



Suburban Mobility Authority for Regional Transportation

**Financial Report
with Supplemental Information
June 30, 2021**



Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-6
Basic Financial Statements	
Fund Financial Statements:	
Statement of Net Position	7
Statement of Revenue, Expenses, and Changes in Net Position	8
Statement of Cash Flows	9
Fiduciary Funds:	
Statement of Fiduciary Net Position	10
Statement of Changes in Fiduciary Net Position	11
Notes to Financial Statements	12-35
Required Supplemental Information	36
Schedule of Changes in the Net Pension Liability and Related Ratios	37
Schedule of Pension Contributions	38
Schedule of Changes in the Net OPEB Liability and Related Ratios	39
Schedule of OPEB Contributions	40
Schedule of OPEB Investment Returns	41
Notes to Required Supplemental Information	42
Other Supplemental Information	43
Operating Revenue Schedule	44-45
Local Revenue Schedule	46-47
Federal and State Operating Revenue	48-51
SMART Expense Schedule	52-59
Schedule of Financial Assistance	60-64
Other Operating Expenses	65-72
Other Operating Expenses - Combined Total	73
URBAN Revenue Combined Schedule	74
URBAN Expense Combined Schedule	75
SMART Combined Urban Regular Service Revenue Report	76
SMART Combined Urban Regular Service Expense Report	77
SMART Combined Urban Regular Service Nonfinancial Report	78
Royal Oak Twp. Urban Regular Service Revenue Report	79
Royal Oak Twp. Urban Regular Service Expense Report	80
Royal Oak Twp. Urban Regular Service Nonfinancial Report	81
Other Supplemental Information Notes	82

Independent Auditor's Report

To the Board of Directors
Suburban Mobility Authority for
Regional Transportation

Report on the Financial Statements

We have audited the accompanying 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, 2021 and 2020 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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, 2021 and 2020 and the respective changes in its financial position and, where applicable, cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 17 to the financial statements, the Authority adopted GASB Statement No. 84, *Fiduciary Activities*, which provides guidance on the identification and reporting of fiduciary activities. Our opinion is not modified with respect to this matter.

To the Board of Directors
Suburban Mobility Authority for
Regional Transportation

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was 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 other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplemental information, except for the nonfinancial reports numbered 19 and 22 and all reports for the year ended September 30, 2020 (those numbered 2, 4, 6, 8, 10, 13-18, 20, and 21), 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, except for the nonfinancial reports numbered 19 and 22 and all reports for the year ended September 30, 2020 (those numbered 2, 4, 6, 8, 10, 13-18, 20, and 21), is fairly stated in all material respects in relation to the basic financial statements as a whole.

The nonfinancial reports numbered 19 and 22 and all reports for the year ended September 30, 2020 (those numbered 2, 4, 6, 8, 10, 13-18, 20, and 21) have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2021 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 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 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.



November 10, 2021

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, 2021 and 2020 and does not purport to make any statement regarding the future operations of the organization. While SMART is an instrumentality of the State of Michigan, it is not a component of the State, as defined by the Governmental Accounting Standards Board (GASB).

Using This Annual Report

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

Financial Highlights

- Total operating revenue has decreased in fiscal year 2020-2021 (FY 2021) as compared to fiscal year 2019-2020 (FY 2020). This total operating revenue decrease is 70 percent, or approximately \$6.1 million. The Authority suspended collecting fare revenue effective March 18, 2020 due to the outbreak of the novel strain of coronavirus (COVID-19) and did not reinstate fare collection until March 15, 2021.
- SMART continued to experience overall reduced ridership during FY 2021 as a result of COVID-19. SMART has been running a reduced bus schedule of approximately 75 percent of pre-pandemic service. SMART continues to monitor ridership and will adjust service levels as ridership returns.
- The other component of total operating revenue is other operating income. This revenue component had an actual overall decrease of approximately \$250,000, or approximately 18 percent, compared to FY 2020. This revenue stream primarily consists of advertising, rental, and miscellaneous operating revenue. SMART's advertising revenue decreased as a result of running a reduced schedule.
- Nonoperating revenue increased by approximately \$19.3 million, or approximately 14.7 percent, in FY 2021 compared to FY 2020. SMART utilized \$12 million of federal CARES Act funding reimbursement during 2021 for expenses related to COVID-19, an increase of \$6.0 million from FY 2020. SMART recorded approximately \$7.7 million of additional state operating assistance as a result of additional eligible operating expenses. Local property tax contributions increased by approximately \$3.0 million.
- In FY 2021, operating expenses of approximately \$117.8 million, before depreciation, are approximately \$1.3 million higher than FY 2020. This is largely due to an increase in salary and wages, as a result of paying pandemic hazard pay throughout FY 2021, and increased casualty and liability insurance cost. Additionally, the Authority's actuary completed an experience study for the OPEB plan in December 2020, which resulted in a decrease to the health care cost trend assumptions. This resulted in a substantial decrease in the Authority's total pension liability and OPEB expense for FY 2021, which is reflected in reduced fringe benefits.
- Capital contribution spending in FY 2021 amounted to \$34.7 million. This is a decrease of approximately \$1.7 million, or 5 percent, for FY 2021. Spending \$34.7 million is a continuing result of the increased millage rate, allowing SMART to use federal capital funds to purchase capital assets (i.e., bus replacement and facility rehabilitation) rather than using these funds for preventive maintenance in the operating budget, as had been done prior to FY 2016.
- Deferred inflows of resources and deferred outflows of resources are directly related to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. See Notes 10 (for pension) and 12 (for OPEB) in the notes to the financial statements for additional information.

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis (Continued)

- Current liabilities increased by approximately \$0.2 million primarily due to a decrease in balances due to the State of Michigan of \$5.1 million, a decrease in current accrued claim liabilities of \$2.1 million, and increase in accounts payable of \$4.9 million.
- Net position, which is detailed later, increased by \$50.7 million to \$166.1 million, which is a combination of the \$15.3 million increase in net investment in capital assets and \$35.3 million increase in unrestricted net position due to FY 2021 financial activity, particularly the decrease in the net OPEB liability.

The Authority's Net Position

A summary of SMART's assets, liabilities, deferred outflows and inflows, and net position at June 30, 2021, 2020, and 2019 is as follows:

	2019	2020	2021
Assets			
Current and other assets:			
Cash and investments	\$ 129,462,570	\$ 139,048,962	\$ 139,242,775
Receivables	29,718,396	40,959,353	53,642,169
Other assets	3,451,365	3,323,684	3,586,869
Capital assets	123,256,998	143,183,939	158,500,066
Total assets	285,889,329	326,515,938	354,971,879
Deferred Outflows of Resources	37,766,920	27,670,543	36,178,049
Liabilities			
Current liabilities	24,620,559	33,099,498	33,310,433
Noncurrent liabilities	197,543,142	184,439,569	122,505,623
Total liabilities	222,163,701	217,539,067	155,816,056
Deferred Inflows of Resources	25,169,566	21,227,144	69,210,576
Net Position			
Net investment in capital assets	123,256,998	143,183,939	158,500,066
Restricted	216,367	62,254	101,639
Unrestricted	(47,150,383)	(27,825,923)	7,521,591
Total net position	\$ 76,322,982	\$ 115,420,270	\$ 166,123,296

SMART's current assets, including restricted cash, had a net increase of \$13.1 million, which represents an increase of approximately 7 percent compared to FY 2020. Restricted cash increased from approximately \$62,000 to \$102,000 at the end of FY 2021.

Amounts invested in capital assets increased by 10.7 percent from a year ago, increasing \$15.3 million to \$158.5 million. The current year increase is due to current year net capital asset purchases exceeding depreciation expense.

Unrestricted net position, the portion of net position that can be used to finance day-to-day operations, increased by \$35.3 million from FY 2020. The overall unrestricted net position balance changed from a deficit to a surplus of \$7.5 million in FY 2021. This is largely a result of SMART changing the health care cost trend assumption as a result of an actuarial experience study completed during FY 2021, which decreased the overall net OPEB liability.

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis (Continued)

The Authority's Changes in Net Position

	2019	2020	2021
Operating Revenue	\$ 13,507,791	\$ 8,754,652	\$ 2,635,839
Operating Expenses	133,911,478	133,919,431	137,209,664
Operating Loss	(120,403,687)	(125,164,779)	(134,573,825)
Nonoperating Revenue	132,387,358	131,254,791	150,558,036
Income - Before capital contributions	11,983,671	6,090,012	15,984,211
Capital Contributions	30,439,317	33,007,276	34,718,815
Change in Net Position	42,422,988	39,097,288	50,703,026
Net Position - Beginning of year	33,899,994	76,322,982	115,420,270
Net Position - End of year	\$ 76,322,982	\$ 115,420,270	\$ 166,123,296

As described earlier in financial highlights, total operating revenue has decreased in FY 2021 as compared to FY 2020. This is mainly a result of fare collection being suspended during FY 2021 through March 15, 2021. This total operating revenue decrease is 70 percent, or approximately \$6.1 million, for the fiscal year.

Operating expenses before depreciation are \$1.3 million higher than FY 2020. This is largely due to a increase in salary and wages, as a result of paying pandemic hazard pay throughout FY 2021, and increased casualty and liability insurance cost. Additionally, the Authority's actuary completed an experience study for the OPEB plan in December 2020, which resulted in a decrease to the health care cost trend assumptions. This resulted in a substantial decrease in the Authority's total OPEB liability and OPEB expense for FY 2021.

Capital Assets and Debt Administration

The Authority continues to invest in infrastructure, equipment, and vehicles. SMART had approximately \$158.5 million and \$143.2 million invested in capital assets as of June 30, 2021 and 2020, respectively. During FY 2021, SMART had total capital asset additions of approximately \$34.7 million, primarily consisting of \$16.6 million for new vehicles, and \$8.4 million in facility and bus equipment.

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

Economic Factors and Next Year's Budgets and Rates

The Regional Transit Authority (RTA) is the designated recipient for federal funds to the tricounty urbanized area consisting of Wayne, Oakland, and Macomb counties. A portion of these funds is passed through to SMART. The current allocation of Section 5307 federal capital funding passed through the RTA is 50.0 percent to SMART, 49.0 percent to DDOT, and 1 percent to the Detroit Transportation Corporation (the "People Mover"). It is anticipated for FY 2022 that the Section 5307 federal capital funding passed through the RTA will again be 50.0 percent to SMART, 49.0 percent to DDOT, and 1 percent to the Detroit Transportation Corporation. For FY 2022, Section 5307 funding of approximately \$31.9 million is included in SMART's capital budget.

On August 7, 2018, voters in the service areas of Macomb, Oakland, and Wayne counties approved a \$1.00 per thousand taxable value millage rate. The millage is applied against taxable value across Macomb County and in participating communities in Oakland and Wayne counties. The millage rate is subject to the State Headlee Amendment annually. The millage has been voter approved for a four-year fiscal period starting in FY 2018 and is estimated to generate \$77 million annually. The millage revenue has allowed the Authority to fund the much-needed replacement of its aging bus fleet by utilizing Section 5307 capital funds previously used to support operations.

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis (Continued)

SMART has adopted a balanced budget for FY 2022. The FY 2022 operating budget is approved for \$144.9 million. In addition, the FY 2022 restricted pass-through revenue and expense budget has been approved for \$14.1 million. In FY 2022, the board also approved a federal/state \$307.6 million capital spending plan. This capital plan is a six-year spending plan with an estimated \$51.3 million per year to be applied for and spent. In addition, the board continued to support incorporating \$58.7 million in prior year unspent approved grant dollars within the FY 2022 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, 2021 and 2020

	Enterprise Operating Fund	
	2021	2020
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 120,837,739	\$ 120,583,813
Investments (Note 3)	18,405,036	18,465,149
Receivables:		
Local contributions receivable (Note 1)	2,532,086	6,450,493
Accrued interest receivable	12,116	-
Other receivables	731,069	649,427
Grant receivable (Note 4)	50,366,898	33,859,433
Materials and supplies inventories	3,208,125	2,979,146
Prepaid expenses and other assets	277,105	282,284
Total current assets	196,370,174	183,269,745
Noncurrent assets:		
Restricted cash (Note 3)	101,639	62,254
Nondepreciable capital assets (Note 5)	24,739,061	15,524,568
Depreciable capital assets - Net (Note 5)	133,761,005	127,659,371
Total noncurrent assets	158,601,705	143,246,193
Total assets	354,971,879	326,515,938
Deferred Outflows of Resources		
Deferred pension costs (Note 10)	17,102,393	10,956,370
Deferred OPEB costs (Note 12)	19,075,656	16,714,173
Total deferred outflows of resources	36,178,049	27,670,543
Liabilities		
Current liabilities:		
Municipal and community credits payable (Note 1)	5,670,545	4,710,001
Amounts payable under purchase of service agreements	1,294,525	504,988
Current portion of accrued self-insurance (Note 9)	4,953,542	7,024,913
Accounts payable	12,545,376	7,577,693
Accrued liabilities and other:		
Accrued salaries and wages	2,009,803	1,544,917
Operating assistance reserve	2,039,604	7,159,306
Other accrued liabilities	1,154,498	1,043,813
Current portion of compensated absences (Note 8)	3,642,540	3,533,867
Total current liabilities	33,310,433	33,099,498
Noncurrent liabilities:		
Accrued self-insurance - Net of current portion (Note 9)	9,212,837	4,509,805
Net pension liability (Note 10)	55,343,801	64,882,834
Net OPEB liability (Note 12)	57,523,032	114,775,704
Compensated absences - Net of current portion (Note 8)	425,953	271,226
Total noncurrent liabilities	122,505,623	184,439,569
Total liabilities	155,816,056	217,539,067
Deferred Inflows of Resources		
Deferred pension cost reductions (Note 10)	10,521,681	3,005,615
Deferred OPEB cost reductions (Note 12)	58,688,895	18,221,529
Total deferred inflows of resources	69,210,576	21,227,144
Net Position		
Net investment in capital assets	158,500,066	143,183,939
Restricted	101,639	62,254
Unrestricted	7,521,591	(27,825,923)
Total net position	\$ 166,123,296	\$ 115,420,270

Suburban Mobility Authority for Regional Transportation

Statement of Revenue, Expenses, and Changes in Net Position

Years Ended June 30, 2021 and 2020

	Enterprise Operating Fund	
	2021	2020
Operating Revenue		
Fares	\$ 1,486,526	\$ 7,355,544
Other income	1,149,313	1,399,108
Total operating revenue	2,635,839	8,754,652
Operating Expenses		
Salaries and wages	54,526,837	48,913,330
Fringe benefits	21,110,545	33,122,897
Materials and supplies	7,667,468	9,690,019
Contractual services	4,505,662	3,624,761
Utilities	1,429,699	1,413,006
Claims and insurance	9,613,390	5,957,593
Purchased transportation (Note 7)	17,578,974	13,498,906
Miscellaneous expense	481,635	221,803
Depreciation	19,398,341	17,477,116
Microtransit	897,113	-
Total operating expenses	137,209,664	133,919,431
Operating Loss	(134,573,825)	(125,164,779)
Nonoperating Revenue (Expense)		
Investment income	63,142	1,853,643
Gain on sale of assets	92,790	93,804
Federal operating and preventive maintenance assistance	23,703,854	13,001,337
State operating grants	45,673,395	37,962,579
Local contributions (Note 6)	78,017,234	75,007,776
Other state and local sources	2,322,261	2,552,806
Other nonoperating revenue	685,360	782,846
Total nonoperating revenue	150,558,036	131,254,791
Income - Before capital contributions	15,984,211	6,090,012
Capital Contributions	34,718,815	33,007,276
Change in Net Position	50,703,026	39,097,288
Net Position - Beginning of year	115,420,270	76,322,982
Net Position - End of year	\$ 166,123,296	\$ 115,420,270

Suburban Mobility Authority for Regional Transportation

Statement of Cash Flows

Years Ended June 30, 2021 and 2020

	Enterprise Operating Fund	
	2021	2020
Cash Flows from Operating Activities		
Receipts from transit operations	\$ 2,554,197	\$ 8,545,725
Payments to suppliers	(9,478,382)	(12,528,315)
Payments to employees	(102,224,875)	(89,316,453)
Payments to claims and insurance	(6,981,729)	(5,895,215)
Payments for purchased transportation	(16,477,520)	(11,947,963)
Net cash and cash equivalents used in operating activities	(132,608,309)	(111,142,221)
Cash Flows from Noncapital Financing Activities		
State operating grants	33,743,023	41,635,094
Federal operating and preventive maintenance assistance	15,804,474	6,696,256
Local contributions	81,935,641	75,536,060
Other nonoperating receipts	3,007,917	3,335,652
Net cash and cash equivalents provided by noncapital financing activities	134,491,055	127,203,062
Cash Flows from Capital and Related Financing Activities		
Receipt of capital grants	32,921,104	28,921,982
Purchase of capital assets	(34,714,468)	(37,404,187)
Proceeds from disposal of capital assets	92,790	-
Net cash and cash equivalents used in capital and related financing activities	(1,700,574)	(8,482,205)
Cash Flows from Investing Activities		
Interest received on investments	51,026	1,853,643
Purchases of investment securities	-	(2,369,681)
Proceeds from sale and maturities of investment securities	60,113	-
Net cash and cash equivalents provided by (used in) investing activities	111,139	(516,038)
Net Increase in Cash and Cash Equivalents	293,311	7,062,598
Cash and Cash Equivalents - Beginning of year	120,646,067	113,583,469
Cash and Cash Equivalents - End of year	\$ 120,939,378	\$ 120,646,067
Classification of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 120,837,739	\$ 120,583,813
Restricted cash	101,639	62,254
Total cash and cash equivalents	\$ 120,939,378	\$ 120,646,067
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	\$ (134,573,825)	\$ (125,164,779)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	19,398,341	17,477,116
Noncash change in net pension liability	(8,168,990)	(2,320,904)
Noncash change in net OPEB liability	(19,146,789)	(5,914,664)
Noncash change in self-insurance liability	2,631,661	62,378
Changes in assets and liabilities:		
Materials and supplies inventory	(228,979)	100,347
Other receivables	(81,642)	(208,927)
Prepaid and other assets	5,179	(126,779)
Accounts payable and accrued liabilities	4,829,882	2,447,706
Municipal and community credits payable	1,209,030	1,366,990
Payable under purchase service contracts	789,537	183,953
Accrued wages and compensated absences	728,286	955,342
Net cash and cash equivalents used in operating activities	\$ (132,608,309)	\$ (111,142,221)

Suburban Mobility Authority for Regional Transportation

**Fiduciary Funds
Statement of Fiduciary Net Position**

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets - Interest in pooled investments	\$ 99,678,788	\$ 69,335,150
Liabilities	<u>-</u>	<u>-</u>
Net Position - Restricted for postemployment benefits other than pension	<u><u>\$ 99,678,788</u></u>	<u><u>\$ 69,335,150</u></u>

Suburban Mobility Authority for Regional Transportation

Fiduciary Funds Statement of Changes in Fiduciary Net Position

Years Ended June 30, 2021 and 2020

	2021	2020
Additions		
Investment income	\$ 20,344,183	\$ 1,564,171
Contributions - Employer contributions	17,469,445	13,445,341
Total additions	37,813,628	15,009,512
Deductions		
Benefit payments	7,319,845	7,145,341
Administrative expenses	150,145	117,883
Total deductions	7,469,990	7,263,224
Net Increase in Fiduciary Net Position	30,343,638	7,746,288
Net Position - Beginning of year, as restated (Note 17)	69,335,150	61,588,862
Net Position - End of year	\$ 99,678,788	\$ 69,335,150

June 30, 2021 and 2020

Note 1 - Significant Accounting Policies

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

Organization

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

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

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

Reporting Entity

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

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

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

Discretely Presented 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, 2021 and 2020

Note 1 - Significant Accounting Policies (Continued)

Accounting and Reporting Principles

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

Report Presentation

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

Fund Accounting

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

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

Basis of Accounting

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

Specific Balances and Transactions

Cash and Cash Equivalents

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

Investments

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

Local Contributions Receivable

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

Materials and Supplies Inventory

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

Note 1 - Significant Accounting Policies (Continued)

Restricted Assets

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

Capital Assets

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

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

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

*Leasehold improvements are amortized over the shorter of the 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 pensions and OPEB, as detailed in Notes 10 and 12, respectively.

Net Position Flow Assumption

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

Note 1 - Significant Accounting Policies (Continued)

Pension

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

Other Postemployment Benefit Costs

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

Claims Expense/Liability

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

Municipal and Community Credits Payable

Annually, SMART receives municipal credit funding from the State of Michigan and funds community credits. SMART passes those moneys through to various individual communities. Every year, SMART executes contracts with each individual community, which allows it to receive municipal and community credit 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, and for nonunion employees, it can be carried over for two years. Upon termination of employment, employees are paid for unused accumulated vacation. For union employees, sick leave may be accumulated and paid upon retirement and, for certain employees, upon voluntary termination of employment. For union employees, certain accumulated sick leave may also be converted into additional vacation time. Accumulated unpaid vacation and sick leave are recorded as compensated absence liabilities.

June 30, 2021 and 2020

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.

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.

June 30, 2021 and 2020

Note 1 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2022.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The Authority does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments; deferred inflows of resources; and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets and, when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements, in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2023.

Note 2 - State of Michigan Operating Assistance Funds

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

The latest final determination of State of Michigan operating assistance allocable to SMART, in accordance with the Act 51 funding formula, was for the State of Michigan's fiscal year ended September 30, 2018. There were no further adjustments to the Act 51 revenue as a result of closing out this year. Furthermore, SMART awaits the final determination for the years ended September 30, 2019, 2020, and 2021. SMART has recorded an estimated net receivable of approximately \$5,252,000 as of June 30, 2021 based on management's anticipation of the results of the State's final determination of the Act 51 funding formula for the open years. This amount includes a \$2,040,000 liability related to 2018 and 2019 and a \$7,292,000 receivable for 2020 and 2021.

June 30, 2021 and 2020

Note 2 - State of Michigan Operating Assistance Funds (Continued)

Act 51 requires SMART to provide a portion of the State of Michigan operating assistance as funding to municipalities within its transportation district. Amounts not used by the municipalities within two years must be expended by SMART for operating purposes within the county in which the city, village, or township resides. SMART was required to provide approximately \$3,261,000 pursuant to this provision in each of fiscal years 2021 and 2020. 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	\$ 120,837,739
Investments	18,405,036
Restricted cash	101,639
	<hr/>
Total deposits and investments	\$ 139,344,414

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 \$125,309,227 of bank deposits (checking and savings accounts), of which \$124,284,227 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.

Note 3 - Deposits and Investments (Continued)

At year end, SMART had the following investments:

Investment	Fair Value	Weighted- average Maturity (Years)
Negotiable certificates of deposit	\$ 10,664,425	4.49
U.S. government agency securities	7,740,611	4.55

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, 2021:

- Negotiable certificates of deposit of \$10,664,425 are valued using a matrix pricing model (Level 2 inputs).
- U.S. government agency securities of \$7,740,611 are valued using a matrix pricing model (Level 2 inputs).
- Interest in pooled investments (MERS Total Market Portfolio) of \$99,678,788 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.

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements

June 30, 2021 and 2020

Note 4 - Grants Receivable

At June 30, 2021 and 2020, grants receivable are composed of the following:

	<u>2021</u>	<u>2020</u>
Accounts receivable - Billed:		
Federal government grants	\$ 6,136,435	\$ 2,354,636
State of Michigan grants	20,354,178	11,718,787
Total billed	<u>26,490,613</u>	<u>14,073,423</u>
Accounts receivable - Unbilled:		
Federal government grants	18,658,309	14,757,532
State of Michigan grants	4,915,561	3,585,819
Local grants	302,415	1,442,659
Total unbilled	<u>23,876,285</u>	<u>19,786,010</u>
Total	<u>\$ 50,366,898</u>	<u>\$ 33,859,433</u>

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements

June 30, 2021 and 2020

Note 5 - Capital Assets

Capital asset activity during the fiscal year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 3,473,174	\$ -	\$ -	\$ 3,473,174
Construction in progress	12,046,394	9,214,493	-	21,260,887
Trademark	5,000	-	-	5,000
Subtotal	15,524,568	9,214,493	-	24,739,061
Capital assets being depreciated:				
Fixed-route buses and equipment	87,931,287	20,137,820	-	108,069,107
Connector buses and related equipment	87,065,798	776,075	(3,806,262)	84,035,611
Buildings and improvements	49,298,193	151,583	-	49,449,776
Office furnishings and equipment	2,363,756	-	-	2,363,756
Other equipment	73,521,576	4,434,497	-	77,956,073
Leasehold improvements	8,316,895	-	-	8,316,895
Subtotal	308,497,505	25,499,975	(3,806,262)	330,191,218
Accumulated depreciation:				
Fixed-route buses and equipment	29,655,380	7,550,835	-	37,206,215
Connector buses and related equipment	44,447,028	7,606,606	(3,806,262)	48,247,372
Buildings and improvements	36,968,693	1,029,862	-	37,998,555
Office furnishings and equipment	2,040,562	47,985	-	2,088,547
Other equipment	60,745,854	2,962,433	-	63,708,287
Leasehold improvements	6,980,617	200,620	-	7,181,237
Subtotal	180,838,134	19,398,341	(3,806,262)	196,430,213
Net capital assets being depreciated	127,659,371	6,101,634	-	133,761,005
Net capital assets	<u>\$ 143,183,939</u>	<u>\$ 15,316,127</u>	<u>\$ -</u>	<u>\$ 158,500,066</u>

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements

June 30, 2021 and 2020

Note 5 - Capital Assets (Continued)

Capital asset activity during the fiscal year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Disposals and Adjustments	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 3,473,174	\$ -	\$ -	\$ 3,473,174
Construction in progress	620,449	11,425,945	-	12,046,394
Trademark	5,000	-	-	5,000
Subtotal	4,098,623	11,425,945	-	15,524,568
Capital assets being depreciated:				
Fixed-route buses and equipment	81,506,157	15,809,636	(9,384,506)	87,931,287
Connector buses and related equipment	80,355,264	7,670,508	(959,974)	87,065,798
Buildings and improvements	49,002,025	296,168	-	49,298,193
Office furnishings and equipment	2,108,193	255,563	-	2,363,756
Other equipment	71,577,799	1,946,367	(2,590)	73,521,576
Leasehold improvements	8,316,895	-	-	8,316,895
Subtotal	292,866,333	25,978,242	(10,347,070)	308,497,505
Accumulated depreciation:				
Fixed-route buses and equipment	32,989,735	6,050,151	(9,384,506)	29,655,380
Connector buses and related equipment	37,928,837	7,478,165	(959,974)	44,447,028
Buildings and improvements	35,925,379	1,043,314	-	36,968,693
Office furnishings and equipment	2,003,809	36,753	-	2,040,562
Other equipment	58,117,533	2,630,781	(2,460)	60,745,854
Leasehold improvements	6,742,665	237,952	-	6,980,617
Subtotal	173,707,958	17,477,116	(10,346,940)	180,838,134
Net capital assets being depreciated	119,158,375	8,501,126	(130)	127,659,371
Net capital assets	<u>\$ 123,256,998</u>	<u>\$ 19,927,071</u>	<u>\$ (130)</u>	<u>\$ 143,183,939</u>

The eligible depreciation for fiscal year 2021 of \$237,803 (\$19,398,341 total depreciation reported less ineligible depreciation of \$19,160,538) 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, 2021 and 2020

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	\$ 16,523,621	\$ 4,874,564
Building construction	157,004	6,440,859
Bus shelters	136,345	268,656
Software	877,768	2,382,701
Microtransit	1,135,551	6,474,612
Electrical equipment	909,315	343,215
Communication boards	91,332	3,747,786
Bus components	3,430,387	6,799,782
Total	<u>\$ 23,261,323</u>	<u>\$ 31,332,175</u>

Note 6 - Property Taxes

In August 2014, Oakland, Wayne, and Macomb counties approved an increase from the then-current 0.59 mills to 1.00 mills, which were collected and recorded as revenue at the new rate in fiscal year 2015. Tax 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, 2021 and 2020, totaled \$78,017,234 and \$75,007,776, 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.

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

	2021	2020
Purchased transportation:		
Community-based services	\$ 195,000	\$ 192,600
Community credits	3,913,193	3,840,242
Community transit bus service	328,000	321,536
Total purchased transportation	4,436,193	4,354,378
Pass-through community support:		
Municipal credits	3,261,080	3,261,080
Specialized services	922,294	888,673
JARC and New Freedom	1,845,499	2,168,917
Royal Oak Township	15,082	10,434
Community transit bus service	2,977,570	2,815,424
Federal relief funding	4,121,256	-
Total purchase of service	13,142,781	9,144,528
Total	<u>\$ 17,578,974</u>	<u>\$ 13,498,906</u>

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements

June 30, 2021 and 2020

Note 8 - Long-term Debt

Long-term debt activity for the year ended June 30, 2021 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Accumulated compensated absences	\$ 3,805,093	\$ 3,130,208	\$ (2,866,808)	\$ 4,068,493	\$ 3,642,540

Activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Accumulated compensated absences	\$ 3,244,539	\$ 2,856,133	\$ (2,295,579)	\$ 3,805,093	\$ 3,533,867

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).

In fiscal years 2021 and 2020, 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, 2021.

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

Changes in the balances of self-insured liabilities during fiscal years 2021, 2020, and 2019 were as follows:

	2021	2020	2019
Claims liability - July 1	\$ 11,534,718	\$ 11,472,340	\$ 12,594,574
Incurred claims - Current year, including adjustments to IBNR	7,521,756	3,876,796	3,772,548
Claim payments	(4,890,095)	(3,814,418)	(4,894,782)
Claims liability - June 30	<u>\$ 14,166,379</u>	<u>\$ 11,534,718</u>	<u>\$ 11,472,340</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 (MERS), 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 supplemental 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, UAW, Teamsters, AFSCME, and nonunion employees.

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

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, 2020:

Inactive plan members or beneficiaries currently receiving benefits	926
Inactive plan members entitled to but not yet receiving benefits	154
Active plan members	796
Total employees covered by the plan	1,876

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements

June 30, 2021 and 2020

Note 10 - Agent Defined Benefit Pension Plan (Continued)

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, 2021, 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 38.06 percent of annual payroll.

Net Pension Liability

The Authority has chosen to use the December 31 measurement date as its measurement date for the net pension liability. The June 30, 2021 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, 2020 measurement date. The December 31, 2020 measurement date total pension liability was determined by an actuarial valuation performed as of that date.

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, 2019	\$ 267,997,029	\$ 203,114,195	\$ 64,882,834
Changes for the year:			
Service cost	4,510,489	-	4,510,489
Interest	19,888,505	-	19,888,505
Differences between expected and actual experience	966,309	-	966,309
Changes in assumptions	7,535,899	-	7,535,899
Contributions - Employer	-	12,117,144	(12,117,144)
Contributions - Employee	-	2,067,490	(2,067,490)
Net investment income	-	28,663,528	(28,663,528)
Benefit payments, including refunds	(17,122,807)	(17,122,807)	-
Administrative expenses	-	(407,927)	407,927
Net changes	15,778,395	25,317,428	(9,539,033)
Balance at December 31, 2020	\$ 283,775,424	\$ 228,431,623	\$ 55,343,801

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

For the year ended June 30, 2021, the Authority recognized pension expense of \$7,819,846.

June 30, 2021 and 2020

Note 10 - Agent Defined Benefit Pension Plan (Continued)

At June 30, 2021, 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	\$ 644,206	\$ 922,902
Changes in assumptions	7,817,838	-
Net difference between projected and actual earnings on pension plan investments	-	9,598,779
Employer contributions to the plan subsequent to the measurement date	8,640,349	-
Total	\$ 17,102,393	\$ 10,521,681

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$8,640,349), which will impact the net pension liability in fiscal year 2022 rather than pension expense.

Years Ending June 30	Amount
2022	\$ 2,648,259
2023	2,674,917
2024	(4,712,012)
2025	(2,670,801)

Actuarial Assumptions

The total pension liability in the December 31, 2020 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)	7.60%

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

Pre-retirement Mortality:

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

Nondisabled retired plan members and beneficiaries:

1. 106% of PubG-2010 Healthy Retiree Mortality Tables for Ages 81-120
2. 106% of PubG-2010 Employee Mortality Tables for Ages 18-80
3. 106% of Pub-2010 Juvenile Mortality Tables for Ages 0-17

Disabled retired plan members:

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

Note 10 - Agent Defined Benefit Pension Plan (Continued)

Future mortality improvements are assumed each year using scale MP-2019 applied fully generationally from the Pub-2010 base year of 2010.

Discount Rate

The discount rate used to measure the total pension liability was 7.60 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

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

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, 2020, 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 %	5.25 %
Global fixed income	20.00	1.25
Private investments	20.00	7.25

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

	1 Percentage Point Decrease (6.60%)	Current Discount Rate (7.60%)	1 Percentage Point Increase (8.60%)
Net pension liability of the Suburban Mobility Authority for Regional Transportation	\$ 86,031,531	\$ 55,343,801	\$ 29,343,475

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.

June 30, 2021 and 2020

Note 10 - Agent Defined Benefit Pension Plan (Continued)

Assumption Changes

The December 31, 2020 actuarial valuation 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.

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, 2021 and 2020, the Authority made contributions of \$757,532 and \$546,451, 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 supplemental 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.

Note 12 - Other Postemployment Benefit Plan (Continued)

Employees Covered by Benefit Terms

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

The following members were covered by the benefit terms as of December 31, 2020.

Inactive plan members or beneficiaries currently receiving benefits	646
Active plan members	<u>786</u>
Total plan members	<u><u>1,432</u></u>

Contributions

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

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, 2021, SMART paid postemployment health care benefit premiums and administrative costs of \$7,034,223. In addition, SMART also contributed \$10,149,600 into its prefunded retiree health care fund and paid \$150,145 of administrative OPEB investment costs from the retiree health care fund.

Net OPEB Liability

The Authority has chosen to use the June 30, 2021 measurement date as its measurement date for the net OPEB liability. The June 30, 2021 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the June 30, 2021 measurement date. The June 30, 2021 total OPEB liability was determined by an actuarial valuation performed as of December 31, 2020, which used update procedures to roll forward the estimated liability to June 30, 2021.

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements

June 30, 2021 and 2020

Note 12 - Other Postemployment Benefit Plan (Continued)

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

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at July 1, 2020	\$ 184,110,854	\$ 69,335,150	\$ 114,775,704
Changes for the year:			
Service cost	1,414,989	-	1,414,989
Interest	9,971,568	-	9,971,568
Differences between expected and actual experience	(42,262,549)	-	(42,262,549)
Changes in assumptions	11,001,181	-	11,001,181
Contributions - Employer	-	17,183,823	(17,183,823)
Net investment income	-	20,344,183	(20,344,183)
Benefit payments, including refunds	(7,034,223)	(7,034,223)	-
Administrative expenses	-	(150,145)	150,145
Net changes	(26,909,034)	30,343,638	(57,252,672)
Balance at June 30, 2021	\$ 157,201,820	\$ 99,678,788	\$ 57,523,032

The plan's fiduciary net position represents 63.4 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, 2021, the Authority recognized OPEB expense of \$(1,962,966).

At June 30, 2021, 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	\$ -	\$ (47,530,088)
Changes in assumptions	19,075,656	-
Net difference between projected and actual earnings on OPEB plan investments	-	(11,158,807)
Total	\$ 19,075,656	\$ (58,688,895)

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
2022	\$ (9,384,402)
2023	(9,273,182)
2024	(9,187,897)
2025	(9,090,041)
2026	(2,677,717)

Note 12 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 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 5.50 percent; a health care cost trend rate of 7.50 percent for 2021, decreasing for 10 years to an ultimate rate of 3.50 percent; and the sex distinct Pub-2010 mortality tables with future assumed mortality improvements using scale MP-2019. These assumptions were applied to all periods included in the measurement.

Discount Rate

The discount rate used to measure the total OPEB liability was 5.5 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), plus an additional fixed employer contribution of a minimum \$2.7 million, in order to fund the actuarial contribution amount. In years where no unfunded actuarial accrued liability exists, the total contributions will be equal to the projected service cost, and contributions and benefit payments occur halfway through the year.

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

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2021 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Global equity	5.25 %
Global fixed income	1.25
Private Investments	7.25

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

The following presents the net OPEB liability of the Authority, calculated using the discount rate of 5.5 percent, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (4.5%)	Current Discount Rate (5.5%)	1 Percentage Point Increase (6.5%)
Net OPEB liability of the Municipal Employees' Retirement System of Michigan	\$ 78,040,713	\$ 57,523,032	\$ 40,581,374

June 30, 2021 and 2020

Note 12 - Other Postemployment Benefit Plan (Continued)

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

The following presents the net OPEB liability of the Authority, calculated using the health care cost trend rate of 7.50 percent, as well as what the Authority's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.50%)	Current Health Care Cost Trend Rate (7.50%)	1 Percentage Point Increase (8.50%)
Net OPEB liability of the Municipal Employees' Retirement System of Michigan	\$ 39,877,517	\$ 57,523,032	\$ 78,774,995

Assumption Changes

The December 31, 2020 actuarial valuation included a reduction 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.

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, 2021:

Municipal Employees' Retirement System of Michigan

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

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 28.19 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 13 - Commitments

SMART leases certain office space and equipment under operating lease agreements. Some leases include escalation clauses for SMART's pro rata share of taxes and operating expenses. Total rent expense for the years ended June 30, 2021 and 2020 was approximately \$473,000 and \$526,000, respectively.

SMART entered into a noncancelable 10-year lease commencing on October 1, 2017 through September 30, 2027 for its administrative offices and the ticket sales store.

Note 13 - Commitments (Continued)

Approximate minimum lease payments are as follows:

Years Ending	Amount
2022	\$ 405,000
2023	405,000
2024	405,000
2025	397,000
2026	397,000
2027	402,000
Total	<u>\$ 2,411,000</u>

Note 14 - 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 15 - Explanation of Ineligible Expenses per the OPT R&E Manual

Ineligible expenses are classified appropriately according to the definition in the Local Public Transit Revenue and Expense Manual (R&E Manual). Any capital funds used to pay operating costs have been subtracted from eligible costs, which included \$4 million of preventive maintenance in 2021 and 2020. Also, any expenses associated with earned revenue, of which SMART had none in 2021 and 2020, would be subtracted from eligible costs.

Note 16 - Impact of COVID-19 on Operations

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused major disruptions in travel and public transportation. Since the outbreak, SMART has continuously monitored the situation and made necessary adjustments to our operations to ensure the safety of our service. This includes requiring face covers for riders and additional bus cleaning procedures. To reduce contact between riders and drivers, SMART had suspended collecting all fares for rides during the pandemic but reinstated collecting fares on March 15, 2021.

On March 18, 2020, SMART temporarily reduced its bus service to approximately 30 percent of its normal operations, as a result of decreased ridership due to the pandemic and shelter-in-place orders. Since then, SMART has made several incremental increases to bus operations and is currently operating at approximately 75 percent of pre-pandemic levels. Additionally, in June 2020, SMART began paying a hazard premium, between \$5.00 and \$7.50 per hour, for all drivers and staff whose function requires them to be at a SMART facility. SMART incurred approximately \$9,000,000 and \$500,000 in hazard pay expense for fiscal years 2021 and 2020, respectively.

SMART has received additional federal grant funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act; the Coronavirus Relief and Response Supplemental Appropriation (CRRSA) Act; and the American Rescue Plan Act (ARPA) to provide assistance with additional operating and capital expenditures necessary as a result of the pandemic. SMART was allocated additional grant funding of approximately \$55,605,000 from the CARES Act, \$18,640,000 from the CRRSA Act, and \$47,217,000 from APRA. For fiscal years 2021 and 2020, SMART will seek expenditure reimbursement of approximately \$27,890,000 and \$6,000,000, respectively, from the federal relief funding. SMART will seek capital expenditure reimbursement.

June 30, 2021 and 2020

Note 17 - Adoption of New Accounting Pronouncement

During the current year, the Authority adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, the Authority is now reporting a fiduciary fund for the Other Postemployment Benefits fiduciary fund. The impact of adoption includes restatement of Other Postemployment Benefits fiduciary fund net position as of July 1, 2019 and 2020 of \$61,588,862 and \$69,335,150, respectively, which was previously not reported.

Required Supplemental Information

Suburban Mobility Authority for Regional Transportation

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

**Last Seven Years
Years Ended December 31**

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

Schedule is built prospectively upon implementation of GASB 68.

Suburban Mobility Authority for Regional Transportation

Required Supplemental Information Schedule of Pension Contributions

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 7,966,477	\$ 8,212,548	\$ 7,033,464	\$ 6,522,752	\$ 5,725,357	\$ 5,096,203	\$ 4,788,752	\$ 4,549,591	\$ 4,747,571	\$ 5,194,092
Contributions in relation to the actuarially determined contribution	15,986,477	13,199,457	8,165,009	16,522,752	15,725,357	5,096,203	4,788,752	4,624,857	3,980,544	4,649,410
Contribution Excess (Deficiency)	\$ 8,020,000	\$ 4,986,909	\$ 1,131,545	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -	\$ 75,266	\$ (767,027)	\$ (544,682)
Covered Payroll	\$ 42,005,571	\$ 44,268,897	\$ 43,850,988	\$ 40,197,698	\$ 36,992,486	\$ 36,833,068	\$ 35,107,048	\$ 34,791,376	\$ 34,887,806	\$ 36,714,556
Contributions as a Percentage of Covered Payroll	38.06 %	29.82 %	18.62 %	41.10 %	42.51 %	13.84 %	13.64 %	13.29 %	11.41 %	12.66 %

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	19 years
Asset valuation method	5-year smoothed market
Inflation	2.5 percent
Salary increase	3.00 percent - Including inflation
Investment rate of return	7.60 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	50 percent male - 50 percent female blend of the RP-2014 Mortality Tables
Other information	None

Suburban Mobility Authority for Regional Transportation

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

	Years Ended June 30			
	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 1,414,989	\$ 1,676,593	\$ 1,499,372	\$ 1,672,442
Interest	9,971,568	9,808,385	11,539,771	11,264,428
Differences between expected and actual experience	(42,262,549)	(1,297,425)	(27,059,480)	(321,657)
Changes in assumptions	11,001,181	-	22,428,697	-
Benefit payments, including refunds	<u>(7,034,223)</u>	<u>(7,145,341)</u>	<u>(8,249,942)</u>	<u>(8,335,309)</u>
Net Change in Total OPEB Liability	(26,909,034)	3,042,212	158,418	4,279,904
Total OPEB Liability - Beginning of year	<u>184,110,854</u>	<u>181,068,642</u>	<u>180,910,224</u>	<u>176,630,320</u>
Total OPEB Liability - End of year	<u>\$ 157,201,820</u>	<u>\$ 184,110,854</u>	<u>\$ 181,068,642</u>	<u>\$ 180,910,224</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 17,183,823	\$ 13,445,341	\$ 13,999,942	\$ 13,553,709
Net investment income	20,344,183	1,564,171	1,800,508	3,672,021
Administrative expenses	(150,145)	(117,883)	(118,940)	(122,336)
Benefit payments, including refunds	<u>(7,034,223)</u>	<u>(7,145,341)</u>	<u>(8,249,942)</u>	<u>(8,335,309)</u>
Net Change in Plan Fiduciary Net Position	30,343,638	7,746,288	7,431,568	8,768,085
Plan Fiduciary Net Position - Beginning of year	<u>69,335,150</u>	<u>61,588,862</u>	<u>54,157,294</u>	<u>45,389,209</u>
Plan Fiduciary Net Position - End of year	<u>\$ 99,678,788</u>	<u>\$ 69,335,150</u>	<u>\$ 61,588,862</u>	<u>\$ 54,157,294</u>
Net OPEB Liability - Ending	<u>\$ 57,523,032</u>	<u>\$ 114,775,704</u>	<u>\$ 119,479,780</u>	<u>\$ 126,752,930</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	63.41 %	37.66 %	34.01 %	29.94 %
Covered-employee Payroll	\$ 58,357,225	\$ 55,369,846	\$ 54,013,348	\$ 44,134,313
Net OPEB Liability as a Percentage of Covered-employee Payroll	98.57 %	207.29 %	221.20 %	287.20 %

Schedule is built prospectively upon implementation of GASB 75.

Suburban Mobility Authority for Regional Transportation

Required Supplemental Information Schedule of OPEB Contributions

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 10,915,002	\$ 11,119,377	\$ 13,305,693	\$ 13,486,227	\$ 13,048,354	\$ 13,232,377	\$ 11,175,415	\$ 10,808,965	\$ 10,343,506	\$ 11,579,061
Contributions in relation to the actuarially determined contribution	17,183,823	13,445,341	13,999,942	13,553,709	14,273,710	12,955,318	11,621,453	7,622,758	6,951,013	5,669,814
Contribution Excess (Deficiency)	\$ 6,268,821	\$ 2,325,964	\$ 694,249	\$ 67,482	\$ 1,225,356	\$ (277,059)	\$ 446,038	\$ (3,186,207)	\$ (3,392,493)	\$ (5,909,247)
Covered-employee Payroll	\$ 58,357,225	\$ 55,369,846	\$ 54,013,348	\$ 44,134,313	\$ 36,833,068	\$ 36,833,068	\$ 35,107,048	\$ 35,107,048	\$ 34,791,376	\$ 36,714,556
Contributions as a Percentage of Covered-employee Payroll	29.45 %	24.28 %	25.92 %	30.71 %	38.75 %	35.17 %	33.10 %	21.71 %	19.98 %	15.44 %

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	24 years, Closed
Asset valuation method	Market value of assets
Inflation	2.50 percent
Health care cost trend rates	Initial trend of 8.25 percent gradually decreasing to an ultimate trend rate of 3.75 percent in year 10
Salary increase	3.75 to 14.75 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	50 percent male - 50 percent female blend of the RP-2014 mortality tables
Other information	None

Suburban Mobility Authority for Regional Transportation

Required Supplemental Information Schedule of OPEB Investment Returns

	Last Four Fiscal Years			
	Years Ended June 30			
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	28.19 %	2.36 %	2.97 %	7.78 %

Schedule is built prospectively upon implementation of GASB Statement No. 75

Suburban Mobility Authority for Regional Transportation

Notes to Required Supplemental Information

June 30, 2021 and 2020

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.

OPEB Information

Changes in Assumptions

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

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

Other Supplemental Information

**Suburban Mobility Authority
for Regional Transportation**

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

Year Ended June 30, 2021

Description	Jul 1, 2020 to Sep 30, 2020	Oct 1, 2020 to Jun 30, 2021	Total
Passenger fares	\$ 4,453	\$ 1,482,072	\$ 1,486,525
Contract fares	-	4,821	4,821
Advertising	111,090	477,998	589,088
Rental of buildings or other property	9,616	52,333	61,949
Gain/Loss from the sale of capital assets	-	92,790	92,790
Other nontrans. revenue	112,567	200,056	312,623
Other local contracts - Mun. Cr.	41,379	133,769	175,148
Other local contracts - Com. Cr.	-	-	-
Total operating revenue	\$ 279,105	\$ 2,443,839	\$ 2,722,944

**Suburban Mobility Authority
for Regional Transportation**

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

State Year Ended September 30, 2020

Description	Oct 1, 2019 to Jun 30, 2020	Jul 1, 2020 to Sep 30, 2020	Total
Passenger fares	\$ 4,572,484	\$ 4,453	\$ 4,576,937
Contract fares	33,042	-	33,042
Advertising	567,346	111,090	678,436
Rental of buildings or other property	49,584	9,616	59,200
Gain/Loss from the sale of capital assets	-	-	-
Other nontrans. revenue	212,470	112,567	325,037
Other local contracts - Mun. Cr.	-	41,379	41,379
Other local contracts - Com. Cr.	187,041	-	187,041
Total revenue	\$ 5,621,967	\$ 279,105	\$ 5,901,072

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

Year Ended June 30, 2021

Description	Jul 1, 2020 to Sep 30, 2020	Oct 1, 2020 to Jun 30, 2021	Total
Taxes levied directly	\$ 18,820,500	\$ 59,196,734	\$ 78,017,234
Local community Stabilization	-	2,075,252	2,075,252
Other local contracts	-	-	-
Total revenue	\$ 18,820,500	\$ 61,271,986	\$ 80,092,486
Interest Income	\$ 32,487	\$ 25,931	\$ 58,418
Other non-trans Revenue	\$ 137,068	\$ 417,827	\$ 554,895
Refunds and Credits	\$ 40,150	\$ 749,918	\$ 790,068

**Suburban Mobility Authority
for Regional Transportation**

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

State Year Ended September 30, 2020

Description	Oct 1, 2019 to Jun 30, 2020	Jul 1, 2020 to Sep 30, 2020	Total
Taxes levied directly	\$ 56,895,075	\$ 18,820,500	\$ 75,715,575
Local community Stabilization	2,051,127	-	2,051,127
Other local contracts	-	-	-
Total revenue	\$ 58,946,202	\$ 18,820,500	\$ 77,766,702
Interest Income	\$ 1,167,739	\$ 32,487	\$ 1,200,226
Other non-trans Revenue	\$ -	\$ 137,068	\$ 137,068
Refunds and Credits	\$ 1,283,457	\$ 40,150	\$ 1,323,607

**Suburban Mobility Authority
for Regional Transportation**

Other Supplemental Information
5. Federal and State Operating Revenue

Year Ended June 30, 2021

Description	Jul 1, 2020 to Sep 30, 2020	Oct 1, 2020 to Jun 30, 2021	Total
State Operating Assistance	\$ 3,737,610	\$ 33,590,285	\$ 37,327,895
Other MDOT/BPT contracts and reimb.			
Reimb for section 5309 program admin	16,898	227,832	244,730
Mobility Mgt 2012-0170 P20	-	36,297	36,297
State Preventive Maintenance (NF Mobility Mgt)	250,000	750,000	1,000,000
Subtotal SMART State	<u>4,004,508</u>	<u>34,604,414</u>	<u>38,608,922</u>
Pass-through State Act 51:			
Act 51 Prior Year Adj	-	-	-
Bedford	21,100	95,307	116,407
Bedford (prior year)	-	(5,733)	(5,733)
LETC Urban and Non-Urban	331,334	1,350,846	1,682,180
LETC Urban and Non-Urban (prior year)	-	214,704	214,704
Line-item municipal credit	407,634	1,222,906	1,630,540
Mun. Cr. special appropriation	407,634	1,222,906	1,630,540
State Preventive Maintenance (Highland Twp.)	-	10,793	10,793
Royal Oak Township	2,106	12,061	14,167
Royal Oak Township (prior year)	415	500	915
Total Pass-through State Act 51	<u>1,170,223</u>	<u>4,124,290</u>	<u>5,294,513</u>
Other state pass-through grants:			
Specialized Service Grant FY 2020	230,572	691,722	922,294
JARC PASS THRU 2012-0170 P21	-	-	-
MOBILITY MGT 2012-0130 P12	20,798	39,225	60,022
MOBILITY MGT 2012-0130 P28	1,085	38,869	39,953
MOBILITY MGT 2012-0170 P38	-	8,731	8,731
NOTA JARC Non-Urban 2017-0130 P07	-	59,502	59,502
NOTA JARC Non-Urban 2012-0130 P16	-	27,537	27,537
NOTA JARC Non-Urban 2012-0130 P23	-	180,640	180,640
NOTA New Freedom 2017-0130 P29	-	71,331	71,331
NOTA New Freedom 2017-0130 P30	-	2,100	2,100
Total other state pass-through grants	<u>252,454</u>	<u>1,119,657</u>	<u>1,372,111</u>
Grand total state revenue per F/S	<u>\$ 5,427,185</u>	<u>\$ 39,848,361</u>	<u>\$ 45,275,547</u>

Other Supplemental Information

5. Federal and State Operating Revenue (Continued)

Year Ended June 30, 2021

Description	Jul 1, 2020 to Sep 30, 2020	Oct 1, 2020 to Jun 30, 2021	Total
Preventive maintenance -	\$ 1,000,000	\$ 3,000,000	\$ 4,000,000
Planning/capital cost of contracting -			
FY 2021 UWP -	69,158	249,648	318,806
FY 2020 UWP -	46,384	-	46,384
CMAQ Grant	-	829,192	829,192
CARES Act (SMART)	-	12,000,000	12,000,000
Reimb. for JARC Admin	-	-	-
Reimb. for New Freedom Admin.	40,849	53,497	94,345
Reimb. for section 5309 program admin	-	-	-
Subtotal SMART federal	1,156,391	16,132,337	17,288,728
Other federal pass-through grants:			
Section 5307 Lake Erie	139,500	364,224	503,724
CARES Act (Community)	-	4,121,255	4,121,255
Section 5310 PM	-	36,416	36,416
Section 5311 Lake Erie	187,197	224,815	412,012
JARC	-	-	-
New Freedom	136,873	1,204,844	1,341,717
Total pass-through federal	463,570	5,951,553	6,415,123
Grand total federal revenue per F/S	\$ 1,619,961	\$ 22,083,890	\$ 23,703,851
Grand total state and federal	\$ 7,047,146	\$ 61,932,251	\$ 68,979,397

**Suburban Mobility Authority
for Regional Transportation**

Other Supplemental Information
6. Federal and State Operating Revenue

State Year Ended September 30, 2020

Description	Oct 1, 2019 to Jun 30, 2020	Jul 1, 2020 to Sep 30, 2020	Total
State Operating Assistance	\$ 21,378,933	\$ 3,737,610	\$ 25,116,543
Other MDOT/BPT contracts and reimb. -	-	16,898	16,898
Reimb for section 5309 program admin	-	-	-
State Preventive Maintenance (NF Mobility Mgt)	751,061	250,000	1,001,061
Subtotal SMART state	<u>22,129,994</u>	<u>4,004,508</u>	<u>26,134,502</u>
Pass-through State Act 51:			
Act 51 Prior Year Adj	-		
Bedford	81,165	21,100	102,265
Bedford (prior year)	16,431	-	16,431
LETC Urban and Non-Urban	1,629,030	331,334	1,960,364
LETC Urban and Non-Urban (prior year)	83,926	-	83,926
Line-item municipal credit	1,222,906	407,634	1,630,540
Mun. Cr. special appropriation	1,222,906	407,634	1,630,540
Royal Oak Township	8,569	2,106	10,675
Royal Oak Township (prior year)	500	415	915
Total pass-through State Act 51	<u>4,265,433</u>	<u>1,170,223</u>	<u>5,435,656</u>
Other state pass-through grants:			
Specialized Service Grant FY 2020	691,722	230,572	922,294
JARC PASS THRU 2012-0170 P21	48,778		48,778
MOBILITY MGT 2012-0130 P12	69,469	20,798	90,267
MOBILITY MGT 2012-0130 P28		1,085	1,085
MOBILITY MGT 2012-0170 P38	581	-	581
NOTA JARC Non-Urban 2017-0130 P07	117,474	-	117,474
NOTA JARC Non-Urban 2012-0130 P16	153,103	-	153,103
NOTA New Freedom 2017-0130 P20	60,000		60,000
Total other state pass-through grants	<u>1,141,128</u>	<u>252,454</u>	<u>1,393,582</u>
Grand total state revenue per F/S	<u>\$ 27,536,555</u>	<u>\$ 5,427,185</u>	<u>\$ 32,963,740</u>

**Suburban Mobility Authority
for Regional Transportation**

Other Supplemental Information

6. Federal and State Operating Revenue (Continued)

State Year Ended September 30, 2020

Description	Oct 1, 2019 to Jun 30, 2020	Jul 1, 2020 to Sep 30, 2020	Total
Preventive maintenance -	\$ 3,000,000	\$ 1,000,000	\$ 4,000,000
Planning/capital cost of contracting -			
FY 2021 UWP	-	69,158	69,158
FY 2020 UWP	-	46,384	46,384
FY 2019 UWP	340,014	-	340,014
CARES Act (SMART)	6,000,000	-	6,000,000
Reimb. for JARC Admin	1,071	-	1,071
Reimb. for New Freedom Admin.	93,197	40,849	134,046
Reimb. for section 5309 program admin	-	-	-
Subtotal SMART federal	<u>9,434,281</u>	<u>1,156,391</u>	<u>10,590,672</u>
Other federal pass-through grants:			
Section 5307 Lake Erie	380,750	139,500	520,250
Section 5310 PM	4,243	-	4,243
Section 5311 Lake Erie	253,304	187,197	440,501
JARC	48,778	-	48,778
New Freedom	1,420,480	136,873	1,557,353
Total pass-through federal	<u>2,107,555</u>	<u>463,570</u>	<u>2,571,125</u>
Grand total federal revenue per F/S	<u>\$ 11,541,837</u>	<u>\$ 1,619,961</u>	<u>\$ 13,161,798</u>
Grand total state and federal	<u>\$ 39,078,391</u>	<u>\$ 7,047,146</u>	<u>\$ 46,125,538</u>

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

Year Ended June 30, 2021

Description	Jul 1, 2020 to Sep 30, 2020	Oct 1, 2020 to Jun 30, 2021	Total
Labor - Operators S&W	\$ 4,373,637	\$ 15,098,766	\$ 19,472,403
Labor - Other S&W	4,403,333	14,428,848	18,832,181
Labor - Dispatchers S&W	3,476,917	11,119,392	14,596,309
Other fringe benefits - total fringes	1,813,987	13,477,805	15,291,792
Pensions - Defined contribution	-	-	-
Pensions - Defined benefit	3,651,138	4,168,709	7,819,846
Other postemployment benefits (OPEB)	1,862,400	(3,825,366)	(1,962,966)
Advertising fees	18,272	322,098	340,370
Audit cost	109,700	64,875	174,575
Other services	497,054	3,526,972	4,024,026
Fuel and lubricants	667,434	3,145,790	3,813,224
Tires and tubes	162,979	556,407	719,386
Other materials and supplies	713,233	2,399,766	3,112,999
Utilities	169,567	813,243	982,810
Casualty and liab. costs	1,502,283	8,037,129	9,539,412
Other insurance	18,387	55,590	73,977
Purchased transportation service	1,109,037	4,224,269	5,333,306
Pass-throughs that are expensed -			
Other	391,849	6,512,282	6,904,131
Municipal Credits	815,268	2,445,812	3,261,080
Richmond Lenox/CBS Bloomfield Hills	679,131	2,298,439	2,977,570
Travel, meetings, and training	5,666	6,704	12,370
Other miscellaneous expenses	229,840	1,838,066	2,067,906
Leases and rentals	114,024	312,064	426,088
Depreciation	450,000	18,948,341	19,398,341
Total expenses	27,235,135	109,976,000	137,211,135

Other Supplemental Information
7. SMART Expense Schedule (Continued)

Year Ended June 30, 2021

Description	Jul 1, 2020 to Sep 30, 2020	Oct 1, 2020 to Jun 30, 2021	Total
Less ineligible expenses:			
Ineligible refunds and credits	\$ 2,436	\$ 682,924	\$ 685,360
Other ineligible state contracts			
Passthrough	815,268	2,445,812	3,261,080
Other	16,898	227,832	244,730
Ineligible depreciation	-	19,160,538	19,160,538
Unused community credits	41,379	125,105	166,484
Ineligible non-trans exp	175	1,190	1,365
Ineligible loss on disposal	-	-	-
Local contracts	-	-	-
Preventive maintenance			
Passthrough (Highland)	-	-	-
SMART	1,250,000	3,750,000	5,000,000
Planning/capital cost of contracting	103,565	1,090,818	1,194,383
Other ineligible federal/state/local:			
Reimb. for New Freedom Admin	40,849	53,497	94,345
Other ineligible state contracts:			
Pass-Thru Ineligibles	1,070,980	8,810,721	9,881,701
Ineligible association dues	-	-	-
Ineligible pension	-	(8,166,630)	(8,166,630)
Ineligible OPEB	(1,813,987)	(17,332,802)	(19,146,789)
Other ineligibles	227,136	1,556,084	1,783,220
Total ineligibles	1,754,699	12,405,089	14,159,787
Total eligible expenses	\$ 25,480,436	\$ 97,570,912	\$ 123,051,348

**Suburban Mobility Authority
for Regional Transportation**

Other Supplemental Information

7. SMART Expense Schedule (Continued)

Year Ended June 30, 2021

Description	Jul 1, 2020 to Sep 30, 2020	Oct 1, 2020 to Jun 30, 2021	Total
Pass-throughs that are expensed:			
Lake Erie	679,131	2,298,439	2,977,570
Municipal credit - Formula	407,634	1,222,906	1,630,540
Municipal credit - Line Item	407,634	1,222,906	1,630,540
Specialized services	230,572	691,722	922,294
Royal Oak Twp	2,521	12,561	15,082
NOTA JARC Non-Urban	-	267,679	267,679
NOTA New Freedom Non-Urban	-	146,863	146,863
New Freedom Operating Assistant Urban	98,688	1,715,093	1,813,780
New Freedom Mobility Management Urban	109,412	434,122	543,533
New Freedom Local Operating Expense Urban	(49,344)	(930,978)	(980,321)
New Freedom Highland/Milford PM	-	53,965	53,965
Cares Act Operating	-	4,121,255	4,121,255
	\$ 1,886,248	\$ 11,256,533	\$ 13,142,781
Ineligible pass-throughs:			
Lake Erie	\$ 679,131	\$ 2,298,439	\$ 2,977,570
Municipal credit - Formula Admin Fee	407,634	1,222,906	1,630,540
Municipal credit - Line Item	407,634	1,222,906	1,630,540
Other state subsidized serv.:			
Specialized services	230,572	691,722	922,294
Royal Oak Twp	2,521	12,561	15,082
Contra SMART Paid Expense	-	-	-
NOTA JARC Non-Urban	-	267,679	267,679
NOTA New Freedom Non-Urban	-	146,863	146,863
JARC - New Freedom Urban	-	-	-
JARC - Mobility Management Urban	-	-	-
New Freedom Operating Assistant Urban	98,688	1,715,093	1,813,780
New Freedom Mobility Management Urban	109,412	434,122	543,533
New Freedom Local Operating Expense Urban	(49,344)	(930,978)	(980,321)
New Freedom Highland/Milford PM	-	53,965	53,965
Cares Act Operating	-	4,121,255	4,121,255
	\$ 1,886,248	\$ 11,256,533	\$ 13,142,781

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

State Year Ended September 30, 2020

Description	Oct 1, 2019 to Jun 30, 2020	Jul 1, 2020 to Sep 30, 2020	Total
Labor - Operators S&W	\$ 14,640,655	\$ 4,373,637	\$ 19,014,292
Labor - Other S&W	13,164,795	4,403,333	17,568,128
Labor - Dispatchers S&W	9,155,051	3,476,917	12,631,968
Other fringe benefits	10,221,383	1,813,987	12,035,370
Pensions - Defined contribution	14,561	-	14,561
Pensions - Defined benefit	4,377,194	3,651,138	8,028,331
Other postemployment benefits (OPEB)	5,955,677	1,862,400	7,818,077
Advertising fees	310,378	18,272	328,650
Audit cost	39,700	109,700	149,400
Other services	2,506,272	497,054	3,003,326
Fuel and lubricants	3,239,017	667,434	3,906,451
Tires and tubes	549,904	162,979	712,883
Other materials and supplies	2,968,569	713,233	3,681,802
Utilities	715,198	169,567	884,765
Casualty and liab. costs	4,310,357	1,502,283	5,812,640
Other insurance	54,289	18,387	72,676
Purchased transportation service	-	1,109,037	1,109,037
Pass-throughs that are expensed -	7,698,522	-	7,698,522
Other	-	391,849	391,849
Municipal Credits	2,880,182	815,268	3,695,450
Community Transit	144,453	-	144,453
Nankin/Richmond Lenox/CBS Bloomfield Hills	241,154	679,131	920,285
Travel, meetings, and training	29,033	5,666	34,699
Loss on disposal of asset	(39,385)	-	(39,385)
Other miscellaneous expenses	555,772	229,840	785,612
Leases and rentals	302,911	114,024	416,935
Depreciation	16,871,556	450,000	17,321,556
Total expenses	100,907,197	27,235,135	128,142,332

Other Supplemental Information
8. SMART Expense Schedule (Continued)

State Year Ended September 30, 2020

Description	Oct 1, 2019 to Jun 30, 2020	Jul 1, 2020 to Sep 30, 2020	Total
Less ineligible expenses:			
Ineligible refunds and credits	\$ 1,283,457	\$ 2,436	\$ 1,285,893
Other ineligible state contracts	1,222,906	-	1,222,906
Passthrough	-	815,268	815,268
Other	-	16,898	16,898
Ineligible depreciation	17,258,655	-	17,258,655
Municipal credits	1,222,906	-	1,222,906
Unused community credits	187,041	41,379	228,420
Ineligible non-trans exp	212,470	175	212,645
Ineligible loss on disposal	(39,385)	-	(39,385)
Local contracts	-	-	-
Preventive maintenance	3,751,061	-	3,751,061
Passthrough	-	-	-
SMART	-	1,250,000	1,250,000
Planning/Cap. cost of contracting	340,014	103,565	443,579
Other ineligible federal/state/local:			-
Reimb. for JARC Admin	1,071	-	1,071
Reimb. for New Freedom Admin.	93,197	40,849	134,046
Other ineligible state contracts:			-
Pass-through ineligible	5,718,088	1,070,980	6,789,068
Ineligible pension	(2,152,818)	-	(2,152,818)
Ineligible OPEB	(4,230,354)	(1,813,987)	(6,044,341)
Other ineligible	-	227,136	227,136
Total ineligible	<u>24,868,309</u>	<u>1,754,699</u>	<u>26,623,008</u>
Total eligible expenses	<u>\$ 76,038,888</u>	<u>\$ 25,480,436</u>	<u>\$ 101,519,324</u>

Other Supplemental Information
8. SMART Expense Schedule (Continued)

State Year Ended September 30, 2020

Description	Oct 1, 2019 to Jun 30, 2020	Jul 1, 2020 to Sep 30, 2020	Total
Pass-throughs that are expensed:			
Lake Erie	2,444,606	679,131	3,123,737
Mun. Cr. - Formula	1,222,906	407,634	1,630,540
Mun. Cr. - Line Item	1,222,906	407,634	1,630,540
Specialized services	691,722	230,572	922,294
Royal Oak Twp	9,069	2,521	11,590
Contra SMART Paid Expense	183,345	-	183,345
NOTA JARC Non-Urban Expense	270,577	-	270,577
NOTA New Freedom Non-Urban	120,000	-	120,000
JARC - New Freedom Urban	97,557	-	97,557
JARC - Mobility Management Urban	-	-	-
New Freedom Operating Expense Urban	2,276,533	98,688	2,375,220
New Freedom Mobility Management Urban	350,251	109,412	459,663
New Freedom Local Operating Expense Urban	(1,196,254)	(49,344)	(1,245,598)
New Freedom Highland/Milford PM	5,303	-	5,303
Pass-throughs that are expensed	\$ 7,698,522	\$ 1,886,248	\$ 9,584,770
Ineligible pass-throughs:			
Lake Erie	2,444,606	679,131	3,123,737
Mun. Cr. - Formula	1,222,906	407,634	1,630,540
Mun. Cr. - Line Item	1,222,906	407,634	1,630,540
Other state subsidized serv.:			
Specialized services	691,722	230,572	922,294
Royal Oak Twp	9,069	2,521	11,590
Contra SMART Paid Expense	183,345	-	183,345
NOTA JARC Non-Urban Expense	270,577	-	270,577
NOTA New Freedom Non-Urban	120,000	-	120,000
JARC - New Freedom Expense Urban	97,557	-	97,557
JARC - Mobility Management Urban	-	-	-
New Freedom Operating Expense Urban	2,276,533	98,688	2,375,220
New Freedom Mobility Management Urban	350,251	109,412	459,663
New Freedom Local Operating Expense Urban	(1,196,254)	(49,344)	(1,245,598)
New Freedom Highland/Milford PM	5,303	-	5,303
Ineligible pass-throughs	\$ 7,698,522	\$ 1,886,248	\$ 9,584,770

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

Year Ended June 30, 2021

	Jul 1, 2020 to Sep 30, 2020	Oct 1, 2020 to Jun 30, 2021	Total
Expense incurred:			
Pension - Defined benefit	\$ 3,651,138	\$ 4,168,709	\$ 7,819,846
OPEB - Defined benefit	1,862,400	(3,825,366)	(1,962,966)
Total	\$ 5,513,538	\$ 343,343	\$ 5,856,880

	Jul 1, 2020 thru Sep 30, 2020	Oct 1, 2020 thru Jun 30, 2021	Total
Amounts actually paid:			
Pension - Defined benefit	\$ 3,651,138	\$ 12,335,339	\$ 15,986,477
OPEB - Defined benefit	3,676,387	13,507,436	17,183,823
Total	\$ 7,327,524	\$ 25,842,775	\$ 33,170,300

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

State Year Ended September 30, 2020

	Oct 1, 2019 to Jun 30, 2020	Jul 1, 2020 to Sep 30, 2020	Total
Expense incurred:			
Pension - Defined benefit	\$4,377,194	\$ 3,651,138	\$ 8,028,331
OPEB - Defined benefit	5,955,677	1,862,400	7,818,077
Total	\$ 10,332,871	\$ 5,513,538	\$ 15,846,408
	Oct 1, 2019 thru Jun 30, 2020	Jul 1, 2020 thru Sep 30, 2020	Total
Amounts actually paid:			
Pension - Defined benefit	\$6,530,011	\$ 3,651,138	\$ 10,181,149
OPEB - Defined benefit	10,186,031	3,676,387	13,862,417
Total	\$ 16,716,042	\$ 7,327,524	\$ 24,043,567
Current year ineligible expense			
Pension - Defined benefit			\$ 2,152,818
OPEB - Defined benefit			6,044,340
Total			\$ 8,197,158
Prior year carryforward - September 30, 2019			
Pension - Defined benefit			\$ (5,862,491)
OPEB - Defined benefit			(3,818,251)
Total			\$ (9,680,742)
Carryforward - September 30, 2020			
Pension - Defined benefit			\$ (3,709,673)
OPEB - Defined benefit			2,226,090
Total			\$ (1,483,584)

**Suburban Mobility Authority
for Regional Transportation**

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

Year Ended June 30, 2021

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	PROGRAM OR AWARD AMOUNT	FEDERAL RECEIPTS/ REVENUE	STATE RECEIPTS/ REVENUE	AMOUNT REMAINING
U.S DEPARTMENT OF TRANSPORTATION:										
DIRECT ASSISTANCE:										
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	20.500	MI-04-0080	N/A	200,000	\$ -	\$ -	\$ 60,891
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	20.500	MI-04-0091	N/A	15,000,000	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	20.500	MI-04-0080	N/A	37,720	-	-	17,721
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5339	20.526	MI-34-0005	N/A	6,920,868	-	-	4,450,100
CAPITAL ASSISTANCE FY 16 (TRAMS)	80 % - 20 %	FY2016	SECTION 5339	20.507	MI-34-0022	MI-2016-025-05	34,262	-	-	24,921
CAPITAL ASSISTANCE FY 16 (TRAMS)	80 % - 20 %	FY2016	SECTION 5339	20.507	MI-34-0022	MI-2016-025-09	3,961,269	-	-	-
CAPITAL ASSISTANCE FY 16	80 % - 20 %	FY2016	SECTION 5339	20.507	MI-34-0022	MI-2016-025-13	142,144	8,000	2,000	11,380
CAPITAL ASSISTANCE FY 18-19	80 % - 20 %	FY2018/19	SECTION 5339	20.507	MI-34-0046	2017-0130 P11	5,404,182			3,512,553
CAPITAL ASSISTANCE FY 18-19	80 % - 20 %	FY2018/19	SECTION 5339	20.507	MI-34-0046	2017-0130 P11	340,203	30,830	7,707	309,373
TOTAL							32,040,648	38,830	9,707	8,386,939
PLANNING AND TECHNICAL STUDIES UWP PROGRAM	80 % - 20 %	FY2011	SECTION 5303	20.505	MI-80-X006	N/A	318,806	\$ 318,806	\$ 318,806	\$ (318,806)
TRANSIT ASSET MGT	80 % - 20 %		SECTION 5303	20.505	2015-0009		130,828	(27,294)	(27,294)	27,294
OPER REVIEW	80 % - 20 %		SECTION 5303	20.505	2015-0009		28,655	73,679	73,679	(73,679)
							478,289	365,191	365,191	(365,191)

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

Year Ended June 30, 2021

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	PROGRAM OR AWARD AMOUNT	FEDERAL RECEIPTS/ REVENUE	STATE RECEIPTS/ REVENUE	AMOUNT REMAINING
U.S DEPARTMENT OF TRANSPORTATION (CONTINUED):										
CAPITAL ASSISTANCE	80 % - 20 %	FY2012	SECTION 5307	20.507	MI-90-0756	2007-0294 Z38	15,612,066	\$ -	\$ -	\$ 3,838,268
CAPITAL ASSISTANCE	80 % - 20 %	FY2012	SECTION 5307	20.507	MI-90-0758	2007-0294 Z39	492,476	-	-	52,852
CAPITAL ASSISTANCE	80 % - 20 %	FY2013	SECTION 5307	20.507	MI-90-0678		22,231,592	621,143	155,286	(621,143)
CAPITAL ASSISTANCE	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-02	17,863,594	7,764,195	4,741,049	(5,457,443)
CAPITAL ASSISTANCE (preventative maint)	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-03	4,000,000	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-04	501,192	251,645	62,911	(251,645)
CAPITAL ASSISTANCE	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-06	468,018	263,308	65,827	(263,308)
CAPITAL ASSISTANCE FY16	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-10	8,544,000	-	-	-
CAPITAL ASSISTANCE FY16	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-11	120,000	-	-	-
CAPITAL ASSISTANCE FY16	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	MI-2016-025-08	434,698	-	-	209,694
OPERATING ASSISTANCE (MONROE) FY21	50 % - 50 %	FY2020	SECTION 5307	20.507	MI-XX-XXXX	MI-2020-061-05	950,225	558,000	558,000	(558,000)
OPERATING ASSISTANCE (MONROE) FY20	50 % - 50 %	FY2019	SECTION 5307	20.507	MI-90-0777	MI-2018-018-04	503,724	(54,276)	(54,276)	208,012
CAPITAL ASSISTANCE (CMAQ)	80 % - 20 %		CMAQ	20.507	MI-95-0077		11,575,989	-	-	10,683,856
CAPITAL ASSISTANCE FY16/17 (CMAQ)	80 % - 20 %	FY2016/17	CMAQ	20.507	MI-95-0122	MI-2016-025-01	7,975,200	-	-	73,005
CAPITAL ASSISTANCE FY17-18-19	80 % - 20 %	FY2018/19	SECTION 5307	20.507	MI-2018-018-01		2,336,490	829,192	-	467,298
CAPITAL ASSISTANCE FY17-18-19	80 % - 20 %	FY2018/19	SECTION 5307	20.507	MI-2018-018-03		10,000,000	4,000,000	1,000,000	-
CAPITAL ASSISTANCE FY18-19 (CMAQ)	80 % - 20 %	FY2018/19	CMAQ	20.507	MI-90-0079	MI-2018-018-03	35,571,136	2,405,645	601,411	26,457,278
CAPITAL ASSISTANCE FY18-19 (CMAQ)	80 % - 20 %	FY2018/19	CMAQ	20.507	MI-90-0079	MI-2018-018-04	2,022,731	218,173	54,543	1,703,221
CAPITAL ASSISTANCE (SMART) FY20 CARES	100% FED	FY2020	SECTION 5307	20.507	MI-XX-XXXX	MI-2020-052-01	24,738,365	11,764,984	-	(11,373,484)
OPERATING ASSISTANCE (SUB-RECIPIENTS) FY20 CARES	100% FED	FY2020	SECTION 5307	20.507	MI-XX-XXXX	MI-2020-052-00	6,152,420	4,121,255	-	(4,036,031)
OPERATING ASSISTANCE(SMART) FY20 CARES	100% FED	FY2020	SECTION 5307	20.507	MI-XX-XXXX	MI-2020-052-00	30,866,881	12,000,000	-	12,866,881
CAPITAL ASSISTANCE	80 % - 20 %	FY2020	SECTION 5307	20.507	MI-XX-XXXX	MI-2020-061-05	27,559,250	5,998,420	1,499,605	(5,998,420)
TOTAL							\$ 230,520,047	\$ 50,741,684.00	\$ 8,684,356.59	\$ 28,000,891

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

Year Ended June 30, 2021

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	PROGRAM OR AWARD AMOUNT	FEDERAL RECEIPTS/ REVENUE	STATE RECEIPTS/ REVENUE	AMOUNT REMAINING
MICHIGAN DEPARTMENT OF TRANSPORTATION:										
SECTION 5310- CAPITAL	100 % STATE		SECTION 5310	20.513	MI-XX-XXXX	2017-0130 P5	357,000	\$ 2,940	2,940	\$ (120)
SECTION 5310	100 % STATE		SECTION 5310	20.521	N/A	2017-0130 P6	102,896	-	-	51,448
	100 % STATE		SECTION 5310	20.516	MI-2017-030	2017-0130 P7	180,640	59,502	59,502	(59,502)
SECTION 5311	100 % STATE		SECTION 5311	20.516	MI-2017-030	2017-0130 P10	117,474	-	-	-
SECTION 5311	100 % STATE		SECTION 5311	20.516	MI-2017-030	2017-0130 P10	70,000	-	-	4,967
SECTION 5310	100 % STATE		SECTION 5310	20.521	MI-2018-033	2017-0130 P14	37,500	-	-	-
SECTION 5311	100 % STATE		SECTION 5311	20.516	MI-2017-030	2017-0130 P16	180,640	27,537	27,537	(0)
SECTION 5310	100 % STATE		SECTION 5310	20.513	MI-2019-037	2017-0130 P20	60,000	-	-	-
SECTION 5310	100 % STATE		SECTION 5310	20.513	MI-2019-037	2017-0130 P21	312,000	244,387	244,387	(127,897)
SECTION 5311	100 % STATE		SECTION 5311	20.509	MI-2020-008	2017-0130 P23	180,640	156,461	156,461	(156,461)
SECTION 5310	100 % STATE		SECTION 5310	20.513	MI-2020-068	2017-0130 P29	186,202	71,331	71,331	(71,331)
SECTION 5310 - COVID - CAPITAL ASST	100 % STATE		SECTION 5310	20.513	MI-16X005-5	2017-0130 P30	5,000	5,000	5,000	(5,000)
SECTION 5310 - COVID - OPER ASST	100 % STATE		SECTION 5310	20.513	MI-16X005-5	2017-0130 P30	2,100	2,100	2,100	(2,100)
COMBINED STATE CONTRACTS							\$ 1,792,092	\$ 569,258	\$ 569,258	\$ (365,996)
TOTAL CAPITAL ASSISTANCE							<u>\$ 264,831,076</u>	<u>\$ 51,714,963</u>	<u>\$ 9,628,513</u>	<u>\$ 35,656,643</u>
ACCESS TO JOBS (FEDERAL SHARE):										
SECTION 5316 CAPITAL SMART			SECTION 5316	20.516	MI-37-0050		305,980	\$ -	\$ -	\$ 211,979
JARC PROGRAM OPERATING			SECTION 5316	20.516	MI-37-4050		1,894,878	-	-	1,344,218
JARC PROGRAM ADMIN		FY2008	SECTION 5316	20.516	MI-37-6043	N/A	214,639	-	-	-
SMART JARC PROGRAM OPERATING			SECTION 5316	20.516	MI-37-4050		947,439	-	-	898,661
TOTAL							<u>\$ 3,362,936</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,454,858</u>

11. Schedule of Financial Assistance (Continued)

Year Ended June 30, 2021

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	PROGRAM OR AWARD AMOUNT	FEDERAL RECEIPTS/ REVENUE	STATE RECEIPTS/ REVENUE	AMOUNT REMAINING
NEW FREEDOM FEDERAL SHARE:										
SECTION 5317 NEW FREEDOM PROGRAM ADMIN			SECTION 5307	20.521	MI-57-6018	N/A	147,999	\$ -	\$ -	\$ -
SECTION 5317 NEW FREEDOM CAPITAL			SECTION 5307	20.521	MI-57-0024	N/A	109,718	-	-	80,379
SECTION 5317 NEW FREEDOM PROGRAM ADMIN			SECTION 5307	20.521	MI-57-6024	N/A	51,247	4,179	-	1,986
SECTION 5310 NEW FREEDOM PROGRAM ADMIN			SECTION 5310	20.513	MI-16-X007	2012-0170 P20	50,000	-	-	7,209
SECTION 5310 NEW FREEDOM OPERATING			SECTION 5310	20.513	MI-16-X007	2012-0170 P20	1,500,000	-	-	141,885
SECTION 5310 NEW FREEDOM MOBILITY MANAGEMENT			SECTION 5310	20.513	MI-16-X007	2012-0170 P20	320,000	59,724	36,297	(59,724)
SECTION 5310 NEW FREEDOM CAPITAL			SECTION 5310	20.513	MI-16-X007	2012-0170 P20	2,907,322	2,988	747	563,307
SECTION 5310 NEW FREEDOM CAPITAL			SECTION 5310	21.513	MI-16-X013	2012-0170 P38	1,442,708	-	-	-
SECTION 5310 NEW FREEDOM CAPITAL			SECTION 5310	21.513	MI-16-X013	2012-0170 P38	25,000	-	-	-
SECTION 5310 NEW FREEDOM OPERATING			SECTION 5310	21.513	MI-16-X013	2012-0170 P38	1,162,000	-	-	-
SECTION 5310 NEW FREEDOM MOBILITY MANAGEMENT			SECTION 5310	21.513	MI-16-X013	2012-0170 P38	302,000	-	-	59,252
5310 NEW FREEDOM CAPITAL			SECTION 5310	21.513	MI-16-X013	2012-0170 P38	4,074,751	16,220	4,055	4,074,751
SMART 5310 PROGRAM ADMIN			SECTION 5310	21.513	MI-16-X013	2012-0170 P38	49,169	8,049	-	49,169
5310 NEW FREEDOM OPERATING			SECTION 5310	21.513	MI-16-X013	2012-0170 P38	2,017,000	35,110	-	2,017,000
5310 NEW FREEDOM MOBILITY MANAGEMENT			SECTION 5310	21.513	MI-16-X013	2012-0170 P38	532,000	34,924	8,731	532,000
5310 NEW FREEDOM CAPITAL			SECTION 5310	20.513	MI-2016-018-03	2012-0170 P38	934,513	-	-	934,513
SECTION 5310 PREVENTATIVE MAINTENANCE			SECTION 5310	20.513	MI-16-X007	2012-0170 P20	63,280	36,416	10,793	15,055
5310 NEW FREEDOM CAPITAL			SECTION 5310	20.513	MI-2018-020-01	2017-0130 P12	28,881,180	1,176	294	261,259
5310 NEW FREEDOM PREVENTATIVE MAINT			SECTION 5310	20.513	MI-2018-020-01	2017-0130 P12	18,856	-	-	14,613
SECTION 5310 PREVENTATIVE MAINTENANCE			SECTION 5310	20.513	MI-2018-020-02	2017-0130 P12	23,233	-	-	8,889
SMART 5310 PROGRAM ADMIN			SECTION 5310	20.513	MI-2018-020-02	2017-0130 P12	50,000	27,774	-	5,566
5310 NEW FREEDOM OPERATING			SECTION 5310	20.513	MI-2018-020-02	2017-0130 P12	1,573,630	268,122	-	432,183
5310 NEW FREEDOM MOBILITY MANAGEMENT			SECTION 5310	20.513	MI-2018-020-02	2017-0130 P12	843,220	240,089	60,022	208,706
5310 NEW FREEDOM CAPITAL			SECTION 5310	20.513	MI-2020-032-01	2017-0130 P28	553,168	370,259	121,637	66,622
5310 NEW PROGRAM ADMIN			SECTION 5310	20.513	MI-2020-032-01	2017-0130 P28	25,000	16,952	-	(16,952)
5310 NEW FREEDOM OPERATING			SECTION 5310	20.513	MI-2020-032-00	2017-0130 P28	1,197,936	603,658	-	(603,658)
5310 NEW FREEDOM MOBILITY MANAGEMENT			SECTION 5310	20.513	MI-2020-032-01	2017-0130 P28	347,120	159,813	39,953	(159,813)
TOTAL							\$ 49,202,050	\$ 1,885,453	\$ 282,529	\$ 8,634,197

**Suburban Mobility Authority
for Regional Transportation**

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

Year Ended June 30, 2021

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	PROGRAM OR AWARD AMOUNT	FEDERAL RECEIPTS/ REVENUE	STATE RECEIPTS/ REVENUE	AMOUNT REMAINING
PASSED THROUGH MDOT:										
OPERATING ASSIST. - SEC.5311	100 % STATE	FY2017	SECTION 5311	20.516	MI-XX-XXX	2017-0130 P07	180,640	\$ -	\$ -	\$ 124,641
OPERATING ASSIST. LET- SEC 5311 (2018)	100 % STATE	FY2017	SECTION 5311	20.509	MI-18-0055	2017-0130 P09	68,281	-	-	-
OPERATING ASSIST. LET- SEC 5311 (2021)	100 % STATE	FY2019	SECTION 5311	20.509	MI-18-0055	2017-0130 P15	449,260	224,815	224,815	(218,142)
OPERATING ASSIST. LET- SEC 5311 (2020)	100 % STATE	FY2020	SECTION 5311	20.509	MI-18-0055	2017-0130 P22	440,500	187,197	187,197	(1)
TOTAL							<u>\$ 1,138,681</u>	<u>\$ 412,012</u>	<u>\$ 412,012</u>	<u>\$ (93,502)</u>
SUBTOTAL							53,703,667	2,297,465	694,541	10,995,553
MICHIGAN DEPARTMENT OF TRANSPORTATION:										
OPERATING ASSISTANCE - ACT 51 SMART URBAN				N/A			-	-	38,137,313	-
MUNICIPAL CREDIT SPECIAL APPROPRIATION				N/A			-	-	3,261,080	-
OPERATING ASSISTANCE - ACT 51 BEDFORD URBAN				N/A			-	-	110,674	-
OPERATING ASSISTANCE - ACT 51 LETC COMBINED				N/A			-	-	1,896,884	-
OPERATING ASSISTANCE - FY07 SECTION 5304				N/A		2007-0294 Z8	-	-	-	-
ROYAL OAK TWP NEW SERVICES				N/A			-	-	15,082	-
OTHER STATE SERVICES REVENUE				N/A						
SPECIALIZED SERVICES		FY2021					-	-	691,722	-
SPECIALIZED SERVICES		FY2020					-	-	230,572	-
TOTAL							-	-	44,343,327	-
TOTAL OPERATING ASSISTANCE							<u>53,703,667</u>	<u>2,297,465</u>	<u>45,037,868</u>	<u>10,995,553</u>
GRAND TOTAL - ALL ASSISTANCE							<u>\$ 318,534,743</u>	<u>\$ 54,012,428</u>	<u>\$ 54,666,381</u>	<u>\$ 46,652,196</u>

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
12. Other Operating Expenses**

Year Ended June 30, 2021

Description	Community Based		Total Community Based	Royal Oak Twp.	
	Jul 1, 2020 to Sep 30, 2020	Oct 1, 2020 to Jun 30, 2021		Jul 1, 2020 to Sep 30, 2020	Total Royal Oak
Revenue:					
Fares	\$ 90,648	\$ 239,472	\$ 330,120	\$ -	\$ -
Other Non-trans Revenue	250	-	250	-	-
Advertising	-	1,800	1,800	-	-
Auxiliary Trans Revenue	-	-	-	17,059	17,059
Taxes levied directly	34,923	568,890	603,814	-	-
Local operating assistance:					
General Fund/Property tax	157,385	1,313,305	1,470,690	-	-
Other	-	-	-	-	-
Other local contracts:					
Mun. Cr.	542,605	1,533,270	2,075,875	594	594
Comm. Cr.	529,088	1,308,325	1,837,413	2,521	2,521
Other MDOT/BPT contracts and reimb.:					
Act 51	65,506	340	65,846	2,015	2,015
Other Grants	-	-	-	-	-
Specialized services	47,758	125,498	173,256	-	-
Other federal transit contracts and reimb.	618	117,822	118,440	-	-
Refunds and rebates	-	-	-	-	-
Interest income	8,060	16,118	24,178	2	2
Total revenue	\$ 1,476,842	\$ 5,224,840	\$ 6,701,682	\$ 22,191	\$ 22,191
Total operating expenses	\$ 1,642,764	\$ 5,412,527	\$ 7,055,291	\$ 7,354	\$ 7,354
Ineligible expenses:					
SMART Municipal Credits	542,605	1,533,270	2,075,875	594	594
SMART Community Credits	529,088	1,308,325	1,837,413	2,521	2,521
Act 51	65,506	340	65,846	2,015	2,015
Other MDOT/BPT contracts and reimb.	-	-	-	-	-
State specialized services	47,758	125,498	173,256	-	-
Other federal contracts and reimb.	618	117,822	118,440	-	-
Depreciation	-	-	-	-	-
Total ineligible	1,185,576	3,085,255	4,270,831	5,130	5,130
Total eligible expenses	\$ 457,188	\$ 2,327,273	\$ 2,784,461	\$ 2,224	\$ 2,224

**Suburban Mobility Authority
for Regional Transportation**

Other Supplemental Information
12. Other Operating Expenses (Continued)

Year Ended June 30, 2021

Description	Mt. Clemens			Nankin		
	Jul 1, 2020 to Sep 30, 2020	Oct 1, 2020 to Jun 30, 2021	Total Mt. Clemens	Jul 1, 2020 to Sep 30, 2020	Oct 1, 2020 to Jun 30, 2021	Total Nankin
Revenue:						
Fares	\$ 6,565	\$ 22,173	\$ 28,738	\$ 23,381	\$ 70,143	\$ 93,524
Other nontrans. revenue	-	725	725	141,082	423,247	564,329
Taxes levied directly	101,753	223,876	325,629	-	-	-
Local operating assistance:						
General Fund/Property tax	-	-	-	82,000	246,000	328,000
Other	-	-	-	43,541	130,621	174,162
CARES Act	-	74,006	74,006	-	-	-
Other local contracts:						
Mun. Cr.	-	16,880	16,880	63,025	189,075	252,100
Comm. Cr.	-	29,285	29,285	64,334	193,003	257,337
Other MDOT/BPT contracts and reimb. -						
Specialized services	9,550	41,112	50,662	-	-	-
Other federal transit contracts and reimb.	-	-	-	-	-	-
Refunds and rebates	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Total revenue	\$ 117,868	\$ 408,057	\$ 525,925	\$ 417,363	\$ 1,252,089	\$ 1,669,452
Total operating expenses	\$ 85,966	\$ 276,528	\$ 362,494	\$ 348,515	\$ 1,045,547	\$ 1,394,062
Ineligible expenses:						
SMART municipal credits	-	16,880	16,880	63,025	189,075	252,100
SMART community credits	-	29,285	29,285	64,334	193,003	257,337
State specialized services	9,550	41,112	50,662	-	-	-
CARES Act	-	74,006	74,006	-	-	-
Refunds and rebates	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Total ineligible	9,550	161,283	170,833	127,359	382,078	509,437
Total eligible expenses	\$ 76,416	\$ 115,245	\$ 191,661	\$ 221,156	\$ 663,469	\$ 884,625

Other Supplemental Information
12. Other Operating Expenses (Continued)

Redford Township Year Ended March 31, 2021

Description	Redford Twp.		Total Redford
	1-Apr-20 to 30-Sep-20	1-Oct-20 to 31-Mar-21	
Revenue:			
Fares	\$ 2,680	\$ 3,836	\$ 6,516
Other nontrans. revenue	10,000	40,000	50,000
Taxes levied directly	-	-	-
Local operating assistance:			
General Fund/Property tax	7,926	81,438	89,364
Other	-	-	-
Other local contracts:			
Mun. Cr.	-	-	-
Comm. Cr.	54,199	68,351	122,550
Other MDOT/BPT contracts and reimb. -			
Specialized services	-	-	-
CARES Act	-	6,248	6,248
Other federal transit contracts and reimb.	-	9,551	9,551
Refunds and rebates	1,766	-	1,766
Interest income	-	1,479	1,479
Total revenue	\$ 76,571	\$ 210,903	\$ 287,474
 Total operating expenses	 \$ 125,035	 \$ 180,712	 \$ 305,747
Ineligible expenses:			
SMART municipal credits	-	-	-
SMART community credits	54,199	68,351	122,550
CARES Act	-	6,248	6,248
State specialized services	-	-	-
Refunds and rebates	1,766	-	1,766
Depreciation	-	-	-
Total ineligible	55,965	74,599	130,564
Total eligible expenses	\$ 69,070	\$ 106,113	\$ 175,183

Other Supplemental Information
12. Other Operating Expenses (Continued)

S.T.A.R. Year Ended March 31, 2021

Description	S.T.A.R.		Total S.T.A.R.
	1-Apr-20 to 30-Sep-20	1-Oct-20 to 31-Mar-21	
Revenue:			
Fares	\$ 245	\$ 750	\$ 995
Other nontrans. revenue	(31,918)	79,374	47,456
Taxes levied directly	-	562,718	562,718
Local operating assistance:	-		
General Fund/Property tax	-	-	-
Other	-	-	-
Other local contracts:			
Mun. Cr.	-	-	-
Comm. Cr.	113,599	(62,217)	51,382
Other MDOT/BPT contracts and reimb. -			
Specialized services	19,042	3,657	22,699
Other federal transit contracts and reim	-	-	-
Refunds and rebates	-	-	-
Interest income	791	401	1,192
Total revenue	\$ 101,759	\$ 584,683	\$ 686,442
Total operating expenses	\$ 177,968	\$ 294,592	\$ 472,560
Ineligible expenses:			
SMART municipal credits	-	-	-
SMART community credits	167,315	84,399	251,714
State specialized services	-	-	-
Charter expense	-	-	-
Depreciation	-	-	-
Total ineligible	167,315	84,399	251,714
Total eligible expenses	\$ 10,653	\$ 210,193	\$ 220,846

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
13. Other Operating Expenses**

State Year Ended September 30, 2020

Description	Community Based			Royal Oak Twp.		
	Oct 1, 2019 to Jun 30, 2020	Jul 1, 2020 to Sep 30, 2020	Total Community Based	Oct 1, 2019 to Jun 30, 2020	Jul 1, 2020 to Sep 30, 2020	Total Royal Oak
	Revenue:					
Fares	\$ 276,618	\$ 90,648	\$ 367,266	\$ 1,786	\$ -	\$ 1,786
Auxiliary Trans Revenue	-	-	-	-	17,059	17,059
Other Non-trans Revenue	-	250	250	94	-	94
Taxes levied directly	1,408,284	34,923	1,443,207	-	-	-
Local operating assistance:						
General Fund/Property tax	1,430,777	157,385	1,588,162	-	-	-
Other	-	-	-	5,876	-	5,876
Other local contracts:						
Mun. Cr.	1,712,319	542,605	2,254,924	1,800	594	2,394
Comm. Cr.	1,434,150	529,088	1,963,238	6,039	2,521	8,560
Other MDOT/BPT contracts and reimb.:						
Act 51	24,165	65,506	89,671	11,349	2,015	13,364
Other	258	-	258	-	-	-
Specialized services	71,254	47,758	119,012	-	-	-
Other federal transit contracts and reim	142,933	618	143,551	-	-	-
Interest income	37,156	8,060	45,216	-	2	2
Total revenue	\$ 6,537,914	\$ 1,476,842	\$ 8,014,756	\$ 26,944	\$ 22,191	\$ 49,135
Total operating expenses	\$ 5,760,397	\$ 1,642,764	\$ 7,403,161	\$ 33,496	\$ 7,354	\$ 40,850
Ineligible expenses:						
SMART municipal credits	1,712,319	542,605	2,254,924	1,800	594	2,394
SMART community credits	1,434,150	529,088	1,963,238	6,039	2,521	8,560
Act 51	24,165	65,506	89,671	11,349	2,015	13,364
Other MDOT/BPT contracts and reimb.	258	-	258	-	-	-
State specialized services	71,254	47,758	119,012	-	-	-
Other Federal contracts and reimb	142,933	618	143,551	-	-	-
Depreciation	-	-	-	-	-	-
Total ineligible	3,385,079	1,185,576	4,570,655	19,188	5,130	24,318
Total eligible expenses	\$ 2,375,318	\$ 457,188	\$ 2,832,506	\$ 14,308	\$ 2,224	\$ 16,532

**Suburban Mobility Authority
for Regional Transportation**

Other Supplemental Information
13. Other Operating Expenses (Continued)

State Year Ended September 30, 2020

Description	Mt. Clemens			Nankin		
	Oct 1, 2019 to Jun 30, 2020	Jul 1, 2020 to Sep 30, 2020	Total Mt. Clemens	Oct 1, 2019 to Jun 30, 2020	Jul 1, 2020 to Sep 30, 2020	Total Nankin
	Revenue:					
Fares	\$ 34,582	\$ 6,565	\$ 41,147	\$ 128,159	\$ 23,381	\$ 151,540
Other nontrans. revenue	-	-	-	376,277	141,082	517,359
Taxes levied directly	83,499	101,753	185,252	-	-	-
Local operating assistance:						
General Fund/Property tax	-	-	-	241,151	82,000	323,151
Other	274	-	274	-	43,541	43,541
Other local contracts:						
Mun. Cr.	36,376	-	36,376	190,200	63,025	253,225
Comm. Cr.	28,739	-	28,739	189,405	64,334	253,739
Other MDOT/BPT contracts and reimb. -						
Specialized services	635	9,550	10,185	-	-	-
Other federal transit contracts and reimb.	-	-	-	-	-	-
Refunds and rebates	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Total revenue	\$ 184,105	\$ 117,868	\$ 301,973	\$ 1,125,192	\$ 417,363	\$ 1,542,555
Total operating expenses	\$ 300,356	\$ 85,966	\$ 386,322	\$ 958,003	\$ 348,515	\$ 1,306,518
Ineligible expenses:						
SMART municipal credits	36,376	-	36,376	190,200	63,025	253,225
SMART community credits	28,739	-	28,739	189,405	64,334	253,739
State specialized services	635	9,550	10,185	-	-	-
Refunds and rebates	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Total ineligible	65,750	9,550	75,300	379,605	127,359	506,964
Total eligible expenses	\$ 234,606	\$ 76,416	\$ 311,022	\$ 578,398	\$ 221,156	\$ 799,554

Other Supplemental Information
13. Other Operating Expenses (Continued)

State Year Ended September 30, 2020

Description	Redford Twp.		Total Redford
	Oct 1, 2019 to Mar 31, 2020	Apr 1, 2020 to Sep 30, 2020	
Revenue:			
Fares	\$ 6,740	\$ 2,680	\$ 9,420
Other nontrans. revenue	\$ 30,000		
Taxes levied directly	78,481	-	78,481
Local operating assistance:			
General Fund/Property tax	-	7,926	7,926
Other	-	-	-
Other local contracts:			
Mun. Cr.	-	-	-
Comm. Cr.	93,577	54,199	147,776
Other MDOT/BPT contracts and reimb. -			
Specialized services	1,650	-	1,650
CARES Act	-	-	-
Other federal transit contracts and reimb.	5,086	-	5,086
Refunds and rebates	-	1,766	1,766
Interest income	7,665	-	7,665
Total revenue	\$ 223,199	\$ 66,571	\$ 259,770
Total operating expenses	\$ 185,942	\$ 125,035	\$ 310,977
Ineligible expenses:			
SMART municipal credits	-	-	-
SMART community credits	93,577	54,199	147,776
State specialized services	1,650	-	1,650
Refunds and rebates	-	1,766	1,766
Depreciation	-	-	-
Total ineligible	95,227	55,965	151,192
Total eligible expenses	\$ 90,715	\$ 69,070	\$ 159,785

Other Supplemental Information
13. Other Operating Expenses (Continued)

State Year Ended September 30, 2020

Description	S.T.A.R.		Total S.T.A.R.
	Oct 1, 2019 to Mar 31, 2020	Apr 1, 2020 to Sep 30, 2020	
Revenue:			
Fares	\$ 1,020	245	\$ 1,265
Other nontrans. revenue	55,159	(31,918)	
Taxes levied directly	466,895	-	466,895
Local operating assistance:			
General Fund/Property tax	113,170	-	113,170
Other	-	-	-
Other local contracts:			
Mun. Cr.	-	-	-
Comm. Cr.	(8,708)	113,599	104,891
Other MDOT/BPT contracts and reimb. -			
Specialized services	3,370	19,042	22,412
Other federal transit contracts and reiml	-	-	-
Refunds/rebates/insurance proceeds			
Interest income	1,375	791	2,166
Total revenue	\$ 632,281	\$ 101,759	\$ 710,799
Total operating expenses	\$ 363,534	\$ 177,968	\$ 541,502
Ineligible expenses:			
SMART municipal credits	-	-	-
SMART community credits	190,530	167,315	357,845
State specialized services	-	-	-
Charter expense	-	-	-
Depreciation	-	-	-
Total ineligible	190,530	167,315	357,845
Total eligible expenses	\$ 173,004	\$ 10,653	\$ 183,657

Other Supplemental Information
14. Other Operating Expenses – Combined Total

State Year Ended September 30, 2020

Description	Total Community Based	Total Mt. Clemens	Total Nankin	Total Redford	Total S.T.A.R.	Total Other
Fares	\$ 367,266	\$ 41,147	\$ 151,540	\$ 9,420	\$ 1,265	\$ 570,638
Other Non-trans Revenue	250	-	517,359			517,609
Taxes levied directly	1,443,207	185,252	-	78,481	466,895	2,173,835
Local operating assistance:						
General Fund/Property tax	1,588,162	-	323,151	7,926	113,170	2,032,409
Other	-	274	43,541	-	-	43,815
Other local contracts:						
Mun. Cr.	2,254,924	36,376	253,225	-	-	2,544,525
Comm. Cr.	1,963,238	28,739	253,739	147,776	104,891	2,498,383
Other MDOT/BPT contracts and reimb.:						
Act 51	89,671	-	-	-	-	89,671
Other	258	-	-	-	-	258
Specialized services	119,012	10,185	-	1,650	22,412	153,259
Other federal transit contracts and reimb.	143,551	-	-	5,086	-	148,637
Refunds/rebates/insurance proceeds	-	-	-	1,766	-	1,766
Interest income	45,216	-	-	7,665	2,166	55,047
Total revenue	\$ 8,014,756	\$ 301,973	\$ 1,542,555	\$ 259,770	\$ 710,799	\$ 10,829,853
Total operating expenses	\$ 7,403,161	\$ 386,322	\$ 1,306,518	\$ 310,977	\$ 541,502	\$ 9,948,480
Ineligible expenses:						
SMART municipal credits	2,254,924	36,376	253,225	-	-	2,544,525
SMART community credits	1,963,238	28,739	253,739	147,776	357,845	2,751,337
Act 51	89,671	-	-	-	-	89,671
Other	258	-	-	-	-	258
State specialized services	119,012	10,185	-	1,650	-	130,847
Charter expense	-	-	-	-	-	-
Refunds/rebates/insurance proceeds	-	-	-	1,766	-	1,766
Other federal contracts and reimb	143,551	-	-	-	-	143,551
Depreciation	-	-	-	-	-	-
Total ineligible	4,570,655	75,300	506,964	151,192	357,845	5,661,956
Total eligible expenses	\$ 2,832,506	\$ 311,022	\$ 799,554	\$ 159,785	\$ 183,657	\$ 4,286,524

Other Supplemental Information
15. URBAN Revenue Combined Schedule

State Year Ended September 30, 2020

Description	SMART Directly Provided	Other	Total for URBAN OAR
Passenger fares	\$ 4,576,937	\$ 367,266	\$ 4,944,203
Contract fares	33,042	-	33,042
Advertising	678,436	-	678,436
Rental of bldgs or other property	59,200	-	59,200
Gains from the sale of capital assets	-	-	-
Other nontrans revenue	462,105	250	462,355
Taxes levied directly	77,766,702	1,443,207	79,209,909
Local operating assistance	-	1,588,162	1,588,162
Other local contracts - Municipal credit recapture	41,379	-	41,379
Other local contracts and reimbursements	-	-	-
Other local community credits	187,041	1,963,238	2,150,279
State operating assistance:			
SMART	25,116,543	-	25,116,543
Bedford	118,696	-	118,696
LETC Urban and Non-Urban	2,044,290	-	2,044,290
Royal Oak Township	11,590	-	11,590
Line-item municipal credit	1,630,540	2,254,924	3,885,464
Mun. Cr. special appropriation	1,630,540	-	1,630,540
State preventive maintenance (20% State share)	1,001,061	-	1,001,061
Other MDOT/BPT contracts and reimb. -	16,898	-	16,898
Reimb for section 5309 program admin	-	89,929	89,929
Other state pass-through grants:			
Specialized Service Grant FY 2020	922,294	119,012	1,041,306
MOBILITY MGT 2012-0130 P12	90,267	-	90,267
MOBILITY MGT 2012-0130 P28	1,085	-	1,085
MOBILITY MGT 2012-0170 P38	581	-	581
NOTA JARC Non-Urban 2017-0130 P07	117,474	-	117,474
NOTA JARC Non-Urban 2012-0130 P16	153,103	-	153,103
JARC PASS THRU 2012-0170 P21	48,778	-	48,778
NOTA New Freedom 2017-0130 P20	60,000	-	60,000
Federal preventive maintenance -			
MI-90-0591	4,000,000	-	4,000,000
Planning/Capital cost of contracting -			
FY 2019 UWP	340,014	-	340,014
FY 2020 UWP	46,384	-	46,384
FY 2021 UWP	69,158	-	69,158
CARES Act	6,000,000	-	6,000,000
Other federal transit contracts and reimb.:			
Reimb. for JARC Admin	1,071	-	1,071
Reimb. for New Freedom Admin.	134,046	-	134,046
Other federal pass-through grants:			
Section 5307 Lake Erie MI-90-0777	520,250	-	520,250
Section 5310 PM	4,243	-	4,243
Section 5311 Lake Erie MI-18-0055	440,501	-	440,501
JARC	48,778	-	48,778
New Freedom	1,557,353	143,551	1,700,904
Refunds, rebates, insurance proceeds	1,323,607	-	1,323,607
Gains from the sale of capital assets	-	-	-
Interest income	1,200,226	45,216	1,245,442
Total	\$ 132,454,213	\$ 8,014,756	\$ 140,468,969

Other Supplemental Information
16. URBAN Expense Combined Schedule

Description	State Year Ended September 30, 2020		
	SMART Directly Provided	Other	Total for URBAN OAR
Operators salaries and wages	\$ 19,014,292	\$ -	\$ 19,014,292
Other salaries and wages	17,568,128	-	17,568,128
Dispatchers salaries and wages	12,631,968	-	12,631,968
Other fringe benefits	12,035,370	-	12,035,370
Pensions - Defined contribution	14,561	-	14,561
Pensions - Defined benefit	8,028,331	-	8,028,331
Other postemployment benefits (OPEB)	7,818,077	-	7,818,077
Advertising fees	328,650	-	328,650
Audit cost	149,400	-	149,400
Other services	3,003,326	-	3,003,326
Fuel and lubricants	3,906,451	-	3,906,451
Tires and tubes	712,883	-	712,883
Other materials and supplies	3,681,802	-	3,681,802
Utilities	884,765	-	884,765
Casualty and liab. costs	5,812,640	-	5,812,640
Other insurance	72,676	-	72,676
Purchased transportation service	1,109,037	-	1,109,037
Pass-throughs that are expensed	7,698,522	-	7,698,522
Other	391,849	7,403,161	7,795,009
Municipal Credits	3,695,450	-	3,695,450
Community Transit	144,453	-	144,453
Nankin/Richmond Lenox/CBS Bloomfield Hills	920,285	-	920,285
Travel, meetings, and training	34,699	-	34,699
Loss on disposal of asset	(39,385)	-	(39,385)
Other miscellaneous expenses	785,612	-	785,612
Leases and rentals	416,935	-	416,935
Depreciation	17,321,556	-	17,321,556
Total expenses	128,142,332	7,403,161	135,545,493
Less ineligible expenses:			
Ineligible refunds and credits	1,285,893	-	1,285,893
Other ineligible state contracts	1,222,906	-	1,222,906
Passthrough	815,268	-	815,268
Other	16,898	-	16,898
Ineligible depreciation	17,258,655	-	17,258,655
Municipal credits	1,222,906	-	1,222,906
Unused community credits	228,420	-	228,420
Ineligible non-trans exp	212,645	-	212,645
Ineligible loss on disposal	(39,385)	-	(39,385)
Local contracts	-	-	-
Preventive maintenance (MI-90-0591)	3,751,061	-	3,751,061
Passthrough	-	-	-
SMART	1,250,000	-	1,250,000
Planning/Cap. cost of contracting	443,579	-	443,579
Other ineligible federal/state/local:	-	-	-
Reimb. for JARC Admin	1,071	-	1,071
Reimb. for New Freedom Admin.	134,046	-	134,046
Pass-through ineligible	6,789,068	-	6,789,068
Ineligible pension	(2,152,818)	-	(2,152,818)
Ineligible OPEB	(6,044,341)	-	(6,044,341)
Other ineligible	227,136	-	227,136
Total ineligible	26,623,008	-	26,623,008
Total eligible expenses	\$ 101,519,324	\$ 7,403,161	\$ 108,922,485

Other Supplemental Information

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

State Year Ended September 30, 2020

Description	Amount
Passenger fares	\$ 4,944,203
Contract fares	33,042
Auxiliary transportation revenue (explain):	
.15 Advertising	678,436
Nontransportation revenue (explain):	
.20 Rental of buildings or other property	59,200
.99 Other nontransportation revenue	462,355
Taxes levied directly by transit system	79,209,909
Local cash grants and reimbursements (explain):	
.10 Local operating assistance	1,588,162
.99 Other local contracts - Municipal Credit recapture	41,379
.99 Other local contracts - Community Credit Program	2,150,279
State formula and contracts:	
.01 State operating assistance SMART	25,116,543
.01 State operating assistance municipal credits	1,630,540
.01 State operating assistance LETC, Bedford, Royal Oak	2,174,576
.10 Line item municipal credits	3,885,464
.11 Preventive maintenance	1,001,061
.99 Other state contracts and reimbursements	106,827
Federal contracts:	
.01 Section 5311 LAKE ERIE	440,501
.02 Section 5307 LAKE ERIE	520,250
.11 Preventive maintenance	4,000,000
.12 Capital cost of contracting	455,556
.61 Cares Act	6,000,000
.99 Other federal contracts and reimbursements	135,116
Interest income	1,245,442
Pass-through grants	
State	1,512,594
Federal	1,753,925
Refunds and credits	1,323,607
Total Revenue	\$ 140,468,969

Other Supplemental Information

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

State Year Ended September 30, 2020

	Operations	Maintenance	Gen. Admin.	Total
Labor:				
01 Oper salary and wages	\$ 19,014,292	\$ -	\$ -	\$ 19,014,292
02 Other salary and wages		6,318,375	11,249,754	17,568,128
03 Disp salary and wages	12,631,968			12,631,968
Fringe benefits	7,739,087	1,545,157	2,751,125	12,035,369
Postemployment benefits	5,027,247	1,003,720	1,787,108	7,818,075
Pension - Defined contribution			14,561	14,561
Pension - Defined benefit	5,162,447	1,030,715	1,835,170	8,028,332
Services:				
01 Audit			149,400	149,400
02 Advertising fees			328,650	328,650
99 Other services	170,119	1,574,313	1,258,894	3,003,326
Materials and supp. cons.:				
01 Fuel and lubricants	3,906,451			3,906,451
02 Tires and tubes	712,883			712,883
99 Other materials and supplies	262,550	3,205,473	213,779	3,681,802
Utilities	-	-	884,765	884,765
Casual and liability costs:				
03 Premium for public liability	5,812,640	-	-	5,812,640
99 Other insurance	-	72,676	-	72,676
Taxes	-	-	-	-
Purchased transportation service	1,109,037	-	-	1,109,037
Miscellaneous expense:				
02 Travel and meetings	-	-	34,699	34,699
03 Dues and subscriptions	-	-	-	-
09 Loss on disposal of asset	-	-	(39,385)	(39,385)
99 Other miscellaneous expense	-	-	785,612	785,612
Pass Throughs that are expensed	7,698,522	-	-	7,698,522
Other	7,795,009	-	-	7,795,009
Municipal Credits	3,695,450	-	-	3,695,450
Community Transit	144,453	-	-	144,453
Nankin/Richmond Lenox/CBS Bloomfield Hills	920,285	-	-	920,285
Leases and rentals	-	-	416,935	416,935
Depreciation	-	-	17,321,556	17,321,556
Total expenses	81,802,440	14,750,429	38,992,622	135,545,491
Less ineligible expenses:				
Pass-through ineligible	6,789,068	-	-	6,789,068
Ineligible refunds and credits	-	-	1,285,893	1,285,893
Other ineligible state contracts	1,222,906	-	-	1,222,906
Passthrough	815,268			815,268
Other	16,898			16,898
Municipal credits	1,222,906	-	-	1,222,906
Unused community credits	228,420	-	-	228,420
Ineligible depreciation	-	-	17,258,655	17,258,655
Other ineligible	227,136	-	-	227,136
Ineligible non-trans exp	212,645	-	-	212,645
Preventive maintenance (MI-90-0591)	-	3,751,061	-	3,751,061
Passthrough	-	-	-	-
SMART	-	1,250,000	-	1,250,000
Other ineligible federal/state/local:				
Reimb. for JARC Admin	-	-	1,071	1,071
Reimb. for New Freedom Admin.	-	-	134,046	134,046
Planning/Cap. Cost of contracting	443,579	-	-	443,579
Ineligible loss on disposal	-	-	(39,385)	(39,385)
Ineligible pension	-	-	(2,152,818)	(2,152,818)
Ineligible OPEB	-	-	(6,044,341)	(6,044,341)
Total ineligible expenses	11,178,826	5,001,061	10,443,121	26,623,008
Total eligible expenses	\$ 70,623,614	\$ 9,749,368	\$ 28,549,501	\$ 108,922,483

19. SMART Combined Urban Regular Service Nonfinancial Report

State Year Ended September 30, 2020

DESCRIPTION	WEEKDAYS	SATURDAY	SUNDAY	TOTAL
FIXED ROUTE				
PUBLIC SERVICE				
VEHICLE HOURS	578,430	68,926	37,974	685,330
VEHICLE MILES	9,119,702	1,123,940	626,128	10,869,770
MISCELLANEOUS INFORMATION				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-
CONNECTOR				
PUBLIC SERVICE				
VEHICLE HOURS	165,899	6,451	1,017	173,367
VEHICLE MILES	2,577,833	107,312	17,721	2,702,866
MISCELLANEOUS INFORMATION				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-

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

**Suburban Mobility Authority
for Regional Transportation**

Other Supplemental Information
20. Royal Oak Twp. Urban Service Revenue Report

State Year Ended September 30, 2020

Description	Amount
Passenger fares	\$ 1,786
Contract fares	-
Package delivery/ Meals on Wheels	-
Incidental charter service revenue	-
Auxiliary transportation revenue (explain):	
.10 Concessions	-
.15 Advertising	-
.20 Intercity ticket sales	-
.99 Other auxiliary transportation revenue	17,059
Nontransportation revenue (explain):	
.10 Sale of maintenance services	-
.15 Rental of revenue vehicles	-
.20 Rental of buildings or other property	-
.25 Parking lot revenue	-
.60 Gains from the sales of capital assets	-
.99 Other nontransportation revenue	94
Taxes levied directly by transit system	-
Local cash grants and reimbursements (explain):	
.10 Local operating assistance	5,876
.20 Single business tax	-
.99 Other local contracts (Community Credit Program)	8,560
State formula and contracts:	
.01 State operating assistance	13,364
.10 Line item municipal credits	2,394
.11 Preventive maintenance	-
.12 Capital cost of contracting	-
.13 Capital contract reimbursement for administrative expenses	-
.14 Other capital contract reimbursements for operating expenses	-
.99 Other state contracts and reimbursements	-
Federal contracts:	
.01 Section 5311	-
.02 Section 5307	-
.11 Preventive maintenance	-
.12 Capital cost of contracting	-
.13 Capital contract reimbursement for administrative expenses	-
.14 Other capital contract reimbursements for operating expenses	-
.98 RTAP	-
.99 Other federal contracts and reimbursements	-
Interest income	2
Contributed service	-
Total revenue	\$ 49,135

**Suburban Mobility Authority
for Regional Transportation**

Other Supplemental Information

21. Royal Oak Twp. Urban Regular Service Expense Report

State Year Ended September 30, 2020

	Operations	Maintenance	Gen. Admin.	Total
Labor				
01 Oper salary and wages	\$ 15,829	\$ -	\$ -	\$ 15,829
02 Other salary and wages	-	-	4,041	4,041
03 Disp salary and wages	4,041	-	-	4,041
Fringe benefits	-	-	57	57
Services:				
02 Advertising fees	-	-	-	-
05 Audit	-	-	2,884	2,884
99 Other services	-	-	880	880
Materials and supp. Cons.:				
01 Fuel and lubricants	2,172	-	-	2,172
02 Tires and tubes	-	-	-	-
99 Other materials and supplies	-	24	960	984
Utilities	-	-	2,227	2,227
Casual and liability costs:				
03 Premium for public liability	880	-	6,192	7,072
99 Other insurance	-	-	-	-
Taxes	-	-	-	-
Purchased transportation service	-	-	-	-
Miscellaneous expense:				
02 Travel and meetings	-	-	-	-
99 Other miscellaneous expense	-	-	664	664
Interest expense:				
01 Interest on long-term debt	-	-	-	-
02 Interest on short-term debt	-	-	-	-
Leases and rentals	-	-	-	-
Depreciation	-	-	-	-
Total expenses	22,922	24	17,905	40,851
Less ineligible expenses:				
SMART municipal credits	2,394	-	-	2,394
SMART community credits	8,560	-	-	8,560
Act 51	13,364	-	-	13,364
Other MDOT/BPT contracts and reimb.:	-	-	-	-
State specialized services	-	-	-	-
Other Federal contracts and reimb	-	-	-	-
Depreciation	-	-	-	-
99 Total ineligible expense	24,318	-	-	24,318
Total eligible expenses	\$ (1,396)	\$ 24	\$ 17,905	\$ 16,533

22. Royal Oak Twp. Urban Regular Service Nonfinancial Report

State Year Ended September 30, 2020

DESCRIPTION	WEEKDAYS	SATURDAY	SUNDAY	TOTAL
FIXED ROUTE				
PUBLIC SERVICE				
VEHICLE HOURS	-	-	-	-
VEHICLE MILES	-	-	-	-
MISCELLANEOUS INFORMATION				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-
CONNECTOR				
PUBLIC SERVICE				
VEHICLE HOURS	988	-	-	988
VEHICLE MILES	3,158	-	-	3,158
MISCELLANEOUS INFORMATION				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-

Management has determined that the methodology used for compiling miles and hours has been reviewed and the reconciling 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.