

November 18, 2013

To the Board of Directors  
Suburban Mobility Authority for  
Regional Transportation

We have audited the financial statements of the Suburban Mobility Authority for Regional Transportation (the "Authority" or SMART) as of and for the year ended June 30, 2013 and have issued our report thereon dated November 18, 2013. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibility Under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated May 14, 2013, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of SMART. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of SMART's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of SMART, including compliance with certain provisions of laws, regulations, contracts, grant agreements, certain instances of error or fraud, illegal acts applicable to government agencies, and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated November 18, 2013 regarding our consideration of SMART's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on June 20, 2013.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by SMART are described in Note 1 to the financial statements.

As described in Note 1, the Authority implemented GASB Statement No. 63 this year. The statement mainly impacts the format and reporting of the balance sheet.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting SMART's financial statements were as follows:

- OPEB (other postemployment benefits) obligation and net pension obligation, as well as related actuarial accrued liability disclosures - including the actuarial methods and assumptions. These estimates are based on third-party valuations performed with the underlying assumptions used in those valuations which are principally based on plan provisions, healthcare-related trends, and payroll data.
- Estimated liabilities and the related resolution of self-insurance claims including claims incurred but not reported (IBNR). The assumptions are based on reported incidents, third-party established actuarial methods, and historical claims-incurred experience.
- Allowance for collectibility reserve related to local revenue source receivables. The assumptions are based on communications from each of the counties (Oakland, Macomb, and Wayne), combined with management's estimates for uncertainties and historical results.
- Reserve for ACT 51 operating assistance revenue. The assumption is based on the estimated reduction of the collective qualifying expenditures by SMART and DDOT, which will result in less total eligible expenditures to be reimbursed by ACT 51 monies from the State of Michigan.

We evaluated the key factors and assumptions used to develop the above estimates in determining that they are reasonable in relation to SMART's financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Disagreements with Management***

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not detect any misstatements as a result of audit procedures.

***Significant Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Authority, and business plans and strategies that may affect the risks of material misstatement with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated November 18, 2013.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

To the Board of Directors  
Suburban Mobility Authority for  
Regional Transportation

November 18, 2013

**Other Information in Documents Containing Audited Financial Statements**

Our responsibility for other information in documents containing the Authority's financial statements and report does not extend beyond the financial statements. We do not have an obligation to determine whether or not such other information is properly stated.

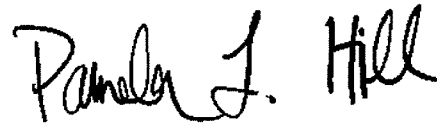
This information is intended solely for the use of the board of directors and management of Suburban Mobility Authority for Regional Transportation and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

**Plante & Moran, PLLC**

A handwritten signature in black ink, appearing to read "D. Bohrer". The signature is fluid and cursive, with a large initial "D" and a stylized "B".

Douglas G. Bohrer

A handwritten signature in black ink, appearing to read "Pamela L. Hill". The signature is cursive, with a large initial "P" and "H".

Pamela L. Hill

# **Suburban Mobility Authority for Regional Transportation**

---

**Federal Awards  
Supplemental Information  
June 30, 2013**

# Suburban Mobility Authority for Regional Transportation

---

## Contents

### Independent Auditor's Reports:

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133	1
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2-3
Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance	4-6
Schedule of Expenditures of Federal Awards	7
Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures of Federal Awards	8
Notes to Schedule of Expenditures of Federal Awards	9-10
Schedule of Findings and Questioned Costs	11-14



**Plante & Moran, PLLC**  
27400 Northwestern Highway  
P.O. Box 307  
Southfield, MI 48037-0307  
Tel: 248.352.2500  
Fax: 248.352.0018  
plantemoran.com

Report on Schedule of Expenditures of Federal Awards  
Required by OMB Circular A-133

Independent Auditor's Report

To the Board of Directors  
Suburban Mobility Authority for  
Regional Transportation

We have audited the financial statements of Suburban Mobility Authority for Regional Transportation (SMART or the "Authority") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated November 18, 2013, which contained unmodified opinions on the financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to November 18, 2013.

The accompanying schedule of expenditures of federal awards and reconciliation of financial statements federal revenue with schedule of expenditures of federal awards are presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Plante & Moran, PLLC*

Southfield, Michigan  
November 18, 2013

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Suburban Mobility Authority for Regional Transportation (SMART or the "Authority") as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 18, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Suburban Mobility Authority for Regional Transportation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

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



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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Plante & Moran, PLLC*

Southfield, Michigan  
November 18, 2013

Report on Compliance for the Major Federal Program;  
Report on Internal Control Over Compliance

Independent Auditor's Report

To the Board of Directors  
Suburban Mobility Authority for  
Regional Transportation

**Report on Compliance for the Major Federal Program**

We have audited Suburban Mobility Authority for Regional Transportation's (SMART or the "Authority") compliance with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on its major federal program for the year ended June 30, 2013. Suburban Mobility Authority for Regional Transportation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Suburban Mobility Authority for Regional Transportation's major federal program based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Suburban Mobility Authority for Regional Transportation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

To the Board of Directors  
Suburban Mobility Authority for  
Regional Transportation

### ***Opinion on the Major Federal Program***

In our opinion, Suburban Mobility Authority for Regional Transportation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2013.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as Finding 2013-001. Our opinion on the major federal program is not modified with respect to this matter.

Suburban Mobility Authority for Regional Transportation's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and/or corrective action plan. Suburban Mobility Authority for Regional Transportation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of Suburban Mobility Authority for Regional Transportation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Suburban Mobility Authority for Regional Transportation's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

To the Board of Directors  
Suburban Mobility Authority for  
Regional Transportation

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2013-001 to be a material weakness.

The Suburban Mobility Authority for Regional Transportation's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and/or corrective action plan. Suburban Mobility Authority for Regional Transportation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Plante & Moran, PLLC*

Southfield, Michigan  
November 18, 2013

# Suburban Mobility Authority for Regional Transportation

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2013

Federal Agency/Pass-through Agency/Program Title	Identifying Number	CFDA Number	Project Number	Federal Expenditures
U.S. Department of Transportation - Direct programs:				
Federal Transit Cluster:				
Investment Grants:				
Capital Assistance	N/A	20.500	MI-03-0194	\$ 1,685,742
Capital Assistance	N/A	20.500	MI-04-0013	136,650
Capital Assistance	N/A	20.500	MI-04-0025	6,962
Capital Assistance	N/A	20.500	MI-04-0040	1,450,226
Capital Assistance	N/A	20.500	MI-04-0062	1,457,634
Total Federal Transit - Investment Grants				4,737,214
Formula Grants:				
Capital Assistance	N/A	20.507	MI-90-0540	530
Capital Assistance	N/A	20.507	MI-90-0570	7,666
Capital Assistance	N/A	20.507	MI-90-0591	142,543
Capital Assistance	N/A	20.507	MI-90-0756	10,724,714
Capital Assistance	N/A	20.507	MI-90-0678	4,095,651
Capital Assistance	N/A	20.507	MI-90-0758	162,240
ARRA Capital Assistance	N/A	20.507	MI-96-0007	1,091,095
Operating Assistance (LETC)	N/A	20.507	MI-90-0678	359,197
Total Federal Transit - Formula Grants				16,583,636
Total Federal Transit Cluster				21,320,850
Transit Services Program Cluster:				
Section 5310	2007-0294 Z48	20.513	MI-16-X004	431,923
Section 5310	2012-0170 P6	20.513	MI-16-X005	875,631
Section 5316 JARC Non-Urban NOTA	2012-0170 P1	20.516	MI-37-X031	29,901
Section 5316 JARC Non-Urban NOTA	2012-0170 P1	20.516	MI-37-X037	29,901
Richmond Lenox Operating	2007-0294-Z21	20.516	MI-37-4033	11,645
JARC Program Admin	2007-0294-Z29	20.516	MI-37-6040	19,654
JARC Program	2007-0294-Z45	20.516	MI-37-6043	545,003
Section 5317 New Freedom Non-Urban NOTA	2012-0170 P2	20.521	MI-57-0010	57,856
Section 5307 New Freedom	2007-0294-Z19	20.521	MI-57-X007	81,822
Section 5307 New Freedom	N/A	20.521	MI-57-X014	88,244
Section 5307 New Freedom	2007-0294-Z44	20.521	MI-57-X018	388,580
Total Transit Services Program Cluster				2,560,160
Total Direct programs				23,881,010
U.S. Department of Transportation - Pass-through programs from the State of Michigan Department of Transportation - Operating Assistance - Section 5311				
	N/A	20.509	MI-18-0050	\$ 175,022
U.S. Department of Transportation - Pass-through programs from the Southeast Michigan Council of Governments - Planning and Technical Studies UWP Program				
	N/A	20.505	MI-80-X006	305,491
Total Pass-through programs				480,513
Total federal awards				\$ 24,361,523

# **Suburban Mobility Authority for Regional Transportation**

---

## **Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures of Federal Awards Year Ended June 30, 2013**

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 16,256,196
Add federal portion of capital contributions - As reported on the financial statements (includes all funds)	<u>8,105,327</u>
Federal expenditures per the schedule of expenditures of federal awards	<u><u>\$ 24,361,523</u></u>

# **Suburban Mobility Authority for Regional Transportation**

---

## **Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2013**

### **Note I - Basis of Presentation and Significant Accounting Policies**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Suburban Mobility Authority for Regional Transportation under programs of the federal government for the year ended June 30, 2013. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Because the Schedule presents only a selected portion of the operations of Suburban Mobility Authority for Regional Transportation, it is not intended to and does not present the financial position, changes in net position, or cash flows, if applicable, of Suburban Mobility Authority for Regional Transportation. Pass-through entity identifying numbers are presented where available.

# Suburban Mobility Authority for Regional Transportation

## Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2013

### Note 2 - Subrecipient Awards

Of the federal expenditures presented in the schedule, federal awards were provided to subrecipients as follows:

Federal Program Title	CFDA Number	Amount Provided to Subrecipients
Lake Erie Transit Corporation:		
Operating Assistance Section 5307	20.507	\$ 533,197
Operating Assistance Section 5311	20.509	<u>175,022</u>
Total Lake Erie Transit Corporation		708,219
North Oakland Transportation Authority:		
Section 5316 JARC	20.516	86,314
Section 5317 New Freedom	20.521	<u>87,362</u>
Total North Oakland Transportation Authority		173,676
Richmond Lenox:		
Section 5316 JARC	20.516	53,736
Section 5317 New Freedom	20.521	<u>41,409</u>
Total Richmond Lenox		95,145
Macomb County Community Service Agency -		
Section 5316 JARC	20.516	41,055
Downriver Community Conference:		
Section 5316 JARC	20.516	61,018
Section 5317 New Freedom	20.521	<u>8,875</u>
Total Downriver Community Conference		69,893
Jewish Family Services:		
Section 5316 JARC	20.516	164,833
Section 5317 New Freedom	20.521	<u>162,835</u>
Total Jewish Family Services		327,668
Program to Educate Cyclists:		
Section 5316 JARC	20.516	88,342
Section 5317 New Freedom	20.521	<u>109,638</u>
Total Program to Educate Cyclists		197,980
Macomb County Interfaith Volunteer Care -		
Section 5317 New Freedom	20.521	<u>104,087</u>
Total amount provided to subrecipients		<u>\$ 1,717,723</u>



# Suburban Mobility Authority for Regional Transportation

## Schedule of Findings and Questioned Costs Year Ended June 30, 2013

### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?  Yes  No

#### Federal Awards

Internal control over major program:

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

Type of auditor's report issued on compliance for major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?  Yes  No

Identification of major program:

CFDA Numbers	Name of Federal Program or Cluster
20.500, 20.507	Federal Transit Cluster

Dollar threshold used to distinguish between type A and type B programs: \$730,846

Auditee qualified as low-risk auditee?  Yes  No

# **Suburban Mobility Authority for Regional Transportation**

---

## **Schedule of Findings and Questioned Costs Year Ended June 30, 2013**

### **Section II - Financial Statement Audit Findings**

None

# Suburban Mobility Authority for Regional Transportation

## Schedule of Findings and Questioned Costs Year Ended June 30, 2013

### Section III - Federal Program Audit Findings

Reference Number	Finding
2013-001	<p><b>Program Name</b> - Federal Transit Cluster, CDFA #20.500 - Federal Transit - Investment Grants and #20.507 - Federal Transit - Formula Grants (Urbanized Area Formula Programs); includes American Recovery and Reinvestment Act funding.</p> <p><b>Pass-through Entity</b> - N/A</p> <p><b>Finding Type</b> - Material weakness and material noncompliance with laws and regulations</p> <p><b>Criteria</b> - The Davis-Bacon Act requires that contractors and subcontractors submit weekly certified payroll reports to the grantee for monitoring of prevailing wage rates. The rules governing Davis-Bacon and its requirements are as follows under Title 29 Code of Federal Regulations:</p> <p>Section 3.3(b) states in part that each contractor or subcontractor engaged in the construction, prosecution, completion, or repair of any public building or public work, or building or work financed in whole or in part by loans or grants from the United States, shall furnish each week a statement with respect to the wages paid each of its employees engaged in work covered by part 3 and part 5 of this chapter during the preceding weekly payroll period.</p> <p>Section 3.4 - Submission of weekly statements and the preservation and inspection of weekly payroll records. (a) Each weekly statement required under Section 3.3 shall be delivered by the contractor or subcontractor, within seven days after the regular payment date of the payroll period, to a representative of a federal or state agency in charge at the site of the building or work, or, if there is no representative of a Federal or State agency at the site of the building or work, the statement shall be mailed by the contractor or subcontractor, within such time, to a Federal or State agency contracting for or financing the building or work. After such examination and check as may be made, such statement, or a copy thereof, shall be kept available, or shall be transmitted together with a report of any violation, in accordance with applicable procedures prescribed by the United States Department of Labor.</p> <p><b>Condition</b> - During fiscal year ended June 30, 2013, in one of the six samples selected for testing, the Authority failed to obtain the certified payroll of a contractor to ensure wages paid were in compliance with conditions stated in the Davis-Bacon Act.</p>

# Suburban Mobility Authority for Regional Transportation

## Schedule of Findings and Questioned Costs Year Ended June 30, 2013

### Section III - Federal Program Audit Findings (Continued)

Reference  
Number

Finding

#### Questioned Costs - None

**Context** - Although the Authority does require that all contractors and subcontractors comply with the provisions of the Davis-Bacon Act, federal regulations require that the Authority receive and review certified payrolls in all instances where compliance with the requirement is applicable. Of the six contracts selected for testing, there was one instance identified where certified payrolls were not received or reviewed by the Authority to ensure compliance with the Davis-Bacon Act. Upon discussion with the auditors, the Authority obtained the applicable certified payrolls from the contractor. Additionally, the applicable contract did include the required Davis-Bacon Act language which requires the contractor to submit certified weekly payrolls along with the supporting invoices. Federal expenditures for this contract were approximately \$24,000, which represents approximately .1 percent of the total expenditures of the aggregate cluster.

**Cause and Effect** - The lack of sufficient internal controls over the verification of timely certified payroll submission by contractors and subcontractors to the Authority can result in contractor invoices being paid without regard to compliance with prevailing wage rate conditions set forth by the Davis-Bacon Act.

**Recommendation** - We recommend that the Authority revise internal controls currently in place to ensure, where applicable, that contractors comply with the conditions set forth by the Davis-Bacon Act, including, but not limited to, the timely submission of certified payroll to the Authority.

**Views of Responsible Officials and Planned Corrective Actions** - The Authority agrees with the above recommendation and we have revised our internal control policy related to ensuring compliance with applicable requirements. The Authority has created a central listing of all contracts that fall under the scope of the Davis-Bacon Act. As part of our payment process, all payments for capital expenditures will be checked against this list to ensure compliance with the act. Additionally, SMART has updated its purchase order forms to include applicability of Davis-Bacon Act requirements on the face of the P.O.

# **Suburban Mobility Authority for Regional Transportation**

---

**Financial Report  
with Supplemental Information  
June 30, 2013**

# **Suburban Mobility Authority for Regional Transportation**

---

## **Contents**

<b>Report Letter</b>	1-3
<b>Management's Discussion and Analysis</b>	4-9
<b>Basic Financial Statements</b>	
Statement of Net Position	10
Statement of Revenue, Expenses, and Changes in Net Position	11
Statement of Cash Flows	12
Notes to Financial Statements	13-35
<b>Other Supplemental Information</b>	36-75

## Independent Auditor's Report

To the Board of Directors  
Suburban Mobility Authority for  
Regional Transportation

### **Report on the Financial Statements**

We have audited the accompanying basic financial statements of the Suburban Mobility Authority for Regional Transportation the "Authority" or SMART) as of and for the years ended June 30, 2013 and 2012 and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Board of Directors  
Suburban Mobility Authority for  
Regional Transportation

### **Opinions**

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Suburban Mobility Authority for Regional Transportation as of June 30, 2013 and 2012 and the changes in financial position and its cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Suburban Mobility Authority for Regional Transportation's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The accompanying other supplemental information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



To the Board of Directors  
Suburban Mobility Authority for  
Regional Transportation

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2013 on our consideration of the Suburban Mobility Authority for Regional Transportation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Suburban Mobility Authority for Regional Transportation's internal control over financial reporting and compliance.

*Plante & Moran, PLLC*

November 18, 2013

# **Management's Discussion and Analysis**

---

# **Suburban Mobility Authority for Regional Transportation**

---

## **Management's Discussion and Analysis**

### **Overview of the Financial Statements and Financial Analysis**

The following discussion and analysis has been prepared by the Suburban Mobility Authority for Regional Transportation's (the "Authority" or SMART) management and should be read in conjunction with the financial statements and related note disclosures. The discussion is intended to present an overview of SMART's financial performance for the years ended June 30, 2013 and 2012 and does not purport to make any statement regarding the future operations of the organization. While SMART is an instrumentality of the State of Michigan, it is not a component of the State as defined by the Governmental Accounting Standards Board (GASB).

The annual financial report consists principally of the statement of net position, the statement of revenue, expenses, and changes in net position, and the statement of cash flows, prepared in accordance with GASB principles.

### **Financial Highlights**

- Fare revenue decreased approximately \$1.7 million due to the full year impact of the 20 percent route reductions implemented in December 2011.
- Operating expenses before depreciation of \$100.5 million are \$4.8 million lower than 2012 due to a decline in costs from the above-mentioned service reductions and the ongoing savings resulting from labor concessions and employee reductions initiated during the prior year.
- Current assets had a net increase of \$8.7 million, largely due to an increase in cash and cash equivalents of \$5.9 million and an increase in grants receivable of \$3 million.
- Current liabilities increased by \$54,000 primarily due to increases in accounts payable and other current liabilities, which were partially offset by decreases in municipal and community credits payable and notes payable due within one year relating to the 2001-2003 bus financing.
- Net position remained relatively flat at \$78.2 million, which is a combination of the \$1 million decrease in the net investment in capital assets and the \$1 million increase in unrestricted net position.

# Suburban Mobility Authority for Regional Transportation

## Management's Discussion and Analysis (Continued)

### Statement of Net position

A summarization of SMART's assets, liabilities, and net position at June 30, 2013, 2012, and 2011 follows (in millions):

	2013	2012	2011
<b>Assets</b>			
Current assets	\$ 57.2	\$ 48.5	\$ 49.0
Capital assets	68.2	71.5	74.5
Other noncurrent assets	1.1	1.8	1.2
Total assets	126.5	121.8	124.7
<b>Liabilities</b>			
Current liabilities	23.3	23.2	31.1
Noncurrent liabilities	25.0	20.4	16.6
Total liabilities	48.3	43.6	47.7
<b>Net Position</b>			
Net investment in capital assets	68.2	69.2	66.0
Restricted	1.1	1.1	-
Unrestricted	8.9	7.9	11.0
Total net position	\$ 78.2	\$ 78.2	\$ 77.0

SMART's current assets had a net increase of \$8.7 million which represents a 17.9 percent increase compared with FY 2012.

Amounts invested in capital assets decreased 1.4 percent from a year ago - decreasing from \$69.2 million to \$68.2 million. The current year decrease is due primarily to depreciation expense exceeding current year capital asset purchases.

Restricted net position is a result of the sale of federally funded capital assets representing approximately \$1.1 million which, although classified as restricted, are available to SMART for future capital purchases.

Unrestricted net position, which is the portion of net position that can be used to finance day-to-day operations, increased by \$1 million from 2012. This represents an increase of 12.2 percent. This follows a FY 2012 decrease of \$3.1 million or approximately 28.1 percent. The current level of unrestricted net position for SMART's operations stands at \$8.9 million, or about 8.8 percent of 2013 operating expenses before depreciation.

# Suburban Mobility Authority for Regional Transportation

## Management's Discussion and Analysis (Continued)

### Statement of Revenue, Expenses, and Changes in Net Position

The following table is a summary of SMART's revenue, expenses, and changes in net position for the years ended June 30, 2013, 2012, and 2011 (in millions):

	2013	2012	2011
Operating revenue	\$ 14.0	\$ 15.2	\$ 15.3
Operating expenses before depreciation	100.6	105.3	108.8
Operating loss before depreciation	(86.6)	(90.1)	(93.5)
Depreciation expense	12.8	12.8	12.7
Total operating loss	(99.4)	(102.9)	(106.2)
Nonoperating revenue (net of related expenses)	89.6	93.5	101.3
Net loss before capital contributions	(9.8)	(9.4)	(4.9)
Capital contributions	9.8	10.6	11.3
Increase in net position	-	1.2	6.4
Net position - Beginning of year	78.2	77.0	70.6
Net position - End of year	<u>\$ 78.2</u>	<u>\$ 78.2</u>	<u>\$ 77.0</u>

SMART's operating revenue decreased by approximately \$1.2 million, largely attributable to the 20 percent route reductions implemented in fiscal year 2012. Nonoperating revenue (net of related expenses) decreased \$3.9 million or 4.2 percent due to the sixth straight year of declines in property values and related millage revenue in the service areas as well as reductions in state and federal grants.

Operating expenses (before depreciation) decreased \$4.8 million during the year. The decrease is primarily a result of the December 2011 service reductions and ongoing savings resulting from labor concessions and employee reductions initiated during the prior year.

SMART is faced with on-going funding challenges and must continue to closely monitor available resources and expenses in the ensuing fiscal years.

### Capital Assets and Related Debt

The Authority continues to invest in infrastructure, equipment, and vehicles. The Authority had \$68.2 million and \$71.5 million invested in capital assets as of June 30, 2013 and 2012, respectively. During fiscal year 2013, the Authority had total capital asset additions of approximately \$9.9 million, the largest portion of which included approximately \$4.1 million of connector buses and related equipment.

# **Suburban Mobility Authority for Regional Transportation**

## **Management's Discussion and Analysis (Continued)**

The Authority paid off debt consistent with established amortization schedules and did not enter into any new term debt financing agreements in 2013 or 2012. The balance of \$2.4 million at June 30, 2012 was completely paid off in October 2012.

More detailed information concerning capital assets and long-term debt can be found in Notes 5 and 8, respectively, in the notes to the financial statements.

### **Economic Factors and Next Year's Budget**

With the passage of Public Act (PA) 387 in December 2012, the Regional Transit Authority (RTA) was created by the Michigan Legislature. The mission of the RTA is to improve and expand the delivery of public transit throughout the four-county transit region (Washtenaw County was added to what was formerly a tri-county transit region of Wayne, Oakland, and Macomb Counties, including the City of Detroit).

PA 387 also terminated the Regional Transit Coordinating Council (RTCC) and made the Southeast Michigan Council of Governments (SEMCOG) the designated recipient for federal funds until October 1, 2013 when the RTA became the designated recipient. The FTA and State of Michigan requested SEMCOG, as the Metropolitan Planning Organization (MPO) for the region, to review and revise the schedule used to distribute federal transit capital funds (under Section 5307) to the tri-county region. The allocation of federal capital funding to the tri-county Urbanized Area (UZA) had been 65 percent to Detroit Department of Transportation (DDOT) and 35 percent to SMART for the last 25 years. In March 2013, SEMCOG changed the Section 5307 allocation to 47.5 percent to DDOT, 51.5 percent to SMART, and 1 percent to Detroit Transportation Corporation (The People Mover). This change in allocation of Section 5307 funds was based upon input provided by the agencies to SEMCOG concerning their projected five-year capital needs. This change is expected to add approximately \$7 million in capital funding annually to SMART.

SMART has adopted a balanced budget for FY 2014 continuing the employee concessions obtained in the last negotiation session and imposed on administrative staff. Additionally, the Authority has maintained the staffing reductions in 2010 as well as the service reductions implemented in December 2011. SMART's operating budget in FY 2011 was a little over \$121 million while the FY 2014 operating budget will be \$109.9 million.

SMART is committed to providing the best transit service to the communities under its' service umbrella. To that extent, nonessential costs have been eliminated within the administrative departments to achieve this goal. Like most municipal governments, SMART has endured the reduction in property tax value, decreasing the property tax revenue more than 28 percent since 2008 or \$14.5 million. It is hopeful that with the creation of the RTA, new revenue sources may be forthcoming along with a rebounding economy providing increases in state and local revenue.

# **Suburban Mobility Authority for Regional Transportation**

---

## **Management's Discussion and Analysis (Continued)**

### **Using this Annual Report**

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

### **Contacting SMART's Financial Management**

This financial report is designed to provide our customers, taxpayers, and other interested parties with a general overview of the finances of the Suburban Mobility Authority for Regional Transportation and to demonstrate SMART's accountability for the money it receives. If you have questions about this report or need additional information, contact SMART at the Buhl Building, 535 Griswold Street, Suite 600, Detroit, Michigan 48226.

# Suburban Mobility Authority for Regional Transportation

## Statement of Net Position

	Enterprise Operating Fund	
	June 30, 2013	June 30, 2012
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 41,681,960	\$ 35,823,218
Receivables:		
Local contributions receivable (Note 1)	716,297	754,764
Other receivables	624,854	832,205
Grants receivable (Note 4)	11,652,077	8,600,981
Materials and supplies inventories	2,402,847	2,340,388
Prepaid expenses and other assets	65,461	130,500
Total current assets	57,143,496	48,482,056
Noncurrent assets:		
Net pension asset (Note 10)	-	675,716
Restricted cash (Note 3)	1,134,083	1,136,006
Nondepreciable capital assets (Note 5)	10,203,631	7,563,284
Depreciable capital assets - Net (Note 5)	58,016,809	64,004,903
Total noncurrent assets	69,354,523	73,379,909
Total assets	126,498,019	121,861,965
<b>Liabilities</b>		
Current liabilities:		
Municipal and community credits payable (Note 1)	2,985,393	4,742,465
Amounts payable under purchase-of-service agreements	769,586	587,420
Current portion of accrued self-insurance (Note 9)	6,591,230	6,653,073
Accounts payable	4,726,602	1,566,744
Accrued liabilities and other:		
Accrued salaries and wages	1,116,546	1,327,087
Accrued interest payable	-	57,985
Other accrued liabilities	4,456,913	3,382,474
Current portion of compensated absences (Note 8)	2,604,914	2,514,937
Current portion of notes payable (Note 8)	-	2,365,429
Total current liabilities	23,251,184	23,197,614
Noncurrent liabilities:		
Accrued self-insurance - Net of current portion (Note 9)	6,830,925	5,941,589
Net pension obligation (Note 10)	73,494	-
Net OPEB obligation (Note 11)	17,968,271	14,347,974
Compensated absences - Net of current portion (Note 8)	163,127	141,531
Total noncurrent liabilities	25,035,817	20,431,094
Total liabilities	48,287,001	43,628,708
<b>Equity - Net position</b>		
Net investment in capital assets	68,220,440	69,202,758
Restricted (Note 1)	1,134,083	1,136,006
Unrestricted	8,856,495	7,894,493
Total net position	<b>\$ 78,211,018</b>	<b>\$ 78,233,257</b>



# Suburban Mobility Authority for Regional Transportation

## Statement of Revenue, Expenses, and Changes in Net Position

	Enterprise Operating Fund	
	June 30, 2013	June 30, 2012
<b>Operating Revenue</b>		
Fares	\$ 12,763,973	\$ 14,421,545
Other income	1,191,606	807,898
Total operating revenue	13,955,579	15,229,443
<b>Operating Expenses</b>		
Salaries and wages	34,850,027	37,592,448
Fringe benefits	28,626,018	32,165,981
Materials and supplies	15,291,171	15,022,597
Contractual services	2,423,588	2,753,331
Utilities	1,832,660	1,553,828
Claims and insurance	6,399,637	5,885,222
Purchased transportation (Note 7)	11,006,714	10,238,222
Miscellaneous expense	84,470	129,507
Depreciation	12,827,540	12,780,949
Total operating expenses	113,341,825	118,122,085
<b>Operating Loss</b>	(99,386,246)	(102,892,642)
<b>Nonoperating Revenue (Expenses)</b>		
Federal operating and preventative maintenance assistance	16,256,196	18,405,498
State operating grants	34,869,326	35,154,905
Local contributions (Note 6)	38,579,803	39,903,784
Interest expense	(55,116)	(469,414)
Investment income	59,252	59,462
(Loss) gain on sale of assets	(95,057)	464,349
Total nonoperating revenue	89,614,404	93,518,584
<b>Loss - Before capital contributions</b>	(9,771,842)	(9,374,058)
<b>Capital Contributions</b>	9,749,603	10,572,878
<b>(Decrease) Increase in Net Position</b>	(22,239)	1,198,820
<b>Net Position - Beginning of year</b>	78,233,257	77,034,437
<b>Net Position - End of year</b>	<b>\$ 78,211,018</b>	<b>\$ 78,233,257</b>

# Suburban Mobility Authority for Regional Transportation

## Statement of Cash Flows

	Enterprise Operating Fund	
	June 30, 2013	June 30, 2012
<b>Cash Flows from Operating Activities</b>		
Receipts from transit operations	\$ 14,162,930	\$ 14,934,325
Payments to suppliers	(15,392,376)	(20,394,054)
Payments to employees	(59,208,142)	(63,255,669)
Payments to claims and insurance	(5,572,144)	(6,507,677)
Payments for purchased transportation	(12,581,620)	(11,379,598)
Net cash used in operating activities	(78,591,352)	(86,602,673)
<b>Cash Flows from Noncapital Financing Activities</b>		
State operating grants	32,792,608	36,186,192
Federal operating and preventive maintenance assistance	15,281,818	19,266,173
Local contributions	38,618,270	40,169,544
Net cash provided by noncapital financing activities	86,692,696	95,621,909
<b>Cash Flows from Capital and Related Financing Activities</b>		
Receipt of capital grants	9,749,603	10,572,878
Proceeds from disposal of capital assets	371,832	1,241,745
Purchase of capital assets	(9,946,682)	(10,579,888)
Payment on installment note payable	(2,365,429)	(6,131,101)
Interest paid	(113,101)	(531,074)
Net cash used in capital and related financing activities	(2,303,777)	(5,427,440)
<b>Cash Flows from Investing Activities - Interest received on investments</b>	59,252	59,363
<b>Net Increase in Cash and Cash Equivalents</b>	5,856,819	3,651,159
<b>Cash and Cash Equivalents - Beginning of year</b>	36,959,224	33,308,065
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 42,816,043</b>	<b>\$ 36,959,224</b>
<b>Balance Sheet Classification of Cash and Cash Equivalents</b>	\$ 42,816,043	\$ 36,959,224
<b>Less Amounts Classified as Restricted</b>	(1,134,083)	(1,136,006)
Total unrestricted cash and cash equivalents	<b>\$ 41,681,960</b>	<b>\$ 35,823,218</b>
<b>Reconciliation of Operating Loss to Net Cash from Operating Activities</b>		
Operating loss	\$ (99,386,246)	\$ (102,892,642)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization	12,827,540	12,780,949
Noncash change in net pension asset/obligation	749,210	513,329
Noncash expense related to net OPEB obligations	3,620,297	6,006,430
Noncash increase (decrease) in self-insurance liability	827,493	(622,455)
Changes in assets and liabilities:		
Materials and supplies inventory	(62,459)	(340,617)
Prepaid expenses	65,039	1,523,912
Other receivables	207,351	(295,118)
Accounts payable and accrued liabilities	4,234,297	(2,118,086)
Municipal and community credits payable	(1,757,072)	(566,511)
Payable under purchase service contracts	182,166	(574,865)
Accrued wages and compensated absences	(98,968)	(16,999)
Net cash used in operating activities	<b>\$ (78,591,352)</b>	<b>\$ (86,602,673)</b>

# **Suburban Mobility Authority for Regional Transportation**

---

## **Notes to Financial Statements June 30, 2013 and 2012**

### **Note I - Summary of Significant Accounting Policies**

#### **Organization**

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

Pursuant to the provisions of legislation enacted in 1988 which amended Act No. 204, a corporation known as the Regional Transit Coordinating Council (RTCC) is the designated recipient of operating assistance funds from the State of Michigan and the Federal Transit Administration (FTA). SMART and the Detroit Department of Transportation (DDOT) are subrecipients of such operating assistance funds. The Articles of Incorporation of the RTCC provide that 35 percent of any state or federal transportation operating assistance or formula capital grants or loans is to be distributed to SMART, and the remaining 65 percent is to be distributed to the DDOT. The FTA and the State of Michigan pay such funds directly to SMART and the DDOT at the direction of the RTCC. Capital grants or loans are not allocated on a formula basis by the responsible federal or state agencies, but rather are allocated on a specific project or asset basis. These allocations to SMART and the DDOT are based on the terms of the grant or loan.

Due to the 2010 population census, when the City of Detroit fell below the 750,000 population requirement to maintain the RTCC funding split, the State of Michigan temporarily suspended the 65/35 split for Act 51 funding. For the fiscal years ended June 30, 2013 and 2012, the State of Michigan allocated funds to SMART as an independent large urban transit agency. Beginning October 1, 2013, the Regional Transit Authority replaced the RTCC as the designated recipient of operating assistance funds from the State of Michigan and the FTA.

# Suburban Mobility Authority for Regional Transportation

---

## Notes to Financial Statements June 30, 2013 and 2012

### Note I - Summary of Significant Accounting Policies (Continued)

#### Reporting Entity

The financial reporting entity, as defined by Statements No. 14 and No. 39 (as amended by Statement No. 61) of the Governmental Accounting Standards Board (GASB), is comprised of the primary government and its component units. The primary government includes all departments and operations for which SMART exercises oversight responsibility. Oversight responsibility was evaluated based on consideration of financial interdependency, selection of governing authority, designation of management, the ability to significantly influence management, and accountability for fiscal matters. The reporting entity of SMART consists solely of the primary government. There are no component units.

Based on the guidelines outlined in GASB Statements No. 14 and No. 39 (as amended by Statement No. 61), this is evidenced by the fact that, with respect to any other governmental unit, including the transportation agencies with which SMART has entered into purchase-of-service agreements, or the Act 196 Transportation Authorities in the counties served by SMART, SMART does not select its governing authority, designate its management, exercise significant influence over its daily operations, or maintain its accounting records.

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

**Basis of Accounting** - The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue from operations, investments, and other sources is recorded when earned. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

The accounting policies of Suburban Mobility Authority for Regional Transportation conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

# Suburban Mobility Authority for Regional Transportation

---

## Notes to Financial Statements June 30, 2013 and 2012

### Note I - Summary of Significant Accounting Policies (Continued)

Nonexchange transactions, in which SMART receives value without directly giving equal value in return, include federal operating and preventive maintenance assistance, state operating grants, local contributions from property taxes, and capital contributions. On an accrual basis, revenue from these grants and contributions is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, and expenditure requirements, in which the resources are provided to SMART on a reimbursement basis.

Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds. The Authority has elected not to follow private sector guidance.

**Cash and Cash Equivalents** - Cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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

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

**Restricted Assets** - The Authority has unspent proceeds from the sale of assets originally acquired with capital grant funds. SMART has notified the federal granting agency and is required to segregate those funds for future acquisitions of like-kind replacement vehicles.

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

# Suburban Mobility Authority for Regional Transportation

---

## Notes to Financial Statements June 30, 2013 and 2012

### Note I - Summary of Significant Accounting Policies (Continued)

Depreciation is computed using the straight-line method, based upon the estimated useful lives of the assets as follows:

Connector transit buses	4-10 years
Fixed-route buses	7-14 years
Buildings and building improvements	25 years
Leasehold improvements*	5-25 years
Equipment and office furniture	3-10 years

\* Leasehold improvements are amortized over the shorter of the life of the specific improvement or the term of the related lease.

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

**Municipal and Community Credits Payable** - Annually, SMART receives municipal and community credit monies from the State of Michigan. SMART passes those monies through to various individual communities. Every year, SMART executes contracts with each individual community which allows it to receive municipal and community credit monies. SMART receives the monies up front from the State and then each community must request reimbursement from SMART related to contractually allowed expenses. The difference between what the State has awarded and sent to SMART and what the communities have requested reimbursement for by June 30 of each respective fiscal year end is recorded as a municipal and community credit payable.

# Suburban Mobility Authority for Regional Transportation

---

## Notes to Financial Statements June 30, 2013 and 2012

### Note I - Summary of Significant Accounting Policies (Continued)

**Compensated Absences (Vacation and Sick Leave)** - SMART employees earn vacation and sick leave, which is generally fully vested when earned. Unused vacation time may be carried over to the following year with certain limitations. For union employees, the vacation carryover is limited to one year and for nonunion employees, it can be carried over for two years. Upon termination of employment, employees are paid for unused accumulated vacation. For union employees, sick leave may be accumulated and paid upon retirement and, for certain employees, upon voluntary termination of employment. For union employees, certain accumulated sick leave may also be converted into additional vacation time. Accumulated unpaid vacation and sick leave are recorded as compensated absence liabilities.

**Pension and Other Postemployment Benefit Costs** - The Authority offers both pension and retiree healthcare benefits to employees. The Authority receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. The Authority reports the full accrual cost equal to the current year required contribution, adjusted for interest and an "adjustment to the ARC" on the beginning of year under/over paid amount, if any.

**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 and special fare assistance awards made on the basis of entitlement periods are recorded as grant receivables and revenue over the entitlement periods. Federal and state capital acquisition grants fund the purchase of capital items, including buses, bus terminals, and related transportation equipment used by SMART and other transit agencies within the southeastern Michigan region. Capital grants for the acquisition of capital assets are recorded as grants receivable in the statement of net position and capital contributions in the statement of revenue, expenses, and changes in net position when the related qualified expenditures are incurred.

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

**Passenger Fares** - Passenger fares are recorded as revenue at the time services are performed.

# Suburban Mobility Authority for Regional Transportation

---

## Notes to Financial Statements June 30, 2013 and 2012

### Note I - Summary of Significant Accounting Policies (Continued)

**Net Position** - Equity is presented in three components as follows:

- **Net Investment in Capital Assets** - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** - This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first and then unrestricted resources when they are needed. At June 30, 2013 and 2012, the Authority has restricted net position related to unspent proceeds from the sale of assets originally acquired with capital grant funds. SMART has notified the federal granting agency and is required to segregate those funds for future acquisitions of like-kind replacement vehicles.
- **Unrestricted** - This consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

**Classification of Revenue** - SMART has classified its revenue as either operating or nonoperating revenue according to the following criteria:

- **Operating Revenue** - Operating revenue includes activities that have the characteristics of exchange transactions such as revenue from transit operations.
- **Nonoperating Revenue** - Nonoperating revenue includes activities that have the characteristics of nonexchange transactions that are defined as nonoperating revenue by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, such as federal and state contributions and investment income.

**Cost Allocation Plan** - The Authority did not have any cost allocation plans in the current year.

**Methodology of Nonfinancial Data to Allocate Costs** - As SMART is a stand-alone entity with only one enterprise fund, allocation of costs using nonfinancial data is not utilized by the Authority.



# Suburban Mobility Authority for Regional Transportation

---

## Notes to Financial Statements June 30, 2013 and 2012

### Note 1 - Summary of Significant Accounting Policies (Continued)

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

Significant estimates affecting the financial statements relate to the obligation for other postemployment benefits, the net pension obligation, estimated liabilities related to self-insurance, the allowance for collectibility of local contribution receivables, the accrual for pending property tax appeals and anticipated chargebacks from the counties, and the reserve for Act 51 revenue.

**Accounting and Reporting Change** - During the year, the Authority adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measures of net position, formerly net assets. The statement also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Since the Authority has no deferred outflows or inflows until adoption of GASB Statement No. 65 (see Note 15), the only impact of the adoption of GASB Statement No. 63 on the Authority is a change in terminology from "net assets" to "net position."

### Note 2 - State of Michigan Operating Assistance Funds

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

# Suburban Mobility Authority for Regional Transportation

---

## Notes to Financial Statements June 30, 2013 and 2012

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

The latest “final” determination of State of Michigan operating assistance allocable to SMART in accordance with the Act 51 funding formula was for the State of Michigan’s fiscal year ended September 30, 2010. The resulting reduction in revenue has been finalized with the State and was paid in the first quarter of SMART’s fiscal year ending June 30, 2014. Furthermore, SMART awaits the “final” determination for the years ended September 30, 2011, 2012, and 2013. SMART has recorded an estimated aggregate liability as of June 30, 2013 based on management’s anticipation of the results of the State’s final determination of the Act 51 funding formula for the open years.

Act 51 requires SMART to provide a portion of the State of Michigan operating assistance as funding to municipalities within its transportation district. Amounts not used by the municipalities within two years must be expended by SMART for operating purposes within the county in which the city, village, or township resides. SMART was required to provide approximately \$3,261,000 pursuant to this provision in each of the fiscal years 2013 and 2012. Refer to Note 1 for additional information regarding the State of Michigan operating assistance funds.

### Note 3 - Deposits and Investments

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

Cash and cash equivalents	\$ 41,681,960
Restricted cash	<u>1,134,083</u>
Total designated	<u>\$ 42,816,043</u>

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers’ acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which 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.

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2013 and 2012

### Note 3 - Deposits and Investments (Continued)

The Authority has designated three banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 20 of 1943 has authorized investments in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the highest classifications established by not less than two standard rating services, which matures not more than 260 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan; and investment pools organized under the local government Investment Pool Acts, 1982 PA 367 and 1985 PA 121.

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

**Custodial Credit Risk of Bank Deposits** - Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. SMART does not have a deposit policy for custodial credit risk. At year end, the Authority had approximately \$2,209,000 of bank deposits (checking and savings accounts), of which \$1,684,000 was uninsured and uncollateralized.

**Credit Risk** - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations; however, SMART's investment policy further limits its investment choices to the highest-rated commercial paper at the time of purchase as established by not less than two nationally recognized rating agencies. As of year end, the Authority held investments in a governmental pooled investment fund and a money market account. The pooled investment fund is in compliance with PA 367 of 1982 and PA 20 of 1943, as amended. Although the fund is not rated, all assets which make up the fund were rated A1/P1/F1 at the time of purchase. Credit quality ratings of these investments held at year end are as follows:

Investment	Fair Value	Credit Rating
Comerica - J Fund	\$ 4,736,420	Not rated
Money market	37,590,376	Not rated

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2013 and 2012

### Note 4 - Grants Receivable

At June 30, 2013 and 2012, grants receivable are comprised of the following:

	<u>2013</u>	<u>2012</u>
Accounts receivable - Billed:		
Federal government grants	\$ 5,748,207	\$ 6,103,123
State of Michigan grants	<u>4,025,066</u>	<u>1,558,298</u>
Total billed	9,773,273	7,661,421
Accounts receivable - Unbilled:		
Federal government grants	1,654,431	325,137
State of Michigan grants	122,098	534,194
Local grants	<u>102,275</u>	<u>80,229</u>
Total unbilled	<u>1,878,804</u>	<u>939,560</u>
Total	<u>\$ 11,652,077</u>	<u>\$ 8,600,981</u>

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2013 and 2012

### Note 5 - Capital Assets

Capital asset activity during the fiscal year ended June 30, 2013 was as follows:

	Balance July 1, 2012	Reclassifications	Additions	Disposals	Balance June 30, 2013
Capital assets not being depreciated:					
Land	\$ 3,473,174	\$ -	\$ -	\$ -	\$ 3,473,174
Construction in progress	4,090,110	(7,306,335)	9,946,682	-	6,730,457
Subtotal	7,563,284	(7,306,335)	9,946,682	-	10,203,631
Capital assets being depreciated:					
Fixed-route buses and equipment	98,483,079	78,631	-	996,746	97,564,964
Connector buses and related equipment	35,037,458	4,120,841	-	2,092,326	37,065,973
Buildings and improvements	41,605,018	2,297,631	-	133,146	43,769,503
Office furnishings and equipment	1,905,770	-	-	-	1,905,770
Other equipment	50,917,239	809,232	-	-	51,726,471
Leasehold improvements	6,468,144	-	-	-	6,468,144
Subtotal	234,416,708	7,306,335	-	3,222,218	238,500,825
Accumulated depreciation:					
Fixed-route buses and equipment	67,552,622	-	6,900,405	802,529	73,650,498
Connector buses and related equipment	23,350,288	-	2,628,382	1,901,761	24,076,909
Buildings and improvements	29,147,676	-	874,820	51,039	29,971,457
Office furnishings and equipment	1,834,315	-	12,070	-	1,846,385
Other equipment	43,885,848	-	2,034,918	-	45,920,766
Leasehold improvements	4,641,056	-	376,945	-	5,018,001
Subtotal	170,411,805	-	12,827,540	2,755,329	180,484,016
Net capital assets being depreciated	64,004,903	7,306,335	(12,827,540)	466,889	58,016,809
Net capital assets	\$ 71,568,187	\$ -	\$ (2,880,858)	\$ 466,889	\$ 68,220,440

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2013 and 2012

### Note 5 - Capital Assets (Continued)

Capital asset activity during the fiscal year ended June 30, 2012 was as follows:

	Balance July 1, 2011	Reclassifications	Additions	Disposals	Balance June 30, 2012
Capital assets not being depreciated:					
Land	\$ 4,250,570	\$ -	\$ -	\$ (777,396)	\$ 3,473,174
Construction in progress	3,414,620	-	675,490	-	4,090,110
Subtotal	7,665,190	-	675,490	(777,396)	7,563,284
Capital assets being depreciated:					
Fixed-route buses and equipment	99,165,595	-	49,178	(731,694)	98,483,079
Connector buses and related equipment	33,237,640	-	7,604,267	(5,804,449)	35,037,458
Buildings and improvements	43,877,317	-	1,578,914	(3,851,213)	41,605,018
Office furnishings and equipment	1,905,770	-	-	-	1,905,770
Other equipment	50,287,393	-	629,846	-	50,917,239
Leasehold improvements	6,425,853	-	42,291	-	6,468,144
Subtotal	234,899,568	-	9,904,496	(10,387,356)	234,416,708
Accumulated depreciation:					
Fixed-route buses and equipment	61,148,195	-	7,136,121	(731,694)	67,552,622
Connector buses and related equipment	27,040,593	-	2,114,144	(5,804,449)	23,350,288
Buildings and improvements	32,046,561	-	952,328	(3,851,213)	29,147,676
Office furnishings and equipment	1,819,395	-	14,920	-	1,834,315
Other equipment	41,728,301	-	2,157,547	-	43,885,848
Leasehold improvements	4,235,168	-	405,888	-	4,641,056
Subtotal	168,018,213	-	12,780,948	(10,387,356)	170,411,805
Net capital assets being depreciated	66,881,355	-	(2,876,452)	-	64,004,903
Net capital assets	\$ 74,546,545	\$ -	\$ (2,200,962)	\$ (777,396)	\$ 71,568,187

The eligible depreciation for fiscal year 2013 of \$5,838,854 (\$12,827,540 total depreciation reported less ineligible depreciation of \$6,988,686) includes only depreciation of assets purchased with local funds whereby the useful life of the asset purchased has been approved by the OPT (Office of Passenger Transportation).

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2013 and 2012

### Note 5 - Capital Assets (Continued)

**Capital Purchase Commitments** - The Authority has active purchase contract commitments at year end related to the multiple capital purchases. At year end, the Authority's commitments with contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Vehicle purchases	\$ -	\$ 7,065,000
Radio upgrade	<u>2,648,114</u>	<u>3,972,171</u>
Total	<u>\$ 2,648,114</u>	<u>\$ 11,037,171</u>

### Note 6 - Property Taxes

In 2006, voters in Macomb County and in those communities participating in Act 196 Transportation Authorities in Oakland County and Wayne County approved a .59 property tax millage dedicated to public transportation. The Macomb and Wayne County millages were approved for four years and the Oakland County millage was approved for two years. The millage was re-approved in the fiscal year ended June 30, 2011 in these same jurisdictions. As its two-year renewal was expiring, Oakland County millage was again re-approved during the fiscal year ended June 30, 2013. Tax revenue received by Macomb County, the Wayne County Act 196 Authority, and the Oakland County Act 196 Authority, which was contributed to SMART for the years ended June 30, 2013 and 2012, totaled \$38,579,803 and \$39,903,784, respectively.

### Note 7 - Purchase-of-service Agreements

SMART has entered into purchase-of-service agreements with various transportation agencies, including community transit operators, all of which are separate transit systems operating in SMART's region. The agreements generally require that operating losses (as defined in the respective agreements) of these transportation agencies be subsidized up to specified maximum amounts.

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2013 and 2012

### Note 7 - Purchase-of-service Agreements (Continued)

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

	2013	2012
Municipal credits	\$ 3,261,080	\$ 3,261,074
Community credits	2,832,055	2,832,055
Community transit bus service	2,324,363	2,053,464
Specialized services	796,828	787,818
JARC and New Freedom	1,583,866	1,117,810
Royal Oak Township	65,962	43,427
Community-based services - Bloomfield Township	142,560	142,574
Total	<u>\$ 11,006,714</u>	<u>\$ 10,238,222</u>

### Note 8 - Long-term Debt

SMART has entered into various installment purchase obligations to finance the acquisition of transit coaches and replacement engines, the last of which were paid off in October 2012.

Long-term obligation activity for the year ended June 30, 2013 is summarized as follows:

	Interest Rate	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note 2: 2002 Installment Purchase 87 Transit Coach Buses:							
Amount of issue: \$15,469,092							
Maturing through September 2012	4.64%	\$1,374,395	\$ 1,374,395	\$ -	\$ 1,374,395	\$ -	\$ -
Note 4: 2007 Installment Purchase Engine Replacement Plan:							
Amount of issue: \$10,171,326							
Maturing through September 2012	5.27%	\$991,034	991,034	-	991,034	-	-
Total installment purchase obligations			2,365,429	-	2,365,429	-	-
Accumulated compensated absences			2,656,468	2,957,265	2,845,692	2,768,041	2,604,914
Total long-term debt			<u>\$ 5,021,897</u>	<u>\$ 2,957,265</u>	<u>\$ 5,211,121</u>	<u>\$ 2,768,041</u>	<u>\$ 2,604,914</u>



# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2013 and 2012

### Note 8 - Long-term Debt (Continued)

Activity for the year ended June 30, 2012 was as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note 2: 2001 Installment Purchase 100							
Transit Coach Buses:							
Amount of issue: \$17,643,511		\$1,568,661-					
Maturing through September 2011	4.5%	\$3,043,525	\$ 1,568,662	\$ -	\$ 1,568,662	\$ -	\$ -
Note 2: 2002 Installment Purchase 87							
Transit Coach Buses:							
Amount of issue: \$15,469,092		\$1,374,395-					
Maturing through September 2012	4.64%	\$2,656,008	4,030,403	-	2,656,008	1,374,395	1,374,395
Note 4: 2007 Installment Purchase Engine							
Replacement Plan:							
Amount of issue: \$10,171,326		\$991,034-					
Maturing through September 2012	5.27%	\$1,906,432	2,897,465	-	1,906,431	991,034	991,034
Total installment purchase obligations			8,496,530	-	6,131,101	2,365,429	2,365,429
Accumulated compensated absences			3,097,008	2,730,440	3,170,980	2,656,468	2,514,937
Total business-type activities			\$ 11,593,538	\$ 2,730,440	\$ 9,302,081	\$ 5,021,897	\$ 4,880,366

### Note 9 - Risk Management

SMART is exposed to various business loss risks including property loss, torts, errors and omissions, and employee injuries (workers' compensation).

In fiscal years 2013 and 2012, SMART was a qualifying self-insurer for vehicle and general liability loss with a self-retention per occurrence amount of \$1 million and excess insurance totaling \$10 million per occurrence. SMART is self-insured for workers' compensation claims up to \$500,000 per specific claim and is insured up to \$5 million for aggregate losses in excess of the \$500,000 individual claim. Vehicle, general, and workers' compensation claim liabilities are actuarially determined based on known information. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Recorded liabilities include an estimated amount for claims that have been incurred but not reported (IBNR). Management represents, based on existing known information and prior experience, that the estimated reserve for claims is adequate to satisfy all claims filed, or expected to be filed, for incidents that occurred through June 30, 2013.

Settled claims have not exceeded commercial coverage in any of the preceding five years.

SMART carries third-party commercial insurance for other areas of liability risk including health benefits.

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2013 and 2012

### Note 9 - Risk Management (Continued)

Changes in the balances of self-insured liabilities during fiscal years 2013, 2012, and 2011 were as follows:

	2013	2012	2011
Claims liability - July 1	\$ 12,594,662	\$ 13,217,117	\$ 12,481,282
Incurred claims - Current year including adjustments to IBNR	6,564,085	5,593,483	8,306,684
Claim payments	<u>(5,736,592)</u>	<u>(6,215,938)</u>	<u>(7,570,849)</u>
Claims liability - June 30	<u>\$ 13,422,155</u>	<u>\$ 12,594,662</u>	<u>\$ 13,217,117</u>

### Note 10 - Defined Benefit Pension Plan

**Plan Description** - SMART participates in the Michigan Municipal Employees' Retirement System (MMERS), an agent multiple-employer defined benefit pension plan. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. The Michigan Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information for the system. That report may be obtained by writing to the system at 1134 Municipal Way, Lansing, MI 48917.

As of the December 31, 2007 valuation, the ATU, ATU clerical, UAW No. 771, Teamsters No. 24, AFSCME Local 1917, and nonunion plans were closed. As of July 1, 2007, all employees are a part of one of two plans as described below.

For employees hired prior to July 1, 2007:

Benefits vest after six years of service, with special provisions for death and disability. Normal retirement is at age 60 with six years of service or at age 55 with 15 years of service. Early retirement with reduced benefits is available beginning at age 50 with 25 years of service.

For employees hired after July 1, 2007:

Benefits vest after 10 years of service, with special provisions for death and disability. Normal retirement is at age 60 with 10 years of service or at age 55 with 20 years of service. Early retirement with reduced benefits is available beginning at age 50 with 25 years of service.

Substantially all SMART employees are members of the MMERS plan. As of December 31, 2012, the date of the last actuarial valuation, 702 retirees and beneficiaries were receiving benefit payments, and the plan had 777 active members and 193 inactive vested members.

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2013 and 2012

### Note 10 - Defined Benefit Pension Plan (Continued)

**Funding Policy** - The obligation to contribute to and maintain the system for these employees was established by negotiation with the Authority's collective bargaining units and through employment agreements for nonrepresented employees. Beginning January 2012, all members are required to contribute 4.5 percent of eligible payroll to MMERS. In response to this change in the member contribution, SMART adjusted the current year annual required contribution based on the member contribution factor calculated by the actuary in the 2011 and 2012 valuations.

As the plan sponsor, SMART is required to contribute at an actuarially determined rate. The actuarial determined rates for the fiscal years ended June 30, 2013 and 2012 were based on the December 31, 2010 and 2009 valuations, respectively. For the fiscal years ended June 30, 2013 and 2012, the UAW Local 771 new hire plan had an employer contribution rate, as a percentage of payroll, of 5.36 and 5.07 percent and all other employees had an employer contribution rate of 7.27 and 7.06 percent, respectively. The contribution requirements of plan members are established and may be amended by the retirement board of MMERS.

**Annual Pension Cost and Net Pension Asset/Obligation** - For fiscal years ended June 30, 2013 and 2012, SMART's annual pension costs of \$4,729,753 and \$5,162,739, respectively, were equal to the adjusted required contribution less interest on the net pension asset. Eligible pension expenses paid by SMART were \$3,980,544 and \$4,649,410 for the years ended June 30, 2013 and 2012, respectively.

SMART's annual pension cost and net pension asset for the years ended June 30, 2013 and 2012 are as follows:

	2013	2012
Annual required contribution	\$ 4,747,571	\$ 5,194,092
Interest on net pension asset	(54,057)	(95,124)
Adjustment to annual required contribution	36,240	63,771
Annual pension cost (APC)	4,729,754	5,162,739
Contributions made	(3,980,544)	(4,649,410)
Decrease in net pension asset	749,210	513,329
Net pension asset - Beginning of year	(675,716)	(1,189,045)
Net pension obligation (asset) - End of year	\$ 73,494	\$ (675,716)

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2013 and 2012

### Note 10 - Defined Benefit Pension Plan (Continued)

Three-year historical trend information follows:

	Fiscal Year Ended June 30		
	2013	2012	2011
Annual pension cost (APC)	\$ 4,729,754	\$ 5,162,739	\$ 5,935,478
Percentage of APC contributed	84.0 %	90.0 %	109.0 %
Net pension obligation (asset)	\$ 73,494	\$ (675,716)	\$ (1,189,045)

**Funded Status and Funding Progress** - The funding status (in thousands) for the three most recent years is as follows:

	Actuarial Valuation Date		
	December 31, 2012	December 31, 2011	December 31, 2010
Actuarial value of assets	\$ 161,844	\$ 161,315	\$ 157,584
Actuarial accrued liability (AAL)			
(entry age)	206,698	201,887	190,871
Unfunded AAL (UAAL)	44,854	40,572	33,287
Funded ratio	78.3 %	79.9 %	82.6 %
Covered payroll	34,888	36,715	39,147
UAAL as a percentage of covered payroll	128.6 %	110.5 %	85.0 %

**Actuarial Methods and Assumptions** - In the December 31, 2011 and 2010 actuarial valuations, the entry age actuarial cost method was used. Significant actuarial assumptions used include (a) an 8 percent investment rate of return, (b) projected salary increases of 4.5 percent (1 percent for calendar years 2012-2014) per year compounded annually for all subsequent years, attributable to inflation, (c) additional projected salary increases of 0 percent to 13 percent, attributable to seniority/merit, and (d) a 2.5 percent annual benefit increase. The actuarial valuation of assets was determined using techniques that smooth the effects of investment volatility over a 10-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period being used is 27 years for the 2011 valuation year and 28 for the 2010 valuation year. The amortization period will be reduced by one year in each of the next seven annual valuations following the 2011 valuation.

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2013 and 2012

### Note 11 - Other Postemployment Benefits

**Plan Description** - SMART participates in the Michigan Municipal Employees' Retirement System (MMERS) retiree health funding vehicle. The system provides postretirement health insurance, life insurance, and prescription benefits to eligible employees and their spouses. The Michigan Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information for the system. That report may be obtained by writing to the system at 1134 Municipal Way, Lansing, MI 48917.

Eligible employees include those who retire after attaining age 60 with at least six years of service or after attaining age 55 with at least 15 years of service. For employees hired after July 1, 2007, health, life, and prescription benefits will be provided after the employee attains age 55 with at least 25 years of service. This is an agent multiple-employer defined benefit plan.

Substantially all SMART employees are members of the plan. As of December 31, 2011 (the most recent actuarial valuation), 637 retirees and beneficiaries were receiving benefit payments and the plan had 842 active members.

**Funding Policy** - SMART contributes 100 percent of the actual costs for current benefits and administrative expenses of the plan. The Authority has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis), but it can choose to do so on a discretionary basis each year.

**Funding Progress** - For the years ended June 30, 2013 and 2012, the Authority has estimated the cost of providing retiree healthcare benefits through actuarial valuations as of December 31, 2011 and 2010, respectively. The valuations compute an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The valuations' computed contributions and actual funding are summarized as follows:

	2013	2012
Annual required contribution (recommended)	\$ 10,343,506	\$ 11,579,061
Interest on the prior year's net OPEB obligation	860,878	542,200
Less adjustment to the annual required contribution	(633,074)	(445,017)
Annual OPEB cost	10,571,310	11,676,244
Amounts contributed - Payments of current premiums	6,951,013	5,669,814
Increase in net OPEB obligation	3,620,297	6,006,430
OPEB obligation - Beginning of year	14,347,974	8,341,544
OPEB obligation - End of year	\$ 17,968,271	\$ 14,347,974

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2013 and 2012

### Note 11 - Other Postemployment Benefits (Continued)

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB obligation for the current and two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Costs	Percentage Contributed	Net OPEB Obligation
6/30/11	\$ 9,601,109	57.0 %	8,341,545
6/30/12	11,676,244	49.0	14,347,974
6/30/13	10,571,310	65.8	17,968,271

The funding progress of the plan (in thousands) as of the most recent valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)
12/31/08	\$ 7,565	\$ 116,089	\$ 108,524	6.5 %
12/31/10	17,683	177,518	159,835	10.0
12/31/11	18,076	170,594	152,518	10.6

**Actuarial Methods and Assumptions** - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

# Suburban Mobility Authority for Regional Transportation

---

## Notes to Financial Statements June 30, 2013 and 2012

### Note 11 - Other Postemployment Benefits (Continued)

The current year required contribution amount was determined as part of the December 31, 2011 actuarial valuation using the individual entry-age actuarial cost method. The actuarial assumptions include (a) a 6.0 percent investment rate of return, (b) projected salary increase of 4.5 percent per year compounded annually, attributable to inflation, (c) additional projected salary increases of 0.3 percent to 8.4 percent per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 4.5 percent to 9 percent per year (annually). The actuarial values of assets are determined on the basis of a valuation method that assumes the fund earns the expected rate of return (6 percent), and includes an adjustment to reflect market value. SMART's unfunded actuarial accrued liability is being amortized as a level percent of payroll over a period of 30 years.

The prior year required contribution amount was determined as part of the December 31, 2010 actuarial valuation using the individual entry-age actuarial cost method. The actuarial assumptions include (a) a 6.5 percent investment rate of return, (b) projected salary increase of 4.5 percent per year compounded annually, attributable to inflation, (c) additional projected salary increases of 0.3 percent to 8.4 percent per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 4.5 percent to 10 percent per year (annually). The actuarial values of assets are determined on the basis of a valuation method that assumes the fund earns the expected rate of return (8 percent), and includes an adjustment to reflect market value. SMART's unfunded actuarial accrued liability is being amortized as a level percent of payroll over a period of 30 years.

The significant increases in the net OPEB obligation as of both June 30, 2013 and June 30, 2012 is due to the fact that there was no pre-funding in either year, and thus only a portion of the contributions in relation to the ARC was actually made. Although SMART is required to report an expense and liability for the unfunded ARC in any given year (in accordance with *Government Auditing Standards*), those expenses are only considered eligible expenses relative to the Authority's operating assistance funds allocation (through the State of Michigan) to the extent that they are paid. The amount of eligible other postemployment benefits paid by SMART for the years ended June 30, 2013 and 2012 were \$6,951,013 and \$5,669,814, respectively. When the additional portion of the ARC is paid, the Authority expects to receive supplemental State operating assistance to partially offset these future payments. SMART's management estimates that approximately \$5.5 million, predicated on the then-existing funding formulas, would be available to fund future ARC liability payments based on the recorded OPEB obligation at June 30, 2013.

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2013 and 2012

### Note 12 - Commitments

SMART leases certain office space and equipment under operating lease agreements. Some leases include escalation clauses for SMART's pro-rata share of taxes and operating expenses. Total rent expense for the years ended June 30, 2013 and 2012 was approximately \$348,000 and \$349,000, respectively.

SMART entered into a new, noncancelable 10-year lease commencing on October 1, 2007 through September 30, 2017 for its administrative offices and the ticket sales store. The 10-year lease provides for 42 months of free rent. The first 28 months of the lease are free, with the remaining free months distributed throughout the remaining eight-year period as is outlined in the lease agreement.

Approximate minimum lease payments are as follows:

<u>Fiscal Years Ending June 30</u>	<u>Amount</u>
2014	\$ 408,000
2015	375,000
2016	380,000
2017	385,000
2018	116,000
Total	<u>\$ 1,664,000</u>

### Note 13 - Contingent Liabilities

Various legal actions and workers' compensation claims are outstanding or may be instituted or asserted against SMART. Management has accrued amounts with respect to such actions and claims based on its best estimate of SMART's ultimate liability in these matters, including an estimate for claims that have been incurred but not reported for self-insured liability exposure.

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

Ineligible expenses are classified appropriately according to the definition in the Local Public Transit Revenue and Expense Manual (R&E Manual). Any capital funds used to pay operating costs have been subtracted from eligible costs. Also, any expenses associated with earned revenue (if applicable) have been subtracted from eligible costs.



# **Suburban Mobility Authority for Regional Transportation**

---

## **Notes to Financial Statements June 30, 2013 and 2012**

### **Note 15 - Upcoming Accounting Pronouncements**

In March 2012, the GASB issued GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which is required to be implemented for financial statements for periods beginning after December 15, 2012. Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows and inflows of resources, certain items that were previously reported as assets and liabilities. This statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources. Statement No. 65 will be implemented for the Suburban Mobility Authority for Regional Transportation as of fiscal year 2013-2014.

In June 2012, the GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the proprietary statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). Suburban Mobility Authority for Regional Transportation is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for SMART's financial statements for the year ending June 30, 2015.

## **Other Supplemental Information**

---

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Operating Revenue Schedule Year Ended June 30, 2013

Description	Jul 1, 2012 to Sep 30, 2012	Oct 1, 2012 to Jun 30, 2013	Total
Passenger fares	\$ 3,319,389	\$ 9,444,585	\$ 12,763,974
Contract fares	40,519	127,876	168,395
Concessions	-	-	-
Advertising	125,026	700,063	825,089
Rental of buildings or other property	9,428	43,882	53,310
Other nontrans. revenue	6,340	138,471	144,811
Other local contracts - Mun. Cr.	-	-	-
Other local contracts - Com. Cr.	-	-	-
Total revenue	<b>\$ 3,500,702</b>	<b>\$ 10,454,877</b>	<b>\$ 13,955,579</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Operating Revenue Schedule State Year Ended September 30, 2012

Description	Oct 1, 2011 to Jun 30, 2012	Jul 1, 2012 to Sep 30, 2012	Total
Passenger fares	\$ 10,396,653	\$ 3,319,389	\$ 13,716,042
Contract fares	122,294	40,519	162,813
Concessions	-	-	-
Advertising	415,135	125,026	540,161
Rental of buildings or other property	42,182	9,428	51,610
Other nontrans. revenue	36,820	6,340	43,160
Other local contracts - Mun. Cr.	-	-	-
Other local contracts - Com. Cr.	-	-	-
	<b>\$ 11,013,084</b>	<b>\$ 3,500,702</b>	<b>\$ 14,513,786</b>
Total revenue	<b>\$ 11,013,084</b>	<b>\$ 3,500,702</b>	<b>\$ 14,513,786</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Local Revenue Schedule Year Ended June 30, 2013

Description	July 1, 2012 to Sep 30, 2012	Oct 1, 2012 to Jun 30, 2013	Total
Taxes levied directly	\$ -	\$ -	\$ -
Local operating assistance millage	9,711,000	28,868,803	38,579,803
Other local contracts	-	-	-
Total revenue	<u>\$ 9,711,000</u>	<u>\$ 28,868,803</u>	<u>\$ 38,579,803</u>
<b>Interest Income</b>	<u>\$ 14,323</u>	<u>\$ 44,929</u>	<u>\$ 59,252</u>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Local Revenue Schedule Year Ended September 30, 2012

Description	Oct 1, 2011 to Jun 30, 2012	July 1, 2012 to Sep 30, 2012	Total
Taxes levied directly	\$ -	\$ -	\$ -
Local operating assistance millage	29,803,683	9,711,000	39,514,683
Other local contracts	-	-	-
Total revenue	<b><u>\$ 29,803,683</u></b>	<b><u>\$ 9,711,000</u></b>	<b><u>\$ 39,514,683</u></b>
<b>Interest Income</b>	<b><u>\$ 27,661</u></b>	<b><u>\$ 14,323</u></b>	<b><u>\$ 41,984</u></b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Federal and State Operating Revenue Year Ended June 30, 2013

Description	Jul 1, 2012 to Sep 30, 2012	Oct 1, 2012 to Jun 30, 2013	Total
State Operating Assistance	\$ 6,602,091	\$ 19,190,050	\$ 25,792,141
Prior Year (2012 Reconciled Adj)	-	(1,420,594)	(1,420,594)
Prior Year (2010 Preliminary Audit Adj)	-	(876,923)	(876,923)
Line-item municipal credit	407,636	1,222,904	1,630,540
Mun. Cr. special appropriation	407,636	1,222,904	1,630,540
Cap. K reimb. for admin. expenses	-	-	-
Other Cap. K reimb. for operating expenses	-	-	-
Other MDOT/BPT contracts and reimb.:			
Other Transit User Study MI-80-0002 2007-0294 Z8	94,000	-	94,000
State Preventive Maintenance 2007-0294 ZXX	2,109,309	2,692,559	4,801,868
Subtotal SMART State	9,620,672	22,030,900	31,651,572
Pass-through State Act 51:			
Bedford	29,085	109,278	138,363
Bedford (FY 2011 Reconcile Adj.)	-	4,228	4,228
LETG Urban and Non-Urban	253,354	1,261,160	1,514,514
LETG Urban and Non-Urban (FY 2011 Reconcile Adj.)	-	31,210	31,210
Royal Oak Township	4,033	51,279	55,312
Royal Oak Township (Reconciled FY 2011 Adj.)	-	10,650	10,650
Total Pass-through State Act 51	286,472	1,467,805	1,754,277
Other state pass-through grants:			
Specialized Service Grant 2007-0294 Z30	196,960	-	196,960
Specialized Service Grant 2007-0294 ZXX	-	599,868	599,868
JARC PASS THRU 2007-0294 Z21	-	-	-
JARC PASS THRU 2007-0294 Z45	10,570	422,846	433,416
NOTA JARC Non-Urban 2012-0170 PI	17,046	42,756	59,802
NOTA New Freedom 2007-0294 Z35	27,586	30,270	57,856
Total other state pass-through grants	252,162	1,095,740	1,347,902
Grand total state revenue per F/S	<b>\$ 10,159,306</b>	<b>\$ 24,594,445</b>	<b>\$ 34,753,751</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Federal and State Operating Revenue (Continued) Year Ended June 30, 2013

Description	Jul 1, 2012 to Sep 30, 2012	Oct 1, 2012 to Jun 30, 2013	Total
Preventive maintenance - MI-90-0756	\$ 3,337,296	\$ 10,770,240	\$ 14,107,536
Planning/capital cost of contracting - FY 2011 UWP - CONTRACT #MI-80-2002	51,724	253,767	305,491
Reimb. for JARC Admin MI-37-6040	21,772	35,943	57,715
Reimb. for JARC Admin MI-37-6043	-	-	-
Reimb. for New Freedom Admin. MI-57-6007	12,886	31,554	44,440
Other Transit User Study MI-80-0002 2007-0294 Z8	-	-	-
Gateway - M-0782 (075) 2007-0294/Z12	-	-	-
Other federal transit contracts and reimb. - CMAQ MI-95-0049	-	-	-
Subtotal SMART State	3,423,678	11,091,504	14,515,182
Other federal pass-through grants:			
Section 5307 Lake Erie MI-90-4758	48,375	484,826	533,201
Section 5311 Lake Erie MI-86-X002-2007-0294-Z32	45,174	129,848	175,022
JARC	42,278	476,308	518,586
Other	10,807	503,398	514,205
Total pass-through federal	146,634	1,594,380	1,741,014
Grand total federal revenue per F/S	<u>\$ 3,570,312</u>	<u>\$ 12,685,884</u>	<u>\$ 16,256,196</u>
Grand total state and federal	<u>\$ 13,729,618</u>	<u>\$ 37,280,329</u>	<u>\$ 51,009,947</u>



# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Federal and State Operating Revenue Year Ended September 30, 2012

Description	Oct 1, 2011 to Jun 30, 2012	Jul 1, 2012 to Sep 30, 2012	Total
State Operating Assistance	\$ 19,776,155	\$ 6,602,091	\$ 26,378,246
Prior Year (2011 Reconciled Adj)	658,921	-	658,921
Prior Year (2010 Preliminary Audit Adj)	(127,383)	-	(127,383)
Line-item municipal credit	1,210,268	407,636	1,617,904
Mun. Cr. Special Appropriation	1,210,269	407,636	1,617,905
Other MDOT/BPT contracts and reimb.:			
Other Transit User Study MI-80-0002 2007-0294 Z8	-	94,000	94,000
State Preventive Maintenance	1,434,532	2,109,309	3,543,841
Subtotal SMART state	24,162,762	9,620,672	33,783,434
Pass-through State Act 51:			
Bedford	87,264	29,085	116,349
Bedford (Prior Year)	13,517	-	13,517
LETC Urban and Non-Urban	1,053,546	253,354	1,306,900
LETC Urban and Non-Urban (Prior Year)	(55,293)	-	(55,293)
Royal Oak Township	36,297	4,033	40,330
Royal Oak Township (Prior Year)	(7,357)	-	(7,357)
Total pass-through State Act 51:	1,127,974	286,472	1,414,446
Other state pass-through grants:			
Specialized Service Grant 2007-0294 Z30	-	-	-
Specialized Service Grant 2007-0294	590,858	196,960	787,818
NOTA JARC 2007-0294 Z31	-	-	-
JARC PASS THRU 2007-0294 Z21	53,196	-	53,196
JARC PASS THRU 2007-0294 Z45	244,869	10,570	255,439
NOTA New Freedom 2007-0294 Z35	-	27,586	27,586
Total other state pass-through grants	888,923	235,116	1,124,039
Grand total state revenue per F/S	<u>\$ 26,179,659</u>	<u>\$ 10,142,260</u>	<u>\$ 36,321,919</u>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Federal and State Operating Revenue (Continued) Year Ended September 30, 2012

Description	Oct 1, 2011 to Jun 30, 2012	Jul 1, 2012 to Sep 30, 2012	Total
Preventive maintenance - MI-90-0756	\$ 10,838,059	\$ 3,337,297	\$ 14,175,356
Planning/capital cost of contracting - FY 2011 UWP - CONTRACT MI-80-2002	228,619	51,724	280,343
Cap. K reimb. for JARC admin. expenses	-	-	-
Remib. for Jarc Admin MI-37-6040	20,490	21,771	42,261
Remib. for Jarc Admin MI-37-6043	-	-	-
Remib. for New Freedom Admin MI-57-6007	17,778	12,886	30,664
Remib. for New Freedom Admin MI-57-6014	-	-	-
Remib. for New Freedom Admin MI-57-6018	-	-	-
Other federal transit contracts and reimb. - CMAQ MI-95-0049	-	-	-
Subtotal SMART federal	11,104,946	3,423,678	14,528,624
Other federal pass-through grants:			
Section 5307 Lake Erie MI-90-4758	396,301	48,375	444,676
Section 5307 ARRA SMART	-	-	-
Section 5311 Lake Erie MI-86-X002 2007-0294 Z32	138,635	45,174	183,809
JARC	315,930	42,278	358,208
Other	501,121	10,807	511,928
Total pass-through federal	1,351,987	146,634	1,498,621
Grand total federal revenue per F/S	\$ 12,456,933	\$ 3,570,312	\$ 16,027,245
Grand total state and federal	\$ 38,636,592	\$ 13,712,572	\$ 52,349,164

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information SMART Expense Schedule Year Ended June 30, 2013

Description	Jul 1, 2012 to Sep 30, 2012	Oct 1, 2012 to Jun 30, 2013	Total
Labor	\$ 8,730,515	\$ 26,155,406	\$ 34,885,921
Other fringe benefits	4,770,074	15,445,632	20,215,706
Pensions	1,359,473	3,396,602	4,756,075
OPEB - Funded	-	-	-
OPEB - Unfunded	1,584,480	2,035,817	3,620,297
Advertising fees	10,688	5,318	16,006
Audit cost	41,146	138,851	179,997
Other services	456,916	1,802,000	2,258,916
Fuel and lubricants	2,149,934	6,929,582	9,079,516
Tires and tubes	140,027	459,999	600,026
Other materials and supplies	1,393,731	4,210,649	5,604,380
Utilities	352,257	1,456,330	1,808,587
Casualty and liab. costs	1,383,706	5,016,803	6,400,509
Taxes and fees	-	-	-
Purchased transportation service - Pass-throughs that are expensed	2,206,345	8,800,366	11,006,711
Travel, meetings, and training	11,015	26,238	37,253
Association dues and subscriptions	-	-	-
Gain/loss on disposal of asset	-	94,865	94,865
Other miscellaneous expenses	1,993	43,268	45,261
Cost overruns	-	192	192
Interest on long-term debt	41,272	13,844	55,116
Interest on short-term debt	-	-	-
Interest on capital lease	-	-	-
Leases and rentals	-	-	-
Depreciation	1,530,000	11,297,540	12,827,540
<b>Total expenses</b>	<b>\$ 26,163,572</b>	<b>\$ 87,329,302</b>	<b>\$ 113,492,874</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information SMART Expense Schedule (Continued) Year Ended June 30, 2013

Description	Jul 1, 2012 to Sep 30, 2012	Oct 1, 2012 to Jun 30, 2013	Total
Less ineligible expenses:			
Ineligible depreciation	\$ -	\$ 6,988,686	\$ 6,988,686
Ineligible loss on disposal	-	-	-
Local contracts	-	-	-
Preventive maintenance (MI-90-0591)	3,431,296	11,052,240	14,483,536
Planning/Cap. Cost of K (FY 2011 MI-80-X006)	51,724	253,767	305,491
Admin Expense Paid by JARC MI-37-6040 & 6043	21,772	35,944	57,716
Admin Expense Paid by New Freedom MI-57-6007, 6017, and 6018	8,210	36,230	44,440
Other ineligible federal/state/local	-	-	-
CMAQ MI-95-0049	-	-	-
JARC MI-37-X033 2007-0294/Z10	-	-	-
Other state contracts (municipal credits) -			
Pass-through ineligibles	1,284,775	6,050,462	7,335,237
Gateway - M-0782 (075) 2007-0294/Z12	-	-	-
Transit User Study MI-80-0002 2002-0088 Z8	-	-	-
State preventive maintenance xxxx-xxxx xx	2,109,309	2,692,559	4,801,868
Ineligible association dues	-	-	-
Ineligible pension/OPEB	1,584,480	2,035,817	3,620,297
Other ineligibles:			
Cost overruns	-	-	-
Garnishments	5,419	-	5,419
Total ineligibles	8,496,985	29,145,705	37,642,690
Total eligible expenses	<b>\$ 17,666,587</b>	<b>\$ 58,183,597</b>	<b>\$ 75,850,184</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information SMART Expense Schedule (Continued) Year Ended June 30, 2013

Description	Jul 1, 2012 to Sep 30, 2012	Oct 1, 2012 to Jun 30, 2013	Total
Pass-throughs that are expensed:			
Nankin Subsidy	\$ 68,250	\$ 204,750	\$ 273,000
Lake Erie	375,988	2,114,546	2,490,534
Mun. Cr. - Formula	407,636	1,222,904	1,630,540
Mun. Cr. - Line Item	407,636	1,222,904	1,630,540
Comm. Cr.	708,009	2,124,046	2,832,055
Other state subsidized serv.:			
Specialized services	196,960	599,868	796,828
Royal Oak Twp	4,033	61,929	65,962
Contra SMART Paid Expense	(106,094)	(333,080)	(439,174)
NOTA JARC Non-Urban	17,046	102,558	119,604
NOTA Local JARC Non-Urban	-	(59,802)	(59,802)
NOTA New Freedom Non-Urban	27,586	30,270	57,856
JARC - New Freedom Urban	-	810,052	810,052
JARC - Mobility Management Urban	52,848	89,103	141,951
New Freedom Operating Assistant Urban	-	769,077	769,077
New Freedom Mobility Management Urban	10,807	84,043	94,850
New Freedom Local Operating Expense Urban	-	(349,722)	(349,722)
CBS Bloomfield Hills/Richmond Lennox	35,640	106,920	142,560
	<b>\$ 2,206,345</b>	<b>\$ 8,800,366</b>	<b>\$ 11,006,711</b>
Pass-throughs that are expensed			
Ineligible pass-throughs:			
Nankin Subsidy	\$ 68,250	\$ 204,750	\$ 273,000
Lake Erie	375,988	2,114,546	2,490,534
Mun. Cr. - Formula	56,799	170,401	227,200
Mun. Cr. - Line Item	407,636	1,222,904	1,630,540
Comm. Cr.	66,822	200,485	267,307
Other state subsidized serv.:			
Specialized services	196,960	599,868	796,828
Royal Oak Twp	4,033	61,929	65,962
NOTA JARC Non-Urban	17,046	102,558	119,604
NOTA Local JARC Non-Urban	-	(59,802)	(59,802)
NOTA New Freedom Non-Urban	27,586	30,270	57,856
JARC - New Freedom Urban	-	810,052	810,052
JARC - Mobility Management Urban	52,848	89,103	141,951
New Freedom Operating Assistant Urban	-	769,077	769,077
New Freedom Mobility Management Urban	10,807	84,043	94,850
New Freedom Local Operating Expense Urban	-	(349,722)	(349,722)
	<b>\$ 1,284,775</b>	<b>\$ 6,050,462</b>	<b>\$ 7,335,237</b>
Ineligible pass-throughs			

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information SMART Expense Schedule State Year Ended September 30, 2012

Description	Oct 1, 2011	Jul 1, 2012	Total
	to Jun 30, 2012	to Sep 30, 2012	
Labor	\$ 27,295,993	\$ 8,730,515	\$ 36,026,508
Other fringe benefits	15,337,052	4,770,074	20,107,126
Pensions	3,857,278	1,359,473	5,216,751
OPEB - Funded	-	-	-
OPEB - Unfunded	4,655,385	1,584,480	6,239,865
Advertising fees	-	10,688	10,688
Audit cost	127,336	41,146	168,482
Other services	2,093,604	456,916	2,550,520
Fuel and lubricants	6,405,589	2,149,934	8,555,523
Tires and tubes	429,913	140,027	569,940
Other materials and supplies	3,906,103	1,393,731	5,299,834
Utilities	1,225,047	352,257	1,577,304
Casualty and liab. costs	4,476,071	1,383,706	5,859,777
Taxes and fees	-	-	-
Purchased transportation service -			
Pass-throughs that are expensed	7,899,472	2,206,345	10,105,817
Travel, meetings, and training	37,368	11,015	48,383
Association dues and subscriptions	4,255	-	4,255
Loss on disposal of asset	(464,349)	-	(464,349)
Other miscellaneous expenses	63,129	1,993	65,122
Cost overruns	-	-	-
Interest on long-term debt	311,617	41,272	352,889
Interest on short-term debt	-	-	-
Interest on capital lease	-	-	-
Leases and rentals	-	-	-
Depreciation	11,205,949	1,530,000	12,735,949
Total expenses	<u>\$ 88,866,812</u>	<u>\$ 26,163,572</u>	<u>\$ 115,030,384</u>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information SMART Expense Schedule (Continued) State Year Ended September 30, 2012

Description	Oct 1, 2011 to Jun 30, 2012	Jul 1, 2012 to Sep 30, 2012	Total
Less ineligible expenses:			
Ineligible depreciation	\$ 6,706,612	\$ -	\$ 6,706,612
Ineligible loss on disposal	-	-	-
Local contracts	-	-	-
Preventive maintenance (MI-90-0591)	10,838,059	3,431,296	14,269,355
Planning/Cap. Cost of K (FY 2010 MI-80-2001)	228,619	51,724	280,343
Administrative expense paid by Cap. K	-	21,772	21,772
Other expense paid by Cap. K	-	8,210	8,210
Other Ineligible federal/state/local - CMAQ MI-95-0049	-	-	-
Other state contracts (municipal credits) - Pass-through ineligibles	-	1,284,775	1,284,775
Transit User Study MI-80-0002 2002-0088 Z8	187,094	-	187,094
State preventive maintenance 2002-0088 Z20	1,390,294	2,109,309	3,499,603
MPTA Dues (7.10% INELIG.)	-	-	-
CTAA Dues (1.66% INELIG.)	-	-	-
APTA Dues (14.00% INELIG.)	-	-	-
Ineligible pension/OPEB	4,957,761	1,584,480	6,542,241
Other ineligibles:			
Cost overruns	-	-	-
Garnishments	-	5,419	5,419
Total ineligibles	<u>\$ 24,308,439</u>	<u>\$ 8,496,985</u>	<u>\$ 32,805,424</u>
Total eligible expenses	<u>\$ 64,558,373</u>	<u>\$ 17,666,587</u>	<u>\$ 82,224,960</u>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information SMART Expense Schedule (Continued) State Year Ended September 30, 2012

Description	Oct 1, 2011 to Jun 30, 2012	Jul 1, 2012 to Sep 30, 2012	Total
Pass-throughs that are expensed:			
Nankin Subsidy	\$ 204,750	\$ 68,250	\$ 273,000
Lake Erie	1,682,667	375,988	2,058,655
Mun. Cr. - Formula	1,222,903	407,636	1,630,539
Mun. Cr. - Line Item	1,222,903	407,636	1,630,539
Comm. Cr.	2,124,046	708,009	2,832,055
Other state subsidized serv.:			
Specialized services	590,858	196,960	787,818
Royal Oak Twp	28,940	4,033	32,973
Contra SMART Paid Expense	(350,950)	(106,094)	(457,044)
NOTA JARC Non-Urban Expense	-	17,046	17,046
NOTA Local JARC Non-Urban	-	-	-
NOTA New Freedom Non-Urban	-	27,586	27,586
JARC - New Freedom Expense Urban	584,219	-	584,219
JARC - Mobility Management Urban	29,776	52,848	82,624
New Freedom Operating Expense Urban	811,104	-	811,104
New Freedom Mobility Management Urban	44,397	10,807	55,204
New Freedom Local Operating Expense Urban	(354,380)	-	(354,380)
CBS Bloomfield Hills/Richmond Lenox	-	35,640	35,640
Pass-throughs that are expensed	<b>\$ 7,841,233</b>	<b>\$ 2,206,345</b>	<b>\$ 10,047,578</b>
Ineligible pass-throughs:			
Nankin Subsidy	\$ 204,750	\$ 68,250	\$ 273,000
Lake Erie	1,682,667	375,988	2,058,655
Mun. Cr. - Formula	1,222,903	56,799	1,279,702
Mun. Cr. - Line Item	1,222,903	407,636	1,630,539
Comm. Cr.	2,124,046	66,822	2,190,868
Other state subsidized serv.:			
Specialized services	590,858	196,960	787,818
Royal Oak Twp	28,940	4,033	32,973
Contra SMART Paid Expense	(350,950)	27,586	(323,364)
NOTA JARC Non-Urban Expense	-	17,046	17,046
NOTA Local JARC Non-Urban	-	-	-
NOTA New Freedom Non-Urban	-	27,586	27,586
JARC - New Freedom Expense Urban	584,219	-	584,219
JARC - Mobility Management Urban	29,776	52,848	82,624
New Freedom Operating Expense Urban	811,104	-	811,104
New Freedom Mobility Management Urban	44,397	10,807	55,204
New Freedom Local Operating Expense Urban	(354,380)	-	(354,380)
CBS Bloomfield Hills/Richmond Lenox	-	-	-
Ineligible pass-throughs	<b>\$ 7,841,233</b>	<b>\$ 1,312,361</b>	<b>\$ 9,153,594</b>



# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Schedule of Financial Assistance Year Ended June 30, 2013

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAUDITED PROGRAM OR AWARD AMOUNT	AUDITED DISBURSEMENTS/ EXPENDITURES	UNAUDITED FEDERAL RECEIPTS/ REVENUE	UNAUDITED STATE RECEIPTS/ REVENUE	UNAUDITED AMOUNT REMAINING
U.S DEPARTMENT OF TRANSPORTATION:											
DIRECT ASSISTANCE:											
CAPITAL ASSISTANCE	80 % - 20 %	FY2001	SECTION 5309	20.500	MI-03-0175	2002-0088 Z3	\$ 4,085,048	\$ -	\$ -	\$ -	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2002	SECTION 5309	20.500	MI-03-0185	2002-0088 Z9	2,088,961	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2003	SECTION 5309	20.500	MI-03-0194	2002-0088 Z12	3,442,875	1,685,742	1,685,742	-	125,103
CAPITAL ASSISTANCE	80 % - 20 %	FY2004	SECTION 5309	20.500	MI-03-0205	2002-0088 Z20	5,339,805	-	-	-	2
CAPITAL ASSISTANCE NOTA	80 % - 20 %	FY2002	SECTION 5309	20.500	MI-03-0207	2002-0088 Z23	148,504	-	-	-	-
CAPITAL ASSISTANCE NOTA	80 % - 20 %	FY2005	SECTION 5309	20.500	MI-03-0218	2002-0088 Z27	77,742	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2005	SECTION 5309	20.500	MI-03-0220	2002-0088 Z28	3,401,222	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2006	SECTION 5309	20.500	MI-04-0013	2002-0088 Z37	7,623,000	136,650	136,650	-	189,497
CAPITAL ASSISTANCE	80 % - 20 %	FY2007	SECTION 5309	20.500	MI-04-0025	2007-0294 Z7	1,750,000	6,962	6,962	-	905,774
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	20.500	MI-04-0040	2007-0294 Z40	4,250,000	1,450,226	1,450,226	-	834,598
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	20.500	MI-04-0057	2007-0294 Z28	3,923,500	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2010	SECTION 5309	21.500	MI-04-0062	2007-0294 Z29	1,500,000	1,457,634	1,457,634	-	42,366
TOTAL							37,630,657	4,737,214	4,737,214	-	2,097,340
PLANNING AND TECHNICAL STUDIES FY2010	80 % - 20 %	FY2011		20.505	MI-80-X006	N/A	305,541	305,491	305,491	-	50
							305,541	305,491	305,491	-	50

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Schedule of Financial Assistance (Continued) Year Ended June 30, 2013

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAUDITED PROGRAM OR AWARD AMOUNT	AUDITED DISBURSEMENTS/ EXPENDITURES	UNAUDITED FEDERAL RECEIPTS/ REVENUE	UNAUDITED STATE RECEIPTS/ REVENUE	UNAUDITED AMOUNT REMAINING
U.S DEPARTMENT OF TRANSPORTATION (CONTINUED):											
CAPITAL ASSISTANCE	80 % - 20 %	FY2000	SECTION 5307	20.507	MI-90-0336	2000-0751	\$ 12,877,102	\$ -	\$ -	\$ -	\$ -
CAPITAL ASSISTANCE	80 % - 20 %	FY2002	SECTION 5307	20.507	MI-90-0385	2002-0088 Z4	13,861,988	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2002	ENHANCEMENT	20.507	MI-90-0392	2002-0088 Z7	13,840	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2003	SECTION 5307	20.507	MI-90-0402	2002-0088 Z11	12,573,660	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2003	CMAQ	20.507	MI-90-0410	2002-0088 Z14	688,325	-	-	-	-
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2003	SECTION 5307	20.507	MI-90-0413	2002-0088 Z15	268,490	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2004	SECTION 5307	20.507	MI-90-0435	2002-0088 Z17	12,723,791	-	-	-	-
CAPITAL ASSISTANCE RICHMOND LENOX	80 % - 20 %	FY2004	STP	20.507	MI-90-0436	2002-0088 Z19	24,000	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2004	CMAQ	20.507	MI-90-0438	2002-0088 Z25	974,986	-	-	-	-
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2004	SECTION 5307	20.507	MI-90-0441	2002-0088 Z18	268,460	-	-	-	-
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2004	STP	20.507	MI-90-0450	2002-0088 Z26	65,500	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2005	CMAQ	20.507	MI-90-0456	2002-0088 Z29	624,000	-	-	-	-
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2005	SECTION 5307	20.507	MI-90-0462	2002-0088 Z32	281,342	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2005	SECTION 5307	20.507	MI-90-0465	2002-0088 Z33	13,043,067	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2006	SECTION 5307	20.507	MI-90-0488	2002-0088 Z39	13,045,016	-	-	-	-
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2006	SECTION 5307	20.507	MI-90-0489	2002-0088 Z38	281,932	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2006	CMAQ	20.507	MI-90-0515	2002-0088 Z36	380,000	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2007	SECTION 5307	20.507	MI-90-0540	2007-0294 Z4	13,530,712	530	530	-	8,647
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2007	SECTION 5307	20.507	MI-90-0541	2007-0294 Z3	295,603	-	-	-	136
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2008	SECTION 5307	20.507	MI-90-0566	2007-0294 Z16	320,760	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2008	SECTION 5307	20.507	MI-90-0570	2007-0294 Z15	14,788,735	7,666	7,666	-	20,771
CAPITAL ASSISTANCE ARRA	100%	FY2009	SECTION 5307	20.507	MI-96-0007	N/A	18,479,625	1,091,095	1,091,095	-	5,081,805
CAPITAL ASSISTANCE ARRA LETC	100%	FY2009	SECTION 5307	20.507	MI-96-0008	N/A	903,695	-	-	-	2,970
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5307	20.507	MI-90-0591	2007-0294 Z26	15,476,782	142,543	142,543	-	48,210
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5307	20.507	MI-90-0592	2007-0294 Z27	411,196	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2010	SECTION 5307	20.507	MI-90-0756	2007-0294 Z38	15,301,944	-	-	-	322,618
CAPITAL ASSISTANCE	80 % - 20 %	FY2011	SECTION 5307	20.507	MI-90-0756	2007-0294 Z38	15,605,882	-	-	-	613,701
CAPITAL ASSISTANCE	80 % - 20 %	FY2012	SECTION 5307	20.507	MI-90-0756	2007-0294 Z38	15,612,066	10,926,714	10,926,714	-	4,685,352
CAPITAL ASSISTANCE	80 % - 20 %	FY2013	SECTION 5307	20.507			20,395,470	4,095,651	4,095,651	-	16,299,819
CAPITAL ASSISTANCE	80 % - 20 %	FY2010	ENHANCE & CMAQ	20.507	MI-95-0049	PENDING	16,013	-	-	-	-
CAPITAL ASSISTANCE	100%	FY2012	CMAQ	20.507	MI-95-X077	N/A	2,909,772	-	-	-	2,909,772
CAPITAL ASSISTANCE	80 % - 20 %	FY2010	SECTION 5307	20.507	MI-90-0758	2007-0294 Z39	151,083	-	-	-	122,675
CAPITAL ASSISTANCE	80 % - 20 %	FY2011	SECTION 5307	20.507	MI-90-0758	2007-0294 Z39	202,240	-	-	-	202,240
CAPITAL ASSISTANCE	80 % - 20 %	FY2012	SECTION 5307	20.507	MI-90-0758	2007-0294 Z39	492,476	162,240	162,240	-	330,236
CAPITAL ASSISTANCE	80 % - 20 %	FY2012	SECTION 5307	20.507	MI-90-4758		193,498	(202,803)	(202,803)	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2013	SECTION 5307	20.507	MI-90-4758		360,000	360,000	360,000	-	-
SMART PREVENTIVE MAINTENANCE			SECTION 5309	20.507	MI-96-0007		10,000	-	-	-	10,000
TOTAL							\$ 217,453,051	\$ 16,583,636	\$ 16,583,636	\$ -	\$ 30,658,952

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Schedule of Financial Assistance (Continued) Year Ended June 30, 2013

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAUDITED PROGRAM OR AWARD AMOUNT	AUDITED DISBURSEMENTS/ EXPENDITURES	UNAUDITED FEDERAL RECEIPTS/ REVENUE	UNAUDITED STATE RECEIPTS/ REVENUE	UNAUDITED AMOUNT REMAINING
MICHIGAN DEPARTMENT OF TRANSPORTATION:											
CAPITAL ASSISTANCE	100 % STATE	FY1993	SECTION 3	N/A	N/A	93-1093	\$ 1,374,719	\$ -	\$ -	\$ -	40,445
CAPITAL ASSISTANCE	100 % STATE	FY1994	FHWA	N/A	N/A	94-0166	5,625,000	-	-	-	-
CAPITAL ASSISTANCE	100 % STATE	FY1995	16 B-2	N/A	N/A	95-1479	500,000	-	-	-	9,970
CAPITAL ASSISTANCE	80 % - 20 %	FY1995	SECTION 9	N/A	MI-90-0232	95-1652	3,027,062	-	-	-	494
CAPITAL ASSISTANCE	100 % STATE	FY1995	FHWA	N/A	IVH-9426(402)	95-2164	9,375,000	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY1996	SECTION 9	N/A	MI-90-0265	96-0778	1,244,902	-	-	-	1
CAPITAL ASSISTANCE	100 % STATE	FY1998	SECTION 5309	N/A	N/A	98-0581	944,000	-	-	-	122
CAPITAL ASSISTANCE	80 % - 20 %	FY2000	SECTION 5307	N/A	MI-90-0336	2000-0751	3,219,275	-	-	-	-
CAPITAL ASSISTANCE	100 % STATE	FY2001	SECTION 5310	N/A	N/A	2001-0862	526,736	-	-	-	157
CAPITAL ASSISTANCE	100 % STATE	FY2002	SECTION 5310	N/A	N/A	2002-0595	904,845	-	-	-	-
CAPITAL ASSISTANCE	100 % STATE	FY2004	SECTION 5310	20.513	MI-16-0029	2004-0462	809,940	-	-	-	7,673
CAPITAL ASSISTANCE	100 % STATE	FY2005	SECTION 5310	20.513	MI-16-0030	2005-0441	621,099	-	-	-	-
CAPITAL ASSISTANCE	100 % STATE	FY2005	SECTION 5310	20.513	MI-16-0030	2006-0548	162,417	-	-	-	3
CAPITAL ASSISTANCE	100 % STATE	FY2006	SECTION 5310	20.513	MI-16-0031	2006-0581	1,032,900	-	-	-	124
CAPITAL ASSISTANCE	100 % STATE		SECTION 5310	20.513	MI-16-X004	2007-0294 Z48	440,736	431,923	431,923	-	8,813
CAPITAL ASSISTANCE	100 % STATE		SECTION 5310	20.513	MI-16-X005	2012-0170 P6	875,631	875,631	875,631	-	-
CAPITAL ASSISTANCE	100 % STATE		SECTION 5310	20.516	MI-37-X031 & 37	2012-0170 P1	66,550	59,802	59,802	-	6,748
CAPITAL ASSISTANCE	100 % STATE		SECTION 5310	20.521	MI-57-0010	2012-0170 P2	102,340	57,856	57,856	-	44,484
CAPITAL ASSISTANCE	80 % - 20 %	FY2001	SECTION 5309	N/A	MI-03-0175	2002-0088 Z3	1,021,262	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2002	SECTION 5307	N/A	MI-90-0385	2002-0088 Z4	3,465,497	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2002	ENHANCEMENT	N/A	MI-90-0392	2002-0088 Z7	3,460	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2002	SECTION 5309	N/A	MI-03-0185	2002-0088 Z9	522,240	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2003	SECTION 5307	N/A	MI-90-0402	2002-0088 Z11	3,143,415	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2003	SECTION 5309	N/A	MI-03-0194	2002-0088 Z12	860,719	421,368	-	421,368	26,381
CAPITAL ASSISTANCE	80 % - 20 %	FY2003	CMAQ	N/A	MI-90-0410	2002-0088 Z14	172,081	-	-	-	-
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2003	SECTION 5307	N/A	MI-90-0413	2002-0088 Z15	67,122	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2004	SECTION 5307	N/A	MI-90-0435	2002-0088 Z17	3,180,948	-	-	-	-
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2004	SECTION 5307	N/A	MI-90-0441	2002-0088 Z18	67,115	-	-	-	-
CAPITAL ASSISTANCE RICHMOND LENOX	80 % - 20 %	FY2004	STP	N/A	MI-90-0436	2002-0088 Z19	6,000	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2004	SECTION 5309	N/A	MI-03-0205	2002-0088 Z20	1,334,951	-	-	-	-
CAPITAL ASSISTANCE NOTA	80 % - 20 %	FY2002	SECTION 5309	N/A	MI-03-0207	2002-0088 Z23	37,126	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2004	CMAQ	N/A	MI-90-0438	2002-0088 Z25	243,747	-	-	-	-
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2004	STP	N/A	MI-90-0450	2002-0088 Z26	16,375	-	-	-	-
CAPITAL ASSISTANCE NOTA	80 % - 20 %	FY2005	SECTION 5309	N/A	MI-03-0218	2002-0088 Z27	19,435	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2005	SECTION 5309	N/A	MI-03-0220	2002-0088 Z28	679,783	-	-	-	-

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Schedule of Financial Assistance (Continued) Year Ended June 30, 2013

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAUDITED PROGRAM OR AWARD AMOUNT	AUDITED DISBURSEMENTS/ EXPENDITURES	UNAUDITED FEDERAL RECEIPTS/ REVENUE	UNAUDITED STATE RECEIPTS/ REVENUE	UNAUDITED AMOUNT REMAINING
MICHIGAN DEPARTMENT OF TRANSPORTATION (CONTINUED):											
CAPITAL ASSISTANCE	80 % - 20 %	FY2005	CMAQ	N/A	MI-90-0456	2002-0088 Z29	\$ 156,000	\$ -	\$ -	\$ -	\$ -
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2005	SECTION 5307	N/A	MI-90-0462	2002-0088 Z32	45,925	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2005	SECTION 5307	N/A	MI-90-0465	2002-0088 Z33	608,051	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2006	CMAQ	N/A	MI-90-0515	2002-0088 Z36	95,000	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2006	SECTION 5309	N/A	MI-04-0013	2002-0088 Z37	1,023,510	365,435	-	365,435	45,502
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2006	SECTION 5307	N/A	MI-90-0489	2002-0088 Z38	30,000	-	-	-	29,763
CAPITAL ASSISTANCE	80 % - 20 %	FY2006	SECTION 5307	N/A	MI-90-0488	2002-0088 Z39	67,932	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2007	SECTION 5307	N/A	MI-90-0541	2007-0294 Z3	12,000	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2007	SECTION 5307	N/A	MI-90-0540	2007-0294 Z4	64,482	-	-	-	2,104
CAPITAL ASSISTANCE	100 % STATE	FY2007	SECTION 5310	20.513	MI-16-X001	2007-0294 Z6	401,158	-	-	-	401,158
CAPITAL ASSISTANCE	80 % - 20 %	FY2007	SECTION 5309	N/A	MI-04-0025	2007-0294 Z7	437,500	-	-	-	228,208
CAPITAL ASSISTANCE	80 % - 20 %	FY2007	SECTION 5309	N/A	MI-04-0025	2007-0294 Z14	57,500	-	-	-	57,500
CAPITAL ASSISTANCE	80 % - 20 %	FY2008	SECTION 5307	N/A	MI-90-0570	2007-0294 Z15	50,425	388	-	388	2,708
CAPITAL ASSISTANCE	80 % - 20 %	FY2008	SECTION 5307	N/A	MI-90-0566	2007-0294 Z16	60,873	-	-	-	-
CAPITAL ASSISTANCE	100 % STATE	FY2008	SECTION 5307	N/A	MI-16-X002	2007-0294 Z17	784,380	-	-	-	9,732
CAPITAL ASSISTANCE	101 % STATE	FY2008	SECTION 5307	N/A	MI-16-X002	2007-0294 Z18	125,000	-	-	-	31,785
CAPITAL ASSISTANCE	104 % STATE	FY2008	SECTION 5307	N/A	MI-16-X002	2007-0294 Z21	99,806	-	-	-	5,239
CAPITAL ASSISTANCE	106 % STATE	FY2008	SECTION 5307	N/A	MI-16-X002	2007-0294 Z23	65,400	-	-	-	27,381
CAPITAL ASSISTANCE	100 % STATE	FY2009	SECTION 5310	N/A	MI-16-X003	2007-0294 Z24	1,231,315	136	-	136	3,145
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5307	N/A	MI-90-X591	2007-0294 Z26	52,558	17,441	-	17,441	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5307	N/A	MI-90-X592	2007-0294 Z27	85,502	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	N/A	MI-04-0057	2007-0294 Z28	980,875	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2010	SECTION 5309	N/A	MI-04-0057	2007-0294 Z29	139,865	-	-	-	18,150
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	N/A	MI-16-X004	2007-0294 Z28	8,697	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	N/A	MI-16-X004	2007-0294 Z36	10,871	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2010	SECTION 5307	N/A	MI-90-X756	2007-0294 Z38	85,057	-	-	-	37,057
CAPITAL ASSISTANCE State Preventive Maintenance	80 % - 20 %	FY2011	SECTION 5307	N/A	MI-90-X756	2007-0294 Z38	3,748,045	93,938	-	93,938	-
CAPITAL ASSISTANCE State Preventive Maintenance	80 % - 20 %	FY2012	SECTION 5307	N/A	MI-90-0756	2007-0294 ZXX	-	4,801,868	-	4,801,868	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2010	SECTION 5307	N/A	MI-90-X758	2007-0294 Z39	37,771	40,560	-	40,560	30,758
CAPITAL ASSISTANCE	80 % - 20 %	FY08-FY09	SECTION 5309	N/A	MI-04-0040	2007-0294 Z40	1,062,500	362,556	-	362,556	269,327
CAPITAL ASSISTANCE	80 % - 20 %	FY08-FY09	SECTION 5309	N/A	MI-16-0029	2007-0294 Z41	81,785	-	-	-	408
CAPITAL ASSISTANCE	80 % - 20 %	FY08-FY09	SECTION 5309	N/A	MI-16-0030	2007-0294 Z42	285,038	-	-	-	5,746
CAPITAL ASSISTANCE	80 % - 20 %	FY08-FY09	SECTION 5309	N/A	MI-16-0031	2007-0294 Z43	415,499	-	-	-	415,499
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5309	N/A		2007-0294 Z48	-	539,905	-	539,905	-
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5309	N/A		2007-0294 Z3	12,000	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5309	N/A		2007-0294 Z4	64,482	-	-	-	2,104
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5309	N/A		2007-0294 Z6	501,448	-	-	-	4,269

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Schedule of Financial Assistance (Continued) Year Ended June 30, 2013

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAUDITED PROGRAM OR AWARD AMOUNT	AUDITED DISBURSEMENTS/ EXPENDITURES	UNAUDITED FEDERAL RECEIPTS/ REVENUE	UNAUDITED STATE RECEIPTS/ REVENUE	UNAUDITED AMOUNT REMAINING
MICHIGAN DEPARTMENT OF TRANSPORTATION (CONTINUED):											
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5309	N/A		2007-0294 Z7	\$ 437,500	\$ 1,740	\$ -	\$ 1,740	\$ 226,468
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5310	N/A		2012-0170 P6	-	1,127,069	-	1,127,069	-
CAPITAL ASSISTANCE TRANSIT SECURITY	100 % STATE	FY2006		N/A	N/A	2006 TSGP	297,672	-	-	-	-
CAPITAL ASSISTANCE TRANSIT SECURITY	101 % STATE	FY2007		N/A	N/A	2007 TSGP	310,872	-	-	-	173,238
COMBINED STATE CONTRACTS							\$ 59,728,722	\$ 9,197,616	\$ 1,425,212	\$ 7,772,404	\$ 2,172,664
TOTAL CAPITAL ASSISTANCE							\$ 315,117,971	\$ 30,823,957	\$ 23,051,553	\$ 7,772,404	\$ 34,929,006
U.S. DEPARTMENT OF TRANSPORTATION - STATE & FED. OPERATING ASSISTANCE - COMPUTATIONS BASED ON OPERATING EXP. - DIRECT ASSISTANCE:											
OPERATING ASSIST. LETC		FY2003	SECTION 5307	20.507	MI-90-4413	N/A	\$ 268,490	\$ -	\$ -	\$ -	\$ -
OPERATING ASSIST. LETC		FY2004	SECTION 5307	20.507	MI-90-4441	N/A	268,459	-	-	-	-
OPERATING ASSIST. LETC		FY2005	SECTION 5307	20.507	MI-90-4462	N/A	281,343	-	-	-	-
OPERATING ASSIST. LETC		FY2006	SECTION 5307	20.507	MI-90-4489	N/A	283,250	-	-	-	-
OPERATING ASSIST. LETC		FY2007	SECTION 5307	20.507	MI-90-4541	N/A	295,603	-	-	-	-
OPERATING ASSIST. LETC		FY2007	SECTION 5307	20.507	MI-90-4566	N/A	320,759	-	-	-	-
OPERATING ASSIST. LETC		FY2009	SECTION 5307	20.507	MI-90-4592	N/A	411,198	-	-	-	-
OPERATING ASSIST. LETC		FY2010	SECTION 5307	20.507	MI-90-4758	N/A	528,404	-	-	-	-
OPERATING ASSIST. LETC		FY2011	SECTION 5307	20.507	MI-90-4758	N/A	478,998	-	-	-	-
ARRA OPERATING SMART			ARRA 5307	20.507	MI-96-4007	N/A	2,020,000	-	-	-	-
ARRA OPERATING BEDFORD			ARRA 5307	20.507	MI-96-4007	N/A	31,148	-	-	-	-
ARRA OPERATING LAKE ERIE			ARRA 5307	20.507	MI-96-4008	N/A	90,369	-	-	-	-
OPERATING ASSIST. - CMAQ SMART		FY2002	CMAQ	20.507	MI-90-0393	N/A	1,573,381	-	-	-	-
OPERATING ASSIST. - CMAQ		FY2003	CMAQ	20.507	MI-90-X410	N/A	2,058,574	-	-	-	-
OPERATING ASSIST. - CMAQ SMART		FY2004	CMAQ	20.507	MI-90-0438	N/A	1,630,740	-	-	-	-
OPERATING ASSIST. - CMAQ LETC		FY2004	CMAQ	20.507	MI-90-0438	N/A	160,000	-	-	-	-
OPERATING ASSIST. - CMAQ SMART		FY2005	CMAQ	20.507	MI-90-0456	N/A	1,024,319	-	-	-	-
OPERATING ASSIST. - CMAQ LETC		FY2006	CMAQ	20.507	MI-90-0515	N/A	245,000	-	-	-	-
OPERATING ASSIST. - CMAQ SMART		FY2006	CMAQ	20.507	MI-90-0515	N/A	2,413,889	-	-	-	-
OPERATING ASSIST. - CMAQ LETC		FY2007	CMAQ	20.507	MI-95-0011	N/A	310,366	-	-	-	-
OPERATING ASSIST. - CMAQ SMART		FY2007	CMAQ	20.507	MI-95-0011	N/A	2,365,188	-	-	-	-
OPERATING ASSIST. - CMAQ LETC		FY2008	CMAQ	20.507	MI-95-0017	N/A	316,573	-	-	-	-
OPERATING ASSIST. - CMAQ SMART		FY2008	CMAQ	20.507	MI-95-0017	N/A	3,516,204	-	-	-	-
OPERATING ASSIST. - CMAQ SMART		FY2009	CMAQ	20.507	MI-95-0038	N/A	4,107,204	-	-	-	-
OPERATING ASSIST. - CMAQ SMART		FY2010	CMAQ	20.507	MI-95-0049	N/A	3,156,097	-	-	-	-
OPERATING ASSIST. - CMAQ SMART		FY2011	CMAQ	20.507	MI-95-0049	N/A	857,010	-	-	-	-
TOTAL							\$ 29,012,566	\$ -	\$ -	\$ -	\$ -

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Schedule of Financial Assistance (Continued) Year Ended June 30, 2013

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAUDITED PROGRAM OR AWARD AMOUNT	AUDITED DISBURSEMENTS/ EXPENDITURES	UNAUDITED FEDERAL RECEIPTS/ REVENUE	UNAUDITED STATE RECEIPTS/ REVENUE	UNAUDITED AMOUNT REMAINING
<b>ACCESS TO JOBS (FEDRAL SHARE):</b>											
SMART CAPITAL	80 % - 20 %		SECTION 5316	20.516	MI-37-X033		\$ 399,224	\$ -	\$ -	\$ -	\$ 399,224
FY2006 SECTION 5316 JARC CAPITAL RICHMOND LENOX	80 % - 20 %	FY2006	SECTION 5316	20.516	MI-37-X033	2007-0294 Z21	107,200	-	-	-	-
FY2006 SECTION 5316 JARC OPERATING RICHMOND LENOX	50 % - 50 %	FY2006	SECTION 5316	20.516	MI-37-X033	2007-0294 Z21	58,166	11,645	11,645	-	46,521
FY2006 SECTION 5316 JARC OPERATING NOTA	50 % - 50 %	FY2006	SECTION 5316	20.516	MI-37-X033	2007-0294 Z21	132,323	-	-	-	-
FY2007 SECTION 5316 CAPITAL SMART	80 % - 20 %	FY2007	SECTION 5316	20.516	MI-37-0040	2007-0294 Z29	559,459	-	-	-	-
FY2007 SECTION 5316 PROGRAM ADMINISTRATION	50 % - 50 %	FY2007	SECTION 5316	20.516	MI-37-6040	2007-0294 Z29	62,162	19,654	19,654	-	9,367
JARC PROGRAM MOG MANAGEMENT		FY2008	SECTION 5316	20.516	MI-37-0043	2007-0294 Z45	362,969	113,961	113,961	-	191,493
JARC PROGRAM OPERATING		FY2008	SECTION 5316	20.516	MI-37-4043	2007-0294 Z45	1,448,472	392,980	392,980	-	899,368
JARC PROGRAM ADMIN		FY2008	SECTION 5316	20.516	MI-37-6043	N/A	214,639	38,062	38,062	-	174,086
TOTAL							\$ 3,344,614	\$ 576,302	\$ 576,302	\$ -	\$ 1,720,059
<b>NEW FREEDOM FEDERAL SHARE:</b>											
SECT 5317 CAPITAL		FY2006	SECTION 5317	20.521	MI-57-0007	2007-0294 Z19	\$ 55,000	\$ -	\$ -	\$ -	\$ -
SECT 5317 OPERATING		FY2006	SECTION 5317	20.521	MI-57-4007	2007-0294 Z19	382,143	78,509	78,509	-	101
SECT 5317 PROGRAM ADMIN		FY2006	SECTION 5317	20.521	MI-57-6007	2007-0294 Z19	42,460	3,313	3,313	-	8,341
SECT 5317 OPERATING		FY2007	SECTION 5317	20.521	MI-57-4014	N/A	375,478	59,694	59,694	-	150,078
SECT 5317 PROGRAM ADMIN		FY2007	SECTION 5317	20.521	MI-57-6014	N/A	41,720	28,550	28,550	-	11,795
SECTION 5307 NEW FREEDOM CAPITAL			SECTION 5307	20.521	MI-57-0018	N/A	299,230	94,850	94,850	-	137,051
SECTION 5307 NEW FREEDOM OPERATING			SECTION 5307	20.521	MI-57-4018	N/A	917,171	281,153	281,153	-	351,068
SECTION 5307 NEW FREEDOM PROGRAM ADMIN			SECTION 5307	20.521	MI-57-6018	N/A	147,999	12,577	12,577	-	133,099
TOTAL							\$ 2,261,201	\$ 558,646	\$ 558,646	\$ -	\$ 791,533
<b>ACCESS TO JOBS (STATE SHARE):</b>											
CAPITAL ASSISTANCE JARC RICHMOND LENOX	80 % - 20 %	FY2006	SECTION 5316	20.516	MI-37-X033	2007-0294 Z21	\$ 26,800	\$ -	\$ -	\$ -	\$ -
FY2006 SECTION 5316 JARC OPERATING RICHMOND LENOX	50 % - 50 %	FY2006	SECTION 5316	20.516	MI-37-4033	2007-0294 Z21	58,166	-	-	-	-
FY2006 SECTION 5316 JARC OPERATING NOTA	50 % - 50 %	FY2006	SECTION 5316	20.516	MI-37-4033	2007-0294 Z21	132,323	11,645	-	11,645	-
FY2006 SECTION 5316 JARC CAPITAL SMART	50 % - 50 %	FY2006	SECTION 5316	20.516	MI-37-X033	2007-0294 Z21	73,006	-	-	-	-
FY2007 SECTION 5316 JARC CAPITAL SMART	80 % - 20 %	FY2007	SECTION 5316	20.516	MI-37-0040	2007-0294 Z29	139,865	-	-	-	-
JARC PROGRAM OPERATING	100% STATE	FY2008	SECTION 5316	20.516	MI-37-4043	2007-0294 Z45	1,448,472	433,416	-	433,416	-
TOTAL							\$ 1,878,632	\$ 445,061	\$ -	\$ 445,061	\$ -

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Schedule of Financial Assistance (Continued) Year Ended June 30, 2013

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAUDITED PROGRAM OR AWARD AMOUNT	AUDITED DISBURSEMENTS/ EXPENDITURES	UNAUDITED FEDERAL RECEIPTS/ REVENUE	UNAUDITED STATE RECEIPTS/ REVENUE	UNAUDITED AMOUNT REMAINING
100% STATE JARC NOTA:											
NOTA ACCESS TO JOBS OPERATING	100 % STATE	FY06 & 07	SECTION 5316	20.516	MI-37-X026	2007-0294 Z11	\$ 297,354	\$ -	\$ -	\$ -	\$ -
NOTA ACCESS TO JOBS OPERATING	100 % STATE	FY2008	SECTION 5316	20.516	MI-37-X031	2007-0294 Z18	100,000	-	-	-	-
CAPITAL ASSITANCE NOTA JARC	100 % STATE	FY2009	SECTION 5316	20.516	MI-37-X031	2007-0294 Z18	163,545	-	-	-	-
NOTA ACCESS TO JOBS CAPITAL	100 % STATE	FY2010	SECTION 5316	20.516	MI-37-X037	2007-0294 Z23	65,400	-	-	-	-
NOTA ACCESS TO JOBS OPERATING	100 % STATE	FY2010	SECTION 5316	20.516	MI-37-X037	2007-0294 Z23	337,926	-	-	-	-
SECTION 5316 JARC NOTA OPERATING	50 % - 50 %		SECTION 5316	20.516	MI-37-X037	2007-0294 Z31	51,752	-	-	-	-
SECTION 5316 JARC - NOTA - NON-UBAN	100% STATE	FY2012	SECTION 5316	20.516	N/A	2012-0170 P1	133,100	59,802	-	59,802	73,298
TOTAL							\$ 1,149,077	\$ 59,802	\$ -	\$ 59,802	\$ 73,298
100% STATE NEW FREEDOM NOTA:											
NOTA NEW FREEDOM CAPITAL	100 % STATE	FY 08 & 09	SECTION 5317	20.521	MI-57-X001	2007-0294 Z14	\$ 46,000	\$ -	\$ -	\$ -	\$ -
NOTA NEW FREEDOM CAPITAL	100 % STATE	FY 08 & 09	SECTION 5317	20.521	MI-57-X001	2007-0294 Z14	48,642	-	-	-	-
NOTA NEW FREEDOM OPERATING	100 % STATE	FY 09 & 10	SECTION 5317	20.521	MI-57-X010	2007-0294 Z35	93,034	57,856	-	57,856	-
SECTION 5317 NEW FREEDOM - NOTA - NON-UBAN	100% STATE	FY2012	SECTION 5317	20.521	N/A	2012-0170 P2	204,680	-	-	-	204,680
TOTAL							\$ 392,356	\$ 57,856	\$ -	\$ 57,856	\$ 204,680
PASSED THROUGH MDOT:											
OPERATING ASSIST. - SEC.5311	100 % STATE	FY2009	SECTION 5311	20.509	MI-18-X047	2007-0294 Z22	\$ 178,488	\$ -	\$ -	\$ -	\$ -
OPERATING ASSIST. - SEC.5311	100 % STATE	FY2010	SECTION 5311	20.509	MI-X18-X050	2007-0294 Z34	152,196	(5,633)	(5,633)	-	-
OPERATING ASSIST. - SEC.5311	100 % STATE	FY2011	SECTION 5311	20.509	MI-X18-X050	2007-0294 Z47	212,098	-	-	-	-
OPERATING ASSIST. - SEC.5311	100 % STATE	FY2012	SECTION 5311	20.509	MI-X18-X050	2012-0170 P4	213,728	96,433	96,433	-	117,295
OPERATING ASSIST. - SEC.5311	100 % STATE	FY2013	SECTION 5311	20.509	MI-X18-X050	2012-0170 P12	180,672	84,222	84,222	-	96,450
CAPITAL ASSIST. - SEC .5311 ARRA	100 % STATE	FY2009	SECTION 5311	20.509	MI-X86-X002	2007-0294 Z32	17,447	-	-	-	-
OPERATING ASSIST. - SEC.5311 ARRA	100 % STATE	FY2009	SECTION 5311	20.509	MI-86-X002	2007-0294 ZXX	27,210	-	-	-	-
TOTAL							981,839	175,022	175,022	-	213,745
SUBTOTAL							39,020,285	1,872,689	1,309,970	562,719	3,003,315

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Other Operating Expenses Year Ended June 30, 2013

Description	Community Based			Royal Oak		
	1-Jul-12 to 30-Sep-12	1-Oct-12 to 30-Jun-13	Total C.Based	1-Jul-12 to 30-Sep-12	1-Oct-12 to 30-Jun-13	Total R.Oak
Revenue:						
Fares	\$ 183,552	\$ 527,773	\$ 711,325	\$ 374	\$ 1,021	\$ 1,395
Taxes levied directly	8,610	1,199,014	1,207,624	-	-	-
Local operating assistance:						
General Fund/Property tax	369,307	992,606	1,361,913	15,000	45,000	60,000
Other	-	-	-	496	4,464	4,960
Local special demonstration project assistance	-	-	-	-	-	-
Other local contracts:						
Mun. Cr.	590,152	1,917,116	2,507,268	200	1,800	2,000
Comm. Cr.	420,967	1,040,253	1,461,220	-	-	-
Other MDOT/BPT contracts and reimb.:						
ACT 51	-	-	-	4,033	49,698	53,731
Specialized services	-	-	-	-	-	-
Other federal transit contracts and reimb.	-	-	-	-	-	-
Interest income	8,598	26,920	35,518	-	-	-
Total revenue	<b>\$ 1,581,186</b>	<b>\$ 5,703,682</b>	<b>\$ 7,284,868</b>	<b>\$ 20,103</b>	<b>\$ 101,983</b>	<b>\$ 122,086</b>
Total operating expenses	\$ 2,711,868	\$ 5,950,465	\$ 8,662,333	\$ 27,029	\$ 54,714	\$ 81,743
Ineligible expenses:						
SMART Municipal Credits	590,152	1,917,116	2,507,268	-	-	-
SMART Community Credits	409,050	1,029,253	1,438,303	-	-	-
State specialized services	-	-	-	-	-	-
Depreciation	8,598	25,031	33,629	-	-	-
Total ineligible	1,007,800	2,971,400	3,979,200	-	-	-
Total eligible expenses	<b>\$ 1,704,068</b>	<b>\$ 2,979,065</b>	<b>\$ 4,683,133</b>	<b>\$ 27,029</b>	<b>\$ 54,714</b>	<b>\$ 81,743</b>



# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Other Operating Expenses Year Ended June 30, 2013

Description	Mt. Clemens			Nankin		
	1-Jul-12 to 30-Sep-12	1-Oct-12 to 30-Jun-13	Total Mt. Clemens	1-Jul-12 to 30-Sep-12	1-Oct-12 to 30-Jun-13	Total Nankin
Revenue:						
Fares	\$ 17,803	\$ 61,593	\$ 79,396	\$ 21,511	\$ 64,533	\$ 86,044
Taxes levied directly	-	-	-	-	-	-
Local operating assistance:						
General Fund/Property tax	310,084	(11,517)	298,567	-	-	-
Other	-	-	-	68,250	204,750	273,000
Other local contracts:						
Mun. Cr.	(a) 4,221	12,663	16,884	40,060	120,180	160,240
Comm. Cr.	(a) 5,301	15,903	21,204	46,600	139,801	186,401
Other MDOT/BPT contracts and reimb. -						
Specialized services	3,455	11,120	14,575	-	-	-
Other federal transit contracts and reimb.	-	5,527	5,527	-	-	-
Interest income	-	1,504	1,504	-	-	-
Total revenue	<u>\$ 340,864</u>	<u>\$ 96,793</u>	<u>\$ 437,657</u>	<u>\$ 176,421</u>	<u>\$ 529,264</u>	<u>\$ 705,685</u>
Total operating expenses	\$ 142,364	\$ 386,956	\$ 529,320	\$ 211,321	\$ 633,967	\$ 845,288
Ineligible expenses:						
SMART Municipal Credits	-	-	-	-	-	-
SMART Community Credits	-	-	-	-	-	-
State specialized services	3,455	11,120	14,575	-	-	-
Depreciation	-	-	-	-	-	-
Total ineligible	3,455	11,120	14,575	-	-	-
Total eligible expenses	<u>\$ 138,909</u>	<u>\$ 375,836</u>	<u>\$ 514,745</u>	<u>\$ 211,321</u>	<u>\$ 633,967</u>	<u>\$ 845,288</u>

(a) Included on SMART's Ineligible Schedule

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Other Operating Expenses (Continued) Year Ended June 30, 2013

Description	Redford		Total Redford
	1-Apr-12 to 30-Sep-12	1-Oct-12 to 31-Mar-13	
Revenue:			
Fares	\$ 10,576	\$ 10,917	\$ 21,493
Taxes levied directly	-	-	-
Local operating assistance:			
General Fund/Property tax	-	88,444	88,444
Other	12,500	37,500	50,000
Other local contracts:			
Mun. Cr.	(a) 10,437	32,857	43,294
Comm. Cr.	(a) 17,013	49,387	66,400
Other MDOT/BPT contracts and reimb. -			
Specialized services	4,951	1,650	6,601
Other federal transit contracts and reimb.	-	-	-
Interest income	107	(228)	(121)
Total revenue	<u>\$ 55,584</u>	<u>\$ 220,527</u>	<u>\$ 276,111</u>
Total operating expenses	\$ 118,977	\$ 137,735	\$ 256,712
Ineligible expenses:			
SMART Municipal Credits	-	-	-
SMART Community Credits	-	-	-
State specialized services	4,951	1,650	6,601
Depreciation	-	-	-
Total ineligible	<u>4,951</u>	<u>1,650</u>	<u>6,601</u>
Total eligible expenses	<u>\$ 114,026</u>	<u>\$ 136,085</u>	<u>\$ 250,111</u>

(a) Included on SMART's Ineligible Schedule

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Other Operating Expenses (Continued) Year Ended June 30, 2013

Description	1-Apr-12 to 30-Sep-12	1-Oct-12 to 31-Mar-13	Total S.T.A.R.
Revenue:			
Fares	\$ 2,498	\$ 2,958	\$ 5,456
Taxes levied directly	-	371,821	371,821
Local operating assistance:			
General Fund/Property tax	-	-	-
Other	21,139	127,108	148,247
Other local contracts:			
Mun. Cr.	-	-	-
Comm. Cr.	-	-	-
Other MDOT/BPT contracts and reimb. -			
Specialized services	4,081	14,037	18,118
Other federal transit contracts and reimb.	-	-	-
Interest income	1,972	1,033	3,005
Total revenue	<b>\$ 29,690</b>	<b>\$ 516,957</b>	<b>\$ 546,647</b>
Total operating expenses	\$ 248,601	\$ 330,677	\$ 579,278
Ineligible expenses:			
SMART Municipal Credits	-	-	-
SMART Community Credits	-	-	-
State specialized services	92,728	158,792	251,520
Depreciation	-	-	-
Total ineligible	92,728	158,792	251,520
Total eligible expenses	<b>\$ 155,873</b>	<b>\$ 171,885</b>	<b>\$ 327,758</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Other Operating Expenses Year Ended September 30, 2012

Description	Community Based			Royal Oak		
	I-Oct-11 to 30-Jun-12	I-Jul-12 to 30-Sep-12	Total C.Based	I-Oct-11 to 30-Jun-12	I-Jul-12 to 30-Sep-12	Total R.Oak
Revenue:						
Fares	\$ 206,567	\$ 183,552	\$ 390,119	\$ 1,619	\$ 374	\$ 1,993
Taxes levied directly	390,295	8,610	398,905	-	-	-
Local operating assistance:						
General Fund/Property tax	433,186	369,307	802,493	40,000	15,000	55,000
Other	-	-	-	4,464	496	4,960
Local special demonstration -						
Project assistance	-	-	-	-	-	-
Other local contracts:						
Mun. Cr.	809,411	590,152	1,399,563	1,800	200	2,000
Comm. Cr.	600,518	420,967	1,021,485	-	-	-
Other MDOT/BPT contracts and reimb.:						
ACT 51	-	-	-	36,297	4,033	40,330
Specialized services	-	-	-	-	-	-
Other federal transit contracts and reimb.	-	-	-	-	-	-
Interest income	661	8,598	9,259	-	-	-
Total revenue	<b>\$ 2,440,638</b>	<b>\$ 1,581,186</b>	<b>\$ 4,021,824</b>	<b>\$ 84,180</b>	<b>\$ 20,103</b>	<b>\$ 104,283</b>
Total operating expenses	\$ 2,544,781	\$ 2,711,868	\$ 5,256,649	\$ 95,456	\$ 27,029	\$ 122,485
Ineligible expenses:						
SMART Municipal Credits	809,411	590,152	1,399,563	-	-	-
SMART Community Credits	600,518	420,967	1,021,485	-	-	-
State specialized services	-	-	-	-	-	-
Depreciation	-	8,598	8,598	-	-	-
Total ineligible	1,409,929	1,019,717	2,429,646	-	-	-
Total eligible expenses	<b>\$ 1,134,852</b>	<b>\$ 1,692,151</b>	<b>\$ 2,827,003</b>	<b>\$ 95,456</b>	<b>\$ 27,029</b>	<b>\$ 122,485</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Other Operating Expenses (Continued) State Year Ended September 30, 2012

Description	Mt. Clemens			Nankin		
	1-Oct-11 to 30-Jun-12	1-Jul-12 to 30-Sep-12	Total Mt. Clemens	1-Oct-11 to 30-Jun-12	1-Jul-12 to 30-Sep-12	Total Nankin
Revenue:						
Fares	\$ 64,746	\$ 17,803	\$ 82,549	\$ 64,567	\$ 21,511	\$ 86,078
Taxes levied directly	-	-	-	-	-	-
Local operating assistance:						
General Fund/Property tax	(9,770)	310,084	300,314	-	-	-
Other	-	-	-	204,750	68,250	273,000
Other local contracts:						
Mun. Cr.	(a) 12,663	4,221	16,884	120,181	40,060	160,241
Comm. Cr.	(a) 15,903	5,301	21,204	139,802	46,600	186,402
Other MDOT/BPT contracts and reimb. -						
Specialized services	11,352	3,455	14,807	-	-	-
Other federal transit contracts and reimb.	-	-	-	-	-	-
Interest income	2,440	-	2,440	4	-	4
Total revenue	<u>\$ 97,334</u>	<u>\$ 340,864</u>	<u>\$ 438,198</u>	<u>\$ 529,304</u>	<u>\$ 176,421</u>	<u>\$ 705,725</u>
Total operating expenses	\$ 439,845	\$ 142,364	\$ 582,209	\$ 627,349	\$ 211,321	\$ 838,670
Ineligible expenses:						
SMART Municipal Credits	-	-	-	-	-	-
SMART Community Credits	-	-	-	-	-	-
State specialized services	11,352	3,455	14,807	-	-	-
Depreciation	-	-	-	-	-	-
Total ineligible	<u>11,352</u>	<u>3,455</u>	<u>14,807</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total eligible expenses	<u>\$ 428,493</u>	<u>\$ 138,909</u>	<u>\$ 567,402</u>	<u>\$ 627,349</u>	<u>\$ 211,321</u>	<u>\$ 838,670</u>

(a) Included on SMART's Ineligible Schedule

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Other Operating Expenses (Continued) State Year Ended September 30, 2012

Description	Redford		Total Redford
	1-Oct-11 to 30-Mar-12	1-Apr-12 to 30-Sep-12	
Revenue:			
Fares	\$ 12,800	\$ 10,576	\$ 23,376
Taxes levied directly	-	-	-
Local operating assistance:			
General Fund/Property tax	105,795	-	105,795
Other	21,500	12,500	34,000
Other local contracts:			
Mun. Cr.	(a) 25,038	10,437	35,475
Comm. Cr.	(a) 29,844	17,013	46,857
Other MDOT/BPT contracts and reimb. -			
Specialized services	3,300	4,951	8,251
Other federal transit contracts and reimb.	-	-	-
Interest income	216	107	323
Total revenue	<b>\$ 198,493</b>	<b>\$ 55,584</b>	<b>\$ 254,077</b>
Total operating expenses	\$ 168,211	\$ 118,977	\$ 287,188
Ineligible expenses:			
SMART Municipal Credits	-	-	-
SMART Community Credits	-	-	-
State specialized services	3,300	4,951	8,251
Depreciation	-	-	-
Total ineligible	3,300	4,951	8,251
Total eligible expenses	<b>\$ 164,911</b>	<b>\$ 114,026</b>	<b>\$ 278,937</b>

(a) Included on SMART's Ineligible Schedule

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Other Operating Expenses (Continued) State Year Ended September 30, 2012

Description	S.T.A.R.		Total S.T.A.R.
	I-Oct-11 to 31-Mar-12	I-Apr-12 to 30-Sep-12	
Revenue:			
Fares	\$ 7,631	\$ 2,498	\$ 10,129
Taxes levied directly	384,175	-	384,175
Local operating assistance:			
General Fund/Property tax	-	-	-
Other	85,852	21,139	106,991
Other local contracts:			
Mun. Cr.	-	-	-
Comm. Cr.	-	-	-
Other MDOT/BPT contracts and reimb. -			
Specialized services	13,216	4,081	17,297
Other federal transit contracts and reimb.	-	-	-
Interest income	640	1,972	2,612
Total revenue	<b>\$ 491,514</b>	<b>\$ 29,690</b>	<b>\$ 521,204</b>
Total operating expenses	\$ 345,802	\$ 248,601	\$ 594,403
Ineligible expenses:			
SMART Municipal Credits	-	-	-
SMART Community Credits	-	-	-
State specialized services	13,216	4,081	17,297
Depreciation	-	-	-
Total ineligible	<b>\$ 13,216</b>	<b>\$ 4,081</b>	<b>\$ 17,297</b>
Total eligible expenses	<b>\$ 332,586</b>	<b>\$ 244,520</b>	<b>\$ 577,106</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Other Operating Expenses - Combined Total State Year Ended September 30, 2012

Description	Total C.Based	Total Mt. Clemens	Total Nankin	Total Redford	Total S.T.A.R.	Total Other
Fares	\$ 390,119	\$ 82,549	\$ 86,078	\$ 23,376	\$ 10,129	\$ 592,251
Taxes levied directly	398,905				384,175	783,080
Local operating assistance:						
General Fund/Property tax	802,493	300,314	-	105,795	-	1,208,602
Other	-	-	273,000	34,000	106,991	413,991
Other local contracts:						
Mun. Cr.	1,399,563	16,884 (a)	160,241 (a)	35,475 (a)	-	1,612,163
Comm. Cr.	1,021,485	21,204 (a)	186,402 (a)	46,857 (a)	-	1,275,948
Other MDOT/BPT contracts and reimb.:						
Act 51	-	-	-	-	-	-
Specialized services	-	14,807	-	8,251	17,297	40,355
Other federal transit contracts and reimb.	-	-	-	-	-	-
Interest income	9,259	2,440	4	323	2,612	14,638
<b>Total revenue</b>	<b>\$ 4,021,824</b>	<b>\$ 438,198</b>	<b>\$ 705,725</b>	<b>\$ 254,077</b>	<b>\$ 521,204</b>	<b>\$ 5,941,028</b>
Total operating expenses	\$ 5,256,649	\$ 582,209	\$ 838,670	\$ 287,188	\$ 594,403	\$ 7,559,119
Ineligible expenses:						
SMART Municipal Credits	1,399,563	-	-	-	-	1,399,563
SMART Community Credits	1,021,485	-	-	-	-	1,021,485
State specialized services	-	14,807	-	8,251	17,297	40,355
Depreciation	8,598	-	-	-	-	8,598
<b>Total ineligible</b>	<b>2,429,646</b>	<b>14,807</b>	<b>-</b>	<b>8,251</b>	<b>17,297</b>	<b>2,470,001</b>
<b>Total eligible expenses</b>	<b>\$ 2,827,003</b>	<b>\$ 567,402</b>	<b>\$ 838,670</b>	<b>\$ 278,937</b>	<b>\$ 577,106</b>	<b>\$ 5,089,118</b>

(a) Included on SMART's Ineligible Schedule



# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information URBAN Revenue Combined Schedule State Year Ended September 30, 2012

Description	SMART Directly Provided	Other	Total for URBAN OAR
Passenger fares	\$ 13,837,459	\$ 224,583	\$ 14,062,042
Contract fares	222,563	364,067	586,630
Concessions	-	371	371
Advertising	540,161	59,399	599,560
Other auxiliary trans revenue	-	329	329
Sales of maintenance services	-	520	520
Rental of bldgs or other property	51,610	-	51,610
Other nontrans revenue	43,160	1,268	44,428
Taxes levied directly	39,514,683	1,764,194	41,278,877
Local operating assistance	-	-	-
Other local contracts and reimbursements	540,307	107	540,414
Other local community credits	-	-	-
State operating assistance:			
SMART	26,909,784	-	26,909,784
Municipal Credit	1,857,739	1,471,890	3,329,629
Bedford	153,553	-	153,553
LETC Urban and Non-Urban	1,471,890	-	1,471,890
Royal Oak Township	47,290	-	47,290
Line-item municipal credit	1,857,739	-	1,857,739
Cap. K reimb. for admin. expenses	-	-	-
Other Cap. K reimb. for operating expenses	-	-	-
Other MDOT/BPT contracts and reimb.:			
Specialized service grants	-	-	-
Specialized Service Grant 2007-0294 Z30	-	-	-
NOTA JARC 2007-0294 Z31	-	-	-
JARC PASS THRU 2007-0294 Z21	-	-	-
JARC PASS THRU 2007-0294 Z45	-	-	-
NOTA New Freedom 2007-0294 Z35	-	-	-
Federal preventive maintenance -			
MI-90-0591	17,719,196	-	17,719,196
Planning/Capital cost of contracting -			
FY 2011 UWP - CONTRACT #MI-80-2002	280,343	-	280,343
Cap. K reimb. for admin. expenses	-	-	-
Reimb. For JARC Admin. MI-37-6040	-	-	-
Reimb. For JARC Admin. MI-37-6043	-	-	-
Reimb. For New Freedom Admin. MI-57-6007	-	-	-
Reimb. For New Freedom Admin. MI-57-6014	-	-	-
Reimb. For New Freedom Admin. MI-57-6018	-	-	-
Other federal transit contracts and reimb.:			
CMAQ MI-95-0049	-	-	-
Section 5307 Lake Erie MI-90-4758	-	-	-
CMAQ Lake Erie MI-95-0017	-	-	-
Section 5311 Lake Erie Non Urban MI-18-X002 2007-0294 Z32	-	183,805	183,805
Section 5307 Lake Erie ARRA Lake Erie MI-96-4008	-	-	-
Section 5307 Lake Erie ARRA Bedford MI-96-4007	-	-	-
Other	72,925	-	72,925
Gains from the sale of capital assets	466,272	-	466,272
Interest income	41,987	983	42,970
<b>Total</b>	<b>\$ 105,628,661</b>	<b>\$ 4,071,516</b>	<b>\$ 109,700,177</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information URBAN Expense Combined Schedule State Year Ended September 30, 2012

Description	SMART Directly Provided	Other	Total for URBAN OAR
Labor	\$ 36,031,811	\$ -	\$ 36,031,811
Other fringe benefits	20,689,276	-	20,689,276
Pensions	5,216,752	-	5,216,752
OPEB - Funded	-	-	-
OPEB - Unfunded	6,239,865	-	6,239,865
Advertising fees	23,510	-	23,510
Audit cost	168,482	-	168,482
Other services	2,537,698	-	2,537,698
Fuel and lubricants	8,555,523	-	8,555,523
Tires and tubes	569,940	-	569,940
Other materials and supplies	5,298,732	-	5,298,732
Utilities	1,577,304	-	1,577,304
Casualty and liab. costs	5,817,324	-	5,817,324
Taxes and fees	-	-	-
Purchased transportation service - Pass-throughs that are expensed	10,106,920	1,636,459	11,743,379
Travel, meetings, and training	48,382	-	48,382
Association dues and subscriptions	55,795	-	55,795
Gain/Loss on disposal of asset	-	-	-
Other miscellaneous expenses	68,363	-	68,363
Cost overruns	-	-	-
Interest on long-term debt	352,889	-	352,889
Interest on short-term debt	-	-	-
Interest on capital lease	-	-	-
Leases and rentals	-	-	-
Depreciation	12,735,950	-	12,735,950
<b>Total expenses</b>	<b>\$ 116,094,516</b>	<b>\$ 1,636,459</b>	<b>\$ 117,730,975</b>
Less ineligible expenses:			
Ineligible depreciation	\$ 6,706,612	\$ -	\$ 6,706,612
Ineligible loss on disposal	-	-	-
Local contracts	4,054,152	-	4,054,152
Preventive maintenance (MI-90-0591)	17,719,196	-	17,719,196
Planning/Cap. Cost of K (FY 2010 MI-80-2001)	280,343	-	280,343
Other ineligible federal/state/local - CMAQ MI-95-0049	-	-	-
Other state contracts (municipal credits):			
Purchased transportation ineligible	72,925	-	72,925
Pass-through ineligibles	-	-	-
Gateway 2007-0294/Z12	-	-	-
Transit User Study MI-80-0002 2002-0088 Z8	-	-	-
State Preventive Maintenance 2002-0088 Z20	-	-	-
Non-Trans and misc ineligibles associated w/aux and nontrans	43,160	-	43,160
MPTA dues (7.00% INELIG.)	-	-	-
CTAA dues (1.66% INELIG.)	-	-	-
APTA dues (14.00% INELIG.)	-	-	-
Ineligible pension/OPEB	-	-	-
Other ineligibles	6,239,865	-	6,239,865
Cost overruns	-	-	-
Garnishments	-	-	-
<b>Total ineligible</b>	<b>35,116,253</b>	<b>0</b>	<b>35,116,253</b>
<b>Total eligible expenses</b>	<b>\$ 80,978,263</b>	<b>\$ 1,636,459</b>	<b>\$ 82,614,722</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information SMART Combined Urban Regular Service Revenue Report Year Ended September 30, 2012

Description	Amount
Passenger fares	\$ 14,062,042
Contract fares	586,630
Package delivery/Meals on Wheels	-
Incidental charter service revenue	-
Auxiliary transportation revenue (explain):	
.10 Concessions	371
.15 Advertising	599,560
.20 Intercity ticket sales	-
.99 Other auxiliary transportation revenue	329
Nontransportation revenues (explain):	
.10 Sale of maintenance services	520
.15 Rental of revenue vehicles	-
.20 Rental of buildings or other property	51,610
.25 Parking lot revenue	-
.60 Gains from the sales of capital assets	466,272
.99 Other nontransportation revenue	44,428
Taxes levied directly by transit system	41,278,877
Local cash grants and reimbursements (explain):	
.10 Local operating assistance	-
.20 Single business tax	-
.99 Other local contracts	540,414
.99 Other local contracts (Community Credit Program)	-
State formula and contracts:	
.01 State operating assistance SMART	26,909,784
.01 State operating assistance CBS MUNICIPAL CREDITS	3,329,629
.01 State operating assistance LAKE ERIE BEDFORD ROYAL OAK	1,672,733
.10 Line item municipal credits	1,857,739
.11 Preventive maintenance	-
.12 Capital cost of contracting	-
.13 Capital contract reimbursement for administrative expenses	-
.14 Other capital contract reimbursements for operating expenses	-
.99 Other State Contracts and Reimbursements	-
Federal contracts:	
.01 Section 5311 LAKE ERIE	183,805
.02 Section 5307 LAKE ERIE	-
.11 Preventive maintenance	17,719,196
.12 Capital cost of contracting	280,343
.13 Capital contract reimbursement for administrative expenses	-
.99 Other planning	-
.99 Other CMAQ SMART	-
.99 Other CMAQ LAKE ERIE	-
.99 Other federal contracts and reimbursements	72,925
Interest income	42,970
Contributed service	-
<b>Total Revenue</b>	<b>\$ 109,700,177</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information SMART Combined Urban Regular Service Expense Report Year Ended September 30, 2012

	Operations	Maintenance	Gen. Admin.	Total
<b>Labor:</b>				
01 Oper salary and wages	\$ 17,477,046	\$ -	\$ -	\$ 17,477,046
02 Other salary and wages	-	6,092,371	8,282,944	14,375,315
03 Disp salary and wages	4,179,450	-	-	4,179,450
Fringe benefits	10,592,909	4,158,545	5,937,822	20,689,276
Postretirement benefits funded	-	-	-	-
Postretirement benefits unfunded	3,194,811	1,254,213	1,790,841	6,239,865
Pension	2,670,977	1,048,567	1,497,208	5,216,752
<b>Services:</b>				
01 Audit	-	-	168,482	168,482
02 Advertising fees	-	-	23,510	23,510
99 Other services	102,554	871,475	1,563,669	2,537,698
<b>Materials and supp. cons.:</b>				
01 Fuel and lubricants	8,555,523	-	-	8,555,523
02 Tires and tubes	569,940	-	-	569,940
99 Other materials and supplies	687,310	4,375,314	236,108	5,298,732
Utilities	-	-	1,577,304	1,577,304
<b>Casual and liability costs:</b>				
03 Premium for public liability	5,817,324	-	-	5,817,324
99 Other insurance	-	55,795	-	55,795
Taxes	-	-	-	-
Purchased transportation service on SMART F/S	11,743,379	-	-	11,743,379
Purchased transportation service POS STAR and community based	-	-	-	-
<b>Miscellaneous expense:</b>				
02 Travel and meetings	-	-	48,382	48,382
03 Dues and subscriptions	-	-	-	-
09 Loss on disposal of asset	-	-	-	-
99 Other overruns	-	-	-	-
99 Other miscellaneous expense	-	-	68,363	68,363
<b>Interest expense:</b>				
01 Interest on long-term debt	-	-	352,889	352,889
02 Interest on short-term debt	-	-	-	-
Leases and rentals	-	-	-	-
Depreciation	-	-	12,735,950	12,735,950
<b>Total expenses</b>	<b>\$ 65,591,223</b>	<b>\$ 17,856,280</b>	<b>\$ 34,283,472</b>	<b>\$ 117,730,975</b>
<b>Less ineligible expenses:</b>				
Ineligible depreciation	\$ -	\$ -	\$ 6,706,612	\$ 6,706,612
Ineligible loss on disposal	-	-	-	-
Local contracts	4,054,152	-	-	4,054,152
Preventive maintenance (MI-90-0591)	-	18,606,685	-	18,606,685
Planning/Cap. Cost of K (FY 2010 MI-80-2001)	-	-	307,645	307,645
Administrative expense paid by Cap. K	-	-	-	-
Other expense paid by Cap. K	-	-	-	-
<b>Other ineligible federal/state/local:</b>				
CMAQ MI-95-0049	-	-	471,189	471,189
JARC MI-37-X033 2007-0294/Z10	-	-	72,925	72,925
<b>Other state contracts (municipal credits):</b>				
Purchased transportation ineligible	4,054,152	-	-	4,054,152
Pass-through ineligible	-	-	-	-
Transit user study MI-80-002 2202-0088 Z8	-	-	-	-
State preventive maintenance 2002-0088 Z20	-	-	-	-
Ineligible interest	-	-	-	-
MPTA dues (7.10% INELIG.)	-	-	-	-
CTAA dues (1.66% INELIG.)	-	-	-	-
APTA dues (14.00% INELIG.)	-	-	-	-
Ineligible pension/OPEB	-	-	6,239,865	6,239,865
<b>Other ineligible:</b>				
Cost overruns	-	-	-	-
Garnishments	-	-	-	-
<b>Total ineligible expenses</b>	<b>8,108,304</b>	<b>18,606,685</b>	<b>13,798,236</b>	<b>40,513,225</b>
<b>Total eligible expenses</b>	<b>\$ 57,482,919</b>	<b>\$ (750,405)</b>	<b>\$ 20,485,236</b>	<b>\$ 77,217,750</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information SMART Combined Urban Regular Service Nonfinancial Report Year Ended September 30, 2012

DESCRIPTION	WEEKDAYS	SATURDAY	SUNDAY	TOTAL
<b>FIXED ROUTE</b>				
PUBLIC SERVICE				
VEHICLE HOURS	588,395	60,672	27,583	676,650
VEHICLE MILES	9,774,242	1,021,857	475,280	11,271,379
MISCELLANEOUS INFORMATION				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-
<b>CONNECTOR</b>				
PUBLIC SERVICE				
VEHICLE HOURS	211,595	3,821	574	215,990
VEHICLE MILES	3,693,134	72,239	11,140	3,776,513
MISCELLANEOUS INFORMATION				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-

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

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Royal Oak Twp Urban Service Revenue Report Year Ended September 30, 2012

Description	Amount
Passenger fares	\$ 1,993
Contract fares	-
Package delivery/ Meals on Wheels	-
Incidental charter service revenue	-
Auxiliary transportation revenue (explain):	
.10 Concessions	-
.15 Advertising	-
.20 Intercity ticket sales	-
.99 Other auxiliary transportation revenue	-
Nontransportation revenue (explain):	
.10 Sale of maintenance services	-
.15 Rental of revenue vehicles	-
.20 Rental of buildings or other property	-
.25 Parking lot revenue	-
.60 Gains from the sales of capital assets	-
.99 Other nontransportation revenue	-
Taxes levied directly by transit system	-
Local cash grants and reimbursements (explain):	
.10 Local operating assistance	55,000
.20 Single business tax	-
.99 Other local contracts (Community Credit Program)	-
State formula and contracts:	
.01 State operating assistance	40,330
.10 Line item municipal credits	2,000
.11 Preventive maintenance	-
.12 Capital cost of contracting	-
.13 Capital contract reimbursement for administrative expenses	-
.14 Other capital contract reimbursements for operating expenses	-
.99 Other state contracts and reimbursements	4,960
Federal contracts:	
.01 Section 5311	-
.02 Section 5307	-
.11 Preventive maintenance	-
.12 Capital cost of contracting	-
.13 Capital contract reimbursement for administrative expenses	-
.14 Other capital contract reimbursements for operating expenses	-
.98 RTAP	-
.99 Other federal contracts and reimbursements	-
Interest income	-
Contributed service	-
Total revenue	<u>\$ 104,283</u>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Royal Oak Twp Urban Regular Service Expense Report Year Ended September 30, 2012

	Operations	Maintenance	Gen. Admin.	Total
Labor:				
01 Oper salary and wages	\$ 23,790	\$ -	\$ -	\$ 23,790
02 Other salary and wages	18,163	-	14,628	32,791
03 Disp salary and wages	17,734	-	-	17,734
Fringe benefits	22,821	-	-	22,821
Services:				
01 Audit	-	-	-	-
02 Advertising fees	-	-	-	-
99 Other services	264	-	12,290	12,554
Materials and supp. Cons.:				
01 Fuel and lubricants	11,676	-	-	11,676
02 Tires and tubes	571	-	-	571
99 Other materials and supplies	2,925	2,739	-	5,664
Utilities	4,816	-	852	5,668
Casual and liability costs:				
03 Premium for public liability	-	-	-	-
99 Other insurance	6,777	-	-	6,777
Taxes				-
Purchased transportation service	-	-	-	-
Miscellaneous expense:				
02 Travel and meetings	792	-	-	792
99 Other miscellaneous expense	1,564	-	-	1,564
Interest expense:				
01 Interest on long-term debt	-	-	-	-
02 Interest on short-term debt	-	-	-	-
Leases and rentals	-	-	-	-
Depreciation	-	-	-	-
<b>Total expenses</b>	<b>111,893</b>	<b>2,739</b>	<b>27,770</b>	<b>142,402</b>
Less ineligible expenses:				
03 Federal grants (explain)	-	-	-	-
04 State grants (specialized svcs)	-	-	-	-
05 Local grants	-	-	-	-
06 Interest expense	-	-	-	-
07 Depreciation	-	-	-	-
08 Other (explain)	-	-	-	-
09 Ineligible percent of dues	-	-	-	-
10 Expenses assoc w/auxiliary trans	-	-	-	-
15 Charter expense	-	-	-	-
<b>99 Total ineligible expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total eligible expenses</b>	<b>\$ 111,893</b>	<b>\$ 2,739</b>	<b>\$ 27,770</b>	<b>\$ 142,402</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Royal Oak Twp Urban Regular Service Nonfinancial Report Year Ended September 30, 2012

DESCRIPTION	WEEKDAYS	SATURDAY	SUNDAY	TOTAL
<b>FIXED ROUTE</b>				
PUBLIC SERVICE				
VEHICLE HOURS	-	-	-	-
VEHICLE MILES	-	-	-	-
MISCELLANEOUS INFORMATION				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-
<b>CONNECTOR</b>				
PUBLIC SERVICE				
VEHICLE HOURS	1,907	-	-	1,907
VEHICLE MILES	15,485	-	-	15,485
MISCELLANEOUS INFORMATION				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-

Management has determined that the methodology used for compiling miles and hours has been reviewed and the reconciling method has been found to be adequate and reliable.



# **Suburban Mobility Authority for Regional Transportation**

---

## **Notes to Other Supplemental Information**

- (1) Administrative expenses that are charged to capital grants are not included in SMART's operating expenses.

All administrative costs related to capital contracts are deducted and transferred to the capital. Therefore, these expenditures are not reimbursed by state formula funds.

- (2) Expenses that are paid on behalf of our purchase of service providers are not included in SMART's eligible expenses.

Costs related to our purchase of service providers are deducted and reimbursed by these providers and included in their operating expenses.

- (3) No expenses for Lake Erie Transit are included in SMART's submittal.

- (4) Expenses for STAR, Community Based Nankin Transit, Redford, Mt. Clemens, and Harper Woods are included only on Schedule 4E on line Purchased Transportation.