suburban Mobility Authority for Regional Transportation. MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report, which includes the financial statements and required supplementary information of this defined benefit plan. This report can be obtained at [www.mersofmich.com](http://www.mersofmich.com) or in writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

***Benefits Provided***

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS.

The MERS plan covers full-time employees at the Authority, including ATU, UAW, Teamsters, AFSCME, and nonunion employees.

Retirement benefits for employees hired before July 1, 2007 are calculated as 2.25 percent of the employee's final 5-year average salary times the employee's years of service. Normal retirement age is 60, with early retirement at 55 with 15 years of service. The vesting period is 6 years. Employees are eligible for nonduty disability benefits after 6 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits equal at least 85 percent of the accrued retirement allowance benefit. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

June 30, 2023 and 2022

**Note 10 - Agent Defined Benefit Pension Plan (Continued)**

Retirement benefits for employees hired after July 1, 2007 are calculated as 1.70 percent of the employee's final 5-year average salary times the employee's years of service. Normal retirement age is 60, with early retirement at 50 with 20 years of service. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 6 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits equal at least 85 percent of the accrued retirement allowance benefit. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are determined annually based on a percentage of the original retirement benefits, a percentage of the present retirement benefits, or a fixed dollar amount.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the Authority's board, generally after negotiations of these terms with the affected unions.

**Employees Covered by Benefit Terms**

The following members were covered by the benefit terms as of December 31, 2022:

Inactive plan members or beneficiaries currently receiving benefits	985
Inactive plan members entitled to but not yet receiving benefits	141
Active plan members	<u>694</u>
Total employees covered by the plan	<u><u>1,820</u></u>

**Contributions**

Article 9, Section 24 of the State of Michigan Constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The Authority has established a 4.50 percent of covered payroll contribution rate to be paid by its covered employees.

For the year ended June 30, 2023, the average active employee contribution rate was 4.50 percent of annual pay, and the Suburban Mobility Authority for Regional Transportation's average contribution rate was 22.65 percent of annual payroll.

**Net Pension Liability**

The Authority has chosen to use the December 31 measurement date as its measurement date for the net pension liability. The June 30, 2023 fiscal year end reported net pension liability was determined using a measure of the total pension liability and the pension net position as of the December 31, 2022 measurement date. The December 31, 2022 measurement date total pension liability was determined by an actuarial valuation performed as of that date.

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements

June 30, 2023 and 2022

### Note 10 - Agent Defined Benefit Pension Plan (Continued)

Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at December 31, 2021</b>	\$ 296,664,576	\$ 258,761,323	\$ 37,903,253
Changes for the year:			
Service cost	4,435,172	-	4,435,172
Interest	20,970,409	-	20,970,409
Differences between expected and actual experience	1,437,986	-	1,437,986
Contributions - Employer	-	15,146,136	(15,146,136)
Contributions - Employee	-	2,045,700	(2,045,700)
Net investment loss	-	(28,599,214)	28,599,214
Benefit payments, including refunds	(19,270,348)	(19,270,348)	-
Administrative expenses	-	(476,924)	476,924
Net changes	7,573,219	(31,154,650)	38,727,869
<b>Balance at December 31, 2022</b>	<b>\$ 304,237,795</b>	<b>\$ 227,606,673</b>	<b>\$ 76,631,122</b>

### ***Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

For the year ended June 30, 2023, the Authority recognized pension expense of \$18,506,877.

At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 718,993	\$ -
Net difference between projected and actual earnings on pension plan investments	22,220,513	-
Employer contributions to the plan subsequent to the measurement date	5,172,283	-
Total	<b>\$ 28,111,789</b>	<b>\$ -</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$5,172,283), which will impact the net pension liability in fiscal year 2024 rather than pension expense.

Years Ending June 30	Amount
2024	\$ 2,723,638
2025	4,045,856
2026	6,716,657
2027	9,453,355

**Note 10 - Agent Defined Benefit Pension Plan (Continued)**

**Actuarial Assumptions**

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.50%
Salary increases (including inflation)	3.00%
Investment rate of return (gross of investment expenses)	7.25%

The base mortality tables used are constructed as described below and are based on amount-weighted sex-distinct rates:

Preretirement Mortality:

1. 100% of PubG-2010 Healthy Retiree Mortality Tables for Ages 81-120
2. 100% of PubG-2010 Employee Mortality Tables for Ages 18-80
3. 100% of Pub-2010 Juvenile Mortality Tables for Ages 0-17

Nondisabled retired plan members and beneficiaries:

1. 106% of PubG-2010 Healthy Retiree Mortality Tables for Ages 50-120
2. 106% of PubG-2010 Employee Mortality Tables for Ages 18-49
3. 106% of Pub-2010 Juvenile Mortality Tables for Ages 0-17

Disabled retired plan members:

1. 100% of PubNS-2010 Disabled Retiree Tables for Ages 18-120
2. 100% of Pub-2010 Juvenile Mortality Tables for Ages 0-17

Future mortality improvements are assumed each year using scale MP-2019 applied fully generationally from the Pub-2010 base year of 2010. All assumptions used, except for investment rate of return, are based on actuarial study conducted for the period from 2014-2018.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

**Projected Cash Flows**

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

June 30, 2023 and 2022

**Note 10 - Agent Defined Benefit Pension Plan (Continued)**

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2022, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	4.50 %
Global fixed income	20.00	2.00
Private investments	20.00	7.00

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the Authority, calculated using the discount rate of 7.25 percent, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net pension liability of the Suburban Mobility Authority for Regional Transportation	\$ 109,505,651	\$ 76,631,122	\$ 48,820,441

**Pension Plan Fiduciary Net Position**

Detailed information about the plan's fiduciary net position is available in the separately issued financial report found at [www.mersofmich.com](http://www.mersofmich.com). The plan's fiduciary net pension has been determined on the same basis as used by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

**Note 11 - Defined Contribution Postemployment Benefits**

The Authority provides an employer-sponsored health care savings plan to certain employees to cover the costs of postemployment medical expenses available to the participant upon separation from employment by the Authority. This is a defined contribution plan administered by Michigan Municipal Employees' Retirement System. The benefits are provided under collective bargaining agreements (or other legal authority for providing benefits). There are no required contributions from employees. The Authority is required to contribute \$125 per month for each participating employee in the International Brotherhood of Teamsters and \$137 per month for each participating employee in the Amalgamated Transit Union; the American Federation of State, County and Municipal Employees (AFSCME); and nonrepresented employee groups. Health care savings plan participants are not eligible for authority-paid retiree health care under any other authority plan or program

During the years ended June 30, 2023 and 2022, the Authority made contributions of \$787,770 and \$745,743, respectively, to the plan.



**Note 12 - Other Postemployment Benefit Plan**

***Plan Description***

SMART provides other postemployment benefits for all employees who meet eligibility requirements. These OPEB benefits are provided by SMART through its Enterprise Operating Fund directly to the retiree and beneficiary monthly. The SMART Enterprise Operating Fund will also make, on a discretionary basis, advance OPEB funding contributions to the Michigan Municipal Employees' Retirement System retiree health funding vehicle.

MERS is a statutory public corporation multiple-employer retirement system that pools assets of the participating employers for investment purposes but maintains separate accounts for each individual employer retiree health funding vehicle. These funds constitute a health care fund, which enable SMART to accumulate moneys to provide or subsidize health benefits for retirees and retiree beneficiaries.

SMART and the Municipal Employees' Retirement System separately issue public financial reports that include financial statements and required supplementary information for their respective organizations. The MERS financial report can be obtained by writing to MERS at 1134 Municipal Way, Lansing, MI 48917 or on the MERS website at [www.mersofmich.com](http://www.mersofmich.com).

Management of the plan is vested in the SMART board of directors.

***Benefits Provided***

SMART provides postemployment health insurance, life insurance, and prescription benefits to eligible employees and beneficiaries. Eligible employees include those who retire after attaining age 60 with at least 6 years of service or after attaining age 55 with at least 15 years of service. For certain employees hired after July 1, 2007, health, life, and prescription benefits will be provided after the employee attains age 55 with at least 25 years of service. There are no cost of living benefit adjustments. Union contracts or the nonunion benefit book outline specifically which health care agent a retiree or beneficiary can utilize.

***Employees Covered by Benefit Terms***

Substantially all SMART employees hired before July 1, 2007; AFSCME members hired before February 9, 2015; and all UAW members are members of the plan. During fiscal year 2015, SMART implemented a defined contribution health care savings plan (the "HCSP") as an alternative to the existing plan, effectively closing the retiree health care and prescription plan to new employees. All Amalgamated Transit Union, International Brotherhood of Teamsters, and all nonrepresented employees hired after July 1, 2007 were transferred to the HCSP retroactive to their date of hire. The HCSP also includes employees in the American Federation of State, County and Municipal Employees hired after February 9, 2015.

The following members were covered by the benefit terms as of December 31, 2022:

Inactive plan members or beneficiaries currently receiving benefits	689
Active plan members	723
	<hr/>
Total plan members	1,412
	<hr/> <hr/>

***Contributions***

SMART contributes 100 percent of the actual monthly costs for current benefits and administrative expenses to the plan through its Enterprise Operating Fund (pay-as-you-go funding). SMART has made additional payments to the OPEB retiree health funding vehicle at MERS on a discretionary basis.

June 30, 2023 and 2022

**Note 12 - Other Postemployment Benefit Plan (Continued)**

SMART union and nonunion retirees who retire after January 6, 2012 also contribute a portion of their monthly retirement benefit to fund monthly health care premium payments made by SMART. For the fiscal year ended June 30, 2023, SMART paid postemployment health care benefit premiums and administrative costs of \$5,693,299. In addition, SMART also contributed \$2,494,600 into its prefunded retiree health care fund and paid \$192,065 of administrative OPEB investment costs from the retiree health care fund.

**Net OPEB Liability**

The Authority has chosen to use the June 30, 2023 measurement date as its measurement date for the net OPEB liability. The June 30, 2023 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the June 30, 2023 measurement date. The June 30, 2023 total OPEB liability was determined by an actuarial valuation performed as of December 31, 2022, which used update procedures to roll forward the estimated liability to June 30, 2023.

Changes in the net OPEB liability during the measurement year were as follows:

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
<b>Balance at July 1, 2022</b>	\$ 159,040,386	\$ 100,618,245	\$ 58,422,141
Changes for the year:			
Service cost	776,079	-	776,079
Interest	8,611,998	-	8,611,998
Differences between expected and actual experience	(17,265,224)	-	(17,265,224)
Changes in assumptions	(16,924,200)	-	(16,924,200)
Contributions - Employer	-	8,187,899	(8,187,899)
Net investment income	-	7,605,774	(7,605,774)
Benefit payments, including refunds	(5,693,299)	(5,693,299)	-
Administrative expenses	-	(192,065)	192,065
Net changes	(30,494,646)	9,908,309	(40,402,955)
<b>Balance at June 30, 2023</b>	<b>\$ 128,545,740</b>	<b>\$ 110,526,554</b>	<b>\$ 18,019,186</b>

The plan's fiduciary net position represents 85.98 percent of the total OPEB liability.

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2023, the Authority recognized an OPEB cost recovery of \$9,617,295.

At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 36,206,719
Changes in assumptions	6,823,811	13,635,073
Net difference between projected and actual earnings on OPEB plan investments	1,004,624	-
Total	<b>\$ 7,828,435</b>	<b>\$ 49,841,792</b>

June 30, 2023 and 2022

**Note 12 - Other Postemployment Benefit Plan (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30	Amount
2024	\$ (13,514,827)
2025	(13,416,970)
2026	(7,004,646)
2027	(7,110,129)
2028	(966,785)

**Actuarial Assumptions**

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using an inflation assumption of 2.50 percent; assumed salary increases for individual members based on age, including a base increase of 3.00 percent for all years and a merit/seniority increase of 0.00 to 6.70 percent; an investment rate of return (net of investment expenses) of 7.00 percent; a health care cost trend rate of 7.50 percent, decreasing for 12 years to an ultimate rate of 3.50 percent; and the sex-distinct Pub-2010 mortality tables with future assumed mortality improvements using scale MP-2019. These assumptions were applied to all periods included in the measurement.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that, in years where an unfunded actuarial accrued liability exists, the total contributions will be equal to the projected benefit payments (pay as you go), in order to fund the actuarial contribution amount. In years where no unfunded actuarial accrued liability exists, the total contributions will be equal to the projected service cost, and contributions and benefit payments occur halfway through the year.

Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Investment Rate of Return**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2023 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment note, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Global equity	4.50 %
Global fixed income	2.00
Private investments	7.00

June 30, 2023 and 2022

**Note 12 - Other Postemployment Benefit Plan (Continued)**

***Sensitivity of the Net OPEB Liability to Changes in the Discount Rate***

The following presents the net OPEB liability of the Authority, calculated using the discount rate of 7.0 percent, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.00%)	Current Discount Rate (7.00%)	1 Percentage Point Increase (8.00%)
Net OPEB liability of the Municipal Employees' Retirement System of Michigan	\$ 32,357,230	\$ 18,019,186	\$ 5,965,226

***Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate***

The following presents the net OPEB liability of the Authority, calculated using the health care cost trend rate of 7.5 percent, as well as what the Authority's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.50%)	Current Health Care Cost Trend Rate (7.50%)	1 Percentage Point Increase (8.50%)
Net OPEB liability of the Municipal Employees' Retirement System of Michigan	\$ 5,427,085	\$ 18,019,186	\$ 32,894,507

***Assumption Changes***

With the most recent valuation, the assumed rate of return was increased from 5.5 percent to 7.0 percent.

***Investment Policy***

The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the OPEB board by a majority vote of its members. It is the policy of the OPEB board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The OPEB plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the OPEB board's adopted asset allocation policy as of June 30, 2023:

**Municipal Employees' Retirement System of Michigan**

Asset Class	Target Allocation
Global equity	60.00 %
Global fixed income	20.00
Private investments	20.00
Total	<u>100.00 %</u>

***Rate of Return***

For the year ended June 30, 2023, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 7.47 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Note 13 - Contingent Liabilities**

Various legal actions and workers' compensation claims are outstanding or may be instituted or asserted against SMART. Management has accrued amounts with respect to such actions and claims based on its best estimate of SMART's ultimate liability in these matters, including an estimate for claims that have been incurred but not reported for self-insured liability exposure.

**Note 14 - Explanation of Ineligible Expenses per the OPT R&E Manual**

Ineligible expenses are classified appropriately according to the definition in the Local Public Transit Revenue and Expense Manual (R&E Manual). Any capital funds used to pay operating costs have been subtracted from eligible costs, which included \$4.9 million and \$6 million of preventive maintenance in 2023 and 2022, respectively. Also, any expenses associated with earned revenue, of which SMART had none in 2023 and 2022, would be subtracted from eligible costs.

**Note 15 - Leases**

The Authority leases building space, parking spaces, and bus batteries from third parties. Payments are fixed monthly. Lease asset activity of the Authority is included in Note 5.

Future principal and interest payment requirements related to the Authority's lease liability at June 30, 2023 are as follows:

Years Ending	Principal	Interest	Total
2024	\$ 493,567	\$ 50,613	\$ 544,180
2025	501,816	43,795	545,611
2026	508,770	36,841	545,611
2027	520,168	29,736	549,904
2028	217,107	23,477	240,584
2029-2033	680,541	64,460	745,001
2034-2038	97,910	349	98,259
Total	<u>\$ 3,019,879</u>	<u>\$ 249,271</u>	<u>\$ 3,269,150</u>

The Authority leases land to various third parties. Payments are generally fixed monthly with escalation over the term of the lease. During the years ended June 30, 2023 and 2022, the Authority recognized approximately \$60,000 and \$70,000, respectively, of revenue from leases, including interest.

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## Required Supplementary Information

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## Suburban Mobility Authority for Regional Transportation

### Required Supplementary Information Schedule of Changes in the Net Pension Liability and Related Ratios

Last Nine Years  
Years Ended December 31

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>									
Service cost	\$ 4,435,172	\$ 3,881,625	\$ 4,510,489	\$ 4,502,393	\$ 4,468,876	\$ 4,143,547	\$ 3,891,466	\$ 3,819,202	\$ 3,701,095
Interest	20,970,409	21,012,969	19,888,505	19,885,440	19,353,007	19,005,207	18,585,805	17,695,500	17,072,926
Differences between expected and actual experience	1,437,986	(3,593,770)	966,309	(2,768,704)	(870,763)	(3,478,232)	(2,515,718)	99,715	-
Changes in assumptions	-	10,047,909	7,535,899	8,381,719	-	-	-	10,351,934	-
Benefit payments, including refunds	(19,270,348)	(18,459,581)	(17,122,807)	(16,641,264)	(15,806,604)	(15,337,264)	(14,527,892)	(13,643,308)	(12,930,124)
<b>Net Change in Total Pension Liability</b>	<b>7,573,219</b>	<b>12,889,152</b>	<b>15,778,395</b>	<b>13,359,584</b>	<b>7,144,516</b>	<b>4,333,258</b>	<b>5,433,661</b>	<b>18,323,043</b>	<b>7,843,897</b>
<b>Total Pension Liability - Beginning of year</b>	<b>296,664,576</b>	<b>283,775,424</b>	<b>267,997,029</b>	<b>254,637,445</b>	<b>247,492,929</b>	<b>243,159,671</b>	<b>237,726,010</b>	<b>219,402,967</b>	<b>211,559,070</b>
<b>Total Pension Liability - End of year</b>	<b>\$ 304,237,795</b>	<b>\$ 296,664,576</b>	<b>\$ 283,775,424</b>	<b>\$ 267,997,029</b>	<b>\$ 254,637,445</b>	<b>\$ 247,492,929</b>	<b>\$ 243,159,671</b>	<b>\$ 237,726,010</b>	<b>\$ 219,402,967</b>
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer	\$ 15,146,136	\$ 16,218,042	\$ 12,117,144	\$ 13,368,558	\$ 8,165,009	\$ 16,522,752	\$ 15,725,356	\$ 5,096,203	\$ 4,675,271
Contributions - Employee	2,045,700	1,920,194	2,067,490	2,013,938	1,972,003	1,750,206	1,650,588	1,627,578	1,600,418
Net investment (loss) income	(28,599,214)	31,018,133	28,663,528	24,557,841	(7,496,684)	23,044,677	17,449,806	(2,305,957)	9,705,285
Administrative expenses	(476,924)	(367,088)	(407,927)	(423,144)	(373,896)	(364,112)	(348,853)	(340,843)	(355,364)
Benefit payments, including refunds	(19,270,348)	(18,459,581)	(17,122,807)	(16,641,264)	(15,806,604)	(15,337,264)	(14,527,892)	(13,643,308)	(12,930,124)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(31,154,650)</b>	<b>30,329,700</b>	<b>25,317,428</b>	<b>22,875,929</b>	<b>(13,540,172)</b>	<b>25,616,259</b>	<b>19,949,005</b>	<b>(9,566,327)</b>	<b>2,695,486</b>
<b>Plan Fiduciary Net Position - Beginning of year</b>	<b>258,761,323</b>	<b>228,431,623</b>	<b>203,114,195</b>	<b>180,238,266</b>	<b>193,778,438</b>	<b>168,162,179</b>	<b>148,213,174</b>	<b>157,779,501</b>	<b>155,084,015</b>
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 227,606,673</b>	<b>\$ 258,761,323</b>	<b>\$ 228,431,623</b>	<b>\$ 203,114,195</b>	<b>\$ 180,238,266</b>	<b>\$ 193,778,438</b>	<b>\$ 168,162,179</b>	<b>\$ 148,213,174</b>	<b>\$ 157,779,501</b>
<b>Authority's Net Pension Liability - Ending</b>	<b>\$ 76,631,122</b>	<b>\$ 37,903,253</b>	<b>\$ 55,343,801</b>	<b>\$ 64,882,834</b>	<b>\$ 74,399,179</b>	<b>\$ 53,714,491</b>	<b>\$ 74,997,492</b>	<b>\$ 89,512,836</b>	<b>\$ 61,623,466</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>74.81 %</b>	<b>87.22 %</b>	<b>80.50 %</b>	<b>75.79 %</b>	<b>70.78 %</b>	<b>78.30 %</b>	<b>69.16 %</b>	<b>62.35 %</b>	<b>71.91 %</b>
<b>Covered Payroll</b>	<b>\$ 44,463,919</b>	<b>\$ 41,411,960</b>	<b>\$ 45,036,165</b>	<b>\$ 44,836,035</b>	<b>\$ 43,850,988</b>	<b>\$ 40,197,698</b>	<b>\$ 36,992,486</b>	<b>\$ 36,833,068</b>	<b>\$ 35,107,048</b>
<b>Authority's Net Pension Liability as a Percentage of Covered Payroll</b>	<b>172.34 %</b>	<b>91.53 %</b>	<b>122.89 %</b>	<b>144.71 %</b>	<b>169.66 %</b>	<b>133.63 %</b>	<b>202.74 %</b>	<b>243.02 %</b>	<b>175.53 %</b>

Schedule is built prospectively upon implementation of GASB 68.

## Suburban Mobility Authority for Regional Transportation

### Required Supplementary Information Schedule of Pension Contributions

**Last Ten Fiscal Years  
Years Ended June 30**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 9,571,368	\$ 9,147,144	\$ 7,966,477	\$ 8,212,548	\$ 7,033,464	\$ 6,522,752	\$ 5,725,357	\$ 5,096,203	\$ 4,788,752	\$ 4,549,591
Contributions in relation to the actuarially determined contribution	10,294,148	17,576,710	15,986,477	13,199,457	8,165,009	16,522,752	15,725,357	5,096,203	4,788,752	4,624,857
<b>Contribution Excess</b>	<b>\$ 722,780</b>	<b>\$ 8,429,566</b>	<b>\$ 8,020,000</b>	<b>\$ 4,986,909</b>	<b>\$ 1,131,545</b>	<b>\$ 10,000,000</b>	<b>\$ 10,000,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,266</b>
<b>Covered Payroll</b>	<b>\$ 45,442,353</b>	<b>\$ 45,582,462</b>	<b>\$ 42,005,571</b>	<b>\$ 44,268,897</b>	<b>\$ 43,850,988</b>	<b>\$ 40,197,698</b>	<b>\$ 36,992,486</b>	<b>\$ 36,833,068</b>	<b>\$ 35,107,048</b>	<b>\$ 34,791,376</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>22.65 %</b>	<b>38.56 %</b>	<b>38.06 %</b>	<b>29.82 %</b>	<b>18.62 %</b>	<b>41.10 %</b>	<b>42.51 %</b>	<b>13.84 %</b>	<b>13.64 %</b>	<b>13.29 %</b>

#### Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay - Closed
Remaining amortization period	17 years
Asset valuation method	5-year smoothed market
Inflation	2.50 percent
Salary increase	3.00 percent - Including inflation
Investment rate of return	7.00 percent - Net of pension plan investment expense, including inflation
Retirement age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	Pub-2010 Juvenile and PubG-2010 Employee and Healthy Retiree
Other information	None



## Suburban Mobility Authority for Regional Transportation

### Required Supplementary Information Schedule of Changes in the Net OPEB Liability and Related Ratios

	<b>Last Six Fiscal Years Years Ended June 30</b>					
	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>						
Service cost	\$ 776,079	\$ 1,006,225	\$ 1,414,989	\$ 1,676,593	\$ 1,499,372	\$ 1,672,442
Interest	8,611,998	8,490,468	9,971,568	9,808,385	11,539,771	11,264,428
Differences between expected and actual experience	(17,265,224)	(992,549)	(42,262,549)	(1,297,425)	(27,059,480)	(321,657)
Changes in assumptions	(16,924,200)	-	11,001,181	-	22,428,697	-
Benefit payments, including refunds	(5,693,299)	(6,665,578)	(7,034,223)	(7,145,341)	(8,249,942)	(8,335,309)
<b>Net Change in Total OPEB Liability</b>	(30,494,646)	1,838,566	(26,909,034)	3,042,212	158,418	4,279,904
<b>Total OPEB Liability - Beginning of year</b>	159,040,386	157,201,820	184,110,854	181,068,642	180,910,224	176,630,320
<b>Total OPEB Liability - End of year</b>	<b>\$ 128,545,740</b>	<b>\$ 159,040,386</b>	<b>\$ 157,201,820</b>	<b>\$ 184,110,854</b>	<b>\$ 181,068,642</b>	<b>\$ 180,910,224</b>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 8,187,899	\$ 16,565,578	\$ 17,183,823	\$ 13,445,341	\$ 13,999,942	\$ 13,553,709
Net investment income (loss)	7,605,774	(8,775,581)	20,344,183	1,564,171	1,800,508	3,672,021
Administrative expenses	(192,065)	(184,962)	(150,145)	(117,883)	(118,940)	(122,336)
Benefit payments, including refunds	(5,693,299)	(6,665,578)	(7,034,223)	(7,145,341)	(8,249,942)	(8,335,309)
<b>Net Change in Plan Fiduciary Net Position</b>	9,908,309	939,457	30,343,638	7,746,288	7,431,568	8,768,085
<b>Plan Fiduciary Net Position - Beginning of year</b>	100,618,245	99,678,788	69,335,150	61,588,862	54,157,294	45,389,209
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 110,526,554</b>	<b>\$ 100,618,245</b>	<b>\$ 99,678,788</b>	<b>\$ 69,335,150</b>	<b>\$ 61,588,862</b>	<b>\$ 54,157,294</b>
<b>Net OPEB Liability - Ending</b>	<b>\$ 18,019,186</b>	<b>\$ 58,422,141</b>	<b>\$ 57,523,032</b>	<b>\$ 114,775,704</b>	<b>\$ 119,479,780</b>	<b>\$ 126,752,930</b>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	85.98 %	63.27 %	63.41 %	37.66 %	34.01 %	29.94 %
<b>Covered-employee Payroll</b>	\$ 57,180,553	\$ 62,948,686	\$ 58,357,225	\$ 55,369,846	\$ 54,013,348	\$ 44,134,313
<b>Net OPEB Liability as a Percentage of Covered-employee Payroll</b>	31.51 %	92.81 %	98.57 %	207.29 %	221.20 %	287.20 %

Schedule is built prospectively upon implementation of GASB 75.

See notes to required supplementary information.

## Suburban Mobility Authority for Regional Transportation

### Required Supplementary Information Schedule of OPEB Contributions

**Last Ten Fiscal Years  
Years Ended June 30**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 6,494,557	\$ 6,637,149	\$ 10,915,002	\$ 11,119,377	\$ 13,305,693	\$ 13,486,227	\$ 13,048,354	\$ 13,232,377	\$ 11,175,415	\$ 10,808,965
Contributions in relation to the actuarially determined contribution	8,187,899	16,565,578	17,183,823	13,445,341	13,999,942	13,553,709	14,273,710	12,955,318	11,621,453	7,622,758
<b>Contribution Excess (Deficiency)</b>	<b>\$ 1,693,342</b>	<b>\$ 9,928,429</b>	<b>\$ 6,268,821</b>	<b>\$ 2,325,964</b>	<b>\$ 694,249</b>	<b>\$ 67,482</b>	<b>\$ 1,225,356</b>	<b>\$ (277,059)</b>	<b>\$ 446,038</b>	<b>\$ (3,186,207)</b>
<b>Covered-employee Payroll</b>	\$ 57,180,553	\$ 62,948,686	\$ 58,357,225	\$ 55,369,846	\$ 54,013,348	\$ 44,134,313	\$ 36,833,068	\$ 36,833,068	\$ 35,107,048	\$ 35,107,048
<b>Contributions as a Percentage of Covered-employee Payroll</b>	14.32 %	26.32 %	29.45 %	24.28 %	25.92 %	30.71 %	38.75 %	35.17 %	33.10 %	21.71 %

#### Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31 of even numbered years, which is six months prior to the beginning of the fiscal year biennium in which contributions are required.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	23 years - Closed
Asset valuation method	Market value of assets
Inflation	2.50 percent
Health care cost trend rates	Initial trend of 7.50 percent gradually decreasing to an ultimate trend rate of 3.50 percent in year 12
Salary increase	Increases 3.00 percent to 9.70 percent
Investment rate of return	5.50 percent - Net of OPEB plan investment expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	Sex-distinct Pub-2010 mortality tables
Other information	There were no benefit changes reported during the year

See notes to required supplementary information.

**Suburban Mobility Authority for Regional Transportation**

Required Supplementary Information  
Schedule of OPEB Investment Returns

	<b>Last Six Fiscal Years Years Ended June 30</b>					
	2023	2022	2021	2020	2019	2018
Annual money-weighted rate of return - Net of investment expense	7.47 %	(8.23)%	28.12 %	2.32 %	3.09 %	7.68 %

Schedule is built prospectively upon implementation of GASB 75.

# Suburban Mobility Authority for Regional Transportation

## Notes to Required Supplementary Information

June 30, 2023 and 2022

### ***Pension Information***

#### **Changes in Assumptions**

Amounts reported in 2015 reflect a change in inflation rates from 3.0 to 4.0 percent in 2014 to 3.25 percent in 2015. In addition, the assumed salary increases also changed from 4.5 to 3.75 percent in 2014 and 2015, respectively. The investment rate of return went from 8.25 percent in 2014 to 8.00 percent in 2015. Lastly, the 2014 mortality rates were based on the 1994 Group Annuity Mortality table of a 50 percent male and 50 percent female blend. For disabled retirees, the regular mortality table was used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members. In 2015, the mortality rates were updated based on mortality experience of nondisabled plan members with a 50 percent male and 50 percent female blend of the following tables:

1. The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105 percent
2. The RP-2014 Employee Mortality Tables
3. The RP-2014 Juvenile Mortality Tables

Amounts reported in 2019 reflect a reduction in the assumed investment rate of return from 8.00 percent to 7.60 percent and a reduction in the assumption for salary increases from 3.75 percent to 3.00 percent.

Amounts reported in 2021 reflect updated mortality tables from the RP-2014 Healthy Annuitant, Employee and Juvenile Mortality Tables to the Pub-2010 Juvenile and PubG-2010 Employee and Healthy Retiree Mortality Tables with assumed mortality improvements using scale MP-2019.

Amounts reported in 2022 reflect an updated investment rate of return (gross of investment expenses) and discount rate from 7.60 percent to 7.25 percent.

### ***OPEB Information***

#### **Changes in Assumptions**

Amounts reported in 2019 reflect a change in the mortality tables from the RP-2000 mortality tables projected 20 years with U.S. Projection Scale BB to the RP-2014 mortality tables. In addition, the investment rate of return (net of investment expenses) decreased from 6.5 to 5.5 percent, and the health care cost trend rate decreased from 9.0 to 8.25 percent.

Amounts reported in 2021 reflect a change in the initial pre-65 health care cost trend assumption from 8.25 percent to 7.50 percent and updated mortality tables from RP-2014 mortality tables to the sex-distinct Pub-2010 mortality tables with future assumed mortality improvements using scale MP-2019.

Amounts reported in 2023 reflect an increase in the assumed rate of return from 5.50 percent to 7.00 percent.

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## Other Supplementary Information

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**Suburban Mobility Authority  
for Regional Transportation**

**Other Supplementary Information  
1. Operating Revenue Schedule**

**Year Ended June 30, 2023**

Description	Jul 1, 2022 to Sep 30, 2022	Oct 1, 2022 to Jun 30, 2023	Total
Passenger fares	\$ 1,226,278	\$ 4,032,928	\$ 5,259,206
Contract fares	54,449	207,674	262,123
Advertising	197,437	632,243	829,680
Rental of buildings or other property	13,265	46,931	60,196
Gain/Loss from the sale of capital assets	-	71,115	71,115
Other nontrans. revenue	117,063	2,893,705	3,010,768
Other local contracts - Mun. Cr.	-	12,996	12,996
Other local contracts - Com. Cr.	43,111	128,713	171,824
Total operating revenue	<b>\$ 1,651,603</b>	<b>\$ 8,026,305</b>	<b>\$ 9,677,908</b>

**Suburban Mobility Authority  
for Regional Transportation**

**Other Supplementary Information  
2. Operating Revenue Schedule**

**State Year Ended September 30, 2022**

Description	Oct 1, 2021 to Jun 30, 2022	Jul 1, 2022 to Sep 30, 2022	Total
Passenger fares	\$ 3,766,482	\$ 1,226,278	\$ 4,992,760
Contract fares	87,924	54,449	142,373
Advertising	710,126	197,437	907,563
Rental of buildings or other property	45,986	13,265	59,251
Gain/Loss from the sale of capital assets	59,809	-	59,809
Other nontrans. revenue	157,835	117,063	274,898
Other local contracts - Mun. Cr.	44,271	-	44,271
Other local contracts - Com. Cr.	81,686	43,111	124,797
Total revenue	<b>\$ 4,954,120</b>	<b>\$ 1,651,603</b>	<b>\$ 6,605,722</b>

**Suburban Mobility Authority  
for Regional Transportation**

**Other Supplementary Information  
3. Local Revenue Schedule**

**Year Ended June 30, 2023**

Description	Jul 1, 2022 to Sep 30, 2022	Oct 1, 2022 to Jun 30, 2023	Total
Taxes levied directly	\$ 19,662,501	\$ 68,152,181	\$ 87,814,682
Local community Stabilization	-	1,658,647	1,658,647
Total revenue	<b>\$ 19,662,501</b>	<b>\$ 69,810,828</b>	<b>\$ 89,473,329</b>
<b>Interest Income</b>	<b>\$ (2,758)</b>	<b>\$ 3,117,203</b>	<b>\$ 3,114,445</b>
<b>Other non-trans Revenue</b>	<b>\$ 142,604</b>	<b>\$ 434,886</b>	<b>\$ 577,490</b>
<b>Refunds and Credits</b>	<b>\$ 40,158</b>	<b>\$ 481,617</b>	<b>\$ 521,775</b>



**Suburban Mobility Authority  
for Regional Transportation**

**Other Supplementary Information  
4. Local Revenue Schedule**

**State Year Ended September 30, 2022**

Description	Oct 1, 2021 to Jun 30, 2022	Jul 1, 2022 to Sep 30, 2022	Total
Taxes levied directly	\$ 62,024,002	\$ 19,662,501	\$ 81,686,503
Local community Stabilization	2,209,720	-	2,209,720
Total revenue	<b>\$ 64,233,722</b>	<b>\$ 19,662,501</b>	<b>\$ 83,896,223</b>
<b>Interest Income</b>	<b>\$ (1,193,187)</b>	<b>\$ (2,758)</b>	<b>\$ (1,195,945)</b>
<b>Other non-trans Revenue</b>	<b>\$ 426,219</b>	<b>\$ 142,604</b>	<b>\$ 568,823</b>
<b>Refunds and Credits</b>	<b>\$ 656,032</b>	<b>\$ 40,158</b>	<b>\$ 696,190</b>

**Suburban Mobility Authority  
for Regional Transportation**

**Other Supplementary Information**  
**5. Federal and State Operating Revenue**

**Year Ended June 30, 2023**

Description	Jul 1, 2022 to Sep 30, 2022	Oct 1, 2022 to Jun 30, 2023	Total
State Operating Assistance	\$ 6,425,078	\$ 31,715,243	\$ 38,140,321
Other MDOT/BPT contracts and reimb.			
Reimb for section 5309 program admin	20,532	68,237	88,769
Mobility Mgt 2012-0170 P20	5,709	8,202	13,911
Lake Erie Preventative Maintenance	-	-	-
State Preventive Maintenance (NF Mobility Mgt)	500,000	500,000	1,000,000
Subtotal SMART State	<u>6,951,319</u>	<u>32,291,682</u>	<u>39,243,001</u>
Pass-through State Act 51:			
Act 51 Prior Year Adj	-	-	-
Bedford	27,692	79,083	106,775
Bedford (prior year)	-	52,713	52,713
LETC Urban and Non-Urban	434,933	1,365,390	1,800,323
LETC Urban and Non-Urban (prior year)	-	(10,751)	(10,751)
Line-item municipal credit	407,634	1,222,906	1,630,539
Mun. Cr. special appropriation	407,634	1,222,907	1,630,541
State Preventive Maintenance (Pass-thru)	-	-	-
Royal Oak Township	2,902	11,979	14,881
Royal Oak Township (prior year)	-	(3,130)	(3,130)
Total Pass-through State Act 51	<u>1,280,795</u>	<u>3,941,097</u>	<u>5,221,891</u>
Other state pass-through grants:			
Specialized Service Grant FY 2020	230,572	691,720	922,292
JARC PASS THRU 2012-0170 P21	-	-	-
MOBILITY MGT 2022-0138 P08	-	2,091	2,091
MOBILITY MGT 2017-0130 P12	-	12,256	12,256
MOBILITY MGT 2017-0130 P28	-	18,958	18,958
MOBILITY MGT 2017-0130 P37	31,213	50,953	82,166
NOTA JARC Non-Urban 2017-0130 P07	-	-	-
NOTA JARC Non-Urban 2022-0138 P10	-	137,694	137,694
NOTA New Freedom 2022-0138 P03	-	87,385	87,385
NOTA New Freedom 2022-0138 P06	-	109,226	109,226
Total other state pass-through grants	<u>261,785</u>	<u>1,110,283</u>	<u>1,372,068</u>
Grand total state revenue per F/S	<u><u>\$ 8,493,898</u></u>	<u><u>\$ 37,343,062</u></u>	<u><u>\$ 45,836,960</u></u>

**Other Supplementary Information**

**5. Federal and State Operating Revenue (Continued)**

**Year Ended June 30, 2023**

Description	Jul 1, 2022 to Sep 30, 2022	Oct 1, 2022 to Jun 30, 2023	Total
Preventive maintenance -	\$ 2,000,000	\$ 2,000,000	\$ 4,000,000
Planning/capital cost of contracting -			
FY 2023 UWP -	60,329	258,477	318,806
CMAQ Grant	-	-	-
CARES Act (SMART)	-	3,349,569	3,349,569
CRRSA Act (SMART)	-	4,150,431	4,150,431
Reimb. for JARC Admin	-	-	-
Reimb. for New Freedom Admin.	22,835	32,810	55,644
Reimb. for section 5309 program admin	-	-	-
Subtotal SMART federal	<u>2,083,164</u>	<u>9,791,287</u>	<u>11,874,450</u>
Other federal pass-through grants:			
Section 5307 Lake Erie	495,750	433,890	929,640
CARES Act (Community)	-	-	-
CRRSA Act (Community)	-	993,394	993,394
Section 5310 PM	-	-	-
Section 5311 Lake Erie	37,753	401,805	439,558
JARC Federal Revenue	-	-	-
New Freedom	300,854	1,977,066	2,277,919
Total pass-through federal	<u>834,357</u>	<u>3,806,155</u>	<u>4,640,512</u>
Grand total federal revenue per F/S	<u><b>\$ 2,917,520</b></u>	<u><b>\$ 13,597,442</b></u>	<u><b>\$ 16,514,962</b></u>
Grand total state and federal	<u><b>\$ 11,411,418</b></u>	<u><b>\$ 50,940,504</b></u>	<u><b>\$ 62,351,922</b></u>

**Suburban Mobility Authority  
for Regional Transportation**

**Other Supplementary Information  
6. Federal and State Operating Revenue**

Description	State Year Ended September 30, 2022		
	Oct 1, 2021 to Jun 30, 2022	Jul 1, 2022 to Sep 30, 2022	Total
State Operating Assistance	\$ 29,716,668	\$ 6,425,078	\$ 36,141,746
Other MDOT/BPT contracts and reimb. -			
Reimb for section 5309 program admin	160,827	20,532	181,359
Mobility Mgt 2012-0170 P20	7,170	5,709	12,879
Lake Erie Preventative Maintenance	39,887	-	39,887
State Preventive Maintenance (NF Mobility Mgt)	233,778	500,000	733,778
Subtotal SMART state	<u>30,158,330</u>	<u>6,951,319</u>	<u>37,109,649</u>
Pass-through State Act 51:			
Act 51 Prior Year Adj	-		
Bedford	83,151	27,692	110,843
Bedford (prior year)	24,396	-	24,396
LETC Urban and Non-Urban	1,304,802	434,933	1,739,735
LETC Urban and Non-Urban (prior year)	238,027	-	238,027
Line-item municipal credit	1,222,906	407,634	1,630,540
Mun. Cr. special appropriation	1,222,906	407,634	1,630,540
State Preventive Maintenance (Highland Twp.)	516,222		516,222
Royal Oak Township	12,203	2,902	15,105
Royal Oak Township (prior year)	428	-	428
Total pass-through State Act 51	<u>4,625,041</u>	<u>1,280,795</u>	<u>5,905,835</u>
Other state pass-through grants:			
Specialized Service Grant FY 2020	691,722	230,572	922,294
JARC PASS THRU 2012-0170 P21	2,366	-	2,366
MOBILITY MGT 2017-0130 P12	13,150		13,150
MOBILITY MGT 2017-0130 P28	24,678	-	24,678
MOBILITY MGT 2017-0130 P37	31,737	31,213	62,950
NOTA JARC Non-Urban 2017-0130 P07	-	-	-
NOTA JARC Non-Urban 2022-0138 P01	180,640	-	180,640
NOTA New Freedom 2017-0130 P29	111,967	-	111,967
NOTA New Freedom 2022-0138 P03	194,231	-	194,231
Total other state pass-through grants	<u>1,250,490</u>	<u>261,785</u>	<u>1,512,275</u>
Grand total state revenue per F/S	<u><b>\$ 36,033,861</b></u>	<u><b>\$ 8,493,898</b></u>	<u><b>\$ 44,527,759</b></u>

**Suburban Mobility Authority  
for Regional Transportation**

**Other Supplementary Information**

**6. Federal and State Operating Revenue (Continued)**

**State Year Ended September 30, 2022**

Description	Oct 1, 2021 to Jun 30, 2022	Jul 1, 2022 to Sep 30, 2022	Total
Preventive maintenance -	\$ 3,000,000	\$ 2,000,000	\$ 5,000,000
Planning/capital cost of contracting -			
FY 2023 UWP	-	60,329	60,329
FY 2022 UWP	198,885	-	198,885
CMAQ Grant	702,312	-	702,312
CARES Act (SMART)	10,800,000	-	10,800,000
Reimb. for JARC Admin	-	-	-
Reimb. for New Freedom Admin.	13,306	22,835	36,141
Reimb. for section 5309 program admin	-	-	-
Subtotal SMART federal	<u>14,714,504</u>	<u>2,083,164</u>	<u>16,797,667</u>
Other federal pass-through grants:			
Section 5307 Lake Erie	1,646,797	495,750	2,142,547
CARES Act (Community)	839,620	-	839,620
Section 5310 PM	-	-	-
Section 5311 Lake Erie	538,734	37,753	576,487
JARC Federal Revenue	2,366	-	2,366
New Freedom	1,509,336	300,854	1,810,190
Total pass-through federal	<u>4,536,853</u>	<u>834,357</u>	<u>5,371,209</u>
Grand total federal revenue per F/S	<u><b>\$ 19,251,357</b></u>	<u><b>\$ 2,917,520</b></u>	<u><b>\$ 22,168,877</b></u>
Grand total state and federal	<u><b>\$ 55,285,217</b></u>	<u><b>\$ 11,411,418</b></u>	<u><b>\$ 66,696,636</b></u>

**Suburban Mobility Authority  
for Regional Transportation**

**Other Supplementary Information  
7. SMART Expense Schedule**

**Year Ended June 30, 2023**

Description	Jul 1, 2022 to Sep 30, 2022	Oct 1, 2022 to Jun 30, 2023	Total
Labor - Operators S&W	\$ 5,568,771	\$ 16,705,719	\$ 22,274,490
Labor - Other S&W	4,757,046	14,388,860	19,145,906
Labor - Dispatchers S&W	2,807,402	4,481,509	7,288,911
Other fringe benefits - total fringes	6,041,567	11,188,888	17,230,455
Pensions - Defined contribution	-	-	-
Pensions - Defined benefit	2,427,173	16,079,704	18,506,877
Other postemployment benefits (OPEB)	623,650	(10,240,945)	(9,617,295)
Advertising fees	265,472	1,691,320	1,956,792
Audit cost	109,575	80,250	189,825
Other services	1,110,634	3,043,028	4,153,662
Other Services (Microtransit)	1,582,200	5,170,293	6,752,493
Fuel and lubricants	2,250,392	5,415,382	7,665,774
Tires and tubes	311,493	839,115	1,150,608
Other materials and supplies	1,225,871	4,033,031	5,258,902
Utilities	219,481	981,864	1,201,345
Casualty and liab. costs	1,451,537	7,297,888	8,749,425
Other insurance	21,327	63,982	85,309
Purchased transportation service	1,159,464	3,478,436	4,637,900
Pass-throughs that are expensed -			
Other	1,561,668	6,411,722	7,973,390
Municipal Credits	815,267	2,445,813	3,261,080
Richmond Lenox/CBS Bloomfield Hills	-	-	-
Travel, meetings, and training	44,925	189,452	234,377
Loss on disposal of asset	-	-	-
Other miscellaneous expenses	449,910	524,063	973,973
Leases and rentals	108,221	(16,474)	91,747
Depreciation	62,700	21,697,010	21,759,710
<b>Total expenses</b>	<b>34,975,746</b>	<b>115,949,910</b>	<b>150,925,656</b>

**Other Supplementary Information**  
**7. SMART Expense Schedule (Continued)**

**Year Ended June 30, 2023**

Description	Jul 1, 2022 to Sep 30, 2022	Oct 1, 2022 to Jun 30, 2023	Total
Less ineligible expenses:			
Ineligible refunds and credits	\$ 40,158	\$ 481,617	\$ 521,775
Other ineligible state contracts			
Passthrough (Municipal Credits)	815,267	2,445,813	3,261,080
Other	20,532	68,237	88,769
Unused community credits	43,111	128,713	171,824
Ineligible depreciation	-	21,062,763	21,062,763
Other ineligible	109,575	80,250	189,825
Ineligible association dues	-	-	-
Ineligible non-trans exp	210	898	1,108
Preventive maintenance			
Passthrough	-	-	-
SMART	2,500,000	2,500,000	5,000,000
Other ineligible federal/state/local:			
Reimb. for JARC Admin MI-XX-XXXX	-	-	-
Reimb. for New Freedom Admin	22,835	32,810	55,644
Other ineligible state contracts:			
Pass-Thru Ineligibles	1,561,668	6,411,722	7,973,390
Planning/capital cost of contracting	60,329	258,477	318,806
Ineligible Lobbying Expense	-	2,015	2,015
Ineligible loss on disposal	-	-	-
Ineligible pension	-	-	-
Ineligible OPEB	-	-	-
Total ineligibles	<u>5,173,685</u>	<u>33,473,315</u>	<u>38,646,999</u>
Total eligible expenses	<u><b>\$ 29,802,061</b></u>	<u><b>\$ 82,476,595</b></u>	<u><b>\$ 112,278,657</b></u>

**Suburban Mobility Authority  
for Regional Transportation**

**Other Supplementary Information**  
**7. SMART Expense Schedule (Continued)**

**Year Ended June 30, 2023**

Description	Jul 1, 2022 to Sep 30, 2022	Oct 1, 2022 to Jun 30, 2023	Total
<b>Pass-throughs that are expensed:</b>			
Lake Erie	996,128	2,139,730	3,135,858
Municipal credit - Formula	407,634	1,222,907	1,630,540
Municipal credit - Line Item	407,634	1,222,907	1,630,540
Specialized services	230,572	691,720	922,292
Royal Oak Twp	2,902	8,849	11,751
Contra SMART Paid Expense	-	-	-
NOTA JARC Non-Urban	-	137,694	137,694
NOTA New Freedom Non-Urban	-	305,837	305,837
JARC - New Freedom Urban	-	-	-
JARC - Mobility Management Urban	-	-	-
New Freedom Operating Assistant Urban	202,774	2,249,107	2,451,881
New Freedom Mobility Management Urban	156,065	421,289	577,354
New Freedom Local Operating Expense Urban	(26,772)	(718,298)	(745,071)
New Freedom Highland/Milford PM	-	-	-
5311 Operating Assistance Expense	-	182,400	182,400
CRRSAA Act Operating	-	993,394	993,394
	<b>\$ 2,376,935</b>	<b>\$ 8,857,535</b>	<b>\$ 11,234,470</b>
<b>Pass-throughs that are expensed</b>			
<b>Ineligible pass-throughs:</b>			
Lake Erie	\$ 996,128	\$ 2,139,730	\$ 3,135,858
Municipal credit - Formula Admin Fee	407,634	1,222,907	1,630,540
Municipal credit - Line Item	407,634	1,222,907	1,630,540
<b>Other state subsidized serv.:</b>			
Specialized services	230,572	691,720	922,292
Royal Oak Twp	2,902	8,849	11,751
Contra SMART Paid Expense	-	-	-
NOTA JARC Non-Urban	-	137,694	137,694
NOTA New Freedom Non-Urban	-	305,837	305,837
JARC - New Freedom Urban	-	-	-
JARC - Mobility Management Urban	-	-	-
New Freedom Operating Assistant Urban	202,774	2,249,107	2,451,881
New Freedom Mobility Management Urban	156,065	421,289	577,354
New Freedom Local Operating Expense Urban	(26,772)	(718,298)	(745,071)
New Freedom Highland/Milford PM	-	-	-
5311 Operating Assistance Expense	-	182,400	182,400
CRRSAA Act Operating	-	993,394	993,394
	<b>\$ 2,376,935</b>	<b>\$ 8,857,535</b>	<b>\$ 11,234,470</b>
<b>Ineligible pass-throughs</b>			



**Other Supplementary Information  
8. SMART Expense Schedule**

**State Year Ended September 30, 2022**

Description	Oct 1, 2021 to Jun 30, 2022	Jul 1, 2022 to Sep 30, 2022	Total
Labor - Operators S&W	\$ 16,047,274	\$ 5,568,771	\$ 21,616,045
Labor - Other S&W	13,451,237	4,757,046	18,208,283
Labor - Dispatchers S&W	10,609,973	2,807,402	13,417,375
Other fringe benefits	5,514,688	6,041,567	11,556,255
Pensions - Defined contribution	-	-	-
Pensions - Defined benefit	5,345,835	2,427,173	7,773,008
Other postemployment benefits (OPEB)	857,958	623,650	1,481,608
Advertising fees	465,039	265,472	730,511
Audit cost	60,925	109,575	170,500
Other services	2,746,926	1,110,634	3,857,560
Other Services (Microtransit)	3,902,265	1,582,200	5,484,465
Fuel and lubricants	5,589,998	2,250,392	7,840,390
Tires and tubes	683,994	311,493	995,487
Other materials and supplies	2,935,623	1,225,871	4,161,494
Utilities	939,337	219,481	1,158,818
Casualty and liab. costs	5,692,499	1,451,537	7,144,036
Other insurance	56,827	21,327	78,154
Purchased transportation service	3,379,801	1,159,464	4,539,265
Pass-throughs that are expensed:			
Other	3,876,955	1,561,668	5,438,623
Municipal Credits	2,445,812	815,267	3,261,079
Nankin/Richmond Lenox/CBS Bloomfield Hills	3,613,281	-	3,613,281
Travel, meetings, and training	74,384	44,925	119,309
Loss on disposal of asset	-	-	-
Other miscellaneous expenses	3,707,069	449,910	4,156,979
Leases and rentals	(45,820)	108,221	62,401
Depreciation	21,545,156	62,700	21,607,856
Total expenses	<b>113,497,036</b>	<b>34,975,746</b>	<b>148,472,782</b>

**Other Supplementary Information**  
**8. SMART Expense Schedule (Continued)**

**State Year Ended September 30, 2022**

Description	Oct 1, 2021 to Jun 30, 2022	Jul 1, 2022 to Sep 30, 2022	Total
Less ineligible expenses:			
Ineligible refunds and credits	\$ 656,032	\$ 40,158	\$ 696,190
Other ineligible state contracts		-	-
Passthrough (Municipal Credits)	2,445,812	815,267	3,261,079
Other	160,827	20,532	181,359
Municipal credits	-	-	-
Unused community credits	125,957	43,111	169,068
Ineligible depreciation	21,459,873	-	21,459,873
Other ineligible	60,925	109,575	170,500
Ineligible non-trans exp	1,527	210	1,737
Preventive maintenance	-	-	-
Passthrough	-	-	-
SMART	1,168,891	2,500,000	3,668,891
Other ineligible federal/state/local:			-
Reimb. for New Freedom Admin.	823,876	22,835	846,711
Pass-through ineligible	7,490,236	1,561,668	9,051,904
Planning/Cap. cost of contracting	901,197	60,329	961,526
Ineligible Lobbying Expense	-	-	-
Ineligible loss on disposal	-	-	-
Ineligible pension	-	-	-
Ineligible OPEB	-	-	-
Total ineligible	<u>35,295,153</u>	<u>5,173,685</u>	<u>40,468,838</u>
Total eligible expenses	<u><b>\$ 78,201,883</b></u>	<u><b>\$ 29,802,061</b></u>	<u><b>\$ 108,003,944</b></u>

**Other Supplementary Information**  
**8. SMART Expense Schedule (Continued)**

**State Year Ended September 30, 2022**

Description	Oct 1, 2021 to Jun 30, 2022	Jul 1, 2022 to Sep 30, 2022	Total
<b>Pass-throughs that are expensed:</b>			
Lake Erie	3,875,794	996,128	4,871,922
Mun. Cr. - Formula	1,222,906	407,634	1,630,540
Mun. Cr. - Line Item	1,222,906	407,634	1,630,540
Specialized services	691,722	230,572	922,294
Royal Oak Twp	12,631	2,902	15,533
Contra SMART Paid Expense	-	-	-
NOTA JARC Non-Urban Expense	180,640	-	180,640
NOTA New Freedom Non-Urban	418,165	-	418,165
JARC - New Freedom Urban	4,732	-	4,732
JARC - Mobility Management Urban	-	-	-
New Freedom Operating Assistant Urban	1,707,929	202,774	1,910,703
New Freedom Mobility Management Urban	347,820	156,065	503,884
New Freedom Local Operating Expense Urban	(588,815)	(26,772)	(615,587)
New Freedom Highland/Milford PM	-	-	-
Cares Act Operating	839,620	-	839,620
Pass-throughs that are expensed	<b><u>\$ 9,936,049</u></b>	<b><u>\$ 2,376,935</u></b>	<b><u>\$ 12,312,985</u></b>
<b>Ineligible pass-throughs:</b>			
Lake Erie	3,875,794	996,128	4,871,922
Mun. Cr. - Formula	1,222,906	407,634	1,630,540
Mun. Cr. - Line Item	1,222,906	407,634	1,630,540
<b>Other state subsidized serv.:</b>			
Specialized services	691,722	230,572	922,294
Royal Oak Twp	12,631	2,902	15,533
Contra SMART Paid Expense	-	-	-
NOTA JARC Non-Urban Expense	180,640	-	180,640
NOTA New Freedom Non-Urban	418,165	-	418,165
JARC - New Freedom Expense Urban	4,732	-	4,732
JARC - Mobility Management Urban	-	-	-
New Freedom Operating Assistant Urban	1,707,929	202,774	1,910,703
C/ New Freedom Mobility Management Urban	347,820	156,065	503,884
J/ New Freedom Local Operating Expense Urban	(588,815)	(26,772)	(615,587)
N/ New Freedom Highland/Milford PM	-	-	-
Cares Act Operating	839,620	-	839,620
Ineligible pass-throughs	<b><u>\$ 9,936,049</u></b>	<b><u>\$ 2,376,935</u></b>	<b><u>\$ 12,312,985</u></b>

**Other Supplementary Information  
9. SMART Expense Schedule**

**Year Ended June 30, 2023**

Expense incurred:	Jul 1, 2022 to Sep 30, 2022	Oct 1, 2022 to Jun 30, 2023	Total
Pension - Defined benefit	\$ 2,427,173	\$ 16,079,704	\$ 18,506,877
OPEB - Defined benefit	623,650	(10,240,945)	(9,617,295)
Total	<b><u>\$ 3,050,823</u></b>	<b><u>\$ 5,838,759</u></b>	<b><u>\$ 8,889,582</u></b>

Amounts actually paid:	Jul 1, 2022 thru Sep 30, 2022	Oct 1, 2022 thru Jun 30, 2023	Total
Pension - Defined benefit	\$ 2,562,810	\$ 7,731,337	\$ 10,294,148
OPEB - Defined benefit	623,650	1,870,950	2,494,600
Total	<b><u>\$ 3,186,460</u></b>	<b><u>\$ 9,602,287</u></b>	<b><u>\$ 12,788,748</u></b>

**Other Supplementary Information  
10. SMART Expense Schedule**

**State Year Ended September 30, 2022**

	Oct 1, 2021 to Jun 30, 2022	Jul 1, 2022 to Sep 30, 2022	Total
Expense incurred:			
Pension - Defined bene	\$5,345,835	\$ 2,427,173	\$ 7,773,008
OPEB - Defined benefit	857,958	623,650	1,481,608
Total	<b>\$ 6,203,793</b>	<b>\$ 3,050,823</b>	<b>\$ 9,254,616</b>
	Oct 1, 2021 thru Jun 30, 2022	Jul 1, 2022 thru Sep 30, 2022	Total
Amounts actually paid:			
Pension - Defined bene	\$15,168,170	\$ 2,562,810	\$ 17,730,981
OPEB - Defined benefit	14,690,578	623,650	15,314,228
Total	<b>\$ 29,858,748</b>	<b>\$ 3,186,460</b>	<b>\$ 33,045,209</b>

**Suburban Mobility Authority  
for Regional Transportation**

**Other Supplementary Information  
11. Schedule of Financial Assistance**

**Year Ended June 30, 2023**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAUDITED PROGRAM OR AWARD AMOUNT	AUDITED FEDERAL RECEIPTS/ REVENUE	UNAUDITED STATE RECEIPTS/ REVENUE
U.S DEPARTMENT OF TRANSPORTATION:									
<b>DIRECT ASSISTANCE</b>									
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	20.500	MI-04-0080	N/A	200,000	\$ -	\$ -
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	20.500	MI-04-0091	N/A	15,000,000	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	20.500	MI-04-0080	N/A	37,720	-	-
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5339	20.526	MI-34-0005	N/A	6,920,868	-	-
CAPITAL ASSISTANCE FY 16 (TRAMS)	80 % - 20 %	FY2016	SECTION 5339	20.507	MI-34-0022	MI-2016-025-05	34,262	-	-
CAPITAL ASSISTANCE FY 16 (TRAMS)	80 % - 20 %	FY2016	SECTION 5339	20.507	MI-34-0022	MI-2016-025-09	3,961,269	-	-
CAPITAL ASSISTANCE FY 16	80 % - 20 %	FY2016	SECTION 5339	20.507	MI-34-0022	MI-2016-025-13	142,144	10,364	-
CAPITAL ASSISTANCE FY 18-19	80 % - 20 %	FY2018/19	SECTION 5339	20.507	MI-34-0046	2017-0130 P11	5,404,182	-	-
CAPITAL ASSISTANCE FY 18-19	80 % - 20 %	FY2018/19	SECTION 5339	20.507	MI-34-0046	2017-0130 P11	340,203	9,699	-
CAPITAL ASSISTANCE FY20-21	80 % - 20 %	FY2020/21	SECTION 5339	20.507	MI-34-0047	MI-2020-061-02	793,000	-	-
CAPITAL ASSISTANCE FY20-21	80 % - 20 %	FY2020/21	SECTION 5339	20.507	MI-34-0047	MI-2020-061-06	279,991	1,020	-
CAPITAL ASSISTANCE FY21-22	80 % - 20 %	FY2021/22	SECTION 5339	20.507	MI-34-0122	MI-2022-048-06	53,199	38,080	-
TOTAL							33,166,838	59,163	-
PLANNING AND TECHNICAL STUDIES UWP PROGRAM	80 % - 20 %	FY2011	SECTION 5303	20.505	MI-80-X006	N/A	318,806	\$ 318,806	\$ 318,806
TRANSIT ASSET MGT	80 % - 20 %		SECTION 5303	20.505	2015-0009		130,828	-	-
OPER REVIEW	80 % - 20 %		SECTION 5303	20.505	2015-0009		28,655	-	-
							478,289	318,806	318,806

**11. Schedule of Financial Assistance (Continued)**

**Year Ended June 30, 2023**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	<b>UNAUDITED PROGRAM OR AWARD AMOUNT</b>	<b>AUDITED FEDERAL RECEIPTS/ REVENUE</b>	<b>UNAUDITED STATE RECEIPTS/ REVENUE</b>
<b>U.S DEPARTMENT OF TRANSPORTATION (CONTINUED):</b>									
CAPITAL ASSISTANCE	80 % - 20 %	FY2012	SECTION 5307	20.507	MI-90-0756	2007-0294 Z38	15,612,066	\$ -	\$ -
CAPITAL ASSISTANCE	80 % - 20 %	FY2012	SECTION 5307	20.507	MI-90-0758	2007-0294 Z39	492,476	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2013	SECTION 5307	20.507	MI-90-0678		22,231,592	352,134	88,033
CAPITAL ASSISTANCE	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-02	17,863,594	1,043,500	-
CAPITAL ASSISTANCE (preventative maint)	80 % - 20 %	FY2022	SECTION 5307	20.507	MI-90-0086	2022-048-03	10,000,000	4,000,000	1,000,000
CAPITAL ASSISTANCE (preventative maint)	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-03	4,000,000	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-04	501,192	45,880	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-06	468,018	12,147	-
CAPITAL ASSISTANCE FY16	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-10	8,544,000	-	-
CAPITAL ASSISTANCE FY16	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-11	120,000	-	-
CAPITAL ASSISTANCE FY16	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	MI-2016-025-08	434,698	3,123	-
OPERATING ASSISTANCE (MONROE) FY21	50 % - 50 %	FY2020	SECTION 5307	20.507	MI-XX-XXXX	MI-2020-061-05	1,900,450	-	-
CAPITAL ASSISTANCE (MONROE) FY21 PREV MAINT	50 % - 50 %	FY2020	SECTION 5307	20.507	MI-XX-XXXX	MI-2020-061-05	159,547	-	-
CAPITAL ASSISTANCE FY21-22	80 % - 20 %	FY2022	SECTION 5307	20.507	MI-90-0086	MI-2022-048-03	20,839,708	437,007	-
OPERATING ASSISTANCE (MONROE) FY22	50 % - 50 %	FY2022	SECTION 5307	20.507	MI-XX-XXXX	MI-2022-048-04	1,028,966	495,930	-
OPERATING ASSISTANCE (MONROE) FY23	50 % - 50 %	FY2023	SECTION 5307	20.507	MI-XX-XXXX	MI-2022-048-04	984,000	433,710	-
CAPITAL ASSISTANCE (CMAQ)	80 % - 20 %		CMAQ	20.507	MI-95-0077		11,575,989	-	-
CAPITAL ASSISTANCE FY16/17 (CMAQ)	80 % - 20 %	FY2016/17	CMAQ	20.507	MI-95-0122	MI-2016-025-01	7,975,200	-	-
CAPITAL ASSISTANCE FY17-18-19	80 % - 20 %	FY2018/19	SECTION 5307	20.507	MI-2018-018-01		2,336,490	-	-
CAPITAL ASSISTANCE FY20-21	80 % - 20 %	FY2020/21	SECTION 5307	20.507	MI-2020-061-04		10,000,000	-	-
CAPITAL ASSISTANCE FY18-19 (CMAQ)	80 % - 20 %	FY2018/19	CMAQ	20.507	MI-90-0079	MI-2018-018-03	35,571,136	4,630,422	-
CAPITAL ASSISTANCE FY18-19 (CMAQ)	80 % - 20 %	FY2018/19	CMAQ	20.507	MI-90-0079	MI-2018-018-04	2,022,731	106,444	-
CAPITAL ASSISTANCE (SMART) FY20 CARES	100% FED	FY2020	SECTION 5307	20.507	MI-XX-XXXX	MI-2020-052-01	24,738,365	2,305,621	-
OPERATING ASSISTANCE (SUB-RECIPIENTS) FY20 CARE	100% FED	FY2020	SECTION 5307	20.507	MI-XX-XXXX	MI-2020-052-00	6,152,420	-	-
OPERATING ASSISTANCE(SMART) FY20 CARES	100% FED	FY2020	SECTION 5307	20.507	MI-XX-XXXX	MI-2022-032-01	29,741,115	3,349,569	-
OPERATING ASSISTANCE(SUB-RECIPIENTS) FY21 CRRS	100% FED	FY2021	SECTION 5307	20.507	MI-XX-XXXX	MI-2020-052-00	4,547,393	993,394	-
OPERATING ASSISTANCE(SMART) FY21 CRRSAA	100% FED	FY2021	SECTION 5307	20.507	MI-XX-XXXX	MI-2020-052-00	12711899	4150431	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2020	SECTION 5307	20.507	MI-XX-XXXX	MI-2020-061-04	27,559,250	383,564	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2020	SECTION 5307	20.507	MI-XX-XXXX	MI-2020-061-07	1,040,000	-	-
TOTAL							<b>\$ 281,152,295</b>	<b>\$ 22,742,876.00</b>	<b>\$ 1,088,033.20</b>

**Other Supplementary Information  
11. Schedule of Financial Assistance (Continued)**

**Year Ended June 30, 2023**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	<i>UNAUDITED</i> <i>PROGRAM</i> <i>OR AWARD</i> <i>AMOUNT</i>	<i>AUDITED</i> <i>FEDERAL</i> <i>RECEIPTS/</i> <i>REVENUE</i>	<i>UNAUDITED</i> <i>STATE</i> <i>RECEIPTS/</i> <i>REVENUE</i>
<b>MICHIGAN DEPARTMENT OF TRANSPORTATION:</b>									
SECTION 5310- CAPITAL	100 % STATE		SECTION 5310	20.513	MI-XX-XXXX	2017-0130 P5	357,000	\$ -	-
SECTION 5310	100 % STATE		SECTION 5310	20.521	N/A	2017-0130 P6	102,896	-	-
	100 % STATE		SECTION 5310	20.516	MI-2017-030	2017-0130 P7	180,640	-	-
SECTION 5311	100 % STATE		SECTION 5311	20.516	MI-2017-030	2017-0130 P10	117,474	-	-
SECTION 5311	100 % STATE		SECTION 5311	20.516	MI-2017-030	2017-0130 P10	70,000	-	-
SECTION 5310	100 % STATE		SECTION 5310	20.521	MI-2018-033	2017-0130 P14	37,500	-	-
SECTION 5311	100 % STATE		SECTION 5311	20.516	MI-2017-030	2017-0130 P16	180,640	-	-
SECTION 5310	100 % STATE		SECTION 5310	20.513	MI-2019-037	2017-0130 P20	60,000	-	-
SECTION 5310	100 % STATE		SECTION 5310	20.513	MI-2019-037	2017-0130 P21	312,000	-	-
SECTION 5311	100 % STATE		SECTION 5311	20.509	MI-2020-008	2017-0130 P23	180,640	-	-
SECTION 5310	100 % STATE		SECTION 5310	20.513	MI-2020-068	2017-0130 P29	186,202	-	-
SECTION 5310 - COVID - CAPITAL ASST	100 % STATE		SECTION 5310	20.513	MI-16X005-5	2017-0130 P30	5,000	-	-
SECTION 5310 - COVID - OPER ASST	100 % STATE		SECTION 5310	20.513	MI-16X005-5	2017-0130 P30	2,100	-	-
SECTION 5311 OPER ASST	100% STATE		SECTION 5311	20.516	MI-2020-008-04	2022-0138 P1	180,640	-	-
SECTION 5310 OPER ASST	100% STATE		SECTION 5310	20.513	MI-2021-055-00	2022-0138 P3	281,616	-	-
SECTION 5311 OPER ASST	100 % STATE		SECTION 5311	20.516	MI-2020-008-07	2022-0318 P10	180,640	137,694	137,694
SECTION 5310	100 % STATE		SECTION 5310	20.513	MI-2021-055-00	2022-0138 P3	281,616	87,385	87,385
SECTION 5310	100 % STATE		SECTION 5310	20.513	MI-2021-055-01	2022-0138 P6	140,808	109,226	109,226
COMBINED STATE CONTRACTS							<u>\$ 2,857,412</u>	<u>\$ 334,305</u>	<u>\$ 334,305</u>
TOTAL CAPITAL ASSISTANCE							<u>\$ 317,654,834</u>	<u>\$ 23,455,150</u>	<u>\$ 1,741,144</u>



**Other Supplementary Information  
11. Schedule of Financial Assistance (Continued)**

**Year Ended June 30, 2023**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	<i>UNAUDITED PROGRAM OR AWARD AMOUNT</i>	<i>AUDITED FEDERAL RECEIPTS/ REVENUE</i>	<i>UNAUDITED STATE RECEIPTS/ REVENUE</i>
<b>ACCESS TO JOBS (FEDERAL SHARE):</b>									
SECTION 5316 CAPITAL SMART			SECTION 5316	20.516	MI-37-0050		305,980	\$ -	\$ -
JARC PROGRAM OPERATING			SECTION 5316	20.516	MI-37-4050		1,894,878	-	-
JARC PROGRAM ADMIN		FY 2008	SECTION 5316	20.516	MI-37-6043	NA	214,639	-	-
SMART JARC PROGRAM OPERATING			SECTION 5316	20.516	MI-37-4050		947,439	-	-
TOTAL							<u>\$ 3,362,936</u>	<u>\$ -</u>	<u>\$ -</u>

Other Supplementary Information  
11. Schedule of Financial Assistance (Continued)

Year Ended June 30, 2023

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAUDITED PROGRAM OR AWARD AMOUNT	AUDITED FEDERAL RECEIPTS/ REVENUE	UNAUDITED STATE RECEIPTS/ REVENUE
<b>NEW FREEDOM FEDERAL SHARE:</b>									
SECTION 5317 NEW FREEDOM PROGRAM ADMIN			SECTION 5307	20.521	MI-57-6018	N/A	147,999	\$ -	\$ -
SECTION 5317 NEW FREEDOM CAPITAL			SECTION 5307	20.521	MI-57-0024	N/A	109,718	-	-
SECTION 5317 NEW FREEDOM PROGRAM ADMIN			SECTION 5307	20.521	MI-57-6024	N/A	51,247	-	-
SECTION 5310 NEW FREEDOM PROGRAM ADMIN			SECTION 5310	20.513	MI-16-X007	2012-0170 P20	50,000	-	-
SECTION 5310 NEW FREEDOM OPERATING			SECTION 5310	20.513	MI-16-X007	2012-0170 P20	1,500,000	-	-
SECTION 5310 NEW FREEDOM MOBILITY MANAGEMENT			SECTION 5310	20.513	MI-16-X007	2012-0170 P20	320,000	55,644	13,911
SECTION 5310 NEW FREEDOM CAPITAL			SECTION 5310	20.513	MI-16-X007	2012-0170 P20	2,907,322	4,091	1023
SECTION 5310 NEW FREEDOM CAPITAL			SECTION 5310	21.513	MI-16-X013	2012-0170 P38	1,442,708	-	-
SECTION 5310 NEW FREEDOM CAPITAL			SECTION 5310	21.513	MI-16-X013	2012-0170 P38	25,000	-	-
SECTION 5310 NEW FREEDOM OPERATING			SECTION 5310	21.513	MI-16-X013	2012-0170 P38	1,162,000	-	-
SECTION 5310 NEW FREEDOM MOBILITY MANAGEMENT			SECTION 5310	21.513	MI-16-X013	2012-0170 P38	302,000	-	-
5310 NEW FREEDOM CAPITAL			SECTION 5310	21.513	MI-16-X013	2012-0170 P38	4,074,751	-	-
SMART 5310 PROGRAM ADMIN			SECTION 5310	21.513	MI-16-X013	2012-0170 P38	49,169	-	-
5310 NEW FREEDOM OPERATING			SECTION 5310	21.513	MI-16-X013	2012-0170 P38	2,017,000	-	-
5310 NEW FREEDOM MOBILITY MANAGEMENT			SECTION 5310	21.513	MI-16-X013	2012-0170 P38	532,000	-	-
5310 NEW FREEDOM OPERATING			SECTION 5310	20.513	MI-2016-018-02	2012-0170 P38	2,017,000	144	-
5310 NEW FREEDOM CAPITAL			SECTION 5310	20.513	MI-2016-018-03	2012-0170 P38	934,513	-	-
SECTION 5310 PREVENTATIVE MAINTENANCE			SECTION 5310	20.513	MI-16-X007	2012-0170 P20	63,280	-	-
5310 NEW FREEDOM CAPITAL			SECTION 5310	20.513	MI-2018-020-01	2017-0130 P12	2,881,180	-	-
5310 NEW FREEDOM PREVENTATIVE MAINT			SECTION 5310	20.513	MI-2018-020-01	2017-0130 P12	18,856	-	-
SECTION 5310 PREVENTATIVE MAINTENANCE			SECTION 5310	20.513	MI-2018-020-02	2017-0130 P12	23,233	-	-
SMART 5310 PROGRAM ADMIN			SECTION 5310	20.513	MI-2018-020-02	2017-0130 P12	50,000	-	-
5310 NEW FREEDOM OPERATING			SECTION 5310	20.513	MI-2018-020-02	2017-0130 P12	1,573,630	76,856	-
5310 NEW FREEDOM MOBILITY MANAGEMENT			SECTION 5310	20.513	MI-2018-020-02	2017-0130 P12	843,220	49,023	12,256
5310 NEW FREEDOM CAPITAL			SECTION 5310	20.513	MI-2020-032-01	2017-0130 P28	553,168	-	-
5310 NEW PROGRAM ADMIN			SECTION 5310	20.513	MI-2020-032-01	2017-0130 P28	25,000	-	-
5310 NEW FREEDOM OPERATING			SECTION 5310	20.513	MI-2020-032-00	2017-0130 P28	1,197,936	27,228	-
5310 NEW FREEDOM MOBILITY MANAGEMENT			SECTION 5310	20.513	MI-2020-032-01	2017-0130 P28	347,120	75,834	18,959
5310 NEW PROGRAM ADMIN			SECTION 5310	20.513	MI-2021-051-02	2017-0130 P37	25,000	-	-
5310 NEW FREEDOM OPERATING			SECTION 5310	20.513	MI-2021-051-02	2017-0130 P37	1,936,714	747,470	-
5310 NEW FREEDOM MOBILITY MANAGEMENT			SECTION 5310	20.513	MI-2021-051-02	2017-0130 P37	873,538	328,663	82,165
5310 NEW FREEDOM MOBILITY MANAGEMENT			SECTION 5310	20.513	MI-2022-052-01	2022-0138 P8	447,304	8,363	2,091
5310 NEW FREEDOM OPERATING			SECTION 5310	20.513	MI-2022-052-02	2022-0138 P8	843,591	531,617	-
5310 NEW FREEDOM CRRSAA OPERATING			SECTION 5310	20.513	MI-2022-054-01	N/A	657,149	432,722	-
TOTAL							\$ 30,002,346	\$ 2,337,655	\$ 128,314

**Suburban Mobility Authority  
for Regional Transportation**

**Other Supplementary Information  
11. Schedule of Financial Assistance (Continued)**

**Year Ended June 30, 2023**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	<i>UNAUDITED</i> PROGRAM OR AWARD AMOUNT	<i>AUDITED</i> FEDERAL RECEIPTS/ REVENUE	<i>UNAUDITED</i> STATE RECEIPTS/ REVENUE
<b>PASSED THROUGH MDOT:</b>									
OPERATING ASSIST. LET- SEC 5311 (2021)	100 % STATE	FY2021	SECTION 5311	20.509	MI-2020-008-03	2017-0130 P31	449,260	\$ -	\$ -
OPERATING ASSIST. LET- SEC 5311 (2022)	100 % STATE	FY2022	SECTION 5311	20.509	MI-18-0055	20XX-XXXX PXX	150,996	95,254	95,254
OPERATING ASSIST. LET- SEC 5311 (2022) CRRSAA	100 % STATE	FY2022	SECTION 5311	20.509	MI-2021-023-00	2022-0138 P4	335,088	-	-
OPERATING ASSIST. LET- SEC 5311 (2021) CARES	100 % STATE	FY2021	SECTION 5311	20.509	MI-2020-015-02	2017-0130 P32	108,197	-	-
OPERATING ASSIST. LET- SEC 5311 (2019)	100% STATE	FY2019	SECTION 5311	20.509	MI-2017-030-03	2017-0130 P15	225,542	-	-
OPERATING ASSIST. LET- SEC 5311 (2023)	100% STATE	FY2023	SECTION 5311	20.516	MI-2020-008-07	2022-0138 P11	180,640	161,904	161,904
OPERATING ASSIST. WOTA- SEC 5311 (2023)	100% STATE	FY2023	SECTION 5311	20.516	MI-2020-008-07	2022-0138 P11	180,640	182,400	182,400
TOTAL							<u>\$ 1,630,363</u>	<u>\$ 439,558</u>	<u>\$ 439,558</u>
SUBTOTAL							34,995,645	2,777,213	567,872
<b>MICHIGAN DEPARTMENT OF TRANSPORTATION:</b>									
OPERATING ASSISTANCE - ACT 51 SMART URBAN					N/A		-	-	37,093,823
MUNICIPAL CREDIT SPECIAL APPROPRIATION					N/A		-	-	3,261,080
OPERATING ASSISTANCE - ACT 51 BEDFORD URBAN					N/A		-	-	159,488
OPERATING ASSISTANCE - ACT 51 LETC COMBINED					N/A		-	-	1,789,572
ROYAL OAK TWP NEW SERVICES					N/A		-	-	11,751
OTHER STATE SERVICES REVENUE					N/A		-	-	9,141
SPECIALIZED SERVICES		FY2023					-	-	230,572
SPECIALIZED SERVICES		FY2022			N/A		-	-	691,720
TOTAL							<u>-</u>	<u>-</u>	<u>43,247,147</u>
TOTAL OPERATING ASSISTANCE							<u>34,995,645</u>	<u>2,777,213</u>	<u>43,815,019</u>
GRAND TOTAL - ALL ASSISTANCE							<u>\$ 352,650,479</u>	<u>\$ 26,232,363</u>	<u>\$ 45,556,163</u>

**Suburban Mobility Authority  
for Regional Transportation**

**Other Supplementary Information  
12. Other Operating Expenses**

**Year Ended June 30, 2023**

Description	Community Based			Richmond Lenox		
	Jul 1, 2022 to Sep 30, 2022	Oct 1, 2022 to Jun 30, 2023	Total Community Based	Jul 1, 2022 to Sep 30, 2022	Oct 1, 2022 to Jun 30, 2023	Total RLEMS
	Revenue:					
Fares	\$ 104,443	\$ 248,322	\$ 352,765	\$ 2,324	\$ -	\$ 2,324
Other Non-trans Revenue	897	3,832	4,729	-	-	-
Advertising	-	-	-	-	-	-
Auxiliary Trans Revenue	-	-	-	-	-	-
Taxes levied directly	31,305	648,686	679,991	-	-	-
Local operating assistance:						
General Fund/Property tax	-	-	-	-	-	-
Other	219,847	475,106	694,953	-	125,000	125,000
Other local contracts:						
Mun. Cr.	442,239	1,206,038	1,648,277	-	107,647	107,647
Comm. Cr.	390,138	1,106,809	1,496,948	96,381	219,103	315,484
Other MDOT/BPT contracts and reimb.:						
Act 51	226	9,319	9,545	-	-	-
Other Grants	-	-	-	-	14,222	14,222
Specialized services	20,213	67,506	87,719	3,300	6,600	9,900
CARES Act	-	-	-	-	-	-
Other federal transit contracts and reimb.	927	-	927	56,988	562,278	619,266
Refunds and rebates	-	-	-	-	-	-
Interest income	144	10,415	10,560	-	-	-
<b>Total revenue</b>	<b>\$ 1,210,379</b>	<b>\$ 3,776,034</b>	<b>\$ 4,986,413</b>	<b>\$ 158,993</b>	<b>\$ 1,034,850</b>	<b>\$ 1,193,843</b>
Total operating expenses	\$ 2,124,796	\$ 5,888,686	\$ 8,013,483	\$ 196,597	\$ 468,555	\$ 665,152
Ineligible expenses:						
SMART Municipal Credits	442,239	1,206,038	1,648,277	-	107,647	107,647
SMART Community Credits	390,138	1,106,809	1,496,948	96,381	219,103	315,484
Act 51	226	9,319	9,545	-	-	-
Other MDOT/BPT contracts and reimb.	-	-	-	-	14,222	14,222
State specialized services	20,213	67,506	87,719	3,300	6,600	9,900
CARES Act	-	-	-	-	-	-
Other federal contracts and reimb	927	-	927	56,988	562,278	619,266
Depreciation	-	-	-	-	-	-
<b>Total ineligible</b>	<b>853,743</b>	<b>2,389,672</b>	<b>3,243,415</b>	<b>156,669</b>	<b>909,850</b>	<b>1,066,519</b>
<b>Total eligible expenses</b>	<b>\$ 1,271,054</b>	<b>\$ 3,499,014</b>	<b>\$ 4,770,067</b>	<b>\$ 39,927</b>	<b>\$ (441,295)</b>	<b>\$ (401,367)</b>

**Other Supplementary Information**  
**12. Other Operating Expenses (Continued)**

**Year Ended June 30, 2023**

Description	Mt. Clemens			Nankin		
	Jul 1, 2022	Oct 1, 2022	Total Mt. Clemens	Jul 1, 2022	Oct 1, 2022	Total Nankin
	to Sep 30, 2022	to Jun 30, 2023		to Sep 30, 2022	to Jun 30, 2023	
<b>Revenue:</b>						
Fares	\$ 6,701	\$ 23,585	\$ 30,286	\$ 49,942	\$ 149,825	\$ 199,767
Other nontrans. revenue	1,526	32,742	34,268	-	-	-
Taxes levied directly	-	-	-	-	-	-
Local operating assistance:						
General Fund/Property tax	158,282	147,670	305,952	82,000	246,000	328,000
Other	-	-	-	-	-	-
Other local contracts:						
Mun. Cr.	-	12,890	12,890	62,873	188,617	251,490
Comm. Cr.	-	25,650	25,650	67,650	202,950	270,600
Other MDOT/BPT contracts and reimb. -						
Specialized services	4,775	36,982	41,757	-	-	-
CARES Act	-	-	-	-	-	-
Other federal transit contracts and reimb.	-	-	-	-	-	-
Refunds and rebates	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
<b>Total revenue</b>	<b>\$ 171,284</b>	<b>\$ 279,519</b>	<b>\$ 450,803</b>	<b>\$ 262,465</b>	<b>\$ 787,392</b>	<b>\$ 1,049,857</b>
<b>Total operating expenses</b>	<b>\$ 101,311</b>	<b>\$ 331,781</b>	<b>\$ 433,092</b>	<b>\$ 357,544</b>	<b>\$ 1,072,628</b>	<b>\$ 1,430,172</b>
<b>Ineligible expenses:</b>						
SMART municipal credits	-	12,890	12,890	62,873	188,617	251,490
SMART community credits	-	25,650	25,650	67,650	202,950	270,600
State specialized services	4,775	36,982	41,757	-	-	-
CARES Act	-	-	-	-	-	-
Refunds and rebates	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
<b>Total ineligible</b>	<b>4,775</b>	<b>75,522</b>	<b>80,297</b>	<b>130,523</b>	<b>391,567</b>	<b>522,090</b>
<b>Total eligible expenses</b>	<b>\$ 96,536</b>	<b>\$ 256,259</b>	<b>\$ 352,795</b>	<b>\$ 227,021</b>	<b>\$ 681,061</b>	<b>\$ 908,082</b>

**Other Supplementary Information**  
**12. Other Operating Expenses (Continued)**

**Redford Township Year Ended March 31, 2023**

Description	Redford Twp.		Total Redford
	1-Apr-22 to 30-Sep-22	1-Oct-22 to 31-Mar-23	
Revenue:			
Fares	\$ 5,180	\$ 5,818	\$ 10,998
Other nontrans. revenue	-	35,000	35,000
Taxes levied directly	-	-	-
Local operating assistance:			
General Fund/Property tax	-	97,341	97,341
Other	-	-	-
Other local contracts:			
Mun. Cr.	-	-	-
Comm. Cr.	32,299	101,881	134,180
Other MDOT/BPT contracts and reimb. -			
Specialized services	4,509	9,018	13,527
CARES Act	-	-	-
Other federal transit contracts and reimb.	-	21,056	21,056
Refunds and rebates	-	-	-
Interest income	-	15,689	15,689
Total revenue	<b>\$ 41,988</b>	<b>\$ 285,803</b>	<b>\$ 327,791</b>
Total operating expenses	\$ 138,798	\$ 278,530	\$ 417,328
Ineligible expenses:			
SMART municipal credits	-	-	-
SMART community credits	32,299	101,881	134,180
State specialized services	4,509	9,018	13,527
CARES Act	-	-	-
Refunds and rebates	-	-	-
Depreciation	-	-	-
Total ineligible	36,808	110,899	147,707
Total eligible expenses	<b>\$ 101,990</b>	<b>\$ 167,631</b>	<b>\$ 269,621</b>

**Other Supplementary Information**  
**12. Other Operating Expenses (Continued)**

**S.T.A.R. Year Ended March 31, 2023**

Description	S.T.A.R.		Total S.T.A.R.
	1-Apr-22 to 30-Sep-22	1-Oct-22 to 31-Mar-23	
<b>Revenue:</b>			
Fares	\$ 250	\$ 695	\$ 945
Other nontrans. revenue	39,372	10,913	50,285
Taxes levied directly	-	540,738	540,738
Local operating assistance:			
General Fund/Property tax	-	-	-
Other	25,764	93,481	119,245
Other local contracts:			
Mun. Cr.	-	-	-
Comm. Cr.	-	-	-
Other MDOT/BPT contracts and reimb. -			
Specialized services	5,601	16,647	22,248
CARES Act	-	-	-
Other federal transit contracts and reim	-	-	-
Refunds and rebates	-	-	-
Interest income	341	276	617
Total revenue	<b>\$ 71,328</b>	<b>\$ 662,750</b>	<b>\$ 734,078</b>
Total operating expenses	\$ 247,917	\$ 434,155	\$ 682,072
<b>Ineligible expenses:</b>			
SMART municipal credits	-	-	-
SMART community credits	98,226	138,881	237,107
State specialized services	-	-	-
CARES Act	-	-	-
Charter expense	-	4,940	4,940
Depreciation	-	-	-
Total ineligible	98,226	143,821	242,047
Total eligible expenses	<b>\$ 149,691</b>	<b>\$ 290,334</b>	<b>\$ 440,025</b>

**Suburban Mobility Authority  
for Regional Transportation**

**Other Supplementary Information**  
**12. Other Operating Expenses (Continued)**

**NOTA-WOTA Year Ended June 30, 2023**

Description	NOTA			WOTA		
	Jul 1, 2022	Oct 1, 2022	Total NOTA	Jul 1, 2022	Oct 1, 2022	Total WOTA
	to Sep 30, 2022	to Jun 30, 2023		to Sep 30, 2022	to Jun 30, 2023	
<b>Revenue:</b>						
Fares	\$ -	\$ 30,768	\$ 30,768	\$ 13,944	\$ 55,151	\$ 69,095
Advertising Revenue	-	-	-	-	-	-
Auxiliary Trans Revenue	-	60,863	60,863	-	-	-
Other nontrans. revenue	-	24,796	24,796	-	-	-
Taxes levied directly	-	2,864,595	2,864,595	-	3,418,407	3,418,407
Local operating assistance:						
General Fund/Property tax	-	-	-	-	-	-
Other	-	50,200	50,200	-	92,752	92,752
Other local contracts:						
Mun. Cr.	15,305	30,624	45,928	31,454	79,490	110,944
Comm. Cr.	-	-	-	28,155	74,482	102,637
Other MDOT/BPT contracts and reimb. -						
Specialized services	-	-	-	-	27,303	27,303
Section 5311	-	-	-	-	136,800	136,800
Other federal transit contracts and reimb.	-	-	-	-	189,066	189,066
Refunds and rebates	-	-	-	-	-	-
Interest income	-	43,136	43,136	-	-	-
<b>Total revenue</b>	<b>\$ 15,305</b>	<b>\$ 3,104,981</b>	<b>\$ 3,120,286</b>	<b>\$ 73,553</b>	<b>\$ 4,073,450</b>	<b>\$ 4,147,003</b>
<b>Total operating expenses</b>	<b>\$ 15,305</b>	<b>\$ 1,139,163</b>	<b>\$ 1,154,468</b>	<b>\$ 276,389</b>	<b>\$ 1,495,622</b>	<b>\$ 1,772,011</b>
<b>Ineligible expenses:</b>						
SMART municipal credits	15,305	30,624	45,928	31,454	79,490	110,944
SMART community credits	-	-	-	28,155	74,482	102,637
State specialized services	-	-	-	-	27,303	27,303
Section 5311	-	-	-	-	136,800	136,800
Other federal transit contracts and reimb.	-	-	-	-	189,066	189,066
Depreciation	-	-	-	-	-	-
<b>Total ineligible</b>	<b>15,305</b>	<b>30,624</b>	<b>45,928</b>	<b>59,609</b>	<b>507,141</b>	<b>566,750</b>
<b>Total eligible expenses</b>	<b>\$ -</b>	<b>\$ 1,108,540</b>	<b>\$ 1,108,540</b>	<b>\$ 216,780</b>	<b>\$ 988,481</b>	<b>\$ 1,205,261</b>



**Suburban Mobility Authority  
for Regional Transportation**

**Other Supplementary Information  
13. Other Operating Expenses**

**State Year Ended September 30, 2022**

Description	Community Based			Total Community Based	Richmond Lenox		Total RLEMS
	Oct 1, 2021 to Jun 30, 2022	Jul 1, 2022 to Sep 30, 2022	Oct 1, 2021 to Jun 30, 2022		Jul 1, 2022 to Sep 30, 2022		
Revenue:							
Fares	\$ 236,920	\$ 104,443	\$ 341,363	\$ 4,869	\$ 2,324	\$ 7,193	
Advertising	-	-	-	-	-	-	
Auxiliary Trans Revenue	-	-	-	-	-	-	
Other Non-trans Revenue	-	897	897	-	-	-	
Taxes levied directly	590,009	31,305	621,314	-	-	-	
Local operating assistance:							
General Fund/Property tax	-	-	-	-	-	-	
Other	645,428	219,847	865,275	-	-	-	
Other local contracts:							
Mun. Cr.	1,501,360	442,239	1,943,599	-	-	-	
Comm. Cr.	1,004,620	390,138	1,394,758	400,308	96,381	496,690	
Other MDOT/BPT contracts and reimb.:							
Act 51	68,573	226	68,799	-	-	-	
Other Grants	-	-	-	-	-	-	
Specialized services	45,048	20,213	65,261	79,386	3,300	82,686	
CARES Act	-	-	-	-	-	-	
Other federal transit contracts and reimb	0	927	927	66,162	56,988	123,150	
Interest income	453	144	597	-	-	-	
<b>Total revenue</b>	<b>\$ 4,092,411</b>	<b>\$ 1,210,379</b>	<b>\$ 5,302,790</b>	<b>\$ 550,725</b>	<b>\$ 158,993</b>	<b>\$ 709,718</b>	
Total operating expenses	\$ 4,415,534	\$ 2,124,796	\$ 6,540,331	\$ 1,139,163	\$ 196,597	\$ 1,335,760	
Ineligible expenses:							
SMART municipal credits	1,501,360	442,239	1,943,599	-	-	-	
SMART community credits	1,004,620	390,138	1,394,758	400,308	96,381	496,690	
Act 51	68,573	226	68,799	-	-	-	
Other MDOT/BPT contracts and reimb:							
State specialized services	45,048	20,213	65,261	79,386	3,300	82,686	
CARES Act	-	-	-	-	-	-	
Other Federal contracts and reimb	0	927	927	66,162	56,988	123,150	
Depreciation	-	-	-	-	-	-	
<b>Total ineligible</b>	<b>2,619,601</b>	<b>853,743</b>	<b>3,473,344</b>	<b>545,856</b>	<b>156,669</b>	<b>702,525</b>	
<b>Total eligible expenses</b>	<b>\$ 1,795,933</b>	<b>\$ 1,271,054</b>	<b>\$ 3,066,987</b>	<b>\$ 593,307</b>	<b>\$ 39,927</b>	<b>\$ 633,235</b>	

**Suburban Mobility Authority  
for Regional Transportation**

**Other Supplementary Information**  
**13. Other Operating Expenses (Continued)**

**State Year Ended September 30, 2022**

Description	Mt. Clemens			Nankin		
	Oct 1, 2021	Jul 1, 2022	Total	Oct 1, 2021	Jul 1, 2022	Total
	to	to		to	to	
	Jun 30, 2022	Sep 30, 2022	Mt. Clemens	Jun 30, 2022	Sep 30, 2022	Nankin
<b>Revenue:</b>						
Fares	\$ 22,694	\$ 6,701	\$ 29,395	\$ 148,605	\$ 49,942	\$ 198,547
Other nontrans. revenue	22,411	1,526	23,937	423,093	-	423,093
Taxes levied directly	-	-	-	-	-	-
Local operating assistance:						
General Fund/Property tax	74,969	158,282	233,251	246,000	82,000	328,000
Other	-	-	-	-	-	-
Other local contracts:						
Mun. Cr.	16,880	-	16,880	190,203	62,873	253,076
Comm. Cr.	14,907	-	14,907	196,469	67,650	264,119
Other MDOT/BPT contracts and reimb. -						
Specialized services	86,598	4,775	91,373	-	-	-
CARES Act	45,000	-	45,000	-	-	-
Other federal transit contracts and reimb.	-	-	-	-	-	-
Refunds and rebates	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
<b>Total revenue</b>	<b>\$ 283,459</b>	<b>\$ 171,284</b>	<b>\$ 454,743</b>	<b>\$ 1,204,370</b>	<b>\$ 262,465</b>	<b>\$ 1,466,835</b>
<b>Total operating expenses</b>	<b>\$ 306,767</b>	<b>\$ 101,311</b>	<b>\$ 408,078</b>	<b>\$ 1,001,204</b>	<b>\$ 357,544</b>	<b>\$ 1,358,748</b>
<b>Ineligible expenses:</b>						
SMART municipal credits	16,880	-	16,880	190,203	62,873	253,076
SMART community credits	14,907	-	14,907	196,469	67,650	264,119
State specialized services	86,598	4,775	91,373	-	-	-
CARES Act	45,000	-	45,000	-	-	-
Refunds and rebates	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
<b>Total ineligible</b>	<b>163,385</b>	<b>4,775</b>	<b>168,160</b>	<b>386,672</b>	<b>130,523</b>	<b>517,195</b>
<b>Total eligible expenses</b>	<b>\$ 143,382</b>	<b>\$ 96,536</b>	<b>\$ 239,918</b>	<b>\$ 614,532</b>	<b>\$ 227,021</b>	<b>\$ 841,553</b>

**Other Supplementary Information**  
**13. Other Operating Expenses (Continued)**

**State Year Ended September 30, 2022**

Description	Redford Twp.		Total Redford
	Oct 1, 2021 to Mar 31, 2022	Apr 1, 2022 to Sep 30, 2022	
Revenue:			
Fares	\$ 4,569	\$ 5,180	\$ 9,749
Other nontrans. revenue	\$ 40,000		
Taxes levied directly	-	-	-
Local operating assistance:			
General Fund/Property tax	92,591	-	92,591
Other	-	-	-
Other local contracts:			
Mun. Cr.	-	-	-
Comm. Cr.	74,413	32,299	106,712
Other MDOT/BPT contracts and reimb. -			
Specialized services	22,579	4,509	27,088
CARES Act	1,413	-	1,413
Other federal transit contracts and reimb.	19,616	-	19,616
Refunds and rebates	-	-	-
Interest income	833	-	833
Total revenue	<b>\$ 256,014</b>	<b>\$ 41,988</b>	<b>\$ 258,002</b>
Total operating expenses	\$ 207,092	\$ 138,798	\$ 345,890
Ineligible expenses:			
SMART municipal credits	-	-	-
SMART community credits	74,413	32,299	106,712
State specialized services	22,579	4,509	27,088
CARES Act	1,413	-	1,413
Refunds and rebates	-	-	-
Depreciation	-	-	-
Total ineligible	98,405	36,808	135,213
Total eligible expenses	<b>\$ 108,687</b>	<b>\$ 101,990</b>	<b>\$ 210,677</b>

**Other Supplementary Information**  
**13. Other Operating Expenses (Continued)**

**State Year Ended September 30, 2022**

Description	S.T.A.R.		Total S.T.A.R.
	Oct 1, 2021	Apr 1, 2022	
	to Mar 31, 2022	to Sep 30, 2022	
<b>Revenue:</b>			
Fares	\$ 800	250	\$ 1,050
Other nontrans. revenue	43,850	39,372	83,222
Taxes levied directly	534,590	-	534,590
<b>Local operating assistance:</b>			
General Fund/Property tax	-	-	-
Other	4,992	25,764	30,756
<b>Other local contracts:</b>			
Mun. Cr.	-	-	-
Comm. Cr.	-	-	-
<b>Other MDOT/BPT contracts and reimb. -</b>			
Specialized services	22,110	5,601	27,711
CARES Act	-	-	-
Other federal transit contracts and reiml	-	-	-
Refunds/rebates/insurance proceeds	-	-	-
Interest income	402	341	743
Total revenue	<b>\$ 606,744</b>	<b>\$ 71,328</b>	<b>\$ 678,072</b>
Total operating expenses	\$ 338,697	\$ 247,917	\$ 586,614
<b>Ineligible expenses:</b>			
SMART municipal credits	-	-	-
SMART community credits	154,314	98,226	252,540
State specialized services	-	-	-
CARES Act	-	-	-
Charter expense	-	-	-
Depreciation	-	-	-
Total ineligible	154,314	98,226	252,540
Total eligible expenses	<b>\$ 184,383</b>	<b>\$ 149,691</b>	<b>\$ 334,074</b>

**Other Supplementary Information**  
**13. Other Operating Expenses (Continued)**

**State Year Ended September 30, 2022**

Description	NOTA			WOTA		
	Oct 1, 2021	Jul 1, 2022	Total NOTA	Oct 1, 2021	Jul 1, 2022	Total WOTA
	to Jun 30, 2022	to Sep 30, 2022		to Jun 30, 2022	to Sep 30, 2022	
<b>Revenue:</b>						
Fares	\$ -	\$ -	\$ -	\$ 41,344	\$ 13,944	\$ 55,288
Advertising Revenue	\$ -	-	-	10,000	-	10,000
Auxiliary Trans Revenue	-	-	-	-	-	-
Other nontrans. revenue	-	-	-	-	-	-
Taxes levied directly	-	-	-	-	-	-
<b>Local operating assistance:</b>						
General Fund/Property tax	-	-	-	-	-	-
Other	-	-	-	700,000	-	700,000
<b>Other local contracts:</b>						
Mun. Cr.	45,914	15,305	61,218	60,855	31,454	92,309
Comm. Cr.	-	-	-	56,603	28,155	84,758
<b>Other MDOT/BPT contracts and reimb. -</b>						
Specialized services	-	-	-	-	-	-
Section 5311	-	-	-	-	-	-
Other federal transit contracts and reimb.	-	-	-	150,579	-	150,579
Refunds and rebates	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
<b>Total revenue</b>	<b>\$ 45,914</b>	<b>\$ 15,305</b>	<b>\$ 61,218</b>	<b>\$ 1,019,381</b>	<b>\$ 73,553</b>	<b>\$ 1,092,934</b>
<b>Total operating expenses</b>	<b>\$ 45,914</b>	<b>\$ 15,305</b>	<b>\$ 61,218</b>	<b>\$ 589,167</b>	<b>\$ 276,389</b>	<b>\$ 865,556</b>
<b>Ineligible expenses:</b>						
SMART municipal credits	45,914	15,305	61,218	60,855	31,454	92,309
SMART community credits	-	-	-	56,603	28,155	84,758
State specialized services	-	-	-	-	-	-
Section 5311	-	-	-	-	-	-
Other federal transit contracts and reimb.	-	-	-	150,579	-	150,579
Depreciation	-	-	-	-	-	-
<b>Total ineligible</b>	<b>45,914</b>	<b>15,305</b>	<b>61,218</b>	<b>268,037</b>	<b>59,609</b>	<b>327,646</b>
<b>Total eligible expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 321,131</b>	<b>\$ 216,780</b>	<b>\$ 537,910</b>

**Suburban Mobility Authority  
for Regional Transportation**

**Other Supplementary Information  
14. Other Operating Expenses – Combined Total**

**State Year Ended September 30, 2022**

Description	Total Community Based	Total Mt. Clemens	Total Nankin	Total Redford	Total S. I. A. R.	Total NOTA	Total WOTA	Total RLEMS	Total Other
Fares	\$ 341,363	\$ 29,395	\$ 198,547	\$ 9,749	\$ 1,050	\$ -	\$ 55,288	\$ 7,193	\$ 642,585
Auxiliary Trans Revenue	-	-	-	-	-	-	-	-	-
Other Non-trans Revenue	897	23,937	423,093	-	-	-	-	-	447,927
Taxes levied directly	621,314	-	-	-	534,590	-	-	-	1,155,904
Local operating assistance:									
General Fund/Property tax	-	233,251	328,000	92,591	-	-	-	-	653,842
Other	865,275	-	-	-	30,756	-	700,000	-	1,596,031
Other local contracts:									
Mun. Cr.	1,943,599	16,880	253,076	-	-	61,218	-	-	2,274,773
Comm. Cr.	1,394,758	14,907	264,119	106,712	-	-	-	496,690	2,277,186
Other MDOT/BPT contracts and reimb.:									
Act 51	68,799	-	-	-	-	-	-	-	68,799
Other	-	-	-	-	-	-	-	-	-
Specialized services	65,261	91,373	-	27,088	27,711	-	-	82,686	294,118
CARES Act	-	45,000	-	1,413	-	-	-	-	46,413
Other federal transit contracts and reimb.	927	-	-	19,616	-	-	150,579	123,150	294,272
Refunds/rebates/insurance proceeds	-	-	-	-	-	-	-	-	-
Interest income	597	-	-	833	743	-	-	-	2,173
<b>Total revenue</b>	<b>\$ 5,302,790</b>	<b>\$ 454,743</b>	<b>\$ 1,466,835</b>	<b>\$ 258,002</b>	<b>\$ 594,850</b>	<b>\$ 61,218</b>	<b>\$ 905,867</b>	<b>\$ 709,718</b>	<b>\$ 9,754,023</b>
Total operating expenses	\$ 6,540,331	\$ 408,078	\$ 1,358,748	\$ 345,890	\$ 586,614	\$ 61,218	\$ 865,556	\$ 1,335,760	\$ 11,502,195
Ineligible expenses:									
SMART municipal credits	1,943,599	16,880	253,076	-	-	61,218	92,309	-	2,367,081
SMART community credits	1,394,758	14,907	264,119	106,712	252,540	-	84,758	496,690	2,614,484
Act 51	68,799	-	-	-	-	-	-	-	68,799
Other MDOT/BPT contracts and reimb.:									
State specialized services	65,261	91,373	-	27,088	-	-	-	82,686	266,407
CARES Act	-	45,000	-	1,413	-	-	-	-	46,413
Refunds/rebates/insurance proceeds	-	-	-	-	-	-	-	-	-
Other federal contracts and reimb	927	-	-	-	-	-	150,579	123,150	274,656
Depreciation	-	-	-	-	-	-	-	-	-
<b>Total ineligible</b>	<b>3,473,344</b>	<b>168,160</b>	<b>517,195</b>	<b>135,213</b>	<b>252,540</b>	<b>61,218</b>	<b>327,646</b>	<b>702,525</b>	<b>5,637,841</b>
<b>Total eligible expenses</b>	<b>\$ 3,066,987</b>	<b>\$ 239,918</b>	<b>\$ 841,553</b>	<b>\$ 210,677</b>	<b>\$ 334,074</b>	<b>\$ -</b>	<b>\$ 537,910</b>	<b>\$ 633,235</b>	<b>\$ 5,864,354</b>

**Other Supplementary Information**  
**15. URBAN Revenue Combined Schedule**

**State Year Ended September 30, 2022**

Description	SMART Directly Provided	Other	Total for URBAN OAR
Passenger fares	\$ 4,992,760	\$ 642,585	\$ 5,635,346
Contract fares	142,373		142,373
Advertising	907,563	-	907,563
Rental of bldgs or other property	59,251		59,251
Gains from the sale of capital assets	59,809		59,809
Other nontrans revenue	843,722	447,927	1,291,649
Taxes levied directly	83,896,223	1,155,904	85,052,127
Local operating assistance	-	2,249,873	2,249,873
Other local contracts - Municipal credit recapture	44,271		44,271
Other local community credits	124,797	2,277,186	2,401,982
State operating assistance:			
SMART	36,141,746		36,141,746
Bedford	135,239		135,239
LETC Urban and Non-Urban	1,977,762		1,977,762
Royal Oak Township	15,533		15,533
Line-item municipal credit	1,630,540	2,274,773	3,905,312
Mun. Cr. special appropriation	1,630,540		1,630,540
State preventive maintenance (20% State share)	1,250,000		1,250,000
Other MDOT/BPT contracts and reimb. -	52,766		52,766
Reimb for section 5309 program admin	181,359	68,799	250,159
Other state pass-through grants:			
Specialized Service Grant FY 2020	922,294	294,118	1,216,412
JARC PASS THRU 2012-0170 P21	2,366		2,366
MOBILITY MGT 2017-0130 P12	13,150		13,150
MOBILITY MGT 2017-0130 P28	24,678		24,678
MOBILITY MGT 2017-0130 P37	62,950		62,950
NOTA JARC Non-Urban 2017-0130 P07	-		-
NOTA JARC Non-Urban 2022-0138 P01	180,640		180,640
NOTA New Freedom 2017-0130 P29	111,967		111,967
NOTA New Freedom 2022-0138 P03	194,231		194,231
Federal preventive maintenance -			
MI-90-0591	5,000,000		5,000,000
Planning/Capital cost of contracting -			
CMAQ Grant	702,312		702,312
FY 2023 UWP	60,329		60,329
FY 2022 UWP	198,885		198,885
CARES Act (SMART)	10,800,000	46,413	10,846,413
CARES Act (Community)	839,620		839,620
Other federal transit contracts and reimb.:			
Reimb. for JARC Admin	-		-
Reimb. for New Freedom Admin.	36,141		36,141
Other federal pass-through grants:			
Section 5307 Lake Erie MI-90-0777	2,142,547		2,142,547
Section 5310 PM	-		-
Section 5311 Lake Erie MI-18-0055	576,487		576,487
JARC Federal Revenue	2,366		2,366
New Freedom	1,810,190	294,272	2,104,461
Refunds, rebates, insurance proceeds	696,190		696,190
Gains from the sale of capital assets	-		-
Interest income	(1,195,945)	2,173	(1,193,772)
<b>Total</b>	<b>\$ 157,267,649</b>	<b>\$ 9,754,023</b>	<b>\$ 167,021,672</b>

**Other Supplementary Information**  
**16. URBAN Expense Combined Schedule**

**State Year Ended September 30, 2022**

Description	SMART Directly Provided	Other	Total for URBAN OAR
Operators salaries and wages	\$ 21,616,045	\$ -	\$ 21,616,045
Other salaries and wages	18,208,283	-	18,208,283
Dispatchers salaries and wages	13,417,375	-	13,417,375
Other fringe benefits	11,556,255	-	11,556,255
Pensions - Defined contribution	-	-	-
Pensions - Defined benefit	7,773,008	-	7,773,008
Other postemployment benefits (OPEB)	1,481,608	-	1,481,608
Advertising fees	730,511	-	730,511
Audit cost	170,500	-	170,500
Other services	3,857,560	-	3,857,560
Other Services (Microtransit)	5,484,465	-	5,484,465
Fuel and lubricants	7,840,390	-	7,840,390
Tires and tubes	995,487	-	995,487
Other materials and supplies	4,161,494	-	4,161,494
Utilities	1,158,818	-	1,158,818
Casualty and liab. costs	7,144,036	-	7,144,036
Other insurance	78,154	-	78,154
Purchased transportation service	4,539,265	-	4,539,265
Pass-throughs that are expensed	-	-	-
Other	5,438,623	11,502,195	16,940,817
Municipal Credits	3,261,079	-	3,261,079
Nankin/Richmond Lenox/CBS Bloomfield Hills	3,613,281	-	3,613,281
Travel, meetings, and training	119,309	-	119,309
Loss on disposal of asset	-	-	-
Other miscellaneous expenses	4,156,979	-	4,156,979
Leases and rentals	62,401	-	62,401
Depreciation	21,607,856	-	21,607,856
<b>Total expenses</b>	<b>148,472,782</b>	<b>11,502,195</b>	<b>159,974,977</b>
Less ineligible expenses:			
Ineligible refunds and credits	696,190	-	696,190
Other ineligible state contracts	-	-	-
Passthrough	3,261,079	-	3,261,079
Other	181,359	-	181,359
Municipal credits	-	-	-
Unused community credits	169,068	-	169,068
Ineligible depreciation	21,459,873	-	21,459,873
Other ineligible	170,500	-	170,500
Ineligible non-trans exp	1,737	-	1,737
Preventive maintenance (MI-90-0591)	-	-	-
Passthrough	-	-	-
SMART	3,668,891	-	3,668,891
Other ineligible federal/state/local:	-	-	-
Reimb. for New Freedom Admin.	846,711	-	846,711
Pass-through ineligible	9,051,904	5,637,841	14,689,745
Planning/Cap. cost of contracting	961,526	-	961,526
Ineligible loss on disposal	-	-	-
Ineligible pension	-	-	-
Ineligible OPEB	-	-	-
<b>Total ineligible</b>	<b>40,468,838</b>	<b>5,637,841</b>	<b>46,106,679</b>
<b>Total eligible expenses</b>	<b>\$ 108,003,944</b>	<b>\$ 5,864,354</b>	<b>\$ 113,868,298</b>



**Other Supplementary Information**

**17. SMART Combined Urban Regular Service Revenue  
Report**

**State Year Ended September 30, 2022**

Description	Amount
Passenger fares	\$ 5,635,346
Contract fares	142,373
Auxiliary transportation revenue (explain):	
.15 Advertising	907,563
Nontransportation revenue (explain):	
.20 Rental of buildings or other property	59,251
.99 Other nontransportation revenue	1,291,649
Taxes levied directly by transit system	85,052,127
Local cash grants and reimbursements (explain):	
.10 Local operating assistance	2,249,873
.99 Other local contracts - Municipal Credit recapture	44,271
.99 Other local contracts - Community Credit Program	2,401,982
State formula and contracts:	
.01 State operating assistance SMART	36,141,746
.01 State operating assistance municipal credits	1,630,540
.01 State operating assistance LETC, Bedford, Royal Oak	2,128,534
.10 Line item municipal credits	3,905,312
.11 Preventive maintenance	1,250,000
.99 Other state contracts and reimbursements	302,924
Federal contracts:	
.01 Section 5311 LAKE ERIE	576,487
.02 Section 5307 LAKE ERIE	2,142,547
.11 Preventive maintenance	5,000,000
.12 Capital cost of contracting	961,526
.61 Cares Act (SMART)	10,846,413
.62 Cares Act (Community)	839,620
.99 Other planning	-
.99 Other CMAQ SMART	-
.99 Other CMAQ LAKE ERIE	-
.99 Other federal contracts and reimbursements	36,141
Interest income	(1,193,772)
Pass-through grants	
State	1,806,394
Federal	2,106,827
Refunds and credits	696,190
<b>Total Revenue</b>	<b>\$ 167,021,672</b>

**Suburban Mobility Authority  
for Regional Transportation**

**Other Supplementary Information**

**18. SMART Combined Urban Regular Service Expense  
Report**

	<b>State Year Ended September 30, 2022</b>			
	Operations	Maintenance	Gen. Admin.	Total
<b>Labor:</b>				
01 Oper salary and wages	\$ 21,616,045	\$ -	\$ -	\$ 21,616,045
02 Other salary and wages		6,784,374	11,423,909	18,208,283
03 Disp salary and wages	13,417,375			13,417,375
Fringe benefits	7,604,099	1,472,567	2,479,590	11,556,256
Postemployment benefits	974,909	188,795	317,904	1,481,608
Pension - Defined contribution			-	-
Pension - Defined benefit	5,114,695	990,483	1,667,830	7,773,008
<b>Services:</b>				
02 Advertising fees			730,511	730,511
05 Audit			170,500	170,500
99 Other services	239,447	7,336,463	1,766,116	9,342,026
<b>Materials and supp. cons.:</b>				
01 Fuel and lubricants	7,840,390			7,840,390
02 Tires and tubes	995,487			995,487
99 Other materials and supplies	314,732	3,708,538	138,225	4,161,495
Utilities	-	-	1,158,818	1,158,818
<b>Casual and liability costs:</b>				
03 Premium for public liability	7,144,036	-	-	7,144,036
99 Other insurance	-	78,154	-	78,154
Taxes	-	-	-	-
Purchased transportation service	4,539,265	-	-	4,539,265
<b>Miscellaneous expense:</b>				
02 Travel and meetings	-	-	119,309	119,309
03 Dues and subscriptions	-	-	-	-
09 Loss on disposal of asset	-	-	-	-
99 Other miscellaneous expense	-	-	4,156,979	4,156,979
<b>Pass Thrus that are expensed</b>				
Other	16,940,817	-	-	16,940,817
Municipal Credits	3,261,079	-	-	3,261,079
Nankin/Richmond Lenox/CBS Bloomfield Hills	3,613,281	-	-	3,613,281
Leases and rentals	-	-	62,401	62,401
Depreciation	-	-	21,607,856	21,607,856
<b>Total expenses</b>	<b>93,615,658</b>	<b>20,559,374</b>	<b>45,799,949</b>	<b>159,974,980</b>
<b>Less ineligible expenses:</b>				
Ineligible refunds and credits	-	-	696,190	696,190
Other ineligible state contracts	-	-	-	-
Passthrough	3,261,079	-	-	3,261,079
Other	181,359	-	-	181,359
Municipal credits	-	-	-	-
Unused community credits	169,068	-	-	169,068
Ineligible depreciation	-	-	21,459,873	21,459,873
Other ineligible	170,500	-	-	170,500
Ineligible non-trans exp	1,737	-	-	1,737
Preventive maintenance (MI-90-0591)	-	-	-	-
Passthrough	-	-	-	-
SMART	-	3,668,891	-	3,668,891
Other ineligible federal/state/local:				
Reimb. for New Freedom Admin.	-	-	846,711	846,711
Pass-through ineligible	14,689,745	-	-	14,689,745
Planning/Cap. Cost of contracting	961,526	-	-	961,526
Ineligible loss on disposal	-	-	-	-
Ineligible pension	-	-	-	-
Ineligible OPEB	-	-	-	-
<b>Total ineligible expenses</b>	<b>19,435,014</b>	<b>3,668,891</b>	<b>23,002,774</b>	<b>46,106,679</b>
<b>Total eligible expenses</b>	<b>\$ 74,180,644</b>	<b>\$ 16,890,483</b>	<b>\$ 22,797,175</b>	<b>\$ 113,868,301</b>

**19. SMART Combined Urban Regular Service Nonfinancial Report**

**State Year Ended September 30, 2022**

DESCRIPTION	WEEKDAYS	SATURDAY	SUNDAY	TOTAL
<b>FIXED ROUTE</b>				
<b>PUBLIC SERVICE</b>				
VEHICLE HOURS	534,658	70,802	30,728	636,188
VEHICLE MILES	9,381,990	1,199,990	581,106	11,163,086
<b>MISCELLANEOUS INFORMATION</b>				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-
<b>CONNECTOR</b>				
<b>PUBLIC SERVICE</b>				
VEHICLE HOURS	181,915	7,803	1,726	191,444
VEHICLE MILES	2,888,448	123,303	30,115	3,041,866
<b>MISCELLANEOUS INFORMATION</b>				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-

The methodology used for compiling miles and hours has been reviewed and the recording method has been found to be adequate and reliable.

- 1.) Administrative Expenses that are charged to capital grants are not included in SMART's operating expenses.

All administrative costs related to capital contracts are deducted and transferred to the capital fund. Therefore these expenditures are not reimbursed by state formula funds.

- 2.) Expenses that are paid on behalf of our purchase of service providers are not included in SMART's eligible expenses.

Costs related to our purchase of service providers are deducted and reimbursed by these providers and included in their operating expenses.

- 3.) No expenses for Lake Erie Transit are included in SMART'S submittal.

- 4.) Expenses for STAR, Community Based Nankin Transit, Redford, and Mt. Clemens are included only on schedule 4E on line Purchased Transportation.

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**SMART**

*Federal Awards  
Supplementary  
Information June 30, 2023*



### **Independent Auditor's Reports**

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2-3
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	4-6
<b>Schedule of Expenditures of Federal Awards</b>	<b>7</b>
<b>Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures of Federal Awards</b>	<b>8</b>
<b>Notes to Schedule of Expenditures of Federal Awards</b>	<b>9</b>
<b>Schedule of Findings and Questioned Costs</b>	<b>10</b>

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

**Independent Auditor's Report**

To the Board of Directors  
Suburban Mobility Authority for Regional Transportation

We have audited the financial statements of the business-type activities and fiduciary activities of Suburban Mobility Authority for Regional Transportation (the "Authority") as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated December 7, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to December 7, 2023.

The accompanying schedule of expenditures of federal awards and reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are presented for the purpose of additional analysis, as required by the Uniform Guidance, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

*Plante & Moran, PLLC*

December 7, 2023

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

### Independent Auditor's Report

To Management and the Board of Directors  
Suburban Mobility Authority for Regional Transportation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the business-type activities and fiduciary activities of Suburban Mobility Authority for Regional Transportation (the "Authority") as of and for the year ended June 30, 2023 and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 7, 2023.

#### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

#### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its 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 was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



To Management and the Board of Directors  
Suburban Mobility Authority for Regional Transportation

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Plante & Moran, PLLC*

December 7, 2023

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance  
Required by the Uniform Guidance

**Independent Auditor's Report**

To the Board of Directors  
Suburban Mobility Authority for Regional Transportation

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Suburban Mobility Authority for Regional Transportation's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the Authority's major federal programs for the year ended June 30, 2023. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

To the Board of Directors  
Suburban Mobility Authority for Regional Transportation

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

To the Board of Directors  
Suburban Mobility Authority for Regional Transportation

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Plante & Moran, PLLC*

December 7, 2023

**Suburban Mobility Authority for Regional Transportation**

**Schedule of Expenditures of Federal Awards**

**Year Ended June 30, 2023**

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Clusters:				
U.S. Department of Transportation - Direct programs:				
Federal Transit Cluster - Federal Transit - Formula Grants:				
COVID-19 - CRRSAA Operating Assistance FY21	20.507		\$ 993,394	\$ 993,394
COVID-19 - CRRSAA (SMART) Operating Assistance FY21	20.507		-	4,150,431
COVID-19 - Operating Assistance FY20 CARES	20.507		-	3,349,569
Capital Assistance FY13-14-15	20.507		-	352,134
Capital Assistance FY21-22	20.507		-	4,000,000
Capital Assistance FY21-22	20.507		-	437,007
Capital Assistance FY21-22	20.507		-	38,080
Capital Assistance FY16	20.507		20,867	1,055,647
Capital Assistance FY16	20.507		-	45,880
Capital Assistance FY16	20.507		10,364	10,364
Operating Assistance (Monroe) FY22	20.507		433,710	433,710
Operating Assistance (Monroe) FY23	20.507		495,930	495,930
COVID-19 - Capital Assistance FY20 CARES	20.507		-	2,305,621
Capital Assistance FY18-19	20.507		-	4,630,422
Capital Assistance FY16	20.507		3,123	3,123
Capital Assistance FY18-19	20.507		106,444	106,444
Capital Assistance FY18-19	20.507		9,699	9,699
Capital Assistance FY20-21	20.507		-	1,020
Capital Assistance FY20-21	20.507		<u>383,564</u>	<u>383,564</u>
Total Federal Transit Cluster			2,457,095	22,802,039
Transit Services Programs Cluster:				
Direct programs:				
Enhanced Mobility of Seniors and Individuals with Disabilities:				
5310 NEW FREEDOM CAPITAL	20.513		4,091	4,091
5310 NEW FREEDOM MOBILITY MANAGEMENT	20.513		-	55,644
5310 NEW FREEDOM OPERATING	20.513		144	144
5310 NEW FREEDOM MOBILITY MANAGEMENT	20.513		8,363	8,363
5310 NEW FREEDOM OPERATING	20.513		76,856	76,856
5310 NEW FREEDOM MOBILITY MANAGEMENT	20.513		49,023	49,023
5310 NEW FREEDOM OPERATING	20.513		27,228	27,228
5310 NEW FREEDOM MOBILITY MANAGEMENT	20.513		75,834	75,834
5310 NEW FREEDOM OPERATING	20.513		747,470	747,470
5310 NEW FREEDOM OPERATING	20.513		531,617	531,617
5310 NEW FREEDOM MOBILITY MANAGEMENT	20.513		328,663	328,663
SECTION 5310	20.513		109,226	109,226
SECTION 5310	20.513		87,385	87,385
COVID-19 - CRRSAA OPERATING - SECTION 5310	20.513		432,722	432,722
Job Access and Reverse Commute Program - SECTION 5311	20.516		137,694	137,694
U.S. Department of Transportation - Pass-through programs from the State of Michigan Department of Transportation - Job Access and Reverse Commute Program:				
OPERATING ASSIST. LET - SEC 5311 (2023) (NOTA)	20.516	MI-2020-008-07	161,904	161,904
OPERATING ASSIST. LET - SEC 5311 (2023) (WOTA)	20.516	MI-2020-008-07	<u>182,400</u>	<u>182,400</u>
Total Transit Services Programs Cluster			2,960,620	3,016,264
U.S. Department of Transportation - Pass-through programs from the State of Michigan Department of Transportation - OPERATING ASSIST. LET - SEC 5311 (2022)				
	20.509	MI-18-0055	95,254	95,254
U.S. Department of Transportation - Pass-through programs from the Southeast Michigan Council of Governments - PLANNING & TECHNICAL STUDIES UWP PROGRAM				
	20.505	MI-80-X006	-	318,806
Total expenditures of federal awards			<u>\$ 5,512,969</u>	<u>\$ 26,232,363</u>

**Suburban Mobility Authority for Regional Transportation**

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**Reconciliation of Basic Financial Statements Federal Revenue  
with Schedule of Expenditures of Federal Awards**

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**Year Ended June 30, 2023**

Revenue from federal sources - As reported on the financial statements (includes all funds)	\$ 16,620,867
Add federal portion of capital contributions - As reported on the financial statements	<u>9,611,496</u>
Federal expenditures per the schedule of expenditures of federal awards	<u><u>\$ 26,232,363</u></u>

See notes to schedule of expenditures of federal awards.

## Suburban Mobility Authority for Regional Transportation

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# Notes to Schedule of Expenditures of Federal Awards

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Year Ended June 30, 2023

### Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Suburban Mobility Authority for Regional Transportation (the "Authority") under programs of the federal government for the year ended June 30, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

### Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the full accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The pass-through entity identifying numbers are presented where available.

The Authority has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

**Suburban Mobility Authority for Regional Transportation**

**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2023**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes      X   None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes      X   None reported

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes      X   None reported

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? \_\_\_\_\_ Yes      X   No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
20.507	Federal Transit Cluster	Unmodified
20.513, 20.516	Transit Services Programs Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$786,971

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes      X   No

**Section II - Financial Statement Audit Findings**

None

**Section III - Federal Program Audit Findings**

None