

Mass
Transportation
Authority



Years Ended
September 30,
2025 and 2024

Financial
Statements

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MASS TRANSPORTATION AUTHORITY

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INDEPENDENT AUDITORS' REPORT

February 20, 2026

Board of Directors
Mass Transportation Authority
Flint, Michigan

Report on the Audit 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, 2025 and 2024, 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 financial position of the Authority, as of September 30, 2025 and 2024, and the respective changes in financial position and 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 Independent Auditors' Responsibilities for the Audit 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 audit. 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditors' Responsibilities for the Audit 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 auditors' 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 an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 audit 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 audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedules for the other postemployment benefits plan, as listed 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 Michigan Office of Passenger Transportation Schedules (excluding the Nonfinancial Schedule Reports) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate 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 Michigan Office of Passenger Transportation Schedules (excluding the Nonfinancial Schedule Reports) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises Michigan Bureau of Passenger Transportation Nonfinancial Schedule Reports, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued, under separate cover, our report dated February 20, 2026, 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, and 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.

A handwritten signature in black ink that reads "Rehmann Lobson LLC". The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION AND ANALYSIS

MASS TRANSPORTATION AUTHORITY

Management's Discussion and Analysis

As management of the Mass Transportation Authority (the "Authority"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal years ended September 30, 2025 and 2024. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes.

Financial Highlights

- The assets and deferred outflows of resources of the Authority (\$82,637,528) exceeded its liabilities and deferred inflows of resources (\$10,953,978) at the close of the most recent fiscal year by \$71,683,550 (net position). Of this amount, \$15,213,273 was unrestricted and may be used to meet the Authority's ongoing obligations to citizens and creditors.
- The Authority's total net position decreased by \$8,961,458 from operations, nonoperating revenues (expenses) and capital contributions during fiscal 2025.
- Overall revenues, including capital contributions, were \$53,516,593.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements are comprised of two kinds of statements: (1) proprietary fund and (2) OPEB trust fund, which is a fiduciary fund. This report also contains supplementary information required by the State of Michigan Office of Passenger Transportation (OPT) in addition to the basic financial statements themselves.

The *proprietary fund* statements report information about the Authority as a whole using accounting methods similar to those used by private sector companies.

The statements of net position presents information on all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statements of revenues, expenses and change in fund net position presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The statements of cash flows presents information showing in greater detail how the Authority received and disbursed cash during the fiscal year.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Authority. 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.

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

MASS TRANSPORTATION AUTHORITY

Management's Discussion and Analysis

Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents the management's discussion and analysis and schedules for the other postemployment benefits plan immediately following the notes to the financial statements, which are considered required supplementary information. Other supplementary information includes schedules required by the OPT.

Financial Analysis

As previously stated, net position may serve over time as a useful indicator of any entity's financial position. In the case of the Authority, net position was \$71,683,550 at the close of the most recent fiscal year. The following provides a summary of the Authority's net position at September 30.

	2025	2024	2023
Current and other assets	\$ 23,666,305	\$ 27,939,105	\$ 31,460,746
Capital assets, net	58,971,223	62,465,130	58,400,361
Total assets	82,637,528	90,404,235	89,861,107
Deferred outflows of resources	-	39,764	244,511
Long-term liabilities	4,110,020	3,220,611	4,679,961
Other liabilities	5,529,983	5,385,021	5,197,924
Total liabilities	9,640,003	8,605,632	9,877,885
Deferred inflows of resources	1,313,975	1,193,359	1,217,125
Net position:			
Net investment in capital assets	54,941,755	59,107,134	54,629,027
Restricted	1,528,522	1,639,151	1,164,707
Unrestricted	15,213,273	19,898,723	23,216,874
Total net position	\$ 71,683,550	\$ 80,645,008	\$ 79,010,608

Of the Authority's net position, \$54,941,755 (76.6 percent) reflects its net investment in capital assets consisting of buses and operating facilities, reduced by any outstanding debt. The Authority uses these capital assets to provide public transportation services to citizens in the Genesee County area; consequently, these assets are not available for future spending.

The Authority reports restricted net position of \$1,528,522 or 2.13 percent related to its other postemployment benefits plan. The Authority may use the remaining balance of unrestricted net position of \$15,213,273 or 21.2 percent to meet its ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Authority is able to report positive balances in all categories of net position.

Current and other assets decreased by \$4,272,800 from the year end September 30, 2024 to 2025 as a result of the timing of the federal and state grant reimbursements collected prior to year end in the current year. Grant receivables from the Federal Transit Administration and Michigan Department of Transportation decreased nearly \$4 million in current year.

Other liabilities remained consistent, decreasing only \$144,962 from the year end September 30, 2024 to 2025.

MASS TRANSPORTATION AUTHORITY

Management's Discussion and Analysis

Current and other assets decreased by \$3,521,641 from the year end September 30, 2023 to 2024 as a result of capital grants receivables were significantly lower at year end compared to prior year due to major purchases recorded and reimbursed well before September 30, 2024 end of fiscal year.

Other liabilities decreased by \$187,097 from the year end September 30, 2023 to 2024 as a result of capital grants payables were significantly lower at year end compared to prior year due to major expenses purchased well before September 30, 2024 end of fiscal year.

A condensed summary of the Authority's changes in net position for the years ended September 30 is provided below:

	2025	2024	2023
Operating revenues	\$ 5,652,641	\$ 5,772,513	\$ 5,747,208
Operating expenses	62,301,848	60,657,943	56,786,866
Net operating loss	(56,649,207)	(54,885,430)	(51,039,658)
Nonoperating revenues, net	44,535,816	45,325,442	48,051,306
Loss before capital contributions	(12,113,391)	(9,559,988)	(2,988,352)
Capital contributions	3,151,933	11,194,388	5,169,183
Change in net position	(8,961,458)	1,634,400	2,180,831
Net position, beginning of year	80,645,008	79,010,608	76,829,777
Net position, end of year	\$ 71,683,550	\$ 80,645,008	\$ 79,010,608

The Authority's net position decreased by \$8,961,458 during the fiscal year ended September 30, 2025.

Operating revenues remained consistent with the year end September 30, 2024, decreasing only \$119,872.

Operating expenses increased by \$1,643,905 from the year end September 30, 2024 to 2025 as a result of annual wages step increase and the attributed fringe costs.

Nonoperating revenues, net decreased by \$789,626 from the year end September 30, 2024 to 2025 as a result of the discontinuance of the federal alternative fuel tax credit the authority would apply and receive annually.

Capital contributions decreased by \$8,042,455 from the year end September 30, 2024 to 2025 as a result of the Authority completing a major construction project at the Rides to Wellness facility in the prior year in addition to fewer vehicles needing to be replaced in the current year.

The Authority's net position increased by \$1,634,400 during the fiscal year ended September 30, 2024.

Operating revenues remained consistent with the year end September 30, 2023, increasing only \$25,305.

Operating expenses increased by \$3,871,077 from the year end September 30, 2023 to 2024 as a result of the related staffing costs associated with expanding services provided to the community, an increase in labor fees and associated fringes.

Nonoperating revenues, net decreased by \$2,725,864 from the year end September 30, 2023 to 2024 as a result of Section 5311 revenues decreasing by half as well as ARPA funding decreasing with the balance to be exhausted by September 30, 2025.

Capital contributions increased by \$6,025,205 from the year end September 30, 2023 to 2024 as a result of significant investment in infrastructure at the Rides to Wellness location, replacing many older vehicles and expanding MTA's hydrogen fuel bus fleet.

MASS TRANSPORTATION AUTHORITY

Management's Discussion and Analysis

Capital Asset and Debt Administration

Capital Assets. During fiscal year 2025, the Authority invested \$5,524,674 in capital asset additions, resulting in an ending capital asset balance of \$58,971,223 at year end. During fiscal year 2024, the Authority invested \$12,106,054 in capital asset additions, resulting in an ending capital asset balance of \$62,465,130 at year end. Major capital asset events during 2025 included expanding MTA services by purchasing additional vehicles for the Rides to Wellness program, upgrading numerous bus shelters and installing electric charging stations. Major capital asset events during 2024 included significant investment in infrastructure at the Rides to Wellness location, replacing many older vehicles and expanding MTA's hydrogen fuel bus fleet.

	2025	2024	2023
Land	\$ 3,781,718	\$ 3,781,718	\$ 3,781,718
Construction in progress	54,000	8,144,892	2,403,832
Buildings	83,644,282	77,170,821	78,099,426
Revenue equipment	70,145,645	71,907,825	65,618,408
Service cars	1,161,567	1,005,453	905,387
Furniture and fixtures	5,907,173	5,754,354	5,669,082
Maintenance and garage equipment	1,729,687	1,566,324	1,354,807
Lease equipment (Note 5)	133,128	-	-
Subscription assets (Note 6)	2,130,824	-	-
	<u>168,688,024</u>	<u>169,331,387</u>	<u>157,832,660</u>
Less: accumulated depreciation/amortization	<u>(109,716,801)</u>	<u>(106,866,257)</u>	<u>(99,432,299)</u>
Total capital assets, net	<u>\$ 58,971,223</u>	<u>\$ 62,465,130</u>	<u>\$ 58,400,361</u>

Additional information on the Authority's capital assets can be found in Note 3 of this report.

Long-term Debt. At September 30, 2025 and 2024, the Authority had \$4,029,468 and \$3,152,322, respectively, of long-term debt and \$1,217,785 and \$1,079,380, respectively, of compensated absences. From 2024 to 2025, the Authority's total debt increased by \$1,015,551 due to the addition of the lease and SBITA liabilities, offset by scheduled debt payments. From 2023 to 2024, the Authority's total debt decreased \$448,259, which was due to scheduled debt payments.

Additional information on the Authority's long-term debt can be found in Note 4 of this report.

Economic Factors and Next Year's Budget and Rates

MTA has experienced significant change in travel patterns coupled with economic factors that have impacted ridership over the last few years. While we have not seen a return to previous ridership levels, we have seen continued demand for necessary trips throughout Flint and Genesee County. As economic conditions, employment opportunities and demographic shifts continue to change in the communities we serve, MTA will continue to evaluate how services are provided to best meet the needs of the community and ridership demand with our operational capacity and financial resources. These factors create a challenge of providing service that is both reliable and meets changing demand.

Operating revenues are supported primarily by dedicated millage funding and state and federal operating assistance, with passenger fares representing a smaller portion of total revenue. Operating expenses continue to be driven largely by labor, fringe benefits, fuel, and insurance, creating ongoing cost pressures that are addressed through careful budgeting, capital reimbursements, and the strategic use of equity funds. MTA remains focused on operational efficiencies, technology enhancements, and internal process improvements to support long-term financial sustainability. Given the limited growth in traditional funding sources, MTA will continue to pursue revenue diversification and cost management strategies to maintain or enhance service levels.

MASS TRANSPORTATION AUTHORITY

Management's Discussion and Analysis

Requests for 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.

BASIC FINANCIAL STATEMENTS

MASS TRANSPORTATION AUTHORITY

Statements of Net Position

	September 30,	
	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 11,840,560	\$ 11,832,686
Accounts receivable	222,219	1,052,119
Leases receivable	25,414	-
Due from other governmental units	3,590,490	7,825,739
Inventories	1,774,850	1,628,960
Prepays	304,593	110,998
Total current assets	17,758,126	22,450,502
Noncurrent assets:		
Restricted cash	-	37,628
Investments	4,236,975	4,080,968
Lease receivable, net of current portion	142,682	-
Net OPEB asset	1,528,522	1,370,007
Capital assets not being depreciated/amortized	3,835,718	11,926,610
Capital assets being depreciated/amortized, net	55,135,505	50,538,520
Total noncurrent assets	64,879,402	67,953,733
Total assets	82,637,528	90,404,235
Deferred outflows of resources		
Deferred OPEB amounts	-	39,764
Liabilities		
Current liabilities:		
Accounts payable	523,570	1,225,849
Accrued liabilities	1,250,748	1,141,085
Accrued interest	-	5,510
Due to other governmental units	-	228,122
Current portion of self-insurance liabilities	931,587	743,713
Current portion of compensated absences	80,552	68,289
Current portion of bonds and other long-term liabilities	1,113,781	654,596
Total current liabilities	3,900,238	4,067,164
Noncurrent liabilities:		
Self-insurance liabilities, net of current portion	1,686,845	1,029,651
Compensated absences, net of current portion	1,137,233	1,011,091
Bond and other long-term liabilities, net of current portion	2,915,687	2,497,726
Total noncurrent liabilities	5,739,765	4,538,468
Total liabilities	9,640,003	8,605,632

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MASS TRANSPORTATION AUTHORITY

Statements of Net Position

	September 30,	
	2025	2024
Deferred inflows of resources		
Deferred lease amounts	\$ 168,096	\$ -
Deferred OPEB amounts	1,145,879	1,193,359
Total deferred inflows of resources	<u>1,313,975</u>	<u>1,193,359</u>
Net position		
Net investment in capital assets	54,941,755	59,107,134
Restricted:		
Debt service	-	37,628
Capital projects	-	231,516
Other postemployment benefits	1,528,522	1,370,007
Unrestricted	15,213,273	19,898,723
Total net position	<u>\$ 71,683,550</u>	<u>\$ 80,645,008</u>

concluded

The accompanying notes are an integral part of these financial statements.

MASS TRANSPORTATION AUTHORITY

Statements of Revenues, Expenses and Change in Fund Net Position

	Year Ended September 30,	
	2025	2024
Operating revenues		
Passenger fares	\$ 5,137,544	\$ 5,226,932
Other	515,097	545,581
Total operating revenues	<u>5,652,641</u>	<u>5,772,513</u>
Operating expenses		
Labor	27,428,764	31,068,263
Fringe benefits	10,193,999	9,310,298
Services	4,183,543	2,773,880
Materials and supplies	6,005,447	4,943,616
Utilities	1,426,396	1,362,711
Insurance	3,810,153	2,969,843
Taxes and fees	56,941	3,170
Leases and rentals	6,000	16,000
Miscellaneous	377,698	172,451
Depreciation/amortization	8,812,907	8,037,711
Total operating expenses	<u>62,301,848</u>	<u>60,657,943</u>
Operating loss	<u>(56,649,207)</u>	<u>(54,885,430)</u>
Nonoperating revenues (expenses)		
Property taxes	15,506,656	14,549,759
Intergovernmental:		
Federal	11,982,181	12,429,350
State	16,911,447	17,536,108
Local	22,360	50,000
Interest income	16,665	157,375
Interest expense	(176,203)	(163,605)
Gain on sale of capital assets	52,120	5,055
Other revenue	220,590	761,400
Total nonoperating revenues (expenses)	<u>44,535,816</u>	<u>45,325,442</u>
Loss before capital contributions	<u>(12,113,391)</u>	<u>(9,559,988)</u>
Capital contributions		
Federal	2,536,545	9,016,437
State	615,388	2,177,951
Total capital contributions	<u>3,151,933</u>	<u>11,194,388</u>
Change in net position	<u>(8,961,458)</u>	<u>1,634,400</u>
Net position, beginning of year	<u>80,645,008</u>	<u>79,010,608</u>
Net position, end of year	<u>\$ 71,683,550</u>	<u>\$ 80,645,008</u>

The accompanying notes are an integral part of these financial statements.

MASS TRANSPORTATION AUTHORITY

Statements of Cash Flows

	Year Ended September 30,	
	2025	2024
Cash flows from operating activities		
Cash received from customers	\$ 6,361,395	\$ 6,107,400
Cash payments to employees	(37,445,966)	(35,508,329)
Cash payments to suppliers	(15,989,738)	(17,784,326)
Net change in cash from operating activities	<u>(47,074,309)</u>	<u>(47,185,255)</u>
Cash flows from noncapital financing activities		
Property taxes collected	15,506,656	14,549,759
Federal operating grants collected	12,001,866	12,709,665
State operating grants collected	19,396,421	18,033,856
Local operating grants collected	22,360	50,000
Other revenues collected	220,590	761,400
Net change in cash from noncapital financing activities	<u>47,147,893</u>	<u>46,104,680</u>
Cash flows from capital and related financing activities		
Capital grants received	4,607,451	12,755,929
Acquisition/construction of capital assets	(3,272,389)	(11,900,380)
Proceeds from sale of capital assets	257,794	8,629
Principal paid on bond and other long-term liabilities	(1,375,139)	(619,012)
Interest paid on bond and other long-term liabilities	(181,713)	(176,905)
Net change in cash from capital and related financing activities	<u>36,004</u>	<u>68,261</u>
Cash flows from investing activities		
Interest income received	16,665	157,375
Purchase of investments	(156,007)	(4,080,968)
Net cash flows from investing activities	<u>(139,342)</u>	<u>(3,923,593)</u>
Net change in cash and cash equivalents	<u>(29,754)</u>	<u>(4,935,907)</u>
Cash and investments, beginning of year	<u>11,870,314</u>	<u>16,806,221</u>
Cash and investments, end of year	<u>\$ 11,840,560</u>	<u>\$ 11,870,314</u>

continued...

MASS TRANSPORTATION AUTHORITY

Statements of Cash Flows

	Year Ended September 30,	
	2025	2024
Reconciliation to statement of net position		
Cash and cash equivalents	\$ 11,840,560	\$ 11,832,686
Restricted cash	-	37,628
	<u>\$ 11,840,560</u>	<u>\$ 11,870,314</u>
Reconciliation of operating loss to net change in cash from operating activities:		
Operating loss	\$ (56,649,207)	\$ (54,885,430)
Adjustments to reconcile operating loss to net change in cash from operating activities:		
Depreciation/amortization	8,812,907	8,037,711
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable	829,900	125,430
Leases receivable	(168,096)	-
Due from other governmental units	46,950	209,457
Inventories	(145,890)	344,495
Prepays	(193,595)	(13,512)
Accounts payable	(702,279)	(1,549,257)
Accrued liabilities	109,663	533,283
Self-insurance liabilities	845,068	134,060
Compensated absences	138,405	170,753
Net OPEB asset	(158,515)	(473,226)
OPEB deferred outflows	39,764	204,747
OPEB deferred inflows	(47,480)	(23,766)
Deferred lease amounts	168,096	-
Net change in cash from operating activities	<u>\$ (47,074,309)</u>	<u>\$ (47,185,255)</u>
Noncash transactions:		
Capital assets financed with accounts payable	\$ -	\$ 205,674
Capital assets financed with lease liabilities	121,461	-
Capital assets financed with subscription liabilities	2,130,824	-
Total noncash transactions	<u>\$ 2,252,285</u>	<u>\$ 205,674</u>

concluded

The accompanying notes are an integral part of these financial statements.

MASS TRANSPORTATION AUTHORITY

Statements of Fiduciary Net Position

Fiduciary Fund - Postemployment Health Benefits Trust Fund

	September 30,	
	2025	2024
Assets		
Investments:		
Mutual funds	<u>\$ 3,405,529</u>	<u>\$ 3,096,704</u>
Total assets (equal to net position restricted for postemployment health benefits)	<u><u>\$ 3,405,529</u></u>	<u><u>\$ 3,096,704</u></u>

The accompanying notes are an integral part of these basic financial statements.

MASS TRANSPORTATION AUTHORITY

Statements of Changes in Fiduciary Net Position

Fiduciary Fund - Postemployment Health Benefits Trust Fund

	Year Ended September 30,	
	2025	2024
Additions		
Contributions:		
Employer	\$ 96,309	\$ 94,553
Investment income, net:		
Net appreciation in fair value of investments	171,326	462,930
Interest and dividends	89,631	84,079
Less: investment expense	(23,005)	(23,009)
Net investment income	237,952	524,000
Total additions	334,261	618,553
Deductions		
Benefit payments	25,436	26,077
Change in net position	308,825	592,476
Net position, beginning of year	3,096,704	2,504,228
Net position, end of year	\$ 3,405,529	\$ 3,096,704

The accompanying notes are an integral part of these basic financial statements.

NOTES TO FINANCIAL STATEMENTS

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Mass Transportation Authority (the "Authority") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

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.

The Authority is eligible to receive federal and state financial assistance in the form of operating and capital grant funding to support its operations, expanded marketing, and specialized services, and replace buses and other equipment. The Authority provides demand-response public transportation services for the Genesee County area.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Separate financial statements are provided for the proprietary fund (enterprise fund) and fiduciary fund. The Authority reports a single enterprise fund that accounts for the Authority's business-type activities – i.e., activities that are financed in whole or in part by fees charged to external parties and are operated in a manner similar to private business where the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The postemployment health benefits fiduciary component unit (Trust Fund) accounts for the accumulation of resources to be used for retiree healthcare benefit payments. These amounts are not used to operate the Authority's programs.

The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

Proprietary funds distinguish *operating revenues* and expenses from *nonoperating* items. Operating revenues 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 revenues of the Authority relate to charges for services for passenger fares as well as funds provided by federal and state grants. Operating expenses for the Authority include the personnel cost, maintenance, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Property taxes, intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and as such have been recognized as revenues of the current fiscal period.

Restricted net position consists of assets that are subject to restrictions beyond the Authority's control. The restrictions may be externally imposed or imposed by law. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposit accounts and certificates of deposit. State statutes authorize the Authority to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the United States, certain commercial papers, repurchase agreements and banker acceptances.

Investments

Michigan law authorizes the Authority to deposit and invest in:

- a. Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified institution.
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Banker's acceptances of United States banks.
- e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- f. Mutual funds registered under the investments company act of 1940 with the Authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- g. External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

Accounts Receivable

Receivables consist of all revenues earned at year-end but not yet received.

Inventories and Prepaids

Inventories are reported at cost using the first-in/first-out method and are recorded as expenses when consumed (consumption method).

The Authority made certain payments to vendors prior to year-end for services that will be performed in the next fiscal year. In these situations, the Authority records an asset to reflect the investment in future services.

Restricted Assets

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 are defined by the Authority as assets whose initial cost exceeds \$5,000 and an estimated useful life in excess of one year. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are recorded at their estimated acquisition cost as of the donation date.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated/amortized over the remaining useful lives of the related capital assets, as applicable.

Depreciation/amortization on the capital assets of the Authority is computed using the straight-line method over the following estimated useful lives:

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

Grant Activities and Due from Other Governmental Units

The federal government, through the Federal Authority 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 statements of net position and capital contributions in the statements of revenue, expenses, and changes in net position when the related qualified expenditures are incurred.

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

When assets acquired with capital grant funds are disposed of, the Authority is required to notify the granting federal agency. A proportional amount of the 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.

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 Authority 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 years ended September 30, 2025 and 2024.

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, 2021. 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, 2022, 2023, 2024, and 2025. The Authority has recorded a liability or receivable based on MDOT's preliminary eligible expenses reimbursement percentage based on management's anticipation of the results of the State's final determination of the Act 51 funding formula for all years not finalized.

Deferred Outflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority reports deferred outflows related to its OPEB plan.

Compensated Absences

The Authority recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, the Authority has two types of leave that qualify for liability recognition for compensated absences - vacation/paid time off and sick time. The liability for compensated absences includes salary-related benefits, where applicable.

Long-term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

Leases

Lessee. The Authority is a lessee for noncancellable leases of equipment. The Authority recognizes a lease liability and an intangible right-to-use lease asset in the financial statements. The Authority recognizes lease liabilities with an initial, individual value of \$5,000 or more. The Authority has paid in full for one of the agreements as of the year ended September 30, 2025.

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

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

Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Authority uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price (if applicable) that the Authority is reasonably certain to exercise.

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

Lessor. The Authority is a lessor for noncancellable leases on a transfer center, terminal and Amtrak. The Authority recognizes a lease receivable and a deferred inflow of resources in the financial statements.

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

Key estimates and judgments include how the Authority determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The Authority uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

Subscription-Based Information Technology Arrangements (SBITA)

The Authority has multiple noncancellable subscription-based information technology arrangements. The Authority recognizes a subscription liability and an intangible right-to-use subscription asset in the financial statements. The Authority recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

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

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

Key estimates and judgments related to subscriptions include how the Authority determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) subscription term, and (3) subscription payments. The Authority uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the Authority generally uses its estimated incremental borrowing rate as the discount rate for SBITAs. The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price (if applicable) that the Authority is reasonably certain to exercise.

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

Deferred Inflows of Resources

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority reports deferred inflows related to leases. The amounts are deferred and amortized over the remaining life of the lease. The Authority also reports deferred inflows related to its OPEB plan.

Property Taxes

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 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.

For 2025 and 2024, real and personal property in Genesee County for the current levy was assessed and equalized at approximately \$12.8 billion and \$11.9 billion, respectively. For the year ended September 30, 2025 and 2024, the Authority levied 1.2051 mills and 1.2095 mills, respectively.

Other Postemployment Benefits Plan

The financial statements of the Postemployment Health Benefits Trust Fund (the "Plan") are prepared using the accrual basis of accounting. The Authority's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Dividend income is recognized based on the ex-dividend date, and interest income is recognized on the accrual basis as earned. All realized gains and losses on investments are recognized at the point of sale and are included in investment income. Purchases and sales of investments are recorded as of the trade date, which is the date when the transaction is initiated. Administration costs are financed initially through forfeited contributions by terminated employees not vested in the Plan's and through the Plan's investment earnings. Investments are reported at fair value.

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

Self-insurance Liabilities/Expense

The Authority 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 the Authority, 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. The claims liability is the best estimate based on known information.

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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Reclassification

Certain amounts as reported in the 2024 financial statements have been reclassified to conform with the 2025 presentation.

2. CASH AND INVESTMENTS

The cash and investments are included in the statements of net position and the statements of fiduciary net position under the following classifications as of September 30:

	2025	2024
Statements of Net Position		
Cash and cash equivalents	\$ 11,840,560	\$ 11,832,686
Restricted cash	-	37,628
Investments	4,236,975	4,080,968
Statements of Fiduciary Net Position		
Investments	<u>3,405,529</u>	<u>3,096,704</u>
Total	<u><u>\$ 19,483,064</u></u>	<u><u>\$ 19,047,986</u></u>
Deposits and investments		
Deposits:		
Checking and savings accounts	\$ 11,834,295	\$ 11,864,049
Investments:		
Money markets	1,442,046	648,366
U.S. treasury bonds	3,009,082	3,503,436
Mutual funds	3,191,376	3,025,870
Petty cash	<u>6,265</u>	<u>6,265</u>
Total	<u><u>\$ 19,483,064</u></u>	<u><u>\$ 19,047,986</u></u>

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

The Retiree OPEB Trust is 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.

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.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits might not be returned. State law does not require and the Authority's investment policy does not have specific limits in excess of state law pertaining to custodial credit risk. As of September 30, 2025 and 2024, \$12,354,142 and \$12,361,708, respectively, of the Authority's bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Authority does not have a policy for investment custodial credit risk. None of the Authority's investments were exposed to custodial credit risk at year end.

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified below. The Authority's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to losses arising from increasing interest rates.

	2025	Fair Value	No Maturity	Due in 1-5 years
Equities:				
Money markets	\$	1,442,046	\$ 1,442,046	\$ -
Mutual funds		1,748,445	1,748,445	-
Fixed income:				
Mutual funds		1,442,931	1,442,931	-
U.S. treasury bonds		3,009,082	-	3,009,082
Total		<u>\$ 7,642,504</u>	<u>\$ 4,633,422</u>	<u>\$ 3,009,082</u>

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

2024	Fair Value	No Maturity	Due in 1-5 years
Equities:			
Money markets	\$ 648,366	\$ 648,366	\$ -
Mutual funds	1,567,592	1,567,592	-
Fixed income:			
Mutual funds	1,458,278		
U.S. treasury bonds	3,503,436	-	3,503,436
Total	\$ 7,177,672	\$ 2,215,958	\$ 3,503,436

Credit Risk. State law limits investments to specific government securities, certificates of deposit and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments above. The Authority's investment policy does not have specific limits in excess of state law on investment credit risk. The investments held at year-end were not rated for 2025 and 2024.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified above. The Authority's investment policy does not have specific limits in excess of state law on concentration of credit.

Fair Value Measurement. 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.

As of September 30, 2025, mutual funds of \$3,191,376 are valued using quoted market prices (Level 1 inputs). U.S. treasury bonds of \$3,009,082 are valued using other observable inputs (Level 2 inputs). Money market accounts of \$1,227,893 are carried at amortized cost.

As of September 30, 2024, mutual funds of \$3,025,870 are valued using quoted market prices (Level 1 inputs). U.S. treasury bonds of \$3,503,436 are valued using other observable inputs (Level 2 inputs). Money market accounts of \$648,365 are carried at amortized cost.

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

3. CAPITAL ASSETS

Capital asset activity for the Authority for the year ended September 30, 2025, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets, not being depreciated/amortized:					
Land	\$ 3,781,718	\$ -	\$ -	\$ -	\$ 3,781,718
Construction in progress	8,144,892	-	(205,674)	(7,885,218)	54,000
	<u>11,926,610</u>	<u>-</u>	<u>(205,674)</u>	<u>(7,885,218)</u>	<u>3,835,718</u>
Capital assets, being depreciated/amortized:					
Buildings	77,170,821	343,845	-	6,129,616	83,644,282
Revenue equipment	71,907,825	2,424,228	(5,909,946)	1,723,538	70,145,645
Service cards	1,005,453	192,630	(36,516)	-	1,161,567
Furniture and fixtures	5,754,354	136,858	(12,210)	28,171	5,907,173
Maintenance and garage equipment	1,566,324	163,161	(3,691)	3,893	1,729,687
Lease equipment (Note 5)	-	133,128	-	-	133,128
Subscription assets (Note 6)	-	2,130,824	-	-	2,130,824
	<u>157,404,777</u>	<u>5,524,674</u>	<u>(5,962,363)</u>	<u>7,885,218</u>	<u>164,852,306</u>
Less accumulated depreciation/amortization for:					
Buildings	(53,743,127)	(1,990,448)	-	-	(55,733,575)
Revenue equipment	(46,572,185)	(5,797,518)	5,909,946	-	(46,459,757)
Service cards	(813,427)	(65,065)	36,516	-	(841,976)
Furniture and fixtures	(4,925,935)	(232,373)	12,210	-	(5,146,098)
Maintenance and garage equipment	(811,583)	(140,982)	3,691	-	(948,874)
Lease equipment (Note 5)	-	(30,058)	-	-	(30,058)
Subscription assets (Note 6)	-	(556,463)	-	-	(556,463)
	<u>(106,866,257)</u>	<u>(8,812,907)</u>	<u>5,962,363</u>	<u>-</u>	<u>(109,716,801)</u>
Total capital assets being depreciated/amortized, net	<u>50,538,520</u>	<u>(3,288,233)</u>	<u>-</u>	<u>7,885,218</u>	<u>55,135,505</u>
Capital assets, net	<u>\$ 62,465,130</u>	<u>\$ (3,288,233)</u>	<u>\$ (205,674)</u>	<u>\$ -</u>	<u>\$ 58,971,223</u>

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

Capital asset activity for the Authority for the year ended September 30, 2024, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets, not being depreciated/amortized:					
Land	\$ 3,781,718	\$ -	\$ -	\$ -	\$ 3,781,718
Construction in progress	2,403,832	5,001,462	-	739,598	8,144,892
	<u>6,185,550</u>	<u>5,001,462</u>	<u>-</u>	<u>739,598</u>	<u>11,926,610</u>
Capital assets, being depreciated/amortized:					
Buildings	78,099,426	9,897	-	(938,502)	77,170,821
Revenue equipment	65,618,408	6,861,749	(582,332)	10,000	71,907,825
Service cards	905,387	125,061	(24,995)	-	1,005,453
Furniture and fixtures	5,669,082	85,272	-	-	5,754,354
Maintenance and garage equipment	1,354,807	22,613	-	188,904	1,566,324
	<u>151,647,110</u>	<u>7,104,592</u>	<u>(607,327)</u>	<u>(739,598)</u>	<u>157,404,777</u>
Less accumulated depreciation/amortization for:					
Buildings	(51,859,875)	(1,883,252)	-	-	(53,743,127)
Revenue equipment	(41,479,694)	(5,674,823)	582,332	-	(46,572,185)
Service cards	(794,017)	(40,831)	21,421	-	(813,427)
Furniture and fixtures	(4,607,910)	(318,025)	-	-	(4,925,935)
Maintenance and garage equipment	(690,803)	(120,780)	-	-	(811,583)
	<u>(99,432,299)</u>	<u>(8,037,711)</u>	<u>603,753</u>	<u>-</u>	<u>(106,866,257)</u>
Total capital assets being being depreciated/amortized, net	<u>52,214,811</u>	<u>(933,119)</u>	<u>(3,574)</u>	<u>(739,598)</u>	<u>50,538,520</u>
Capital assets, net	<u>\$ 58,400,361</u>	<u>\$ 4,068,343</u>	<u>\$ (3,574)</u>	<u>\$ -</u>	<u>\$ 62,465,130</u>

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

4. BOND AND OTHER LONG-TERM LIABILITIES

Bond and other long-term liabilities activity for the year ended September 30, 2025, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Direct Placement:					
Installment purchase agreement - CNG fueling station, due in monthly installments of \$37,824 to \$73,934 through December 1, 2029; interest at 5.00%	\$ 3,007,322	\$ -	\$ (509,596)	\$ 2,497,726	\$ 536,038
2018 revenue bonds, final annual installment of \$145,000 paid off in 2025	145,000	-	(145,000)	-	-
Lease liabilities (Note 5)	-	121,461	(24,578)	96,883	25,121
Subscription liabilities (Note 6)	-	2,130,824	(695,965)	1,434,859	552,622
Total direct placement	3,152,322	2,252,285	(1,375,139)	4,029,468	1,113,781
Compensated absences	1,079,380	138,405	-	1,217,785	80,552
	<u>\$ 4,231,702</u>	<u>\$ 2,390,690</u>	<u>\$ (1,375,139)</u>	<u>\$ 5,247,253</u>	<u>\$ 1,194,333</u>

Bond and other long-term liabilities activity for the year ended September 30, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Direct Placement:					
Installment purchase agreement - CNG fueling station, due in monthly installments of \$37,824 to \$73,934 through December 1, 2029; interest at 5.00%	\$ 3,491,334	\$ -	\$ (484,012)	\$ 3,007,322	\$ 509,596
2018 revenue bonds, due in final installments of \$145,000 on June 1, 2025; interest at 3.80%	280,000	-	(135,000)	145,000	145,000
Subtotal	3,771,334	-	(619,012)	3,152,322	654,596
Compensated absences	908,627	949,927	(779,174)	1,079,380	68,289
	<u>\$ 4,679,961</u>	<u>\$ 949,927</u>	<u>\$ (1,398,186)</u>	<u>\$ 4,231,702</u>	<u>\$ 722,885</u>

The change in compensated absences is a net change for the year.

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

Annual debt service requirements to maturity for the bonds and other long-term liabilities is as follows:

Year Ended September 30,	Installment Purchase Agreement	
	Principal	Interest
2026	\$ 536,038	\$ 114,239
2027	563,853	86,424
2028	592,946	57,331
2029	623,878	26,399
2030	181,011	1,612
Total	\$ 2,497,726	\$ 286,005

The 2018 revenue bonds above had a restriction at year end of principal and interest based on a percentage of amounts due. As of September 30, 2024, the \$145,000 principal due within one year includes \$108,750 current portion of bonds payable and \$36,250 principal payable from restricted assets. The bond was paid off in 2025 and there are no amounts due as of September 30, 2025.

Pledged Revenue

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 proprietary 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 \$150,510 as of September 30, 2024. Net revenue of the system was \$9,600,334 compared to annual debt requirements of \$150,510 as of September 30, 2024. The revenue bonds were fully paid as of September 30, 2025.

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

5. LEASES

Lessee - The Authority is involved in two agreements as a lessee that qualify as long-term lease agreements. Below is a summary of the nature of these agreements. These agreements qualify as intangible, right-to-use assets and not financed purchases, as the Authority will not own the asset at the end of the contract term and the noncancelable term of the agreement surpasses one year. The present values are discounted using the Authority's incremental borrowing rate. The Authority has paid in full for one of the agreements as of the year ended September 30, 2025.

	Remaining Term of Agreements
Asset Type	
Equipment	2-4 years

The right-to-use asset and the related activity are included in Note 3, Capital Assets. The lease liability and related activity are presented in Note 4, Bond and Other Long-term Liabilities.

The net present value of future minimum payments as of September 30, 2025, were as follows:

Year Ended September 30,	Principal	Interest
2026	\$ 25,121	\$ 3,196
2027	26,077	2,240
2028	27,069	1,248
2029	18,616	262
Total	\$ 96,883	\$ 6,946

Lessor - The Authority is involved in three agreements as a lessor that qualify as long-term lease agreements. Below is a summary of these agreements. These agreements qualify as long-term lease agreements as the Authority will not surrender control of the asset at the end of the term and the noncancelable term of the agreement surpasses one year. Total lease revenue for the year ended September 30, 2025 was \$9,500 including interest of \$591.

	Remaining Term of Agreements
Asset Type	
Transfer center	2 years
Terminal	3 years
Amtrak	9 years

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

6. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Authority is involved in nine arrangements that qualify as long-term subscription-based information technology ("IT") arrangements ("SBITA"). Below is a summary of the nature of these arrangements. These arrangements qualify as intangible, right-to-use subscription assets as the Authority has the control of the right to use another party's IT software and the noncancelable term of the arrangements surpassing one year. The present value is discounted using the Authority's incremental borrowing rate.

Asset Type	Remaining Term of Arrangements
Subscription assets	1 to 4 years

The right-to-use assets and the related activity are included in Note 3, Capital Assets. The subscription liabilities and related activity are presented in Note 4, Bond and Other Long-term Liabilities.

The net present value of future minimum payments as of September 30, 2025, were as follows:

Year Ended September 30,	Principal	Interest
2026	\$ 552,622	\$ 52,607
2027	539,315	30,788
2028	171,585	13,888
2029	171,337	7,145
Total	\$ 1,434,859	\$ 104,428

7. 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.

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

8. COST ALLOCATION PLANS

The 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 Authority maintains four cost allocation plans for which the methodology has been approved by the Michigan Office of Passenger Transportation (OPT). Those cost allocations are for the specialized service cost, urban/nonurban and Job Access and Reverse Commute (JARC) program cost, and JARC revenue. These cost allocation plans were adhered to in the preparation of the financial statements.

9. 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.

The Authority is self-insured for automobile liability, general liability, and workers' compensation. The Authority 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. The Authority has contracted with third-party administrators to oversee, adjust, and ultimately settle claims.

The claim liabilities are based on the requirements of GAAP 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:

	2025	2024	2023
Estimated liability, beginning of year	\$ 1,773,364	\$ 1,639,304	\$ 2,248,976
Estimated claims incurred	1,443,121	1,000,135	1,271,314
Claim payments	<u>(598,053)</u>	<u>(866,075)</u>	<u>(1,880,986)</u>
Estimated liability, end of year	<u><u>\$ 2,618,432</u></u>	<u><u>\$ 1,773,364</u></u>	<u><u>\$ 1,639,304</u></u>

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

10. EMPLOYEE RETIREMENT PLANS

Management Employees' Retirement Plan

Plan Description. The Management Employees' Retirement Plan is a single-employer money purchase 401(a) defined contribution 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, 2025 and 2024.

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% to participate in the employer match of 8%.

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, 2025 and 2024, employer contributions were \$491,151 and \$444,033, respectively. During the years ended September 30, 2025 and 2024, employee contributions were \$245,362 and \$221,917, respectively.

Hourly Employees' Retirement Plan

Plan Description. The Hourly Employees' Retirement Plan is a single-employer money purchase 401(a) defined contribution pension 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% to participate in the employer match of 4%. No liability existed for the plan for the years ended September 30, 2025 and 2024.

During the years ended September 30, 2025 and 2024, employer contributions were \$396,709 and \$367,370, respectively. During the years ended September 30, 2025 and 2024, employee contributions were \$396,633 and \$367,297, respectively.

A stand-alone pension plan report has not been issued for the Plans.

11. 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.

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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 hourly members retired before/on September 30, 2023 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. The Authority reimburses hourly members retired after September 30, 2023 retirees with at least 10 years of service up to \$1,500 per year (\$125 per month) and retirees with at least 20 years of service up to \$2,100 per year (\$175 per month) for basic Medicare supplement coverage purchased for themselves.

Plan membership consisted of the following as of the most recent valuation date September 30:

	2024
Retirees and beneficiaries	26
Active plan members	633
Total plan members	<u>659</u>

Funding policy. 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.

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.

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

Asset Class	Target Allocation	
	2025	2024
Equity	35-65%	35-65%
Fixed income	35-65	35-65
Cash	0-15	0-15

Rate of return. For the year ended September 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 9.40 percent. For the year ended September 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 10.59 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Concentrations. At September 30, 2025, the plan held approximately 8.1 percent of its investment portfolio in the Federated Total Return Bond Fund, 8.2 percent of its investment portfolio in the Metropolitan West Total Return Fund, 22.0 percent of its investment portfolio in the Vanguard Total Bond Market Index Fund - Admiral Shares, 22.2 percent of its investment portfolio in the DFA US Core Equity 1 Portfolio, 5.1 percent of its investment portfolio in the Victory Pioneer Fundamental Growth Fund, 6.8 percent in Vanguard Developed Markets Index Fund - Admiral Shares, 5.1 percent of its investment portfolio in the Vanguard Small Cap Index Fund - Admiral Shares and 10.1 percent of its investment portfolio in the Vanguard Total Stock Market Index Fund - Admiral Shares.

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of September 30, 2024, rolled forward to September 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry-age normal
Amortization method	Level percent, closed
Remaining amortization period	16 years (17 years for 2024)
Asset valuation method	Market value of assets
Price inflation	2.5%
Salary increases	3.5%
Investment rate of return	4.0%, net of OPEB plan investment expense, including inflation
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	PubG-2010 Mortality Tables for males and females with two-dimensional, fully generational improvements using the MP-2021 Mortality Improvement Scales.
Health care trend rates	Regarding the sensitivity of the net OPEB asset 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.
Aging factors	N/A (Stipend is not age based.)

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

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

Asset Class	Long-term Expected Real Rate of Return
U.S. equity	6.90%
Fixed income	1.35%

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.

Changes in Net OPEB Liability (Asset)

The components of the change in net OPEB liability (asset) are summarized as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balance at September 30, 2024	\$ 1,726,697	\$ 3,096,704	\$ (1,370,007)
Changes for the year:			
Service cost	108,706	-	108,706
Interest	70,733	-	70,733
Changes in benefits	230,610	-	230,610
Difference between expected and actual experience	(234,303)	-	(234,303)
Employer contributions	-	96,309	(96,309)
Net investment income (loss)	-	237,952	(237,952)
Benefit payments	(25,436)	(25,436)	-
Net changes	150,310	308,825	(158,515)
Balance at September 30, 2025	\$ 1,877,007	\$ 3,405,529	\$ (1,528,522)

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balance at September 30, 2023	\$ 1,607,447	\$ 2,504,228	\$ (896,781)
Changes for the year:			
Service cost	105,031	-	105,031
Interest	65,878	-	65,878
Difference between expected and actual experience	(25,582)	-	(25,582)
Employer contributions	-	94,553	(94,553)
Net investment income (loss)	-	524,000	(524,000)
Benefit payments	(26,077)	(26,077)	-
Net changes	<u>119,250</u>	<u>592,476</u>	<u>(473,226)</u>
Balance at September 30, 2024	<u>\$ 1,726,697</u>	<u>\$ 3,096,704</u>	<u>\$ (1,370,007)</u>

Changes in benefits. The following benefits were changed in 2025: hourly members who retired after September 30, 2023 are now eligible to receive up to \$1,500 (previously \$1,200) per year in benefits if they retired with 10 or more years of service and up to \$2,100 (previously \$1,800) per year in benefits if they retired with 20 or more years of service.

Sensitivity of the net OPEB liability (asset) to changes in the discount rate. The following presents the net OPEB liability (asset) of the Authority, calculated using the discount rate of 4.00% as well as what the Authority's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% increase (5.00%)
September 30, 2025	\$ (1,266,431)	\$ (1,528,522)	\$ (1,730,889)

Sensitivity of the net OPEB liability (asset) to changes in the discount rate. The following presents the net OPEB liability (asset) of the Authority, calculated using the discount rate of 4.00% as well as what the Authority's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% increase (5.00%)
September 30, 2024	\$ (1,115,181)	\$ (1,370,007)	\$ (1,539,635)

Because the benefit under this plan is a fixed payment, trend sensitivity is not applicable.

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

OPEB Benefit, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the years ended September 30, 2025 and 2024, the Authority recognized OPEB benefit of \$69,922 and \$197,692, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources as of September 30:

	2025		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ 339,865	\$ (339,865)
Changes in assumptions	-	521,563	(521,563)
Net difference between projected and actual earnings on OPEB plan investments	-	284,451	(284,451)
Total	<u>\$ -</u>	<u>\$ 1,145,879</u>	<u>\$ (1,145,879)</u>

	2024		
	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ 4,507	\$ 233,365	\$ (228,858)
Changes in assumptions	35,257	718,505	(683,248)
Net difference between projected and actual earnings on OPEB plan investments	-	241,489	(241,489)
Total	<u>\$ 39,764</u>	<u>\$ 1,193,359</u>	<u>\$ (1,153,595)</u>

Amounts reported as deferred outflows/inflows of resources related to the OPEB as of September 30, 2025 will be recognized in OPEB expense as follows:

Year Ended September 30,	Amount
2026	\$ (353,569)
2027	(358,412)
2028	(286,936)
2029	(97,901)
2030	(38,270)
Thereafter	<u>(10,791)</u>
Total	<u>\$ (1,145,879)</u>

Payable to the OPEB Plan. There was no payable to the OPEB plan for the years ended September 30, 2025 and 2024.

MASS TRANSPORTATION AUTHORITY

Notes to Financial Statements

13. NET POSITION

Net Investment in Capital Assets

The composition of the Authority's net investment in capital assets as of September 30, was as follows:

	2025	2024
Capital assets:		
Capital assets not being depreciated/amortized	\$ 3,835,718	\$ 11,926,610
Capital assets being depreciated/amortized, net	55,135,505	50,538,520
	<u>58,971,223</u>	<u>62,465,130</u>
Related debt:		
Total debt	4,029,468	3,152,322
Capital and retainage related payables	-	205,674
	<u>4,029,468</u>	<u>3,357,996</u>
Net investment in capital assets	<u>\$ 54,941,755</u>	<u>\$ 59,107,134</u>



REQUIRED SUPPLEMENTARY INFORMATION

MASS TRANSPORTATION AUTHORITY

Required Supplementary Information

Single-Employer Defined Benefit Other Postemployment Benefits Plan
Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios

	Year Ended September 30,			
	2025	2024	2023	2022
Total OPEB liability				
Service cost	\$ 108,706	\$ 105,031	\$ 149,379	\$ 144,328
Interest	70,733	65,878	92,404	85,429
Changes in benefits	230,610	-	-	-
Differences between expected and actual experience	(234,303)	(25,582)	(13,488)	(30,299)
Change in assumptions	-	-	(841,951)	-
Benefit payments	(25,436)	(26,077)	(28,589)	(26,646)
Net change in total OPEB liability	150,310	119,250	(642,245)	172,812
Total OPEB liability, beginning of year	1,726,697	1,607,447	2,249,692	2,076,880
Total OPEB liability, end of year	1,877,007	1,726,697	1,607,447	2,249,692
Plan fiduciary net position				
Employer contributions	96,309	94,553	289,077	281,707
Net investment income (loss)	237,952	524,000	182,865	(393,182)
Benefit payments, including refunds of employee contributions	(25,436)	(26,077)	(28,589)	(26,646)
Administrative expenses	-	-	-	-
Other changes	-	-	-	-
Net change in plan fiduciary net position	308,825	592,476	443,353	(138,121)
Plan fiduciary net position, beginning of year	3,096,704	2,504,228	2,060,875	2,198,996
Plan fiduciary net position, end of year	3,405,529	3,096,704	2,504,228	2,060,875
Authority's net OPEB liability (asset)	\$ (1,528,522)	\$ (1,370,007)	\$ (896,781)	\$ 188,817
Plan fiduciary net position as a percentage of total OPEB liability (asset)	181.43%	179.34%	155.79%	91.61%
Covered-employee payroll	\$ 29,828,698	\$ 28,349,411	\$ 26,202,788	\$ 18,505,709
Authority's net OPEB liability (asset) as a percentage of covered-employee payroll	-5.1%	-4.8%	-3.4%	1.0%

See notes to required supplementary information.



Year Ended September 30,

2021	2020	2019	2018	2017
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\$ 165,148	\$ 157,153	\$ 108,634	\$ 89,768	\$ 86,315
111,827	102,359	75,766	71,165	66,016
-	-	-	-	-
(504,837)	-	54,757	(28,503)	-
(394,834)	-	428,065	-	-
(27,040)	(26,612)	(26,690)	(26,964)	(23,693)
(649,736)	232,900	640,532	105,466	128,638

<u>2,726,616</u>	<u>2,493,716</u>	<u>1,853,184</u>	<u>1,747,718</u>	<u>1,619,080</u>
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<u>2,076,880</u>	<u>2,726,616</u>	<u>2,493,716</u>	<u>1,853,184</u>	<u>1,747,718</u>
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354,355	422,351	277,894	283,795	252,304
274,834	67,753	31,931	28,185	451
(27,040)	(26,612)	(26,690)	(26,964)	(23,693)
-	-	-	-	(8,250)
-	-	-	4	7

<u>602,149</u>	<u>463,492</u>	<u>283,135</u>	<u>285,020</u>	<u>220,819</u>
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<u>1,596,847</u>	<u>1,133,355</u>	<u>850,220</u>	<u>565,200</u>	<u>344,381</u>
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<u>2,198,996</u>	<u>1,596,847</u>	<u>1,133,355</u>	<u>850,220</u>	<u>565,200</u>
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<u>\$ (122,116)</u>	<u>\$ 1,129,769</u>	<u>\$ 1,360,361</u>	<u>\$ 1,002,964</u>	<u>\$ 1,182,518</u>
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105.88%	58.57%	45.45%	45.88%	32.34%
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\$ 23,072,543	\$ 20,025,800	\$ 19,819,717	\$ 18,574,435	\$ 17,193,615
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-0.5%	5.6%	6.9%	5.4%	6.9%
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MASS TRANSPORTATION AUTHORITY

Required Supplementary Information

Single-Employer Defined Benefit Other Postemployment Benefits Plan
Schedule of Contributions

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as Percentage of Covered-Employee Payroll
2025	\$ 36,023	\$ 96,309	\$ (60,286)	\$ 29,828,698	0.32%
2024	70,873	94,553	(23,680)	28,349,411	0.33%
2023	68,476	289,077	(220,601)	26,202,788	1.10%
2022	160,488	281,707	(121,219)	18,505,709	1.52%
2021	155,061	354,355	(199,294)	23,072,543	1.54%
2020	227,315	422,351	(195,036)	20,025,800	2.11%
2019	219,628	277,894	(58,266)	19,819,717	1.40%
2018	145,204	283,795	(138,591)	18,574,435	1.53%
2017	139,619	252,304	(112,685)	17,193,615	1.47%

See notes to required supplementary information.

MASS TRANSPORTATION AUTHORITY

Required Supplementary Information

Single-Employer Defined Benefit Other Postemployment Benefits Plan
Schedule of Investment Returns

Year Ended September 30,	Annual Money- Weighted Rate of Return, Net of Investment Expense
2025	9.40%
2024	10.59%
2023	8.69%
2022	11.33%
2021	16.37%
2020	5.85%
2019	1.49%
2018	3.98%
2017	0.06%

See notes to required supplementary information.

MASS TRANSPORTATION AUTHORITY

Notes to Required Supplementary Information

Single-Employer Defined Benefit Other Postemployment Benefits Plan

Notes to Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios

Note: GASB 75 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Changes in benefits

In 2025, hourly members who retired after September 30, 2023 are now eligible to receive up to \$1,500 (previously \$1,200) per year in benefits if they retired with 10 or more years of service and up to \$2,100 (previously \$1,800) per year in benefits if they retired with 20 or more years of service.

Changes in assumptions

In 2023, the mortality tables were updated from MP-2018 scales to MP-2021 scales.

In 2021, the election percentage assumption was revised from 60 percent choosing to elect coverage upon separation to 50 percent choosing to elect retiree health care at age 65.

In 2019, the mortality assumptions were updated to the recently released Public Sector mortality tables and projected salary increases were reduced from 4.0 percent annually to 3.5 percent.

MASS TRANSPORTATION AUTHORITY

Notes to Required Supplementary Information

Single-Employer Defined Benefit Other Postemployment Benefits Plan

Notes to Schedule of Contributions

Note: GASB 75 was implemented in fiscal year 2017. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Valuation Date	September 30, 2024
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal (level percent)
Amortization method	Level percent closed
Remaining amortization period	16 years
Asset valuation method	Market value of assets
Inflation	2.5%
Salary increases	3.5%
Investment rate of return	4.0%, net of OPEB plan expense
Health care trend rates	N/A (Stipend payments are not assumed to increase)
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	Post-Retirement: PubG-2010 Healthy Retiree Mortality Table for males and females with 2-dimensional, fully generational improvements using the MP-2021 Mortality Improvement Scales. Disabled Retirement: PubG-2010 Disabled Retiree Table for males and females with 2-dimensional, fully generational improvements using the MP-2021 Mortality Improvement Scales. Pre-Retirement: PubG-2010 Employee Table for males and females with 2 dimensional, fully generational improvements using the MP-2021 Mortality Improvement Scales.

Notes to the Schedule of Investment Returns

Note: GASB 75 was implemented in fiscal year 2017 and the Authority created and began funding the trust in fiscal year 2019. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

SUPPLEMENTARY INFORMATION

**MICHIGAN OFFICE OF PASSENGER
TRANSPORTATION SCHEDULES**

MASS TRANSPORTATION AUTHORITY

Schedule of Local Revenues

For the Year Ended September 30, 2025

Passenger fares:	
Urban regular service	\$ 3,869,086
Nonurban regular service	1,085,346
Job access and reverse commute	183,112
Property tax revenue:	
Urban regular service	12,115,622
Nonurban regular service	3,391,034
Local contracts and reimbursements	22,360
Other non-transportation revenues	400,861
Interest income	540,287
Refunds	220,590
Total local revenues	<u>21,828,298</u>
Total federal revenues	14,518,726
Total state revenues	<u>17,526,835</u>
Total revenues	<u><u>\$ 53,873,859</u></u>
Revenues as presented on:	
Statements of Revenues, Expenses and Change in Fund Net Position	
Operating revenues	\$ 5,652,641
Property taxes	15,506,656
Intergovernmental:	
Federal	11,982,181
State	16,911,447
Local	22,360
Interest income	16,665
Gain on sale of capital assets	52,120
Other revenue	220,590
Capital contributions	<u>3,151,933</u>
Total Statements of Revenues, Expenses and Change in Fund Net Position	<u>53,516,593</u>
Statements of Changes in Fiduciary Net Position	
Employer contributions	96,309
Net appreciation in fair value of investments	171,326
Interest and dividends	<u>89,631</u>
Total Statements of Changes in Fiduciary Net Position	<u>357,266</u>
Total revenue	<u><u>\$ 53,873,859</u></u>

MASS TRANSPORTATION AUTHORITY

Schedule of Expenditures of Federal and State Awards
For the Year Ended September 30, 2025

Federal and State Agency / Pass-Through Grantor / Program Title	Assistance Listing Number	Pass-through / Grantor Number	Program Award Amount	Current Year Expenditures			Prior Year's Expenditures	Award Amount Remaining
				Total	Federal	State		
U.S. Department of Transportation								
Highway Planning and Construction Program:								
Direct awards:								
Local Areas of Persistent Poverty - FY 2023 Section 5305	20.205	MI-2023-036 & 2022-0098/P12	\$ 600,000	\$ 93,623	\$ 74,898	\$ 18,725	\$ 160,054	\$ 346,323
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research:								
Passed through the Michigan Department of Transportation:								
FTA Metro Transportation Planning - Section 5304 - 2023	20.505	MI-2022-037-01 & 2022-0098/P8	300,000	96,018	96,018	-	50,082	153,900
Direct awards:								
Genesee County Metro Planning Commission MDOT - 2025	20.505	n/a	97,671	97,671	97,671	-	-	-
			<u>397,671</u>	<u>193,689</u>	<u>193,689</u>	<u>-</u>	<u>50,082</u>	<u>153,900</u>
Federal Transit Cluster:								
Direct awards:								
Formula Grants - FY 2019 Section 5307	20.507	MI-2019-027 & 2017-0092/P20	9,922,339	157,324	125,859	31,465	9,738,975	26,040
Formula Grants - FY 2020 Section 5307	20.507	MI-2020-060 & 2017-0092/P25	7,002,884	109,835	87,868	21,967	6,887,968	5,081
Formula Grants - FY 2021 Section 5307	20.507	MI-2021-030 & 2017-0092/P32	6,833,660	301,246	240,997	60,249	6,298,459	233,955
Formula Grants - FY 2022 Section 5307	20.507	MI-2022-047 & 2022-0098/P4	9,923,288	1,435,621	1,148,497	287,124	6,653,064	1,834,603
Formula Grants - FY 2023 Section 5307	20.507	MI-2023-031 & 2022-0098/P9	10,649,211	1,797,770	1,438,216	359,554	2,332,610	6,518,831
Formula Grants - FY 2024 Section 5307	20.507	MI-2024-010 & 2022-0098/P19	8,741,429	674,134	539,307	134,827	-	8,067,295
Formula Grants - FY 2024 Section 5307	20.507	MI-2024-010 & 2022-0098/P19	3,630,000	3,630,000	2,904,000	726,000	-	-
Formula Grants - FY 2024 Section 5307	20.507	MI-2024-010 & 2022-0098/P19	1,700,000	1,700,000	300,000	1,400,000	-	-
COVID-19 CARES Act	20.507	MI-2020-013-00	19,049,485	542,240	542,240	-	18,191,852	315,393
COVID-19 ARPA	20.507	MI-2022-007-00	16,183,000	4,486,973	4,486,973	-	11,696,027	-
COVID-19 ARPA	20.507	MI-2022-051-00	260,000	44,887	44,887	-	205,314	9,799
			<u>93,895,296</u>	<u>14,880,030</u>	<u>11,858,844</u>	<u>3,021,186</u>	<u>62,004,269</u>	<u>17,010,997</u>
Local Buses and Bus Facilities Discretionary Program:								
Section 5339 - FY 2020	20.526	MI-2020-056-00 & 2017-0092/P26	5,375,000	86,458	69,166	17,292	2,847,880	2,440,662
Section 5339 - FY 2022	20.526	MI-2023-002-00 & 2022-0098/P11	5,418,501	33,210	26,568	6,642	2,540,153	2,845,138
			<u>10,793,501</u>	<u>119,668</u>	<u>95,734</u>	<u>23,934</u>	<u>5,388,033</u>	<u>5,285,800</u>
Total Federal Transit Cluster			<u>104,688,797</u>	<u>14,999,698</u>	<u>11,954,578</u>	<u>3,045,120</u>	<u>67,392,302</u>	<u>22,296,797</u>

continued...

MASS TRANSPORTATION AUTHORITY

Schedule of Expenditures of Federal and State Awards

For the Year Ended September 30, 2025

Federal and State Agency / Pass-Through Grantor / Program Title	Assistance Listing Number	Pass-through / Grantor Number	Program Award Amount	Current Year Expenditures			Prior Year's Expenditures	Award Amount Remaining
				Total	Federal	State		
U.S. Department of Transportation (concluded)								
Formula Grants for Rural Areas and Tribal Transit Programs:								
Passed through the Michigan Department of Transportation:								
Operating Assistance - Section 5311 FY22	20.509	MI-2020-008-07 & 2022-0098/P6	\$ (637,674)	\$ (637,674)	\$ (637,674)	\$ -	\$ -	\$ -
Operating Assistance - Section 5311 FY24	20.509	MI-2024-001-01 & 2022-0098/P21	1,759,810	1,759,810	1,759,810	-	-	-
			<u>1,122,136</u>	<u>1,122,136</u>	<u>1,122,136</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transit Services Programs Cluster:								
Enhanced Mobility of Seniors and Individuals with Disabilities Program:								
Direct awards:								
FY2020	20.513	MI-2020-065-00 & 2017-0092/P27	167,172	38,991	38,991	-	128,181	-
FY2021	20.513	MI-2021-044-00 & 2017-0092/P33	284,881	284,881	227,905	56,976	-	-
FY2021	20.513	MI-2021-044-00 & 2017-0092/P33	162,034	162,034	162,034	-	-	-
FY2022	20.513	MI-2022-027-00 & 2022-0098/P5	500,617	354,309	283,447	70,862	140,412	5,896
FY2022	20.513	MI-2022-027-00 & 2022-0098/P5	165,000	47,296	47,296	-	-	117,704
FY2023	20.513	MI-2023-007-00 & 2022-0098/P10	951,548	517,190	413,752	103,438	-	434,358
			<u>2,231,252</u>	<u>1,404,701</u>	<u>1,173,425</u>	<u>231,276</u>	<u>268,593</u>	<u>557,958</u>
Total Transit Services Program Cluster								
			<u>2,231,252</u>	<u>1,404,701</u>	<u>1,173,425</u>	<u>231,276</u>	<u>268,593</u>	<u>557,958</u>
Total U.S. Department of Transportation			<u>109,039,856</u>	<u>17,813,847</u>	<u>14,518,726</u>	<u>3,295,121</u>	<u>67,871,031</u>	<u>23,354,978</u>
Michigan Department of Transportation								
Operating assistance - Act 51 (FY 2025):								
Urban	n/a	n/a	9,805,976	9,805,976	-	9,805,976	-	-
FY21 LBO Final Audit - Repayment	n/a	n/a	(23,108)	(23,108)	-	(23,108)	-	-
FY22 LBO Non urban Overpayment From State Advance	n/a	n/a	170,642	170,642	-	170,642	-	-
Nonurban	n/a	n/a	3,854,919	3,854,919	-	3,854,919	-	-
Total Michigan Department of Transportation			<u>13,808,429</u>	<u>13,808,429</u>	<u>-</u>	<u>13,808,429</u>	<u>-</u>	<u>-</u>
Specialized Services								
FY 24/25	n/a	2022-0098/P20	332,182	332,182	-	332,182	-	-
Local Community Stabilization Authority								
Local Community Stabilization Act	n/a	n/a	911,034	91,103	-	91,103	-	819,931
Total Expenditures of Federal and State Awards			<u>\$ 124,091,501</u>	<u>\$ 32,045,561</u>	<u>\$ 14,518,726</u>	<u>\$ 17,526,835</u>	<u>\$ 67,871,031</u>	<u>\$ 24,174,909</u>

concluded

MASS TRANSPORTATION AUTHORITY

Schedule of Operating and Contract Expenses

For the Year Ended September 30, 2025

Code	Description	Operating Assistance - Act 51		Section 5311 Contract # MI-2024-010 & 2022-0098/P19	Specialized Services	Total
		Urban Regular Services	Nonurban Regular Services	Job Access and Reverse Commute		
501	Labor	\$ 20,672,425	\$ 5,794,111	\$ 962,228	\$ -	\$ 27,428,764
502	Fringe benefits	7,661,458	2,213,403	367,579	-	10,242,440
503	Services	2,804,286	955,820	158,733	-	3,918,839
504	Materials and supplies	4,480,632	1,307,653	217,162	-	6,005,447
505	Utilities	1,070,889	304,876	50,631	-	1,426,396
506	Insurance	3,080,555	625,689	103,909	-	3,810,153
507	Taxes and fees	42,930	12,016	1,995	-	56,941
509	Miscellaneous expenses*	859,075	64,393	10,693	-	934,161
511	Interest on long-term debt	140,487	30,629	5,087	-	176,203
512	Operating leases and rentals*	33,597	2,111	350	-	36,058
513	Depreciation*	6,202,177	1,735,924	288,285	-	8,226,386
550	Services - specialized	-	-	-	264,704	264,704
Total expenses		\$ 47,048,511	\$ 13,046,625	\$ 2,166,652	\$ 264,704	\$ 62,526,492

Reconciliation of expenses:

Statements of Revenues, Expenses and Change in Fund Net Position

Operating expenses	\$ 62,301,848
Interest expense	176,203
	<u>62,478,051</u>

Statements of Changes in Fiduciary Net Position

Investment expense	23,005
Benefit payments	25,436
	<u>48,441</u>

Total expenses

\$ 62,526,492

* The Authority is following the MDOT revenue and expense manual of which \$556,463 SBITA amortization is being included in miscellaneous expenses and \$30,058 of lease amortization is being included in operating leases and rentals.

MASS TRANSPORTATION AUTHORITY

Schedule of Operating Revenues

Urban Regular Service

For the Year Ended September 30, 2025

Code	Description	Total
401: Farebox revenues		
40100	Passenger fares	<u>\$ 3,869,086</u>
406: Auxiliary trans revenues		
40615	Advertising	<u>120,000</u>
407: Non-transit revenues		
40720	Rental of Bldgs or Other Property	169,089
40725	Parking lot revenue	24,075
40760	Gains from the sale of capital assets	52,120
40799	Other non-transit revenue	<u>35,577</u>
	Total Non-transit Revenues	<u>280,861</u>
408: Local revenue		
40800	Taxes levied directly for/by transit agency	<u>12,115,622</u>
409: Local revenue		
40999	Other local contracts and reimbursements - survey reimbursement TANF, regional)	<u>93,782</u>
411: State formulas and contracts		
41101	State operating assistance	9,805,976
41111	Preventative Maintenance (20% State Share)	742,513
41114	Other capital contract reimburse for operating expenses	418,245
41199	Other MDOT/OPT contracts and reimbursements	<u>71,181</u>
	Total state formulas and contracts	<u>11,037,915</u>
413: Federal contracts		
41311	Preventative Maintenance (80% Fed. Share)	2,970,052
41314	Other capital contract reimburse for operating expenses	2,538,103
41361	CARES Act	467,246
41363	ARP Act	<u>4,486,973</u>
	Total federal contracts	<u>10,462,374</u>
414: Other revenues		
41400	Interest income	<u>382,160</u>
440: Refunds and credits		
44000	Refunds and credits (insurance refund, Business Energy Efficiency Credit)	<u>172,351</u>
	Total revenues	<u>\$ 38,534,151</u>

MASS TRANSPORTATION AUTHORITY

Schedule of Operating Expenses

Urban Regular Service

For the Year Ended September 30, 2025

Code	Description	Total
501: Labor		
50101	Operators' salaries and wages	\$ 9,618,424
50102	Other salaries and wages	11,014,441
50103	Dispatcher salaries and wages	39,560
Total labor		20,672,425
502: Fringe benefits		
50200	Fringe benefits	7,151,567
50210	Defined contribution pension	612,116
50250	Defined Benefit Other Post Employment Benefit	(102,225)
Total fringe benefits		7,661,458
503: Services		
50302	Advertising	39,049
50305	Audit cost	37,621
50399	Other	2,727,616
Total services		2,804,286
504: Materials and supplies		
50401	Fuel and lubricants	1,652,856
50402	Tires and tubes	23,110
50499	Other	2,804,666
Total materials and supplies		4,480,632
50500	Utilities	1,070,889
506: Insurance		
50603	Liability insurance	2,818,758
50699	Other insurance	261,797
Total insurance		3,080,555

continued...

MASS TRANSPORTATION AUTHORITY

Schedule of Operating Expenses

Urban Regular Service

For the Year Ended September 30, 2025

Code	Description	Total
50700	Taxes and fees	\$ 42,930
509:	Miscellaneous expenses	
50902	Travel, meetings and training	52,966
50903	Association dues and subscriptions	95,901
50907	Lobbying	1,312
50960	SBITA amortization	556,463
50999	Other	152,433
	Total miscellaneous expenses	<u>859,075</u>
511:	Interest Expense	
51101	Interest on long-term debt	<u>140,487</u>
512:	Operating leases and rentals	
51200	Operating leases and rentals	3,539
51250	Lease amortization	<u>30,058</u>
	Total operating leases and rentals	<u>33,597</u>
513:	Depreciation	
51300	Depreciation	<u>6,202,177</u>
540-581:	Ineligible expenses	
54000	Ineligible refunds and credits	172,351
55005	Ineligible local contracts	90,496
55006	Other ineligible interest expense	3,368
55007	Ineligible depreciation	5,783,833
55008	Other ineligible expenses	18,771
55009	Ineligible percent of association dues	5,783
55011	Ineligible Preventative Maintenance	3,712,565
56004	Ineligible expenses associated with rentals	2,561
57604	Other ineligible operating expense paid by capital contract	2,990,504
58005	Ineligible lobbying expense	1,312
58050	Ineligible Defined Benefit Other Post Employment Benefit	<u>(155,659)</u>
	Total ineligible expenses	<u>12,625,885</u>
	Total expenses	47,048,511
	Total ineligible expenses	<u>12,625,885</u>
	Total eligible expenses	<u>\$ 34,422,626</u>

concluded

Nonfinancial Schedule Report

Urban Regular Service

For the Year Ended September 30, 2025

Code	Description	Total/Quantity
Public service		
610	Vehicle hours	351,311
611	Vehicle miles	6,153,867
615	Unlinked passenger trips - regular	2,676,264
616	Unlinked passenger trips - elderly	33,803
617	Unlinked passenger trips - persons with disabilities	115,873
618	Unlinked passenger trips - elderly persons with disabilities	18,535
621	Total line-haul unlinked passenger trips	2,510,181
622	Total demand-response unlinked passenger trips	334,294
625	Days operated	730
Vehicle information		
653	Total line-haul vehicles	129
655	Total demand-response vehicles	128
656	Demand-response vehicle with lifts	83
658	Total transit vehicles	257

MASS TRANSPORTATION AUTHORITY

Schedule of Operating Revenues

Nonurban Regular Service
For the Year Ended September 30, 2025

Code	Description	Total
401/402: Farebox revenues		
40100	Passenger fares	\$ 1,085,346
408/409: Local revenues		
40800	Taxes levied directly for/by transit agency	3,391,034
40999	Other local contracts and reimbursements	26,249
	Total local revenues	<u>3,417,283</u>
411: State formulas and contracts		
41102	State operating assistance	4,002,453
41114	Other capital contract reimbursement for operating expenses	118,974
41199	Other MDOT/OPT contracts and reimbursements	19,923
	Total state formulas and contracts	<u>4,141,350</u>
413: Federal contracts		
41301	Section 5311 Operating	<u>1,122,136</u>
414: Other revenues		
41400	Interest income	<u>158,127</u>
440: Refunds and credits		
44000	Refunds and credits	<u>48,239</u>
	Total revenues	<u>\$ 9,972,481</u>

MASS TRANSPORTATION AUTHORITY

Schedule of Operating Expenses

Nonurban Regular Service

For the Year Ended September 30, 2025

Code	Description	Total
501: Labor		
50101	Operators' salaries and wages	\$ 2,692,095
50102	Other salaries and wages	3,090,943
50103	Dispatcher salaries and wages	11,073
Total labor		<u>5,794,111</u>
502: Fringe benefits		
50200	Fringe benefits	1,972,833
50210	Defined contribution pension	171,325
50250	Defined Benefit Other Post Employment Benefit	69,245
Total fringe benefits		<u>2,213,403</u>
503: Services		
50302	Advertising	10,929
50305	Audit cost	10,530
50399	Other	934,361
Total services		<u>955,820</u>
504: Materials and supplies		
50401	Fuel and lubricants	462,617
50402	Tires and tubes	6,468
50499	Other	838,568
Total materials and supplies		<u>1,307,653</u>
50500	Utilities	<u>304,876</u>
506: Insurance		
50603	Liability insurance	552,415
50699	Other insurance	73,274
Total insurance		<u>625,689</u>
50700	Taxes and fees	<u>12,016</u>
509: Miscellaneous expenses		
50902	Travel, meetings and training	14,854
50903	Association dues and subscriptions	26,842
50907	Lobbying	367
50999	Other	22,330
Total miscellaneous expenses		<u>64,393</u>
511: Interest Expense		
51101	Interest on long-term debt	<u>30,629</u>

continued...

MASS TRANSPORTATION AUTHORITY

Schedule of Operating Expenses

Nonurban Regular Service

For the Year Ended September 30, 2025

Code	Description	Total
512:	Leases and rentals	
51200	Operating leases and rentals	\$ 2,111
51300	Depreciation	1,735,924
540-581:	Ineligible expenses	
54000	Ineligible refunds and credits	48,239
55005	Ineligible local contracts	25,329
55006	Other ineligible interest expense	943
55007	Ineligible depreciation	1,618,834
55008	Other ineligible expenses	5,254
55009	Ineligible percent of association dues	1,619
56004	Ineligible expenses associated with rentals	717
57604	Other ineligible operating expense paid by capital contract	118,974
58005	Ineligible lobbying expense	367
58050	Ineligible Defined Benefit Other Post Employment Benefit	54,289
	Total ineligible expenses	<u>1,874,565</u>
	Total expenses	13,046,625
	Total ineligible expenses	<u>1,874,565</u>
	Total eligible expenses	<u>\$ 11,172,060</u>
		concluded

Nonfinancial Schedule Report

Nonurban Regular Service
 For the Year Ended September 30, 2025

Code	Description	Total/Quantity
Public service		
610	Vehicle hours	88,810
611	Vehicle miles	1,722,402
615	Unlinked passenger trips - regular	50,010
616	Unlinked passenger trips - elderly	8,878
617	Unlinked passenger trips - persons with disabilities	81,320
618	Unlinked passenger trips - elderly persons with disabilities	6,499
622	Total demand-response unlinked passenger trips	146,707
625	Days operated	365
Vehicle information		
655	Total demand-response vehicles	80
656	Demand-response vehicle with lifts	50
658	Total transit vehicles	80

MASS TRANSPORTATION AUTHORITY

Schedule of Operating Revenues

Job Access and Reverse Commute
For the Year Ended September 30, 2025

Code	Description	Total
401: Farebox revenue		
40100	Passenger fares	\$ 183,112
411: State formulas and contracts		
41199	Other MDOT/OPT contracts and reimbursements	1,400,000
413: Federal contracts		
41302	Federal Section 5307 Operating (operating funds only)	<u>300,000</u>
	Total revenues	<u>\$ 1,883,112</u>

MASS TRANSPORTATION AUTHORITY

Schedule of Operating Expenses

Job Access and Reverse Commute

For the Year Ended September 30, 2025

Code	Description	Total
501: Labor		
50101	Operators' salaries and wages	\$ 447,076
50102	Other salaries and wages	513,313
50103	Dispatcher salaries and wages	1,839
	Total labor	<u>962,228</u>
502: Fringe benefits		
50200	Fringe benefits	327,628
50210	Defined contribution pension	28,452
50250	Defined Benefit Other Post Employment Benefit	11,499
	Total fringe benefits	<u>367,579</u>
503: Services		
50302	Advertising	1,815
50305	Audit Costs	1,749
50399	Other	155,169
	Total services	<u>158,733</u>
504: Materials and supplies		
50401	Fuel and lubricants	76,827
50402	Tires and tubes	1,074
50499	Other	139,261
	Total materials and supplies	<u>217,162</u>
50500	Utilities	<u>50,631</u>
506: Insurance		
50603	Liability insurance	91,740
50699	Other Insurance	12,169
	Total Insurance	<u>103,909</u>
50700	Taxes and fees	<u>1,995</u>
509: Miscellaneous expenses		
50902	Travel, meetings and training	2,467
50903	Association dues and subscriptions	4,458
50907	Lobbying	61
50999	Other miscellaneous expenses	3,707
	Total miscellaneous expenses	<u>10,693</u>

continued...

MASS TRANSPORTATION AUTHORITY

Schedule of Operating Expenses

Job Access and Reverse Commute
For the Year Ended September 30, 2025

Code	Description	Total
51101	Interest on long-term debt	\$ 5,087
512:	Leases and rentals	
51200	Operating leases and rentals	350
51300	Depreciation	288,285
550-580:	Ineligible Expenses	
55000	Ineligible JARC fares	183,112
55005	Ineligible local contracts	4,206
55006	Other ineligible interest expense	157
55007	Ineligible depreciation	268,840
55008	Other ineligible expenses	872
55009	Ineligible percent of association dues	269
56004	Ineligible expenses associated with rentals	119
58005	Ineligible lobbying expenses	61
58050	Ineligible Defined Benefit Other Post Employment Benefit	9,016
	Total ineligible expenses	466,652
	Total expenses	2,166,652
	Total ineligible expenses	466,652
	Total eligible expenses	\$ 1,700,000

concluded

Nonfinancial Schedule Report

Job Access and Reverse Commute
 For the Year Ended September 30, 2025

Code	Description	Total/Quantity
Public service		
610	Vehicle hours	42,424
611	Vehicle miles	1,038,636
615	Passengers - regular	170,931
621	Total line-haul passengers	170,931
Vehicle information		
653	Total line-haul vehicles	13
654	Line-haul vehicle with lifts	13
658	Total transit vehicles	13

MASS TRANSPORTATION AUTHORITY

Schedule of Operating Revenues

Specialized Service

For the Year Ended September 30, 2025

Code	Description	Total
411: State formulas and contracts		
41199	Grants for services to elderly and persons with disabilities	<u>\$ 332,182</u>

MASS TRANSPORTATION AUTHORITY

Schedule of Operating Expenses Specialized Service For the Year Ended September 30, 2025

Code	Description	Total
550: Services		
55004	Specialized services	\$ 264,704
	Total ineligible expenses	<u>-</u>
	Total eligible expenses	<u>\$ 264,704</u>

Nonfinancial Schedule Report

Specialized Service

For the Year Ended September 30, 2025

Code	Description	Total/Quantity
Public service		
611	Vehicle miles	193,053
615	Unlinked passengers trips - regular	1,086
616	Unlinked passenger trips - elderly	17,999
617	Unlinked passenger trips - persons with disabilities	2,391
618	Unlinked passenger trips - elderly persons with disabilities	4,198
624	Total deviated route unlinked passenger trips	26,214
Vehicle information		
653	Total demand-response vehicles	20
654	Demand-response vehicle with lifts	5
658	Total transit vehicles	20

MASS TRANSPORTATION AUTHORITY

Operating Assistance Calculation

For the Year Ended September 30, 2025

	Urban Regular Services	Nonurban Regular Services	Job Access and Reverse Commute	Total
Total expenses	\$ 47,048,511	\$ 13,046,625	\$ 2,166,652	\$ 62,261,788
Less ineligible expenses:				
Ineligible refunds and credits	172,351	48,239	-	220,590
Ineligible local contracts	90,496	25,329	4,206	120,031
Other ineligible interest expense	3,368	943	157	4,468
Ineligible JARC fares	-	-	183,112	183,112
Ineligible depreciation	5,783,833	1,618,834	268,840	7,671,507
Other ineligible expenses	18,771	5,254	872	24,897
Ineligible percent of association dues	5,783	1,619	269	7,671
Ineligible Preventative Maintenance	3,712,565	-	-	3,712,565
Ineligible expenses associated with rentals	2,561	717	119	3,397
Other ineligible operating expense paid by capital contract	2,990,504	118,974	-	3,109,478
Ineligible Lobbying expense	1,312	367	61	1,740
Ineligible Defined Benefit Other Post Employment Benefit	(155,659)	54,289	9,016	(92,354)
Total ineligible expense per R&E manual	12,625,885	1,874,565	466,652	14,967,102
Total State eligible expenses	\$ 34,422,626	\$ 11,172,060	\$ 1,700,000	\$ 47,294,686
Eligible expenses for State reimbursement	\$ 34,422,626	\$ 11,172,060	\$ 1,700,000	\$ 47,294,686
Reimbursement percentage	29.1515%	34.5050%	100.00%	
	10,034,712	3,854,919	1,700,000	
Less: difference in cap for reimbursement	(228,736)	-	-	
State operating assistance - Act 51	<u>\$ 9,805,976</u>	<u>\$ 3,854,919</u>		<u>\$ 13,660,895</u>
Job Access Reverse Commute Section 5311			<u>\$ 1,700,000</u>	<u>\$ 1,700,000</u>
Total Federal eligible expenses		\$ 11,172,060		
Reimbursement percentage		18.0000%		
		2,010,972		
Less difference in cap for reimbursement		(251,162)		
Federal Section 5311 Operating Assistance		<u>\$ 1,759,810</u>		<u>\$ 1,759,810</u>

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