



Suburban Mobility Authority for Regional Transportation

**Federal Awards
Supplemental Information
June 30, 2021**



Independent Auditor's Reports

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

Independent Auditor's Report

To the Board of Directors
Suburban Mobility Authority for Regional Transportation

We have audited the financial statements of the business-type activities and fiduciary activities of the Suburban Mobility Authority for Regional Transportation (the "Authority") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated November 10, 2021, which contained unmodified opinions on the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to November 10, 2021.

The accompanying schedule of expenditures of federal awards and the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are presented for the purpose of additional analysis, as required by the Uniform Guidance, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

November 10, 2021

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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type and fiduciary activities of the Suburban Mobility Authority for Regional Transportation (the "Authority") as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 10, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Purpose of This Report

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

Plante & Moran, PLLC

November 10, 2021

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

Independent Auditor's Report

To the Board of Directors
Suburban Mobility Authority for Regional Transportation

Report on Compliance for Each Major Federal Program

We have audited Suburban Mobility Authority for Regional Transportation's (the "Authority") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the Authority's major federal program for the year ended June 30, 2021. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

To the Board of Directors
Suburban Mobility Authority for Regional Transportation

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Plante & Moran, PLLC

November 10, 2021

Suburban Mobility Authority for Regional Transportation

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
Clusters:				
U.S. Department of Transportation - Direct programs:				
Federal Transit Cluster:				
Formula Grants:				
COVID-19 - Operating Assistance FY20 CARES	20.507		\$ 4,121,255	\$ 16,121,255
Capital Assistance FY13-14-15	20.507		621,143	621,143
Capital Assistance FY17-18-19	20.507		-	829,192
Capital Assistance FY17-18-19	20.507		-	4,000,000
Capital Assistance FY16	20.507		-	7,764,195
Capital Assistance FY16	20.507		-	251,645
Capital Assistance FY16	20.507		263,308	263,308
Operating Assistance (Monroe) FY20	20.507		(54,276)	(54,276)
Operating Assistance (Monroe) FY21	20.507		558,000	558,000
COVID-19 - Capital Assistance FY20 CARES	20.507		-	11,764,984
Capital Assistance FY18-19	20.507		-	2,405,645
Capital Assistance FY18-19	20.507		218,173	218,173
Capital Assistance FY16	20.507		8,000	8,000
Capital Assistance FY18-19	20.507		30,830	30,830
Capital Assistance FY20-21	20.507		-	5,998,420
Total Federal Transit Cluster			5,766,433	50,780,514
Transit Services Programs Cluster:				
5310 NEW FREEDOM CAPITAL	20.513		2,988	2,988
5310 NEW FREEDOM MOBILITY MANAGEMENT	20.513		-	59,724
5310 NF PREVENTATIVE MAINTENANCE	20.513		36,416	36,416
5310 NEW FREEDOM CAPITAL	20.513		16,220	16,220
SMART 5310 PROGRAM ADMIN	20.513		-	8,049
5310 NEW FREEDOM OPERATING	20.513		35,110	35,110
5310 NEW FREEDOM MOBILITY MANAGEMENT	20.513		34,924	34,924
5310 NEW FREEDOM CAPITAL	20.513		1,176	1,176
SMART 5310 PROGRAM ADMIN	20.513		-	27,774
5310 NEW FREEDOM OPERATING	20.513		268,122	268,122
5310 NEW FREEDOM MOBILITY MANAGEMENT	20.513		240,089	240,089
5310 NEW FREEDOM CAPITAL	20.513		370,259	370,259
SMART 5310 PROGRAM ADMIN	20.513		-	16,952
5310 NEW FREEDOM OPERATING	20.513		603,658	603,658
5310 NEW FREEDOM MOBILITY MANAGEMENT	20.513		159,813	159,813
SECTION 5310 - CAPITAL	20.513		-	2,940
SECTION 5311	20.516		-	59,502
SECTION 5311	20.516		-	27,537
SECTION 5310	20.521		-	244,387
SECTION 5310	20.513		-	71,331
COVID-19 - SECTION 5310	20.513		-	5,000
COVID-19 - SECTION 5310	20.513		-	2,100
SECTION 5317 NEW FREEDOM PROGRAM ADMIN	20.521		-	4,179
Total Transit Services Programs Cluster			1,768,775	2,298,250

Suburban Mobility Authority for Regional Transportation

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2021

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Transportation - Pass-through programs from the State of Michigan Department of Transportation:				
OPERATING ASSIST. LET- SEC 5311 (2021)	20.509	MI-18-0055	\$ 224,815	\$ 224,815
OPERATING ASSIST. LET- SEC 5311 (2020)	20.509	MI-18-0055	187,197	187,197
SECTION 5311	20.509	MI-2020-008	-	156,461
Total passed through the Michigan Department of Transportation			412,012	568,473
U.S. Department of Transportation - Pass-through programs from the Southeast Michigan Council of Governments:				
PLANNING & TECHNICAL STUDIES UWP PROGRAM	20.505	MI-80-X006	-	318,806
TRANSIT ASSET MGT	20.505	2015-0009	-	(27,294)
OPER REVIEW	20.505	2015-0009	-	73,679
Total passed through the Southeast Michigan Council of Governments			-	365,191
Total expenditures of federal awards			\$ 7,947,220	\$ 54,012,428

Suburban Mobility Authority for Regional Transportation

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

Year Ended June 30, 2021

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 23,703,854
Add federal portion of capital contributions - As reported on the financial statements	<u>30,308,574</u>
Federal expenditures per the schedule of expenditures of federal awards	<u>\$ 54,012,428</u>

Suburban Mobility Authority for Regional Transportation

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Suburban Mobility Authority for Regional Transportation (the "Authority") under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

Note 2 - Summary of Significant Accounting Policies

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

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

Suburban Mobility Authority for Regional Transportation

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported
- Noncompliance material to financial statements noted? _____ Yes X None reported

Federal Awards

Internal control over major programs:

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

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

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster	Opinion
20.507	Federal Transit Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$1,620,373

Auditee qualified as low-risk auditee? _____ Yes X No

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None