
Mass Transportation Authority

Flint, Michigan

Financial Report
with Supplemental Information
September 30, 2022

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Independent Auditor's Report

To the Board of Directors
Mass Transportation Authority

Report on the Audits of the Financial Statements

Opinions

We have audited the financial statements of the enterprise fund and fiduciary fund of the Mass Transportation Authority (the "Authority") as of and for the years ended September 30, 2022 and 2021 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the enterprise fund and fiduciary fund of the Authority as of September 30, 2022 and 2021 and the respective changes in its financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audits of the Financial Statements

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

To the Board of Directors
Mass Transportation Authority

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

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

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

Required 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The other supplemental information, as identified in the table of contents, except for schedules 6, 9, and 12 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, except for schedules 6, 9, and 12, is fairly stated in all material respects in relation to the basic financial statements as a whole. Schedules 6, 9, and 12 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 assurance on them.

To the Board of Directors
Mass Transportation Authority

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2023 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

February 22, 2023

As management of the Mass Transportation Authority (the "Authority" or MTA), we offer readers this narrative overview and analysis of the financial activities for the years ended September 30, 2022 and 2021. The management's discussion and analysis is designed to assist readers of financial statements in focusing on significant financial activities and issues and to identify any significant changes. As this information is presented in summary form, it should be read in conjunction with the financial statements as a whole.

Financial Highlights

- The Authority has net position of \$76,829,777 at September 30, 2022. This net position results from the difference between total assets of \$82,494,894 and total liabilities of \$5,465,251.
- Current assets of \$24,968,035 primarily consist of nonrestricted cash and investments of \$20,241,861, government receivables of \$1,967,343, inventory of \$1,563,004, and prepaid expenses of \$105,518.
- Current liabilities of \$3,363,137 primarily consist of accounts payable of \$1,002,563, accrued liabilities and other accruals of \$662,901, and compensated absences (current portion) of \$832,934.
- Passenger fares totaling \$4,152,856 in 2022 increased by \$1,714,229 over 2021 due to an increase in ridership and elimination of the temporary fare reductions that were implemented as a result of the global pandemic.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to Authority's basic financial statements. The Authority's basic financial statements consist of two kinds of statements: (1) proprietary fund and (2) OPEB trust fund, which is a fiduciary fund. This report also includes supplemental information intended to furnish additional detail to support the basic financial statements themselves.

- Proprietary funds - The proprietary fund statements report information about the Authority as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The statement of revenue, expenses, and changes in net position accounts for all of the current year's revenue and expenses, regardless of when cash is received or paid.

The net position of the proprietary fund is reported in the statement of net position. Net position, the difference between the Authority's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, is one way to measure the Authority's financial health or position. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial position is improving or deteriorating. To assess the overall health of the Authority, you must also consider additional factors, such as changes in the Authority's tax base, the condition of its rolling stock and facilities, and changes in federal and state programs.

- Fiduciary funds - The Authority administers an OPEB plan that covers full-time employees who retired after January 1, 1993. The Authority is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. These activities are excluded from the proprietary fund financial statements because the Authority cannot use these assets to finance its operations.

Mass Transportation Authority

Management's Discussion and Analysis (Continued)

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the financial statements.

The Authority's Net Position

	2020	2021	2022	Change	Percent Change
Assets					
Current and other assets	\$ 18,960,887	\$ 22,936,202	\$ 25,015,988	\$ 2,079,786	9.1
Capital assets	66,934,289	64,343,702	57,478,906	(6,864,796)	(10.7)
Total assets	85,895,176	87,279,904	82,494,894	(4,785,010)	(5.5)
Deferred Outflows of Resources	335,136	261,293	449,415	188,122	72.0
Liabilities					
Current liabilities	3,163,397	2,901,847	3,363,137	461,290	15.9
Noncurrent liabilities	2,585,683	2,047,117	2,102,114	54,997	2.7
Total liabilities	5,749,080	4,948,964	5,465,251	516,287	10.4
Deferred Inflows of Resources	23,440	939,155	649,281	(289,874)	(30.9)
Net Position					
Net investment in capital assets	66,274,289	63,803,702	57,063,906	(6,739,796)	(10.6)
Restricted:					
Debt service	36,270	36,380	47,953	11,573	31.8
Capital projects	231,516	231,516	231,516	-	-
Unrestricted	13,915,717	17,581,480	19,486,402	1,904,922	10.8
Total net position	<u>\$ 80,457,792</u>	<u>\$ 81,653,078</u>	<u>\$ 76,829,777</u>	<u>\$ (4,823,301)</u>	(5.9)

The largest portion of the Authority's net position reflects investment in capital assets consisting of buses and operating facilities. The Authority uses these capital assets to provide public transportation services for the Genesee County area.

The Authority's Changes in Net Position

	2020	2021	2022	Change	Percent Change
Revenue					
Operating revenue	\$ 4,998,004	\$ 2,831,786	\$ 4,572,028	\$ 1,740,242	61.5
Nonoperating revenue - Net of expenses	39,944,561	40,710,218	39,211,183	(1,499,035)	(3.7)
Total revenue	44,942,565	43,542,004	43,783,211	241,207	0.6
Expenses					
Operating expense before depreciation	38,043,941	39,722,887	41,709,270	1,986,383	5.0
Depreciation expense	8,952,883	8,569,831	8,476,328	(93,503)	(1.1)
Total expenses	46,996,824	48,292,718	50,185,598	1,892,880	3.9
Capital Grants	8,291,528	5,946,000	1,579,086	(4,366,914)	(73.4)
Change in Net Position	6,237,269	1,195,286	(4,823,301)	(6,018,587)	(503.5)
Net Position - Beginning of year	74,220,523	80,457,792	81,653,078	1,195,286	1.5
Net Position - End of year	<u>\$ 80,457,792</u>	<u>\$ 81,653,078</u>	<u>\$ 76,829,777</u>	<u>\$ (4,823,301)</u>	(5.9)

Capital Assets

The Authority's investment in capital assets net of accumulated depreciation and related long-term debt at September 30, 2022 and 2021 was \$57,063,906 and \$63,803,702, respectively. This investment in capital assets includes land, buildings, construction in progress, leasehold improvements, revenue equipment, maintenance and garage equipment, service cars, and furniture and fixtures.

Detailed information concerning capital assets can be found in Note 4 to the financial statements.

The Authority has made a commitment to invest in hydrogen buses and to expand MTA's hydrogen fueling station in Grand Blanc to accommodate the new vehicles.

Para Transit Centers

The Authority has made a significant investment in the construction of local para transit centers. The centers are designed to improve customer service by offering our riders convenient local facilities. Comfortable waiting areas and time-coordinated service will make it more convenient for riders to secure transportation. These facilities will also serve as vehicle fueling and storage units, furthering the efficiency of operations.

Capital Operating Expenses

Capital operating expenses for fiscal year 2022 were approximately \$1.6 million compared to \$5.9 million for fiscal year 2021. These operating costs are budgeted and are reimbursable by the federal and state governments.

Long-term Debt

At September 30, 2022 and 2021, the Authority had \$280,000 and \$415,000, respectively, of long-term debt and \$832,934 and \$779,162, respectively, of compensated absences.

The net OPEB liability (asset) was \$188,817 and \$(122,116) at September 30, 2022 and 2021, respectively.

Economic Factors

The COVID-19 pandemic has stifled the Authority's ridership and impacted its revenue since March 2020. The CARES Act funding and the CRRSAA Act funding have provided revenue to offset wages, loss of revenue, and continuing expenses related to personal protective equipment (PPE) for its transit system and its employees.

The Mass Transportation Authority is reviewing all MTA services to determine how to right size the organization to provide the best service possible to all our customers. MTA is working on the implementation of a new contactless fare system that uses tap cards in place of paper passes.

Requests for Further Information

This financial report is intended to provide a general overview of the Authority's finances and demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional information, please contact the Mass Transportation Authority at 1401 S. Dort Highway, Flint, MI 48503.

Mass Transportation Authority

Statement of Net Position

September 30, 2022 and 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 20,241,861	\$ 14,585,708
Receivables:		
Accounts receivable	1,090,309	997,052
Due from federal and state governments	1,911,719	5,726,352
Due from local governments	55,624	103,946
Inventories	1,563,004	1,311,102
Prepaid expenses	105,518	53,546
Total current assets	24,968,035	22,777,706
Noncurrent assets:		
Restricted cash	47,953	36,380
Net OPEB asset	-	122,116
Capital assets: (Note 4)		
Assets not subject to depreciation	4,006,283	3,757,361
Assets subject to depreciation - Net	53,472,623	60,586,341
Total noncurrent assets	57,526,859	64,502,198
Total assets	82,494,894	87,279,904
Deferred Outflows of Resources - Deferred OPEB costs (Note 9)	449,415	261,293
Liabilities		
Current liabilities:		
Accounts payable	1,002,563	466,148
Due to state government	110,117	110,117
Current portion of self-insurance liabilities (Note 7)	648,372	737,188
Accrued liabilities and other	662,901	715,482
Current portion of compensated absences (Note 5)	832,934	779,162
Current portion of bonds payable (Note 5)	106,250	93,750
Total current liabilities	3,363,137	2,901,847
Noncurrent liabilities:		
Payable from restricted assets:		
Interest payable from restricted assets	3,943	5,130
Principal payable from restricted assets (Note 5)	28,750	31,250
Self-insurance liabilities (Note 7)	1,600,604	1,595,737
Net OPEB liability (Note 9)	188,817	-
Bonds payable - Net of current portion (Note 5)	280,000	415,000
Total noncurrent liabilities	2,102,114	2,047,117
Total liabilities	5,465,251	4,948,964
Deferred Inflows of Resources - Deferred OPEB cost reductions (Note 9)	649,281	939,155
Net Position		
Net investment in capital assets	57,063,906	63,803,702
Restricted:		
Debt service	47,953	36,380
Capital projects	231,516	231,516
Unrestricted	19,486,402	17,581,480
Total net position	<u><u>\$ 76,829,777</u></u>	<u><u>\$ 81,653,078</u></u>

Mass Transportation Authority

Statement of Revenue, Expenses, and Changes in Net Position

Years Ended September 30, 2022 and 2021

	2022	2021
Operating Revenue		
Passenger fares	\$ 4,152,856	\$ 2,438,627
Advertising, rent, and miscellaneous	419,172	393,159
Total operating revenue	4,572,028	2,831,786
Operating Expenses		
Labor	21,663,009	20,867,906
Fringe benefits	7,347,024	7,328,650
Services	3,470,923	2,548,352
Materials and supplies	6,143,359	5,300,009
Utilities	1,292,494	1,140,712
Insurance	1,626,186	2,347,851
Taxes and fees	5,901	8,227
Leases and rentals	12,333	6,000
Miscellaneous expenses	148,041	175,180
Depreciation	8,476,328	8,569,831
Total operating expenses	50,185,598	48,292,718
Operating Loss	(45,613,570)	(45,460,932)
Nonoperating Revenue (Expense)		
Investment income - Net	11,204	842
Gain on sale of assets	112,640	30,594
Property taxes	13,058,009	12,726,003
Federal operating grants	11,797,315	12,566,269
State operating grants	13,467,029	14,631,514
Other local grants	21,703	1,665
Other nonoperating revenue	767,746	777,271
Interest on leases	(24,463)	(23,940)
Total nonoperating revenue	39,211,183	40,710,218
Loss - Before capital grants	(6,402,387)	(4,750,714)
Capital Grants		
Federal sources	1,266,053	5,180,509
State sources	313,033	765,491
Total capital grants	1,579,086	5,946,000
Change in Net Position	(4,823,301)	1,195,286
Net Position - Beginning of year	81,653,078	80,457,792
Net Position - End of year	\$ 76,829,777	\$ 81,653,078

Mass Transportation Authority

Statement of Cash Flows

Years Ended September 30, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Receipts from customers	\$ 4,433,709	\$ 2,715,251
Payments to suppliers	(12,711,773)	(10,600,382)
Payments to employees and fringes	(29,181,034)	(28,678,755)
Net cash, cash equivalents, and restricted cash used in operating activities	(37,459,098)	(36,563,886)
Cash Flows from Noncapital Financing Activities		
Principal and interest paid on operating debt	(145,521)	(145,080)
Federal operating grants	13,854,590	11,826,255
State operating grants	15,450,610	14,819,963
Local operating grants	21,703	1,665
Property taxes not restricted for capital activities	13,106,331	12,704,741
Other nonoperating receipts	801,268	777,271
Net cash, cash equivalents, and restricted cash provided by noncapital financing activities	43,088,981	39,984,815
Cash Flows from Capital and Related Financing Activities		
Receipt of capital grants	1,525,531	6,446,107
Proceeds from sale of capital assets	112,640	30,594
Purchase of capital assets	(1,611,532)	(5,979,244)
Net cash, cash equivalents, and restricted cash provided by capital and related financing activities	26,639	497,457
Cash Flows Provided by Investing Activities - Interest received on investments	11,204	842
Net Increase in Cash, Cash Equivalents, and Restricted Cash	5,667,726	3,919,228
Cash, Cash Equivalents, and Restricted Cash - Beginning of year	14,622,088	10,702,860
Cash, Cash Equivalents, and Restricted Cash - End of year	\$ 20,289,814	\$ 14,622,088
Classification of Cash, Cash Equivalents, and Restricted Cash		
Cash and investments	\$ 20,241,861	\$ 14,585,708
Restricted cash	47,953	36,380
Total cash, cash equivalents, and restricted cash	\$ 20,289,814	\$ 14,622,088

Mass Transportation Authority

Statement of Cash Flows (Continued)

Years Ended September 30, 2022 and 2021

	2022	2021
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	\$ (45,613,570)	\$ (45,460,932)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	8,476,328	8,569,831
Changes in assets and liabilities:		
Receivables	(138,319)	41,430
Inventories	(251,902)	124,755
Prepaid and other assets	(51,972)	40,647
Accrued wages and other liabilities	(454,940)	627,760
Accounts payable	452,466	365,775
Estimated claims liability	-	304,890
Net OPEB asset (liability)	310,933	(1,251,885)
Deferrals related to OPEB	(188,122)	73,843
Total adjustments	8,154,472	8,897,046
Net cash, cash equivalents, and restricted cash used in operating activities	<u><u>\$ (37,459,098)</u></u>	<u><u>\$ (36,563,886)</u></u>

Mass Transportation Authority

Statement of Fiduciary Net Position

September 30, 2022 and 2021

	Retiree OPEB Trust	
	2022	2021
Assets		
Cash and cash equivalents (Note 3)	\$ 32,237	\$ 50,495
Investments - Mutual funds (Note 3)	2,028,638	2,148,501
Total assets	2,060,875	2,198,996
Liabilities	-	-
Net Position - Restricted for other postemployment benefits	<u><u>\$ 2,060,875</u></u>	<u><u>\$ 2,198,996</u></u>

Mass Transportation Authority

Statement of Changes in Fiduciary Net Position

Years Ended September 30, 2022 and 2021

	Retiree OPEB Trust	
	2022	2021
Additions		
Investment income (loss):		
Interest and dividends	\$ 93,536	\$ 48,701
Change in fair value of investments	(467,655)	243,102
Investment-related expenses	(19,063)	(16,969)
Net investment (loss) income	(393,182)	274,834
Contributions - Employer	281,707	354,355
Total additions	(111,475)	629,189
Deductions - Benefit payments	26,646	27,040
Net (Decrease) Increase in Net Position	(138,121)	602,149
Net Position Restricted for Other Postemployment Benefits - Beginning of year	2,198,996	1,596,847
Net Position Restricted for Other Postemployment Benefits - End of year	\$ 2,060,875	\$ 2,198,996

September 30, 2022 and 2021

Note 1 - Significant Accounting Policies

Reporting Entity

The Mass Transportation Authority (the "Authority" or MTA) was incorporated on September 27, 1971 under the provisions of the Mass Transportation System Authorities Act, Act 55 of the Public Acts of Michigan of 1963. The Authority provides transportation to the general public in the City of Flint and Genesee County area. The Authority is managed by a governing committee consisting of the city administrator of the City of Flint, Michigan or his or her designee and 10 United States citizens, including the following: (1) the chairperson of Genesee County Board of Commissioners or another county commissioner designated by the chairperson, (2) a representative of Genesee County Chapter of the Michigan Township Association, (3) a representative of Genesee County Chapter of Small Cities and Villages Association, (4) a representative of the education community designated by Flint Schools superintendent, (5) the president of the Flint City Council or his or her designee, (6) the county commissioner selected by the Genesee County Board of Commissioners, (7) two Flint residents appointed by the mayor with concurrence of the Flint City Council, (8) one Flint resident appointed by the Flint City Council, and (9) one Genesee County resident appointed by the Genesee County Board of Commissioners. The respective representatives of the Michigan Township Association and the Small Cities and Villages Association shall be selected, from among at least three persons nominated by the associations, by the Board of County Commissioners.

The Retiree OPEB Trust is governed by the Authority's board. Although it is legally separate from the Authority, it is reported as a fiduciary component unit because the Authority appoints a voting majority board and the plan imposes a financial burden on the Authority.

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 (GASB). 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

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees). The Authority reports its operations in a single enterprise fund.

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts are not used to operate the Authority's programs. The Authority reports the activities of the Retiree OPEB Trust in a single fiduciary fund.

Basis of Accounting

Proprietary funds 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.

September 30, 2022 and 2021**Note 1 - Significant Accounting Policies (Continued)*****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.

Inventories and Prepaid Items

Inventories are valued at cost on a first-in, first-out basis. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items.

Restricted Cash

The revenue bonds require amounts to be set aside for debt service principal and interest. These amounts have been classified as restricted cash.

Capital Assets

Capital assets, which include land, construction in progress, buildings, leasehold improvements, revenue equipment, maintenance and garage equipment, service cars, and furniture and fixtures, are reported in the proprietary fund financial statements. Capital assets are defined by the Authority as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Buildings	20 - 30
Revenue equipment	4 - 12
Service cars	3 - 6
Furniture and fixtures	4 - 10
Leasehold improvements	10 - 30
Maintenance and garage equipment	5 - 10

Grant Activities

The federal government, through the Federal Transit Administration (FTA) 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 are recorded as grant receivables and revenue when the qualified expenditures are recorded. Federal and state capital acquisition grants fund the purchase of capital items, including buses and related transportation equipment used by the Authority. 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, the Authority is required to notify the granting federal agency. A proportional amount of the sale proceeds or fair market value, if any, of such property may be used to acquire like-kind replacement assets or can be remitted to the granting federal agency at its discretion.

September 30, 2022 and 2021**Note 1 - Significant Accounting Policies (Continued)****Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet 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 will not be recognized as an outflow of resources (expense) until then. The Authority reports deferred outflows of resources related to OPEB.

In addition to liabilities, the statement of net position and/or balance sheet 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 will not be recognized as an inflow of resources (revenue) until that time. The Authority reports deferred inflows of resources related to OPEB.

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 in the government-wide and proprietary fund financial statements (as applicable), 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.

Property Tax Revenue

Property taxes are levied in each political jurisdiction within Genesee County. Property taxes attach as an enforceable lien on property as of December 31. Taxes are levied in the following December and are payable without penalty through February 28. The political jurisdictions within Genesee County bill and collect their own property taxes and remit payments to the Mass Transportation Authority. Real property taxes delinquent at March 1 are remitted to the county. Property tax revenue is recognized in the fiscal year levied. The one exception is the City of Flint, Michigan, which levies the millage itself and then remits it to the Authority. That millage is levied in July and is payable without penalty through September of that same year.

Other Postemployment Benefit Costs

The Authority offers retiree health care benefits to eligible retirees. 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.

Compensated Absences

Vacation leave time is accrued at varying amounts depending on the number of years of service of an employee. Vacation leave is credited to hourly employees annually on the anniversary of their seniority date; for management employees, vacation credit is accrued monthly. Earned vacation credit is payable at 100 percent to employees upon termination up to a maximum of 320 hours.

Vacation used during the year is recorded as current salaries and wages expenses, and vacation earned during the year is recorded as an accrued liability. At year end, each employee's accumulated leave is computed by applying their current (year-end) rate of pay times total accumulated hours. Accumulated compensated absences represent a liability to the Authority, which is presented as a current liability.

September 30, 2022 and 2021**Note 1 - Significant Accounting Policies (Continued)****Self-insurance Liabilities and Expense**

MTA has a self-insurance program for general liability, property damage claims, and the workers' compensation claims. Claims are accrued in the year the expenses are incurred based upon the estimates of the claim liabilities made by management, legal counsel of MTA, and actuaries. Also provided for are estimates of claims incurred during the year but not yet reported. Claims expense is accrued in the period the incidents of loss occur based upon estimates of liability made by management with the assistance of third-party administration, legal counsel, and actuaries. Claims liability is the best estimate based on known information.

Cost Allocation Plans

The Mass Transportation Authority allocates expenses between various program activities for grant reporting purposes. The allocations are prepared based on a cost allocation plan and methodology that has been approved by the grantor agency (i.e., service hours, service miles, or peak vehicle).

The Mass Transportation Authority has four cost allocation plans where the methodology has been approved by the Office of Passenger Transportation (OPT). Those cost allocations are for specialized service cost, urban/nonurban and JARC program cost, JARC revenue, and transfer center rental space. These cost allocation plans were adhered to in the preparation of the financial statements.

Proprietary Funds Operating Classification

Proprietary funds distinguish 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 proprietary funds is charges to customers for sales or services. Operating expenses for these funds include the cost of sales or services and administrative expenses and may include depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

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.

Comparative Data

The financial statements include prior year comparative information to provide an understanding of the changes in the Authority's financial position and operations.

Reclassification

Certain 2021 amounts have been reclassified to conform to the 2022 presentation.

September 30, 2022 and 2021**Note 1 - Significant Accounting Policies (Continued)*****Upcoming Accounting Pronouncements***

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 September 30, 2023.

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. 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 September 30, 2023.

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

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

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

Note 2 - State of Michigan Operating Assistance Funds

Under Act 51 of the Public Acts of 1951 (Act 51), as amended, the State of Michigan makes distributions of funds that have been appropriated for mass transit operating assistance. The Authority has recorded operating grant revenue under Act 51 based on a formula that takes into account the eligible costs incurred by the Authority and preliminary information made available by the Michigan Department of Transportation as to the eligible expenses reimbursement percentage for the fiscal year ended September 30, 2022.

September 30, 2022 and 2021

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

The latest final determination of State of Michigan operating assistance allocable to the Authority in accordance with the Act 51 funding formula was for the fiscal year ended September 30, 2019. The resulting increase in revenue has been finalized with the State and has been received by the Authority. Furthermore, the Authority awaits the final determination for the years ended September 30, 2020, 2021, and 2022 (open years). The Authority has recorded a liability or receivable based on MDOT's preliminary eligible expenses reimbursement percentage for each of the open years based on management's anticipation of the results of the State's final determination of the Act 51 funding formula for the open years.

Note 3 - Deposits and Investments

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

	2022		
	Business-type Activities	Fiduciary	Total
Cash and cash equivalents	\$ 20,241,861	\$ 32,237	\$ 20,274,098
Investments	-	2,028,638	2,028,638
Restricted cash	47,953	-	47,953
Total deposits and investments	<u>\$ 20,289,814</u>	<u>\$ 2,060,875</u>	<u>\$ 22,350,689</u>
	2021		
	Business-type Activities	Fiduciary	Total
Cash and cash equivalents	\$ 14,585,708	\$ 50,495	\$ 14,636,203
Investments	-	2,148,501	2,148,501
Restricted cash	36,380	-	36,380
Total deposits and investments	<u>\$ 14,622,088</u>	<u>\$ 2,198,996</u>	<u>\$ 16,821,084</u>

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 270 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 retiree OPEB trust is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

September 30, 2022 and 2021

Note 3 - Deposits and Investments (Continued)

The Authority has designated one bank for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States, certificates of deposit, savings accounts, deposit accounts or depository receipts of a financial institution, commercial paper, repurchase agreements, bankers' acceptances of United States banks, mutual funds, investment pools organized under the surplus funds investment pool act (1982 PA 367), and investment pools organized under the local government investment pool act (1985 PA 121). The Authority's deposits and investments are in accordance with statutory authority.

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. The Authority does not have a deposit policy for custodial credit risk. At September 30, 2022 and 2021, the Authority had \$20,490,234 and \$14,970,709, respectively, of bank deposits (checking accounts) that was uninsured and uncollateralized. The Authority believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Authority evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Authority has no investment policy that would further limit its investment choices. As of September 30, 2022 and 2021, the credit quality ratings of investments are as follows:

Investment	2022			2021		
	Carrying Value	Rating	Rating Organization	Carrying Value	Rating	Rating Organization
Fiduciary Funds						
Mutual funds	\$ 2,028,638	Not rated	N/A	\$ 2,148,501	Not rated	N/A

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 September 30, 2022, mutual funds of \$2,028,638 are valued using quoted marketed prices (Level 1 inputs).
- As of September 30, 2021, mutual funds of \$2,148,501 are valued using quoted market prices (Level 1 inputs).

September 30, 2022 and 2021

Note 4 - Capital Assets

Capital asset activity of the Authority's business-type activities was as follows:

Business-type Activities

	Balance October 1, 2021	Reclassifications	Additions	Disposals	Balance September 30, 2022
Capital assets not being depreciated:					
Land	\$ 3,749,736	\$ -	\$ 31,982	\$ -	\$ 3,781,718
Construction in progress	7,625	(7,625)	224,565	-	224,565
Subtotal	3,757,361	(7,625)	256,547	-	4,006,283
Capital assets being depreciated:					
Buildings	73,245,074	-	-	-	73,245,074
Revenue equipment	72,358,238	-	658,397	(7,198,324)	65,818,311
Service cars	937,553	-	-	(14,071)	923,482
Furniture and fixtures	10,629,678	7,625	621,549	(6,058,135)	5,200,717
Maintenance and garage equipment	1,267,390	-	75,039	(9,368)	1,333,061
Subtotal	158,437,933	7,625	1,354,985	(13,279,898)	146,520,645
Accumulated depreciation:					
Buildings	47,948,263	-	2,077,322	-	50,025,585
Revenue equipment	38,720,808	-	5,855,205	(7,198,323)	37,377,690
Service cars	711,770	-	98,709	(14,071)	796,408
Furniture and fixtures	9,964,073	-	347,397	(6,058,134)	4,253,336
Maintenance and garage equipment	506,678	-	97,695	(9,370)	595,003
Subtotal	97,851,592	-	8,476,328	(13,279,898)	93,048,022
Net capital assets being depreciated	60,586,341	7,625	(7,121,343)	-	53,472,623
Net capital assets	\$ 64,343,702	\$ -	\$ (6,864,796)	\$ -	\$ 57,478,906

September 30, 2022 and 2021

Note 4 - Capital Assets (Continued)

Business-type Activities (Continued)

	Balance October 1, 2020	Reclassifications	Additions	Disposals and Reclassifications	Balance September 30, 2021
Capital assets not being depreciated:					
Land	\$ 3,719,933	\$ -	\$ 29,803	\$ -	\$ 3,749,736
Construction in progress	459,337	(459,337)	7,625	-	7,625
Subtotal	4,179,270	(459,337)	37,428	-	3,757,361
Capital assets being depreciated:					
Buildings	69,675,218	-	3,569,856	-	73,245,074
Revenue equipment	72,483,940	371,731	1,925,928	(2,423,361)	72,358,238
Service cars	920,139	-	43,567	(26,153)	937,553
Furniture and fixtures	10,235,169	87,606	306,903	-	10,629,678
Maintenance and garage equipment	1,227,995	-	96,534	(57,139)	1,267,390
Subtotal	154,542,461	459,337	5,942,788	(2,506,653)	158,437,933
Accumulated depreciation:					
Buildings	45,745,469	-	2,202,794	-	47,948,263
Revenue equipment	35,270,378	-	5,872,819	(2,422,389)	38,720,808
Service cars	641,948	-	95,975	(26,153)	711,770
Furniture and fixtures	9,655,122	-	308,951	-	9,964,073
Maintenance and garage equipment	474,525	-	89,292	(57,139)	506,678
Subtotal	91,787,442	-	8,569,831	(2,505,681)	97,851,592
Net capital assets being depreciated	62,755,019	459,337	(2,627,043)	(972)	60,586,341
Net capital assets	\$ 66,934,289	\$ -	\$ (2,589,615)	\$ (972)	\$ 64,343,702

Depreciation expense recognized in fiscal years 2022 and 2021 was \$8,476,328 and \$8,569,831 respectively.

Commitments

The Authority has active projects at year end. The projects include a parking lot resurfacing project and a canopy installation project. At year end, the Authority's commitments with contractors are as follows:

	Spent to Date	Remaining Commitment
Parking lot resurfacing and concrete repair	\$ 440,995	\$ 169,640
MTA Center for Transportation Technology Canopy Expansion Project	-	4,824,000
Total	\$ 440,995	\$ 4,993,640

September 30, 2022 and 2021

Note 5 - Long-term Debt

Long-term debt activity for the years ended September 30, 2022 and 2021 can be summarized as follows:

2022							
	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable -							
Other debt - 2018 revenue		\$135,000 -					
bonds	3.80%	\$145,000	\$ 540,000	\$ -	\$ (125,000)	\$ 415,000	\$ 135,000
Compensated absences			779,162	1,168,762	(1,114,990)	832,934	832,934
2021							
	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable -							
Other debt - 2018 revenue		\$125,000 -					
bonds	3.80%	\$145,000	\$ 660,000	\$ -	\$ (120,000)	\$ 540,000	\$ 125,000
Compensated absences			822,374	1,042,360	(1,085,572)	779,162	779,162

The 2018 revenue bonds above require a restriction at year end of principal and interest based on a percentage of amounts due. As of September 30, 2022, the \$135,000 principal due within one year includes \$106,250 current portion of bonds payable and \$28,750 principal payable from restricted assets. As of September 30, 2021, the \$125,000 principal due within one year includes \$93,750 current portion of bonds payable and \$31,250 principal payable from restricted assets.

Revenue Bonds

Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets and to pay debt service. The Authority has pledged substantially all of the Water and Sewer Fund, net of operating expenses, to repay the revenue bonds listed above. Proceeds from the bonds provided financing for the purchase of the land, buildings, and related facilities to be used in part to house various functions of the Authority, as well as all work and equipment necessary or incidental to these facilities. The bonds are payable from the net revenue of the Authority's transportation system. As additional security, the Authority has also pledged to the payment of the bonds any grants received by the Authority available for such purposes and any other funds of the Authority that are available and legally authorized to be used for such purposes. The remaining principal and interest to be paid on the bonds were \$446,920 and \$592,440 as of September 30, 2022 and 2021, respectively. Net revenue of the system was \$3,677,490 and \$9,011,786, compared to annual debt requirements of \$150,770 and \$145,520 as of September 30, 2022 and 2021, respectively.

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending September 30	Other Debt		
	Principal	Interest	Total
2023	\$ 135,000	\$ 15,770	\$ 150,770
2024	135,000	10,640	145,640
2025	145,000	5,510	150,510
Total	\$ 415,000	\$ 31,920	\$ 446,920

September 30, 2022 and 2021**Note 5 - Long-term Debt (Continued)*****Significant Terms******Other Debt***

The outstanding revenue bonds contain a provision that, in an event of default and upon the filing of a suit by the owners of 20 percent or more of the principal amount of the bonds outstanding, any court having jurisdiction of the action may appoint a receiver to administer the system on behalf of the Authority with power to charge and collect rates sufficient to provide for the payment of the bonds, for the payment of operation expenses, and to apply income and revenue in accordance with the bond resolution and the laws of the State of Michigan.

Note 6 - Retirement Plans***Management Employees' Retirement Plan***

The Management Employees' Retirement Plan is a single-employer money purchase 401(a) pension plan that covers all management employees. There are no service or age requirements, and employees are 100 percent vested after five years of service (0 percent vested prior to five years of service). Employees are 100 percent vested in the employee rollover from the terminated defined benefit plan. The plan is fully funded, as it is MTA's policy to fund pension costs as they accrue. No liability existed for the plan for the years ended September 30, 2022 and 2021.

Employer contributions are to be determined by the employer and may be changed from time to time. The employer is to advise plan participants in writing of the percentage and of any change in the percentage. Employee contributions are mandatory to receive the employer contribution. Employees are required to contribute 4.0 percent to participate in the employer match of 8.0 percent.

The plan has the right to recover overpayments made by the plan to satisfy any claim arising from embezzlement or fraud committed by a participating employee, former participant, beneficiary, or other person who has a claim to an accumulated balance or any other benefit from the plan.

During the years ended September 30, 2022 and 2021, employer contributions were \$362,209 and \$367,809, respectively. During the years ended September 30, 2022 and 2021, employee contributions were \$180,929 and \$183,837, respectively.

Hourly Employees' Retirement Plan

The Hourly Employees' Retirement Plan is a single-employer defined contribution plan that covers all full-time hourly employees. There are no service or age requirements, and employees are 100 percent vested after five years of service (0 percent vested prior to five years of service).

The plan is fully funded, as it is MTA's policy to fund pension costs as they accrue. Employees are required to contribute 4.0 percent to participate in the employer match of 4.0 percent. No liability existed for the plan for the years ended September 30, 2022 and 2021.

During the years ended September 30, 2022 and 2021, employer contributions were \$309,166 and \$326,281, respectively. During the years ended September 30, 2022 and 2021, employee contributions were \$308,811 and \$326,174, respectively.

September 30, 2022 and 2021

Note 7 - Risk Management

The Authority is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Authority has purchased commercial insurance for property, boiler and machinery, crime, inland marine, public officials' liability, employee dishonesty, underground storage tank liability, excess workers' compensation, employee life, accidental death and dismemberment, short-term disability, medical, and dental coverages. The transfer of these risks to outside commercial insurers is regularly reviewed to be certain it makes economic sense. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

MTA is self-insured for automobile liability, general liability, and workers' compensation. MTA purchases excess of loss reinsurances to protect the Authority in the event of catastrophic losses on either a single occurrence or an annual aggregate basis. MTA has contracted with third-party administrators to oversee, adjust, and ultimately settle claims.

The claim liabilities are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. The claim liability is estimated by the independent administrator.

The changes in the claim liability for the years ended September 30 are as follows:

	2022	2021	2020
Estimated liability - Beginning of year	\$ 2,332,925	\$ 1,311,942	\$ 1,206,438
Estimated claims incurred, including changes in estimates	196,726	1,244,033	663,804
Claim payments	(280,675)	(223,050)	(558,300)
Estimated liability - End of year	<u>\$ 2,248,976</u>	<u>\$ 2,332,925</u>	<u>\$ 1,311,942</u>

Note 8 - Deferred Compensation

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to key officials and employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. During a previous year, the law was changed to allow trusts to be created for the plan assets, thereby insulating the assets from the unit of government's general creditors. The Authority's plan administrator created the trust and placed the assets of the plan within the trust. As a result, the plan assets have been removed from the enterprise fund to reflect that the Authority no longer has any fiduciary or administrative responsibility for the plan.

Note 9 - Other Postemployment Benefit Plan

Plan Description

The Authority provides retiree health care benefits for all employees who retired after January 1, 1993 and meet eligibility requirements. The benefits are provided through the plan, a single-employer defined benefit OPEB plan administered by the Authority.

Benefits Provided

The Authority reimburses all retirees with at least 10 years of service up to \$1,200 per year (\$100 per month) and retirees with at least 20 years of service up to \$1,800 per year (\$150 per month) for basic Medicare supplement coverage purchased for themselves.

September 30, 2022 and 2021

Note 9 - Other Postemployment Benefit Plan (Continued)

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	September 30, 2020
Retirees and beneficiaries	23
Inactive, nonretired members	9
Active plan members	588
Total plan members	620

Contributions

The contribution requirements of the plan members and the Authority are established and may be amended by the authority board. Actively employed plan members have no obligation to contribute to the plan. Retiree health care costs are paid by the Authority on a pay-as-you-go basis. The Authority has no obligation to make contributions in advance of when the insurance premiums are due for payment. At its discretion, the Authority will contribute to the trust as able.

Net OPEB Liability

The Authority has chosen to use the September 30 measurement date as its measurement date for the net OPEB liability. The September 30, 2022 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 September 30, 2022 measurement date. The September 30, 2022 measurement date total OPEB liability was determined by an actuarial valuation performed as of September 30, 2020, and projections were used to roll the information forward to the measurement date.

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

Changes in Net OPEB (Asset) Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB (Asset) Liability
Balance at October 1, 2021	\$ 2,076,880	\$ 2,198,996	\$ (122,116)
Changes for the year:			
Service cost	144,328	-	144,328
Interest	85,429	-	85,429
Differences between expected and actual experience	(30,299)	-	(30,299)
Contributions - Employer	-	281,707	(281,707)
Net investment loss	-	(393,182)	393,182
Benefit payments, including refunds	(26,646)	(26,646)	-
Net changes	172,812	(138,121)	310,933
Balance at September 30, 2022	<u>\$ 2,249,692</u>	<u>\$ 2,060,875</u>	<u>\$ 188,817</u>

The plan's fiduciary net position represents 91.61 percent of the total OPEB liability.

September 30, 2022 and 2021

Note 9 - Other Postemployment Benefit Plan (Continued)

Changes in Net OPEB Liability (Asset)	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability (Asset)
Balance at October 1, 2020	\$ 2,726,616	\$ 1,596,847	\$ 1,129,769
Changes for the year:			
Service cost	165,148	-	165,148
Interest	111,827	-	111,827
Differences between expected and actual experience	(504,837)	-	(504,837)
Changes in assumptions	(394,834)	-	(394,834)
Contributions - Employer	-	354,355	(354,355)
Net investment income	-	274,834	(274,834)
Benefit payments, including refunds	(27,040)	(27,040)	-
Net changes	(649,736)	602,149	(1,251,885)
Balance at September 30, 2021	<u>\$ 2,076,880</u>	<u>\$ 2,198,996</u>	<u>\$ (122,116)</u>

The plan's fiduciary net position represents 105.88 percent of the total OPEB liability at September 30, 2021.

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

For the year ended September 30, 2022, the Authority recognized OPEB expense of \$114,644.

At September 30, 2022, 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	\$ 21,259	\$ (378,842)
Changes in assumptions	166,191	(270,439)
Net difference between projected and actual earnings on OPEB plan investments	261,965	-
Total	<u>\$ 449,415</u>	<u>\$ (649,281)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB liability and, therefore, will not be included in future OPEB expense):

Years Ending September 30	Amount
2023	\$ (21,964)
2024	(22,529)
2025	(50,368)
2026	(49,250)
2027	(54,093)
Thereafter	(1,662)
Total	<u>\$ (199,866)</u>

September 30, 2022 and 2021

Note 9 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

The total OPEB liability in the September 30, 2022 actuarial valuation was determined using an inflation assumption of 4.00 percent, assumed salary increases (including inflation) of 3.50 percent, an investment rate of return (net of investment expenses, including inflation) of 4.00 percent, and the PubG-2010 Mortality Table for males and females with two-dimensional, fully generational improvements using the MP-2018 Mortality Improvement Scales. These assumptions were applied to all periods included in the measurement.

The election percent assumption was revised from 60 percent choosing to elect coverage upon separation to 50 percent choosing to elect retiree health care at age 65.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that authority contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

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 September 30, 2022 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment policy section of this footnote, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Equity	5.91 %
Fixed income	1.04

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

	1 Percentage Point Decrease (3.00%)	Current Discount Rate (4.00%)	1 Percentage Point Increase (5.00%)
Net OPEB liability (asset) of the plan	\$ 521,717	\$ 188,817	\$ (56,307)

September 30, 2022 and 2021

Note 9 - Other Postemployment Benefit Plan (Continued)***Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate***

Regarding the sensitivity of the net OPEB liability to changes in the health care cost trend rates, since the stipend is a fixed payment, there is no trend applied. Therefore, a health care cost trend sensitivity is not applicable and was not performed by the actuary.

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 September 30, 2022 and 2021:

Asset Class	2022	2021
Equity	35-65%	35-65%
Fixed income	35-65	35-65
Cash equivalent	0-15	0-15

Concentrations

At September 30, 2022, the plan held approximately 9.2 percent of its investment portfolio in the Federated Total Return Bond Fund, approximately 8.9 percent of its investment portfolio in the Metropolitan West Total Return Fund, 25.2 percent of its investment portfolio in the Vanguard Total Bond Market Index Fund - Admiral Shares, 19.9 percent of its investment portfolio in the DFA US Core Equity 1 Portfolio, 5.0 percent of its investment portfolio in the Pioneer Fundamental Growth Fund, 5.9 percent in Vanguard International Growth Fund - Admiral Shares, and 8.6 percent of its investment portfolio in the Vanguard Total Stock Market Index Fund.

Rate of Return

For the year ended September 30, 2022, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 11.33 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 10 - Contingent Liabilities

Under the terms of various federal and state grants, periodic compliance audits are required, and certain costs may be questioned, allowed, or disallowed, which could result in funds being returned and/or received from grantor agencies.

There is legal action pending against the Authority. Due to the inconclusive nature of the action, it is not possible for counsel to determine the probable outcome or a reasonable estimate of the potential liability, if any. This potential liability, if any, is considered by authority management and legal counsel to be immaterial or the potential liability would be covered by insurance.

Note 11 - Subsequent Events

On December 22, 2022, the Authority entered into an agreement to purchase the Compressed Natural Gas Fueling Station in Grand Blanc Township, Michigan for \$3.85 million over a period of seven years.

Required Supplemental Information

Mass Transportation Authority

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

	Last Six Fiscal Years					
	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 144,328	\$ 165,148	\$ 157,153	\$ 108,634	\$ 89,768	\$ 86,315
Interest	85,429	111,827	102,359	75,766	71,165	66,016
Differences between expected and actual experience	(30,299)	(504,837)	-	54,757	(28,503)	-
Changes in assumptions	-	(394,834)	-	428,065	-	-
Benefit payments, including refunds	(26,646)	(27,040)	(26,612)	(26,690)	(26,964)	(23,693)
Net Change in Total OPEB Liability	172,812	(649,736)	232,900	640,532	105,466	128,638
Total OPEB Liability - Beginning of year	2,076,880	2,726,616	2,493,716	1,853,184	1,747,718	1,619,080
Total OPEB Liability - End of year	\$ 2,249,692	\$ 2,076,880	\$ 2,726,616	\$ 2,493,716	\$ 1,853,184	\$ 1,747,718
Plan Fiduciary Net Position						
Contributions - Employer	\$ 281,707	\$ 354,355	\$ 422,351	\$ 277,894	\$ 283,795	\$ 252,304
Net investment (loss) income	(393,182)	274,834	67,753	31,931	28,185	451
Administrative expenses	-	-	-	-	-	(8,250)
Benefit payments, including employee refunds	(26,646)	(27,040)	(26,612)	(26,690)	(26,964)	(23,693)
Other changes	-	-	-	-	4	7
Net Change in Plan Fiduciary Net Position	(138,121)	602,149	463,492	283,135	285,020	220,819
Plan Fiduciary Net Position - Beginning of year	2,198,996	1,596,847	1,133,355	850,220	565,200	344,381
Plan Fiduciary Net Position - End of year	\$ 2,060,875	\$ 2,198,996	\$ 1,596,847	\$ 1,133,355	\$ 850,220	\$ 565,200
Net OPEB Liability (Asset) - Ending	\$ 188,817	\$ (122,116)	\$ 1,129,769	\$ 1,360,361	\$ 1,002,964	\$ 1,182,518
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	91.61 %	105.88 %	58.57 %	45.45 %	45.88 %	32.34 %

Contributions to the OPEB plan are not based on a measure of pay; therefore, no covered payroll is presented.

This schedule is intended to show information for 10 years. Additional years' information will be reported as it becomes available.

Mass Transportation Authority

Required Supplemental Information Schedule of OPEB Contributions

Last Ten Fiscal Years Years Ended September 30										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 160,488	\$ 155,061	\$ 227,315	\$ 219,628	\$ 145,204	\$ 139,619	\$ 128,318	\$ 128,318	\$ 76,752	\$ 73,800
Contributions in relation to the actuarially determined contribution	281,707	354,355	422,351	277,894	283,795	252,304	-	81,345	69,825	65,767
Contribution Excess (Deficiency)	\$ 121,219	\$ 199,294	\$ 195,036	\$ 58,266	\$ 138,591	\$ 112,685	\$ (128,318)	\$ (46,973)	\$ (6,927)	\$ (8,033)
Covered-employee Payroll	\$ 18,505,709	\$ 23,072,543	\$ 20,025,800	\$ 19,819,717	\$ 18,574,435	\$ 17,193,615	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered-employee Payroll	1.52 %	1.54 %	2.11 %	1.40 %	- %	- %	- %	- %	- %	- %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date September 30, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	20 years
Asset valuation method	Market value
Inflation	4.00 percent
Salary increase	3.50 percent
Investment rate of return	4.00 percent, net of OPEB plan expenses, including price inflation at 2.50 percent
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	Postretirement: PubG-2010 Healthy Retiree Mortality Table for males and females with two-dimensional, fully generational improvements using the MP-2018 Mortality Improvement Scales
	Disabled Retirement: PubG-2010 Disabled Retiree Table for males and females with two-dimensional, fully generational improvements using the MP-2018 Mortality Improvement Scales
	Preretirement: PubG-2010 Employee Table for males and females with two-dimensional, fully generational improvements using the MP-2018 Mortality Improvement Scales

Mass Transportation Authority

Required Supplemental Information Schedule of OPEB Investment Returns

	Last Six Fiscal Years Years Ended September 30					
	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return - Net of investment expense	11.33 %	16.37 %	5.85 %	1.49 %	3.98 %	0.06 %

This schedule is intended to show information for 10 years. Additional years' information will be reported as it becomes available.

September 30, 2022 and 2021

OPEB Information

Changes in Assumptions

In the fiscal year ended September 30, 2019, there were assumption changes from the previous valuation that resulted in an increase in the calculated total OPEB liability. Mortality assumptions updated to the recently released Public Sector mortality tables, and projected salary increases were reduced from 4.0 percent annually to 3.5 percent.

In the fiscal year ended September 31, 2021, there were assumption changes from the previous valuation that resulted in a decrease in the calculated OPEB liability. The election percent assumption was revised from 60 percent choosing to elect coverage upon separation to 50 percent choosing to elect retiree health care at age 65.

Other Supplemental Information

Other Supplemental Information
1. Schedule of Local Revenues

Year Ended September 30, 2022

Line-haul - Farebox	\$ 3,200,207
Demand response - Farebox	1,046,106
Regional transportation - Farebox	406,544
Advertising	169,797
Rent	164,872
Parking lot	42,465
Miscellaneous	42,038
Tax levy	13,154,742
Local grants	21,703
Gain on disposal of capital asset	112,640
Interest earnings	11,204
Refunds and credits	767,746
	<hr/>
Total Local Revenues	\$ 19,140,064

2. Schedule of Expenditures for Federal and State Awards

Year Ended September 30, 2022

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Federal Project Number	State Project Number	Federal Expenditures	State Expenditures	Total Expenditures
U.S. Department of Transportation - Direct programs:						
Federal Transit Cluster:						
Federal Transit Formula Grants - FY 2013,14,15 Section 5307	20.507	MI-90-X673-01	2012-0129/P14/R5	20,361	5,090	25,451
Federal Transit Formula Grants - FY 2016 Section 5307	20.507	MI-2016-011	2012-0129/P28/R1	112,274	28,069	140,343
Federal Transit Formula Grants - FY 2018 Section 5307	20.507	MI-2017-029-00	2017-0092/P8	49,688	12,422	62,110
Federal Transit Formula Grants - FY 2018 Section 5307	20.507	MI-2018-016	2017-0092/P13	142,013	35,504	177,517
Federal Transit Formula Grants - FY 2019 Section 5307	20.507	MI-2019-027	2017-0092/P20	286,121	71,530	357,651
Federal Transit Formula Grants - FY 2019 Section 5307	20.507	MI-2021-030	2017-0092/P32	3,444,594	861,148	4,305,742
Federal Transit Formula Grants - FY 2019 Section 5307	20.507	MI-2021-030	2017-0092/P32	-	1,100,000	1,100,000
Federal Transit Formula Grants - FY 2019 Section 5307	20.507	MI-2021-030	2017-0092/P32	300,000	300,000	600,000
Federal Transit Formula Grants - FY 2020 Section 5307	20.507	MI-2020-060	2017-0092/P25	1,784,109	446,027	2,230,136
CARES Act	20.507	MI-2020-013-00		2,978,763	-	2,978,763
CRRSAA		MI-2021-003-00		1,257,905	-	1,257,905
Total Federal Transit Cluster				10,375,828	2,859,790	13,235,618
Transit Services Program Cluster - Formula Grants for Enhanced:						
Enhanced Mobility of Seniors and Individuals with Disabilities - 2016	20.513	MI-2018-001-00	2017-0092/P5/R1	13,918	-	13,918
Enhanced Mobility of Seniors and Individuals with Disabilities - 2019	20.513	MI-2019-038-00	2017-0092/P21	50,634	-	50,634
Enhanced Mobility of Seniors and Individuals with Disabilities - 2019	20.513	MI-2020-004-00	2017-0092/P22	319,772	79,943	399,715
Enhanced Mobility of Seniors and Individuals with Disabilities - 2020	20.513	MI-2020-067-00	2017-0092/P28	227,030	56,758	283,788
Total Transit Services Program Cluster				611,354	136,701	748,055
U.S. Department of Transportation - Pass-through programs from Michigan						
Department of Transportation (MDOT):						
Operating Assistance - Section 5311 - 2022 (Passed Through MDOT) CRRSAA	20.509	MI-2021-023	2022-0098-/P3	2,076,185	-	2,076,185
Michigan Department of Transportation Operating Assistance - Act 51 (FY 2022)						
Urban	N/A	N/A	N/A		7,798,214	7,798,214
Nonurban	N/A	N/A	N/A		1,691,932	1,691,932
					9,490,146	9,490,146
Specialized Services FY 2022	N/A	N/A	2017-0092/P19	-	332,348	332,348
Michigan Department of Health and Human Services - Same Day Service	N/A	N/A	N/A	-	500,000	500,000
Total				\$ 13,063,367	\$ 13,318,985	\$ 26,382,352

Other Supplemental Information
3. Schedule of Operating and Contract Expenses

Year Ended September 30, 2022

	Urban	Nonurban	Job Access MI-2016-011/ 2012-0129/P28/R1	Specialized Services 2017-0092/P19	MI-2016-011 2012- 0129/P28/R1	MI-2021-030 2017-0092/P32	MI-2017-029 2017-0092/P8	MI-2019-038 2017-0092/P21
Labor	\$ 12,263,273	\$ 3,862,281	\$ 1,225,074	\$ -	\$ -	\$ -	\$ -	\$ 50,634
Fringe benefits	5,922,493	1,379,996	437,719	-	-	-	-	-
Services	644,894	584,106	185,271	194,754	3,275	715,539	-	-
Materials and supplies	3,168,815	1,094,939	347,303	-	109,444	277,188	10,244	-
Utilities	988,963	230,438	73,092	-	-	-	-	-
Insurance	1,244,291	289,931	91,963	-	-	-	-	-
Taxes and fees	4,516	1,052	334	-	-	-	-	-
Miscellaneous expenses	113,274	26,393	8,372	-	-	-	-	-
Interest expense	18,718	4,361	1,383	-	-	-	-	-
Operating leases	9,437	2,199	699	-	-	-	-	-
Depreciation and amortization	6,485,742	1,511,238	479,349	-	-	-	-	-
Total Expenses	\$ 30,864,416	\$ 8,986,934	\$ 2,850,559	\$ 194,754	\$ 112,719	\$ 992,727	\$ 10,244	\$ 50,634

	MI-2018-016 2017-0092/P13	MI-2019-027 2017-0092/P20	MI-2020-67 2017-0092/P28	MI-2021-003	MI-2020-004 2017-0092/P22	MI-2020-013	MI-2020-060 2017-0092/P25	Total
Labor	\$ -	\$ -	\$ -	\$ 1,249,986	\$ 69,710	\$ 2,942,050	\$ -	\$ 21,663,008
Fringe benefits	-	-	-	-	-	-	-	\$ 7,740,208
Services	10,695	37,560	81,600	7,920	47,881	23,114	934,313	\$ 3,470,922
Materials and supplies	113,128	103,274	-	-	15,172	13,599	888,260	\$ 6,141,366
Utilities	-	-	-	-	-	-	-	\$ 1,292,493
Insurance	-	-	-	-	-	-	-	\$ 1,626,185
Taxes and fees	-	-	-	-	-	-	-	\$ 5,902
Miscellaneous expenses	-	-	-	-	-	-	-	\$ 148,039
Interest expense	-	-	-	-	-	-	-	\$ 24,462
Operating leases	-	-	-	-	-	-	-	\$ 12,335
Depreciation and amortization	-	-	-	-	-	-	-	\$ 8,476,329
Total Expenses	\$ 123,823	\$ 140,834	\$ 81,600	\$ 1,257,906	\$ 132,763	\$ 2,978,763	\$ 1,822,573	\$ 50,601,249

Other Supplemental Information
4. Urban Regular Service Revenue Report

Year Ended September 30, 2022

Code	Description	Amount
401:	Farebox revenue	
40100	Passenger fares	\$ 3,443,962
406:	Auxiliary transportation revenue	
40615	Advertising	169,797
407:	Nontransportation revenue	
40720	Rental of buildings or other property	164,872
40725	Parking lot revenue	42,465
40760	Gain on disposal of capital assets	112,640
40799	Other nontransportation revenue	297,099
408:	Local revenue	
40800	Tax levy	10,668,811
409:	Local revenue	
40950	Local Service Contract/Local Source	-
40999	Other local contracts & reimbursements	17,601
411:	State formula and contracts	
41101	State operating assistance	7,693,629
41101	State operating assistance - Prior year	355,592
41111	Preventative maintenance	486,614
41114	Other capital contract reimbursement for operating expenses	554,300
41199	DHHS Same Day Service contract	-
413:	Federal contracts	
41311	Preventative maintenance	1,946,457
41314	Other capital contract reimburse for operating expenses	3,237,391
41361	CARES Act - Operating Assistance	3,029,396
414:	Other revenue	
41400	Interest income	9,086
44000	Refunds and credits	622,660
Total Urban Service Revenue		\$ 32,852,372

Other Supplemental Information
5. Urban Regular Service Expense Report

Year Ended September 30, 2022

Code	Description	Amount
501:	Labor:	
50101	Operators' salaries and wages	\$ 7,360,339
50102	Other salaries and wages	9,166,982
50103	Dispatchers' salaries and wages	48,332
502:	Fringe Benefits	
50200	Other fringe benefits	5,137,768
50210	DC pensions	396,157
50250	Other post-employment benefits	388,568
503:	Services	
50302	Advertising fees	119,759
50305	Audit costs	48,702
50399	Other services	2,338,330
504:	Materials and supplies	
50401	Fuel and lubricants	2,051,446
50402	Tires	3,056
50499	Other materials and supplies	2,644,622
505:	Utilities	
50500	Utilities	988,963
506:	Insurance	
50603	Liability insurance	1,035,573
50699	Other insurance	208,718
507:	Taxes and fees	
50700	Taxes and fees	4,516
509:	Miscellaneous expenses	
50902	Travel, meetings, and training	21,847
50903	Association dues and subscriptions	84,593
50907	Lobbying	543
50999	Other miscellaneous expenses	6,291
511:	Interest expense	
51101	Interest on long-term debt	15,701
51102	Interest on short-term debt	3,017
512:	Operating leases and rentals	
51200	Leases and rentals	9,437
513:	Depreciation	

5. Urban Regular Service Expense Report (Continued)

Year Ended September 30, 2022

Code	Description	Amount
51300	Depreciation	6,485,742
540:	Ineligible expenses	
54000	Ineligible refunds and credits	587,448
550:	Ineligible expenses	
55005	Ineligible local contracts	-
55006	Ineligible interest expense	18,717
55007	Ineligible depreciation	6,349,245
55008	Other ineligible expenses	8,845
55009	Ineligible percent of association dues	5,800
55010	Ineligible expenses associated with auxiliary and nontransportation revenue	1,074
55011	Ineligible preventive maintenance	2,433,071
560:	Ineligible expenses	
56004	Ineligible expenses rentals	2,143
576:	Ineligible expenses	
57604	Other ineligible operating expense paid by capital contract	2,901,247
580:	Ineligible expenses	
58005	Ineligible lobbying expense	543
58050	Ineligible DB OPEB	193,405
	Total Expenses	38,569,002
	Total Ineligible Expenses	12,501,538
	Total Eligible Expenses	\$ 26,067,464

6. Urban Regular Service Nonfinancial Report (Unaudited)

Year Ended September 30, 2022

Public Service

Code	Description	Weekday	Saturday	Sunday	Total
610	Vehicle hours	306,397	28,238	17,117	364,473
611	Vehicle miles	5,870,813	486,002	326,194	6,683,009
615	Passengers - Regular	1,735,711	167,757	107,673	2,011,141
616	Passengers - Elderly	29,223	2,294	378	31,895
617	Passengers - Persons w/ disabilities	98,961	8,578	2,850	110,389
618	Passengers - Elderly persons w/ disabilities	12,520	1,435	168	14,123
621	Total line-haul passengers	1,628,195	162,094	101,743	1,892,032
622	Total demand-response passengers	248,220	17,970	9,346	275,536
625	Days operated	257	50	52	359

Vehicle Information

Code	Description	Quantity
653	Total line-haul vehicles	137
654	Line-haul vehicle w/ lifts	137
655	Total demand-response vehicles	103
656	Demand response vehicles w/ lifts	56
658	Total transit vehicles	240

Miscellaneous Information

Code	Description	Quantity
659	LPG (propane) or CNG (compressed natural gas) gallons equivalent consumed	1,108,258
660	Diesel/gasoline gallons consumed	131,009

Mass Transportation Authority

Other Supplemental Information 7. Nonurban Regular Service Revenue Report

Year Ended September 30, 2022

Code	Description	Amount
401:	Farebox revenue	
40100	Passenger fares	\$ 802,475
408:	Local revenue	
40800	Tax levy	2,485,932
409:	Other local contracts & reimbursements	
40999	Other local contracts & reimbursements	4,101
411:	State formula and contracts	
41101	State operating assistance	1,815,904
41101	State operating assistance - Prior year	(10,635)
41111	Preventive maintenance	113,386
41114	Other capital contract reimbursement for operating expenses	129,157
41199	DHHS Same Day Service contract	-
413:	Federal contracts	
41301	Federal section 5311 operating assistance	-
41311	Preventive maintenance	453,543
41314	Other capital contract reimburse for operating expenses	754,342
41360	CARES Act - Lost Revenue Replacement	-
41362	Federal section 5311 CRRSSA Act - Operating Assistance	2,076,185
414:	Other revenue	
41400	Interest income	2,117
44000	Refunds and credits	145,086
	Total Urban Service Revenue	\$ 8,771,593

Other Supplemental Information
8. Nonurban Regular Service Expense Report

Year Ended September 30, 2022

Code	Description	Total
501:	Labor:	
50101	Operators' salaries and wages	\$ 1,715,027
50102	Other salaries and wages	2,135,992
50103	Dispatchers' salaries and wages	11,262
502:	Fringe Benefits	
50200	Other fringe benefits	1,197,148
50210	DC pensions	92,308
50250	Other post-employment benefits	90,540
503:	Services	
50302	Advertising fees	27,905
50305	Audit costs	11,348
50399	Other services	544,853
504:	Materials and supplies	
50401	Fuel and lubricants	478,006
50402	Tires	712
50499	Other materials and supplies	616,221
505:	Utilities	
50500	Utilities	230,438
506:	Insurance	
50603	Liability insurance	241,298
50699	Other insurance	48,633
507:	Taxes and fees	
50700	Taxes and fees	1,052
509:	Miscellaneous expenses	
50902	Travel, meetings, and training	5,090
50903	Association dues and subscriptions	19,711
50907	Lobbying	126
50999	Other miscellaneous expenses	1,466
511:	Interest expense	
51101	Interest on long-term debt	3,658
51102	Interest on short-term debt	703
512:	Operating leases and rentals	
51200	Leases and rentals	2,199

8. Nonurban Regular Service Expense Report (Continued)

Year Ended September 30, 2022

Code	Description	Total
513:	Depreciation	
51300	Depreciation	1,511,238
540:	Ineligible expenses	
54000	Ineligible refunds and credits	136,881
550:	Ineligible expenses	
55006	Ineligible interest expense	4,361
55007	Ineligible depreciation	1,479,433
55008	Other ineligible expenses	2,061
55009	Ineligible percent of association dues	1,351
55010	Ineligible expenses associated with auxiliary and nontransportation revenue	250
55011	Ineligible preventive maintenance	566,928
560:	Ineligible expenses	
56004	Ineligible expenses rentals	499
576:	Ineligible expenses	
57604	Other ineligible operating expense paid by capital contract	1,559,517
580:	Ineligible expenses	
58005	Ineligible lobbying expense	126
58050	Ineligible DB OPEB	45,065
	Total Expenses	8,986,934
	Total Ineligible Expenses	3,796,472
	Total Eligible Expenses	\$ 5,190,462

9. Nonurban Regular Service Nonfinancial Report (Unaudited)

Year Ended September 30, 2022

Public Service

Code	Description	Weekday	Saturday	Sunday	Total
610	Vehicle hours	62,117	6,522	4,819	73,458
611	Vehicle miles	1,328,332	140,951	101,355	1,570,638
615	Passengers - Regular	55,631	2,962	4,034	62,627
616	Passengers - Elderly	11,253	1,229	460	12,942
617	Passengers - Persons w/ disabilities	57,379	4,911	2,321	64,611
618	Passengers - Elderly persons w/ disabilities	4,694	423	92	5,209
622	Total demand-response passengers	128,957	9,525	6,907	145,389
625	Days operated	257	50	51	358

Vehicle Information

Code	Description	Quantity
655	Total demand-response vehicles	81
656	Demand response vehicles w/ lifts	62
658	Total transit vehicles	81

Miscellaneous Information

Code	Description	Quantity
659	LPG (propane) or CNG (compressed natural gas) gallons equivalent consumed	252,880
660	Diesel/gasoline gallons consumed	38,312

**Other Supplemental Information
10. Job Access Reverse Commute
Regular Service Revenue Report**

Year Ended September 30, 2022

Code	Description	Amount
401:	Farebox revenue	
40100	Passenger fares	\$ 406,419
411:	State formula and contracts	
41199	Job access reverse commute (JARC)	1,400,000
413:	Federal contracts	
41302	Federal section 5307 operating	300,000
Total Urban Service Revenue		\$ 2,106,419

Other Supplemental Information
11. Job Access Reverse Commute
Regular Service Expense Report

Year Ended September 30, 2022

Code	Description	Total
501:	Labor:	
50101	Operators' salaries and wages	\$ 543,988
50102	Other salaries and wages	677,514
50103	Dispatchers' salaries and wages	3,572
502:	Fringe Benefits	
50200	Other fringe benefits	379,722
50210	DC pensions	29,279
50250	Other post-employment benefits	28,718
503:	Services	
50302	Advertising fees	8,851
50305	Audit costs	3,599
50399	Other services	172,821
504:	Materials and supplies	
50401	Fuel and lubricants	151,618
50402	Tires	226
50499	Other materials and supplies	195,459
505:	Utilities	
50500	Utilities	73,092
506:	Insurance	
50603	Liability insurance	76,537
50699	Other insurance	15,426
507:	Taxes and fees	
50700	Taxes and fees	334
509:	Miscellaneous expenses	
50902	Travel, meetings, and training	1,615
50903	Association dues and subscriptions	6,252
50907	Lobbying	40
50999	Other miscellaneous expenses	465
511:	Interest expense	
51101	Interest on long-term debt	1,160
51102	Interest on short-term debt	223
512:	Operating leases and rentals	
51200	Leases and rentals	699

Other Supplemental Information
11. Job Access Reverse Commute
Regular Service Expense Report (Continued)

Year Ended September 30, 2022

Code	Description	Total
513:	Depreciation	
51300	Depreciation	479,349
540:	Ineligible expenses	
54000	Ineligible refunds and credits	43,417
550:	Ineligible expenses	
55000	Ineligible JARC and NF fares	406,419
55006	Ineligible interest expense	1,383
55007	Ineligible depreciation	469,260
55008	Other ineligible expenses	654
55009	Ineligible percent of association dues	429
55010	Ineligible expenses associated with auxiliary and nontransportation revenue	79
560:	Ineligible expenses	
56004	Ineligible expenses rentals	158
576:	Ineligible expenses	
57604	Other ineligible operating expense paid by capital contract	214,426
580:	Ineligible expenses	
58005	Ineligible lobbying expense	40
58050	Ineligible DB OPEB	14,294
	Total Expenses	2,850,559
	Total Ineligible Expenses	1,150,559
	Total Eligible Expenses	\$ 1,700,000

Other Supplemental Information
12. Job Access Reverse Commute
Regular Service Nonfinancial Report

Year Ended September 30, 2022**Public Service**

Code	Description	Weekday	Saturday	Sunday	Total
610	Vehicle hours	12,231	1,749	1,451	15,431
611	Vehicle miles	394,747	54,996	44,351	494,094
615	Passengers - Regular	334,065	34,449	21,690	390,204
621	Total line-haul passengers	334,065	34,449	21,690	390,204
625	Days operated	257	50	52	359

Vehicle Information

Code	Description	Quantity
653	Total line-haul vehicles	13
654	Line-haul vehicle w/ lifts	13
658	Total transit vehicles	13

Miscellaneous Information

Code	Description	Quantity
659	LPG (propane) or CNG (compressed natural gas) gallons equivalent consumed	176,232
660	Diesel/gasoline gallons consumed	363

Mass Transportation Authority

Other Supplemental Information 13. Specialized Service Revenue Report

Year Ended September 30, 2022

Code	Description	Amount
411:	State formula and contracts	
41199	Grants for services to elderly and persons with disabilities	\$ 332,349
	Total Specialized Service Revenue	\$ 332,349

Other Supplemental Information
14. Specialized Service Expense Report

Year Ended September 30, 2022

Code	Description	Total
503:	Services:	
50399	Specialized services	\$ 194,754
	Total Expenses	194,754
	Total Ineligible Expenses	-
	Total Eligible Expenses	\$ 194,754

Other Supplemental Information

15. Operating Assistance Calculation

Year Ended September 30, 2022

	Urban (Section 5307)	Nonurban (Section 5311)
Total Expenses	\$ 38,569,002	\$ 8,986,934
Less: Ineligible expenses		
Capital grants used for operations	2,901,247	1,559,517
Depreciation and amortization	6,349,245	1,479,433
Lobbying	543	126
Association dues	5,800	1,351
Expenses associated with auxiliary and nontransportation revenue	1,074	250
Interest expense	18,718	4,361
Refunds and credits	587,448	136,881
Summer youth program and training	-	-
Preventive maintenance	2,433,071	566,928
Other	204,393	47,625
Total Ineligible Expenses Per R&E Manual	12,501,539	3,796,472
Total State and Federal Eligible Expenses	\$ 26,067,463	\$ 5,190,462

Eligible Expenses for State Reimbursement	26,067,463	5,190,462
x Reimbursement Percentage	29.5143%	34.9854%
State Operating Assistance	7,693,629	1,815,904

Eligible Expenses for Federal Reimbursement	\$ 5,190,462
x Reimbursement Percentage	40.00%
Federal Operating Assistance	\$ 2,076,185