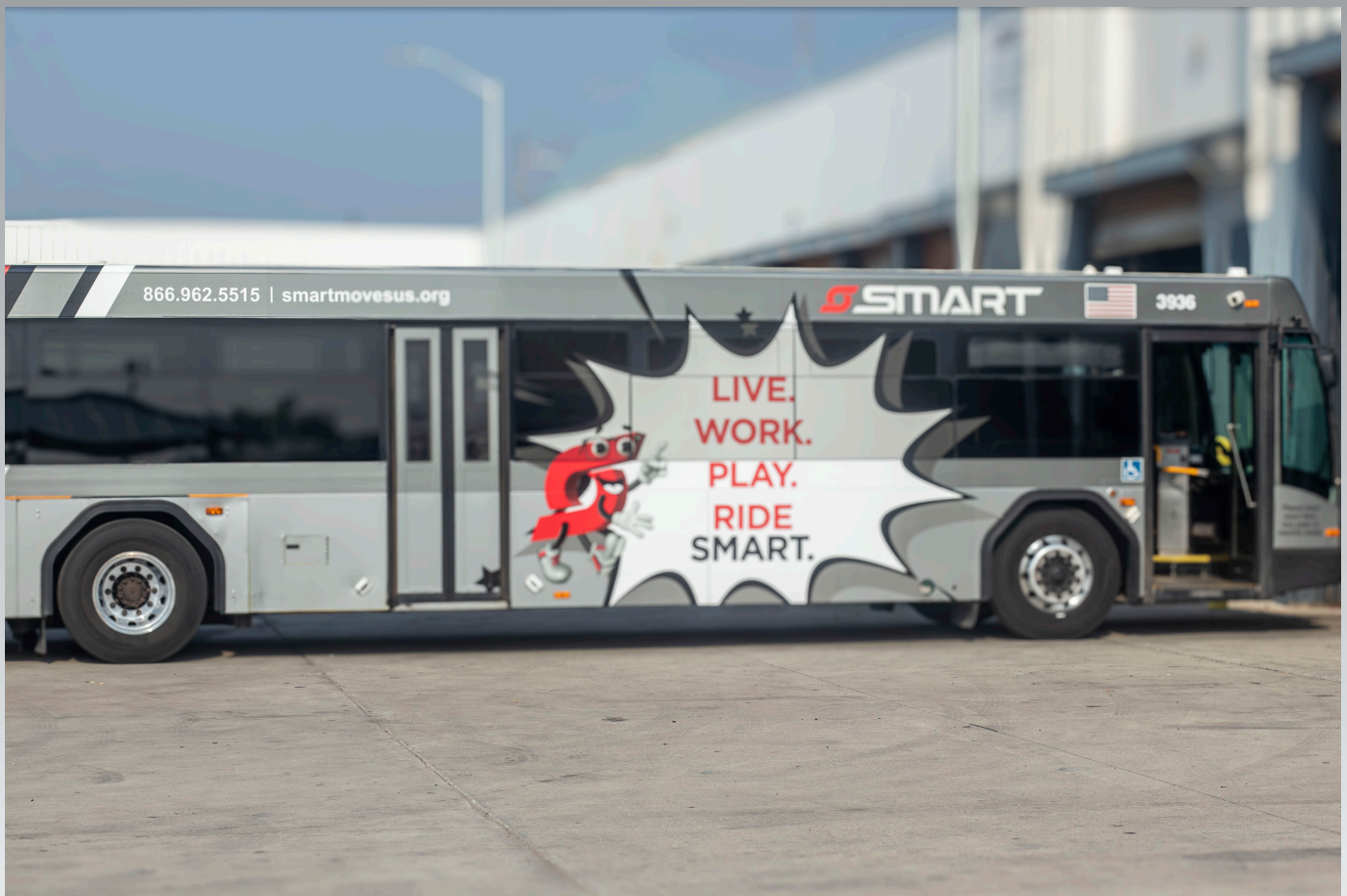




*Financial Report
with Supplementary
Information June 30, 2025*



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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, 2025 and 2024 and the related notes to the financial statements, which collectively comprise the Suburban Mobility Authority for Regional Transportation'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 Suburban Mobility Authority for Regional Transportation as of June 30, 2025 and 2024 and the respective changes in its financial position and, where applicable, its 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.

Emphasis of Matter

As described in Note 1 to the financial statements, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

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.

In performing 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 audits 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.

To the Board of Directors
Suburban Mobility Authority for Regional
Transportation

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Suburban Mobility Authority for Regional Transportation's basic financial statements. The 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, 2024 (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 audits 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 supplementary information, except for the community-based report numbered 12, the nonfinancial report numbered 19, and all reports for the year ended September 30, 2024 (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.

Additional Information

Management is responsible for the accompanying other information, which is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other information comprises the community-based report numbered 12, the nonfinancial report numbered 19, and all reports for the year ended September 30, 2024 (those numbered 2, 4, 6, 8, 10, and 13-18). 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 November 20, 2025 on our consideration of the Suburban Mobility Authority for Regional Transportation'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 Suburban Mobility Authority for Regional Transportation'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 Suburban Mobility Authority for Regional Transportation's internal control over financial reporting and compliance.

Plante & Moreau, PLLC

November 20, 2025

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis

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, 2025 and 2024 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 decreased in fiscal year 2024-2025 (FY 2025) compared to fiscal year 2023-2024 (FY 2024). This total operating revenue decrease related to fares increasing by 3.66 percent, or approximately \$204,000, and other operating income decreasing by 18.61 percent, or approximately \$385,000. This is due to increased ridership and decreased community transit revenue, respectively.
- Nonoperating revenue increased by approximately \$41.4 million, or 28.81 percent, in FY 2025 compared to FY 2024. This is primarily due to additional local contributions of county property taxes and additional reimbursement from MDOT for eligible expenditures.
- In FY 2025, operating expenses of approximately \$188.5 million are approximately \$37.4 million higher than FY 2024. This is largely due to an increase in employee compensation from wage increases and additional personnel hired during the year.
- Capital contribution spending in FY 2025 amounted to approximately \$10.23 million. This is a decrease of approximately \$9.47 million, or 48 percent, for FY 2025. SMART relies heavily on federal capital funds to purchase capital assets (i.e., bus replacement and facility rehabilitation). SMART had fewer capital projects open during FY 2025 than FY 2024.
- Current liabilities increased by approximately \$2.2 million primarily due to an increase in accounts payable of \$3.3 million and a decrease in municipal and community credits payable of \$0.7 million.
- Net position, which is detailed later, increased by approximately \$14.3 million to \$290.2 million, which is a combination of the \$13.29 million decrease in net investment in capital assets, \$1.0 million increase in restricted net position related to postemployment benefits, and \$26.4 million increase in unrestricted net position due to FY 2025 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, 2025, 2024, and 2023 is as follows:

	2023	2024	2025
Assets			
Current and other assets:			
Cash and investments	\$ 186,875,427	\$ 135,689,663	\$ 143,004,168
Receivables	64,803,263	42,518,794	49,818,698
Other assets	3,875,319	21,090,415	23,117,355
Capital assets	154,167,366	152,212,121	138,421,527
Total assets	409,721,375	351,510,993	354,361,748
Deferred Outflows of Resources	35,940,224	76,763,434	26,701,714
Liabilities			
Current liabilities	30,557,924	31,691,935	33,916,953
Noncurrent liabilities	108,750,250	83,762,745	33,761,610
Total liabilities	139,308,174	115,454,680	67,678,563
Deferred Inflows of Resources	50,340,231	36,896,436	23,193,238
Net Position			
Net investment in capital assets	151,147,487	149,685,808	136,397,030
Restricted	69,867	16,884,208	18,014,248
Unrestricted	104,795,840	109,353,295	135,780,383
Total net position, as restated	<u>\$ 256,013,194</u>	<u>\$ 275,923,311</u>	<u>\$ 290,191,661</u>

SMART's current assets, including restricted cash, had a net increase of approximately \$15.6 million, which represents an increase of approximately 8.6 percent compared to FY 2024. Restricted cash increased from approximately \$179,000 to \$304,000 at the end of FY 2025.

Amounts invested in capital assets decreased by \$13.8 million to \$138.4 million.

Unrestricted net position, the portion of net position that can be used to finance day-to-day operations, increased by approximately \$26.4 million from FY 2024.

The Authority's Changes in Net Position

	2023	2024	2025
Operating Revenue	\$ 7,025,687	\$ 7,636,159	\$ 7,455,419
Operating Expenses	151,150,000	151,144,470	188,536,237
Operating Loss	(144,124,313)	(143,508,311)	(181,080,818)
Nonoperating Revenue	191,615,533	143,711,912	185,116,016
Income - Before capital contributions	47,491,220	203,601	4,035,198
Capital Contributions	11,166,635	19,706,516	10,233,152
Change in Net Position	58,657,855	19,910,117	14,268,350
Net Position - Beginning of year, as restated	197,355,339	256,013,194	275,923,311
Net Position - End of year, as restated	<u>\$ 256,013,194</u>	<u>\$ 275,923,311</u>	<u>\$ 290,191,661</u>

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis (Continued)

As described earlier in the financial highlights, total operating revenue decreased in FY 2025 compared to FY 2024. This is mainly a result of more fares being collected during all of FY 2025 offset by a decrease in community transit revenue.

Operating expenses are approximately \$37.4 million higher than FY 2024. This is largely due to an increase in employee fringe benefits and increased expense related to SMART wage payments.

Capital Assets and Debt Administration

The Authority continues to invest in infrastructure, equipment, and vehicles. SMART had approximately \$138.4 million and \$152.2 million invested in capital assets as of June 30, 2025 and 2024, respectively. During FY 2025, SMART had total capital asset additions of approximately \$10.0 million, primarily consisting of bus equipment, software, and facilities projects. More detailed information concerning capital assets can be found in Note 5 to the financial statements.

The only capital-related debt is lease liabilities amounting to \$2.0 million and \$2.5 million as of June 30, 2025 and 2024, respectively. More detailed information can be found in Note 8 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 tricity 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 fiscal year 2026 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 fiscal year 2026, Section 5307 funding of approximately \$45.7 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 rate in Oakland, 5-year rate in Macomb, and 4-year rate in Wayne and is estimated to generate \$102.9 million in fiscal year 2026 for SMART.

SMART adopted a balanced budget for fiscal year 2026. The fiscal year 2026 operating budget is approved for \$183.9 million. In addition, the fiscal year 2026 restricted passthrough revenue and expense budget has been approved for \$20.1 million. In fiscal year 2026, the board also approved a federal/state \$505.3 million capital spending plan. In addition, the board continued to support incorporating \$166.5 million in prior year unspent approved grant dollars within the fiscal year 2026 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, 2025 and 2024

	Enterprise Operating Fund	
	2025	2024
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 119,208,555	\$ 113,153,841
Investments (Note 3)	23,795,613	22,535,822
Receivables:		
Local contributions receivable (Note 1)	800,999	33,938
Accrued interest receivable	126,031	71,139
Current portion of leases receivable	10,112	9,913
Other receivables	672,488	863,454
Grant receivable (Note 4)	47,715,514	41,036,483
Materials and supplies inventories	4,471,878	3,645,186
Prepaid expenses and other assets	631,229	561,021
Total current assets	197,432,419	181,910,797
Noncurrent assets:		
Restricted cash (Note 3)	304,414	178,692
Leases receivable - Net of current portion	493,554	503,867
Net OPEB asset (Note 12)	17,709,834	16,705,516
Nondepreciable capital assets (Note 5)	20,427,358	19,767,513
Depreciable capital assets - Net (Note 5)	117,994,169	132,444,608
Total noncurrent assets	156,929,329	169,600,196
Total assets	354,361,748	351,510,993
Deferred Outflows of Resources		
Deferred pension costs (Note 10)	15,953,431	73,809,346
Deferred OPEB costs (Note 12)	10,748,283	2,954,088
Total deferred outflows of resources	26,701,714	76,763,434
Liabilities		
Current liabilities:		
Municipal and community credits payable (Note 1)	8,477,494	9,173,505
Amounts payable under purchase of service agreements	1,909,903	1,217,258
Current portion of accrued self-insurance (Note 9)	4,690,983	3,671,258
Accounts payable	11,150,590	7,894,226
Accrued liabilities and other:		
Accrued salaries and wages	1,908,851	1,258,677
Operating assistance reserve	41,859	3,909,646
Other accrued liabilities	295,715	349,900
Current portion of long-term liabilities (Note 8)	5,441,558	4,217,465
Total current liabilities	33,916,953	31,691,935
Noncurrent liabilities:		
Accrued self-insurance - Net of current portion (Note 9)	11,208,427	8,975,427
Net pension liability (Note 10)	20,804,285	71,775,945
Long-term liabilities - Net of current portion (Note 8)	1,748,898	3,011,373
Total noncurrent liabilities	33,761,610	83,762,745
Total liabilities	67,678,563	115,454,680

Suburban Mobility Authority for Regional Transportation

Statement of Net Position (Continued)

June 30, 2025 and 2024

	Enterprise Operating Fund	
	2025	2024
Deferred Inflows of Resources		
Deferred pension cost reductions (Note 10)	\$ 205,421	\$ 596,483
Deferred OPEB cost reductions (Note 12)	22,539,746	35,831,042
Deferred inflows from leases	448,071	468,911
Total deferred inflows of resources	23,193,238	36,896,436
Net Position		
Net investment in capital assets	136,397,030	149,685,808
Restricted:		
Acquisition of capital assets	304,414	178,692
Postemployment benefits other than pension	17,709,834	16,705,516
Unrestricted	135,780,383	109,353,295
Total net position, as restated (Note 1)	<u><u>\$ 290,191,661</u></u>	<u><u>\$ 275,923,311</u></u>

Suburban Mobility Authority for Regional Transportation

Statement of Revenue, Expenses, and Changes in Net Position

Years Ended June 30, 2025 and 2024

	Enterprise Operating Fund	
	2025	2024
Operating Revenue		
Fares	\$ 5,772,663	\$ 5,568,412
Other income	1,682,756	2,067,747
Total operating revenue	7,455,419	7,636,159
Operating Expenses		
Salaries and wages	74,866,076	53,567,940
Fringe benefits	19,904,113	14,364,306
Materials and supplies	14,574,436	14,826,011
Contractual services	9,865,198	8,623,333
Utilities	1,273,424	1,421,967
Claims and insurance	10,541,331	7,931,611
Purchased transportation (Note 7)	22,826,151	18,964,287
Miscellaneous expense	3,181,144	1,102,285
Depreciation	23,791,436	22,447,924
Microtransit	7,712,928	7,894,806
Total operating expenses	188,536,237	151,144,470
Operating Loss	(181,080,818)	(143,508,311)
Nonoperating Revenue (Expense)		
Investment income	5,719,689	8,757,668
Gain on sale of assets	111,473	114,218
Federal operating and preventive maintenance assistance	19,432,472	4,215,524
State operating grants	61,947,560	52,919,743
Local contributions (Note 6)	95,266,564	74,892,498
Other state and local sources	2,602,726	2,073,091
Interest expense	(43,796)	(50,614)
Other nonoperating revenue	79,328	789,784
Total nonoperating revenue	185,116,016	143,711,912
Income - Before capital contributions	4,035,198	203,601
Capital Contributions	10,233,152	19,706,516
Change in Net Position	14,268,350	19,910,117
Net Position - Beginning of year, as previously reported	275,923,311	256,701,667
Cumulative Effect of Change in Accounting (Note 1)	-	(688,473)
Net Position - Beginning of year, as restated	275,923,311	256,013,194
Net Position - End of year, as restated	\$ 290,191,661	\$ 275,923,311

Suburban Mobility Authority for Regional Transportation

Statement of Cash Flows

Years Ended June 30, 2025 and 2024

	Enterprise Operating Fund	
	2025	2024
Cash Flows from Operating Activities		
Receipts from transit operations	\$ 7,667,049	\$ 7,631,667
Payments to suppliers	(25,329,656)	(26,858,247)
Payments to employees and fringes	(109,092,281)	(160,990,966)
Payments to claims and insurance	(7,288,606)	(10,791,646)
Payments for purchased transportation	(30,542,445)	(25,650,995)
Net cash and cash equivalents used in operating activities	(164,585,939)	(216,660,187)
Cash Flows from Noncapital Financing Activities		
State operating grants	45,392,487	50,268,910
Federal operating and preventive maintenance assistance	28,203,072	33,908,324
Local contributions	94,499,503	75,403,183
Other nonoperating receipts	2,356,424	2,852,252
Net cash and cash equivalents provided by noncapital financing activities	170,451,486	162,432,669
Cash Flows from Capital and Related Financing Activities		
Receipt of capital grants	6,344,763	15,359,028
Proceeds from sale of capital assets	111,473	114,218
Purchase of capital assets	(10,000,842)	(20,492,677)
Lease payments	(545,511)	(544,179)
Net cash and cash equivalents used in capital and related financing activities	(4,090,117)	(5,563,610)
Cash Flows from Investing Activities		
Interest received on investments - Net of losses	5,664,797	8,714,189
Purchases of investment securities	(1,259,791)	(5,696,779)
Net cash and cash equivalents provided by investing activities	4,405,006	3,017,410
Net Increase (Decrease) in Cash and Cash Equivalents	6,180,436	(56,773,718)
Cash and Cash Equivalents - Beginning of year	113,332,533	170,106,251
Cash and Cash Equivalents - End of year	\$ 119,512,969	\$ 113,332,533
Classification of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 119,208,555	\$ 113,153,841
Restricted cash	304,414	178,692
Total cash and cash equivalents	\$ 119,512,969	\$ 113,332,533

Suburban Mobility Authority for Regional Transportation

Statement of Cash Flows (Continued)

Years Ended June 30, 2025 and 2024

	Enterprise Operating Fund	
	2025	2024
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	\$ (181,080,818)	\$ (143,508,311)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	23,791,436	22,447,924
Noncash change in net pension liability	6,493,193	(49,956,251)
Noncash change in net OPEB liability	(22,089,809)	(43,861,105)
Noncash change in self-insurance liability	3,252,725	(2,860,035)
Changes in assets and liabilities:		
Materials and supplies inventory	(93,945)	(283,132)
Other receivables	211,630	(4,492)
Prepaid and other assets	(70,208)	(117,623)
Accounts payable	3,202,179	(489,975)
Municipal and community credits payable	(566,609)	1,395,115
Payable under purchase service contracts	563,243	(180,938)
Accrued wages and compensated absences	1,801,044	758,636
Net cash and cash equivalents used in operating activities	<u><u>\$ (164,585,939)</u></u>	<u><u>\$ (216,660,187)</u></u>

Suburban Mobility Authority for Regional Transportation

Fiduciary Funds
Statement of Fiduciary Net Position

	June 30, 2025 and 2024	
	<u>2025</u>	<u>2024</u>
Assets - Interest in pooled investments	\$ 160,466,984	\$ 146,517,778
Liabilities	-	-
Net Position - Restricted for postemployment benefits other than pension	<u><u>\$ 160,466,984</u></u>	<u><u>\$ 146,517,778</u></u>

Suburban Mobility Authority for Regional Transportation

Fiduciary Funds Statement of Changes in Fiduciary Net Position

Years Ended June 30, 2025 and 2024

	2025	2024
Additions		
Investment income	\$ 14,269,437	\$ 12,254,915
Contributions - Employer contributions	8,625,266	30,238,556
Total additions	22,894,703	42,493,471
Deductions		
Benefit payments	8,625,266	6,238,557
Administrative expenses	320,231	263,690
Total deductions	8,945,497	6,502,247
Net Increase in Fiduciary Net Position	13,949,206	35,991,224
Net Position - Beginning of year	146,517,778	110,526,554
Net Position - End of year	\$ 160,466,984	\$ 146,517,778

June 30, 2025 and 2024

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 tricity 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 tricity 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, 2025 and 2024

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:

	Depreciable Life - Years
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 to 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.

June 30, 2025 and 2024

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 asset 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 asset, 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 moneys. SMART receives the moneys 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; 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. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

June 30, 2025 and 2024

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.
- 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.

June 30, 2025 and 2024

Note 1 - Significant Accounting Policies (Continued)

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 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements or modifies existing requirements related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2026.

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain types of capital assets, such as lease assets, intangible right-to-use assets, subscription assets, and other intangible assets, to be disclosed separately by major class of underlying asset in the capital assets note. This statement also requires additional disclosures for capital assets held for sale. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2026.

Note 1 - Significant Accounting Policies (Continued)

Accounting Change

Adoption of New Accounting Pronouncement

During the current year, SMART adopted GASB Statement No. 101, *Compensated Absences*. As a result, the liability for compensated absences in the statement of net position has been calculated to comply with this new pronouncement. The financial statements for the year ended June 30, 2023 have been restated in order to adopt GASB Statement No. 101. The restatement was accounted for in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*. The effects of this adoption of a new accounting pronouncement are shown in the table below.

Adjustments to and Restatements of Beginning Balances

The changes noted above resulted in adjustments to and restatements of beginning net position and fund net position as follows:

	June 30, 2023		June 30, 2023
	As Previously Reported	Adoption of New Accounting Pronouncement	As Restated
Enterprise Operating Fund	\$ 256,701,667	\$ (688,473)	\$ 256,013,194

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 (MDOT) 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, 2021. There were no further adjustments to the Act 51 revenue as a result of closing out these years. Furthermore, SMART awaits the final determination for the years ended September 30, 2022, 2023, 2024, and 2025. SMART has recorded an estimated net receivable of approximately \$21.4 million as of June 30, 2025 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 both fiscal year 2025 and fiscal year 2024. 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	\$ 119,208,555
Investments	23,795,613
Restricted cash	304,414
Total deposits and investments	<u>\$ 143,308,582</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 \$43,602,921 (checking and savings accounts), of which \$42,846,971 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	\$ 8,918,949	0.53
U.S. government agency securities	14,876,664	2.87

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Authority's investment policy minimizes credit risk by limiting exposure to poor credits and concentrating the investments in the safest type of securities, diversifying the investment portfolio so that potential losses on individual securities will be minimized, and actively monitoring the investment portfolio holdings for economic changes and changes to ratings of investments. As of June 30, 2025, the Authority had \$78,190,974 in an investment pool (Comerica J-Fund) that is not rated.

June 30, 2025 and 2024

Note 3 - Deposits and Investments (Continued)

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.

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, 2025:

- Negotiable certificates of deposit of \$8,918,949 are valued using a matrix pricing model (Level 2 inputs).
- U.S. government agency securities of \$14,876,664 are valued using a matrix pricing model (Level 2 inputs).
- The fiduciary fund interest in pooled investments (MERS Total Market Portfolio) of \$160,466,984 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.

Bank pools totaling \$78,190,974 are recorded at amortized cost in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. These investments are held in the Comerica J-Fund and are not subject to any limitations or restrictions on withdrawals.

Note 4 - Grants Receivable

At June 30, 2025 and 2024, grants receivable are composed of the following:

	2025	2024
Accounts receivable - Billed:		
Federal government grants	\$ 661,711	\$ 3,899,155
State of Michigan grants	24,474,232	11,502,928
Total billed	25,135,943	15,402,083
Accounts receivable - Unbilled:		
Federal government grants	20,862,016	21,990,044
State of Michigan grants	1,715,426	3,642,227
Local grants	2,129	2,129
Total unbilled	22,579,571	25,634,400
Total	\$ 47,715,514	\$ 41,036,483

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements

June 30, 2025 and 2024

Note 5 - Capital Assets

Capital asset activity during the fiscal year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2025
Capital assets not being depreciated:					
Land	\$ 3,473,174	\$ -	\$ -	\$ -	\$ 3,473,174
Construction in progress	16,289,339	(9,340,997)	10,000,842	-	16,949,184
Trademark	5,000	-	-	-	5,000
Subtotal	19,767,513	(9,340,997)	10,000,842	-	20,427,358
Capital assets being depreciated:					
Fixed-route buses and equipment	125,661,130	833,814	-	(2,826,314)	123,668,630
Connector buses and related equipment	92,030,977	6,393,720	-	(4,874,837)	93,549,860
Buildings and improvements	64,017,017	-	-	-	64,017,017
Office furnishings and equipment	2,363,756	25,348	-	-	2,389,104
Other equipment	96,764,757	1,849,115	-	-	98,613,872
Leasehold improvements	8,316,895	239,000	-	-	8,555,895
Right-to-use asset - Building space	4,225,737	-	-	-	4,225,737
Subtotal	393,380,269	9,340,997	-	(7,701,151)	395,020,115
Accumulated depreciation:					
Fixed-route buses and equipment	64,373,229	-	9,284,028	(2,826,314)	70,830,943
Connector buses and related equipment	66,486,131	-	7,151,919	(4,874,837)	68,763,213
Buildings and improvements	41,191,213	-	1,442,744	-	42,633,957
Office furnishings and equipment	2,217,556	-	28,774	-	2,246,330
Other equipment	77,122,044	-	5,282,823	-	82,404,867
Leasehold improvements	7,724,795	-	181,835	-	7,906,630
Right-to-use asset - Building space	1,820,693	-	419,313	-	2,240,006
Subtotal	260,935,661	-	23,791,436	(7,701,151)	277,025,946
Net capital assets being depreciated	132,444,608	9,340,997	(23,791,436)	-	117,994,169
Net capital assets	\$ 152,212,121	\$ -	\$ (13,790,594)	\$ -	\$ 138,421,527

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements

June 30, 2025 and 2024

Note 5 - Capital Assets (Continued)

Capital asset activity during the fiscal year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 3,473,174	\$ -	\$ -	\$ -	\$ 3,473,174
Construction in progress	26,359,446	(30,156,465)	20,086,358	-	16,289,339
Trademark	5,000	-	-	-	5,000
Subtotal	29,837,620	(30,156,465)	20,086,358	-	19,767,513
Capital assets being depreciated:					
Fixed-route buses and equipment	125,646,130	15,000	-	-	125,661,130
Connector buses and related equipment	82,511,851	9,826,072	-	(306,946)	92,030,977
Buildings and improvements	50,277,507	13,726,823	12,687	-	64,017,017
Office furnishings and equipment	2,363,756	-	-	-	2,363,756
Other equipment	89,782,553	6,588,570	393,634	-	96,764,757
Leasehold improvements	8,316,895	-	-	-	8,316,895
Right-to-use asset - Building space	4,225,737	-	-	-	4,225,737
Subtotal	363,124,429	30,156,465	406,321	(306,946)	393,380,269
Accumulated depreciation:					
Fixed-route buses and equipment	55,131,293	-	9,241,936	-	64,373,229
Connector buses and related equipment	60,161,798	-	6,631,279	(306,946)	66,486,131
Buildings and improvements	39,992,729	-	1,198,484	-	41,191,213
Office furnishings and equipment	2,180,763	-	36,793	-	2,217,556
Other equipment	72,486,773	-	4,635,271	-	77,122,044
Leasehold improvements	7,549,014	-	175,781	-	7,724,795
Right-to-use asset - Building space	1,292,313	-	528,380	-	1,820,693
Subtotal	238,794,683	-	22,447,924	(306,946)	260,935,661
Net capital assets being depreciated	124,329,746	30,156,465	(22,041,603)	-	132,444,608
Net capital assets	\$ 154,167,366	\$ -	\$ (1,955,245)	\$ -	\$ 152,212,121

The eligible depreciation for fiscal year 2025 of \$449,293 (\$23,791,436 total depreciation reported less ineligible depreciation of \$23,342,143) 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).

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements

June 30, 2025 and 2024

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:

	Spent to Date	Remaining Commitment
Bus purchase	\$ 5,609,976	\$ 9,277,540
Building construction	6,759,857	8,019,108
Bus shelters	240,734	534,266
Software	4,014,533	534,266
Communication boards	1,993,108	59,510
Bus components	4,127,619	647,298
Total	<u>\$ 22,745,827</u>	<u>\$ 19,071,988</u>

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 first 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. In November 2023, the Interlocal Public Transportation Agreement was amended. The amendment resulted in a 7 percent increase for inflation (\$33.8 million foundation), with no additional funding for expanded services beyond the initial \$10.1 million. In April 2025, the Interlocal Public Transportation Agreement was amended again. The amendment resulted in an increase in the foundation funding to \$44.1 million. The agreement will continue to be negotiated on an annual basis. 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, 2025 and 2024, totaled \$95,266,564 and \$74,892,498, 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, 2025 and 2024

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:

	2025	2024
Purchased transportation:		
Community-based services	\$ 620,000	\$ 495,000
Community credits	4,536,683	4,320,647
Community transit bus service	328,000	328,000
Total purchased transportation	5,484,683	5,143,647
Pass-through community support:		
Municipal credits	3,261,080	3,261,080
Specialized services	1,672,799	1,782,435
JARC and New Freedom	2,357,835	2,319,584
Royal Oak Township	11,142	11,331
Community transit bus service	9,417,793	6,022,367
CRRSAA/CARES Act	620,819	423,843
Total pass-through community support	17,341,468	13,820,640
Total	\$ 22,826,151	\$ 18,964,287

Note 8 - Long-term Liabilities

Long-term debt activity for the year ended June 30, 2025 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Accumulated compensated absences - As restated (Note 1)	\$ 4,702,525	\$ 463,434	\$ -	\$ 5,165,959	\$ 4,907,661
Lease liability (Note 15)	2,526,313	-	(501,816)	2,024,497	533,897
Total long-term debt	\$ 7,228,838	\$ 463,434	\$ (501,816)	\$ 7,190,456	\$ 5,441,558

Activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Accumulated compensated absences - As restated (Note 1)	\$ 4,284,173	\$ 418,352	\$ -	\$ 4,702,525	\$ 3,723,898
Lease liability (Note 15)	3,019,879	-	(493,566)	2,526,313	493,567
Total long-term debt	\$ 7,304,052	\$ 418,352	\$ (493,566)	\$ 7,228,838	\$ 4,217,465

The change in the compensated absence liability presented above reflects net additions and reductions during the reporting periods.

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).

June 30, 2025 and 2024

Note 9 - Risk Management (Continued)

In fiscal years 2025 and 2024, 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, 2025.

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.

	2025	2024	2023
Claims liability - July 1	\$ 12,646,685	\$ 15,506,720	\$ 14,597,317
Incurred claims - Current year, including adjustments to IBNR	8,799,046	5,717,460	8,369,997
Claim payments	(5,546,321)	(8,577,495)	(7,460,594)
Claims liability - June 30	<u>\$ 15,899,410</u>	<u>\$ 12,646,685</u>	<u>\$ 15,506,720</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 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 and UAW employees hired prior to February 1, 2024 and Teamsters, AFSCME, and nonunion employees hired prior to September 1, 2024.

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.

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, 2024:

Inactive plan members or beneficiaries currently receiving benefits	1,016
Inactive plan members entitled to but not yet receiving benefits	124
Active plan members	770
	<hr/>
Total employees covered by the plan	1,910
	<hr/>

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, 2025, 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 20.19 percent of annual payroll. For the fiscal year ended June 30, 2025, the Authority made no additional contributions.

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, 2025 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, 2024 measurement date. The December 31, 2024 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, 2025 and 2024

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
Balance at December 31, 2023	\$ 311,362,506	\$ 239,586,561	\$ 71,775,945
Changes for the year:			
Service cost	5,790,611	-	5,790,611
Interest	21,824,831	-	21,824,831
Differences between expected and actual experience	6,840,158	-	6,840,158
Changes in assumptions	(410,842)	-	(410,842)
Contributions - Employer	-	62,934,637	(62,934,637)
Contributions - Employee	-	2,582,049	(2,582,049)
Net investment income	-	20,108,439	(20,108,439)
Benefit payments, including refunds	(20,581,615)	(20,581,615)	-
Administrative expenses	-	(608,707)	608,707
Net changes	13,463,143	64,434,803	(50,971,660)
Balance at December 31, 2024	<u>\$ 324,825,649</u>	<u>\$ 304,021,364</u>	<u>\$ 20,804,285</u>

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

For the year ended June 30, 2025, the Authority recognized pension expense of \$12,449,721.

At June 30, 2025, 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	\$ 3,420,079	\$ -
Changes in assumptions	-	205,421
Net difference between projected and actual earnings on pension plan investments	9,511,462	-
Employer contributions to the plan subsequent to the measurement date	3,021,890	-
Total	<u>\$ 15,953,431</u>	<u>\$ 205,421</u>

Note 10 - Agent Defined Benefit Pension Plan (Continued)

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 December 31, 2024, but before June 30, 2025, in the amount of \$3,021,890, which will impact the net pension liability in fiscal year 2026 rather than pension expense.

Years Ending June 30	Amount
2026	\$ 7,799,452
2027	7,321,492
2028	(2,131,863)
2029	(262,961)
Total	\$ 12,726,120

Actuarial Assumptions

The total pension liability in the December 31, 2024 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)	7.18%

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

Preretirement mortality:

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

Nondisabled retired plan members and beneficiaries:

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

Disabled retired plan members:

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

Future mortality improvements are assumed each year using scale MP-2021 applied fully generationally from the Pub-2010 base year of 2010. All assumptions used, except for investment rate of return, are based on an actuarial study conducted for the period from 2019-2023.

Discount Rate

The discount rate used to measure the total pension liability was 7.18 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.

Note 10 - Agent Defined Benefit Pension Plan (Continued)

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.

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, 2024, 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	2.16
Private investments	20.00	6.50

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 7.18 percent, as well as what the Authority's net pension liability (asset) 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 (6.18%)	Current Discount Rate (7.18%)	1 Percentage Point Increase (8.18%)
Net pension liability (asset) of the Suburban Mobility Authority for Regional Transportation	\$ 55,770,714	\$ 20,804,285	\$ (8,832,077)

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. 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.

Assumption Changes

With the most recent valuation, the mortality improvement scale was updated from MP-2019 to MP-2021.

June 30, 2025 and 2024

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, 2025 and 2024, the Authority made contributions of \$1,963,967 and \$1,060,317, 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.

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.

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements

June 30, 2025 and 2024

Note 12 - Other Postemployment Benefit Plan (Continued)

The following members were covered by the benefit terms as of December 31, 2024:

Inactive plan members or beneficiaries currently receiving benefits	739
Active plan members	921
Total plan members	1,660

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). In fiscal year 2024, SMART made additional payments to the OPEB retiree health funding vehicle at MERS on a discretionary basis.

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, 2025, SMART paid postemployment health care benefit premiums and administrative costs of \$8,301,720.

Net OPEB Asset

The Authority has chosen to use the June 30, 2025 measurement date as its measurement date for the net OPEB asset. The June 30, 2025 fiscal year end reported net OPEB asset was determined using a measure of the total OPEB liability and the OPEB net position as of the June 30, 2025 measurement date. The June 30, 2025 total OPEB liability was determined by an actuarial valuation performed as of December 31, 2024, which used update procedures to roll forward the estimated liability to June 30, 2025.

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

Changes in Net OPEB Asset	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Asset
Balance at July 1, 2024	\$ 129,812,262	\$ 146,517,778	\$ (16,705,516)
Changes for the year:			
Service cost	447,068	-	447,068
Interest	8,811,946	-	8,811,946
Differences between expected and actual experience	3,160,824	-	3,160,824
Changes in assumptions	8,826,770	-	8,826,770
Contributions - Employer	-	8,301,719	(8,301,719)
Net investment income	-	14,269,437	(14,269,437)
Benefit payments, including refunds	(8,301,720)	(8,301,720)	-
Administrative expenses	-	(320,230)	320,230
Net changes	12,944,888	13,949,206	(1,004,318)
Balance at June 30, 2025	<u>\$ 142,757,150</u>	<u>\$ 160,466,984</u>	<u>\$ (17,709,834)</u>

The plan's fiduciary net position represents 112.41 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, 2025, the Authority recognized an OPEB cost recovery of \$13,788,091.

June 30, 2025 and 2024

Note 12 - Other Postemployment Benefit Plan (Continued)

At June 30, 2025, 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	\$ 2,585,585	\$ 12,152,668
Changes in assumptions	8,162,698	7,056,821
Net difference between projected and actual earnings on OPEB plan investments	-	3,330,257
Total	<u>\$ 10,748,283</u>	<u>\$ 22,539,746</u>

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
2026	\$ (6,709,975)
2027	(6,815,455)
2028	(672,105)
2029	1,326,604
2030	1,079,468
Total	<u>\$ (11,791,463)</u>

Actuarial Assumptions

The total OPEB liability in the December 31, 2024 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 7.75 percent, decreasing for 15 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-2021. 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.

Note 12 - Other Postemployment Benefit Plan (Continued)

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, 2025 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	2.16
Private investments	6.50

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the Authority, calculated using the discount rate of 7.00 percent, as well as what the Authority's net OPEB asset 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 asset of the Municipal Employees' Retirement System of Michigan	\$ (2,185,736)	\$ (17,709,834)	\$ (30,822,220)

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

The following presents the net OPEB asset of the Authority, calculated using the health care cost trend rate of 7.50 percent, as well as what the Authority's net OPEB asset 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 (6.75%)	Current Health Care Cost Trend Rate (7.75%)	1 Percentage Point Increase (8.75%)
Net OPEB asset of the Municipal Employees' Retirement System of Michigan	\$ (31,315,680)	\$ (17,709,834)	\$ (1,739,631)

Assumption Changes

With the most recent valuation, the mortality improvement scale was updated from MP-2019 to MP-2021. Additionally, the health care cost trend rate was updated from 7.00 percent, decreasing for 11 years to an ultimate rate of 3.50 percent, to 7.75 percent, decreasing for 15 years to an ultimate rate of 3.50 percent.

Note 12 - Other Postemployment Benefit Plan (Continued)

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, 2025:

Municipal Employees' Retirement System of Michigan

Asset Class	Target Allocation
Global equity	60.00 %
Global fixed income	20.00
Private investments	20.00
Total	100.00 %

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 9.65 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, of which there were none in 2025 and 2024. Also, any expenses associated with earned revenue, of which SMART had none in 2025 and 2024, 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.

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements

June 30, 2025 and 2024

Note 15 - Leases (Continued)

Future principal and interest payment requirements related to the Authority's lease liability at June 30, 2025 are as follows:

Years Ending	Principal	Interest	Total
2026	\$ 533,897	\$ 36,841	\$ 570,738
2027	520,168	29,736	549,904
2028	217,107	23,477	240,584
2029	161,960	23,040	185,000
2030	123,878	16,122	140,000
2031-2035	467,487	25,647	493,134
Total	<u>\$ 2,024,497</u>	<u>\$ 154,863</u>	<u>\$ 2,179,360</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, 2025 and 2024, the Authority recognized approximately \$21,000 and \$30,000, respectively, of revenue from leases, including interest.

Note 16 - Defined Contribution Pension Plan

The Authority sponsors a 401(a) plan for eligible employees hired after February 1, 2024 for ATU and UAW 771. Additionally, the plan is available to eligible employees hired after September 1, 2024 for Teamsters, AFSCME, and nonunion employees. The specific eligibility for each group is determined by their employment contracts. The plan provides for the Authority to make an annual contribution in the amount of 6 percent of the employees' total pensionable compensation (including, but not limited to, wages, overtime, vacation, personal leave time, and sick usage for the calendar year to the 401(a) plan). Employees will also be required to contribute 3.0 percent of total compensation (including, but not limited to, wages, overtime, vacation, personal leave time, and sick time usage) to MERS. The plan change will not affect any current SMART employees represented by ATU Local 1564. The Authority's contributions to the plan totaled \$396,877 and \$23,773 for the years ended June 30, 2025 and 2024, respectively. Employees contributed \$197,232 and \$11,663 in 2025 and 2024, respectively.

The Authority's contribution to the 401(a) plan shall vest as follows:

Months of Service	Vesting Level (Percentage Only)
12	20 %
24	40
36	60
48	80
60	100

Required Supplementary Information

Suburban Mobility Authority for Regional Transportation

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

Last Ten Years
Years Ended December 31

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 5,790,611	\$ 4,780,943	\$ 4,435,172	\$ 3,881,625	\$ 4,510,489	\$ 4,502,393	\$ 4,468,876	\$ 4,143,547	\$ 3,891,466	\$ 3,819,202
Interest	21,824,831	21,501,809	20,970,409	21,012,969	19,888,505	19,885,440	19,353,007	19,005,207	18,585,805	17,695,500
Differences between expected and actual experience	6,840,158	(1,192,968)	1,437,986	(3,593,770)	966,309	(2,768,704)	(870,763)	(3,478,232)	(2,515,718)	99,715
Changes in assumptions	(410,842)	2,138,171	-	10,047,909	7,535,899	8,381,719	-	-	-	10,351,934
Benefit payments, including refunds	(20,581,615)	(20,103,244)	(19,270,348)	(18,459,581)	(17,122,807)	(16,641,264)	(15,806,604)	(15,337,264)	(14,527,892)	(13,643,308)
Net Change in Total Pension Liability	13,463,143	7,124,711	7,573,219	12,889,152	15,778,395	13,359,584	7,144,516	4,333,258	5,433,661	18,323,043
Total Pension Liability - Beginning of year	311,362,506	304,237,795	296,664,576	283,775,424	267,997,029	254,637,445	247,492,929	243,159,671	237,726,010	219,402,967
Total Pension Liability - End of year	<u>\$ 324,825,649</u>	<u>\$ 311,362,506</u>	<u>\$ 304,237,795</u>	<u>\$ 296,664,576</u>	<u>\$ 283,775,424</u>	<u>\$ 267,997,029</u>	<u>\$ 254,637,445</u>	<u>\$ 247,492,929</u>	<u>\$ 243,159,671</u>	<u>\$ 237,726,010</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 62,934,637	\$ 5,173,152	\$ 15,146,136	\$ 16,218,042	\$ 12,117,144	\$ 13,368,558	\$ 8,165,009	\$ 16,522,752	\$ 15,725,356	\$ 5,096,203
Contributions - Employee	2,582,049	2,077,906	2,045,700	1,920,194	2,067,490	2,013,938	1,972,003	1,750,206	1,650,588	1,627,578
Net investment income (loss)	20,108,439	25,360,930	(28,599,214)	31,018,133	28,663,528	24,557,841	(7,496,684)	23,044,677	17,449,806	(2,305,957)
Administrative expenses	(608,707)	(528,856)	(476,924)	(367,088)	(407,927)	(423,144)	(373,896)	(364,112)	(348,853)	(340,843)
Benefit payments, including refunds	(20,581,615)	(20,103,244)	(19,270,348)	(18,459,581)	(17,122,807)	(16,641,264)	(15,806,604)	(15,337,264)	(14,527,892)	(13,643,308)
Net Change in Plan Fiduciary Net Position	64,434,803	11,979,888	(31,154,650)	30,329,700	25,317,428	22,875,929	(13,540,172)	25,616,259	19,949,005	(9,566,327)
Plan Fiduciary Net Position - Beginning of year	239,586,561	227,606,673	258,761,323	228,431,623	203,114,195	180,238,266	193,778,438	168,162,179	148,213,174	157,779,501
Plan Fiduciary Net Position - End of year	<u>\$ 304,021,364</u>	<u>\$ 239,586,561</u>	<u>\$ 227,606,673</u>	<u>\$ 258,761,323</u>	<u>\$ 228,431,623</u>	<u>\$ 203,114,195</u>	<u>\$ 180,238,266</u>	<u>\$ 193,778,438</u>	<u>\$ 168,162,179</u>	<u>\$ 148,213,174</u>
Authority's Net Pension Liability - Ending	<u>\$ 20,804,285</u>	<u>\$ 71,775,945</u>	<u>\$ 76,631,122</u>	<u>\$ 37,903,253</u>	<u>\$ 55,343,801</u>	<u>\$ 64,882,834</u>	<u>\$ 74,399,179</u>	<u>\$ 53,714,491</u>	<u>\$ 74,997,492</u>	<u>\$ 89,512,836</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.60 %	76.95 %	74.81 %	87.22 %	80.50 %	75.79 %	70.78 %	78.30 %	69.16 %	62.35 %
Covered Payroll	\$ 58,263,188	\$ 48,180,722	\$ 44,463,919	\$ 41,411,960	\$ 45,036,165	\$ 44,836,035	\$ 43,850,988	\$ 40,197,698	\$ 36,992,486	\$ 36,833,068
Authority's Net Pension Liability as a Percentage of Covered Payroll	35.71 %	148.97 %	172.34 %	91.53 %	122.89 %	144.71 %	169.66 %	133.63 %	202.74 %	243.02 %

Schedule is built prospectively upon implementation of GASB 68.

See notes to required supplementary information.

Suburban Mobility Authority for Regional Transportation

Required Supplementary Information Schedule of Pension Contributions

Last Ten Fiscal Years Years Ended June 30										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 5,948,556	\$ 8,869,644	\$ 9,571,368	\$ 9,147,144	\$ 7,966,477	\$ 8,212,548	\$ 7,033,464	\$ 6,522,752	\$ 5,725,357	\$ 5,096,203
Contributions in relation to the actuarially determined contribution	5,948,556	60,000,000	10,294,148	17,576,710	15,986,477	13,199,457	8,165,009	16,522,752	15,725,357	5,096,203
Contribution Excess	\$ -	\$ 51,130,356	\$ 722,780	\$ 8,429,566	\$ 8,020,000	\$ 4,986,909	\$ 1,131,545	\$ 10,000,000	\$ 10,000,000	\$ -
Covered Payroll	\$ 63,004,750	\$ 50,790,489	\$ 45,442,353	\$ 45,582,462	\$ 42,005,571	\$ 44,268,897	\$ 43,850,988	\$ 40,197,698	\$ 36,992,486	\$ 36,833,068
Contributions as a Percentage of Covered Payroll	9.44 %	118.13 %	22.65 %	38.56 %	38.06 %	29.82 %	18.62 %	41.10 %	42.51 %	13.84 %

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	15 years
Asset valuation method	5-year smoothed market
Inflation	2.50 percent
Salary increase	3.00 percent - Including inflation
Investment rate of return	6.93 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 (Asset) Liability and Related Ratios

							Last Eight Fiscal Years Years Ended June 30	
	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	\$ 447,068	\$ 514,915	\$ 776,079	\$ 1,006,225	\$ 1,414,989	\$ 1,676,593	\$ 1,499,372	\$ 1,672,442
Interest	8,811,946	8,796,708	8,611,998	8,490,468	9,971,568	9,808,385	11,539,771	11,264,428
Differences between expected and actual experience	3,160,824	(1,773,212)	(17,265,224)	(992,549)	(42,262,549)	(1,297,425)	(27,059,480)	(321,657)
Changes in assumptions	8,826,770	-	(16,924,200)	-	11,001,181	-	22,428,697	-
Benefit payments, including refunds	(8,301,720)	(6,271,889)	(5,693,299)	(6,665,578)	(7,034,223)	(7,145,341)	(8,249,942)	(8,335,309)
Net Change in Total OPEB Liability	12,944,888	1,266,522	(30,494,646)	1,838,566	(26,909,034)	3,042,212	158,418	4,279,904
Total OPEB Liability - Beginning of year	129,812,262	128,545,740	159,040,386	157,201,820	184,110,854	181,068,642	180,910,224	176,630,320
Total OPEB Liability - End of year	\$ 142,757,150	\$ 129,812,262	\$ 128,545,740	\$ 159,040,386	\$ 157,201,820	\$ 184,110,854	\$ 181,068,642	\$ 180,910,224
Plan Fiduciary Net Position								
Contributions - Employer	\$ 8,301,719	\$ 30,271,888	\$ 8,187,899	\$ 16,565,578	\$ 17,183,823	\$ 13,445,341	\$ 13,999,942	\$ 13,553,709
Net investment income (loss)	14,269,437	12,254,915	7,605,774	(8,775,581)	20,344,183	1,564,171	1,800,508	3,672,021
Administrative expenses	(320,230)	(263,690)	(192,065)	(184,962)	(150,145)	(117,883)	(118,940)	(122,336)
Benefit payments, including refunds	(8,301,720)	(6,271,889)	(5,693,299)	(6,665,578)	(7,034,223)	(7,145,341)	(8,249,942)	(8,335,309)
Net Change in Plan Fiduciary Net Position	13,949,206	35,991,224	9,908,309	939,457	30,343,638	7,746,288	7,431,568	8,768,085
Plan Fiduciary Net Position - Beginning of year	146,517,778	110,526,554	100,618,245	99,678,788	69,335,150	61,588,862	54,157,294	45,389,209
Plan Fiduciary Net Position - End of year	\$ 160,466,984	\$ 146,517,778	\$ 110,526,554	\$ 100,618,245	\$ 99,678,788	\$ 69,335,150	\$ 61,588,862	\$ 54,157,294
Net OPEB (Asset) Liability - Ending	\$ (17,709,834)	\$ (16,705,516)	\$ 18,019,186	\$ 58,422,141	\$ 57,523,032	\$ 114,775,704	\$ 119,479,780	\$ 126,752,930
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	112.41 %	112.87 %	85.98 %	63.27 %	63.41 %	37.66 %	34.01 %	29.94 %
Covered-employee Payroll	\$ 86,624,300	\$ 63,052,696	\$ 57,180,553	\$ 62,948,686	\$ 58,357,225	\$ 55,369,846	\$ 54,013,348	\$ 44,134,313
Net OPEB (Asset) Liability as a Percentage of Covered-employee Payroll	(20.44)%	(26.49)%	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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 4,575,889	\$ 4,691,554	\$ 6,494,557	\$ 6,637,149	\$ 10,915,002	\$ 11,119,377	\$ 13,305,693	\$ 13,486,227	\$ 13,048,354	\$ 13,232,377
Contributions in relation to the actuarially determined contribution	8,301,719	30,271,888	8,187,899	16,565,578	17,183,823	13,445,341	13,999,942	13,553,709	14,273,710	12,955,318
Contribution Excess (Deficiency)	\$ 3,725,830	\$ 25,580,334	\$ 1,693,342	\$ 9,928,429	\$ 6,268,821	\$ 2,325,964	\$ 694,249	\$ 67,482	\$ 1,225,356	\$ (277,059)
Covered-employee Payroll	\$ 86,624,300	\$ 63,052,696	\$ 57,180,553	\$ 62,948,686	\$ 58,357,225	\$ 55,369,846	\$ 54,013,348	\$ 44,134,313	\$ 36,833,068	\$ 36,833,068
Contributions as a Percentage of Covered-employee Payroll	9.58 %	48.01 %	14.32 %	26.32 %	29.45 %	24.28 %	25.92 %	30.71 %	38.75 %	35.17 %

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	20 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

Suburban Mobility Authority for Regional Transportation

Required Supplementary Information Schedule of OPEB Investment Returns

	Last Eight Fiscal Years Years Ended June 30							
	2025	2024	2023	2022	2021	2020	2019	2018
Annual money-weighted rate of return - Net of investment expense	9.65 %	10.28 %	7.47 %	(8.23)%	28.12 %	2.32 %	3.09 %	7.68 %

Schedule is built prospectively upon implementation of GASB 74.

Suburban Mobility Authority for Regional Transportation

Notes to Required Supplementary Information

June 30, 2025 and 2024

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.

Amounts reported in 2024 reflect an updated investment rate of return (gross of investment expenses) and discount rate from 7.25 percent to 7.18 percent.

Amounts reported in 2025 reflect an updated mortality improvement scale from MP-2019 to MP-2021.

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 percent 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.

Amounts reported in 2025 reflect a change in the mortality improvement scale from MP-2019 to MP-2021 and a change in the health care cost trend rate from 7.00 percent, decreasing for 11 years to an ultimate rate of 3.50 percent to 7.75 percent, decreasing for 15 years to an ultimate rate of 3.50 percent.

Supplementary Information

**Suburban Mobility Authority
for Regional Transportation**

Supplementary Information
1. Operating Revenue Schedule

Year Ended June 30, 2025

Description	Jul 1, 2024 to Sep 30, 2024	Oct 1, 2024 to Jun 30, 2025	Total
Passenger fares	\$ 1,091,870	\$ 4,680,794	\$ 5,772,664
Contract fares	134,638	431,997	566,635
Advertising	156,000	396,036	552,036
Rental of buildings or other property	16,152	66,541	82,693
Gain/Loss from the sale of capital assets	-	111,473	111,473
Other nontrans. revenue	3,274	418,829	422,103
Other local contracts - Mun. Cr.	14,416	44,875	59,291
Other local contracts - Com. Cr.	31,011	93,032	124,043
Total operating revenue	\$ 1,447,361	\$ 6,243,577	\$ 7,690,938

Supplementary Information

2. Operating Revenue Schedule

State Year Ended September 30, 2024

Description	Oct 1, 2023 to Jun 30, 2024	Jul 1, 2024 to Sep 30, 2024	Total
Passenger fares	\$ 4,214,203	\$ 1,091,870	\$ 5,306,073
Contract fares	356,060	134,638	490,698
Advertising	486,005	156,000	642,005
Rental of buildings or other property	57,178	16,152	73,330
Gain/Loss from the sale of capital assets	114,218	-	114,218
Other nontrans. revenue	636,003	3,274	639,277
Other local contracts - Mun. Cr.	43,578	14,416	57,994
Other local contracts - Com. Cr.	88,602	31,011	119,613
Total revenue	\$ 5,995,847	\$ 1,447,361	\$ 7,443,208

Supplementary Information

3. Local Revenue Schedule

Year Ended June 30, 2025

Description	Jul 1, 2024 to Sep 30, 2024	Oct 1, 2024 to Jun 30, 2025	Total
Taxes levied directly	\$ 25,280,000	\$ 69,986,564	\$ 95,266,564
Local community Stabilization	-	1,688,885	1,688,885
Total revenue	\$ 25,280,000	\$ 71,675,449	\$ 96,955,449
Interest Income	\$ 2,232,604	\$ 3,487,085	\$ 5,719,689
Other non-trans Revenue	\$ 180,448	\$ 422,233	\$ 602,681
Refunds and Credits	\$ 50,225	\$ 216,221	\$ 266,446

Supplementary Information

4. Local Revenue Schedule

State Year Ended September 30, 2024			
Description	Oct 1, 2023 to Jun 30, 2024	Jul 1, 2024 to Sep 30, 2024	Total
Taxes levied directly	\$ 51,208,749	\$ 25,280,000	\$ 76,488,749
Local community Stabilization	1,769,047	-	1,769,047
Total revenue	\$ 52,977,796	\$ 25,280,000	\$ 78,257,796
Interest Income	\$ 6,746,456	\$ 2,232,604	\$ 8,979,060
Other non-trans Revenue	\$ 441,583	\$ 180,448	\$ 622,031
Refunds and Credits	\$ 906,120	\$ 50,225	\$ 956,345

Supplementary Information

5. Federal and State Operating Revenue

Year Ended June 30, 2025

Description	Jul 1, 2024 to Sep 30, 2024	Oct 1, 2024 to Jun 30, 2025	Total
State Operating Assistance	\$ 11,062,071	\$ 37,478,988	\$ 48,541,059
Other MDOT/BPT contracts and reimb.			
Reimb for section 5309 program admin	21,414	42,010	63,424
Mobility Mgt 2012-0170 P20	10,400	-	10,400
Lake Erie Preventative Maintenance	-	-	-
State Preventive Maintenance (NF Mobility Mgt)	-	-	-
Subtotal SMART State	<u>11,093,885</u>	<u>37,520,998</u>	<u>48,614,883</u>
Pass-through State Act 51:			
Act 51 Prior Year Adj	-	-	-
Bedford	28,304	117,603	145,907
Bedford (prior year)	-	21,292	21,292
LETC Urban and Non-Urban	571,282	2,195,898	2,767,180
LETC Urban and Non-Urban (prior year)	-	21,777	21,777
People Express (PEX)	-	794,700	794,700
Line-item municipal credit	407,633	1,222,908	1,630,540
Mun. Cr. special appropriation	407,633	1,222,908	1,630,540
State Preventive Maintenance (Pass-thru)	-	-	-
Royal Oak Township	-	11,142	11,142
Royal Oak Township (prior year)	-	-	-
Total Pass-through State Act 51	<u>1,414,851</u>	<u>5,608,227</u>	<u>7,023,078</u>
Other state pass-through grants:			
Specialized Service Grant FY 2020	328,007	1,344,792	1,672,799
JARC PASS THRU 2012-0170 P21	-	-	-
MOBILITY MGT 2022-0138 P08	54,391	41,150	95,541
MOBILITY MGT 2017-0130 P12	-	-	-
MOBILITY MGT 2022-0138 P28	-	24,183	24,183
MOBILITY MGT 2017-0130 P37	8,829	24,295	33,124
NOTA JARC Non-Urban 2017-0130 P07	-	-	-
NOTA JARC Non-Urban 2022-0138 P21	180,640	180,640	361,280
NOTA New Freedom 2022-0138 P15	-	-	-
NOTA New Freedom 2022-0138 P06	-	-	-
NOTA New Freedom 2022-0138 P27	-	140,808	140,808
Older Persons Commission (OPC)	-	573,381	573,381
WOTA - State Act 51	-	1,438,248	1,438,248
NOTA - State Act 51	-	1,970,235	1,970,235
Total other state pass-through grants	<u>571,867</u>	<u>5,737,731</u>	<u>6,309,598</u>
Grand total state revenue per F/S	<u>\$ 13,080,603</u>	<u>\$ 48,866,956</u>	<u>\$ 61,947,559</u>

Supplementary Information

5. Federal and State Operating Revenue (Continued)

Year Ended June 30, 2025

Description	Jul 1, 2024 to Sep 30, 2024	Oct 1, 2024 to Jun 30, 2025	Total
Preventive maintenance -	\$ -	\$ -	\$ -
Planning/capital cost of contracting -			
FY 2025 UWP -	318,806	-	318,806
CMAQ Grant	-	-	-
CARES Act (SMART)	-	-	-
CRRSA Act (SMART)	-	-	-
Reimb. for JARC Admin	-	-	-
Reimb. for New Freedom Admin.	41,601	(143,558)	(101,958)
Reimb. for section 5309 program admin	-	-	-
ARP Operating Revenue	-	15,206,830	15,206,830
Subtotal SMART federal	360,406	15,063,271	15,423,677
Other federal pass-through grants:			
Section 5307 Lake Erie	77,840	883,503	961,343
CARES Act (Community)	-	-	-
CRRSA Act (Community)	66,725	554,095	620,820
Section 5310 PM	-	-	-
Section 5311 Lake Erie	103,838	619,892	723,730
JARC Federal Revenue	-	-	-
New Freedom	770,835	932,065	1,702,900
Total pass-through federal	1,019,238	2,989,555	4,008,793
Grand total federal revenue per F/S	\$ 1,379,644	\$ 18,052,826	\$ 19,432,470
Grand total state and federal	\$ 14,460,247	\$ 66,919,782	\$ 81,380,029

Supplementary Information

6. Federal and State Operating Revenue

State Year Ended September 30, 2024

Description	Oct 1, 2023 to Jun 30, 2024	Jul 1, 2024 to Sep 30, 2024	Total
State Operating Assistance	\$ 39,041,221	\$ 11,062,071	\$ 50,103,292
Other MDOT/BPT contracts and reimb. -			
Reimb for section 5309 program admin	98,574	21,414	119,988
Mobility Mgt 2012-0170 P20	698	10,400	11,098
Lake Erie Preventative Maintenance	-	-	-
State Preventive Maintenance (NF Mobility Mgt)	-	-	-
Subtotal SMART state	<u>39,140,493</u>	<u>11,093,885</u>	<u>50,234,378</u>
Pass-through State Act 51:			
Act 51 Prior Year Adj	-		
Bedford	127,368	28,304	155,672
Bedford (prior year)	66,812	-	66,812
LETC Urban and Non-Urban	1,713,843	571,282	2,285,125
LETC Urban and Non-Urban (prior year)	50,105	-	50,105
Line-item municipal credit	1,222,908	407,633	1,630,540
Mun. Cr. special appropriation	1,222,908	407,633	1,630,540
State Preventive Maintenance (Highland Twp.)	-		-
Royal Oak Township	6,050	-	6,050
Royal Oak Township (prior year)	3,950	-	3,950
Total pass-through State Act 51	<u>4,413,943</u>	<u>1,414,851</u>	<u>5,828,794</u>
Other state pass-through grants:			
Specialized Service Grant FY 2020	1,551,863	328,007	1,879,870
JARC PASS THRU 2012-0170 P21	-	-	-
MOBILITY MGT 2022-0138 P08	46,027	54,391	100,419
MOBILITY MGT 2017-0130 P12	4,823	-	4,823
MOBILITY MGT 2017-0130 P28	494	-	494
MOBILITY MGT 2017-0130 P37	25,034	8,829	33,862
NOTA New Freedom 2022-0138 P06	140,808	-	140,808
NOTA JARC Non-Urban 2022-0138 P21	-	180,640	180,640
WOTA - State Act 51	1,329,003	-	1,329,003
NOTA - State Act 51	1,200,285	-	1,200,285
Total other state pass-through grants	<u>4,298,338</u>	<u>571,867</u>	<u>4,870,205</u>
Grand total state revenue per F/S	<u><u>\$ 47,852,774</u></u>	<u><u>\$ 13,080,603</u></u>	<u><u>\$ 60,933,376</u></u>

Supplementary Information

6. Federal and State Operating Revenue (Continued)

State Year Ended September 30, 2024

Description	Oct 1, 2023 to Jun 30, 2024	Jul 1, 2024 to Sep 30, 2024	Total
Preventive maintenance -	\$ -	\$ -	\$ -
Planning/capital cost of contracting -			
FY 2025 UWP	-	318,806	318,806
FY 2024 UWP	243,100	-	243,100
CMAQ Grant	-	-	-
CARES Act (SMART)	-	-	-
CRRSA Act (SMART)	-	-	-
Reimb. for New Freedom Admin.	248,788	41,601	290,389
Reimb. for section 5309 program admin	-	-	-
ARP Operating Revenue	-	-	-
Subtotal SMART federal	<u>491,889</u>	<u>360,406</u>	<u>852,295</u>
Other federal pass-through grants:			
Section 5307 Lake Erie	233,520	77,840	311,360
CARES Act (Community)	-	-	-
CRRSA Act (Community)	159,335	66,725	226,060
Section 5311 Lake Erie	467,595	103,838	571,433
JARC Federal Revenue	-	-	-
New Freedom	1,676,191	770,835	2,447,025
Total pass-through federal	<u>2,536,641</u>	<u>1,019,238</u>	<u>3,555,878</u>
Grand total federal revenue per F/S	<u>\$ 3,028,529</u>	<u>\$ 1,379,644</u>	<u>\$ 4,408,173</u>
Grand total state and federal	<u>\$ 50,881,303</u>	<u>\$ 14,460,247</u>	<u>\$ 65,341,550</u>

Supplementary Information

7. SMART Expense Schedule

Year Ended June 30, 2025

Description	Jul 1, 2024 to Sep 30, 2024	Oct 1, 2024 to Jun 30, 2025	Total
Labor - Operators S&W	\$ 7,495,751	\$ 26,350,479	\$ 33,846,230
Labor - Other S&W	7,329,413	23,115,884	30,445,297
Labor - Dispatchers S&W	2,486,133	7,724,513	10,210,646
Other fringe benefits - total fringes	7,613,458	13,593,202	21,206,660
Pensions - Defined contribution	44,173	380,268	424,441
Pensions - Defined benefit	1,431,541	11,018,180	12,449,721
Other postemployment benefits (OPEB)	-	(13,788,091)	(13,788,091)
Advertising fees	389,842	334,760	724,602
Audit cost	124,094	104,953	229,047
Other services	2,157,208	6,977,490	9,134,698
Other Services (Microtransit)	1,943,144	5,769,785	7,712,929
Fuel and lubricants	1,654,365	4,699,766	6,354,131
Tires and tubes	325,279	899,365	1,224,644
Other materials and supplies	1,672,294	4,948,934	6,621,228
Utilities	253,172	991,951	1,245,123
Casualty and liab. costs	1,810,899	8,624,932	10,435,831
Other insurance	26,374	79,124	105,498
Purchased transportation service	1,371,165	4,113,518	5,484,683
Pass-throughs that are expensed -			
Other	1,507,792	3,640,890	5,148,682
Municipal Credits	815,265	2,445,815	3,261,080
Lake Erie/NOTA/WOTA	682,899	8,248,808	8,931,707
Travel, meetings, and training	111,130	279,029	390,159
Lobbying	48,000	108,000	156,000
Loss on disposal of asset	-	-	-
Other miscellaneous expenses	229,902	2,600,166	2,830,068
Leases and rentals	(13,711)	17,294	3,583
Depreciation	284,625	23,506,811	23,791,436
Total expenses	<u>41,794,207</u>	<u>146,785,825</u>	<u>188,580,032</u>

Supplementary Information
7. SMART Expense Schedule (Continued)

Year Ended June 30, 2025

Description	Jul 1, 2024 to Sep 30, 2024	Oct 1, 2024 to Jun 30, 2025	Total
Less ineligible expenses:			
Ineligible refunds and credits	\$ 50,225	\$ 216,221	\$ 266,446
Other ineligible state contracts			
Passthrough (Municipal Credits)	815,265	2,445,815	3,261,080
Other	21,414	42,010	63,424
Unused community credits	45,427	137,907	183,334
Ineligible depreciation	-	23,342,143	23,342,143
Other ineligible	124,094	1,526,171	1,650,265
Ineligible non-trans exp	455	1,645	2,100
Preventive maintenance			
Passthrough	-	-	-
SMART	-	-	-
Other ineligible federal/state/local:			
Reimb. for JARC Admin MI-XX-XXXX	-	-	-
Reimb. for New Freedom Admin	41,601	(41,601)	(0)
Other ineligible state contracts:			
Pass-Thru Ineligibles	2,190,691	11,889,698	14,080,389
Planning/capital cost of contracting	318,806	-	318,806
Ineligible Lobbying Expense	48,000	108,000	156,000
Ineligible loss on disposal	-	-	-
Ineligible pension	-	-	-
Ineligible OPEB	-	(13,788,091)	(13,788,091)
Total ineligibles	<u>3,655,978</u>	<u>25,879,918</u>	<u>29,535,896</u>
Total eligible expenses	<u>\$ 38,138,229</u>	<u>\$ 129,207,626</u>	<u>\$ 167,345,856</u>

Supplementary Information

7. SMART Expense Schedule (Continued)

Year Ended June 30, 2025

Description	Jul 1, 2024 to Sep 30, 2024	Oct 1, 2024 to Jun 30, 2025	Total
Pass-throughs that are expensed:			
Lake Erie/NOTA/WOTA	682,899	8,248,323	8,931,222
Municipal credit - Formula	407,633	1,222,908	1,630,540
Municipal credit - Line Item	407,633	1,222,908	1,630,540
Specialized services	328,007	1,344,792	1,672,799
Royal Oak Twp	-	11,142	11,142
Contra SMART Paid Expense	-	-	-
NOTA JARC Non-Urban	180,640	180,640	361,280
NOTA New Freedom Non-Urban	-	281,616	281,616
JARC - New Freedom Urban	-	-	-
JARC - Mobility Management Urban	-	-	-
New Freedom Operating Assistant Urban	1,035,909	1,044,204	2,080,113
New Freedom Mobility Management Urban	316,100	448,137	764,237
New Freedom Local Operating Expense Urban	(517,954)	(611,456)	(1,129,411)
5311 Operating Assistance Expense	98,365	388,206	486,571
CRRSAA Act Operating	66,725	554,095	620,820
	\$ 3,005,956	\$ 14,335,513	\$ 17,341,469
Pass-throughs that are expensed			
Ineligible pass-throughs:			
Lake Erie/NOTA/WOTA	\$ 682,899	\$ 8,248,323	\$ 8,931,222
Municipal credit - Formula Admin Fee	407,633	1,222,908	1,630,540
Municipal credit - Line Item	407,633	1,222,908	1,630,540
Other state subsidized serv.:			
Specialized services	328,007	1,344,792	1,672,799
Royal Oak Twp	-	11,142	11,142
Contra SMART Paid Expense	-	-	-
NOTA JARC Non-Urban	180,640	180,640	361,280
NOTA New Freedom Non-Urban	-	281,616	281,616
JARC - New Freedom Urban	-	-	-
JARC - Mobility Management Urban	-	-	-
New Freedom Operating Assistant Urban	1,035,909	1,044,204	2,080,113
New Freedom Mobility Management Urban	316,100	448,137	764,237
New Freedom Local Operating Expense Urban	(517,954)	(611,456)	(1,129,411)
5311 Operating Assistance Expense	98,365	388,206	486,571
CRRSAA Act Operating	66,725	554,095	620,820
	\$ 3,005,956	\$ 14,335,513	\$ 17,341,469
Ineligible pass-throughs			

Supplementary Information

8. SMART Expense Schedule

State Year Ended September 30, 2024

Description	Oct 1, 2023 to Jun 30, 2024	Jul 1, 2024 to Sep 30, 2024	Total
Labor - Operators S&W	\$ 18,139,855	\$ 7,495,751	\$ 25,635,606
Labor - Other S&W	18,241,577	7,329,413	25,570,990
Labor - Dispatchers S&W	5,021,606	2,486,133	7,507,739
Other fringe benefits	11,791,229	7,613,458	19,404,687
Pensions - Defined contribution	-	44,173	44,173
Pensions - Defined benefit	10,040,074	1,431,541	11,471,615
Other postemployment benefits (OPEB)	(17,043,760)	-	(17,043,760)
Advertising fees	1,163,877	389,842	1,553,719
Audit cost	104,940	124,094	229,034
Other services	6,403,959	2,157,208	8,561,167
Other Services (Microtransit)	5,879,538	1,943,144	7,822,682
Fuel and lubricants	4,738,166	1,654,365	6,392,531
Tires and tubes	875,564	325,279	1,200,843
Other materials and supplies	5,135,381	1,672,294	6,807,675
Utilities	983,261	253,172	1,236,433
Casualty and liab. costs	4,167,833	1,810,899	5,978,732
Other insurance	69,171	26,374	95,545
Purchased transportation service	3,857,745	1,371,165	5,228,910
Pass-throughs that are expensed:			
Other	3,909,667	1,507,792	5,417,459
Municipal Credits	2,445,815	815,265	3,261,080
Lake Erie/NOTA/WOTA	4,893,439	682,899	5,576,338
Travel, meetings, and training	229,309	111,130	340,439
Lobbying	96,000	48,000	144,000
Loss on disposal of asset	-	-	-
Other miscellaneous expenses	659,560	229,902	889,462
Leases and rentals	(82,842)	(13,711)	(96,553)
Depreciation	22,385,225	284,625	22,669,850
Total expenses	114,106,189	41,794,207	155,900,396

Supplementary Information
8. SMART Expense Schedule (Continued)

State Year Ended September 30, 2024

Description	Oct 1, 2023 to Jun 30, 2024	Jul 1, 2024 to Sep 30, 2024	Total
Less ineligible expenses:			
Ineligible refunds and credits	\$ 906,120	\$ 50,225	\$ 956,345
Other ineligible state contracts		-	-
Passthrough (Municipal Credits)	2,445,815	815,265	3,261,080
Other	98,574	21,414	119,988
Unused community credits	132,180	45,427	177,607
Ineligible depreciation	21,896,819	-	21,896,819
Other ineligible	104,940	124,094	229,034
Ineligible non-trans exp	805	455	1,260
Preventive maintenance	-	-	-
Passthrough	-	-	-
SMART	-	-	-
Other ineligible federal/state/local:			-
Reimb. for New Freedom Admin.	248,788	41,601	290,389
Pass-through ineligible	8,803,106	2,190,691	10,993,797
Planning/Cap. cost of contracting	243,100	318,806	561,906
Ineligible Lobbying Expense	96,000	48,000	144,000
Ineligible loss on disposal	-	-	-
Ineligible pension	-	-	-
Ineligible OPEB	(17,043,760)	-	(17,043,760)
Total ineligible	17,932,487	3,655,978	21,588,465
Total eligible expenses	\$ 96,173,702	\$ 38,138,229	\$ 134,311,931

Supplementary Information

8. SMART Expense Schedule (Continued)

State Year Ended September 30, 2024

Description	Oct 1, 2023 to Jun 30, 2024	Jul 1, 2024 to Sep 30, 2024	Total
Pass-throughs that are expensed:			
Lake Erie	4,893,439	682,899	5,576,338
Mun. Cr. - Formula	1,222,908	407,633	1,630,540
Mun. Cr. - Line Item	1,222,908	407,633	1,630,540
Specialized services	1,551,863	328,007	1,879,870
Royal Oak Twp	10,000	-	10,000
Contra SMART Paid Expense	-	-	-
NOTA JARC Non-Urban Expense	-	180,640	180,640
NOTA New Freedom Non-Urban	281,616	-	281,616
JARC - New Freedom Urban	-	-	-
JARC - Mobility Management Urban	-	-	-
New Freedom Operating Assistant Urban	1,875,162	1,035,909	2,911,071
New Freedom Mobility Management Urban	381,894	316,100	697,994
New Freedom Local Operating Expense Urban	(645,294)	(517,954)	(1,163,249)
5311 Operating Assistance Expense	295,092	98,365	393,457
CRRSAA Act Operating	159,335	66,725	226,060
Pass-throughs that are expensed	\$ 11,248,921	\$ 3,005,956	\$ 14,254,877
Ineligible pass-throughs:			
Lake Erie	4,893,439	682,899	5,576,338
Mun. Cr. - Formula	1,222,908	407,633	1,630,540
Mun. Cr. - Line Item	1,222,908	407,633	1,630,540
Other state subsidized serv.:			
Specialized services	1,551,863	328,007	1,879,870
Royal Oak Twp	10,000	-	10,000
Contra SMART Paid Expense	-	-	-
NOTA JARC Non-Urban Expense	-	180,640	180,640
NOTA New Freedom Non-Urban	281,616	-	281,616
JARC - New Freedom Expense Urban	-	-	-
JARC - Mobility Management Urban	-	-	-
New Freedom Operating Assistant Urban	1,875,162	1,035,909	2,911,071
New Freedom Mobility Management Urban	381,894	316,100	697,994
New Freedom Local Operating Expense Urban	(645,294)	(517,954)	(1,163,249)
5311 Operating Assistance Expense	295,092	98,365	393,457
CRRSAA Act Operating	159,335	66,725	226,060
Ineligible pass-throughs	\$ 11,248,921	\$ 3,005,956	\$ 14,254,877

Supplementary Information

9. SMART Expense Schedule

Year Ended June 30, 2025

	Jul 1, 2024 to Sep 30, 2024	Oct 1, 2024 to Jun 30, 2025	Total
Expense incurred:			
Pension - Defined benefit	\$ 1,431,541	\$ 11,018,180	\$ 12,449,721
OPEB - Defined benefit	-	(13,788,091)	(13,788,091)
Total	\$ 1,431,541	\$ (2,769,911)	\$ (1,338,370)
	Jul 1, 2024 thru Sep 30, 2024	Oct 1, 2024 thru Jun 30, 2025	Total
Amounts actually paid:			
Pension - Defined benefit	\$ 1,427,638	\$ 4,520,918	\$ 5,948,556
OPEB - Defined benefit	2,389,980	5,911,740	8,301,720
Total	\$ 3,817,618	\$ 10,432,658	\$ 14,250,276

Supplementary Information

10. SMART Expense Schedule

State Year Ended September 30, 2024

	Oct 1, 2023 to Jun 30, 2024	Jul 1, 2024 to Sep 30, 2024	Total
Expense incurred:			
Pension - Defined benefit	\$ 10,040,074	\$ 1,431,541	\$ 11,471,615
OPEB - Defined benefit	(17,043,760)	-	(17,043,760)
Total	\$ (7,003,686)	\$ 1,431,541	\$ (5,572,145)
	Oct 1, 2023 thru Jun 30, 2024	Jul 1, 2024 thru Sep 30, 2024	Total
Amounts actually paid:			
Pension - Defined benefit	\$ 60,000,000	\$ 1,427,638	\$ 61,427,638
OPEB - Defined benefit	25,249,390	2,389,980	27,639,370
Total	\$ 85,249,390	\$ 3,817,618	\$ 89,067,008

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

Year Ended June 30, 2025

Federal Agency/Pass-through Agency/Program Title	Identifying Number	ALN 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	MI-2022-032-01	20.507		518,861	518,861
Capital Assistance FY13-14-15		20.507		-	51,479
Capital Assistance FY21-22		20.507		31,196	4,589,688
Capital Assistance FY16	MI-2016-025-02	20.507		-	162,630
Operating Assistance (Monroe) FY24	MI-2022-048-04	20.507		77,840	77,840
Operating Assistance (Monroe) FY25	MI-2022-048-04	20.507		883,503	883,503
COVID-19 - Capital Assistance FY20 CARES	MI-2020-052-01	20.507		-	198,000
Capital Assistance FY18-19	MI-2018-018-03	20.507			2,383,287
Capital Assistance FY18-19	MI-2018-018-04	20.507		-	3,873
Capital Assistance FY20-21	MI-2020-061-04	20.507		-	352,518
Operating Assistance FY21 (SMART) ARPA	MI-2023-011-00	20.507			15,206,830
Capital Assistance FY21 (SMART) CRRSAA	MI-2022-032-01	20.507			283,432
Capital Assistance FY23 (CMAQ)	MI-2023-027-03	20.507		12,640	12,640
Total Federal Transit Cluster				1,524,040	24,724,581

Supplementary Information
11. Schedule of Financial Assistance (Continued)

Year Ended June 30, 2025

Transit Services Programs Cluster:					
U.S. Department of Transportation - Direct Programs:					
Enhanced Mobility of Seniors and Individuals with Disabilities:					
5310 NEW FREEDOM OPERATING	MI-2021-051-02	20.513		102,907	102,907
5310 NEW FREEDOM MOBILITY MANAGEMENT	MI-2021-051-02	20.513		132,495	132,495
5310 NEW FREEDOM MOBILITY MANAGEMENT	MI-2022-052-01	20.513		382,164	382,164
5310 NEW FREEDOM OPERATING	MI-2022-052-01	20.513		943,541	943,541
5310 NEW FREEDOM MOBILITY MANAGEMENT	MI-2022-052-04	20.513		45,061	45,061
5310 NEW FREEDOM MOBILITY MANAGEMENT	MI-2024-014-01	20.513		96,731	96,731
Job Access and Reverse Commute Program:					
JARC OPERATING FY24		20.516	MI-2024-001-00	180,640	180,640
JARC OPERATING FY25		20.516	MI-2024-001-01	180,640	180,640
Pass-through programs from the State of Michigan Department of Transportation:					
Enhanced Mobility of Seniors and Individuals with Disabilities:					
OPERATING ASSIST. NOT- SEC 5310 (2025)		20.513	MI-2023-037-01	140,808	140,808
Total Transit Services Programs Cluster				2,204,987	2,204,987
U.S. Department of Transportation - Direct programs:					
FORMULA GRANTS FOR RURAL AREAS-					
SECTION 5311 - LETC FY21 CARES	N/A	20.509	MI-2020-015-00	65,127	65,127
SECTION 5311 - LETC FY24		20.509	MI-2024-001	5,473	5,473
SECTION 5311 - WOTA FY24		20.509	MI-2024-001	12,097	12,097
SECTION 5311 - LETC FY25		20.509	MI-2024-001-01	166,559	166,559
SECTION 5311 - WOTA FY25		20.509	MI-2024-001-01	474,474	474,474
				723,730	723,730
U.S. Department of Transportation - Pass-through programs from the State of Michigan Department of Transportation:				1,447,460	1,447,460
U.S. Department of Transportation - Pass-through programs from the Southeast Michigan Council of Governments:					
HIGHWAY PLANNING AND RESEARCH- PLANNING & TECHNICAL STUDIES UWP PROGRAM	N/A	20.205	MI-80-X006	-	318,805
STATE PLANNING AND RESEARCH- PLANNING & TECHNICAL STUDIES SECTION 5303/5304		20.505	MI-2016-017-00/MI-2019-014-01	-	63,424
Total expenditures of federal awards				\$ 4,452,757	\$ 28,035,527

Supplementary Information

12. Other Operating Expenses

Year Ended June 30, 2025

Description	Community Based			Richmond Lenox		
	Jul 1, 2024 to Sep 30, 2024	Oct 1, 2024 to Jun 30, 2025	Total Community Based	Jul 1, 2024 to Sep 30, 2024	Oct 1, 2024 to Jun 30, 2025	Total RLEMS
Revenue:						
Fares	\$ 140,836	\$ 390,183	\$ 531,019	\$ -	\$ -	\$ -
Other Non-trans Revenue	1,252	562,900	564,152	-	-	-
Advertising	-	-	-	-	-	-
Auxiliary Trans Revenue	-	-	-	-	-	-
Taxes levied directly	32,105	535,937	568,042	-	-	-
Local operating assistance:						
General Fund/Property tax	-	-	-	-	-	-
Other	2,104,063	2,748,727	4,852,790	125,000	375,000	500,000
Other local contracts:						
Mun. Cr.	633,757	1,465,426	2,099,183	101,000	23,520	124,520
Comm. Cr.	486,778	1,093,575	1,580,353	300,503	163,795	464,298
Other MDOT/BPT contracts and reimb.:						
Act 51	-	264,900	264,900	-	-	-
Other Grants	63,658	358,995	422,653	46,362	85,084	131,446
Specialized services	-	-	-	-	338,332	338,332
Section 5311	924	3,250	4,174	-	-	-
CRRSAA	-	-	-	-	18,751	18,751
Other federal transit contracts and reimb.	9,663	2,783	12,446	-	139,879	139,879
Refunds and rebates	-	-	-	-	-	-
Interest income	30,751	36,883	67,634	-	-	-
Total revenue	\$ 3,503,788	\$ 7,463,558	\$ 10,967,345	\$ 572,864	\$ 1,144,361	\$ 1,717,225
Total operating expenses	\$ 3,793,409	\$ 8,528,791	\$ 12,322,201	\$ 401,503	\$ 703,300	\$ 1,104,803
Ineligible expenses:						
SMART Municipal Credits	633,757	1,465,426	2,099,183	101,000	23,520	124,520
SMART Community Credits	486,778	1,093,575	1,580,353	300,503	163,795	464,298
Other MDOT/BPT contracts and reimb.	63,658	358,995	422,653	46,362	85,084	131,446
State specialized services	-	-	-	-	338,332	338,332
CRRSAA	-	-	-	-	18,751	18,751
Section 5311	924	3,250	4,174	-	-	-
Other federal contracts and reimb	9,663	2,783	12,446	-	139,879	139,879
Depreciation	139,944	117,045	256,989	-	-	-
Total ineligible	1,334,725	3,041,073	4,375,798	447,864	769,361	1,217,225
Total eligible expenses	\$ 2,458,684	\$ 5,487,719	\$ 7,946,402	\$ (46,362)	\$ (66,061)	\$ (112,423)

Supplementary Information

12. Other Operating Expenses (Continued)

Year Ended June 30, 2025

Description	Mt. Clemens			Nankin		
	Jul 1, 2024	Oct 1, 2024	Total	Jul 1, 2024	Oct 1, 2024	Total
	to Sep 30, 2024	to Jun 30, 2025	Mt. Clemens	to Sep 30, 2024	to Jun 30, 2025	Nankin
Revenue:						
Fares	\$ 5,687	\$ 27,988	\$ 33,675	\$ 52,509	\$ 157,526	\$ 210,035
Other nontrans. revenue	16,740	58,602	75,342	11,662	34,986	46,648
Taxes levied directly	-	-	-	-	-	-
Local operating assistance:						
General Fund/Property tax	307,907	57,046	364,953	82,000	246,000	328,000
Other	-	-	-	128,406	385,219	513,625
Other local contracts:						
Mun. Cr.	-	28,476	28,476	62,873	188,617	251,490
Comm. Cr.	30,924	25,452	56,376	74,584	223,753	298,337
Other MDOT/BPT contracts and reimb. -						
Specialized services	-	18,761	18,761	-	-	-
CARES Act	-	-	-	-	-	-
Other federal transit contracts and reimb.	-	-	-	14,550	43,649	58,199
Refunds and rebates	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Total revenue	\$ 361,258	\$ 216,325	\$ 577,583	\$ 426,584	\$ 1,279,750	\$ 1,706,334
Total operating expenses	\$ 100,316	\$ 351,823	\$ 452,139	\$ 392,456	\$ 1,177,364	\$ 1,569,820
Ineligible expenses:						
SMART municipal credits	-	28,476	28,476	62,873	188,617	251,490
SMART community credits	30,924	25,452	56,376	74,584	223,753	298,337
SMART Subsidy	-	-	-	82,000	246,000	328,000
State specialized services	-	18,761	18,761	-	-	-
Other federal transit contracts and reimb.	-	-	-	14,550	43,649	58,199
Refunds and rebates	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Total ineligible	30,924	72,689	103,613	234,007	702,019	936,026
Total eligible expenses	\$ 69,392	\$ 279,134	\$ 348,526	\$ 158,449	\$ 475,345	\$ 633,794

Supplementary Information

12. Other Operating Expenses (Continued)

Redford Township Year Ended March 31, 2025

Description	Redford Twp.		Total Redford
	1-Apr-24 to 30-Sep-24	1-Oct-24 to 31-Mar-25	
Revenue:			
Fares	\$ 6,111	\$ 6,158	\$ 12,269
Other nontrans. revenue	-	15,000	15,000
Taxes levied directly	-	-	-
Local operating assistance:			
General Fund/Property tax	-	110,049	110,049
Other	-	22,881	22,881
Other local contracts:			
Mun. Cr.	-	-	-
Comm. Cr.	43,287	-	43,287
Other MDOT/BPT contracts and reimb. -			
Specialized services	4,749	24,084	28,833
CARES Act	-	-	-
Other federal transit contracts and reimb.	-	-	-
Refunds and rebates	-	-	-
Interest income	-	4,484	4,484
Total revenue	\$ 54,147	\$ 182,656	\$ 236,803
Total operating expenses	\$ 147,552	\$ 285,345	\$ 432,897
Ineligible expenses:			
SMART municipal credits	-	-	-
SMART community credits	43,287	-	43,287
State specialized services	4,749	24,084	28,833
CARES Act	-	-	-
Refunds and rebates	-	-	-
Depreciation	-	-	-
Total ineligible	48,036	24,084	72,120
Total eligible expenses	\$ 99,516	\$ 261,261	\$ 360,777

Supplementary Information

12. Other Operating Expenses (Continued)

S.T.A.R. Year Ended March 31, 2025

Description	S.T.A.R.		Total S.T.A.R.
	1-Apr-24 to 30-Sep-24	1-Oct-24 to 31-Mar-25	
Revenue:			
Fares	\$ 250	\$ 950	\$ 1,200
Auxiliary Trans Revenue	-	146,324	146,324
Other nontrans. revenue	36,724	68,674	105,398
Taxes levied directly	-	610,198	610,198
Local operating assistance:	-	-	-
General Fund/Property tax	-	-	-
Other	82,173	96,607	178,780
Other local contracts:			
Mun. Cr.	-	-	-
Comm. Cr.	-	-	-
Other MDOT/BPT contracts and reimb. -			
Specialized services	33,051	33,190	66,241
CARES Act	-	-	-
Other federal transit contracts and reim	-	-	-
Refunds and rebates	-	-	-
Interest income	13,196	17,802	30,998
Total revenue	\$ 165,394	\$ 973,745	\$ 1,139,139
Total operating expenses	\$ 347,375	\$ 529,215	\$ 876,590
Ineligible expenses:			
SMART municipal credits	-	-	-
SMART community credits	-	-	-
State specialized services	167,926	181,934	349,860
CARES Act	-	5,500	5,500
Charter expense	-	-	-
Depreciation	-	-	-
Total ineligible	167,926	187,434	355,360
Total eligible expenses	\$ 179,449	\$ 341,781	\$ 521,230

Supplementary Information

12. Other Operating Expenses (Continued)

NOTA-WOTA Year Ended June 30, 2025

Description	NOTA			WOTA		
	Jul 1, 2024 to Sep 30, 2024	Oct 1, 2024 to Jun 30, 2025	Total NOTA	Jul 1, 2024 to Sep 30, 2024	Oct 1, 2024 to Jun 30, 2025	Total WOTA
Revenue:						
Fares	\$ 42,404	\$ 128,258	\$ 170,662	\$ 33,575	\$ 160,851	\$ 194,426
Auxiliary Trans Revenue	-	-	-	-	-	-
Other nontrans. revenue	-	-	-	-	-	-
Taxes levied directly	1,037,907	2,470,134	3,508,041	904,687	904,687	1,809,374
Local operating assistance:						
General Fund/Property tax	-	-	-	-	-	-
Other	61,118	24,676	85,793	-	2,296,323	2,296,323
Other local contracts:						
Mun. Cr.	-	76,138	76,138	67,920	111,922	179,842
Comm. Cr.	-	-	-	147,563	130,778	278,341
Other MDOT/BPT contracts and reimb. -						
Act 51	400,095	1,672,490	2,072,585	460,587	1,561,995	2,022,582
Specialized services	15,811	45,947	61,758	16,318	-	16,318
Section 5311	-	-	-	98,364	388,207	486,571
Other federal transit contracts and reimb.	-	502,088	502,088	-	23,855	23,855
Refunds and rebates	-	-	-	-	-	-
Interest income	12,342	96,120	108,463	26,048	80,195	106,243
Total revenue	\$ 1,569,676	\$ 5,015,851	\$ 6,585,527	\$ 1,755,062	\$ 5,658,814	\$ 7,413,875
Total operating expenses	\$ 1,600,656	\$ 5,035,344	\$ 6,636,000	\$ 1,212,027	\$ 4,692,572	\$ 5,904,599
Ineligible expenses:						
SMART municipal credits	-	76,138	76,138	67,920	111,922	179,842
SMART community credits	-	-	-	147,563	130,778	278,341
State specialized services	15,811	45,947	61,758	16,318	-	16,318
Section 5311	-	-	-	98,364	388,207	486,571
Other federal transit contracts and reimb.	-	502,088	502,088	-	23,855	23,855
Depreciation	150,052	445,034	595,086	184,728	406,324	591,052
Total ineligible	165,863	1,069,206	1,235,069	514,892	1,061,086	1,575,978
Total eligible expenses	\$ 1,434,793	\$ 3,966,138	\$ 5,400,931	\$ 697,135	\$ 3,631,486	\$ 4,328,621

Supplementary Information

13. Other Operating Expenses

State Year Ended September 30, 2024

Description	Community Based			Richmond Lenox		
	Oct 1, 2023 to Jun 30, 2024	Jul 1, 2024 to Sep 30, 2024	Total Community Based	Oct 1, 2023 to Jun 30, 2024	Jul 1, 2024 to Sep 30, 2024	Total RLEMS
Revenue:						
Fares	\$ 343,777	\$ 140,836	\$ 484,613	\$ -	\$ -	\$ -
Other Non-trans Revenue	5,055	-	5,055	-	-	-
Advertising	-	-	-	-	-	-
Auxiliary Trans Revenue	-	1,252	1,252	-	-	-
Taxes levied directly	563,680	32,105	595,784	-	-	-
Local operating assistance:						
General Fund/Property tax	-	-	-	-	-	-
Other	1,954,813	2,104,063	4,058,876	281,250	125,000	406,250
Other local contracts:						
Mun. Cr.	1,049,331	633,757	1,683,088	18,605	101,000	119,605
Comm. Cr.	891,486	486,778	1,378,264	188,998	300,503	489,500
Other MDOT/BPT contracts and reimb.:						
Act 51	30,252	-	30,252	-	-	-
Other Grants	-	63,658	63,658	83,326	46,362	129,688
Specialized services	161,340	-	161,340	97,648	-	97,648
Section 5311	5,621	924	6,545	-	-	-
CRRSAA	-	-	-	-	-	-
Other federal transit contracts and reimb.	149,518	9,663	159,181	342,096	-	342,096
Refunds and rebates	-	-	-	-	-	-
Interest income	2,879	30,751	33,630	-	-	-
Total revenue	\$ 5,157,752	\$ 3,503,788	\$ 8,661,540	\$ 1,011,923	\$ 572,864	\$ 1,584,787
Total operating expenses	\$ 7,629,772	\$ 3,793,409	\$ 11,423,181	\$ 951,335	\$ 401,503	\$ 1,352,838
Ineligible expenses:						
SMART Municipal Credits	1,049,331	633,757	1,683,088	18,605	101,000	119,605
SMART Community Credits	891,486	486,778	1,378,264	188,998	300,503	489,500
Other MDOT/BPT contracts and reimb	-	63,658	63,658	83,326	46,362	129,688
State specialized services	161,340	-	161,340	97,648	-	97,648
CRRSAA	-	-	-	-	-	-
Section 5311	5,621	924	6,545	-	-	-
Other federal contracts and reimb	149,518	9,663	159,181	342,096	-	342,096
Depreciation	62,446	139,944	202,390	-	-	-
Total ineligible	2,319,742	1,334,725	3,654,468	730,673	447,864	1,178,537
Total eligible expenses	\$ 5,310,029	\$ 2,458,684	\$ 7,768,713	\$ 220,662	\$ (46,362)	\$ 174,301

Supplementary Information

13. Other Operating Expenses (Continued)

State Year Ended September 30, 2024

Description	Mt. Clemens			Nankin		
	Oct 1, 2023	Jul 1, 2024	Total	Oct 1, 2023	Jul 1, 2024	Total
	to	to		to	to	
	Jun 30, 2024	Sep 30, 2024	Mt. Clemens	Jun 30, 2024	Sep 30, 2024	Nankin
Revenue:						
Fares	\$ 20,488	\$ 5,687	\$ 26,175	\$ 152,732	\$ 52,509	\$ 205,241
Other nontrans. revenue	-	16,740	16,740	75,580	11,662	87,242
Taxes levied directly	-	-	-	-	-	-
Local operating assistance:						
General Fund/Property tax	166,869	307,907	474,776	246,000	82,000	328,000
Other	62,215	-	62,215	384,492	128,406	512,898
Other local contracts:	-					
Mun. Cr.	-	-	-	188,617	62,873	251,490
Comm. Cr.	-	30,924	30,924	213,097	74,584	287,681
Other MDOT/BPT contracts and reimb. -						
Specialized services	73,715	-	73,715	-	-	-
CARES Act	-	-	-	-	-	-
Other federal transit contracts and reimb.	-	-	-	158,860	14,550	173,410
Refunds and rebates	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Total revenue	\$ 323,287	\$ 361,258	\$ 684,545	\$ 1,419,378	\$ 426,584	\$ 1,845,962
Total operating expenses	\$ 318,510	\$ 100,316	\$ 418,826	\$ 1,241,626	\$ 392,456	\$ 1,634,082
Ineligible expenses:						
SMART municipal credits	-	-	-	188,617	62,873	251,490
SMART community credits	-	30,924	30,924	213,097	74,584	287,681
SMART Subsidy	-	-	-	246,000	82,000	328,000
State specialized services	73,715	-	73,715	-	-	-
Other federal transit contracts and reimb.	-	-	-	158,860.00	14,550	173,410
Refunds and rebates	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Total ineligible	73,715	30,924	104,639	806,574	234,007	1,040,581
Total eligible expenses	\$ 244,795	\$ 69,392	\$ 314,187	\$ 435,052	\$ 158,449	\$ 593,501

Supplementary Information

13. Other Operating Expenses (Continued)

State Year Ended September 30, 2024

Description	Redford Twp.		Total Redford
	Oct 1, 2023	Apr 1, 2024	
	to Mar 31, 2024	to Sep 30, 2024	
Revenue:			
Fares	\$ 6,180	\$ 6,111	\$ 12,291
Other nontrans. revenue	\$ -		
Taxes levied directly	-	-	-
Local operating assistance:			
General Fund/Property tax	104,104	-	104,104
Other	20,635	-	20,635
Other local contracts:			
Mun. Cr.	-	-	-
Comm. Cr.	96,395	43,287	139,682
Other MDOT/BPT contracts and reimb. -			
Specialized services	9,372	4,749	14,121
CARES Act	-	-	-
Other federal transit contracts and reimb.	35,000	-	35,000
Refunds and rebates	-	-	-
Interest income	11,346	-	11,346
Total revenue	\$ 283,032	\$ 54,147	\$ 337,179
Total operating expenses	\$ 289,171	\$ 147,552	\$ 436,723
Ineligible expenses:			
SMART municipal credits	-	-	-
SMART community credits	96,395	43,287	139,682
State specialized services	9,372	4,749	14,121
CARES Act	-	-	-
Refunds and rebates	-	-	-
Depreciation	-	-	-
Total ineligible	105,767	48,036	153,803
Total eligible expenses	\$ 183,404	\$ 99,516	\$ 282,920

Supplementary Information

13. Other Operating Expenses (Continued)

State Year Ended September 30, 2024

Description	S.T.A.R.		Total S.T.A.R.
	Oct 1, 2023 to Mar 31, 2024	Apr 1, 2024 to Sep 30, 2024	
Revenue:			
Fares	\$ 725	\$ 250	\$ 975
Auxiliary Trans Revenue	-	-	-
Other nontrans. revenue	(378)	36,724	36,346
Taxes levied directly	605,497	-	605,497
Local operating assistance:			
General Fund/Property tax	-	-	-
Other	133,431	82,173	215,604
Other local contracts:			
Mun. Cr.	-	-	-
Comm. Cr.	-	-	-
Other MDOT/BPT contracts and reimb. -			
Specialized services	32,249	33,051	65,300
CARES Act	-	-	-
Other federal transit contracts and reiml	-	-	-
Refunds/rebates/insurance proceeds	-	-	-
Interest income	1,856	13,196	15,052
Total revenue	\$ 773,380	\$ 165,394	\$ 938,774
 Total operating expenses	 \$ 415,907	 \$ 347,375	 \$ 763,282
Ineligible expenses:			
SMART municipal credits	-	-	-
SMART community credits	-	-	-
State specialized services	301,675	167,926	469,601
CARES Act	-	-	-
Refunds/rebates/insurance proceeds	-	-	-
Charter expense	-	-	-
Depreciation	-	-	-
Total ineligible	301,675	167,926	469,601
Total eligible expenses	\$ 114,232	\$ 179,449	\$ 293,681

Supplementary Information

13. Other Operating Expenses (Continued)

State Year Ended September 30, 2024

Description	NOTA			WOTA		
	Oct 1, 2023 to Jun 30, 2024	Jul 1, 2024 to Sep 30, 2024	Total NOTA	Oct 1, 2023 to Jun 30, 2024	Jul 1, 2024 to Sep 30, 2024	Total WOTA
Revenue:						
Fares	\$ 97,140	\$ 42,404	\$ 139,544	\$ 90,720	\$ 33,575	\$ 124,295
Auxiliary Trans Revenue	-	-	-	-	-	-
Other nontrans. revenue	-	-	-	-	-	-
Taxes levied directly	2,349,579	1,037,907	3,387,486	-	904,687	-
Local operating assistance:						
General Fund/Property tax	-	-	-	-	-	-
Other	191,446	61,118	252,564	2,450,714	-	2,450,714
Other local contracts:						
Mun. Cr.	46,825	-	46,825	-	67,920	67,920
Comm. Cr.	-	-	-	86,426	147,563	233,988
Other MDOT/BPT contracts and reimb. -						
Act 51	400,095	400,095	800,190	1,013,067	460,587	1,473,654
Specialized services	21,070	15,811	36,881	-	16,318	16,318
Section 5311	-	-	-	98,364	98,364	196,728
Other federal transit contracts and reimb.	469,751	-	469,751	-	-	-
Refunds and rebates	-	-	-	-	-	-
Interest income	111,628	12,342	123,971	7,240	26,048	33,288
Total revenue	\$ 3,687,535	\$ 1,569,676	\$ 5,257,211	\$ 3,746,530	\$ 1,755,062	\$ 4,596,905
Total operating expenses	\$ 3,041,765	\$ 1,600,656	\$ 4,642,421	\$ 2,642,220	\$ 1,212,027	\$ 3,854,248
Ineligible expenses:						
SMART municipal credits	46,825	-	46,825	-	67,920	67,920
SMART community credits	-	-	-	86,426	147,563	233,988
State specialized services	21,070	15,811	36,881	-	16,318	16,318
Section 5311	-	-	-	98,364	98,364	196,728
Other federal transit contracts and reimb.	469,751	-	469,751	-	-	-
Depreciation	117,032	150,052	267,084	-	184,728	184,728
Total ineligible	654,678	165,863	820,542	184,790	514,892	699,682
Total eligible expenses	\$ 2,387,086	\$ 1,434,793	\$ 3,821,879	\$ 2,457,431	\$ 697,135	\$ 3,154,566

**Suburban Mobility Authority
for Regional Transportation**

Supplementary Information
14. Other Operating Expenses – Combined Total

State Year Ended September 30, 2024

Description	Total Community Based	Total Mt. Clemens	Total Nankin	Total Redford	Total S. T.A.R.	Total NOTA	Total WOTA	Total RLEMS	Total Other
Fares	\$ 484,613	\$ 26,175	\$ 205,241	\$ 12,291	\$ 975	\$ 139,544	\$ 124,295	\$ -	\$ 993,134
Auxiliary Trans Revenue	5,055	-	-	-	-	-	-	-	5,055
Other Non-trans Revenue	1,252	16,740	87,242	-	36,346	-	-	-	141,580
Taxes levied directly	595,784	-	-	-	605,497	3,387,486	-	-	4,588,767
Local operating assistance:									
General Fund/Property tax	-	474,776	328,000	104,104	-	-	-	-	906,880
Other	4,058,876	62,215	512,898	20,635	215,604	252,564	2,450,714	406,250	7,979,756
Other local contracts:									
Mun. Cr.	1,683,088	-	251,490	-	-	46,825	67,920	119,605	2,168,928
Comm. Cr.	1,378,264	30,924	287,681	139,682	-	-	233,988	489,500	2,560,039
Other MDOT/BPT contracts and reimb.:									
Act 51	30,252	-	-	-	-	800,190	1,473,654	-	2,304,096
Other	63,658	-	-	-	-	-	-	129,688	193,347
Specialized services	161,340	73,715	-	14,121	65,300	36,881	16,318	97,648	465,323
Section 5311	6,545	-	-	-	-	-	196,728	-	203,273
Other federal transit contracts and reimb.	159,181	-	173,410	35,000	-	469,751	-	342,096	1,179,438
Refunds/rebates/insurance proceeds	-	-	-	-	-	-	-	-	-
Interest income	33,630	-	-	11,346	15,052	123,971	33,288	-	217,287
Total revenue	\$ 8,661,540	\$ 684,545	\$ 1,845,962	\$ 337,179	\$ 938,774	\$ 5,257,211	\$ 4,596,905	\$ 1,584,787	\$ 23,906,904
Total operating expenses	\$ 11,423,181	\$ 418,826	\$ 1,634,082	\$ 436,723	\$ 763,282	\$ 4,642,421	\$ 3,854,248	\$ 1,352,838	\$ 24,525,600
Ineligible expenses:									
SMART municipal credits	1,683,088	-	251,490	-	-	46,825	67,920	119,605	2,168,928
SMART community credits	1,378,264	30,924	287,681	139,682	-	-	233,988	489,500	2,560,039
SMART Subsidy	63,658	-	328,000	-	-	-	-	-	391,658
Other MDOT/BPT contracts and reimb.:									
Other	-	-	-	-	-	-	-	129,688	129,688
State specialized services	161,340	73,715	-	14,121	469,601	36,881	16,318	97,648	869,624
Section 5311	6,545	-	-	-	-	-	196,728	-	203,273
Refunds/rebates/insurance proceeds	-	-	-	-	-	-	-	-	-
Other federal contracts and reimb	159,181	-	173,410	-	-	469,751	-	342,096	1,144,438
Depreciation	202,390	-	-	-	-	267,084	184,728	-	654,203
Total ineligible	3,654,468	104,639	1,040,581	153,803	469,601	820,542	699,682	1,178,537	8,121,852
Total eligible expenses	\$ 7,768,713	\$ 314,187	\$ 593,501	\$ 282,920	\$ 293,681	\$ 3,821,879	\$ 3,154,566	\$ 174,301	\$ 16,403,748

Supplementary Information

15. URBAN Revenue Combined Schedule

State Year Ended September 30, 2024

Description	SMART Directly Provided	Other	Total for URBAN OAR
Passenger fares	\$ 5,306,073	\$ 993,134	\$ 6,299,207
Contract fares	490,698		490,698
Advertising	642,005	5,055	647,060
Rental of bldgs or other property	73,330		73,330
Gains from the sale of capital assets	114,218		114,218
Other nontrans revenue	1,261,309	141,580	1,402,889
Taxes levied directly	78,257,796	4,588,767	82,846,563
Local operating assistance	-	8,886,636	8,886,636
Other local contracts - Municipal credit recapture	57,994		57,994
Other local community credits	119,613	2,560,039	2,679,652
State operating assistance:			
SMART	50,103,292		50,103,292
Bedford	222,484		222,484
LETC Urban and Non-Urban	2,335,230		2,335,230
Royal Oak Township	10,000		10,000
Line-item municipal credit	1,630,540	2,168,928	3,799,468
Mun. Cr. special appropriation	1,630,540		1,630,540
State preventive maintenance (20% State share)	-		-
Other MDOT/BPT contracts and reimb. -	11,098		11,098
Reimb for section 5309 program admin	119,988	2,497,443	2,617,430
Other state pass-through grants:			
Specialized Service Grant FY 2020	1,879,870	465,323	2,345,193
JARC PASS THRU 2012-0170 P21	-		-
MOBILITY MGT 2017-0130 P12	4,823		4,823
MOBILITY MGT 2017-0130 P28	494		494
MOBILITY MGT 2017-0130 P37	33,862		33,862
MOBILITY MGT 2022-0138 P08	100,419		100,419
MOBILITY MGT 2022-0138 P21	180,640		180,640
NOTA New Freedom 2022-0138 P06	140,808		140,808
WOTA - State Act 51	1,329,003		1,329,003
NOTA - State Act 51	1,200,285		1,200,285
Federal preventive maintenance -			
MI-90-0591	-		-
Planning/Capital cost of contracting -			
CMAQ Grant	-		-
FY 2023 UWP	318,806		318,806
FY 2022 UWP	243,100		243,100
CARES Act (SMART)	-	203,273	203,273
CARES Act (Community)	-		-
ARP Operating Revenue	-		-
Other federal transit contracts and reimb.:			
Reimb. for JARC Admin	-		-
Reimb. for New Freedom Admin.	290,389		290,389
Other federal pass-through grants:			
Section 5307 Lake Erie MI-90-0777	311,360		311,360
Section 5310 PM	226,060		226,060
Section 5311 Lake Erie MI-18-0055	571,433		571,433
JARC Federal Revenue	-		-
New Freedom	2,447,025	1,179,438	3,626,463
Refunds, rebates, insurance proceeds	956,345	-	956,345
Gains from the sale of capital assets	-		-
Interest income	8,979,060	217,287	9,196,347
Total	\$ 161,599,990	\$ 23,906,904	\$ 185,506,894

Supplementary Information

16. URBAN Expense Combined Schedule

State Year Ended September 30, 2024

Description	SMART Directly Provided	Other	Total for URBAN OAR
Operators salaries and wages	\$ 25,635,606	\$ -	\$ 25,635,606
Other salaries and wages	25,570,990	-	25,570,990
Dispatchers salaries and wages	7,507,739	-	7,507,739
Other fringe benefits	19,404,687	-	19,404,687
Pensions - Defined contribution	44,173	-	44,173
Pensions - Defined benefit	11,471,615	-	11,471,615
Other postemployment benefits (OPEB)	(17,043,760)	-	(17,043,760)
Advertising fees	1,553,719	-	1,553,719
Audit cost	229,034	-	229,034
Other services	8,561,167	-	8,561,167
Other Services (Microtransit)	7,822,682	-	7,822,682
Fuel and lubricants	6,392,531	-	6,392,531
Tires and tubes	1,200,843	-	1,200,843
Other materials and supplies	6,807,675	-	6,807,675
Utilities	1,236,433	-	1,236,433
Casualty and liab. costs	5,978,732	-	5,978,732
Other insurance	95,545	-	95,545
Purchased transportation service	5,228,910	13,102,420	18,331,330
Pass-throughs that are expensed	-	-	-
Other	5,417,459	11,423,181	16,840,640
Municipal Credits	3,261,080	-	3,261,080
Lake Erie/NOTA/WOTA	5,576,338	-	5,576,338
Travel, meetings, and training	340,439	-	340,439
Lobbying	144,000	-	144,000
Loss on disposal of asset	-	-	-
Other miscellaneous expenses	889,462	-	889,462
Leases and rentals	(96,553)	-	(96,553)
Depreciation	22,669,850	-	22,669,850
Total expenses	155,900,396	24,525,600	180,425,996
Less ineligible expenses:			
Ineligible refunds and credits	956,345	-	956,345
Other ineligible state contracts	-	-	-
Passthrough (Municipal Credits)	3,261,080	2,168,928	5,430,008
Other	119,988	-	119,988
Community Credits	-	2,560,039	2,560,039
Unused community credits	177,607	-	177,607
Ineligible depreciation	21,896,819	654,203	22,551,022
Other ineligible	229,034	391,658	620,692
Ineligible non-trans exp	1,260	-	1,260
Preventive maintenance (MI-90-0591)	-	-	-
Passthrough	-	-	-
SMART	-	-	-
Other ineligible federal/state/local:	-	1,144,438	1,144,438
Reimb. for New Freedom Admin.	290,389	-	290,389
Pass-through ineligible	10,993,797	1,202,586	12,196,383
Planning/Cap. cost of contracting	561,906	-	561,906
Ineligible Lobbying Expense	144,000	-	144,000
Ineligible loss on disposal	-	-	-
Ineligible pension	-	-	-
Ineligible OPEB	(17,043,760)	-	(17,043,760)
Total ineligible	21,588,465	8,121,852	29,710,317
Total eligible expenses	\$ 134,311,931	\$ 16,403,748	\$ 150,715,679

Supplementary Information

17. SMART Combined Urban Regular Service Revenue Report

State Year Ended September 30, 2024

Description	Amount
Passenger fares	\$ 6,299,207
Contract fares	490,698
Auxiliary transportation revenue (explain):	
.15 Advertising	647,060
Nontransportation revenue (explain):	
.20 Rental of buildings or other property	73,330
.99 Other nontransportation revenue	1,402,889
Taxes levied directly by transit system	82,846,563
Local cash grants and reimbursements (explain):	
.10 Local operating assistance	8,886,636
.99 Other local contracts - Municipal Credit recapture	57,994
.99 Other local contracts - Community Credit Program	2,679,652
State formula and contracts:	
.01 State operating assistance SMART	50,103,292
.01 State operating assistance municipal credits	1,630,540
.01 State operating assistance LETC, Bedford, Royal Oak	2,567,714
.10 Line item municipal credits	3,799,468
.11 Preventive maintenance	-
.99 Other state contracts and reimbursements	2,628,529
Federal contracts:	
.01 Section 5311 LAKE ERIE	571,433
.02 Section 5307 LAKE ERIE	311,360
.11 Preventive maintenance	-
.12 Capital cost of contracting	561,906
.61 Cares Act (SMART)	203,273
.62 Cares Act (Community)	-
.63 ARP Operating Revenue	-
.99 Other CMAQ SMART	-
.99 Other CMAQ LAKE ERIE	-
.99 Other federal contracts and reimbursements	290,389
Interest income	9,196,347
Pass-through grants	
State	5,335,528
Federal	3,852,523
Refunds and credits	956,345
Total Revenue	\$ 185,506,894

Supplementary Information

18. SMART Combined Urban Regular Service Expense Report

State Year Ended September 30, 2024

	Operations	Maintenance	Gen. Admin.	Total
Labor:				
01 Oper salary and wages	\$ 25,635,606	\$ -	\$ -	\$ 25,635,606
02 Other salary and wages		8,513,414	17,057,576	25,570,990
03 Disp salary and wages	7,507,739			7,507,739
Fringe benefits	10,953,649	2,813,625	5,637,413	19,404,687
Postemployment benefits	(9,620,942)	(2,471,297)	(4,951,521)	(17,043,760)
Pension - Defined contribution			44,173	44,173
Pension - Defined benefit	6,475,551	1,663,352	3,332,712	11,471,615
Services:				
02 Advertising fees			1,553,719	1,553,719
05 Audit			229,034	229,034
99 Other services	308,528	10,138,788	5,936,533	16,383,849
Materials and supp. cons.:				
01 Fuel and lubricants	6,392,531			6,392,531
02 Tires and tubes	1,200,843			1,200,843
99 Other materials and supplies	401,522	6,099,568	306,585	6,807,675
Utilities	-	-	1,236,433	1,236,433
Casual and liability costs:				
03 Premium for public liability	5,978,732	-	-	5,978,732
99 Other insurance	-	95,545	-	95,545
Taxes	-	-	-	-
Purchased transportation service	18,331,330	-	-	18,331,330
Miscellaneous expense:				
02 Travel and meetings	-	-	340,439	340,439
03 Dues and subscriptions	-	-	-	-
07 Lobbying	144,000	-	-	144,000
09 Loss on disposal of asset	-	-	-	-
99 Other miscellaneous expense	-	-	889,462	889,462
Pass Thrus that are expensed				
Other	16,840,640	-	-	16,840,640
Municipal Credits	3,261,080	-	-	3,261,080
Lake Erie/NOTA/WOTA	5,576,338	-	-	5,576,338
Leases and rentals	-	-	(96,553)	(96,553)
Depreciation	-	-	22,669,850	22,669,850
Total expenses	99,387,146	26,852,995	54,185,855	180,425,996
Less ineligible expenses:				
Ineligible refunds and credits	-	-	956,345	956,345
Other ineligible state contracts	-	-	-	-
Passthrough	5,430,008	-	-	5,430,008
Other	119,988	-	-	119,988
Community credits	2,560,039	-	-	2,560,039
Unused community credits	177,607	-	-	177,607
Ineligible depreciation	-	-	22,551,022	22,551,022
Other ineligible	620,692	-	-	620,692
Ineligible non-trans exp	1,260	-	-	1,260
Preventive maintenance (MI-90-0591)	-	-	-	-
Passthrough	-	-	-	-
SMART	-	-	-	-
Other ineligible federal/state/local:	1,144,438	-	-	1,144,438
Reimb. for New Freedom Admin.	-	-	290,389	290,389
Pass-through ineligible	12,196,383	-	-	12,196,383
Planning/Cap. Cost of contracting	561,906	-	-	561,906
Ineligible Lobbying Expense	-	-	144,000	144,000
Ineligible loss on disposal	-	-	-	-
Ineligible pension	-	-	-	-
Ineligible OPEB	-	-	(17,043,760)	(17,043,760)
Total ineligible expenses	22,812,322	-	6,897,995	29,710,317
Total eligible expenses	\$ 76,574,824	\$ 26,852,995	\$ 47,287,860	\$ 150,715,679

19. SMART Combined Urban Regular Service Nonfinancial Report

State Year Ended September 30, 2024

DESCRIPTION	WEEKDAYS	SATURDAY	SUNDAY	TOTAL
FIXED ROUTE				
PUBLIC SERVICE				
VEHICLE HOURS	577,908	76,670	31,563	686,141
VEHICLE MILES	9,789,353	1,275,998	569,741	11,635,092
CONNECTOR				
PUBLIC SERVICE				
VEHICLE HOURS	157,429	9,888	3,128	170,445
VEHICLE MILES	2,655,049	169,914	51,911	2,876,874

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.