Capital Area Transportation Authority

Lansing, Michigan

Financial Report
with Supplementary Information
September 30, 2025

Capital Area Transportation Authority

Contents

Plante & Moran, PLLC
Suite 100
1111 Michigan Ave.
East Lansing, MI 48823
Tel: 517.332.6200
Fax: 517.332.8502
plantemoran.com

Independent Auditor's Report

To the Board of Directors
Capital Area Transportation Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the enterprise fund and fiduciary funds of the Capital Area Transportation Authority (the "Authority") as of and for the year ended September 30, 2025 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the enterprise fund and fiduciary funds of the Authority as of September 30, 2025 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Authority adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, during the year ended September 30, 2025. The adoption of this standard has been applied retrospectively, resulting in the restatement of the beginning of year net position. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that 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 other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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.

To the Board of Directors
Capital Area Transportation Authority

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 supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The supplementary information of the fiduciary fund statements and State-required schedules, except for schedules 6, 9, 10, and 13, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the fiduciary fund statements and State-required schedules, except for schedules 6, 9, 10, and 13, are fairly stated in all material respects in relation to the basic financial statements as a whole.

Additional Information

Management is responsible for the accompanying State-required schedules 6, 9, 10, and 13, which are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Our opinions on the financial statements do not cover such information, and we do not express an opinion or any form of assurance thereon.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 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, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Plante & Moran, PLLC

February 4, 2026

As management of the Capital Area Transportation Authority (the "Authority"), we offer readers this narrative overview and analysis of the financial activities for the year ended September 30, 2025. The management's discussion and analysis is designed to assist readers of financial statements in focusing on significant financial activities and issues and to identify any significant changes. As this information is presented in summary form, it should be read in conjunction with the financial statements as a whole.

Financial Highlights

These statements reflect that the Authority is in very strong financial health. At September 30, 2025 (the Authority's 2025 fiscal year end), the Authority's net position stood at $62,086,788, as compared to a restated net position of $48,980,692 at fiscal year end 2024. Net position presents the assets of the Authority that can be used to provide for future operations. A portion of these assets is included in the net investment in capital assets, meaning that it has been invested in capital resources (generally vehicles and facilities), while a portion is unrestricted (generally cash and investments). The increase in net position during fiscal year 2025 can be mainly attributed to an increase in operating and capital grant funds received by the Authority from the Federal Transit Administration (FTA) and the Michigan Department of Transportation (MDOT) and additional property tax revenue.

The Authority's current ratio at September 30, 2025 stood at 9.22, as compared with 8.20 at fiscal year end 2024. Current ratio is a liquidity measurement that reflects whether or not an organization has enough resources to meet its short-term obligations; it compares an organization's current assets to its current liabilities. In general terms, a current ratio in excess of 2.0 is considered to reflect strong liquidity.

At September 30, 2025, the Authority had cash and investments totaling $42,972,994, while cash and investments stood at $39,817,292 at fiscal year end 2024. It is the Authority's policy to utilize its cash and invested funds to facilitate eligible purchases and then seek reimbursement from the FTA and MDOT subsequent to the expenditure. At fiscal year end 2025, the Authority was due approximately $4 million from those two agencies.

The Authority's year-end leverage ratio at September 30, 2025 stood at 0.63, as compared with 0.90 at fiscal year end 2024. Leverage ratio is a measurement of debt burden that reflects an organization's ability to weather significant changes in its financial environment; it compares an organization's total liabilities to its net position. Leverage ratios below 0.50 are generally considered to reflect a healthy financial position.

Revenue (both operating and nonoperating) and grants for the fiscal year ended September 30, 2025 amounted to $83,871,038, while operating expenses amounted to $70,764,942. This resulted in an increase in net position of $13,106,096 for the fiscal year ended September 30, 2025.

Overview of the Financial Statements

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

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

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

- Fiduciary funds - The Authority administers pension and OPEB plans that cover substantially all union and administrative employees. 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.

As of September 30, 2025, the Authority's Union and Administrative Employees' retirement plans had fiduciary net positions as a percentage of total pension liabilities of 133 percent and 94.4 percent, respectively. The plans were evaluated in part based on an assumed 6 percent discount rate. The Authority's OPEB plan had fiduciary net position as a percentage of total OPEB liabilities of 41.6 percent.

The Authority's Net Position

The Authority's total net position at September 30, 2025 was approximately $62.09 million, an increase from 2024. The change is largely attributable to the additional capital and operating grants and property taxes in 2025. The following table shows, in a condensed format, the net position as of the current date and the same date of the prior year:

	Business-type Activities			
	2024*	2025	Change	Percent Change
Assets				
Current and other assets	$ 60,276,314	$ 73,040,372	$ 12,764,058	21.2
Capital assets	56,477,083	57,365,670	888,587	1.6
Total assets	116,753,397	130,406,042	13,652,645	11.7
Deferred Outflows of Resources	14,064,262	8,106,765	(5,957,497)	(42.4)
Liabilities				
Current liabilities	6,262,884	6,212,020	(50,864)	(0.8)
Noncurrent liabilities	36,683,311	33,386,066	(3,297,245)	(9.0)
Total liabilities	42,946,195	39,598,086	(3,348,109)	(7.8)
Deferred Inflows of Resources	39,729,439	36,827,933	(2,901,506)	(7.3)
Net Position				
Net investment in capital assets	56,477,083	57,365,670	888,587	1.6
Restricted - Pension	8,891,615	15,771,781	6,880,166	-
Unrestricted	(17,226,673)	(11,050,663)	6,176,010	(35.9)
Total net position	**$ 48,142,025**	**$ 62,086,788**	**$ 13,944,763**	29.0

*As noted in in the Authority's statement of revenue, expenses, and changes in net position and in Note 1 to the financial statements, the beginning net position for 2025 was increased by $838,667 due to the implementation of GASB 101.

The Authority's Changes in Net Position

The following table compares the Authority's statement of revenue, expenses, and changes in net position from 2024 to 2025:

	Business-type Activities			
	2024	2025	Change	Percent Change
Revenue				
Operating revenue	$ 13,260,925	$ 13,455,052	$ 194,127	1.5
Nonoperating revenue - Net of expenses	60,178,676	61,313,199	1,134,523	1.9
Total revenue	73,439,601	74,768,251	1,328,650	1.8
Expenses				
Operating expense before depreciation	61,471,808	62,258,926	787,118	1.3
Depreciation expense	7,726,474	8,506,016	779,542	10.1
Total expenses	69,198,282	70,764,942	1,566,660	2.3
Capital Contributions	8,785,860	9,102,787	316,927	3.6
Change in Net Position	13,027,179	13,106,096	78,917	0.6
Net Position - Beginning of year, as previously reported	35,114,846	48,142,025	13,027,179	37.1
Change in Accounting Principle	-	838,667	838,667	-
Net Position - Beginning of year, as restated	35,114,846	48,980,692	13,865,846	39.5
Net Position - End of year	**$ 48,142,025**	**$ 62,086,788**	**$ 13,944,763**	29.0

Capital Assets and Debt Administration

The Authority continues to invest in capital assets, including vehicles, infrastructure, and equipment. At September 30, 2025 and 2024, the Authority had approximately $57 million and $56 million, respectively, invested in capital assets. During fiscal year 2025, the Authority made capital additions of approximately $9.5 million, the majority of which consisted of various outstanding projects as of year end, including vehicles, communication systems, and facilities upgrades.

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

Long-term Debt

At year end, the Authority had no long-term installment debt. Additional detailed information concerning the Authority's long-term obligations can be found in the notes to the financial statements.

Factors Bearing on the Authority's Future

At the time these financial statements were prepared and audited, the Authority was aware of one circumstance that could significantly affect its financial health in the future. The Authority has had a significant decrease in ridership, leading to significant decreases in farebox and contractual revenue, due to the COVID-19 pandemic. Ridership increased in 2024, as compared to 2023, but is still below 2019 (pre-COVID-19) levels. The Authority has been awarded grant funding through the CARES Act of approximately $18.3 million, $16.2 million in grant funding through the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA), and $26.2 million of American Rescue Plan Act (ARPA) funding. The Authority anticipates expending the remaining funds by the end of fiscal year 2025. The Authority is anticipating that operating revenue will be less than operating expenses for fiscal year 2026 and fiscal year 2027. Management intends to use existing reserves while evaluating various operating scenarios for the future.

Requests for Further Information

This financial report is intended to provide a general overview of the Authority's finances and demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional information, please contact the Capital Area Transportation Authority at 4615 Tranter Ave., Lansing, MI 48910.

Statement of Net Position

September 30, 2025

Assets	
Current assets:	
Cash and cash equivalents (Note 3)	$ 11,760,409
Investments (Note 3)	31,212,585
Receivables:	
Accrued interest receivable	287,505
Local contributions and contract revenue receivable	5,606,962
Due from other governments	1,474,559
Due from federal government	1,314,081
Due from state government	2,707,114
Inventories	2,034,989
Prepaid expenses	870,387
Total current assets	57,268,591
Noncurrent assets:	
Net pension asset (Note 6)	15,771,781
Capital assets: (Note 4)	
Assets not subject to depreciation	7,667,846
Assets subject to depreciation - Net	49,697,824
Total noncurrent assets	73,137,451
Total assets	130,406,042
Deferred Outflows of Resources	
Deferred outflows related to pensions (Note 6)	2,874,591
Deferred outflows related to OPEB (Note 7)	5,232,174
Total deferred outflows of resources	8,106,765
Liabilities	
Current liabilities:	
Accounts payable	2,985,228
Due to other governmental units	47,767
Accrued liabilities and other	889,758
Unearned revenue	212,826
Compensated absences and other accrued employee benefits (Note 1)	1,240,314
Reserve for workers' compensation claims (Note 5)	339,177
Reserve for health insurance costs (Note 5)	496,950
Total current liabilities	6,212,020
Noncurrent liabilities:	
Net pension liability (Note 6)	1,440,564
Net OPEB liability (Note 7)	31,945,502
Total noncurrent liabilities	33,386,066
Total liabilities	39,598,086
Deferred Inflows of Resources	
Deferred pension cost reductions (Note 6)	5,004,473
Deferred OPEB cost reductions (Note 7)	31,823,460
Total deferred inflows of resources	36,827,933
Net Position	
Net investment in capital assets	57,365,670
Restricted - Pension	15,771,781
Unrestricted	(11,050,663)
Total net position	**$ 62,086,788**

See notes to financial statements.

Statement of Revenue, Expenses, and Changes in Net Position

	Year Ended September 30, 2025
Operating Revenue	
Linehaul	$ 1,740,787
Contract services	10,351,056
Paratransit	718,167
Rural service	36,645
Other revenue	608,397
Total operating revenue	13,455,052
Operating Expenses	
Labor and fringe benefits	35,114,868
Services	5,160,461
Advertising	723,006
Materials, fuel, and supplies	5,370,691
Utilities	982,575
Insurance and self-insured costs	1,532,002
Purchased transportation services	12,601,652
Miscellaneous	729,749
Lease and rentals	43,922
Depreciation	8,506,016
Total operating expenses	70,764,942
Operating Loss	(57,309,890)
Nonoperating Revenue	
Investment income - Net	1,373,839
Property tax revenue	22,251,859
Government operating grants - Federal	16,333,447
Government operating grants - State	21,242,181
Gain on disposal of assets	111,873
Total nonoperating revenue	61,313,199
Gain - Before capital grants	4,003,309
Capital Grants	9,102,787
Change in Net Position	13,106,096
Net Position - Beginning of year, as previously reported (Note 1)	48,142,025
Change in Accounting Principle (Note 1)	838,667
Net Position - Beginning of year, as restated (Note 1)	48,980,692
Net Position - End of year	**$ 62,086,788**

Statement of Cash Flows

	Year Ended September 30, 2025
Cash Flows from Operating Activities	
Receipts from operations	$ 13,951,570
Payments to suppliers	(14,461,251)
Payments to employees and fringes	(39,894,216)
Other payments	(723,518)
Payments for purchased transportation	(12,601,652)
Net cash and cash equivalents used in operating activities	(53,729,067)
Cash Flows from Noncapital Financing Activities	
Federal operating grants	14,568,926
State of Michigan grants	19,009,729
Property taxes collected	22,097,975
Net cash and cash equivalents provided by noncapital financing activities	55,676,630
Cash Flows from Capital and Related Financing Activities	
Receipt of capital grants	9,102,787
Proceeds from sale of capital assets	111,873
Purchase of capital assets	(9,394,603)
Net cash and cash equivalents used in capital and related financing activities	(179,943)
Cash Flows from Investing Activities	
Investment income	1,388,082
Purchases of investment securities	(2,137,903)
Net cash and cash equivalents used in investing activities	(749,821)
Net Increase in Cash and Cash Equivalents	1,017,799
Cash and Cash Equivalents - Beginning of year	10,742,610
Cash and Cash Equivalents - End of year	**$ 11,760,409**
Reconciliation of Operating Loss to Net Cash Used in Operating Activities	
Operating loss	$ (57,309,890)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation	8,506,016
Changes in assets and liabilities:	
Receivables	(180,133)
Inventories	(338,322)
Prepaid and other assets	(127,144)
Accrued vacation, incentive, and sick pay	2,150,425
Accounts payable	499,754
Net pension and OPEB liabilities and related deferrals	(6,929,773)
Total adjustments	3,580,823
Net cash and cash equivalents used in operating activities	**$ (53,729,067)**

See notes to financial statements.

Statement of Fiduciary Net Position

		Pension (December 31, 2024) and OPEB (September 30, 2025) Funds
Assets		
Investments: (Note 3)		
Large U.S. equity	$	46,620,878
Small/Mid U.S. equity		2,617,521
International equity		3,851,333
Mutual funds		22,731,972
Fixed income		10,010,217
Other		1,594,165
Group annuity contracts		23,636,953
Total assets		111,063,039
Liabilities		-
Net Position - Restricted		
Pension		88,331,067
Postemployment benefits other than pension		22,731,972
Total net position	**$**	**111,063,039**

Statement of Changes in Fiduciary Net Position

	Pension (Year Ended December 31, 2024) and OPEB (Year Ended September 30, 2025) Funds
Additions	
Investment income:	
Interest and dividends	$ 1,323,263
Change in fair value of investments	11,808,330
Net investment income	13,131,593
Contributions:	
Employer contributions	4,229,268
Member contributions	1,502,449
Total contributions	5,731,717
Total additions - Net	18,863,310
Deductions	
Benefit payments	5,051,746
Administrative expenses	123,347
Total deductions	5,175,093
Net Increase in Net Position	13,688,217
Net Position - Beginning of year	97,374,822
Net Position - End of year	**$ 111,063,039**

Note 1 - Significant Accounting Policies

Reporting Entity

The Capital Area Transportation Authority (the "Authority") is a public body organized as a legal entity pursuant to the Mass Transportation System Authorities Act, Public Act 55 of 1963. The Authority has the capability and authority to provide public transportation to the general public in the greater Lansing area. Its member municipalities include the cities of Lansing and East Lansing, Michigan and the townships of Delhi, Lansing, and Meridian. The Authority is also authorized by the act to operate within certain service boundaries, which include the counties of Ingham, Eaton, and Clinton, Michigan. The Authority has contracted with the County of Ingham, Michigan to administer and manage transportation services to the area in the county not included in the municipalities listed above.

The Authority's operating fund and Retiree OPEB Trust fund have a September 30 year end. The pension plan funds are maintained on a calendar year reporting basis. The September 30, 2025 financial statements of the Authority include certain pension plan data as of December 31, 2024.

Discretely Presented Component Units

Fiduciary Component Units

Although legally separate from the Authority, the Union Pension Plan, Administrative Pension Plan, and Retiree OPEB Trust are reported as fiduciary component units because they are each governed by the Authority's board of directors and impose a financial burden on the Authority.

Accounting and Reporting Principles

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

Report Presentation

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

Fund Accounting

Proprietary Funds

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

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate the Authority's programs. The Authority reports pension and OPEB trust funds that account for the activities of the Union and Administrative Employees' Retirement plans and the Retiree OPEB Trust as fiduciary funds.

Basis of Accounting

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

Note 1 - Significant Accounting Policies (Continued)

Specific Balances and Transactions

Cash and Cash Equivalents

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

Investments

Investments are reported at fair value or estimated fair value. Certain pension plan investments are valued at net asset value, which approximates fair value. See Note 3 for further information.

Inventories and Prepaid Items

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

Capital Assets

Capital assets, which include property, plant, vehicles, and equipment, are reported in the proprietary fund financial statements. Capital assets are defined by the Authority as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Buildings	10-40
Equipment	3-10
Vehicles	4-12
Bus shelters	15
Furniture, fixtures, and equipment	5-12
Subscription-based IT assets	Lease term

Local Contributions and Contract Revenue

In accordance with the property tax levies in each of the member municipalities, the Authority has recorded accounts receivable for amounts levied but not yet remitted to the Authority. In addition, the Authority has recorded accounts receivable related to contract services provided and not yet paid in accordance with the contracts in place with the contracted service providers.

Grant Activities

The federal government, through the Federal Transit Administration (FTA) and the Michigan Department of Transportation (MDOT), provides financial assistance and grants directly to the Authority for operations and acquisition of property and equipment. Operating grants are recorded as grant receivables and revenue when the qualified expenditures are recorded. Federal and state capital acquisition grants fund the purchase of capital items, including buses and related transportation equipment used by the Authority. Capital grants for the acquisition of capital assets are recorded as grants receivable in the statement of net position and capital contributions in the statement of revenue, expenses, and changes in net position when the related qualified expenditures are incurred.

Note 1 - Significant Accounting Policies (Continued)

When assets acquired with capital grant funds are disposed, the Authority is required to notify the granting federal agency. A proportional amount of the sale proceeds or fair market value, if any, of such property may be used to acquire like-kind replacement assets or can be remitted to the granting federal agency at its discretion.

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Authority reports deferred inflows of resources related to pensions and OPEB.

Net Position Flow Assumption

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

Property Tax Revenue

Property taxes are levied on each December 1 or July 1 and become an enforceable lien at that time by the counties of Ingham, Eaton, and Clinton, Michigan; cities of Lansing and East Lansing, Michigan; and townships of Delhi, Lansing, and Meridian. Property taxes are recognized as revenue when levied, with proper allowances made for estimated adjustments and Michigan Tax Tribunal refunds.

Pension

The Authority offers defined benefit pension plans to its employees. The Authority records a net pension liability (asset) for the difference between the total pension liability calculated by the actuary and the pension plans' fiduciary net position. For the purpose of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Union and Administrative Employees' Retirement plans and additions to/deductions from the pension plans' fiduciary net position have been determined on the same basis as they are reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Other Postemployment Benefit Costs

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

Note 1 - Significant Accounting Policies (Continued)

Compensated Absences

It is the Authority's policy to permit employees to accumulate earned but unused leave benefits, including vacation, personal time, earned sick time, and floating holidays. A liability is recognized for leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. At September 30, 2025, a total liability of $768,464 was reported on the statement of net position. The liability is short term in nature as it will be paid out in the next fiscal year.

Proprietary Funds Operating Classification

The Authority distinguishes operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Authority is charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

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

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

Accounting Changes and Error Corrections

Adoption of New Accounting Pronouncement

During the current year, CATA adopted GASB Statement No. 101, *Compensated Absences*. As a result, the liability for compensated absences in the statement of net position has been calculated to comply with this new pronouncement. The financial statements for the year ended September 30, 2024 have been restated in order to adopt GASB Statement No. 101. The restatement was accounted for in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections.* The effects of this adoption of a new accounting pronouncement are shown in the table below.

Note 1 - Significant Accounting Policies (Continued)

Adjustments to and Restatements of Beginning Balances

During fiscal year 2025, the changes noted above resulted in restatements of beginning net position as follows:

	September 30, 2024		September 30, 2024
	As Previously Reported	Adoption of New Accounting Pronouncement	As Restated
Enterprise fund	$ 48,142,025	$ 838,667	$ 48,980,692

Note 2 - State of Michigan Operating Assistance Funds

Under Act 51 of the Public Acts of 1951, as amended, the State of Michigan makes distributions of funds that have been appropriated for mass transit operating assistance. The Authority has recorded operating grant revenue under Act 51 based on a formula that takes into account the eligible costs incurred by the Authority and preliminary information made available by the Michigan Department of Transportation as to the eligible expenses reimbursement percentage for the fiscal year ended September 30, 2025.

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. There are no further adjustments as a result to closing out this year. Furthermore, the Authority awaits the final determination for the years ended September 30, 2022, 2023, 2024, and 2025 (open years). The Authority has recorded an estimated receivable of approximately $1,200,000 as of September 30, 2025 based on management's anticipation of the results of the State's final determination of the Act 51 funding formula for the open years.

Note 3 - Deposits and Investments

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

	Business-type Activities	Fiduciary Activities	Total
Cash and cash equivalents	$ 11,760,409	$ -	$ 11,760,409
Investments	31,212,585	111,063,039	142,275,624
Total deposits and investments	$ 42,972,994	$ 111,063,039	$ 154,036,033

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

Note 3 - Deposits and Investments (Continued)

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

The Authority has designated three banks 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 and securities of the United States government, bank accounts and CDs, commercial paper rated at the time of purchase within the two highest classifications established, and investment pools organized by a financial institution whose deposits are insured by an agency of the United States government.

The Authority's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. At year end, the Authority had bank deposits of $5,666,403 (checking and savings accounts) that were uninsured and uncollateralized. The Authority believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Authority's investment policy does not have specific limits in excess of state law on investment maturities, other than limiting investments in commercial paper, which can only be purchased with a 270-day maturity.

At year end, the Authority had the following investments:

Investment	Carrying Value	Weighted-average Maturity (Years)
Business-type Activities		
U.S. Treasury securities	$ 22,269,490	2.12
U.S. government agency securities	8,943,095	1.28
Total	$ 31,212,585	

Note 3 - Deposits and Investments (Continued)

Investment	Carrying Value	Weighted-average Maturity (Years)
Fiduciary Funds		
Large U.S. equity	$ 46,620,878	N/A
Small/Mid U.S. equity	2,617,521	N/A
International equity	3,851,333	N/A
Fixed income	2,299,990	8.03
Fixed income	806,865	3.81
Fixed income	6,903,362	7.96
Other	1,594,165	N/A
Group annuity contracts (pension)	23,636,953	N/A
Mutual funds (OPEB)	8,433,636	7.92
Mutual funds (OPEB)	14,298,336	N/A
Total	$ 111,063,039	

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The Authority has no investment policy that would further limit its investment choices, other than limiting commercial paper to mature no more than 270 days after the date of purchase.

Investment	Carrying Value	Rating	Rating Organization
Business-type Activities			
U.S. Treasury securities	$ 22,269,490	AAA	Moody's
U.S. government agency securities	8,943,095	AAA	Moody's
Total	$ 31,212,585		

Investment	Carrying Value	Rating	Rating Organization
Fiduciary Funds			
Large U.S. equity	$ 46,620,878	Not rated	Not rated
Small/Mid U.S. equity	2,617,521	Not rated	Not rated
International equity	3,851,333	Not rated	Not rated
Fixed income	2,299,990	2 stars	Morningstar
Fixed income	806,865	4 stars	Morningstar
Fixed income	6,903,362	4 stars	Morningstar
Other	1,594,165	Not rated	Not rated
Group annuity contracts (pension)	23,636,953	Not rated	Not rated
Mutual funds (OPEB)	22,731,972	3 stars	Morningstar
Total	$ 111,063,039		

Note 3 - Deposits and Investments (Continued)

Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The Authority has the following recurring fair value measurements as of September 30, 2025:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at September 30, 2025
Business-type Activities				
Debt securities - U.S. Treasury securities	$ -	$ 22,269,490	$ -	$ 22,269,490
Debt securities - U.S. government agency securities	-	8,943,095	-	8,943,095
Total	$ -	$ 31,212,585	$ -	$ 31,212,585

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at September 30, 2025
Fiduciary Funds				
Mutual funds - Fixed income	$ 8,433,636	$ -	$ -	$ 8,433,636
Mutual funds - Equities	14,298,336	-	-	14,298,336
Total assets	$ 22,731,972	$ -	$ -	$ 22,731,972

Mutual funds classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of U.S. debt securities at September 30, 2025 was determined primarily based on Level 2 inputs. The Authority estimates the fair value of these investments using quoted prices for similar assets in active markets; quoted prices for identical or similar assets in markets that are not active; and inputs other than quoted prices that are observable for the asset, such as interest rates and yield curves, that are observable at commonly quoted intervals.

The valuation method for investments measured at net asset value (NAV) per share (or its equivalent) is presented in the table below.

Investments in Entities that Calculate Net Asset Value per Share

The Authority holds shares or interests in group annuity contracts where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

Note 3 - Deposits and Investments (Continued)

At September 30, 2025, the net asset value, unfunded commitments, and redemption rules of those investments are as follows:

	Net Asset Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Large U.S. equity	$ 46,620,878	$ -	N/A	None
Small/Mid U.S. equity	2,617,521	-	N/A	None
International equity	3,851,333	-	N/A	None
Fixed income	10,010,217	-	N/A	None
Other	1,594,165	-	N/A	None
Group annuity contract	23,636,953	-	N/A	None
Total	$ 88,331,067	$ -		

Large U.S. Equity

Equity Income Separate Account-Z - The investment seeks to provide current income and long-term growth of income and capital. Under normal circumstances, the fund invests at least 80 percent of its net assets, plus any borrowings for investment purposes, in dividend-paying equity securities at the time of purchase. It usually invests in equity securities of companies with large and medium market capitalizations. The fund invests in value equity securities, an investment strategy that emphasizes buying equity securities that appear to be undervalued.

LargeCap S&P 500 Index Separate Account-Z - The investment option normally invests the majority of assets in common stocks of companies that compose the S&P 500 Index. Management attempts to mirror the investment performance of the index by allocating assets in approximately the same weightings as the S&P 500 Index. Over the long term, management seeks a very close correlation between the performance of the Separate Account before expenses and that of the S&P 500 Index.

LargeCap Growth I Separate Account-Z - The investment seeks long-term growth of capital. The fund normally invests at least 80 percent of its net assets, plus any borrowings for investment purposes, in equity securities of companies with large market capitalizations at the time of purchase. It invest in growth equity securities, an investment strategy that emphasizes buying equity securities of companies whose potential for growth of capital and earnings is expected to be above average. The fund is nondiversified.

Small/Mid U.S. Equity

MidCap Value I Separate Account-Z - The investment seeks long-term growth of capital. Under normal circumstances, the fund invests at least 80 percent of its net assets, plus any borrowings for investment purposes, in equity securities of companies with medium market capitalizations at the time of purchase. It invests in value equity securities, an investment strategy that emphasizes buying equity securities that appear to be undervalued. The fund also invests in real estate investment trusts.

MidCap Growth III Separate Account-Z - The investment seeks long-term growth of capital. Under normal circumstances, the fund invests at least 80 percent of its net assets, plus any borrowings for investment purposes, in equity securities of companies with medium market capitalizations at the time of purchase. It invests in growth equity securities, an investment strategy that emphasizes buying equity securities of companies whose potential for growth of capital and earnings is expected to be above average.

Note 3 - Deposits and Investments (Continued)

MidCap Separate Account-Z - The investment seeks a total return consisting of long-term growth of capital and current income. The fund operates as a target date fund that invests according to an asset allocation strategy designed for investors having a retirement investment goal close to the year in 2065. It is a fund of funds and invests in underlying funds of Principal Exchange-Traded Funds (PETF) and Principal Funds, Inc. (PFI). Its underlying funds consist of domestic and foreign equity funds, fixed-income funds, real asset funds, and other funds that aim to offer diversification beyond traditional equity and fixed-income securities.

SmallCap Value II Separate Account-Z - The investment seeks long-term growth of capital. Under normal circumstances, the fund invests at least 80 percent of its net assets, plus any borrowings for investment purposes, in equity securities of companies with small market capitalizations at the time of purchase. It invests in value equity securities, an investment strategy that emphasizes buying equity securities that appear to be undervalued.

SmallCap Growth I Separate Account-Z - The investment seeks long-term growth of capital. Under normal circumstances, the fund invests at least 80 percent of its net assets, plus any borrowings for investment purposes, in equity securities of companies with small market capitalizations at the time of purchase. The fund may invest up to 30 percent of the fund's assets using an index sampling strategy designed to match the performance of the Russell 2000(R) Growth Index.

International Equity

Diversified International Separate Account-Z - The investment option normally invests the majority of assets in companies in at least three different countries. It invests in securities of companies with their principal place of business or principal office outside of the United States; companies for which the principal securities trade on a foreign exchange; and companies, regardless of where their securities are traded, that derive 50 percent or more of their total revenue from goods or services produced or sold outside of the United States. The Separate Account may invest in securities of companies with small to medium market capitalizations.

Origin Emerging Markets Separate Account-Z - The investment seeks long-term growth of capital. Under normal circumstances, the fund invests at least 80 percent of its net assets, plus any borrowings for investment purposes, in equity securities of emerging market companies at the time of purchase. The advisor considers a security to be tied economically to an emerging market (an “emerging market security”) if the issuer of the security has its principal place of business or principal office in an emerging market country, has its principal securities trading market in an emerging market, or derives a majority of its revenue from emerging markets.

Overseas Separate Account-Z - The investment seeks long-term growth of capital. Under normal circumstances, the fund invests at least 80 percent of its net assets, plus any borrowings for investment purposes, in equity securities that are tied economically to countries outside the U.S. at the time of purchase. The fund invests in value equity securities, an investment strategy that emphasizes buying equity securities that appear to be undervalued. It invests in equity securities of small, medium, and large market capitalizations companies.

Fixed Income

Bond Market Index Separate Account-Z - The investment seeks to provide current income. The fund normally invests at least 80 percent of its net assets, plus an borrowings for investment purposes, in debt securities held by the Barclays U.S. Aggregate Bond Index at the time of purchase. The index is composed of investment grade, fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of one year or more. It employs a passive investment approach designed to attempt to track the performance of the index.

Note 3 - Deposits and Investments (Continued)

High Income Separate Account-Z - The investment seeks high current income. Under normal circumstances, the fund invests primarily in below investment grade bonds and bank loans that are rated, at the time of purchase, Bal or lower by Moody’s Investors Service, Inc. (Moody’s) and BB+ or lower by S&P Global Ratings (S&P Global). (If the bond or bank loan has been rated by only one of those agencies, that rating will determine whether it is below investment grade; if the bond or bank loan has not been rated by either of those agencies, those selecting such investments will determine whether it is of a quality comparable to those rated below investment grade).

Core Fixed Income Separate Account-Z - The investment seeks to provide a high level of current income consistent with preservations of capital. The fund invests primarily in a diversified pool of investment-grade fixed-income securities, including corporate securities, U.S. government securities, asset-backed securities, and mortgage-backed securities. It maintains an average portfolio duration that is within 75 percent to 125 percent of the duration of the Bloomberg Barclays U.S. Aggregate Bond Index.

High Yield Separate Account-Z - The investment seeks to provide a high level of current income. Under normal circumstances, the fund invests at least 80 percent of its net assets, plus any borrowings for investment purposes, in below investment grade bonds and bank loans (sometimes called "high yield" or "junk"), which are rated Ba1 or lower by Moody's Investors Service, Inc. and BB+ or lower by S&P Global Ratings. It also invests in investment grade bank loans (also known as senior floating rate interests) and securities of foreign issuers.

Other

U.S. Property Separate Account-Z - Effective at close of market March 20, 2020, a contractual limitation will delay the payment of most withdrawal or transfer requests from the Principal U.S. Property Separate Account (Separate Account) but for no more than three years from the effective date. In accordance with the terms of your employer’s group annuity contract, delayed payment requests will be honored proportionately. This means transactions may be processed in a series of payments until enough cash is available to pay obligations. The Separate Account invests the majority of assets in owned private equity commercial real estate. It focuses on properties anticipated to return both lease income and appreciation of the buildings’ marketable value. The property holdings usually contain real estate from the multifamily, office, warehouse/manufacturing, and retail sectors. This Separate Account is subject to investment and liquidity risk and other risks inherent in real estate, such as those associated with general and local economic conditions.

Group Annuity Contracts

The group annuity contracts are investment contracts with principal and stated rates of return guaranteed by Principal Life Insurance Company. The group annuity contracts invest the majority of their assets in common stocks and bonds. The fair values of the investments in this class have been estimated using net asset value per share of the investments.

Note 4 - Capital Assets

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

	Balance October 1, 2024	Reclassifications	Additions	Disposals	Balance September 30, 2025
Capital assets not being depreciated:					
Land	$ 2,442,267	$ -	$ -	$ -	$ 2,442,267
Construction in progress	5,908,330	(10,215,370)	9,532,619	-	5,225,579
Subtotal	8,350,597	(10,215,370)	9,532,619	-	7,667,846
Capital assets being depreciated:					
Buildings	41,809,745	114,260	-	-	41,924,005
Vehicles	73,228,524	3,495,613	-	(848,479)	75,875,658
Furniture, fixtures, and computers	5,584,845	5,999,249	-	-	11,584,094
Bus shelters and signs	1,825,358	242,583	-	(45,661)	2,022,280
Equipment	2,390,913	249,868	-	(60,417)	2,580,364
Subscription-based IT assets	861,418	113,797	-	-	975,215
Subtotal	125,700,803	10,215,370	-	(954,557)	134,961,616
Accumulated depreciation:					
Buildings	27,772,120	-	1,196,696	-	28,968,816
Vehicles	42,679,243	-	5,349,749	(710,655)	47,318,337
Furniture, fixtures, and computers	4,222,933	-	1,504,828	-	5,727,761
Bus shelters and signs	884,389	-	104,731	(45,469)	943,651
Equipment	1,672,653	-	140,154	(60,417)	1,752,390
Subscription-based IT assets	342,979	-	209,858	-	552,837
Subtotal	77,574,317	-	8,506,016	(816,541)	85,263,792
Net capital assets being depreciated	48,126,486	10,215,370	(8,506,016)	(138,016)	49,697,824
Net business-type activities capital assets	$ 56,477,083	$ -	$ 1,026,603	$ (138,016)	$ 57,365,670

Depreciation expense recognized in fiscal year 2025 is $8,506,016.

Capital Commitments

The Authority has active projects at year end. At year end, the Authority's commitments with contractors are approximately as follows:

	Spent to Date	Remaining Commitment
Bus purchases	$ -	$ 15,918,425
Bus shelters	-	266,494
Contactless payment	400,000	262,466
Electric vehicle charging infrastructure	72,000	190,291
Roofing	1,700,000	342,411
Total	$ 2,172,000	$ 16,980,087

Note 5 - 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 established a limited risk management program for workers' compensation. An excess coverage insurance policy covers individual claims in excess of $500,000, aggregate claims in excess of $1,505,000, and maximum insurance of $5,000,000. 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 estimates the liability for workers' compensation and health and related benefits claims that have been incurred through the end of the fiscal year, including claims that have been reported, as well as those that have not yet been reported. Changes in the estimated liability for the current fiscal and prior years were as follows:

	Workers' Compensation		Health and Related Benefit Claims	
	2025	2024	2025	2024
Estimated liability - Beginning of year	$ 376,815	$ 233,350	$ 469,200	$ 572,100
Estimated claims incurred, including changes in estimates	364,112	619,625	7,373,233	6,849,865
Claim payments	(401,750)	(476,160)	(7,345,483)	(6,952,765)
Estimated liability - End of year	$ 339,177	$ 376,815	$ 496,950	$ 469,200

Note 6 - Pension Plans

Plan Description

The Capital Area Transportation Authority provides a monthly retirement benefit to union and administrative employees who meet the eligibility requirements, including age and years of service. The benefits are provided through the Union Employees' Retirement Plan and the Administrative Employees' Retirement Plan, single-employer pension plans administered by the Authority.

The financial statements of each pension system are included in these financial statements as a pension trust fund (a fiduciary fund).

The Capital Area Transportation Authority also has established a nonqualified deferred compensation plan under Section 457(f) of the Internal Revenue Code for certain key employees. The plan provides for the deferral of compensation until the deferred vesting date. This plan does not meet the definition of a fiduciary activity and is not reported as a trust fund.

Benefits Provided

The Union Employees' Retirement Plan and Administrative Employees' Retirement Plan provide retirement, disability, and death benefits to union and administrative retirees. Retirement benefits are calculated as years of accrued service multiplied by scheduled rates, as determined by the employee's retirement date. To be eligible, employees must have a minimum number of years of service (100 percent vested after 10 years of service), as well as meeting minimum retirement age (59, or early retirement beginning at age 55). The benefits also include disability, single-sum death, and survivor annuity death.

Benefit terms are generally established and amended by authority of the Authority's board of directors, subject to the terms of collective bargaining.

Benefit terms, including contribution requirements, for the deferred compensation plan are established and may be amended by the Authority. Upon vesting, participants are entitled to receive the deferred amounts plus any earnings. Distributions are made in accordance with the terms of the plan.

Note 6 - Pension Plans (Continued)

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	Union Employees' Retirement Plan	Administrative Employees' Retirement Plan
Date of member count	December 31, 2024	December 31, 2024
Inactive plan members or beneficiaries currently receiving benefits	177	40
Inactive plan members entitled to but not yet receiving benefits	71	54
Active plan members	243	74
Total employees covered by the plan	491	168

Contributions

State law requires public employers to make pension contributions in accordance with an actuarial valuation. The Authority hires an independent actuary for this purpose and annually contributes the amount determined to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to make pension contributions of $90.00 per week to the Union Employees' Retirement Plan and 7 percent of compensation paid per month to the Administrative Employees' Retirement Plan. The Authority's required contribution is determined after consideration of the required contribution rate of employees, including a required match of all participant contributions to the Union Employees' Retirement Plan. For the year ended September 30, 2025, the Authority's average contribution rate was 10 percent and 15 percent of annual payroll for the Union Employees' Retirement Plan and Administrative Employees' Retirement Plan, respectively.

Net Pension (Asset) Liability

The Authority chooses a date for each pension plan to measure its net pension (asset) liability. This is based on the measurement date of each pension plan, which may be based on a comprehensive valuation as of that date or based on an earlier valuation that has used procedures to roll the information forward to the measurement date.

	Union Employees' Retirement Plan	Administrative Employees' Retirement Plan
Measurement date used for the Authority's net pension (asset) liability	December 31, 2024	December 31, 2024
Based on a comprehensive actuarial valuation as of	December 31, 2024	December 31, 2024

Note 6 - Pension Plans (Continued)

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

Union Employees' Retirement Plan

	Increase (Decrease)		
Changes in Net Pension Asset	Total Pension Liability	Plan Net Position	Net Pension Asset
Balance at January 1, 2024	$ 46,718,958	$ 55,610,573	$ (8,891,615)
Changes for the year:			
Service cost	1,001,513	-	1,001,513
Interest	2,807,902	-	2,807,902
Differences between expected and actual experience	(64,094)	-	(64,094)
Contributions - Employer	-	1,121,606	(1,121,606)
Contributions - Employee	-	1,121,606	(1,121,606)
Net investment income	-	8,886,449	(8,886,449)
Benefit payments, including refunds	(2,741,348)	(2,741,348)	-
Administrative expenses	-	(55,623)	55,623
Miscellaneous other changes	448,551	-	448,551
Net changes	1,452,524	8,332,690	(6,880,166)
Balance at December 31, 2024	$ 48,171,482	$ 63,943,263	$ (15,771,781)

The Union Employees' Retirement Plan's fiduciary net position represents 133 percent of the total pension liability.

Administrative Employees' Retirement Plan

	Increase (Decrease)		
Changes in Net Pension Liability	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at January 1, 2024	$ 23,974,398	$ 22,266,029	$ 1,708,369
Changes for the year:			
Service cost	862,355	-	862,355
Interest	1,463,925	-	1,463,925
Differences between expected and actual experience	403,686	-	403,686
Contributions - Employer	-	800,000	(800,000)
Contributions - Employee	-	380,843	(380,843)
Net investment income	-	1,882,470	(1,882,470)
Benefit payments, including refunds	(875,996)	(875,996)	-
Administrative expenses	-	(65,542)	65,542
Net changes	1,853,970	2,121,775	(267,805)
Balance at December 31, 2024	$ 25,828,368	$ 24,387,804	$ 1,440,564

The Administrative Employees' Retirement Plan's fiduciary net position represents 94.4 percent of the total pension liability.

Note 6 - Pension Plans (Continued)

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

For the year ended September 30, 2025, the Authority recognized pension cost recovery of $1,900,887 for the Union Employees' Retirement Plan and pension expense of $1,123,339 for the Administrative Employees' Retirement Plan.

At September 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Union Employees' Retirement Plan		Administrative Employees' Retirement Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 148,316	$ (60,645)	$ 868,977	$ -
Changes in assumptions	5,065	(129,678)	8,864	(94,147)
Net difference between projected and actual earnings on pension plan investments	-	(4,720,003)	412,839	-
Employer contributions to the plan subsequent to the measurement date	830,530	-	600,000	-
Total	$ 983,911	$ (4,910,326)	$ 1,890,680	$ (94,147)

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

Years Ending September 30	Union Employees' Retirement Plan	Administrative Employees' Retirement Plan
2026	$ (1,329,858)	$ 741,148
2027	(266,548)	816,860
2028	(2,047,251)	(267,261)
2029	(1,113,288)	(94,214)
Total	$ (4,756,945)	$ 1,196,533

Note 6 - Pension Plans (Continued)

Actuarial Assumptions

The total pension liability in each actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

	Union Employees' Retirement Plan	Administrative Employees' Retirement Plan
Inflation	2.00%	2.00%
Salary increases	2.00%	4.00%
Investment rate of return (net of investment expenses)	6.00%	6.00%
Mortality rates	Society of Actuaries Pub-2010 Public Retirement Plans Mortality Tables for annuitants and nonannuitants, Public General employment, sex distinct, 2024 Adjusted MP-2021 improvement scale	Society of Actuaries Pub-2010 Public Retirement Plans Mortality Tables for annuitants and nonannuitants, Public General employment, sex distinct, 2024 Adjusted MP-2021 improvement scale

Discount Rate

As shown below, the discount rate used to measure the total pension liability was determined after considering a projection of the cash flows to determine whether the future contributions (made at the current contribution rates) will be sufficient to allow the pension plans' fiduciary net position to make all projected future benefit payments of current active and inactive employees.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Investment Rate of Return

Best estimates of arithmetic real rates of return as of the December 31, 2024 measurement date for each major asset class included in the pension plans' target asset allocation are summarized in the following tables:

	Union Employees' Retirement Plan		Administrative Employees' Retirement Plan	
Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Large Cap S&P 500 Index Fund	55.00 %	6.00 %	- %	- %
General Investment Fund	45.00	1.50	-	-
Large U.S. equity	-	-	33.30	5.00
Small/Mid U.S. equity	-	-	5.70	5.38
International equity	-	-	15.90	5.35
Real estate	-	-	6.90	4.38
Fixed income	-	-	38.20	3.10

Note 6 - Pension Plans (Continued)

Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate

The following presents the net pension (asset) liability of the Authority, calculated using the discount rate of 6.0 percent, as well as what the Authority's net pension (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.0%)	Current Discount Rate (6.0%)	1 Percentage Point Increase (7.0%)
Net pension asset of the Union Employees' Retirement Plan	$ (9,707,625)	$ (15,771,781)	$ (19,212,167)
Net pension liability (asset) of the Administrative Employees' Retirement Plan	4,582,006	1,440,564	(1,181,336)

Investment Policy

The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the authority board by a majority vote of its members. It is the policy of the authority 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 pension plans' investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the authority board's adopted asset allocation policy as of the December 31, 2024 measurement date:

	Target Allocation	
Asset Class	Union Employees' Retirement Plan	Administrative Employees' Retirement Plan
Large Cap S&P 500 Index Fund	55.00 %	- %
General Investment Fund	45.00	-
Large U.S. equity	-	33.30
Small/Mid U.S. equity	-	5.70
International equity	-	15.90
Real estate	-	6.90
Fixed income	-	38.20
Total	100.00 %	100.00 %

Rate of Return

For the measurement period ended December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.26 percent for the union plan and 8.41 percent for the administrative plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 7 - Other Postemployment Benefit Plan

Plan Description

The Authority administers the retiree health care benefits plan (the "Plan"), a single-employer defined benefit OPEB plan that is used to provide postemployment benefits other than pensions (OPEB) for union and administrative employees of the Authority.

Management of the Plan is vested with the Authority's board, which consists of 10 members.

In November 2022, the Plan was amended to be closed to any employees hired after December 1, 2019.

Note 7 - Other Postemployment Benefit Plan (Continued)

Benefits Provided

The Plan provides health care for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the Plan.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	October 1, 2023
Inactive plan members or beneficiaries currently receiving benefits	171
Active plan members	216
Total plan members	387

Contributions

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

Net OPEB Liability

The Authority has chosen to use the September 30 measurement date as its measurement date for the net OPEB liability. The September 30, 2025 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the September 30, 2025 measurement date. The September 30, 2025 measurement date total OPEB liability was determined by an actuarial valuation performed as of October 1, 2023, and projections were used to roll the information forward to the measurement date.

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

	Increase (Decrease)		
Changes in Net OPEB Liability	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at October 1, 2024	$ 54,473,162	$ 19,498,220	$ 34,974,942
Changes for the year:			
Service cost	1,631,649	-	1,631,649
Interest	2,813,691	-	2,813,691
Differences between expected and actual experience	(597,956)	-	(597,956)
Changes in assumptions	(2,208,671)	-	(2,208,671)
Contributions - Employer	-	2,307,662	(2,307,662)
Net investment income	-	2,360,491	(2,360,491)
Benefit payments, including refunds	(1,434,401)	(1,434,401)	-
Net changes	204,312	3,233,752	(3,029,440)
Balance at September 30, 2025	$ 54,677,474	$ 22,731,972	$ 31,945,502

The Plan's fiduciary net position represents 41.6 percent of the total OPEB liability.

Note 7 - Other Postemployment Benefit Plan (Continued)

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

For the year ended September 30, 2025, the Authority recognized OPEB recovery of $(2,105,871).

At September 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,299,245	$ (7,916,560)
Changes in assumptions	2,932,929	(21,845,014)
Net difference between projected and actual earnings on OPEB plan investments	-	(2,061,886)
Total	$ 5,232,174	$ (31,823,460)

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

Years Ending September 30	Amount
2026	$ (4,975,812)
2027	(9,501,268)
2028	(8,576,962)
2029	(3,439,716)
2030	(97,528)
Total	$ (26,591,286)

Actuarial Assumptions

The total OPEB liability in the October 1, 2023 actuarial valuation was determined using an inflation assumption included in the expected return; assumed salary increases of 3.5 percent; an investment rate of return (net of investment expenses, including inflation) of 7.0 percent; a health care cost trend rate of 7.25 percent, graded 0.25 percent per year to an ultimate rate of 4.5 percent; and the Pub-2010 mortality tables with MP-2021 improvement scale. All assumptions were applied to all periods included in the measurement.

See below for the assumptions related to retirement rates:

Age	Rates
59	35.00 %
60	15.00
61	10.00
62	30.00
63-66	15.00
67-70	20.00
70	100.00

Note 7 - Other Postemployment Benefit Plan (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 5.52 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 Plan's net position was projected to be insufficient to make projected future benefit payments of current plan members beyond 2048. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date"), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield.

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the September 30, 2025 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment policy section of this footnote, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Stock market index fund	6.50 %
Bond and corporate index fund	2.75

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

The following presents the net OPEB liability of the Authority, calculated using the discount rate of 5.52 percent, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (4.52%)	Current Discount Rate (5.52%)	1 Percentage Point Increase (6.52%)
Net OPEB liability of the Plan	$ 39,349,716	$ 31,945,502	$ 25,833,071

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

The following presents the net OPEB liability of the Authority, calculated using the health care cost trend rate of 7.25 percent, as well as what the Authority's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.25%)	Current Health Care Cost Trend Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net OPEB liability of the Plan	$ 24,089,164	$ 31,945,502	$ 41,765,951

Note 7 - Other Postemployment Benefit Plan (Continued)

Assumption Changes

Since the prior valuation, the discount rate increased from 5.08 percent to 5.52 percent.

Investment Policy

The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the OPEB board by a majority vote of its members. It is the policy of the OPEB board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The OPEB plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the OPEB board's adopted asset allocation policy as of September 30, 2025:

Asset Class	Target Allocation
Stock market index fund	60.00 %
Bond and corporate index fund	40.00
Total	100.00 %

Concentrations

At September 30, 2025, the Plan held 100 percent of its investment portfolio in three Vanguard mutual funds.

Rate of Return

For the year ended September 30, 2025, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 16.58 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 8 - Commitments

Bus tires are to be furnished to the Authority under the terms of a supplier agreement effective January 1, 2024 through December 31, 2026. Payments for the use of the tires are to be made monthly and are based on the number of miles run. Bus tire expense under this agreement for the year ended September 30, 2025 was $194,645.

Note 9 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and potential adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial. A provision for vehicle claims that existed at September 30, 2025 is recorded as a reserve for vehicle liability claims, as estimated by management, on the statement of net position.

The Authority is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Authority's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the Authority.

Note 10 - Cost Allocation Plan

The Authority has a cost allocation plan for all allocated expenses. The four allocation plans were approved by the State's Office of Passenger Transportation. The first allocation plan is the 2012 Administrative Cost Plan approved in 2012, which was the allocation plan used in the preparation of the financial statements for all expenses except for Meals on Wheels expenses and Job Access and Reverse Commute (JARC) program expenses. There are separate allocation plans for the Meals on Wheels service (approved in 2013), JARC program expenses (approved in 2015), and the Service Initiatives (Regional Collaboration - approved in 2023).

Note 11 - Eligible and Ineligible Costs

The State's Office of Passenger Transportation (OPT) requires the Authority to include supplementary schedules to the financial statements. These supplementary schedules are included among the supplementary information of this report. These schedules include eligible expenses to be reimbursed with state funds that have been appropriate for mass transit operating assistance under Act 51. The schedules also detail ineligible expenses that cannot be reimbursed. The supplementary schedules detail any Section 5307 (capital funding) and any other grant funding used to pay operating expenses and either subtract them out as ineligible or do not include them in the total expenses to be reimbursed.

Depreciation expense on assets purchased with state or federal grant funds is shown as ineligible expenses. The ineligible depreciation amount of $7,221,763 on assets purchased with state or federal funds has been reported in PTMS (Public Transportation Management System) code 55007. Depreciation expense of assets purchased with local funds where the useful life of the asset purchased has been approved by the OPT is reported as an eligible expense.

Lease amortization expense on leases funded with a capital contract is shown as ineligible expenses. The ineligible lease amortization amount of $209,859 on leases funded with a capital contract has been reported in PTMS code 55050.

The revenue schedules report $26,837 as building rental, $97,292 as parking lot rental, and $81,222 in other nontransportation revenue. Expenses of $124,129 associated with building rental are shown as ineligible under PTMS code 56004. Expense of $65,281 associated with other nontransportation revenue is shown as ineligible under PTMS code 55010.

Other expenses in the amount of $450,381 are reported as ineligible under PTMS code 55008. This includes $0 in Meals on Wheels revenue that was reported in revenue code 40400 and other ineligible items, such as gifts and donations. Ineligible interest of $0 was reported under PTMS code 55006.

A portion of ineligible association dues in the amount of $10,792 was reported as ineligible under PTMS code 55009.

Other operating expenses that were paid for by capital contract are subtracted out as ineligible. Expenses include preventive maintenance expenses of $0 (PTMS code 55011) and operating expenses paid by capital contract of $443,111 (PTMS code 57604).

Loss on disposal of assets in the amount of $9,124 was included in expenses and shown as ineligible under PTMS code 58009.

The Authority had a pension cost recovery of $777,548, of which $(2,707,888) has been shown as ineligible under PTMS code 58020 - Ineligible DB Pension. The amount of $1,430,530 was paid into the pension trust in fiscal year 2025 by the Authority.

The Authority recovered $(2,105,800) in other postemployment benefits, of which $(4,413,532) has been shown as ineligible expense under PTMS code 58050 - Ineligible DB OPEB. An amount of $873,261 was paid to the OPEB trust in fiscal year 2025. An additional $2,526,748 was also paid in retirement health care expenses in fiscal year 2025 and is reported in fringe benefit expenses.

Note 12 - Subsequent Events

In December 2025, subsequent to year end, the Michigan legislature enacted legislation that canceled certain previously awarded state grants and work project funding, including approximately $3.5 million in funding that had been anticipated by the Authority. The Authority is currently evaluating the operational and financial impact of this cancellation, and the situation remains subject to ongoing legal and legislative developments. As of the date the financial statements are available to be issued, the ultimate outcome and financial effect of this legislative action cannot be reasonably estimated.

Required Supplementary Information

Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Union Employees' Retirement Plan

Last Ten Fiscal Years
Measurement Date is December 31 of the Previous Year

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	$ 1,001,513	$ 913,816	$ 783,282	$ 842,601	$ 884,959	$ 884,008	$ 761,585	$ 778,029	$ 769,047	$ 901,345
Interest	2,807,902	2,753,622	2,628,764	2,594,602	2,523,871	2,278,649	2,020,369	1,929,620	1,835,268	1,731,432
Changes in benefit terms	-	-	1,541,435	-	-	-	1,713,717	-	-	-
Differences between expected and actual experience	(64,094)	354,331	(209,433)	(277,074)	(150,927)	265,057	287,885	137,767	474,688	600,589
Changes in assumptions	-	(309,786)	68,383	(178,196)	(92,796)	790,739	709,441	49,796	54,395	45,762
Benefit payments, including refunds	(2,741,348)	(3,048,714)	(2,675,292)	(2,031,191)	(1,672,256)	(1,777,201)	(1,439,726)	(1,734,240)	(1,442,944)	(1,408,792)
Other	448,551	-	-	-	-	1,598,420	-	-	-	-
Net Change in Total Pension Liability	1,452,524	663,269	2,137,139	950,742	1,492,851	4,039,672	4,053,271	1,160,972	1,690,454	1,870,336
Total Pension Liability - Beginning of year	46,718,958	46,055,689	43,918,550	42,967,808	41,474,957	37,435,285	33,382,014	32,221,042	30,530,588	28,660,252
Total Pension Liability - End of year	**$ 48,171,482**	**$ 46,718,958**	**$ 46,055,689**	**$ 43,918,550**	**$ 42,967,808**	**$ 41,474,957**	**$ 37,435,285**	**$ 33,382,014**	**$ 32,221,042**	**$ 30,530,588**
Plan Fiduciary Net Position										
Contributions - Employer	$ 1,121,606	$ 1,074,899	$ 1,088,426	$ 949,929	$ 989,886	$ 984,997	$ 1,015,952	$ 968,784	$ 871,474	$ 897,960
Contributions - Member	1,121,606	1,074,900	1,079,663	949,929	989,886	984,997	1,015,951	968,784	871,474	897,960
Net investment income (loss)	8,886,449	7,546,186	(5,637,811)	8,130,975	4,486,330	6,011,788	(352,613)	3,856,679	3,964,867	569,654
Administrative expenses	(55,623)	(51,873)	(53,953)	(49,858)	(47,488)	(52,973)	(46,522)	(41,047)	(51,928)	(1,408,792)
Benefit payments, including refunds	(2,741,348)	(3,048,714)	(2,675,292)	(2,031,191)	(1,672,256)	(1,777,201)	(1,439,726)	(1,734,240)	(1,442,944)	(73,743)
Other	-	-	-	-	-	-	-	-	(6,907)	-
Net Change in Plan Fiduciary Net Position	8,332,690	6,595,398	(6,198,967)	7,949,784	4,746,358	6,151,608	193,042	4,018,960	4,206,036	883,039
Plan Fiduciary Net Position - Beginning of year	55,610,573	49,015,175	55,214,142	47,264,358	42,518,000	36,366,392	36,173,350	32,154,390	27,948,354	27,065,315
Plan Fiduciary Net Position - End of year	**$ 63,943,263**	**$ 55,610,573**	**$ 49,015,175**	**$ 55,214,142**	**$ 47,264,358**	**$ 42,518,000**	**$ 36,366,392**	**$ 36,173,350**	**$ 32,154,390**	**$ 27,948,354**
Authority's Net Pension (Asset) Liability - Ending	**$ (15,771,781)**	**$ (8,891,615)**	**$ (2,959,486)**	**$ (11,295,592)**	**$ (4,296,550)**	**$ (1,043,043)**	**$ 1,068,893**	**$ (2,791,336)**	**$ 66,652**	**$ 2,582,234**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	132.74 %	119.03 %	106.43 %	125.72 %	110.00 %	102.51 %	97.14 %	108.36 %	99.79 %	91.54 %
Covered Payroll	$ 13,899,409	$ 13,119,766	$ 10,762,353	$ 9,748,713	$ 11,374,377	$ 12,282,176	$ 15,464,724	$ 13,242,033	$ 13,751,977	$ 13,051,323
Authority's Net Pension (Asset) Liability as a Percentage of Covered Payroll	(113.47)%	(67.77)%	(27.50)%	(115.87)%	(37.77)%	(8.49)%	6.91 %	(21.08)%	0.48 %	19.79 %

Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Union Employees' Retirement Plan (Continued)

Last Ten Fiscal Years
Measurement Date is December 31 of the Previous Year

Assumption Changes

For the fiscal year ended September 30, 2024 (December 31, 2023 actuarial valuation), the mortality assumptions were updated to the most recent improvement scale.

For the fiscal year ended September 30, 2023 (December 31, 2022 actuarial valuation), the mortality assumptions were updated to the most recent improvement scale.

For the fiscal year ended September 30, 2020 (December 31, 2019 actuarial valuation), the mortality assumption was updated to the Society of Actuaries Pub-2010 Public Retirement Plans Mortality Tables with MP-2018 improvement scale from the RP-2014 Mortality Tables with MP-2018 improvement scale.

For the fiscal year ended September 30, 2019 (December 31, 2018 actuarial valuation), the mortality assumption was updated to the RP-2014 Mortality Tables from the RP-2000 Mortality Tables.

Benefit Changes

For the fiscal year ended September 30, 2023 (December 31, 2022 actuarial valuation), the most recent plan amendment is reflected, which includes an increase of $6 in the normal retirement benefit rate for termination dates after October 1, 2019.

For the fiscal year ended September 30, 2019 (December 31, 2018 actuarial valuation), the most recent plan amendment executed on January 24, 2018 is reflected, which includes an increase of $6 in the normal retirement benefit rate for termination dates after September 30, 2019.

Required Supplementary Information
Schedule of Pension Contributions
Union Employees' Retirement Plan

Last Ten Fiscal Years

Years Ended September 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 837,720	$ 781,560	$ 1,025,835	$ 883,139	$ 943,494	$ 790,244	$ 807,612	$ 742,482	$ 777,218	$ 897,960
Contributions in relation to the actuarially determined contribution	1,122,934	1,074,899	1,088,426	954,810	987,814	984,997	1,015,952	968,784	871,474	897,960
Contribution Excess	**$ 285,214**	**$ 293,339**	**$ 62,591**	**$ 71,671**	**$ 44,320**	**$ 194,753**	**$ 208,340**	**$ 226,302**	**$ 94,256**	**$ -**
Covered Payroll	$ 14,466,060	$ 13,465,470	$ 12,323,035	$ 9,748,713	$ 11,374,377	$ 12,282,176	$ 15,464,724	$ 13,242,033	$ 13,751,977	$ 13,212,642
Contributions as a Percentage of Covered Payroll	7.76 %	7.98 %	8.83 %	5.97 %	8.68 %	8.02 %	6.57 %	6.70 %	6.56 %	6.80 %

Notes to Schedule of Pension Contributions - Union Employees' Retirement Plan

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of January 1.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal - Level percentage of compensation
Asset valuation method	Equal to market value of assets
Inflation	2.00 percent
Salary increase	4.00 percent
Investment rate of return	6.00 percent
Retirement age	59 - Normal retirement age, as defined in the summary of plan provisions (age 60 for employees last hired on for after December 1, 2019)
Mortality	Pub-2010 Public Retirement Plans Mortability Tables projected with 2024 Adjusted MP-2021 improvement scale

Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Administrative Employees' Retirement Plan

Last Ten Fiscal Years
Measurement Date is December 31 of the Previous Year

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	$ 862,355	$ 726,499	$ 653,555	$ 641,235	$ 567,379	$ 567,036	$ 559,994	$ 441,360	$ 505,572	$ 414,794
Interest	1,463,925	1,361,846	1,246,344	1,246,975	1,204,422	1,135,258	1,198,325	1,181,777	1,192,736	1,137,093
Changes in benefit terms	-	-	-	-	-	205,693	-	-	-	-
Differences between expected and actual experience	403,686	503,566	1,113,661	(349,437)	7,800	(269,239)	(1,115,225)	1,751,137	110,949	232,973
Changes in assumptions	-	(174,274)	33,949	(76,885)	(41,736)	398,989	445,745	25,631	23,815	432,360
Benefit payments, including refunds	(875,996)	(828,342)	(1,562,502)	(713,852)	(798,063)	(972,660)	(3,321,283)	(3,164,209)	(738,853)	(2,022,338)
Miscellaneous other charges	-	-	-	(693,086)	-	-	-	-	-	-
Net Change in Total Pension Liability	1,853,970	1,589,295	1,485,007	54,950	939,802	1,065,077	(2,232,444)	235,696	1,094,219	194,882
Total Pension Liability - Beginning of year	23,974,398	22,385,103	20,900,096	20,845,146	19,905,344	18,840,267	21,072,711	20,837,015	19,742,796	19,547,914
Total Pension Liability - End of year	**$ 25,828,368**	**$ 23,974,398**	**$ 22,385,103**	**$ 20,900,096**	**$ 20,845,146**	**$ 19,905,344**	**$ 18,840,267**	**$ 21,072,711**	**$ 20,837,015**	**$ 19,742,796**
Plan Fiduciary Net Position										
Contributions - Employer	$ 800,000	$ 818,787	$ 611,255	$ 600,000	$ 700,000	$ 700,000	$ 700,000	$ 700,000	$ 633,906	$ 395,223
Contributions - Member	380,843	337,644	294,440	259,234	228,558	222,366	217,558	192,200	88,907	180,979
Net investment income (loss)	1,882,470	2,589,654	(3,682,451)	2,277,258	2,156,534	3,421,692	(317,632)	2,776,672	846,742	144,288
Administrative expenses	(65,542)	(64,102)	(64,487)	(58,512)	(26,817)	(24,284)	(25,389)	(29,531)	(51,063)	(42,357)
Benefit payments, including refunds	(875,996)	(828,342)	(1,562,502)	(713,852)	(798,063)	(972,660)	(3,321,283)	(3,164,209)	(738,853)	(2,022,338)
Other	-	-	-	-	-	-	-	-	(4,358)	-
Net Change in Plan Fiduciary Net Position	2,121,775	2,853,641	(4,403,745)	2,364,128	2,260,212	3,347,114	(2,746,746)	475,132	775,281	(1,344,205)
Plan Fiduciary Net Position - Beginning of year	22,266,029	19,412,388	23,816,133	21,452,005	19,191,793	15,844,679	18,591,425	18,116,293	17,341,012	18,685,217
Plan Fiduciary Net Position - End of year	**$ 24,387,804**	**$ 22,266,029**	**$ 19,412,388**	**$ 23,816,133**	**$ 21,452,005**	**$ 19,191,793**	**$ 15,844,679**	**$ 18,591,425**	**$ 18,116,293**	**$ 17,341,012**
Authority's Net Pension Liability (Asset) - Ending	**$ 1,440,564**	**$ 1,708,369**	**$ 2,972,715**	**$ (2,916,037)**	**$ (606,859)**	**$ 713,551**	**$ 2,995,588**	**$ 2,481,286**	**$ 2,720,722**	**$ 2,401,784**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.42 %	92.87 %	86.72 %	113.95 %	102.91 %	96.42 %	84.10 %	88.23 %	86.94 %	87.83 %
Covered Payroll	$ 5,110,562	$ 5,049,275	$ 4,208,479	$ 3,680,728	$ 3,440,784	$ 3,089,692	$ 3,262,260	$ 3,153,829	$ 2,344,817	$ 2,981,719
Authority's Net Pension Liability (Asset) as a Percentage of Covered Payroll	28.19 %	33.83 %	70.64 %	(79.22)%	(17.64)%	23.09 %	91.83 %	78.68 %	116.03 %	80.55 %

Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Administrative Employees' Retirement Plan (Continued)

Last Ten Fiscal Years
Measurement Date is December 31 of the Previous Year

Assumption Changes

For the fiscal year ended September 30, 2024 (December 31, 2023 actuarial valuation), the mortality assumptions were updated to the most recent improvement scale.

For the fiscal year ended September 30, 2023 (December 31, 2022 actuarial valuation), the mortality assumptions were updated to the most recent improvement scale.

For the fiscal year ended September 30, 2020 (December 31, 2019 actuarial valuation), the mortality assumption was updated to the Society of Actuaries Pub-2010 Public Retirement Plans Mortality Tables with MP-2018 improvement scale from the RP-2014 Mortality Tables with MP-2018 improvement scale.

For the fiscal year ended September 30, 2019 (December 31, 2018 actuarial valuation), the mortality assumption was updated to the RP-2014 Mortality Tables from the RP-2000 Mortality Tables.

Required Supplementary Information
Schedule of Pension Contributions
Administrative Employees' Retirement Plan

Last Ten Fiscal Years

Years Ended September 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 800,000	$ 800,000	$ 600,000	$ 600,000	$ 600,000	$ 700,000	$ 700,000	$ 700,000	$ 645,500	$ 395,223
Contributions in relation to the actuarially determined contribution	800,000	818,787	611,255	600,000	700,000	700,000	700,000	700,000	545,000	395,223
Contribution Excess (Deficiency)	**$ -**	**$ 18,787**	**$ 11,255**	**$ -**	**$ 100,000**	**$ -**	**$ -**	**$ -**	**$ (100,500)**	**$ -**
Covered Payroll	$ 5,218,315	$ 5,857,981	$ 4,294,117	$ 5,925,305	$ 3,440,784	$ 3,089,692	$ 3,262,260	$ 3,153,829	$ 2,344,817	$ 3,227,611
Contributions as a Percentage of Covered Payroll	15.33 %	13.98 %	14.23 %	10.13 %	20.34 %	22.66 %	21.46 %	22.20 %	23.24 %	12.25 %

Notes to Schedule of Pension Contributions - Administrative Employees' Retirement Plan

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of January 1.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal - Level of percentage of compensation
Asset valuation method	Equal to market value of assets
Inflation	2.00 percent
Salary increase	4.00 percent
Investment rate of return	6.00 percent
Retirement age	Varies from 59 to 62 based on hire date and years of service
Mortality	Pub-2010 Public Retirement Plans Mortality Tables projected with 2024 Adjusted MP-2021 improvement scale

Required Supplementary Information
Schedule of Pension Investment Returns

Last Ten Fiscal Years

Measurement Date is December 31 of the Previous Year

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Union Employees' Retirement Plan - Annual money-weighted rate of return - Net of investment expense	17.26 %	17.28 %	(10.25)%	17.20 %	11.50 %	18.23 %	(0.78)%	12.52 %	7.38 %	2.07 %
Administrative Employees' Retirement Plan - Annual money-weighted rate of return - Net of investment expense	8.41 %	13.25 %	(15.70)%	14.30 %	12.00 %	20.01 %	(2.00)%	16.57 %	8.07 %	0.80 %

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

Last Nine Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service cost	$ 1,631,649	$ 2,411,343	$ 3,016,883	$ 4,421,394	$ 5,363,106	$ 1,934,910	$ 2,022,770	$ 1,781,196	$ 1,738,555
Interest	2,813,691	3,789,117	3,626,125	2,746,713	2,251,420	2,136,164	2,021,059	1,377,737	1,299,584
Changes in benefit terms	-	-	(1,231,433)	-	-	-	-	-	-
Differences between expected and actual experience	(597,956)	(10,447,033)	(847,932)	742,865	(876,766)	14,139,217	(80,917)	341,423	75,294
Changes in assumptions	(2,208,671)	(9,822,226)	(1,210,465)	(26,213,754)	(9,268,940)	20,889,644	(155,995)	1,155,482	-
Valuation of Medicare support	-	-	-	-	-	-	-	11,712,289	-
Benefit payments, including refunds	(1,434,401)	(1,349,233)	(1,437,733)	(1,106,021)	(1,052,591)	(1,660,107)	(1,229,414)	(947,617)	(1,185,270)
Net Change in Total OPEB Liability	204,312	(15,418,032)	1,915,445	(19,408,803)	(3,583,771)	37,439,828	2,577,503	15,420,510	1,928,163
Total OPEB Liability - Beginning of year	54,473,162	69,891,194	67,975,749	87,384,552	90,968,323	53,528,495	50,950,992	35,530,482	33,602,319
Total OPEB Liability - End of year	**$ 54,677,474**	**$ 54,473,162**	**$ 69,891,194**	**$ 67,975,749**	**$ 87,384,552**	**$ 90,968,323**	**$ 53,528,495**	**$ 50,950,992**	**$ 35,530,482**
Plan Fiduciary Net Position									
Contributions - Employer	$ 2,307,662	$ 2,180,911	$ 2,229,807	$ 1,860,377	$ 1,731,854	$ 2,344,240	$ 1,880,969	$ 1,568,146	$ 1,725,577
Contributions - Employee	-	-	-	-	39,077	43,679	-	-	50,673
Net investment income (loss)	2,360,491	3,888,380	1,586,220	(2,396,831)	2,205,104	1,154,874	470,085	841,383	794,781
Benefit payments, including refunds	(1,434,401)	(1,349,233)	(1,437,733)	(1,106,021)	(1,052,591)	(1,660,107)	(1,229,414)	(947,617)	(1,185,271)
Other	-	-	-	-	-	(43,687)	-	-	3,047
Net Change in Plan Fiduciary Net Position	3,233,752	4,720,058	2,378,294	(1,642,475)	2,923,444	1,838,999	1,121,640	1,461,912	1,388,807
Plan Fiduciary Net Position - Beginning of year	19,498,220	14,778,162	12,399,868	14,042,343	11,118,899	9,279,900	8,158,260	6,696,348	5,307,541
Plan Fiduciary Net Position - End of year	**$ 22,731,972**	**$ 19,498,220**	**$ 14,778,162**	**$ 12,399,868**	**$ 14,042,343**	**$ 11,118,899**	**$ 9,279,900**	**$ 8,158,260**	**$ 6,696,348**
Net OPEB Liability - Ending	**$ 31,945,502**	**$ 34,974,942**	**$ 55,113,032**	**$ 55,575,881**	**$ 73,342,209**	**$ 79,849,424**	**$ 44,248,595**	**$ 42,792,732**	**$ 28,834,134**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	41.57 %	35.79 %	21.14 %	18.24 %	16.07 %	12.22 %	17.34 %	16.01 %	18.85 %
Covered-employee Payroll	$ 17,541,514	$ 18,292,534	$ 19,033,422	$ 20,797,521	$ 20,486,818	$ 22,057,485	$ 21,304,311	$ -	$ -
Net OPEB Liability as a Percentage of Covered-employee Payroll	182.11 %	191.20 %	289.56 %	267.22 %	358.00 %	362.01 %	- %	- %	- %

This schedule is intended to show information for 10 years. Additional years' information will be reported as it becomes available. During 2018, the Authority and actuary identified an addition to the total OPEB liability that should have been included in the 2017 total OPEB liability. This adjustment was added to the beginning liability for 2018; as a result, that amount does not equal the 2017 ending liability.

Assumption Changes

In the 2025 valuation, the discount rate increased from 5.08 percent to 5.52 percent.

In the 2024 valuation, the discount rate decreased from 5.29 percent to 5.08 percent. Further, a full actuarial experience study was conducted in conjunction with the valuation. Changes in actuarial assumptions lowered the liability by $9.8 million (-15 percent). Modifying the retirement assumption per the actuarial experience study performed during 2024 generated $11.1 million of the gains. Updating the discount rate (from 5.29 to 5.08) and mortality improvement scale combined to create a $1.3 million loss.

In the 2023 valuation, the discount rate increased from 5.16 percent to 5.29 percent.

In the 2022 valuation, the discount rate increased from 3.01 percent to 5.16 percent.

In the 2021 valuation, the discount rate increased from 2.35 percent to 3.01 percent.

In the 2020 valuation, the mortality assumption was updated, and the discount rate decreased from 3.91 percent to 2.35 percent.

In the 2019 valuation, the mortality assumption was updated, and the discount rate increased from 3.86 percent to 3.91 percent.

Benefit Changes

With the 2023 actuarial valuation, the most recent plan amendment is reflected, which closed the Plan to all employees hired after December 1, 2019.

Required Supplementary Information
Schedule of OPEB Contributions

Last Ten Fiscal Years

Year Ended September 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 11,596,220	$ 15,370,843	$ 13,304,688	$ 15,194,263	$ 15,309,872	$ 8,657,571	$ 7,677,439	$ 5,138,595	$ 4,705,924	$ 2,848,496
Contributions in relation to the actuarially determined contribution	2,307,622	2,180,911	2,229,807	1,860,377	1,731,854	2,344,240	1,880,969	1,568,146	1,725,577	2,168,986
Contribution Deficiency	**$ (9,288,598)**	**$ (13,189,932)**	**$ (11,074,881)**	**$ (13,333,886)**	**$ (13,578,018)**	**$ (6,313,331)**	**$ (5,796,470)**	**$ (3,570,449)**	**$ (2,980,347)**	**$ (679,510)**
Covered-employee Payroll	$ 17,541,514	$ 18,292,534	$ 19,033,422	$ 20,797,521	$ 20,486,818	$ 22,057,485	$ 21,304,311	$ -	$ -	$ -

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Contributions for the Authority's fiscal year ended September 30, 2025 were determined based on the actuarial valuation as of September 30, 2023.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal (level percent)
Amortization method	Level percent
Remaining amortization period	4 years
Asset valuation method	Equal to market value of asset
Inflation	Included in the expected return
Health care cost trend rates	7.25 percent, graded 0.25 percent per to an ultimate rate of 4.50 percent
Salary increase	3.50 percent
Investment rate of return	7.00 percent
Retirement age	60 years
Mortality	PubH 2010 mortality tables with the MP-2021 improvement scale

Required Supplementary Information
Schedule of OPEB Investment Returns

Last Eight Fiscal Years

Years Ended September 30

	2025	2024	2023	2022	2021	2020	2019	2018
Annual money-weighted rate of return - Net of investment expense	16.58 %	31.94 %	26.90 %	(17.07)%	19.83 %	12.23 %	5.65 %	11.35 %

Supplementary Information

Supplementary Information
Statement of Fiduciary Net Position
Fiduciary Funds

	Union Pension Plan December 31, 2024	Admin Pension Plan December 31, 2024	Retiree OPEB Trust September 30, 2025	Total Pension and OPEB Fiduciary Funds
Assets				
Investments:				
Large U.S. equity	$ 40,306,310	$ 6,314,568	$ -	$ 46,620,878
Small/Mid U.S. equity	-	2,617,521	-	2,617,521
International equity	-	3,851,333	-	3,851,333
Mutual funds	-	-	22,731,972	22,731,972
Fixed income	-	10,010,217	-	10,010,217
Other	-	1,594,165	-	1,594,165
Group annuity contracts	23,636,953	-	-	23,636,953
Total assets	63,943,263	24,387,804	22,731,972	111,063,039
Liabilities	-	-	-	-
Net Position - Restricted				
Pension	63,943,263	24,387,804	-	88,331,067
Postemployment benefits other than pension	-	-	22,731,972	22,731,972
Total net position	**$ 63,943,263**	**$ 24,387,804**	**$ 22,731,972**	**$ 111,063,039**

Supplementary Information
Statement of Changes in Fiduciary Net Position
Fiduciary Funds

	Union Pension Plan Year Ended December 31, 2024	Admin Pension Plan Year Ended December 31, 2024	Retiree OPEB Trust Year Ended September 30, 2025	Total Pension and OPEB Fiduciary Funds
Additions				
Investment income:				
Interest and dividends	$ 865,864	$ -	$ 457,399	$ 1,323,263
Change in fair value of investments	8,020,584	1,882,470	1,905,276	11,808,330
Net investment income	8,886,448	1,882,470	2,362,675	13,131,593
Contributions:				
Employer contributions	1,121,606	800,000	2,307,662	4,229,268
Member contributions	1,121,606	380,843	-	1,502,449
Total contributions	2,243,212	1,180,843	2,307,662	5,731,717
Total additions - Net	11,129,660	3,063,313	4,670,337	18,863,310
Deductions				
Benefit payments	2,741,348	875,997	1,434,401	5,051,746
Administrative expenses	55,622	65,541	2,184	123,347
Total deductions	2,796,970	941,538	1,436,585	5,175,093
Net Increase in Net Position	8,332,690	2,121,775	3,233,752	13,688,217
Net Position - Beginning of year	55,610,573	22,266,029	19,498,220	97,374,822
Net Position - End of year	**$ 63,943,263**	**$ 24,387,804**	**$ 22,731,972**	**$ 111,063,039**

Supplementary Information
1. Schedule of Operating Revenues

Year Ended September 30, 2025

Local operating revenues:		
40100	Linehaul - Farebox (Urban)	$ 1,735,080
40100	Paratransit - Farebox (Urban)	718,166
40100	Rural Services - Farebox	42,354
40100	Senior shopping bus - Fare Box	-
40400	Meals on Wheels	-
40610	Concessions	34,308
40615	Advertising	340,417
40620	Intercity Ticket Sales	28,350
40720	Rental of Building	26,837
40725	Parking Lot	97,292
40760	Gain on Sale of Assets	120,997
40799	Other Miscellaneous Revenue	81,193
40950	Contract Services	10,351,056
Total local operating revenues		13,576,050
State of Michigan operating grants:		
41101	Operating grant (Act 51) - Urban	18,627,054
41101	Operating grant (Act 51) - Urban - PY	(165,525)
41101	Operating grant (Act 51) - Rural	1,408,627
41101	Operating grant (Act 51) - Rural - PY	(3,311)
41199	Specialized Services	13,762
41199	Other MDOT/OPT Contracts - Service Initiatives Grant 2022-0027-P10	826,705
41199	Other MDOT/OPT Contracts - Shared Streets and Spaces	8,660
41199	Other MDOT/OPT Contracts - Service Initiatives Grant 2022-0027-P3	442,554
41199	Other MDOT/OPT Contracts - Service Initiatives Grant 2022-0027-P12	63,931
41111	Operating grant - Preventative Maintenance	-
41114	Other Capital Contract Reimburse for Operating Expenses	83,655
Total State of Michigan operating grants		21,306,112
Federal operating grants:		
41301	Operating Grant - Rural - 5311	734,829
41301	Operating Grant - Rural - 5311 - PY	-
41311	Federal grant - Preventative Maintenance	-
41314	Other Capital Contract Reimburse for Operating Expenses	359,456
41360	Operating Grant - Rural - 5311 CARES Act Flex	-
41362	Operating Grant - 5307 CRRSA Act	15,175,231
Total Federal operating grants		16,269,516
Local nonoperating revenues:		
40800	Property tax	22,251,859
41400	Investment Income	1,373,839
Total Local nonoperating revenue		23,625,698
Total nonoperating revenue		61,201,326
Total Revenue		**$ 74,777,376**

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Federal Project Number	State Project Number	Federal Expenditures	State Expenditures	Total Expenditures	Amount Provided to Subrecipients
U.S. Department of Transportation - Direct programs:							
Federal Transit Cluster:							
COVID-19 - Federal Transit - Formula Grants (CRRSAA)	20.507	MI-0090-4022	No State match	$ 15,175,231	$ -	$ 15,175,231	$ -
Federal Transit - Formula Grants	20.507	MI-0090-X789	2012-0055-P03D	55,828	13,957	69,785	-
Federal Transit - Formula Grants	20.507	MI-0090-X782	2012-0055-P28C	11,665	2,916	14,581	-
Federal Transit - Formula Grants	20.507	MI-0095-X127	2012-0055-P28A	5,144	1,286	6,430	-
Federal Transit - Formula Grants	20.507	MI-0095-X130	2017-0027-P03D	1,870	468	2,338	-
Federal Transit - Formula Grants	20.507	MI-0095-X105	2012-0055-P012	-	-	-	-
Federal Transit - Formula Grants	20.507	MI-0090-X805	2017-0027-P06D	78,878	19,719	98,597	-
Federal Transit - Formula Grants	20.507	MI-0090-X819	2019-0027-P11D	454,258	113,564	567,822	-
Federal Transit - Formula Grants	20.507	MI-0095-0007	2017-0027-P06A	-	-	-	-
Federal Transit - Formula Grants	20.507	MI-0090-X855	2017-0027-P013D	584,191	146,048	730,239	-
Federal Transit - Formula Grants	20.507	MI-0090-X870	2017-0027-P017D	274,198	68,549	342,747	-
Federal Transit - Formula Grants	20.507	MI-0095-0013	2019-0027-P11A	-	-	-	-
Federal Transit - Formula Grants	20.507	MI-0090-X888	2022-0027-P04	2,354,868	588,717	2,943,585	-
Federal Transit - Formula Grants	20.507	MI-0090-X376	2002-0024-Z004	-	-	-	-
Bus and Bus Facilities Formula Program	20.526	MI-0034-0025	2017-0027-P028D	51,516	12,879	64,395	-
Bus and Bus Facilities Formula Program	20.526	MI-0034-0032	2017-0027-P03D	9,693	2,423	12,116	-
Bus and Bus Facilities Formula Program	20.526	MI-0034-0115	2017-0027-P017D	-	-	-	-
Bus and Bus Facilities Formula Program	20.526	MI-0034-0100	2017-0027-P13B	-	-	-	-
Bus and Bus Facilities Formula Program	20.526	MI-0034-0111	2017-0027-P19	1,098,000	274,500	1,372,500	-
Bus and Bus Facilities Formula Program	20.526	MI-0034-0112	2017-0027-P18	195,102	48,776	243,878	-
Bus and Bus Facilities Formula Program	20.526	MI-2017-014-03	2017-0027-P03C	-	-	-	-
Bus and Bus Facilities Formula Program	20.526	MI-0034-0057	2017-0027-P06B	-	-	-	-
Bus and Bus Facilities Competitive Program	20.526	MI-0034-0074	2017-0027-P11B	-	-	-	-
Bus and Bus Facilities Formula Program	20.526	MI-0034-0074	2019-0027-P11B	-	-	-	-
Bus and Bus Facilities Formula Program	20.526	MI-0034-0119	2022-0027-P4	1,140,246	285,061	1,425,307	-
				-	-	-	-
Total Federal Transit Cluster				21,490,688	1,578,863	23,069,551	-
Transit Services Program Cluster:							
Formula Grants for Enhanced Mob of Sr & Ind. W Disab	20.513	MI-0016-X010	2012-0055-P013	-	-	-	-
Formula Grants for Enhanced Mob of Sr & Ind. W Disab	20.513	MI-0016-X015	2012-0055-P013	113,883	27,871	141,754	113,133
Formula Grants for Enhanced Mob of Sr & Ind. W Disab	20.513	MI-2017-014-02	2017-0027-P03B	-	-	-	-
Formula Grants for Enhanced Mob of Sr & Ind. W Disab	20.513	MI-16-X026	2017-0027-P06C	-	-	-	-
Formula Grants for Enhanced Mob of Sr & Ind. W Disab	20.513	MI-16-X027	2019-0027-P11C	-	-	-	-
Formula Grants for Enhanced Mob of Sr & Ind. W Disab	20.513	MI-16-4010	No State Match	13,502	-	13,502	-

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Federal Project Number	State Project Number	Federal Expenditures	State Expenditures	Total Expenditures	Amount Provided to Subrecipients
Formula Grants for Enhanced Mob of Sr & Ind. W Disab	20.513	MI-16-4011	No State Match	9,336	-	9,336	-
Job Access and Reverse Commute Program	20.516	MI-37-X049	2012-0055-P014	-	-	-	-
Job Access and Reverse Commute Program	20.516	MI-37-X046	2012-0055-P004	-	-	-	-
Total Transit Services Program Cluster				136,721	27,871	164,592	113,133
Public Transportation Innovation	20.530	MI-26-0014	2017-0027-P20	6,360	1,691	8,051	-
U.S. Department of Transportation - Pass-through programs from Michigan Department of Transportation (MDOT)							
Formula Grants for Rural Areas							
Section 5311 Operating Formula Grant	20.509	MI-2022-0027-P9		734,829	-	734,829	-
Section 5311 Operating Formula Grant - CARES Act Flex	20.509	MI-2017-027-P15		-	-	-	-
Section 5311 Operating Formula Grant - CARES Act	20.509	MI-2017-027-P14-R1		-	-	-	-
				734,829	-	734,829	-
Coronavirus State and Local Fiscal Recovery Funds	21.027	MI-2022-0027-P12		63,931	-	63,931	-
				63,931	-	63,931	-
Michigan Department of Transportation							
Operating Assistance - Act 51 (FY 19)							
Urban - Current Year	N/A		N/A		18,627,054	18,627,054	-
Urban - Prior Year	N/A		N/A		(165,525)	(165,525)	-
Nonurban - Current Year	N/A		N/A		1,408,627	1,408,627	-
Nonurban - Prior Year	N/A		N/A		(3,311)	(3,311)	-
				-	19,866,845	19,866,845	-
Specialized Services FY 25	N/A	N/A	2022-0027-P11	-	13,762	13,762	-
Shared Streets and Spaces			25-5079	-	41,755	41,755	-
Service Initiatives	N/A	N/A	2022-0027-P3	-	442,554	442,554	-
Service Initiatives	N/A	N/A	2022-0027-P10	-	826,705	826,705	-
Michigan Economic Development Corporation							
Michigan Strategic Fund Infrastructure Grant			CASE-431647	-	1,445,841	1,445,841	-
Total				**$ 22,432,529**	**$ 24,245,887**	**$ 46,678,416**	**$ 113,133**

Description	MI-0095-X127 2012-0055-P28A FY 16 S-5307	MI-90-X782 2012-0055-P28 FY 17 S-5307	MI-95-X130 2017-0027-P3 FY 17 S-5307	MI-90-X789 2017-0027-P3 FY 17 S-5307	MI-0090-X805 2017-0027-P06 FY 18 S-5307	MI-0090-X819 2017-0027-P11 FY 19 S-5307	MI-90-X855 2017-0027-P13 FY 20 S-5307	MI-26-0014 2017-0027-P20 CFDA 20.530	MI-0090-4022 FY 22 S-5307 CRRSAA	MI-0090-X870 2017-0027-P17 FY 21 S-5307	MI-0090-X888 2022-0027-P4 FY 22 S-5307
Labor	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,175,231	$ -	$ -
Other fringe benefits											
Purchased services:											
Advertising			2,338	2,782				8,050			
Other		6,981		33,626	10,009	14,925	77,373			45,942	26,941
Materials & Supplies	6,430		0	6,000	0	1,500	100,866			3,000	42,563
Utilities											
Casualty and liability costs											
Purchased transportation											
Miscellaneous expenses											28,547
Leases and rentals											
Depreciation											
Total	**$ 6,430**	**$ 6,981**	**$ 2,338**	**$ 42,408**	**$ 10,009**	**$ 16,425**	**$ 178,239**	**$ 8,050**	**$ 15,175,231**	**$ 48,942**	**$ 98,051**

(1) Includes all expenses associated with this contract
(2) Includes only expenses reimbursed under this contract

Supplementary Information
3. Schedule of Expense by Contract and General Operations

For the Year Ended September 30, 2025

Description	MI-16-4010 FY 23 S-5310	MI-16-4011 FY 23 S-5310	MI-0016-X015 2012-0055-P28C FY 16 S-5310	2022-0027-P3 State Award	2022-0027-P10 State Award	25-5079 State Award	Urban New Service 2022-0027-P10 CFDA 21.027	General Operations Urban Large	General Operations Nonurban	Total
Labor	$ 13,502	$ 9,336	$ -	$ -	$ -	$ -	$ -	$ 10,354,111	$ 606,288	$ 26,158,468
Other fringe benefits								8,732,594	223,805	8,956,399
Purchased services:										
Advertising								679,029	30,808	723,007
Other			3,300					4,742,438	199,049	5,160,584
Materials & Supplies			1,500			8,660		5,484,074	165,370	5,819,963
Utilities								940,475	42,101	982,576
Casualty and liability costs								1,465,962	66,040	1,532,002
Purchased transportation				442,554	826,705		63,931	8,706,587	2,561,876	12,601,653
Miscellaneous expenses								248,878	12,049	289,474
Leases and rentals								41,996	1,925	43,921
Depreciation								8,138,660	367,357	8,506,017
Total	**$ 13,502**	**$ 9,336**	**$ 4,800**	**$ 442,554**	**$ 826,705**	**$ 8,660**	**$ 63,931**	**$ 49,534,804**	**$ 4,276,668**	**$ 70,774,064**

(1) Includes all expenses associated with this contract
(2) Includes only expenses reimbursed under this contract

Supplementary Information
4. Urban Regular Service Revenue Report

Year Ended September 30, 2025

Code	Description	Amount
	Fare Revenue	
40100	Passenger fares	$ 2,453,246
	Auxiliary Transportation Revenue	
40610	Concessions	34,308
40615	Advertising	340,417
40620	Intercity Ticket Sales	28,350
	Nontransportation Revenue	
40720	Rental of buildings or other properties	26,837
40725	Parking Lot Revenue	97,292
40760	Gain from Sale of Capital Assets	120,997
40799	Other Non-Transportation Revenue	81,193
	Local Revenue	
40800	Taxes levied directly for/by transit agency	22,251,859
	Local Revenue	
40950	Local Service Contracts/Local Source	8,322,088
	State Revenue	
41101	State operating assistance	18,627,054
41101	State operating assistance - Prior Year	(165,525)
41114	Other Capital Contract Reimburse for Operating Expenses	83,655
41199	Other MDOT/OPT Contracts - Specialized Service	13,762
41199	Other MDOT/OPT Contracts - Shared Streets and Spaces	8,660
41199	Other MDOT/OPT Contracts - Service Initiatives Grant 2022-0027-P10	826,705
41199	Other MDOT/OPT Contracts - Service Initiatives Grant 2022-0027-P3	442,554
	Federal Revenue	
41314	Other Capital Contract Reimburse for Operating Expenses	359,456
41362	CRRSA Act	15,175,231
	Other Revenue	
41400	Investment Income	1,373,839
Total Urban Regular Service Revenue		**$ 70,501,978**

Supplementary Information
5. Urban Regular Service Expense Report

Year Ended September 30, 2025

Code	Description	Line Haul	Demand Response	Total
	Labor:			
50101	Operator salaries & wages	$ 13,583,152	$ 2,895,490	$ 16,478,642
50102	Other salaries & wages	5,955,013	3,118,525	9,073,538
	Fringe Benefits			
50200	Other fringe benefits	8,778,483	2,692,255	11,470,738
50210	Defined Contribution Pension	58,380	17,962	76,342
50220	Defined Benefit Pension	(557,071)	(200,034)	(757,105)
50250	Other post retirement benefits	(1,542,787)	(514,594)	(2,057,381)
	Services			
50302	Advertising	394,155	298,044	692,199
50305	Audit costs	47,006	33,642	80,648
50399	Other	3,020,821	1,860,066	4,880,887
	Materials and supplies			
50401	Fuel and Lubricants	1,396,382	1,036,415	2,432,797
50402	Tires and tubes	106,379	79,765	186,144
50499	Other materials and supplies	2,494,518	541,134	3,035,652
	Utilities			
50500	Utilities	538,856	401,619	940,475
	Insurance			
50603	Liability insurance	841,178	624,784	1,465,962
	Taxes and fees			
50700	Taxes and fees	0	0	0
	Purchased transportation services			
50800	Purchased transportation services	0	9,975,846	9,975,846
	Miscellaneous expenses			
50902	Travel, meetings & training	73,634	55,062	128,696
50903	Association dues & subscriptions	80,917	58,688	139,605
50909	Loss on disposal of assets	9,124	0	9,124
50960	SBITA amortization	115,261	85,532	200,793
	Operating leases & rentals			
51200	Operating leases & rentals	24,438	17,558	41,996
	Depreciation			
51300	Depreciation	4,556,082	3,381,785	7,937,867
Total Expenses		39,973,921	26,459,544	66,433,465

Supplementary Information
5. Urban Regular Service Expense Report

Year Ended September 30, 2025

Code	Description	Line Haul	Demand Response	Total
Ineligible Expenses				
55004	Other ineligible state contracts (Specialized services, service initi	0	1,291,682	1,291,682
55007	Ineligible depreciation	3,966,027	2,943,852	6,909,879
55008	Other ineligible	245,719	185,336	431,055
55009	Ineligible percent of association dues	5,888	4,441	10,329
55010	Ineligible expense associated with other revenue	65,281	0	65,281
55060	Ineligible SBITA amortization	115,261	85,532	200,793
56004	Ineligible expenses associated w/rentals	124,129	0	124,129
57604	Other ineligible operating expense paid by capital contract	443,111	0	443,111
58009	Loss on disposal of assets	9,124	0	9,124
58020	Ineligible DB Pension	(2,006,135)	(645,645)	(2,651,780)
58050	Ineligible DB OPEB	(3,269,759)	(1,052,324)	(4,322,083)
58099	Other ineligible benefits	13,985	10,548	24,533
Total Ineligible Expenses		(287,369)	2,823,422	2,536,053
Total Eligible Expenses		**$ 40,261,290**	**$ 23,636,122**	**$ 63,897,412**

Supplementary Information
6. Urban Regular Service Nonfinancial Report (Unaudited)
Year Ended September 30, 2025

		Weekday		Saturday		Sunday		
Code	Description	LH	DR	LH	DR	LH	DR	Total
610	Vehicle hours	267,600	211,026	30,013	22,129	17,163	16,233	**564,164**
611	Vehicle miles	3,155,456	2,666,751	378,516	254,830	222,272	188,921	**6,866,746**

Miscellaneous Information

Description	LH	DR	Total
Vehicle Revenue Miles	3,514,891	2,649,603	**6,164,494**
Non-Revenue (Service) Vehicle Miles			**313,227**
Gallons Fuel - LPG	-	0	**0**
Gallons Fuel - Diesel	801,584	324,684	**1,126,268**
Concession Square Footage	0		
Total CTC Building Square Footage	14,000		

Supplementary Information

7. Nonurban County Regular Service Revenue Report

Year Ended September 30, 2025

Code	Description	Amount
	Fare Revenue	
40100	Passenger fares	$ 42,354
	Package Delivery/Meal Delivery Programs	
40400	Package delivery/meal delivery programs	-
	Local Service Contract	
40950	Local service contract/local source	2,028,968
	State Revenue	
41101	State operating assistance	1,408,627
41101	State operating assistance - Prior Year	(3,311)
	Federal Revenue	
41301	Section 5311 Operating	734,829
Total Revenue		**$ 4,211,467**

Supplementary Information
8. Nonurban County Regular Service Expense Report

Year Ended September 30, 2025

Code	Description	Total
	Labor:	
50101	Operator salaries & wages	$ 307,030
50102	Other salaries & wages	299,258
	Fringe Benefits	
50200	Other fringe benefits	273,242
50210	Defined Contribution Pension	1,810
50220	Defined Benefit Pension	(11,184)
50250	Other post retirement benefits	(40,063)
	Services	
50302	Advertising	30,808
50305	Audit costs	3,752
50399	Other	195,297
	Materials and supplies	
50401	Fuel and Lubricants	109,563
50402	Tires and tubes	8,500
50499	Other materials and supplies	47,307
	Utilities	
50500	Utilities	42,101
	Insurance	
50603	Liability insurance	66,040
	Taxes and fees	
50700	Taxes and fees	0
	Purchased transportation services	
50800	Purchased transportation services	2,561,876
	Miscellaneous expenses	
50902	Travel, meetings & training	5,703
50903	Association dues & subscriptions	6,346
50960	SBITA Amortization	9,066
	Operating leases & rentals	
51200	Operating leases & rentals	1,925
	Depreciation	
51300	Depreciation	358,291
Total Expenses		4,276,668

Supplementary Information
8. Nonurban County Regular Service Expense Report
Year Ended September 30, 2025

Code	Description	Total
Ineligible Expenses		
55006	Other ineligible interest expense	0
55007	Ineligible depreciation	311,884
55008	Other ineligible expenses	19,326
55009	Ineligible percent of association dues	463
55060	Ineligible SBITA amortization	9,066
58020	Ineligible DB Pension	(56,108)
58050	Ineligible DB OPEB	(91,449)
58099	Other ineligible benefits	1,100
Total Ineligible Expenses		194,282
Total Eligible Expenses		**$ 4,082,386**

Supplementary Information

9. Nonurban County Regular Service Nonfinancial Report (Unaudited)

Year Ended September 30, 2025

Code	Description	Weekday	Saturday	Sunday	Total
610	Vehicle hours	20,410	554	-	**20,964**
611	Vehicle miles	372,371	12,257	-	**384,628**

Miscellaneous Information

Description	Total
Vehicle Revenue Miles	**276,445**
Gallons Fuel - Gasoline	**81,630**

Supplementary Information

10. Specialized Services Nonfinancial Report (Unaudited)

Year Ended September 30, 2025

Code	Description	Weekday
610	Vehicles hours	**1,953**
611	Vehicle miles	**15,230**

Miscellaneous Information

Description	Total
Vehicle Revenue Miles	**11,438**
Gallons Fuel - Diesel	**2,418**

Supplementary Information
11. Urban New Services Revenue Report
Year Ended September 30, 2025

Code	Description	Amount
	Fare Revenue	
40100	Passenger fares	$ -
	Federal Revenue	
41399	Other MDOT/OPT Contracts - 2022-0027-P12	63,931
Total Revenue		**$ 63,931**

Supplementary Information
12. Urban New Services Expense Report
Year Ended September 30, 2025

Code	Description	DR
	Purchased transportation services	
50800	Purchased transportation services	63,931
Total Expenses		63,931
	Ineligible expenses	
Total Ineligible Expenses		0
Total Eligible Expenses		63,931

Supplementary Information
13. Urban New Services Nonfinancial Report (Unaudited)

Year Ended September 30, 2025

Code	Description	Weekday
610	Vehicles hours	**621**
611	Vehicle miles	**3,301**

Miscellaneous Information

Description	Total
Vehicle Revenue Miles	**1,534**
Gallons Fuel - Diesel	**0**

Supplementary Information
14. Operating Assistance Calculation

Year Ended September 30, 2025

	Urban	Nonurban
Total Expenses	$ 66,433,465	$ 4,276,668
Less: Ineligible expenses		
Ineligible depreciation	6,909,879	311,884
Ineligible SBITA amortization	200,793	9,066
Ineligible state contracts	1,291,682	-
Ineligible interest expense	-	-
Other ineligible	431,055	19,326
Ineligible percent of association dues	10,329	463
Ineligible expense associated with other revenue	65,281	-
Ineligible preventative maintenance	-	-
Ineligible expenses associated w/rentals	124,129	-
Other ineligible operating expenses paid by capital contract	443,111	-
Loss on disposal of assets	9,124	-
Ineligible DB Pension	(2,651,780)	(56,108)
Ineligible DB OPEB	(4,322,083)	(91,449)
Other ineligible benefits	24,533	1,100
Total Ineligible Expenses Per R&E Manual	2,536,053	194,282
Total State Eligible Expenses	$ 63,897,412	$ 4,082,386

	Urban	Nonurban
Eligible Expenses for State Reimbursement	$ 63,897,412	$ 4,082,386
x Reimbursement Percentage (Budgeted)	29.15150%	34.50500%
State Operating Assistance	$ 18,627,054	$ 1,408,627

Total Federal Eligible Expenses

Eligible Expenses for Federal Reimbursement	$ 4,082,386
x Reimbursement Percentage (per Project Authorization)	18.00%
State Operating Assistance	$ 734,829