



*Suburban Mobility Authority for Regional Transportation*

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**Financial Report  
with Supplemental Information  
June 30, 2017**



# **Suburban Mobility Authority for Regional Transportation**

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June 30, 2017**

# Suburban Mobility Authority for Regional Transportation

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## 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, 2017 and 2016 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 audits. We conducted our audits 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 audits 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.

### ***Opinion***

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, 2017 and 2016 and the changes in its 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.

To the Board of Directors  
Suburban Mobility Authority for  
Regional Transportation

### **Other Matters**

#### *Required Supplemental Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and OPEB required supplemental information, 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 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.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2017 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 & Morse, PLLC*

November 13, 2017

# **Management's Discussion and Analysis**

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# **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, 2017 and 2016 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**

- Total operating revenue has increased by \$1.5 million or 12 percent in fiscal year (FY) 2016/2017. An analysis of this increase discloses fare revenue was lower and other operating income was higher for the fiscal year, resulting in the 12 percent gain in operating revenue.

Fare revenue decreased by approximately \$400,000, or 3.3 percent from \$12.0 million in FY 2015/2016 to \$11.6 million in FY 2016/2017. The loss in fare revenue is primarily attributed to a decrease in ridership in both fixed route and connector service (4.4 and 5.8 percent, respectively). This reduction in ridership is also due to the implementation of the new Reflex bus service requested by the Regional Transit Authority of Southeastern Michigan (RTA). Implementation of the Reflex bus service occurred in September 2016, resulting in the loss of Woodward Avenue riders for the Authority.

Other operating revenue increased from \$1.1 million to \$3.1 million or 178 percent in FY 2016/2017. The \$2.0 million increase is due to the RTA giving \$2.0 million to the Authority to fund Reflex bus service on Gratiot Avenue.

- Operating expenses of \$112.4 million, before depreciation, are \$1.2 million higher than 2016, primarily due to increase in SMART contributions to local units to assist with local transportation needs.
- Capital contributions were \$28.4 million for FY 2016/2017. This is a \$3.6 million or 11 percent decrease from FY 2015/2016. Spending \$28.4 million is a continuing result of the increased millage rate, allowing SMART to use federal capital funds to purchase capital assets, (i.e., bus replacement), rather than using these funds for preventive maintenance in the operating budget as had been done prior to FY 2016.



# **Suburban Mobility Authority for Regional Transportation**

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

- Current assets had a net increase of \$8.2 million, largely due to an increase in federal operating and state operating grants received and a slight increase in local contributions due to an improving local economy.
- Deferred outflows of resources of \$24.0 million and \$1.9 million of deferred inflows are directly related to the mandatory adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in FY 2015. See Note 10 in the notes to the financial statements for additional information.
- Current liabilities decreased by \$6.9 million primarily due to a decrease in accounts payable of \$10.1 million and an increase in the current portion of accrued self-insurance of \$1.0 million and other accrued liabilities of \$2.1 million.
- Net position, discussed further below, increased by \$35.3 million to \$114.2 million, which is a combination of the \$15.9 million increase in net investment in capital assets, \$19.6 million increase in unrestricted net position, and a \$.2 million reduction in restricted net position.

# Suburban Mobility Authority for Regional Transportation

## Management's Discussion and Analysis (Continued)

### Statement of Net Position

A summary of SMART's assets, liabilities, deferred outflows and inflows, and net position at June 30, 2017, 2016, and 2015 follows (in millions):

	2017	2016	2015
<b>Assets</b>			
Current assets	\$ 118.8	\$ 110.6	\$ 83.2
Capital assets	99.9	84.0	71.2
Other noncurrent assets	0.2	0.4	0.3
Total assets	218.9	195.0	154.7
<b>Deferred Outflows of Resources</b>	24.0	34.2	4.6
<b>Liabilities</b>			
Current liabilities	27.0	33.9	20.1
Noncurrent liabilities	99.8	116.4	89.0
Total liabilities	126.8	150.3	109.1
<b>Deferred Inflows of Resources</b>	1.9	-	-
<b>Net Position</b>			
Net investment in capital assets	99.9	84.0	71.2
Restricted	0.2	0.4	0.3
Unrestricted	14.1	(5.5)	(21.3)
Total net position	<u>\$ 114.2</u>	<u>\$ 78.9</u>	<u>\$ 50.2</u>

SMART's current assets had a net increase of \$8.2 million, which represents a 7.4 percent increase compared with FY 2016.

Amounts invested in capital assets increased 18.9 percent from a year ago - increasing from \$84.0 million to \$99.9 million. The current year increase is due to current year net capital asset purchases exceeding depreciation expense.

Restricted net position is a result of the sale of federally funded capital assets representing approximately \$200,000, which, although classified as restricted, are available to SMART for future capital purchases.

# Suburban Mobility Authority for Regional Transportation

## Management's Discussion and Analysis (Continued)

Unrestricted net position, the portion of net position that can be used to finance day-to-day operations, increased by \$19.6 million from FY 2016. This represents an increase of 356 percent. This follows a FY 2016 increase of \$15.8 million or approximately 74.3 percent. The current level of unrestricted net position for SMART's operations stands at \$14.1 million.

### 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, 2017, 2016, and 2015 (in millions):

	2017	2016	2015
Operating revenue	\$ 14.6	\$ 13.1	\$ 13.5
Operating expenses before depreciation	112.4	111.2	104.5
Operating loss before depreciation	(97.8)	(98.1)	(91.0)
Depreciation expense	12.6	17.2	13.3
Total operating loss	(110.4)	(115.3)	(104.3)
Nonoperating revenue - Net of related expenses	117.3	111.9	105.5
Net income (loss) before capital contributions	6.9	(3.4)	1.2
Capital contributions	28.4	32.1	20.8
Increase in net position	35.3	28.7	22.0
Net position - Beginning of year	78.9	50.2	82.4
Impact of GASB Statement No. 68	-	-	(54.2)
Net position - End of year	<u>\$ 114.2</u>	<u>\$ 78.9</u>	<u>\$ 50.2</u>

SMART's operating revenue increased by \$1.5 million or 12.0 percent from 2016 attributable to a \$2.0 million RTA contribution to SMART to fund Reflex bus service on Gratiot Avenue. As stated earlier, ridership decreased in both fixed route and connector service by 4.4 and 5.8 percent, respectively. Contributing to this ridership reduction was the FY 2016/2017 implementation of the Reflex bus service on Woodward, which is operated by the Detroit Department of Transportation (DDOT). Nonoperating revenue (net of related expenses) increased \$5.4 million or 4.8 percent due to the increase in federal operating and preventive maintenance assistance along with a slight increase in local contributions.

Operating expenses (before depreciation) increased \$1.2 million during the year. The increase is primarily due to an increase in SMART purchase-of-service contributions to local units to assist with local transportation needs. More information regarding SMART purchase-of-service contributions can be found in Note 7 in the notes to the financial statements.

# **Suburban Mobility Authority for Regional Transportation**

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

### **Capital Assets and Related Debt**

The Authority continues to invest in infrastructure, equipment, and vehicles. SMART had \$99.9 million and \$84.0 million invested in capital assets as of June 30, 2017 and 2016, respectively. During fiscal year 2017, the Authority had total capital asset additions of approximately \$35.7 million, consisting primarily of \$24.3 million for new vehicles, \$11.2 million in facility and bus equipment, and \$.2 in building improvements.

More detailed information concerning capital assets can be found in Note 5 in the notes to the financial statements.

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

The Regional Transit Authority (RTA) is the designated recipient for federal funds to the tri-county urbanized area consisting of Wayne, Oakland, and Macomb counties. A portion of these funds is passed through to SMART. The current allocation of Section 5307 federal capital funding passed through the RTA is 51.5 percent to SMART, 47.5 percent to DDOT, and 1 percent to the Detroit Transportation Corporation (the People Mover). It is anticipated for FY 2017/2018 that the Section 5307 federal capital funding passed through the RTA will be 50.0 percent to SMART, 49.0 percent to DDOT, and 1 percent to the Detroit Transportation Corporation (the People Mover). For FY 2017/2018, Section 5307 funding of approximately \$25.1 million is included in SMART's capital budget.

On August 4, 2014, voters in the Macomb, Oakland, and Wayne counties service areas approved a millage increase from \$0.59 to \$1.00 per thousand taxable value. The additional revenue has allowed the Authority to fund the much-needed replacement of the aging bus fleet by utilizing Section 5307 capital funds previously used to support operations. SMART has received the first 139 Fixed Route replacement buses as part of its commitment to utilize the federal funds made available as a result of the new millage rate and will be receiving an additional 35 replacement buses in calendar 2019. The \$1.00 mill property tax millage that supports SMART services is up for renewal in August 2018.

SMART has adopted a balanced budget for FY 2017/2018. This budget includes improving the riders' experience with installation of solar shelters at high-use bus stops and connecting with riders with real time arrival information with its SMART bus tracker mobile app. Furthermore, SMART continues its effort to replace its connector small bus fleet with propane fueled vehicles, reducing fuel and maintenance costs.

Additionally, within the 2017/2018 operating budget, the Authority has maintained the staffing reductions implemented 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 2018 operating budget will be \$116.1 million.

# **Suburban Mobility Authority for Regional Transportation**

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## **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 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, 2017	June 30, 2016
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 77,451,226	\$ 72,636,689
Investments	10,017,695	5,018,185
Receivables:		
Local contributions receivable (Note 1)	3,834,060	1,397,746
Accrued interest receivable	19,445	-
Other receivables	1,174,612	761,573
Grant receivables (Note 4)	22,682,323	28,384,112
Materials and supplies inventories	3,578,517	2,369,197
Prepaid expenses and other assets	49,418	46,201
Total current assets	118,807,296	110,613,703
Noncurrent assets:		
Restricted cash (Note 3)	209,006	400,868
Nondepreciable capital assets (Note 5)	13,139,349	20,200,627
Depreciable capital assets - Net (Note 5)	86,789,898	63,844,141
Total noncurrent assets	100,138,253	84,445,636
Total assets	218,945,549	195,059,339
<b>Deferred Outflows of Resources -</b>		
Pension costs deferred (Note 10)	24,017,784	34,253,258
<b>Liabilities</b>		
Current liabilities:		
Municipal and community credits payable (Note 1)	2,907,200	2,810,991
Amounts payable under purchase-of-service agreements	27,350	39,935
Current portion of accrued self insurance (Note 9)	8,470,290	7,492,059
Accounts payable	7,834,119	18,003,455
Accrued liabilities and other:		
Accrued salaries and wages	920,522	899,389
Other accrued liabilities	4,144,374	2,025,127
Current portion of compensated absences (Note 8)	2,731,828	2,695,537
Total current liabilities	27,035,683	33,966,493
Noncurrent liabilities:		
Accrued self insurance - Net of current portion (Note 9)	4,699,535	5,296,323
Net pension liability (Note 10)	74,997,492	89,512,836
Net OPEB obligation (Note 12)	19,923,708	21,447,954
Compensated absences - Net of current portion (Note 8)	176,693	178,997
Total noncurrent liabilities	99,797,428	116,436,110
Total liabilities	126,833,111	150,402,603
<b>Deferred Inflows of Resources -</b>		
Deferred inflows related to pensions	1,886,789	-
<b>Equity</b>		
Net position:		
Net investment in capital assets	99,929,247	84,044,768
Restricted	209,006	400,868
Unrestricted	14,105,180	(5,535,642)
Total net position	<b>\$ 114,243,433</b>	<b>\$ 78,909,994</b>

# Suburban Mobility Authority for Regional Transportation

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

	Enterprise Operating Fund	
	Year Ended	
	June 30, 2017	June 30, 2016
<b>Operating Revenue</b>		
Fares	\$ 11,573,792	\$ 12,017,606
Other income	3,083,329	1,110,390
Total operating revenue	14,657,121	13,127,996
<b>Operating Expenses</b>		
Salaries and wages	38,372,238	37,519,258
Fringe benefits	39,725,899	39,239,516
Materials and supplies	9,183,688	10,485,568
Contractual services	2,656,388	3,748,505
Utilities	1,293,534	1,280,865
Claims and insurance	8,891,547	8,328,737
Purchased transportation (Note 7)	12,068,320	10,476,994
Miscellaneous expense	254,411	113,497
Depreciation	12,592,858	17,159,128
Total operating expenses	125,038,883	128,352,068
<b>Operating Loss</b>	(110,381,762)	(115,224,072)
<b>Nonoperating Revenue (Expenses)</b>		
Federal operating and preventive maintenance assistance	7,067,352	5,784,294
State operating grants	38,150,816	39,405,856
Local contributions (Note 6)	71,496,801	67,986,026
Other nonoperating revenue	442,683	558,929
Investment income	221,773	149,730
Loss on sale of assets	(104,531)	(1,998,689)
Total nonoperating revenue	117,274,894	111,886,146
<b>Gain (Loss) - Before capital contributions</b>	6,893,132	(3,337,926)
<b>Capital Contributions</b>	28,440,307	32,062,380
<b>Change in Net Position</b>	35,333,439	28,724,454
<b>Net Position - Beginning of year</b>	78,909,994	50,185,540
<b>Net Position - End of year</b>	<b>\$ 114,243,433</b>	<b>\$ 78,909,994</b>

# Suburban Mobility Authority for Regional Transportation

## Statement of Cash Flows

	Enterprise Operating Fund	
	Year Ended	
	June 30, 2017	June 30, 2016
<b>Cash Flows from Operating Activities</b>		
Receipts from transit operations	\$ 14,244,082	\$ 12,730,252
Payments to suppliers	(13,212,295)	(2,749,994)
Payments to employees	(81,960,344)	(78,569,178)
Payments to claims and insurance	(8,510,104)	(7,783,500)
Payments for purchased transportation	(11,984,696)	(10,655,115)
Net cash used in operating activities	(101,423,357)	(87,027,535)
<b>Cash Flows from Noncapital Financing Activities</b>		
State operating grants	38,478,582	36,615,982
Federal operating and preventive maintenance assistance	9,728,540	5,081,885
Local contributions	69,060,487	68,784,479
Other nonoperating receipts	442,683	558,929
Net cash provided by noncapital financing activities	117,710,292	111,041,275
<b>Cash Flows from Capital and Related Financing Activities</b>		
Receipt of capital grants	31,144,228	17,573,877
Proceeds from disposal of capital assets	95,583	127,409
Purchase of capital assets	(38,106,891)	(32,094,022)
Net cash used in capital and related financing activities	(6,867,080)	(14,392,736)
<b>Cash Flows from Investing Activities</b>		
Purchase of investment securities	(4,999,508)	(5,018,185)
Interest received on investments	202,328	149,725
Net cash used in investing activities	(4,797,180)	(4,868,460)
<b>Net Increase in Cash and Cash Equivalents</b>	4,622,675	4,752,544
<b>Cash and Cash Equivalents - Beginning of year</b>	73,037,557	68,285,013
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 77,660,232</b>	<b>\$ 73,037,557</b>
<b>Balance Sheet Classification of Cash and Cash Equivalents</b>		
Cash and cash equivalents	\$ 77,660,232	\$ 73,037,557
Restricted cash	(209,006)	(400,868)
Total unrestricted cash and cash equivalents	<b>\$ 77,451,226</b>	<b>\$ 72,636,689</b>
<b>Reconciliation of Operating Loss to Net Cash from Operating Activities</b>		
Operating loss	\$ (110,381,762)	\$ (115,224,072)
Depreciation and amortization	12,592,858	17,159,128
Noncash change in net pension asset/liability	(2,393,081)	(1,724,649)
Noncash change in net OPEB obligations	(1,524,246)	-
Noncash change in self-insurance liability	381,443	545,237
Changes in assets and liabilities:		
Materials and supplies inventory	(1,209,320)	(174,736)
Other receivables	(413,039)	(397,744)
Prepaid and other assets	(33,003)	4,035
Accounts payable and accrued liabilities	1,418,049	13,049,142
Municipal and community credits payable	96,209	(37,237)
Payable under purchase service contracts	(12,585)	(140,884)
Accrued wages and compensated absences	55,120	(85,755)
Net cash used in operating activities	<b>\$ (101,423,357)</b>	<b>\$ (87,027,535)</b>



# **Suburban Mobility Authority for Regional Transportation**

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## **Notes to Financial Statements June 30, 2017 and 2016**

### **Note 1 - Summary of Significant Accounting Policies**

The following is a summary of the significant accounting policies used by the Suburban Mobility Authority for Regional Transportation (SMART or the "Authority"):

#### **Organization**

The Suburban Mobility Authority for Regional Transportation, 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 represents the counties that comprise SMART's operating region.

In December 2012, the passage of Michigan Public Act (PA) 387 created the Regional Transit Authority (RTA) and added Washtenaw County to the formerly tri-county transit region comprised of Macomb, Oakland, and Wayne counties. SMART, the Detroit Department of Transportation (DDOT), the Ann Arbor Area Transportation Authority (AAATA), and the Detroit Transportation Corporation (the Detroit People Mover) are subrecipients of the RTA for state and federal operating assistance, capital grants, and loans. The State of Michigan and the Federal Transit Administration (FTA) pay such funds directly to SMART at the direction of the RTA.

PA 387 also terminated the Regional Transit Coordinating Council (RTCC), the then-existing designated recipient, and made the Southeast Michigan Council of Governments (SEMCOG) the designated recipient of federal funds until October 1, 2013, when the RTA became the designated recipient. In March 2013, prior to PA 387, SEMCOG determined the allocation of operating assistance funds under Act 51 and federal capital funds to the tri-county urbanized area. Based on information submitted by the agencies, SEMCOG allocated 51.5 percent to SMART, 47.5 percent to DDOT, and 1 percent to the Detroit Transportation Corporation. This allocation remains in effect and is subject to change based on annual review by the RTA. Capital grants or loans are not allocated on a formula basis but rather are allocated on a specific project or asset basis in accordance with the terms of the grant or loan.

# **Suburban Mobility Authority for Regional Transportation**

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## **Notes to Financial Statements June 30, 2017 and 2016**

### **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 and No. 80) 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 and No. 80), 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.

#### **Accounting and Reporting Principles**

Suburban Mobility Authority for Regional Transportation follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

#### **Report Presentation**

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

#### **Fund Accounting**

Proprietary funds include enterprise funds, which provide goods or services to users in exchange for charges or fees. The Authority reports all activity in a single enterprise fund.

# Suburban Mobility Authority for Regional Transportation

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## Notes to Financial Statements June 30, 2017 and 2016

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

#### Basis of Accounting

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

#### Specific Balances and Transactions

**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.

**Investments** - Investments are reported at fair value or estimated fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

**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 capital assets.

**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 estimated acquisition value. 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, 2017 and 2016

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

Depreciation is computed using the straight-line method with a half-year in the first and last years of the asset's depreciable life, based upon the estimated useful lives of the assets as follows:

Capital Asset Class	Lives
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.

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an expense until then. The Authority has deferred outflows from the difference between projected and actual investment earnings of the pension plan, changes in actuarial assumptions, differences between expected and actual plan experience, as well as contributions made after the measurement date of the net pension liability.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as revenue until that time. The Authority reports deferred inflows of resources related to pensions for the difference between projected and actual experience of the pension plan.

#### Net Position Flow Assumption

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

# Suburban Mobility Authority for Regional Transportation

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## Notes to Financial Statements June 30, 2017 and 2016

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

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

**Other Postemployment Benefit Costs** - The Authority offers retiree healthcare benefits to employees upon retirement. 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. These liabilities are liquidated from the Enterprise Operating Fund.

**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. These liabilities are liquidated from the Enterprise Operating Fund.

**Municipal and Community Credits Payable** - Annually, SMART receives municipal credit funding from the State of Michigan and funds community credits. 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. This liability is liquidated from the Enterprise Operating Fund.

# Suburban Mobility Authority for Regional Transportation

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## Notes to Financial Statements June 30, 2017 and 2016

### Note 1 - 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. These liabilities are liquidated from the Enterprise Operating Fund.

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

**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

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## Notes to Financial Statements June 30, 2017 and 2016

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

**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.

**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 required contribution for pensions, 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.

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

Under Act 51 of the Public Acts of 1951 (Act 51), as amended, the State of Michigan makes distributions of funds that have been appropriated for mass transit operating assistance. As indicated in Note 1, the RTA is the designated recipient for such funds and SMART is a subrecipient of the RTA. SMART has recorded operating grant revenue under Act 51 based on a formula that takes into account the eligible costs incurred by SMART, locally generated revenue of SMART, the percentage of the RTA'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 RTA.

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, 2014. This determination reduced SMART's allocated revenue by \$872,335. Furthermore, SMART awaits the "final" determination for the years ended September 30, 2015, 2016, and 2017. SMART has recorded an estimated aggregate liability of \$3,441,405 as of June 30, 2017 based on management's anticipation of the results of the State's final determination of the Act 51 funding formula for the open years.

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2017 and 2016

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

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 fiscal years 2017 and 2016. 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	\$ 77,451,226
Investments	10,017,695
Restricted cash	<u>209,006</u>
Total designated	<u>\$ 87,677,927</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 Authority 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 260 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.

The Authority has designated two 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.



# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2017 and 2016

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

The Authority's cash and investments are subject to various risks, 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 \$94,200,784 of bank deposits (checking and savings accounts), of which \$93,200,784 was uninsured and uncollateralized.

**Interest Rate Risk** - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. SMART's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270-day maturity.

At year end, SMART had the following investments:

Investment	Fair Value	Weighted Average Maturity (Years)
<b>Primary Government</b>		
Negotiable certificates of deposit	\$ 1,984,120	2.4
U.S. government agency securities	8,033,575	2.1

### Fair Value Measurements

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

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

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2017 and 2016

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

The Suburban Mobility Authority for Regional Transportation has the following recurring fair value measurements as of June 30, 2017:

#### Assets Measured at Fair Value on a Recurring Basis

	Balance at June 30, 2017	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Negotiable certificates of deposit	\$ 1,984,120	\$ -	\$ 1,984,120	\$ -
Debt securities - U.S. government agency securities	8,033,575	-	8,033,575	-

Negotiable certificates of deposit and debt securities classified in Level 2 are valued using inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, and inputs other than quoted prices that are observable for the asset.

### Note 4 - Grants Receivable

At June 30, 2017 and 2016, grants receivable are comprised of the following:

	2017	2016
Accounts receivable - Billed:		
Federal government grants	\$ 1,905,532	\$ 4,608,590
State of Michigan grants	11,429,568	6,953,773
Total billed	13,335,100	11,562,363
Accounts receivable - Unbilled:		
Federal government grants	5,433,116	11,221,461
State of Michigan grants	2,666,737	4,446,403
Local grants	1,247,370	1,153,885
Total unbilled	9,347,223	16,821,749
Total	\$ 22,682,323	\$ 28,384,112

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2017 and 2016

### Note 5 - Capital Assets

Capital asset activity during the fiscal year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Reclassifications	Additions	Disposals	Balance June 30, 2017
Capital assets not being depreciated:					
Land	\$ 3,473,174	\$ -	\$ -	\$ -	\$ 3,473,174
Construction in progress	16,727,453	(35,738,729)	28,677,451	-	9,666,175
Subtotal	20,200,627	(35,738,729)	28,677,451	-	13,139,349
Capital assets being depreciated:					
Fixed-route buses and equipment	78,149,160	275,451	-	18,665,554	59,759,057
Connector buses and related equipment	59,090,138	24,043,516	-	1,959,711	81,173,943
Buildings and improvements	46,409,103	161,555	-	-	46,570,658
Office furnishings and equipment	2,088,457	3,414	-	-	2,091,871
Other equipment	54,757,778	11,254,793	-	-	66,012,571
Leasehold improvements	6,700,779	-	-	-	6,700,779
Subtotal	247,195,415	35,738,729	-	20,625,265	262,308,879
Accumulated depreciation:					
Fixed-route buses and equipment	66,111,235	-	3,472,522	18,585,958	50,997,799
Connector buses and related equipment	25,671,568	-	6,107,192	1,839,193	29,939,567
Buildings and improvements	32,895,563	-	990,551	-	33,886,114
Office furnishings and equipment	1,922,662	-	28,603	-	1,951,265
Other equipment	50,778,081	-	1,756,451	-	52,534,532
Leasehold improvements	5,972,165	-	237,539	-	6,209,704
Subtotal	183,351,274	-	12,592,858	20,425,151	175,518,981
Net capital assets being depreciated	63,844,141	35,738,729	(12,592,858)	200,114	86,789,898
Net capital assets	\$ 84,044,768	\$ -	\$ 16,084,593	\$ 200,114	\$ 99,929,247

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2017 and 2016

### Note 5 - Capital Assets (Continued)

Capital asset activity for the year ended June 30, 2016 was as follows:

	Balance July 1, 2015	Reclassifications	Additions	Disposals	Balance June 30, 2016
Capital assets not being depreciated:					
Land	\$ 3,473,174	\$ -	\$ -	\$ -	\$ 3,473,174
Construction in progress	12,437,690	(27,804,259)	32,094,022	-	16,727,453
Subtotal	15,910,864	(27,804,259)	32,094,022	-	20,200,627
Capital assets being depreciated:					
Fixed-route buses and equipment	96,725,579	4,795,962	-	23,372,381	78,149,160
Connector buses and related equipment	44,135,273	20,623,031	-	5,668,166	59,090,138
Buildings and improvements	45,998,554	410,549	-	-	46,409,103
Office furnishings and equipment	2,088,457	-	-	-	2,088,457
Other equipment	52,830,663	1,927,115	-	-	54,757,778
Leasehold improvements	6,653,177	47,602	-	-	6,700,779
Subtotal	248,431,703	27,804,259	-	29,040,547	247,195,415
Accumulated depreciation:					
Fixed-route buses and equipment	77,237,464	-	10,120,243	21,246,472	66,111,235
Connector buses and related equipment	26,931,877	-	4,407,668	5,667,977	25,671,568
Buildings and improvements	31,901,810	-	993,753	-	32,895,563
Office furnishings and equipment	1,894,151	-	28,511	-	1,922,662
Other equipment	49,461,126	-	1,316,955	-	50,778,081
Leasehold improvements	5,680,167	-	291,998	-	5,972,165
Subtotal	193,106,595	-	17,159,128	26,914,449	183,351,274
Net capital assets being depreciated	55,325,108	27,804,259	(17,159,128)	2,126,098	63,844,141
Net capital assets	\$ 71,235,972	\$ -	\$ 14,934,894	\$ 2,126,098	\$ 84,044,768

The eligible depreciation for fiscal year 2017 of \$1,646,085 (\$12,592,858 total depreciation reported less ineligible depreciation of \$10,946,773) 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, 2017 and 2016

### Note 5 - Capital Assets (Continued)

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

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Vehicle purchases	\$ -	\$ 3,412,342
Bus stop purchases	-	490,500
Total	<u>\$ -</u>	<u>\$ 3,902,842</u>

### Note 6 - Property Taxes

In August 2014, Oakland, Wayne, and Macomb counties approved an increase from the then .59 mills to 1.00 mills which were collected and recorded as revenue at the new rate in fiscal year 2015. 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, 2017 and 2016, totaled \$71,496,801 and \$67,986,026, 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.

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

	<u>2017</u>	<u>2016</u>
Municipal credits	\$ 3,261,080	\$ 3,261,080
Community credits	3,261,080	3,261,080
Community transit bus service	1,881,286	1,951,374
Specialized services	787,819	787,819
JARC and New Freedom	2,715,828	1,063,829
Royal Oak Township	18,653	9,240
Community-based services	142,574	142,572
Total	<u>\$ 12,068,320</u>	<u>\$ 10,476,994</u>

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2017 and 2016

### Note 8 - Long-term Debt

Long-term debt activity for the year ended June 30, 2017 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Accumulated compensated absences	\$ 2,874,534	\$ 3,169,913	\$ 3,135,926	\$ 2,908,521	\$ 2,731,828

Activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Accumulated compensated absences	\$ 2,765,674	\$ 2,632,040	\$ 2,523,180	\$ 2,874,534	\$ 2,695,537

### 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 2017 and 2016, 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, 2017.

SMART carries third-party commercial insurance for other areas of liability risk including health benefits. Settled claims have not exceeded commercial coverage in any of the preceding five years.

Changes in the balances of self-insured liabilities during fiscal years 2017, 2016, and 2015 were as follows:

	2017	2016	2015
Claims liability - July 1	\$ 12,788,382	\$ 12,243,145	\$ 11,755,030
Incurred claims - Current year including adjustments to IBNR	5,420,459	8,252,652	6,159,784
Claim payments	(5,039,016)	(7,707,415)	(5,671,669)
Claims liability - June 30	\$ 13,169,825	\$ 12,788,382	\$ 12,243,145

# Suburban Mobility Authority for Regional Transportation

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## Notes to Financial Statements June 30, 2017 and 2016

### Note 10 - Agent Defined Benefit Pension Plan

**Plan Description** - The Suburban Mobility Authority for Regional Transportation participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan (MERS of Michigan), which covers all full-time employees of the Suburban Mobility Authority for Regional Transportation. MERS was established as a statewide public employee pension plan by the Michigan legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report which includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at [www.mersofmich.com](http://www.mersofmich.com) or in writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

**Benefits Provided** - The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS.

The MERS plan covers full-time employees at the Authority including ATU, UAW, Teamsters, AFSCME, and nonunion employees.

Retirement benefits for employees hired before July 1, 2007 are calculated as 2.25 percent of the employee's final five-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 55 with 15 years of service. The vesting period is six years. Employees are eligible for non-duty disability benefits after six years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits equal at least 85 percent of the accrued retirement allowance benefit. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Retirement benefits for employees hired after July 1, 2007 are calculated as 1.70 percent of the employee's final five-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 50 with 20 years of service. The vesting period is 10 years. Employees are eligible for non-duty disability benefits after six years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits equal at least 85 percent of the accrued retirement allowance benefit. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are determined annually based on a percentage of the original retirement benefits, a percentage of the present retirement benefits, or a fixed-dollar amount.

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2017 and 2016

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

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the Authority's board, generally after negotiations of these terms with the affected unions.

**Employees Covered by Benefit Terms** - At the December 31, 2016 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	845
Inactive plan members entitled to but not yet receiving benefits	171
Active plan members	<u>755</u>
Total employees covered by MERS	<u><u>1,771</u></u>

**Contributions** - Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The Authority has established a 4.50 percent of covered payroll contribution rate to be paid by its covered employees.

For the year ended June 30, 2017, the average active employee contribution rate was 4.5 percent of annual pay and the Suburban Mobility Authority for Regional Transportation's average contribution rate was 15.5 percent of annual payroll.

### Net Pension Liability

The net pension liability reported at June 30, 2017 was determined using a measure of the total pension liability and the pension net position as of December 31, 2016. The December 31, 2016 total pension liability was determined by an actuarial valuation performed as of that date.



# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2017 and 2016

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

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at December 31, 2015</b>	\$ 237,726,010	\$ 148,213,174	\$ 89,512,836
Service cost	3,891,466	-	3,891,466
Interest	18,585,805	-	18,585,805
Differences between expected and actual experience	(2,515,718)	-	(2,515,718)
Contributions - Employer	-	15,725,356	(15,725,356)
Contributions - Employee	-	1,650,588	(1,650,588)
Net investment income	-	17,449,806	(17,449,806)
Benefit payments, including refunds	(14,527,892)	(14,527,892)	-
Administrative expenses	-	(348,853)	348,853
Net changes	5,433,661	19,949,005	(14,515,344)
<b>Balance at December 31, 2016</b>	<u>\$ 243,159,671</u>	<u>\$ 168,162,179</u>	<u>\$ 74,997,492</u>

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

For the year ended June 30, 2017, the Suburban Mobility Authority for Regional Transportation recognized pension expense of \$13,668,383. At June 30, 2017, the Suburban Mobility Authority for Regional Transportation reported deferred outflows of resources related to pensions from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 49,858	\$ 1,886,789
Changes in assumptions	5,175,967	-
Net difference between projected and actual earnings on pension plan investments	5,739,944	-
Employer contributions to the plan subsequent to the measurement date	13,052,015	-
Total	<u>\$ 24,017,784</u>	<u>\$ 1,886,789</u>

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2017 and 2016

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$13,052,015), which will impact the net pension liability in fiscal year 2017, rather than pension expense.

Years Ending June 30	Amount
2018	\$ 4,450,132
2019	4,450,132
2020	1,277,221
2021	(1,098,505)

**Actuarial Assumptions** - The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 %
Salary increases	3.75 %
Investment rate of return	8.00 % Gross of pension plan investment expense, including inflation

The mortality table used to project the mortality experience of nondisabled plan members is a 50 percent male and 50 percent female blend of the following tables:

1. The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105 percent
2. The RP-2014 Employee Mortality Tables
3. The RP-2014 Juvenile Mortality Tables

The mortality table used to project the mortality experience of disabled plan members is a 50 percent male and 50 percent female blend of the RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in the December 31, 2016 valuation include a 10 percent margin for future mortality improvements, relative to the actual mortality experience seen in the 2009-2013 Experience Study.

**Discount Rate** - The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2017 and 2016

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

**Projected Cash Flows** - Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2016, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-term Expected Real Rate of Return
Global equity	57.5 %	5.02 %
Global fixed income	20.0	2.18
Real assets	12.5	4.23
Diversifying strategies	10.0	6.56

The preceding target allocation was amended as of January 1, 2017 to reduce the previous allocation to global equity and global fixed income and to increase the allocation of real assets and diversifying strategies. The target allocation as of January 1, 2017 will be 55.5 percent global equity, 18.5 percent global fixed income, 13.5 percent real assets, and 12.5 percent diversifying strategies.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the Suburban Mobility Authority for Regional Transportation, calculated using the discount rate of 8.00 percent, as well as what the Suburban Mobility Authority for Regional Transportation's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.00 percent) or 1 percentage point higher (9.00 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Net pension liability of the Suburban Mobility Authority for Regional Transportation	\$ 100,492,253	\$ 74,997,492	\$ 53,205,151

# Suburban Mobility Authority for Regional Transportation

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## Notes to Financial Statements June 30, 2017 and 2016

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

**Pension Plan Fiduciary Net Position** - Detailed information about the plan's fiduciary net position is available in the separately issued financial report found at [www.mersofmich.com](http://www.mersofmich.com). The plan's fiduciary net pension has been determined on the same basis as used by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

### Note 11 - Defined Contribution Postemployment Benefits

The Authority provides an employer-sponsored healthcare savings plan to certain employees to cover the costs of postemployment medical expenses available to the participant upon separation from employment by the Authority. This is a defined contribution plan administered by Michigan Municipal Employees' Retirement System. The benefits are provided under collective bargaining agreements (or other legal authority for providing benefits). There are no required contributions from employees. The Authority is required to contribute \$125 per month for each participating employee in the International Brotherhood of Teamsters, and \$137 per month for each participating employee in Amalgamated Transit Union, American Federation of State, County and Municipal Employees, and nonrepresented employee groups. HCSP participants are not eligible for Authority-paid retiree health care under any other Authority plan or program.

During the years ended June 30, 2017 and 2016, the Authority made contributions of \$597,657 and \$539,382, respectively, to the plan.

### Note 12 - 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 certain 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. As of December 31, 2016, 743 retirees and beneficiaries were receiving benefit payments and the plan had 421 active members.

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2017 and 2016

### Note 12 - Other Postemployment Benefits (Continued)

Substantially all SMART employees hired before July 1, 2007, AFSCME members hired before February 9, 2015, and all UAW members are members of the plan. During fiscal 2015, SMART implemented a defined contribution Health Care Savings Plan (HCSP) as an alternative to the existing plan, effectively closing the retiree healthcare plan to new employees. All employees in Amalgamated Transit Union, International Brotherhood of Teamsters, and all nonrepresented employees hired after July 1, 2007 were transferred to the HCSP retroactive to their date of hire. The HCSP also includes employees in the American Federation of State, County and Municipal Employees hired after February 9, 2015.

**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, 2017 and 2016, the Authority has estimated the cost of providing retiree healthcare benefits through actuarial valuations as of December 31, 2016 and 2014, 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:

	<u>2017</u>	<u>2016</u>
Annual required contribution (recommended)	\$ 13,048,354	\$ 13,232,377
Interest on the prior year's net OPEB obligation	1,179,637	1,179,637
Less adjustment to the annual required contribution	<u>(1,478,527)</u>	<u>(1,456,696)</u>
Annual OPEB cost	12,749,464	12,955,318
Amounts contributed - Payments of current premiums	8,273,710	7,597,776
Advance funding	<u>6,000,000</u>	<u>5,357,542</u>
Decrease in net OPEB obligation	(1,524,246)	-
OPEB obligation - Beginning of year	<u>21,447,954</u>	<u>21,447,954</u>
OPEB obligation - End of year	<u>\$ 19,923,708</u>	<u>\$ 21,447,954</u>

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2017 and 2016

### Note 12 - 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
6/30/15	\$ 11,578,184	100.4 %	\$ 21,447,954
6/30/16	12,955,318	100.0	21,447,954
6/30/17	12,749,464	112.0	19,923,708

The funding progress of the plan (in thousands) as of the three most recent valuation dates 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)
12/31/13	\$ 22,982	\$ 202,106	\$ 179,124	11.4 %
12/31/14	24,457	180,660	156,203	13.5
12/31/16	39,991	195,803	155,812	20.4

**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

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## Notes to Financial Statements June 30, 2017 and 2016

### Note 12 - Other Postemployment Benefits (Continued)

The current and prior year required contribution amounts were determined as part of the December 31, 2016 and 2014 actuarial valuations, respectively, using the individual entry-age actuarial cost method. The actuarial assumptions include (a) a 5.5 percent investment rate of return, (b) projected salary increase of 4.0 percent per year compounded annually, attributable to inflation, (c) additional projected salary increases of 0.3 to 13 percent per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 4.0 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 (5.5 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/decreases in the net OPEB obligation as of June 30, 2017 and several prior years are due to the fact that there was no prefunding in those years, 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, 2017 and 2016 was \$14,273,710 and \$12,955,319, respectively. When the additional portion of the ARC is paid for that year and others, the Authority expects to receive supplemental state operating assistance to partially offset these future payments. SMART's management estimates that approximately \$6.8 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, 2017.

### Note 13 - 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, 2017 and 2016 was approximately \$355,000 each year.

SMART entered into a new, noncancelable 10-year lease commencing on October 1, 2017 through September 30, 2027 for its administrative offices and the ticket sales store.

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2017 and 2016

### Note 13 - Commitments (Continued)

Approximate minimum lease payments are as follows:

Fiscal Years Ending June 30	Amount
2018	\$ 405,000
2019	385,000
2020	385,000
2021	389,000
2022	391,000
2023-2027	<u>2,081,000</u>
Total	<u>\$ 4,036,000</u>

### Note 14 - 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 15 - 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.

### Note 16 - Upcoming Accounting Pronouncements

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which addresses reporting by governments that provide postemployment benefits other than pensions (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This OPEB standard will require the Authority to recognize on the face of the financial statements its net OPEB liability. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2018.



# **Suburban Mobility Authority for Regional Transportation**

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## **Notes to Financial Statements June 30, 2017 and 2016**

### **Note 16 - Upcoming Accounting Pronouncements (Continued)**

In January 2017, the Governmental Accounting Standards Board issued GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities of governments and improves guidance for accounting and financial reporting related to how these activities should be reported. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the 2019-2020 fiscal year.

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Authority's financial statements for the year ending June 30, 2021.

### **Note 17 - Tax Abatements**

SMART receives reduced property tax revenue as a result of Industrial Facilities Tax exemptions, Brownfield Redevelopment Agreements, and Act 328 personal property exemptions granted by local cities, villages, and townships within its opt-in communities in Wayne and Oakland counties and all communities in Macomb County. Industrial facilities exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties; and Act 328 personal property exemptions can be given to eligible businesses within a designated eligible distressed district as determined by the local governing body in which the distressed district is located.

# Suburban Mobility Authority for Regional Transportation

## Notes to Financial Statements June 30, 2017 and 2016

### Note 17 - Tax Abatements (Continued)

For the fiscal year ended June 30, 2017, which is the December 2016 tax levy, SMART's property tax revenue was reduced as follows:

	<u>IFT</u>	<u>Brownfield</u>	<u>Act 328</u>
Wayne County	\$ 191,895	\$ 139,756	\$ -
Oakland County	77,169	31,643	204,201
Macomb County	<u>184,197</u>	<u>4,223</u>	<u>3,310</u>
Total	<u>\$ 453,261</u>	<u>\$ 175,622</u>	<u>\$ 207,511</u>

At the time of this report being published, Wayne County could not provide a Public Act 328 abatement amount for the 2016 tax year levy. SMART is ineligible to give a tax abatement directly.

## **Required Supplemental Information**

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# Suburban Mobility Authority for Regional Transportation

## Required Supplemental Information Schedule of Changes in the Suburban Mobility Authority for Regional Transportation Net Pension Liability and Related Ratios Last Three Fiscal Years (schedule is built prospectively upon implementation of GASB 68)

	2017	2016	2015
<b>Total Pension Liability</b>			
Service cost	\$ 3,891,466	\$ 3,819,202	\$ 3,701,095
Interest	18,585,805	17,695,500	17,072,926
Differences between expected and actual experience	(2,515,718)	99,715	-
Changes in assumptions	-	10,351,934	-
Benefit payments, including refunds	(14,527,892)	(13,643,308)	(12,930,124)
<b>Net Change in Total Pension Liability</b>	5,433,661	18,323,043	7,843,897
<b>Total Pension Liability - Beginning of year</b>	237,726,010	219,402,967	211,559,070
<b>Total Pension Liability - End of year</b>	<b>\$ 243,159,671</b>	<b>\$ 237,726,010</b>	<b>\$ 219,402,967</b>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 15,725,356	\$ 5,096,203	\$ 4,675,271
Contributions - Employee	1,650,588	1,627,578	1,600,418
Net investment income	17,449,806	(2,305,957)	9,705,285
Administrative expenses	(348,853)	(340,843)	(355,364)
Benefit payments, including refunds	(14,527,892)	(13,643,308)	(12,930,124)
<b>Net Change in Plan Fiduciary Net Position</b>	19,949,005	(9,566,327)	2,695,486
<b>Plan Fiduciary Net Position - Beginning of year</b>	148,213,174	157,779,501	155,084,015
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 168,162,179</b>	<b>\$ 148,213,174</b>	<b>\$ 157,779,501</b>
<b>Net Pension Liability - Ending</b>	<b>\$ 74,997,492</b>	<b>\$ 89,512,836</b>	<b>\$ 61,623,466</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	69.16 %	62.35 %	71.91 %
<b>Covered Employee Payroll</b>	\$ 36,992,486	\$ 36,833,068	\$ 35,107,048
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	202.7 %	243.0 %	175.5 %

# Suburban Mobility Authority for Regional Transportation

## Required Supplemental Information

### Schedule of Suburban Mobility Authority for Regional Transportation Pension Contributions Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	\$ 5,725,357	\$ 5,096,203	\$ 4,788,752	\$ 4,549,591	\$ 4,747,571	\$ 5,194,092	\$ 5,952,816	\$ 5,118,276	\$ 5,365,368	\$ 5,069,952
Contributions in relation to the actuarially determined contribution	<u>15,725,357</u>	<u>5,096,203</u>	<u>4,788,752</u>	<u>4,624,857</u>	<u>3,980,544</u>	<u>4,649,410</u>	<u>6,466,982</u>	<u>4,828,115</u>	<u>5,265,668</u>	<u>5,245,276</u>
<b>Contribution Deficiency (Excess)</b>	<b><u>\$(10,000,000)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (75,266)</u></b>	<b><u>\$ 767,027</u></b>	<b><u>\$ 544,682</u></b>	<b><u>\$ (514,166)</u></b>	<b><u>\$ 290,161</u></b>	<b><u>\$ 99,700</u></b>	<b><u>\$ (175,324)</u></b>
<b>Covered Employee Payroll</b>	<b>\$ 36,992,486</b>	<b>\$ 36,833,068</b>	<b>\$ 35,107,048</b>	<b>\$ 34,791,376</b>	<b>\$ 34,887,806</b>	<b>\$ 36,714,556</b>	<b>\$ 39,146,755</b>	<b>\$ 40,597,694</b>	<b>\$ 42,972,512</b>	<b>\$ 40,865,007</b>
<b>Contributions as a Percentage of Covered Employee Payroll</b>	42.5 %	13.8 %	13.6 %	13.3 %	11.4 %	12.7 %	16.5 %	11.9 %	12.3 %	12.8 %

#### Notes to Schedule of Suburban Mobility Authority for Regional Transportation Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of December 31, 2014, which is 18 months prior to the beginning of the fiscal year in which the contributions are reported.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	24 years
Asset valuation method	5-year smoothed market
Inflation	2.5 percent
Salary increases	3.75 percent, including inflation
Investment rate of return	7.75 percent
Retirement age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	50 percent male - 50 percent female blend of the RP-2014 Mortality Tables
Other information	None

# Suburban Mobility Authority for Regional Transportation

## Required Supplemental Information OPEB System Schedule Year Ended June 30, 2017

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/13	\$ 22,982,071	\$202,106,111	\$179,124,040	11.4	\$ 34,791,376	514.9
12/31/14	24,457,408	180,659,786	156,202,378	13.5	35,107,048	444.9
12/31/16	39,990,911	195,802,936	155,812,025	20.4	36,833,068	423.0

## **Other Supplemental Information**

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# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Operating Revenue Schedule Year Ended June 30, 2017

Description	Jul 1, 2016 to Sep 30, 2016	Oct 1, 2016 to Jun 30, 2017	Total
Passenger fares	\$ 2,910,326	\$ 8,663,466	\$ 11,573,792
Contract fares	30,020	86,584	116,604
Advertising	179,632	454,097	633,729
Rental of buildings or other property	9,643	52,524	62,167
Gains from the sale of capital assets	-	-	-
Other nontrans. revenue	6,976	2,057,781	2,064,757
Other local contracts - Mun. Cr.	-	2,622	2,622
Other local contracts - Com. Cr.	56,462	172,308	228,770
Total revenue	\$ 3,193,059	\$ 11,489,382	\$ 14,682,441



# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Operating Revenue Schedule State Year Ended September 30, 2016

Description	Oct 1, 2015 to Jun 30, 2016	Jul 1, 2016 to Sep 30, 2016	Total
Passenger fares	\$ 8,854,642	\$ 2,910,326	\$ 11,764,968
Contract fares	87,960	30,020	117,980
Advertising	532,600	179,632	712,232
Rental of buildings or other property	45,429	9,643	55,072
Gains from the sale of capital assets	-	-	-
Other nontrans. revenue	18,096	6,976	25,072
Other local contracts - Mun. Cr.	1,710	-	1,710
Other local contracts - Com. Cr.	176,214	56,462	232,676
Total revenue	<b>\$ 9,716,651</b>	<b>\$ 3,193,059</b>	<b>\$ 12,909,710</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Local Revenue Schedule Year Ended June 30, 2017

Description	Jul 1, 2016 to Sep 30, 2016	Oct 1, 2016 to Jun 30, 2017	Total
Taxes levied directly	\$ -	\$ -	\$ -
Local operating assistance millage	17,058,450	54,438,350	71,496,800
Other local contracts	-	-	-
Total revenue	<b>\$ 17,058,450</b>	<b>\$ 54,438,350</b>	<b>\$ 71,496,800</b>
<b>Interest Income</b>	<b>\$ 45,295</b>	<b>\$ 176,478</b>	<b>\$ 221,773</b>
<b>Refunds and Credits</b>	<b>\$ 12,685</b>	<b>\$ 404,678</b>	<b>\$ 417,363</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Local Revenue Schedule State Year Ended September 30, 2016

Description	Oct 1, 2015 to Jun 30, 2016	Jul 1, 2016 to Sep 30, 2016	Total
Taxes levied directly	\$ -	\$ -	\$ -
Local operating assistance millage	51,443,773	17,058,450	68,502,223
Other local contracts	-	-	-
Total revenue	<b>\$ 51,443,773</b>	<b>\$ 17,058,450</b>	<b>\$ 68,502,223</b>
<b>Interest Income</b>	<b>\$ 116,500</b>	<b>\$ 45,295</b>	<b>\$ 161,795</b>
<b>Refunds and Credits</b>	<b>\$ 517,368</b>	<b>\$ 12,685</b>	<b>\$ 530,053</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Federal and State Operating Revenue Year Ended June 30, 2017

Description	Jul 1, 2016 to Sep 30, 2016	Oct 1, 2016 to Jun 30, 2017	Total
State Operating Assistance	\$ 7,086,164	\$ 23,645,836	\$ 30,732,000
Line-item municipal credit	815,268	815,272	1,630,540
Mun. Cr. special appropriation	815,268	815,272	1,630,540
Other MDOT/BPT contracts and reimb. - State Preventive Maintenance 2012-0170 PXX	-	1,000,000	1,000,000
Subtotal SMART State	8,716,700	26,276,380	34,993,080
Pass-through State Act 51:			
Bedford	21,740	97,149	118,889
Bedford (prior year)	-	(21,692)	(21,692)
LETG Urban and Non-Urban	255,848	1,212,925	1,468,773
LETG Urban and Non-Urban (prior year)	-	(36,152)	(36,152)
Royal Oak Township	5,668	19,687	25,355
Royal Oak Township (prior year)	(6,702)	-	(6,702)
Total Pass-through State Act 51	276,554	1,271,917	1,548,471
Other state pass-through grants:			
Specialized Service Grant FY 2016	196,951	-	196,951
Specialized Service Grant FY 2017	-	590,868	590,868
JARC PASS THRU 2012-0170 P21	-	320,073	320,073
JARC PASS THRU 2007-0294 Z45	-	192,987	192,987
MOBILITY MGT 2012-0170 P20	-	68,341	68,341
MOBILITY MGT 2012-0170 P38	-	18,572	18,572
NOTA JARC Non-Urban 2017-0130 P03	-	38,885	38,885
NOTA JARC Non-Urban 2012-0170 P35	-	35,177	35,177
NOTA New Freedom 2012-0170 P36	-	18,010	18,010
NOTA New Freedom 2012-0170 P02	-	18,665	18,665
Total other state pass-through grants	196,951	1,301,578	1,498,529
Grand total state revenue per F/S	<b>\$ 9,190,205</b>	<b>\$ 28,849,875</b>	<b>\$ 38,040,080</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Federal and State Operating Revenue (Continued) Year Ended June 30, 2017

Description	Jul 1, 2016 to Sep 30, 2016	Oct 1, 2016 to Jun 30, 2017	Total
Preventive maintenance - MI-2016-025-03	\$ -	\$ 4,000,000	\$ 4,000,000
Planning/capital cost of contracting - FY 2017 UWP - CONTRACT #MI-80-X006	79,458	233,097	312,555
Reimb. for JARC Admin MI-37-0043	12,171	31,782	43,953
Reimb. for New Freedom Admin. MI-XX-XXXX	16,775	37,609	54,384
Subtotal SMART federal	108,404	4,302,488	4,410,892
Other federal pass-through grants:			
Section 5307 Lake Erie MI-90-4777	109,710	471,198	580,908
Section 5311 Lake Erie MI-18-0055	50,557	130,613	181,170
JARC	-	526,734	526,734
NOTA New Freedom 2012-0130 P02	-	18,665	18,665
NOTA JARC Non-Urban 2017-0130 P03	-	38,885	38,885
NOTA New Freedom 2012-0170 P36	-	18,011	18,011
NOTA JARC Non-Urban 2012-0170 P35	-	35,176	35,176
New Freedom	-	1,367,648	1,367,648
Total pass-through federal	160,267	2,606,930	2,767,197
Grand total federal revenue per F/S	<b>\$ 268,671</b>	<b>\$ 6,909,418</b>	<b>\$ 7,178,089</b>
Grand total state and federal	<b>\$ 9,458,876</b>	<b>\$ 35,759,293</b>	<b>\$ 45,218,169</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Federal and State Operating Revenue State Year Ended September 30, 2016

Description	Oct 1, 2015 to Jun 30, 2016	Jul 1, 2016 to Sep 30, 2016	Total
State Operating Assistance	\$ 23,238,898	\$ 7,086,164	\$ 30,325,062
Line-item municipal credit	1,087,027	815,268	1,902,295
Mun. Cr. Special Appropriation	1,087,027	815,268	1,902,295
Other MDOT/BPT contracts and reimb. - State Preventive Maintenance 2012-0170 PXX	1,000,000	-	1,000,000
Subtotal SMART state	26,412,952	8,716,700	35,129,652
Pass-through State Act 51:			
Bedford	97,830	21,740	119,570
Bedford (prior year)	(7,598)	-	(7,598)
LETC Urban and Non-Urban	1,151,316	255,848	1,407,164
LETC Urban and Non-Urban (prior year)	(67,957)	-	(67,957)
Royal Oak Township	20,412	5,668	26,080
Royal Oak Township (prior year)	(4,863)	(6,702)	(11,565)
Total pass-through State Act 51	1,189,140	276,554	1,465,694
Other state pass-through grants:			
Specialized Service Grant FY 2016	-	196,951	196,951
Specialized Service Grant FY 2017	590,868	-	590,868
JARC PASS THRU 2012-0170 P21	134,771	-	134,771
JARC PASS THRU 2007-0294 Z45	105,328	-	105,328
NOTA JARC Non-Urban 2017-0130 P03	94,609	-	94,609
NOTA JARC Non-Urban 2012-0170 P35	23,886	-	23,886
NOTA New Freedom 2012-0170 P36	26,139	-	26,139
NOTA New Freedom 2012-0170 P02	13,795	-	13,795
Total other state pass-through grants	989,396	196,951	1,186,347
Grand total state revenue per F/S	\$ 28,591,488	\$ 9,190,205	\$ 37,781,693

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Federal and State Operating Revenue (Continued) State Year Ended September 30, 2016

Description	Oct 1, 2015 to Jun 30, 2016	Jul 1, 2016 to Sep 30, 2016	Total
Preventive maintenance - MI-2016-025-03	\$ 3,999,687	\$ -	\$ 3,999,687
Planning/capital cost of contracting - FY 2017 UWP - CONTRACT #MI-80-X006	250,638	79,458	330,096
Reimb. for JARC Admin MI-37-0043	15,891	12,171	28,062
Reimb. for New Freedom Admin. MI-XX-XXXX	26,027	16,775	42,802
Subtotal SMART federal	4,292,243	108,404	4,400,647
Other federal pass-through grants:			
Section 5307 Lake Erie MI-90-4777	425,848	109,710	535,558
Section 5311 Lake Erie MI-18-0055	156,497	50,557	207,054
JARC	283,365	-	283,365
New Freedom	381,936	-	381,936
Total pass-through federal	1,247,646	160,267	1,407,913
Grand total federal revenue per F/S	<b>\$ 5,539,889</b>	<b>\$ 268,671</b>	<b>\$ 5,808,560</b>
Grand total state and federal	<b>\$ 34,131,377</b>	<b>\$ 9,458,876</b>	<b>\$ 43,590,253</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information SMART Expense Schedule Year Ended June 30, 2017

Description	Jul 1, 2016 to Sep 30, 2016	Oct 1, 2016 to Jun 30, 2017	Total
Labor - Operators S&W	\$ 4,625,804	\$ 14,423,833	\$ 19,049,637
Labor - Other S&W	3,741,092	11,338,537	15,079,629
Labor - Dispatchers S&W	1,083,890	3,159,082	4,242,972
Other fringe benefits	13,179,493	(751,826)	12,427,667
Pensions - Defined contribution	6,945	19,613	26,558
Pensions - Defined benefit	1,703,376	11,965,007	13,668,383
Other postemployment benefits (OPEB)	3,512,859	10,090,433	13,603,292
Advertising fees	10,308	287,844	298,152
Audit cost	42,750	145,650	188,400
Other services	468,176	1,701,660	2,169,836
Fuel and lubricants	1,155,302	3,358,676	4,513,978
Tires and tubes	174,683	522,314	696,997
Other materials and supplies	1,059,072	2,913,641	3,972,713
Utilities	262,355	1,031,179	1,293,534
Casualty and liab. costs	1,920,048	6,908,168	8,828,216
Other insurance	15,831	47,500	63,331
Purchased transportation service - Pass-throughs that are expensed	2,192,620	9,875,700	12,068,320
Travel, meetings, and training	5,717	25,531	31,248
Association dues and subscriptions	-	-	-
Loss on disposal of asset	-	104,531	104,531
Other miscellaneous expenses	240,400	(17,237)	223,163
Cost overruns	-	-	-
Interest on long-term debt	-	-	-
Interest on short-term debt	-	-	-
Interest on capital lease	-	-	-
Leases and rentals	-	-	-
Depreciation	1,149,999	11,442,859	12,592,858
Total expenses	36,550,720	88,592,695	125,143,415



# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information SMART Expense Schedule (Continued) Year Ended June 30, 2017

Description	Jul 1, 2016 to Sep 30, 2016	Oct 1, 2016 to Jun 30, 2017	Total
Less ineligible expenses:			
Ineligible refunds and credits	\$ 12,685	\$ 404,678	\$ 417,363
Ineligible depreciation	-	10,946,773	10,946,773
Unused municipal credits	-	2,622	2,622
Unused community credits	56,462	172,308	228,770
Ineligible loss on disposal	-	104,531	104,531
Local contracts	-	-	-
Preventive maintenance (MI-90-0591)	-	4,000,000	4,000,000
Planning/capital cost of contracting	79,458	233,097	312,555
Admin expense paid by JARC	12,171	31,782	43,953
Admin expense paid by New Freedom	16,775	37,609	54,384
Admin expense paid under Section 5309	-	-	-
Other ineligible federal/state/local:			
CMAQ MI-95-0049	-	-	-
JARC MI-37-X033 2007-0294/Z10	-	-	-
Other ineligible state contracts:			
Pass-Thru Ineligibles	1,243,336	7,009,138	8,252,474
Section 5307 Lake Erie	109,710	471,198	580,908
Section 5311 Lake Erie	50,557	130,613	181,170
JARC	-	526,734	526,734
New Freedom	-	1,367,648	1,367,648
State preventive maintenance	-	1,000,000	1,000,000
Ineligible association dues	-	-	-
Ineligible pension	1,456,737	(4,301,884)	(2,845,147)
Ineligible OPEB	(2,343,203)	1,117,846	(1,225,357)
Other ineligibles - Garnishments	-	-	-
Total ineligibles	694,688	23,254,693	23,949,381
Total eligible expenses	\$ 35,856,032	\$ 65,338,002	\$ 101,194,034

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information SMART Expense Schedule (Continued) Year Ended June 30, 2017

Description	Jul 1, 2016 to Sep 30, 2016	Oct 1, 2016 to Jun 30, 2017	Total
Pass-throughs that are expensed:			
Nankin Subsidy	\$ 68,250	\$ 204,750	\$ 273,000
Lake Erie	437,855	1,854,041	2,291,896
Municipal credit - Formula	407,634	1,222,906	1,630,540
Municipal credit - Line Item	407,634	1,222,906	1,630,540
Community credit	815,265	2,445,815	3,261,080
Other state subsidized serv.:			
Specialized services	196,951	590,868	787,819
Royal Oak Twp	(1,034)	19,687	18,653
Contra SMART Paid Expense	(182,277)	(501,334)	(683,611)
NOTA JARC Non-Urban	-	148,123	148,123
NOTA Local JARC Non-Urban	-	-	-
NOTA New Freedom Non-Urban	-	146,702	146,702
JARC - New Freedom Urban	-	1,017,004	1,017,004
JARC - Mobility Management Urban	-	22,790	22,790
New Freedom Operating Assistant Urban	-	1,985,240	1,985,240
New Freedom Mobility Management Urban	-	461,941	461,941
New Freedom Local Operating Expense Urban	-	(1,065,971)	(1,065,971)
CBS Bloomfield Hills/Richmond Lennox	35,640	106,934	142,574
Pass-throughs that are expensed	<b>\$ 2,185,918</b>	<b>\$ 9,882,402</b>	<b>\$ 12,068,320</b>
Ineligible pass-throughs:			
Nankin Subsidy	\$ 68,250	\$ 204,750	\$ 273,000
Lake Erie	437,855	1,854,041	2,291,896
Municipal credit - Formula Admin Fee	56,799	170,401	227,200
Municipal credit - Line Item	407,634	1,222,906	1,630,540
Community credit Admin Fee	76,881	230,656	307,537
Other state subsidized serv.:			
Specialized services	196,951	590,868	787,819
Royal Oak Twp	(1,034)	19,687	18,653
NOTA JARC Non-Urban	-	148,123	148,123
NOTA Local JARC Non-Urban	-	-	-
NOTA New Freedom Non-Urban	-	146,702	146,702
JARC - New Freedom Urban	-	1,017,004	1,017,004
JARC - Mobility Management Urban	-	22,790	22,790
New Freedom Operating Assistant Urban	-	1,985,240	1,985,240
New Freedom Mobility Management Urban	-	461,941	461,941
New Freedom Local Operating Expense Urban	-	(1,065,971)	(1,065,971)
Ineligible pass-throughs	<b>\$ 1,243,336</b>	<b>\$ 7,009,138</b>	<b>\$ 8,252,474</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information SMART Expense Schedule State Year Ended September 30, 2016

Description	Oct 1, 2015 to Jun 30, 2016	Jul 1, 2016 to Sep 30, 2016	Total
Labor - Operators S&W	\$ 13,540,395	\$ 4,625,804	\$ 18,166,199
Labor - Other S&W	11,361,926	3,741,092	15,103,018
Labor - Dispatchers S&W	3,150,566	1,083,890	4,234,456
Other fringe benefits	9,349,901	13,179,493	22,529,394
Pensions - Defined contribution	17,380	6,945	24,325
Pensions - Defined benefit	12,383,590	1,703,376	14,086,966
Other postemployment benefits (OPEB)	10,024,935	3,512,859	13,537,794
Advertising fees	95,805	10,308	106,113
Audit cost	116,991	42,750	159,741
Other services	3,138,092	468,176	3,606,268
Fuel and lubricants	3,077,707	1,155,302	4,233,009
Tires and tubes	515,528	174,683	690,211
Other materials and supplies	3,830,248	1,059,072	4,889,320
Utilities	1,038,704	262,355	1,301,059
Casualty and liab. costs	6,570,540	1,920,048	8,490,588
Other insurance	47,862	15,831	63,693
Purchased transportation service - Pass-throughs that are expensed	8,164,295	2,192,620	10,356,915
Travel, meetings, and training	40,746	5,717	46,463
Association dues and subscriptions	-	-	-
Loss on disposal of asset	1,998,690	-	1,998,690
Other miscellaneous expenses	28,624	240,400	269,024
Cost overruns	-	-	-
Interest on long-term debt	-	-	-
Interest on short-term debt	-	-	-
Interest on capital lease	-	-	-
Leases and rentals	-	-	-
Depreciation	16,039,955	1,149,999	17,189,954
Total expenses	104,532,480	36,550,720	141,083,200

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information SMART Expense Schedule (Continued) State Year Ended September 30, 2016

Description	Oct 1, 2015 to Jun 30, 2016	Jul 1, 2016 to Sep 30, 2016	Total
Less ineligible expenses:			
Ineligible refunds and credits	\$ 517,368	\$ 12,685	\$ 530,053
Other ineligible state contracts			
Ineligible local contracts			
Ineligible depreciation	12,577,247	-	12,577,247
Unused municipal credits	1,710	-	1,710
Unused community credits	176,214	56,462	232,676
Ineligible loss on disposal	1,998,690	-	1,998,690
Local contracts	-	-	-
Preventive maintenance (MI-90-0591)	3,999,687	-	3,999,687
Planning/Cap. cost of contracting	250,638	79,458	330,096
Admin expense paid by JARC	15,891	12,171	28,062
Admin expense paid by New Freedom	26,027	16,775	42,802
Admin Expense Paid under Section 5309	-	-	-
Other ineligible state contracts:			
Pass-through ineligibles	5,254,896	1,243,336	6,498,232
Section 5307 Lake Erie	425,848	109,710	535,558
Section 5311 Lake Erie	156,497	50,557	207,054
JARC	283,365	-	283,365
New Freedom	381,936	-	381,936
State preventive maintenance	1,000,000	-	1,000,000
Ineligible interest	-	-	-
MPTA dues (7.10% INELIG.)	-	-	-
CTAA dues (1.66% INELIG.)	-	-	-
APTA dues (14.00% INELIG.)	-	-	-
Ineligible pension	(1,225,636)	1,456,737	231,101
Ineligible OPEB	(176,597)	(2,343,203)	(2,519,800)
Other ineligibles:			
Cost overruns	-	-	-
Garnishments	-	-	-
Total ineligibles	25,663,781	694,688	26,358,469
Total eligible expenses	\$ 78,868,699	\$ 35,856,032	\$ 114,724,731

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information SMART Expense Schedule (Continued) State Year Ended September 30, 2016

Description	Oct 1, 2015 to Jun 30, 2016	Jul 1, 2016 to Sep 30, 2016	Total
Pass-throughs that are expensed:			
Nankin Subsidy	\$ 204,750	\$ 68,250	\$ 273,000
Lake Erie	1,755,936	437,855	2,193,791
Mun. Cr. - Formula	1,222,906	407,634	1,630,540
Mun. Cr. - Line Item	1,222,906	407,634	1,630,540
Comm. Cr.	2,445,815	815,265	3,261,080
Other state subsidized serv.:			
Specialized services	590,868	196,951	787,819
Royal Oak Twp	15,549	(1,034)	14,515
Contra SMART Paid Expense	(465,198)	(182,277)	(647,475)
NOTA JARC Non-Urban Expense	118,495	-	118,495
NOTA Local JARC Non-Urban	-	-	-
NOTA New Freedom Non-Urban	79,867	-	79,867
JARC - New Freedom Expense Urban	451,354	-	451,354
JARC - Mobility Management Urban	72,111	-	72,111
New Freedom Operating Expense Urban	669,638	-	669,638
New Freedom Mobility Management Urban	47,117	-	47,117
New Freedom Local Operating Expense Urban	(374,752)	-	(374,752)
CBS Bloomfield Hills/Richmond Lenox	106,940	35,640	142,580
Pass-throughs that are expensed	<b>\$ 8,164,302</b>	<b>\$ 2,185,918</b>	<b>\$ 10,350,220</b>
Ineligible pass-throughs:			
Nankin Subsidy	\$ 204,750	\$ 68,250	\$ 273,000
Lake Erie	1,755,936	437,855	2,193,791
Mun. Cr. - Formula	170,401	56,799	227,200
Mun. Cr. - Line Item	1,222,906	407,634	1,630,540
Comm. Cr.	230,656	76,881	307,537
Other state subsidized serv.:			
Specialized services	590,868	196,951	787,819
Royal Oak Twp	15,549	(1,034)	14,515
NOTA JARC Non-Urban Expense	118,495	-	118,495
NOTA Local JARC Non-Urban	-	-	-
NOTA New Freedom Non-Urban	79,867	-	79,867
JARC - New Freedom Expense Urban	451,354	-	451,354
JARC - Mobility Management Urban	72,111	-	72,111
New Freedom Operating Expense Urban	669,638	-	669,638
New Freedom Mobility Management Urban	47,117	-	47,117
New Freedom Local Operating Expense Urban	(374,752)	-	(374,752)
Ineligible pass-throughs	<b>\$ 5,254,896</b>	<b>\$ 1,243,336</b>	<b>\$ 6,498,232</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information SMART Expense Schedule Year Ended June 30, 2017

	7/1/2016 thru 9/30/2016	10/1/2016 thru 6/30/2017	Total
Expense incurred:			
Pension - Defined benefit	\$ 3,417,096	\$ 10,251,287	\$ 13,668,383
OPEB - Defined benefit	3,262,088	9,786,265	13,048,353
Total	<b>\$ 6,679,184</b>	<b>\$ 20,037,552</b>	<b>\$ 26,716,736</b>
Amounts actually paid:			
Pension - Defined benefit	\$ 1,960,359	\$ 14,553,171	\$ 16,513,530
OPEB - Defined benefit	5,605,291	8,668,419	14,273,710
Total	<b>\$ 7,565,650</b>	<b>\$ 23,221,590</b>	<b>\$ 30,787,240</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information SMART Expense Schedule State Year Ended September 30, 2016

	10/1/2015 thru 6/30/2016	7/1/2016 thru 9/30/2016	Total
<b>Expense incurred:</b>			
Pension - Defined benefit	\$ 12,383,590	\$ 3,417,096	\$ 15,800,686
OPEB - Defined benefit	9,924,283	3,262,088	13,186,371
Total	<b>\$ 22,307,873</b>	<b>\$ 6,679,184</b>	<b>\$ 28,987,057</b>
<b>Amounts actually paid:</b>			
Pension - Defined benefit	\$ 13,609,226	\$ 1,960,359	\$ 15,569,585
OPEB - Defined benefit	10,100,880	5,605,291	15,706,171
Total	<b>\$ 23,710,106</b>	<b>\$ 7,565,650</b>	<b>\$ 31,275,756</b>
<b>Current year ineligible expense</b>			
Pension - Defined benefit			\$ (231,101)
OPEB - Defined benefit			2,519,800
Total			<b>\$ 2,288,699</b>
<b>Prior year carryforward - September 30, 2015</b>			
Pension - Defined benefit			\$ (3,717,349)
OPEB - Defined benefit			(15,456,799)
Total			<b>\$ (19,174,148)</b>
<b>Carryforward - September 30, 2016</b>			
Pension - Defined benefit			\$ (3,948,450)
OPEB - Defined benefit			(12,936,999)
Total			<b>\$ (16,885,449)</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Schedule of Financial Assistance Year Ended June 30, 2017

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL 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 %	FY2003	SECTION 5309	20.500	MI-03-0194	2002-0088 Z12	\$ 3,442,875	\$ -	\$ -	\$ -	65
CAPITAL ASSISTANCE	80 % - 20 %	FY2004	SECTION 5309	20.500	MI-03-0205	2002-0088 Z20	5,339,805	-	-	-	2
CAPITAL ASSISTANCE	80 % - 20 %	FY2006	SECTION 5309	20.500	MI-04-0013	2002-0088 Z37	7,623,000	-	-	-	96,058
CAPITAL ASSISTANCE	80 % - 20 %	FY2007	SECTION 5309	20.500	MI-04-0025	2007-0294 Z7	1,750,000	106,693	106,693	-	53,817
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	20.500	MI-04-0040	2007-0294 Z40	4,250,000	166,093	166,093	-	42,722
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5309	20.500	MI-04-0057	N/A	4,995,000	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	20.500	MI-04-0080	N/A	200,000	-	-	-	176,571
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5309	20.500	MI-04-0084	N/A	1,300,000	-	-	-	1,300,000
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	20.500	MI-04-0091	N/A	15,000,000	6,263,945	6,263,945	-	1,534,167
CAPITAL ASSISTANCE			SECTION 5339	20.526	MI-34-X003	2012-0170 P14	79,932	-	-	-	79,932
CAPITAL ASSISTANCE	80 % - 20 %	FY2010	SECTION 5309	20.500	N/A	2012-0170 P28	2,190,502	-	-	-	50,502
CAPITAL ASSISTANCE			SECTION 5339	20.526	MI-34-X003	2012-0170 P30	82,459	-	-	-	82,459
CAPITAL ASSISTANCE			SECTION 5339	20.526	MI-34-0005	N/A	6,920,868	2,122,560	2,122,560	-	4,798,308
TOTAL							53,174,441	8,659,291	8,659,291	-	8,214,603
PLANNING AND TECHNICAL STUDIES UWP PROGRAM	80 % - 20 %	FY2011		20.505	MI-80-X006	N/A	312,557	312,555	312,555	-	2
							312,557	312,555	312,555	-	2



# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Schedule of Financial Assistance (Continued) Year Ended June 30, 2017

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 %	FY2007	SECTION 5307	20.507	MI-90-0540	2007-0294 Z4	\$ 13,530,712	\$ -	\$ -	\$ -	8,409
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2007	SECTION 5307	20.507	MI-90-0541	2007-0294 Z3	295,603	-	-	-	136
CAPITAL ASSISTANCE	80 % - 20 %	FY2008	SECTION 5307	20.507	MI-90-0570	2007-0294 Z15	14,788,735	-	-	-	17,338
CAPITAL ASSISTANCE ARRA	100%	FY2009	SECTION 5307	20.507	MI-96-0007	N/A	18,479,625	-	-	-	18,111
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	-	-	-	25,215
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	606	606	-	3,856,394
CAPITAL ASSISTANCE	80 % - 20 %	FY2013	SECTION 5307	20.507	MI-90-0678		22,231,592	6,612,550	6,612,550	-	(12,912,022)
CAPITAL ASSISTANCE	80 % - 20 %	FY2014	SECTION 5307	20.507	MI-90-0678		4,000,000	-	-	-	-
CAPITAL ASSISTANCE	100%	FY2012	CMAQ	20.507	MI-95-X077	N/A	11,575,989	4,850,418	4,850,418	-	6,725,571
CAPITAL ASSISTANCE	80 % - 20 %	FY2012	SECTION 5307	20.507	MI-90-0758	2007-0294 Z39	492,476	-	-	-	52,852
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5307	20.507	MI-90-0679		62,247	-	-	-	62,247
CAPITAL ASSISTANCE	80 % - 20 %	FY2015	SECTION 5307	20.507	MI-90-0678		508,218	-	-	-	508,218
CAPITAL ASSISTANCE	80 % - 20 %	FY2015	SECTION 5307	20.507	MI-95-0077		11,575,989	-	-	-	1,799,289
CAPITAL ASSISTANCE	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-07	572,538	243,408	243,408	-	329,130
CAPITAL ASSISTANCE	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-02	2,948	2,948	2,948	-	-
CAPITAL ASSISTANCE (preventive maint)	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-03	4,000,000	4,000,000	4,000,000	-	-
CAPITAL ASSISTANCE (training)	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-03	20,000	916	916	-	19,084
CAPITAL ASSISTANCE	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-06	104,339	1,476	1,476	-	102,863
OPERATING ASSISTANCE (MONROE)	80 % - 20 %	FY2017	SECTION 5307	20.507	MI-XX-XXXXX		337,500	337,500	337,500	-	-
SMART PREVENTIVE MAINTENANCE			SECTION 5309	20.507	MI-96-0007		10,000	-	-	-	10,000
TOTAL							\$ 165,488,880	\$ 16,049,822	\$ 16,049,822	\$ -	\$ 1,562,124
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	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	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	100 % STATE	FY2001	SECTION 5310	N/A	N/A	2001-0862	526,736	-	-	-	157
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	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	-	-	-	(2,301)
CAPITAL ASSISTANCE	100 % STATE		SECTION 5310	20.513	MI-16-X005	2012-0170 P6	875,631	-	-	-	-
CAPITAL ASSISTANCE	100 % STATE		SECTION 5310	20.513	MI-16-X004	2012-0170 P16	31,138	-	-	-	31,138
CAPITAL ASSISTANCE	100 % STATE		SECTION 5310	20.513	MI-16-X004	2012-0170 P37	25,162	19,658	19,658	-	5,504
CAPITAL ASSISTANCE	100 % STATE		SECTION 5310	20.516	MI-37-X031 &37	2012-0170 P1	66,550	-	-	-	66,550
CAPITAL ASSISTANCE	100 % STATE		SECTION 5317	20.521	MI-57-0010	2012-0170 P2	102,340	-	-	-	(22,192)

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Schedule of Financial Assistance (Continued) Year Ended June 30, 2017

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	100 % STATE		SECTION 5317	20.521	MI-57-0010	2012-0170 P7	\$ 53,981	\$ -	\$ -	\$ -	\$ -
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	-	-	-	-
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	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2006	SECTION 5309	N/A	MI-04-0013	2002-0088 Z37	1,023,510	-	-	-	44,401
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2006	SECTION 5307	N/A	MI-90-0489	2002-0088 Z38	30,000	-	-	-	29,763
CAPITAL ASSISTANCE	80 % - 20 %	FY2007	SECTION 5307	N/A	MI-90-0540	2007-0294 Z4	64,482	-	-	-	1,994
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	-	-	26,673	215,958
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	-	-	-	2,708
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	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	-	-	-	3,145
CAPITAL ASSISTANCE	80 % - 20 %	FY2010	SECTION 5309	N/A	MI-04-0057	2007-0294 Z29	139,865	-	-	-	195
CAPITAL ASSISTANCE	80 % - 20 %	FY2010	SECTION 5307	N/A	MI-90-X756	2007-0294 Z38	85,057	-	-	98	27,014
CAPITAL ASSISTANCE State Preventive Maintenance	80 % - 20 %	FY2012	SECTION 5307	N/A	MI-90-0756	2007-0294 ZXX	-	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2010	SECTION 5307	N/A	MI-90-X758	2007-0294 Z39	37,771	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY08-FY09	SECTION 5309	N/A	MI-04-0040	2007-0294 Z40	1,062,500	-	-	46,059	174,818
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 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, 2017

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	\$ -	\$ -	\$ -	\$ 67,189
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5310	N/A		2012-0170 P9	-	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5310	N/A		2012-0170 P17	-	-	-	1,653,137	-
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5310	N/A		2012-0170 P18	-	-	-	530,640	-
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5310	N/A		2012-0170 P19	-	-	-	1,565,986	-
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5310	N/A		2012-0170 P20	-	-	-	365,696	-
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5310	N/A		2012-0170 P21	-	-	-	7,144	-
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5310	N/A		2012-0170 P22	-	-	-	1,212,604	-
CAPITAL ASSISTANCE TRANSIT SECURITY	100 % STATE	FY2007		N/A	N/A	2007 TSGP	310,872	-	-	-	173,238
CAPITAL ASSISTANCE			SECTION 5339	20.526	MI-34-X003	2012-0170 P18	6,920,868	-	-	-	6,920,868
CAPITAL ASSISTANCE		FY 2010	SECTION 5309	20.5	MI-04-0084	2012-0170 P11	-	-	-	-	-
CAPITAL ASSISTANCE			SECTION 5339	20.526	MI-34-X003	2012-0170 P14	-	-	-	-	-
CAPITAL ASSISTANCE			SECTION 5339	20.526	MI-34-X003	2012-0170 P30	-	-	-	-	-
COMBINED STATE CONTRACTS							\$ 40,672,845	\$ 19,658	\$ 19,658	\$ 5,408,037	\$ 8,754,561
TOTAL CAPITAL ASSISTANCE							\$ 259,648,723	\$ 25,041,326	\$ 25,041,326	\$ 5,408,037	\$ 18,531,290
ACCESS TO JOBS (FEDERAL SHARE):											
SMART CAPITAL	80 % - 20 %		SECTION 5316	20.516	MI-37-X033		\$ 292,024	\$ -	\$ -	\$ -	\$ 292,024
FY2006 SECTION 5316 JARC OPERATING RICHMOND LENOX	50 % - 50 %	FY2006	SECTION 5316	20.516	MI-37-X033	2007-0294 Z21	58,166	-	-	-	58,166
FY2007 SECTION 5316 CAPITAL SMART	80 % - 20 %	FY2007	SECTION 5316	20.516	MI-37-0040	2007-0294 Z29	559,459	-	-	-	-
SECTION 5316 CAPITAL SMART			SECTION 5316	20.516	MI-37-0050		305,980	28,576	28,576	-	277,404
FY2007 SECTION 5316 PROGRAM ADMINISTRATION	50 % - 50 %	FY2007	SECTION 5316	20.516	MI-37-6040	2007-0294 Z29	62,162	-	-	-	29,021
JARC PROGRAM MOB MANAGEMENT		FY2008	SECTION 5316	20.516	MI-37-0043	2007-0294 Z45	362,969	-	-	-	40,420
JARC PROGRAM MOB MANAGEMENT			SECTION 5316	20.516	MI-37-0050		328,734	18,232	18,232	-	310,502
JARC PROGRAM OPERATING		FY2008	SECTION 5316	20.516	MI-37-4043	2007-0294 Z45	1,448,472	192,987	192,987	-	(123,869)
JARC PROGRAM OPERATING			SECTION 5316	20.516	MI-37-4050		1,894,878	315,515	315,515	-	1,579,363
JARC PROGRAM ADMIN		FY2008	SECTION 5316	20.516	MI-37-6043	N/A	214,639	43,953	43,953	-	43,275
JARC NON-URBAN NOTA	50 % - 50 %	FY 2015	SECTION 5311	20.509	MI-18-0055	2012-0170 P29	51,035	-	-	-	-
JARC NON-URBAN NOTA	50 % - 50 %	FY 2016	SECTION 5311	20.509	MI-18-0055	2012-0170 P35	38,909	-	-	-	-
TOTAL							\$ 5,617,427	\$ 599,263	\$ 599,263	\$ -	\$ 2,506,306

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Schedule of Financial Assistance (Continued) Year Ended June 30, 2017

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
NEW FREEDOM FEDERAL SHARE:											
SECT 5317 OPERATING		FY2006	SECTION 5317	20.521	MI-57-4007	2007-0294 Z19	\$ 382,143	\$ -	\$ -	\$ -	78,610
SECT 5317 PROGRAM ADMIN		FY2006	SECTION 5317	20.521	MI-57-6007	2007-0294 Z19	42,460	-	-	-	7,852
SECT 5317 OPERATING		FY2007	SECTION 5317	20.521	MI-57-4014	N/A	375,478	-	-	-	8,567
SECT 5317 PROGRAM ADMIN		FY2007	SECTION 5317	20.521	MI-57-6014	N/A	41,720	-	-	-	133
SECTION 5317 NEW FREEDOM CAPITAL			SECTION 5307	20.521	MI-57-0018	N/A	299,230	35,175	35,175	-	(11,596)
SECTION 5317 NEW FREEDOM OPERATING			SECTION 5307	20.521	MI-57-4018	N/A	917,171	-	-	-	-
SECTION 5317 NEW FREEDOM PROGRAM ADMIN			SECTION 5307	20.521	MI-57-6018	N/A	147,999	41,935	41,935	-	10,473
SECTION 5317 NEW FREEDOM CAPITAL			SECTION 5307	20.521	MI-57-0024	N/A	109,718	-	-	-	109,718
SECTION 5317 NEW FREEDOM CAPITAL			SECTION 5307	20.521	MI-57-0024	N/A	88,000	27,377	27,377	-	60,623
SECTION 5317 NEW FREEDOM PROGRAM ADMIN			SECTION 5307	20.521	MI-57-6024	N/A	51,247	5,638	5,638	-	-
SECTION 5317 NEW FREEDOM OPERATING			SECTION 5307	20.521	MI-57-0024	N/A	781,948	160,031	160,031	-	45,452
SECTION 5310 NEW FREEDOM PROGRAM ADMIN			SECTION 5310	20.513	MI-16-X007	2012-0170 P20	50,000	6,810	6,810	-	43,190
SECTION 5310 NEW FREEDOM OPERATING			SECTION 5310	20.513	MI-16-X007	2012-0170 P20	1,500,000	643,392	643,392	-	856,608
SECTION 5310 NEW FREEDOM MOBILITY MANAGEMENT			SECTION 5310	20.513	MI-16-X007	2012-0170 P20	320,000	273,363	273,363	-	46,637
SECTION 5310 NEW FREEDOM CAPITAL			SECTION 5310	20.513	MI-16-X007	2012-0170 P20	2,907,322	1,462,784	1,462,784	-	1,444,538
SECTION 5310 NEW FREEDOM CAPITAL			SECTION 5311	21.513	MI-16-X013	MI-2016-018-01	1,442,708	32,000	32,000	-	1,410,708
SECTION 5310 NEW FREEDOM OPERATING			SECTION 5311	21.513	MI-16-X013	MI-2016-018-02	1,162,000	154,022	154,022	-	1,007,978
SECTION 5310 NEW FREEDOM MOBILITY MANAGEMENT			SECTION 5311	21.513	MI-16-X013	MI-2016-018-02	302,000	74,288	74,288	-	227,712
SECTION 5310 NEW FREEDOM CAPITAL			SECTION 5311	21.513	MI-16-X013	MI-2016-018-03	934,513	934,513	934,513	-	-
TOTAL							\$ 11,855,657	\$ 3,851,328	\$ 3,851,328	\$ -	\$ 5,347,203
ACCESS TO JOBS (STATE SHARE):											
JARC PROGRAM OPERATING	100% STATE	FY2008	SECTION 5316	20.516	MI-37-4043	2007-0294 Z45	\$ 1,448,472	\$ -	\$ -	\$ -	-
JARC OPERATING ASSISTANCE	100% STATE		SECTION 5316	20.516		2012-0170 P21	-	-	-	-	-
TOTAL							\$ 1,448,472	\$ -	\$ -	\$ -	-
100% STATE JARC NOTA:											
SECTION 5316 JARC - NOTA - NON-URBAN	100% STATE	FY2012	SECTION 5316	20.516	N/A	2012-0170 P1	\$ 133,100	\$ -	\$ -	\$ -	73,298
SECTION 5316 JARC - NOTA - NON-URBAN	100% STATE	FY2012	SECTION 5316	20.516	N/A	2012-0170 P5	102,070	-	-	-	102,070
SECTION 5316 JARC - NOTA - NON-URBAN	100% STATE	FY2012	SECTION 5316	20.516	N/A	2012-0170 P13	102,070	-	-	-	102,070
SECTION 5316 JARC - NOTA - NON-URBAN (2017)	100% STATE	FY2012	SECTION 5316	20.516	N/A	2017-0130-P03	90,320	38,885	38,885	-	51,435
SECTION 5316 JARC - NOTA - NON-URBAN (2016)	100% STATE	FY2017	SECTION 5316	20.516	MI-18-0055	2012-0170 P35	38,909	35,177	35,177	-	3,732
TOTAL							\$ 466,469	\$ 74,062	\$ 74,062	\$ -	\$ 332,605
100% STATE NEW FREEDOM NOTA:											
SECTION 5317 NEW FREEDOM - NOTA - NON-URBAN	100 % STATE		SECTION 5317	20.521	MI-57-0010	2012-0170 P15	\$ 44,042	\$ -	\$ -	\$ -	44,042
SECTION 5317 NEW FREEDOM - NOTA - NON-URBAN	100 % STATE	FY 2015	SECTION 5317	20.521	MI-57-0010	2012-0170 P31	46,191	-	-	-	46,191
SECTION 5317 NEW FREEDOM - NOTA - NON-URBAN	100 % STATE	FY 2016	SECTION 5317	20.521	MI-57-0010	2012-0170 P36	44,426	18,011	18,011	-	26,415
SECTION 5317 NEW FREEDOM - NOTA - NON-URBAN	100 % STATE	FY 2017	SECTION 5317	20.521	MI-XX-XXX	2017-0130 P02	56,970	18,665	18,665	-	38,305
SECTION 5317 NEW FREEDOM - NOTA - NON-UBAN	100% STATE	FY2012	SECTION 5317	20.521	N/A	2012-0170 P2	204,680	-	-	-	204,680
TOTAL							\$ 396,309	\$ 36,676	\$ 36,676	\$ -	\$ 359,633

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## Other Supplemental Information Schedule of Financial Assistance (Continued) Year Ended June 30, 2017

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
PASSED THROUGH MDOT:											
OPERATING ASSIST. - SEC.5311	100 % STATE	FY2012	SECTION 5311	20.509	MI-18-0050	2012-0170 P4	\$ 200,879	\$ -	\$ -	\$ -	\$ 94,980
OPERATING ASSIST. - SEC.5311	100 % STATE	FY2013	SECTION 5311	20.509	MI-18-0050	2012-0170 P12	165,166	-	-	-	46,444
OPERATING ASSIST. - SEC.5311	100 % STATE	FY2015	SECTION 5311	20.509	MI-18-0050	2012-0170 P33	197,323	-	-	-	197,323
OPERATING ASSIST. - SEC.5311	100 % STATE	FY2016	SECTION 5311	20.509	MI-18-0055	2012-0170 P40	202,222	50,557	50,557	-	151,665
OPERATING ASSIST. - SEC.5311	100 % STATE	FY2017	SECTION 5311	20.509	MI-18-0055		116,100	130,613	130,613	-	(14,513)
TOTAL							881,690	181,170	181,170	-	475,899
SUBTOTAL							20,666,024	4,742,499	4,742,499	-	9,021,646
MICHIGAN DEPARTMENT OF TRANSPORTATION:											
OPERATING ASSISTANCE - ACT 51 SMART URBAN				N/A		9/30/2015	-	-	-	32,362,540	-
MUNICIPAL CREDIT SPECIAL APPROPRIATION				N/A		9/30/2015	-	-	-	1,630,540	-
OPERATING ASSISTANCE - ACT 51 BEDFORD URBAN				N/A		9/30/2015	-	-	-	97,197	-
OPERATING ASSISTANCE - ACT 51 LETC COMBINED				N/A		9/30/2015	-	-	-	1,432,621	-
ROYAL OAK TWP NEW SERVICES				N/A		9/30/2015	-	-	-	18,653	-
SPECIALIZED SERVICES		FY2014		N/A		2007-0294-ZXX	-	-	-	196,951	-
SPECIALIZED SERVICES		FY2015		N/A		2007-0294-ZXX	-	-	-	590,868	-
TOTAL							-	-	-	36,329,370	-
TOTAL OPERATING ASSISTANCE							20,666,024	4,742,499	4,742,499	36,329,370	9,021,646
GRAND TOTAL - ALL ASSISTANCE							\$ 280,314,747	\$ 29,783,825	\$ 29,783,825	\$ 41,737,407	\$ 27,552,936

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Other Operating Expenses Year Ended June 30, 2017

Description	Community Based			Royal Oak		
	1-Jul-16 to 30-Sep-16	1-Oct-16 to 30-Jun-17	Total Community Based	1-Jul-16 to 30-Sep-16	1-Oct-16 to 30-Jun-17	Total Royal Oak
<b>Revenue:</b>						
Fares	\$ 205,041	\$ 541,471	\$ 746,512	\$ 892	\$ 2,237	\$ 3,129
Taxes levied directly	35,387	509,856	545,243	-	-	-
Local operating assistance:						
General Fund/Property tax	455,972	1,634,493	2,090,465	-	18,000	18,000
Other	-	-	-	-	165	165
Other local contracts:						
Mun. Cr.	440,510	1,647,478	2,087,988	594	1,800	2,394
Comm. Cr.	372,584	1,274,208	1,646,792	1,709	5,130	6,839
Other MDOT/BPT contracts and reimb.:						
Act 51	111,624	231,944	343,568	5,668	19,687	25,355
Specialized services	16,959	68,171	85,130	-	-	-
Other federal transit contracts and reimb.	21,323	51,761	73,084	-	-	-
Interest income	7,695	24,883	32,578	5	7	12
<b>Total revenue</b>	<b>\$ 1,667,095</b>	<b>\$ 5,984,265</b>	<b>\$ 7,651,360</b>	<b>\$ 8,868</b>	<b>\$ 47,026</b>	<b>\$ 55,894</b>
<b>Total operating expenses</b>	<b>\$ 2,209,919</b>	<b>\$ 6,255,309</b>	<b>\$ 8,465,228</b>	<b>\$ 12,605</b>	<b>\$ 53,321</b>	<b>\$ 65,926</b>
<b>Ineligible expenses:</b>						
SMART Municipal Credits	440,510	1,647,478	2,087,988	594	1,800	2,394
SMART Community Credits	372,584	1,274,208	1,646,792	1,709	5,130	6,839
Act 51	111,624	231,944	343,568	-	-	-
State specialized services	16,959	68,171	85,130	-	-	-
Other federal contracts and reimb	21,323	51,761	73,084	-	-	-
Depreciation	8,535	17,190	25,725	-	-	-
<b>Total ineligible</b>	<b>971,535</b>	<b>3,290,752</b>	<b>4,262,287</b>	<b>2,303</b>	<b>6,930</b>	<b>9,233</b>
<b>Total eligible expenses</b>	<b>\$ 1,238,384</b>	<b>\$ 2,964,557</b>	<b>\$ 4,202,941</b>	<b>\$ 10,302</b>	<b>\$ 46,391</b>	<b>\$ 56,693</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Other Operating Expenses (Continued) Year Ended June 30, 2017

Description	Mt. Clemens			Nankin		
	1-Jul-16 to 30-Sep-16	1-Oct-16 to 30-Jun-17	Total Mt. Clemens	1-Jul-16 to 30-Sep-16	1-Oct-16 to 30-Jun-17	Total Nankin
	<b>Revenue:</b>					
Fares	\$ 16,826	\$ 46,466	\$ 63,292	\$ 68,250	\$ 204,750	\$ 273,000
Taxes levied directly	-	-	-	-	-	-
Local operating assistance:						
General Fund/Property tax	282,384	38,102	320,486	-	-	-
Other	-	-	-	33,688	101,063	134,751
Other local contracts:						
Mun. Cr.	4,221	8,438	12,659	40,060	120,180	160,240
Comm. Cr.	6,099	12,206	18,305	53,614	160,841	214,455
Other MDOT/BPT contracts and reimb. -						
Specialized services	-	11,615	11,615	-	-	-
Other federal transit contracts and reimb.						
Refunds and rebates	-	862	862	-	-	-
Interest income	-	427	427	-	-	-
Total revenue	<b>\$ 309,530</b>	<b>\$ 118,116</b>	<b>\$ 427,646</b>	<b>\$ 195,612</b>	<b>\$ 586,834</b>	<b>\$ 782,446</b>
Total operating expenses	\$ 114,907	\$ 289,801	\$ 404,708	\$ 194,129	\$ 612,987	\$ 807,116
Ineligible expenses:						
SMART municipal credits	4,221	8,438	12,659	40,060	120,180	160,240
SMART community credits	6,099	12,206	18,305	53,614	160,841	214,455
State specialized services	-	11,615	11,615	-	-	-
Refunds and rebates	-	862	862	-	-	-
Depreciation	-	-	-	-	-	-
Total ineligible	10,320	33,121	43,441	93,674	281,021	374,695
Total eligible expenses	<b>\$ 104,587</b>	<b>\$ 256,680</b>	<b>\$ 361,267</b>	<b>\$ 100,455</b>	<b>\$ 331,966</b>	<b>\$ 432,421</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Other Operating Expenses (Continued) Redford Township Year Ended March 31, 2017

Description	Redford		Total Redford
	1-Apr-16 to 30-Sep-16	1-Oct-16 to 31-Mar-17	
Revenue:			
Fares	\$ 8,658	\$ 8,398	\$ 17,056
Taxes levied directly	-	-	-
Local operating assistance:			
General Fund/Property tax	8,721	74,067	82,788
Other	-	45,000	45,000
Other local contracts:			
Mun. Cr.	25,042	25,038	50,080
Comm. Cr.	34,340	34,338	68,678
Other MDOT/BPT contracts and reimb. -			
Specialized services	(1,650)	10,726	9,076
Other federal transit contracts and reimb.	-	-	-
Refunds and rebates	-	-	-
Interest income	-	464	464
Total revenue	<u>\$ 75,111</u>	<u>\$ 198,031</u>	<u>\$ 273,142</u>
Total operating expenses	\$ 101,420	\$ 108,751	\$ 210,171
Ineligible expenses:			
SMART municipal credits	25,042	25,038	50,080
SMART community credits	34,340	34,338	68,678
State specialized services	(1,650)	10,726	9,076
Refunds and rebates	-	-	-
Depreciation	-	-	-
Total ineligible	<u>57,732</u>	<u>70,102</u>	<u>127,834</u>
Total eligible expenses	<u>\$ 43,688</u>	<u>\$ 38,649</u>	<u>\$ 82,337</u>



# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Other Operating Expenses (Continued) S.T.A.R. Year Ended March 31, 2017

Description	S.T.A.R.		Total S.T.A.R.
	1-Apr-16 to 30-Sep-16	1-Oct-16 to 31-Mar-17	
Revenue:			
Fares	\$ 833	\$ 1,385	\$ 2,218
Taxes levied directly	-	419,900	419,900
Local operating assistance:			
General Fund/Property tax	-	-	-
Other	41,503	79,888	121,391
Other local contracts:			
Mun. Cr.	-	-	-
Comm. Cr.	-	-	-
Other MDOT/BPT contracts and reimb. -			
Specialized services	13,990	5,332	19,322
Other federal transit contracts and reimb.	-	631	631
Interest income	421	-	421
Total revenue	<b>\$ 56,747</b>	<b>\$ 507,136</b>	<b>\$ 563,883</b>
Total operating expenses	\$ 231,803	\$ 352,117	\$ 583,920
Ineligible expenses:			
SMART municipal credits	-	-	-
SMART community credits	-	-	-
State specialized services	106,602	152,314	258,916
Charter expense	-	-	-
Depreciation	-	-	-
Total ineligible	106,602	152,314	258,916
Total eligible expenses	<b>\$ 125,201</b>	<b>\$ 199,803</b>	<b>\$ 325,004</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Other Operating Expenses State Year Ended September 30, 2016

Description	Community Based			Royal Oak		
	1-Oct-15 to 30-Jun-16	1-Jul-16 to 30-Sep-16	Total Community Based	1-Oct-15 to 30-Jun-16	1-Jul-16 to 30-Sep-16	Total Royal Oak
Revenue:						
Fares	\$ 490,916	\$ 205,041	\$ 695,957	\$ 1,999	\$ 892	\$ 2,891
Taxes levied directly	482,011	35,387	517,398	-	-	-
Local operating assistance:						
General Fund/Property tax	1,575,834	455,972	2,031,806	55,000	-	55,000
Other	-	-	-	5,130	-	5,130
Local special demonstration - Project assistance	-	-	-	-	-	-
Other local contracts:						
Mun. Cr.	1,578,676	440,510	2,019,186	1,800	594	2,394
Comm. Cr.	1,019,943	372,584	1,392,527	-	1,709	1,709
Other MDOT/BPT contracts and reimb.:						
Act 51	127,671	111,624	239,295	20,412	5,668	26,080
Specialized services	30,229	16,959	47,188	-	-	-
Other federal transit contracts and reimb.	83,999	21,323	105,322	-	-	-
Interest income	26,554	7,695	34,249	12	5	17
Total revenue	<b>\$ 5,415,833</b>	<b>\$ 1,667,095</b>	<b>\$ 7,082,928</b>	<b>\$ 84,353</b>	<b>\$ 8,868</b>	<b>\$ 93,221</b>
Total operating expenses	\$ 5,906,861	\$ 2,209,919	\$ 8,116,780	\$ 50,377	\$ 12,605	\$ 62,982
Ineligible expenses:						
SMART municipal credits	1,578,676	440,510	2,019,186	1,800	594	2,394
SMART community credits	1,019,943	372,584	1,392,527	-	1,709	1,709
Act 51	127,671	111,624	239,295	-	-	-
State specialized services	30,229	16,959	47,188	-	-	-
Other Federal contracts and reimb	83,999	21,323	105,322	-	-	-
Depreciation	22,366	8,535	30,901	-	-	-
Total ineligible	2,862,884	971,535	3,834,419	1,800	2,303	4,103
Total eligible expenses	<b>\$ 3,043,977</b>	<b>\$ 1,238,384</b>	<b>\$ 4,282,361</b>	<b>\$ 48,577</b>	<b>\$ 10,302</b>	<b>\$ 58,879</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Other Operating Expenses (Continued) State Year Ended September 30, 2016

Description	Mt. Clemens			Nankin		
	I-Oct-15 to 30-Jun-16	I-Jul-16 to 30-Sep-16	Total Mt. Clemens	I-Oct-15 to 30-Jun-16	I-Jul-16 to 30-Sep-16	Total Nankin
Revenue:						
Fares	\$ 54,246	\$ 16,826	\$ 71,072	\$ 95,084	\$ 68,250	\$ 163,334
Taxes levied directly	-	-	-	-	-	-
Local operating assistance:						
General Fund/Property tax	9,706	282,384	292,090	-	-	-
Other	-	-	-	204,750	33,688	238,438
Other local contracts:						
Mun. Cr.	9,849	4,221	14,070	120,180	40,060	160,240
Comm. Cr.	17,671	6,099	23,770	160,841	53,614	214,455
Other MDOT/BPT contracts and reimb. -						
Specialized services	6,909	-	6,909	-	-	-
Other federal transit contracts and reimb.	-	-	-	-	-	-
Refunds and rebates	2,653	-	2,653	-	-	-
Interest income	-	-	-	-	-	-
Total revenue	<u>\$ 101,034</u>	<u>\$ 309,530</u>	<u>\$ 410,564</u>	<u>\$ 580,855</u>	<u>\$ 195,612</u>	<u>\$ 776,467</u>
Total operating expenses	\$ 290,519	\$ 114,907	\$ 405,426	\$ 568,948	\$ 194,129	\$ 763,077
Ineligible expenses:						
SMART municipal credits	9,849	4,221	14,070	120,180	40,060	160,240
SMART community credits	17,671	6,099	23,770	160,841	53,614	214,455
State specialized services	6,909	-	6,909	-	-	-
Refunds and rebates	2,653	-	2,653	-	-	-
Depreciation	-	-	-	-	-	-
Total ineligible	<u>37,082</u>	<u>10,320</u>	<u>47,402</u>	<u>281,021</u>	<u>93,674</u>	<u>374,695</u>
Total eligible expenses	<u>\$ 253,437</u>	<u>\$ 104,587</u>	<u>\$ 358,024</u>	<u>\$ 287,927</u>	<u>\$ 100,455</u>	<u>\$ 388,382</u>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Other Operating Expenses (Continued) State Year Ended September 30, 2016

Description	Redford		Total Redford
	1-Oct-15 to 31-Mar-16	1-Apr-16 to 30-Sep-16	
Revenue:			
Fares	\$ 7,478	\$ 8,658	\$ 16,136
Taxes levied directly	-	-	-
Local operating assistance:			
General Fund/Property tax	83,222	8,721	91,943
Other	45,000	-	45,000
Other local contracts:			
Mun. Cr.	25,038	25,042	50,080
Comm. Cr.	34,338	34,340	68,678
Other MDOT/BPT contracts and reimb. -			
Specialized services	6,451	(1,650)	4,801
Other federal transit contracts and reimb.	-	-	-
Refunds and rebates	7,539	-	7,539
Interest income	376	-	376
Total revenue	<u>\$ 209,442</u>	<u>\$ 75,111</u>	<u>\$ 284,553</u>
Total operating expenses	\$ 160,729	\$ 101,420	\$ 262,149
Ineligible expenses:			
SMART municipal credits	25,038	25,042	50,080
SMART community credits	34,338	34,340	68,678
State specialized services	6,451	(1,650)	4,801
Refunds and rebates	7,539	-	7,539
Depreciation	-	-	-
Total ineligible	<u>73,366</u>	<u>57,732</u>	<u>131,098</u>
Total eligible expenses	<u>\$ 87,363</u>	<u>\$ 43,688</u>	<u>\$ 131,051</u>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Other Operating Expenses (Continued) State Year Ended September 30, 2016

Description	S.T.A.R.		Total S.T.A.R.
	1-Oct-15 to 31-Mar-16	1-Apr-16 to 30-Sep-16	
Revenue:			
Fares	\$ 10,580	\$ 833	\$ 11,413
Taxes levied directly	414,199	-	414,199
Local operating assistance:			
General Fund/Property tax	-	-	-
Other	73,858	41,503	115,361
Other local contracts:			
Mun. Cr.	-	-	-
Comm. Cr.	-	-	-
Other MDOT/BPT contracts and reimb. - Specialized services	12,241	13,990	26,231
Other federal transit contracts and reimb.	-	-	-
Interest income	249	421	670
Total revenue	<b>\$ 511,127</b>	<b>\$ 56,747</b>	<b>\$ 567,874</b>
Total operating expenses	\$ 361,610	\$ 231,803	\$ 593,413
Ineligible expenses:			
SMART municipal credits	-	-	-
SMART community credits	-	-	-
State specialized services	147,391	106,602	253,993
Charter expense	4,650	-	4,650
Depreciation	-	-	-
Total ineligible	152,041	106,602	258,643
Total eligible expenses	<b>\$ 209,569</b>	<b>\$ 125,201</b>	<b>\$ 334,770</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Other Operating Expenses - Combined Total State Year Ended September 30, 2016

Description	Total Community Based	Total Mt. Clemens	Total Nankin	Total Redford	Total S.T.A.R.	Total Other
Fares	\$ 695,957	\$ 71,072	\$ 163,334	\$ 16,136	\$ 11,413	\$ 957,912
Taxes levied directly	517,398	-	-	-	414,199	931,597
Local operating assistance:						
General Fund/Property tax	2,031,806	292,090	-	91,943	-	2,415,839
Other	-	-	238,438	45,000	115,361	398,799
Other local contracts:						
Mun. Cr.	2,019,186	14,070	160,240	50,080	-	2,243,576
Comm. Cr.	1,392,527	23,770	214,455	68,678	-	1,699,430
Other MDOT/BPT contracts and reimb.:						
Act 51	239,295	-	-	-	-	239,295
Specialized services	47,188	6,909	-	4,801	26,231	85,129
Other federal transit contracts and reimb.	105,322	-	-	-	-	105,322
Refunds/rebates/insurance proceeds	-	2,653	-	7,539	-	10,192
Interest income	34,249	-	-	376	670	35,295
<b>Total revenue</b>	<b>\$ 7,082,928</b>	<b>\$ 410,564</b>	<b>\$ 776,467</b>	<b>\$ 284,553</b>	<b>\$ 567,874</b>	<b>\$ 9,122,386</b>
<b>Total operating expenses</b>	<b>\$ 8,116,780</b>	<b>\$ 405,426</b>	<b>\$ 763,077</b>	<b>\$ 262,149</b>	<b>\$ 593,413</b>	<b>\$ 10,140,845</b>
Ineligible expenses:						
SMART municipal credits	2,019,186	14,070	160,240	50,080	-	2,243,576
SMART community credits	1,392,527	23,770	214,455	68,678	-	1,699,430
Act 51	239,295	-	-	-	-	239,295
State specialized services	47,188	6,909	-	4,801	253,993	312,891
Charter expense	-	-	-	-	4,650	4,650
Refunds/rebates/insurance proceeds	-	2,653	-	7,539	-	10,192
Other federal contracts and reimb	105,322	-	-	-	-	105,322
Depreciation	30,901	-	-	-	-	30,901
<b>Total ineligible</b>	<b>3,834,419</b>	<b>47,402</b>	<b>374,695</b>	<b>131,098</b>	<b>258,643</b>	<b>4,646,257</b>
<b>Total eligible expenses</b>	<b>\$ 4,282,361</b>	<b>\$ 358,024</b>	<b>\$ 388,382</b>	<b>\$ 131,051</b>	<b>\$ 334,770</b>	<b>\$ 5,494,588</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information URBAN Revenue Combined Schedule State Year Ended September 30, 2016

Description	SMART Directly Provided	Other	Total for URBAN OAR
Passenger fares	\$ 11,764,968	\$ 957,912	\$ 12,722,880
Contract fares	117,980	-	117,980
Concessions	-	-	-
Advertising	712,232	-	712,232
Other auxiliary trans revenue	-	-	-
Sales of maintenance services	-	-	-
Rental of bldgs or other property	55,072	-	55,072
Gains from the sale of capital assets	-	-	-
Other nontrans revenue	25,072	-	25,072
Taxes levied directly	68,502,223	931,597	69,433,820
Local operating assistance	-	2,814,638	2,814,638
Other local contracts - Municipal credit recapture	1,710	-	1,710
Other local community credits	232,676	1,699,430	1,932,106
State operating assistance:			
SMART	30,325,062	-	30,325,062
Municipal credit	1,902,295	2,243,576	4,145,871
Bedford	111,972	-	111,972
LETC Urban and Non-Urban	1,339,207	-	1,339,207
Royal Oak Township	14,515	-	14,515
Line-item municipal credit	1,902,295	-	1,902,295
State preventive maintenance (20% State share)	1,000,000	-	1,000,000
Other MDOT/BPT contracts and reimb.:			
Specialized service grants	787,819	85,129	872,948
NOTA JARC 2007-0294 Z31	134,771	-	134,771
Reimb for Section 5309 Admin.	-	-	-
JARC PASS THRU 2007-0294 Z45	105,328	-	105,328
NOTA JARC Non-Urban 2017-0130 P03	94,609	-	94,609
NOTA JARC Non-Urban 2012-0170 P35	23,886	-	23,886
NOTA New Freedom 2012-0170 P36	26,139	-	26,139
NOTA New Freedom 2007-0294 Z35	13,795	-	13,795
Federal preventive maintenance -			
MI-90-0591	3,999,687	-	3,999,687
Planning/Capital cost of contracting -			
FY 2015 UWP - CONTRACT #MI-80-X006	330,096	-	330,096
Reimb. for JARC Admin. MI-37-6040	-	-	-
Reimb. for JARC Admin. MI-37-6043	-	-	-
Reimb. for JARC Admin MI-37-0043	28,062	-	28,062
Reimb. for New Freedom Admin. MI-57-6007	42,802	-	42,802
Reimb. for New Freedom Admin. MI-57-6014	-	-	-
Reimb. for New Freedom Admin. MI-57-6018	-	-	-
Reimb. for Section 5309 Admin.	-	-	-
Other federal transit contracts and reimb.:			
Section 5307 Lake Erie MI-90-4758	535,558	-	535,558
Section 5311 Lake Erie Non Urban MI-18-X002 2007-0294 Z32	207,054	-	207,054
JARC	283,365	-	283,365
New Freedom	381,936	-	381,936
Refunds, rebates, insurance proceeds	530,053	10,192	540,245
Gains from the sale of capital assets	-	-	-
Interest income	161,795	35,295	197,090
<b>Total</b>	<b>\$ 125,694,034</b>	<b>\$ 8,777,769</b>	<b>\$ 134,471,803</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information URBAN Expense Combined Schedule State Year Ended September 30, 2016

Description	SMART Directly Provided	Other	Total for URBAN OAR
Operators salaries and wages	\$ 18,166,199	\$ -	\$ 18,166,199
Other salaries and wages	15,103,018	-	15,103,018
Dispatchers salaries and wages	4,234,456	-	4,234,456
Other fringe benefits	22,529,394	-	22,529,394
Pensions - Defined contribuion	24,325	-	24,325
Pensions - Defined benefit	14,086,966	-	14,086,966
Other postemployment benefits (OPEB)	13,537,794	-	13,537,794
Advertising fees	106,113	-	106,113
Audit cost	159,741	-	159,741
Other services	3,606,268	-	3,606,268
Fuel and lubricants	4,233,009	-	4,233,009
Tires and tubes	690,211	-	690,211
Other materials and supplies	4,889,320	-	4,889,320
Utilities	1,301,059	-	1,301,059
Casualty and liab. costs	8,490,588	-	8,490,588
Other insurance	63,693	-	63,693
Purchased transportation service - Pass-throughs that are expensed	10,356,915	2,024,065	12,380,980
Travel, meetings, and training	46,463	-	46,463
Loss on disposal of asset	1,998,690	-	1,998,690
Other miscellaneous expenses	269,024	-	269,024
Depreciation	17,189,954	-	17,189,954
<b>Total expenses</b>	<b>141,083,200</b>	<b>2,024,065</b>	<b>143,107,265</b>
Less ineligible expenses:			
Ineligible refunds and credits	530,053	10,192	540,245
Ineligible depreciation	12,577,247	-	12,577,247
Ineligible loss on disposal	1,998,690	-	1,998,690
Unused municipal credits	1,710	-	1,710
Unused community credits	232,676	-	232,676
Preventive maintenance Federal (MI-90-0591)	3,999,687	-	3,999,687
State Preventive Maintenance 2002-0088 Z20	1,000,000	-	1,000,000
Planning/Cap. Cost of contracting	330,096	-	330,096
Admin expense paid by JARC	28,062	-	28,062
Admin expense paid by New Freedom	42,802	-	42,802
Admin expense paid by Section 5309	-	-	-
Other ineligible federal/state/local - CMAQ MI-95-0049	-	-	-
Other state contracts:			
Pass-through ineligible	6,498,232	801,646	7,299,878
Section 5307 Lake Erie MI-90-4758	535,558	-	535,558
Section 5311 Lake Erie MI-18-X002	207,054	-	207,054
JARC	283,365	-	283,365
New Freedom	381,936	-	381,936
Ineligible pension	231,101	-	231,101
Ineligible OPEB	(2,519,800)	-	(2,519,800)
<b>Total ineligible</b>	<b>26,358,469</b>	<b>811,838</b>	<b>27,170,307</b>
<b>Total eligible expenses</b>	<b>\$ 114,724,731</b>	<b>\$ 1,212,227</b>	<b>\$ 115,936,958</b>



# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information SMART Combined Urban Regular Service Revenue Report State Year Ended September 30, 2016

Description	Amount
Passenger fares	\$ 12,722,880
Contract fares	117,980
Auxiliary transportation revenue (explain):	
.15 Advertising	712,232
Nontransportation revenue (explain):	
.20 Rental of buildings or other property	55,072
.99 Other nontransportation revenue	25,072
Taxes levied directly by transit system	69,433,820
Local cash grants and reimbursements (explain):	
.10 Local operating assistance	2,814,638
.99 Other local contracts - Municipal Credit recapture	1,710
.99 Other local contracts - Community Credit Program	1,932,106
State formula and contracts:	
.01 State operating assistance SMART	30,325,062
.01 State operating assistance municipal credits	4,145,871
.01 State operating assistance LETC, Bedford, Royal Oak	1,465,694
.10 Line item municipal credits	1,902,295
.11 Preventive maintenance	1,000,000
.99 Other state contracts and reimbursements	1,271,476
Federal contracts:	
.01 Section 5311 LAKE ERIE	207,054
.02 Section 5307 LAKE ERIE	535,558
.11 Preventive maintenance	3,999,687
.12 Capital cost of contracting	330,096
.13 Capital contract reimbursement for administrative expenses	70,864
.99 Other federal contracts and reimbursements	665,301
Interest income	197,090
Refunds and credits	540,245
<b>Total Revenue</b>	<b>\$ 134,471,803</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information SMART Combined Urban Regular Service Expense Report State Year Ended September 30, 2016

	Operations	Maintenance	Gen. Admin.	Total
Labor:				
01 Oper salary and wages	\$ 18,166,199	\$ -	\$ -	\$ 18,166,199
02 Other salary and wages	-	6,278,374	8,824,644	15,103,018
03 Disp salary and wages	4,234,456	-	-	4,234,456
Fringe benefits	13,456,633	3,771,576	5,301,184	22,529,393
Postemployment benefits	8,086,020	2,266,320	3,185,454	13,537,794
Pension - Defined contribution	-	-	24,325	24,325
Pension - Defined benefit	8,414,036	2,358,255	3,314,674	14,086,965
Services:				
01 Audit	-	-	159,741	159,741
02 Advertising fees	-	-	106,113	106,113
99 Other services	96,707	1,174,659	2,334,902	3,606,268
Materials and supp. cons.:				
01 Fuel and lubricants	4,233,009	-	-	4,233,009
02 Tires and tubes	690,211	-	-	690,211
99 Other materials and supplies	495,818	4,153,652	239,850	4,889,320
Utilities	-	-	1,301,059	1,301,059
Casual and liability costs:				
03 Premium for public liability	8,490,588	-	-	8,490,588
99 Other insurance	-	63,693	-	63,693
Taxes	-	-	-	-
Purchased transportation service on SMART F/S	10,356,915	-	-	10,356,915
Purchased transportation service POS STAR and community based	2,024,065	-	-	2,024,065
Miscellaneous expense:				
02 Travel and meetings	-	-	46,463	46,463
03 Dues and subscriptions	-	-	-	-
09 Loss on disposal of asset	-	-	1,998,690	1,998,690
99 Other overruns	-	-	-	-
99 Other miscellaneous expense	-	-	269,024	269,024
Interest expense:				
01 Interest on long-term debt	-	-	-	-
02 Interest on short-term debt	-	-	-	-
Leases and rentals	-	-	-	-
Depreciation	-	-	17,189,954	17,189,954
<b>Total expenses</b>	<b>78,744,657</b>	<b>20,066,529</b>	<b>44,296,077</b>	<b>143,107,263</b>
Less ineligible expenses:				
Ineligible depreciation	-	-	12,577,247	12,577,247
Ineligible loss on disposal	-	-	1,998,690	1,998,690
Ineligible refunds and credits	-	-	540,245	540,245
Local contracts	-	-	-	-
Preventive maintenance (MI-90-0591)	-	3,999,687	-	3,999,687
Planning/Cap. Cost of contracting	-	-	330,096	330,096
Admin expense paid by JARC	-	-	28,062	28,062
Admin expense paid by New Freedom	-	-	42,802	42,802
Admin expense paid by Section 5309	-	-	-	-
Other ineligible federal/state/local:				
Unused municipal credits	1,710	-	-	1,710
Unused community credits	232,676	-	-	232,676
Other state contracts:				
Pass-through ineligible	7,310,070	-	-	7,310,070
Section 5307 Lake Erie MI-90-4758	535,558	-	-	535,558
Section 5311 Lake Erie MI-18-X002	207,054	-	-	207,054
JARC	283,365	-	-	283,365
New Freedom	381,936	-	-	381,936
Transit user study MI-80-002 2202-0088 Z8	-	-	-	-
State preventive maintenance 2002-0088 Z20	1,000,000	-	-	1,000,000
Ineligible interest	-	-	-	-
MPTA dues (7.10% INELIG.)	-	-	-	-
CTAA dues (1.66% INELIG.)	-	-	-	-
APTA dues (14.00% INELIG.)	-	-	-	-
Ineligible pension	-	-	231,101	231,101
Ineligible OPEB	-	-	(2,519,800)	(2,519,800)
Other ineligible:				
Cost overruns	-	-	-	-
Garnishments	-	-	-	-
<b>Total ineligible expenses</b>	<b>9,952,369</b>	<b>3,999,687</b>	<b>13,228,443</b>	<b>27,180,499</b>
<b>Total eligible expenses</b>	<b>\$ 68,792,288</b>	<b>\$ 16,066,842</b>	<b>\$ 31,067,634</b>	<b>\$ 115,926,764</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information SMART Combined Urban Regular Service Nonfinancial Report State Year Ended September 30, 2016

DESCRIPTION	WEEKDAYS	SATURDAY	SUNDAY	TOTAL
<b>FIXED ROUTE</b>				
PUBLIC SERVICE				
VEHICLE HOURS	587,882	51,310	25,346	664,538
VEHICLE MILES	9,550,340	883,879	434,595	10,868,814
MISCELLANEOUS INFORMATION				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-
<b>CONNECTOR</b>				
PUBLIC SERVICE				
VEHICLE HOURS	219,898	5,266	1,011	226,175
VEHICLE MILES	3,584,379	100,079	20,238	3,704,696
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 State Year Ended September 30, 2016

Description	Amount
Passenger fares	\$ 2,891
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)	6,839
State formula and contracts:	
.01 State operating assistance	26,080
.10 Line item municipal credits	2,394
.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	-
.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	17
Contributed service	-
<b>Total revenue</b>	<b>\$ 93,221</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Royal Oak Twp. Urban Regular Service Expense Report State Year Ended September 30, 2016

	Operations	Maintenance	Gen. Admin.	Total
Labor				
01 Oper salary and wages	\$ 15,406	\$ -	\$ -	\$ 15,406
02 Other salary and wages	5,587	-	17,660	23,247
03 Disp salary and wages	8,968	-	-	8,968
Fringe benefits	1,565	-	1,568	3,133
Services:				
01 Audit	-	-	1,225	1,225
02 Advertising fees	336	-	-	336
99 Other services	338	-	2,290	2,628
Materials and supp. Cons.:				
01 Fuel and lubricants	2,314	-	-	2,314
02 Tires and tubes	-	-	-	-
99 Other materials and supplies	488	392	1,123	2,003
Utilities	1,259	-	108	1,367
Casual and liability costs:				
03 Premium for public liability	-	-	2,177	2,177
99 Other insurance	-	-	-	-
Taxes	-	-	-	-
Purchased transportation service	-	-	-	-
Miscellaneous expense:				
02 Travel and meetings	-	-	-	-
99 Other miscellaneous expense	-	-	178	178
Interest expense:				
01 Interest on long-term debt	-	-	-	-
02 Interest on short-term debt	-	-	-	-
Leases and rentals	-	-	-	-
Depreciation	-	-	-	-
<b>Total expenses</b>	<b>36,261</b>	<b>392</b>	<b>26,329</b>	<b>62,982</b>
Less ineligible expenses:				
03 Federal grants (explain)	-	-	-	-
04 State grants (specialized svcs)	-	-	-	-
05 Local grants	-	-	-	-
06 Interest expense	-	-	-	-
07 Depreciation	-	-	-	-
08 Other (explain)	4,103	-	-	4,103
09 Ineligible percent of dues	-	-	-	-
10 Expenses assoc w/auxiliary trans	-	-	-	-
15 Charter expense	-	-	-	-
<b>99 Total ineligible expense</b>	<b>4,103</b>	<b>-</b>	<b>-</b>	<b>4,103</b>
<b>Total eligible expenses</b>	<b>\$ 32,158</b>	<b>\$ 392</b>	<b>\$ 26,329</b>	<b>\$ 58,879</b>

# Suburban Mobility Authority for Regional Transportation

## Other Supplemental Information Royal Oak Twp. Urban Regular Service Nonfinancial Report State Year Ended September 30, 2016

DESCRIPTION	WEEKDAYS	SATURDAY	SUNDAY	TOTAL
<b>FIXED ROUTE</b>				
<u>PUBLIC SERVICE</u>				
VEHICLE HOURS	-	-	-	-
VEHICLE MILES	-	-	-	-
<u>MISCELLANEOUS INFORMATION</u>				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-
<b>CONNECTOR</b>				
<u>PUBLIC SERVICE</u>				
VEHICLE HOURS	1,776	-	-	1,776
VEHICLE MILES	7,300	-	-	7,300
<u>MISCELLANEOUS INFORMATION</u>				
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**

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## **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 S.T.A.R., Community-based, Nankin Transit, Redford, and Mt. Clemens are included only on Schedule 4E on line purchased transportation.