



Suburban Mobility Authority for Regional Transportation

**Financial Report
with Supplemental Information
June 30, 2018**



Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-7
Basic Financial Statements	
Fund Financial Statements:	
Statement of Net Position	8
Statement of Revenue, Expenses, and Changes in Net Position	9
Statement of Cash Flows	10
Notes to Financial Statements	11-32
Required Supplemental Information	33
Schedule of Changes in the Net Pension Liability and Related Ratios	34
Schedule of Pension Contributions	35
Schedule of Changes in the Net OPEB Liability and Related Ratios	36
Schedule of OPEB Contributions	37
Other Supplemental Information	38
Operating Revenue Schedule - Year Ended June 30, 2018	39
Operating Revenue Schedule - State Year Ended September 30, 2017	40
Local Revenue Schedule	41-42
Federal and State Operating Revenue	43-46
SMART Expense Schedule	47-54
Schedule of Financial Assistance	55-60
Other Operating Expenses	61-68
Other Operating Expenses - Combined Total	69
URBAN Revenue Combined Schedule	70
URBAN Expense - Combined Schedule	71
SMART Combined Urban Regular Service Revenue Report	72
SMART Combined Urban Regular Service Expense Report	73
SMART Combined Urban Regular Service Nonfinancial Report	74
Royal Oak Twp. Urban Regular Service Revenue Report	75
Royal Oak Twp. Urban Regular Service Expense Report	76
Royal Oak Twp. Urban Regular Service Nonfinancial Report	77
Notes to Other Supplemental Information	78

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, 2018 and 2017 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 opinions.

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, 2018 and 2017 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.

Emphasis of Matter

As discussed in Note 12 to the basic financial statements, the Authority adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions*. This new standard establishes accounting and financial reporting requirements for OPEB plans provided to employees of governmental employers. The adoption of GASB Statement No. 75 resulted in the recognition of a net OPEB liability. Our opinion is not modified with respect to this matter.

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 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 15, 2018 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.



November 15, 2018

Suburban Mobility Authority for Regional Transportation

Management's Discussion and 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, 2018 and 2017 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).

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.

Financial Highlights

- Total operating revenue has increased slightly in fiscal year (FY) 2017/2018 as compared to FY 2016/2017. This total operating revenue increase is just under 1 percent, or approximately \$119,000, for the fiscal year. An analysis of this increase discloses that all fare revenue categories are down slightly while the other operating revenue category increased. This increase offset the slight loss in fare revenue resulting in the overall operating revenue increase in FY 2017/2018.
- An analysis of total operating revenues discloses that fare revenue continues its downward trend in FY 2017/2018. However, SMART is turning around this downward trend. In FY 2017/2018, fare revenue declined only 1.6 percent, or approximately \$200,000. This is an improvement over FY 2016/2017, where fare revenue declined 3.3 percent, or \$400,000, and declined another \$500,000, or 4.0 percent, in FY 2015/2016.
- With the economic outlook in the Metropolitan Detroit region brightening, fewer individuals are choosing to utilize traditional SMART bus routes. This trend is similar for transit agencies around the country as riders have the financial means to choose alternative forms of transportation instead of taking public transit. Average weekday ridership on fixed routes decreased 2.9 percent and 3.1 percent on connector service in FY 2017/2018.
- To combat this loss of ridership, SMART instituted the FAST (Frequent Affordable Safe Transit) service and discontinued the Reflex service effective January 1, 2018. The FAST service is a limited stop service on three corridors. These three FAST routes are on Gratiot Avenue in Wayne-Macomb; Woodward Avenue in Wayne-Oakland; and Michigan Avenue, with connections to Metropolitan Airport, in Wayne exclusively. Average weekday ridership has grown 17.4 percent on these corridors served by these routes since the institution of the FAST service in January 2018. Total FAST trips for the six-month period ended June 30, 2018 is just over 657,625 trips, which makes up 16 percent of total SMART ridership numbers for the last six months of the fiscal year (January 2018 through June 2018). Total trips taken on fixed routes for FY 2018 is just over 8,170,000 trips.
- Management feels that the FAST routes, even though they draw some riders from traditional SMART bus routes, has also brought in many new riders who choose to ride FAST, which is the main reason fare revenue is turning around. In addition, these new FAST riders of choice are more dependent on convenient and quality of service in choosing to ride SMART even if other transportation alternatives (personal vehicle etc.) may be available.
- The other component of total operating revenue is other operating revenue. SMART saw an increase in other operating revenue in FY 2017/2018. Specifically, the Authority achieved a 9.7 percent, or approximately \$300,000, increase in other operating revenue for FY 2017/2018. This is due to the Regional Transit Authority (RTA) giving \$2.4 million to specifically support Reflex and FAST bus service in FY 2017/18.

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis (Continued)

- Nonoperating revenue/expenditures declined by 4 percent, or \$4.7 million, in FY2017/2018 as compared to FY 2016/2017. SMART reduced the utilization of federal and state preventive maintenance dollars by 50 percent, or \$2.5 million. SMART also took a one-time net loss of \$2.8 million in the disposal of capital assets. Investment earnings increased \$500,000, and local property tax contributions increased an additional \$500,000 due to efficient collection and property value increases in the tri-county area. Nonoperating revenue, such as insurance refunds and miscellaneous revenue, increased \$200,000 for the fiscal year.
- Operating expenses of \$110.2 million, before depreciation, are \$2.3 million lower than FY 2016/2017. This is primarily due to a decline of \$2.1 million in salary and fringe benefit payments to authority staff and a reduction in liability insurance claim payments of \$3.5 million. The Authority did see an increase in operating expenses of approximately \$3.6 million in the material and supplies and contractual service costs.
- Capital contributions remained steady at \$28.0 million for FY 2017/2018 as compared to FY 2016/2017. Spending \$28.0 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 2015/2016.
- Deferred inflows of resources of \$8.9 million are directly related to the mandatory adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in FY 2015 and GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in FY 2018. See Note 10 (pensions) and Note 13 (OPEB) in the notes to the financial statements for additional information.
- Current liabilities decreased by \$4.0 million primarily due to a decrease in accounts payable of \$4.0 million.
- Net position, which is detailed later, decreased by \$80.3 million to \$33.9 million, which is a combination of the \$11.5 million increase in net investment in capital assets and \$91.8 million decrease in unrestricted net position due to the implementation of GASB 75.

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis (Continued)

Authority's Net Position

A summary of SMART's assets, liabilities, deferred outflows and inflows, and net position at June 30, 2018, 2017, and 2016 follows:

	2016	2017	2018
Assets			
Current and other assets:			
Cash and investments	\$ 77,654,874	\$ 87,468,921	\$ 110,877,845
Receivables	30,543,431	27,710,440	17,380,853
Other assets	2,771,278	3,836,941	3,419,937
Capital assets	84,089,756	99,929,247	111,417,330
Total assets	195,059,339	218,945,549	243,095,965
Deferred Outflows of Resources	34,253,258	24,017,784	7,471,392
Liabilities			
Current liabilities	31,270,956	24,303,855	20,045,566
Noncurrent liabilities	119,131,647	102,529,256	187,770,138
Total liabilities	150,402,603	126,833,111	207,815,704
Deferred Inflows of Resources	-	1,886,789	8,851,659
Net Position			
Net investment in capital assets	84,044,768	99,929,247	111,417,330
Restricted	400,868	209,006	250,801
Unrestricted	(5,535,642)	14,105,180	(77,768,137)
Total net position	\$ 78,909,994	\$ 114,243,433	\$ 33,899,994

Note: 2018 amounts above include the net OPEB liability of \$126.8 million following the implementation of GASB 75. The amounts for 2017 and 2016 have not been adjusted for the new standard.

SMART's current assets, including restricted cash, had a net increase of \$12.7 million, which represents a 10.6 percent increase compared with FY 2017. Restricted cash remained steady at \$250,000 at the end of FY 2018.

Amounts invested in capital assets increased 11.5 percent from a year ago, increasing \$11.5 million to \$111.4 million. The current year increase is due to current year net capital asset purchases exceeding depreciation expense.

Unrestricted net position, the portion of net position that can be used to finance day-to-day operations, decreased by \$91.9 million from FY 2017. This represents an unrestricted net position decrease of 651 percent. This reduction in unrestricted net position is due to SMART implementing the required GASB Statement 75 other postemployment benefit accounting standard and recording the associated net liability of \$111,317,403 as a prior period adjustment, which is explained in Note 12.

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis (Continued)

Authority's Changes in Net Position

	2016	2017	2018
Operating Revenue	\$ 13,127,996	\$ 14,657,121	\$ 14,776,615
Operating Expenses	128,352,068	125,038,883	124,373,828
Operating Income (Loss)	(115,224,072)	(110,381,762)	(109,597,213)
Nonoperating Revenue	111,886,146	117,274,894	112,600,706
(Loss) Income - Before capital contributions	(3,337,926)	6,893,132	3,003,493
Capital Contributions	32,062,380	28,440,307	27,970,471
Change in Net Position	28,724,454	35,333,439	30,973,964
Net Position - Beginning of year, as restated (Note 12)	50,185,540	78,909,994	2,926,030
Net Position - End of year	<u>\$ 78,909,994</u>	<u>\$ 114,243,433</u>	<u>\$ 33,899,994</u>

As described earlier in expenditure highlights, total operating revenue has increased slightly in fiscal year 2017/2018 as compared to FY 2016/2017. This total operating revenue increase is just under 1 percent, or approximately \$119,000, for the fiscal year. An analysis of this increase discloses that all fare revenue categories are down slightly while other operating revenue increased. This net increase offsets the slight loss in fare revenue resulting in the overall operating revenue increase in FY 2017/2018.

Operating expenses before depreciation are \$2.0 million lower than FY 2016/2017. This is primarily due to a decline of \$2.1 million in salary and fringe benefit payments to Authority staff and a reduction in liability insurance claim payments of \$3.5 million. The Authority did see an increase in operating expenses of approximately \$3.6 million in the material and supplies and contractual service costs.

Capital Assets and Debt Administration

The Authority continues to invest in infrastructure, equipment, and vehicles. SMART had \$111.4 million and \$99.9 million invested in capital assets as of June 30, 2018 and 2017, respectively. During FY 2017/2018, SMART 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 \$0.2 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 Budgets and Rates

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 50.0 percent to SMART, 49.0 percent to DDOT, and 1 percent to the Detroit Transportation Corporation (the People Mover). It is anticipated for FY 2018/2019 that the Section 5307 federal capital funding passed through the RTA will again be 50.0 percent to SMART, 49.0 percent to DDOT, and 1 percent to the Detroit Transportation Corporation (the People Mover). For FY 2018/2019, Section 5307 funding of approximately \$29.5 million is included in SMART's capital budget.

On August 7, 2018, voters in the Macomb, Oakland, and Wayne counties service areas approved a \$1.00 per thousand taxable value millage rate. The millage is applied against taxable value across Macomb County, and in participating communities in Oakland and Wayne Counties. The millage rate is subject to the State Headlee Amendment annually. The millage has been voter approved for the next four fiscal years and is estimated to generate \$70 million annually. The millage revenue has allowed the Authority to fund the much-needed replacement of our aging bus fleet by utilizing Section 5307 capital funds previously used to support operations.

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis (Continued)

In FY 2017/2018, SMART 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 millage rate. SMART will be receiving an additional 35 replacement buses in November 2018. Furthermore, SMART has the funding available to purchase an additional 38 Fixed Route buses to support the FAST program in FY 2018/2019.

SMART has replaced 22 diesel connector buses with 22 propane-fueled vehicles and purchased 60 enhanced shelters at high-use bus stops in FY 2017/2018. SMART will place the 220 propane fueled vehicles into service and install the 60 enhanced shelters in FY 2018/2019.

SMART has adopted a balanced budget for FY 2018/2019. The FY2018/2019 operating budget is approved for \$126.8 million. In addition, the FY 2018/2019 restricted pass-through revenue and expense budget has been approved for \$7.7 million. The board also approved, in FY 2018/2019, a federal/state \$280.0 million capital spending plan. This capital plan is a six-year spending plan with an estimated \$38.2 million per year to be applied for and spent. In addition, the board continued to support incorporating \$51.1 million in prior year unspent approved grant dollars within the FY 2018/2019 capital spending plan.

Requests for Further Information

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

Suburban Mobility Authority for Regional Transportation

Statement of Net Position

June 30, 2018 and 2017

	Enterprise Operating Fund	
	2018	2017
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 98,821,360	\$ 77,451,226
Investments (Note 3)	12,056,485	10,017,695
Receivables:		
Local contributions receivable (Note 1)	4,373,268	3,834,060
Accrued interest receivable	29,097	19,445
Other receivables	409,537	1,174,612
Grant receivable (Note 4)	12,568,951	22,682,323
Materials and supplies inventories	3,044,951	3,578,517
Prepaid expenses and other assets	124,185	49,418
Total current assets	131,427,834	118,807,296
Noncurrent assets:		
Restricted cash (Note 3)	250,801	209,006
Nondepreciable capital assets (Note 5)	4,050,098	13,139,349
Depreciable capital assets - Net (Note 5)	107,367,232	86,789,898
Total noncurrent assets	111,668,131	100,138,253
Total assets	243,095,965	218,945,549
Deferred Outflows of Resources - Pension costs deferred (Note 10)	7,471,392	24,017,784
Liabilities		
Current liabilities:		
Municipal and community credits payable (Note 1)	2,992,581	2,907,200
Amounts payable under purchase-of-service agreements	120,632	27,350
Current portion of accrued self-insurance (Note 9)	8,433,548	8,470,290
Accounts payable	4,191,512	7,834,119
Accrued liabilities and other:		
Accrued salaries and wages	1,078,888	920,522
Other accrued liabilities	3,228,405	4,144,374
Current portion of compensated absences (Note 8)	2,961,070	2,731,828
Total current liabilities	23,006,636	27,035,683
Noncurrent liabilities:		
Accrued self-insurance - Net of current portion (Note 9)	4,161,026	4,699,535
Net pension liability (Note 10)	53,714,491	74,997,492
Net OPEB obligation	-	19,923,708
Net OPEB liability (Note 13)	126,752,930	-
Compensated absences - Net of current portion (Note 8)	180,621	176,693
Total noncurrent liabilities	184,809,068	99,797,428
Total liabilities	207,815,704	126,833,111
Deferred Inflows of Resources		
Deferred pension cost reductions (Note 10)	8,183,391	1,886,789
Deferred OPEB cost reductions (Note 13)	668,268	-
Total deferred inflows of resources	8,851,659	1,886,789
Net Position		
Net investment in capital assets	111,417,330	99,929,247
Restricted	250,801	209,006
Unrestricted	(77,768,137)	14,105,180
Total net position	\$ 33,899,994	\$ 114,243,433

Suburban Mobility Authority for Regional Transportation

Statement of Revenue, Expenses, and Changes in Net Position

Years Ended June 30, 2018 and 2017

	Enterprise Operating Fund	
	2018	2017
Operating Revenue		
Fares	\$ 11,383,104	\$ 11,573,792
Other income	3,393,511	3,083,329
Total operating revenue	14,776,615	14,657,121
Operating Expenses		
Salaries and wages	42,416,614	38,372,238
Fringe benefits	33,619,853	39,725,899
Materials and supplies	11,512,107	9,183,688
Contractual services	3,975,512	2,656,388
Utilities	1,293,672	1,293,534
Claims and insurance	5,423,879	8,891,547
Purchased transportation (Note 7)	11,623,645	12,068,320
Miscellaneous expense	289,771	254,411
Depreciation	14,218,775	12,592,858
Total operating expenses	124,373,828	125,038,883
Operating Loss	(109,597,213)	(110,381,762)
Nonoperating Revenue (Expense)		
Investment income	736,842	221,773
Loss on sale of assets	(2,839,150)	(104,531)
Federal operating and preventive maintenance assistance	4,680,208	7,067,352
State operating grants	37,386,015	38,150,816
Local contributions (Note 6)	71,996,485	71,496,801
Other nonoperating revenue	640,306	442,683
Total nonoperating revenue	112,600,706	117,274,894
Income - Before capital contributions	3,003,493	6,893,132
Capital Contributions	27,970,471	28,440,307
Change in Net Position	30,973,964	35,333,439
Net Position - Beginning of year, as restated (Note 12)	2,926,030	78,909,994
Net Position - End of year	\$ 33,899,994	\$ 114,243,433

Suburban Mobility Authority for Regional Transportation

Statement of Cash Flows

Years Ended June 30, 2018 and 2017

	Enterprise Operating Fund	
	2018	2017
Cash Flows from Operating Activities		
Receipts from transit operations	\$ 15,541,690	\$ 14,244,082
Payments to suppliers	(21,306,095)	(13,212,295)
Payments to employees	(77,904,851)	(81,960,344)
Payments to claims and insurance	(5,999,130)	(8,510,104)
Payments for purchased transportation	(11,444,982)	(11,984,696)
Net cash and cash equivalents used in operating activities	(101,113,368)	(101,423,357)
Cash Flows from Noncapital Financing Activities		
State operating grants	42,251,056	38,478,582
Federal operating and preventive maintenance assistance	4,674,140	9,728,540
Local contributions	71,457,277	69,060,487
Other nonoperating receipts	640,306	442,683
Net cash and cash equivalents provided by noncapital financing activities	119,022,779	117,710,292
Cash Flows from Capital and Related Financing Activities		
Receipt of capital grants	35,295,318	31,144,228
Proceeds from disposal of capital assets	43,000	95,583
Purchase of capital assets	(30,524,200)	(38,106,891)
Net cash and cash equivalents provided by (used in) capital and related financing activities	4,814,118	(6,867,080)
Cash Flows from Investing Activities		
Interest received on investments	727,190	202,328
Purchases of investment securities	-	(4,999,508)
Proceeds from sale and maturities of investment securities	(2,038,790)	-
Net cash and cash equivalents used in investing activities	(1,311,600)	(4,797,180)
Net Increase in Cash and Cash Equivalents	21,411,929	4,622,675
Cash and Cash Equivalents - Beginning of year	77,660,232	73,037,557
Cash and Cash Equivalents - End of year	\$ 99,072,161	\$ 77,660,232
Classification of Cash and Cash Equivalents		
Cash and cash equivalents	\$ 98,821,360	\$ 77,451,226
Restricted cash	250,801	209,006
Total cash and cash equivalents	\$ 99,072,161	\$ 77,660,232
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	\$ (109,597,213)	\$ (110,381,762)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization	14,218,775	12,592,858
Noncash change in net pension liability	1,559,993	(2,393,081)
Noncash change in net OPEB obligation/liability	(3,819,913)	(1,524,246)
Noncash change in self-insurance liability	(575,251)	381,443
Changes in assets and liabilities:		
Materials and supplies inventory	533,566	(1,209,320)
Other receivables	765,075	(413,039)
Prepaid and other assets	(210,023)	(33,003)
Accounts payable and accrued liabilities	(4,558,576)	1,418,049
Municipal and community credits payable	85,381	96,209
Payable under purchase service contracts	93,282	(12,585)
Accrued wages and compensated absences	391,536	55,120
Net cash and cash equivalents used in operating activities	\$ (101,113,368)	\$ (101,423,357)

June 30, 2018 and 2017

Note 1 - 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 composed 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.

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 composed 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.

June 30, 2018 and 2017

Note 1 - Significant Accounting Policies (Continued)

Accounting and Reporting Principles

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

Report Presentation

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

Fund Accounting

Proprietary funds 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.

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

Investments

Investments are reported at fair value or estimated fair value. 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.

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.

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.

Note 1 - Significant Accounting Policies (Continued)

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 that 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.

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:

<u>Capital Asset Class</u>	<u>Depreciable Life</u>
Connector transit buses and related equipment	4 to 10 years
Fixed-route buses and related equipment	7 to 14 years
Buildings and building improvements	25 years
Leasehold improvements*	5 to 25 years
Equipment and office furnishings	3 to 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 related to pensions as detailed in Note 10.

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, and OPEB, as detailed in Notes 10 and 13, respectively.

Net Position Flow Assumption

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

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.

June 30, 2018 and 2017

Note 1 - Significant Accounting Policies (Continued)

Other Postemployment Benefit Costs

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

Claims Expense/Liability

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

Municipal and Community Credits Payable

Annually, SMART receives municipal 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.

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.

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.

June 30, 2018 and 2017

Note 1 - Significant Accounting Policies (Continued)

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.

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.

Upcoming Accounting Pronouncements

In January 2017, the Governmental Accounting Standards Board issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. 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, 2020.

Note 1 - Significant Accounting Policies (Continued)

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 financing 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 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, 2015. This determination reduced SMART's allocated revenue by \$194,200. Furthermore, SMART awaits the "final" determination for the years ended September 30, 2016, 2017, and 2018. SMART has recorded an estimated aggregate liability of \$2,541,026 as of June 30, 2018, based on management's anticipation of the results of the State's final determination of the Act 51 funding formula for the open years.

Act 51 requires SMART to provide a portion of the State of Michigan operating assistance as funding to municipalities within its transportation district. Amounts not used by the municipalities within two years must be expended by SMART for operating purposes within the county in which the city, village, or township resides. SMART was required to provide approximately \$3,261,000 pursuant to this provision in each of fiscal years 2018 and 2017. 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	\$ 98,821,360
Investments	12,056,485
Restricted cash	<u>250,801</u>
Total deposits and investments	<u>\$ 111,128,646</u>

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

Note 3 - Deposits and Investments (Continued)

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.

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. SMART does not have a deposit policy for custodial credit risk. At year end, the Authority had \$102,481,846 of bank deposits (checking and savings accounts), of which \$101,456,846 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)
Negotiable certificates of deposit	\$ 1,975,970	1.4
U.S. government agency securities	10,080,515	1.4

Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; 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 Authority's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Authority has the following recurring fair value measurements as of June 30, 2018:

- Negotiable certificates of deposit of \$1,975,970 are valued using a matrix pricing model (Level 2 inputs).
- U.S. government agency securities of \$10,080,515 are valued using a matrix pricing model (Level 2 inputs).

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements

June 30, 2018 and 2017

Note 4 - Grants Receivable

At June 30, 2018 and 2017, grants receivable are composed of the following:

	<u>2018</u>	<u>2017</u>
Accounts receivable - Billed		
Federal government grants	\$ 2,027,166	\$ 1,905,532
State of Michigan grants	6,907,058	11,429,568
Total billed	<u>8,934,224</u>	<u>13,335,100</u>
Accounts receivable - Unbilled		
Federal government grants	413,077	5,433,116
State of Michigan grants	1,942,027	2,666,737
Local grants	1,279,623	1,247,370
Total unbilled	<u>3,634,727</u>	<u>9,347,223</u>
Total	<u>\$ 12,568,951</u>	<u>\$ 22,682,323</u>

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements

June 30, 2018 and 2017

Note 5 - Capital Assets

Capital asset activity during the fiscal year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2018
Capital assets not being depreciated:					
Land	\$ 3,473,174	\$ -	\$ -	\$ -	\$ 3,473,174
Construction in progress	9,666,175	(34,276,258)	30,524,200	(5,337,193)	576,924
Subtotal	13,139,349	(34,276,258)	30,524,200	(5,337,193)	4,050,098
Capital assets being depreciated:					
Fixed-route buses and equipment	59,759,057	23,634,933	-	(6,462,999)	76,930,991
Connector buses and related equipment	81,173,943	4,242,711	-	(6,567,738)	78,848,916
Buildings and improvements	46,570,658	1,978,173	-	-	48,548,831
Office furnishings and equipment	2,091,871	16,422	-	(100)	2,108,193
Other equipment	66,012,571	2,940,071	-	165,612	69,118,254
Leasehold improvements	6,700,779	1,463,948	-	-	8,164,727
Subtotal	262,308,879	34,276,258	-	(12,865,225)	283,719,912
Accumulated depreciation:					
Fixed-route buses and equipment	50,997,799	-	3,349,544	(11,924,458)	42,422,885
Connector buses and related equipment	29,939,567	-	6,947,335	(1,773,437)	35,113,465
Buildings and improvements	33,886,114	-	1,008,146	-	34,894,260
Office furnishings and equipment	1,951,265	-	27,475	-	1,978,740
Other equipment	52,534,532	-	2,641,574	299,575	55,475,681
Leasehold improvements	6,209,704	-	244,701	13,244	6,467,649
Subtotal	175,518,981	-	14,218,775	(13,385,076)	176,352,680
Net capital assets being depreciated	86,789,898	34,276,258	(14,218,775)	519,851	107,367,232
Net capital assets	\$ 99,929,247	\$ -	\$ 16,305,425	\$ (4,817,342)	\$ 111,417,330

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements

June 30, 2018 and 2017

Note 5 - Capital Assets (Continued)

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

The eligible depreciation for fiscal year 2018 of \$376,829 (\$14,218,775 total depreciation reported less ineligible depreciation of \$13,841,946) 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, 2018 and 2017

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:

	Spent to Date	Remaining Commitment
Bus purchase	\$ 1,262,888	\$ 5,820
Bus stop items	392,400	98,100
Bus shelters	390,258	1,559,742
Bus shelter call boxes	-	482,136
Total	<u>\$ 2,045,546</u>	<u>\$ 2,145,798</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, 2018 and 2017, totaled \$71,996,485 and \$71,496,801, 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 composed of the following:

	2018	2017
Municipal credits	\$ 3,261,080	\$ 3,261,080
Community credits	3,505,660	3,261,080
Community transit bus service	2,363,753	1,881,286
Specialized services	787,819	787,819
JARC and New Freedom	1,514,312	2,715,828
Royal Oak Township	23,447	18,653
Community-based services	167,574	142,574
Total	<u>\$ 11,623,645</u>	<u>\$ 12,068,320</u>

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements

June 30, 2018 and 2017

Note 8 - Long-term Debt

Long-term debt activity for the year ended June 30, 2018 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Accumulated compensated absences	\$ 2,908,521	\$ 3,141,691	\$ (2,908,521)	\$ 3,141,691	\$ 2,961,070

Activity for the year ended June 30, 2017 was 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

Note 9 - Risk Management

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

In fiscal years 2018 and 2017, 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, 2018.

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 2018, 2017, and 2016 were as follows:

	2018	2017	2016
Claims liability - July 1	\$ 13,169,825	\$ 12,788,382	\$ 12,243,145
Incurred claims - Current year including adjustments to IBNR	5,232,911	5,420,459	8,252,652
Claim payments	(5,808,162)	(5,039,016)	(7,707,415)
Claims liability - June 30	<u>\$ 12,594,574</u>	<u>\$ 13,169,825</u>	<u>\$ 12,788,382</u>

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), 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 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 nonduty 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 nonduty 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.

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

The following members were covered by the benefit terms as of December 31, 2017:

Inactive plan members or beneficiaries currently receiving benefits	864
Inactive plan members entitled to but not yet receiving benefits	156
Active plan members	805
	<hr/>
Total employees covered by the plan	1,825
	<hr/> <hr/>

Note 10 - Agent Defined Benefit Pension Plan (Continued)

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, 2018, 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 16.2 percent of annual payroll.

Net Pension Liability

The Authority has chosen to use the December 31 measurement date as its measurement date for the net pension liability. The June 30, 2018 fiscal year end reported net pension liability was determined using a measure of the total pension liability and the pension net position as of the December 31, 2017 measurement date. The December 31, 2017 measurement date total pension liability was determined by an actuarial valuation performed as of that date.

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
Balance at December 31, 2016	\$ 243,159,671	\$ 168,162,179	\$ 74,997,492
Changes for the year:			
Service cost	4,143,547	-	4,143,547
Interest	19,005,207	-	19,005,207
Differences between expected and actual experience	(3,478,232)	-	(3,478,232)
Contributions - Employer	-	16,522,752	(16,522,752)
Contributions - Employee	-	1,750,206	(1,750,206)
Net investment income	-	23,044,677	(23,044,677)
Benefit payments, including refunds	(15,337,264)	(15,337,264)	-
Administrative expenses	-	(364,112)	364,112
Net changes	4,333,258	25,616,259	(21,283,001)
Balance at December 31, 2017	\$ 247,492,929	\$ 193,778,438	\$ 53,714,491

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

For the year ended June 30, 2018, the Authority recognized pension expense of \$9,926,735.

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements

June 30, 2018 and 2017

Note 10 - Agent Defined Benefit Pension Plan (Continued)

At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 24,929	\$ 3,866,533
Changes in assumptions	2,587,983	-
Net difference between projected and actual earnings on pension plan investments	-	4,316,858
Employer contributions to the plan subsequent to the measurement date	4,858,480	-
Total	\$ 7,471,392	\$ 8,183,391

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 (\$4,858,480), which will impact the net pension liability in fiscal year 2017, rather than pension expense.

Years Ending June 30	Amount
2019	\$ 1,682,911
2020	(1,490,000)
2021	(3,865,725)
2022	(1,897,665)

Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Inflation	2.50%
Salary increases (including inflation)	3.75%
Investment rate of return (gross of investment expenses)	8.00%

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, 2017 actuarial 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.

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, 2017, 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	55.50 %	6.65 %
Global fixed income	18.50	1.76
Real assets	13.50	7.72
Diversifying strategies	12.50	5.50

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

The following presents the net pension liability of the Authority, calculated using the discount rate of 8.0 percent, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease (7.00%)	Current Discount Rate (8.00%)	1 Percent Increase (9.00%)
Net pension liability of the Suburban Mobility Authority for Regional Transportation	\$ 79,364,512	\$ 53,714,491	\$ 31,779,058

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. 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.

June 30, 2018 and 2017

Note 11 - Defined Contribution Postemployment Benefits (Continued)

During the years ended June 30, 2018 and 2017, the Authority made contributions of \$656,054 and \$597,657, respectively, to the plan.

Note 12 - Reporting Change (Prior Period Adjustment)

During the current year, the Authority adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result, the financial statements now include a liability for unfunded legacy costs. Some of the changes in this net OPEB liability will be recognized immediately as part of the OPEB expense measurement, and part will be deferred and recognized over future years. Refer to Note 13 for further details.

The beginning net position for the year ended June 30, 2018 has been restated in order to adopt GASB Statement No. 75. The effect of this new accounting standard was a decrease in net position to record the net OPEB liability at the beginning of the current fiscal year. The fiscal year 2017 financial statements have not been restated due to the lack of information available related to the net OPEB liability and the related activity for that year.

As a result of implementing this statement, the beginning net position has been restated as indicated:

Net position - June 30, 2017 - As previously reported	\$ 114,243,433
Adjustment for implementation of GASB Statement No. 75	<u>(111,317,403)</u>
Net position - June 30, 2017 - As restated	<u>\$ 2,926,030</u>

Note 13 - Other Postemployment Benefit Plan

Plan Description

SMART provides other postemployment benefits (OPEB) for all employees who meet eligibility requirements. These OPEB benefits are provided by SMART through its General Operating Fund directly to the retiree and beneficiary monthly. The SMART General Operating Fund will also make, on a discretionary basis, advance OPEB funding contributions to the Michigan Municipal Employees' Retirement System (MERS) retiree health funding vehicle.

MERS is a statutory public corporation multiple-employer retirement system that pools assets of the participating employers for investment purposes but maintains separate accounts for each individual employer retiree health funding vehicle. These funds constitute a healthcare fund, which enable SMART to accumulate monies to provide or subsidize health benefits for retirees and retiree beneficiaries.

SMART and the Municipal Employees' Retirement System issue, separately, public financial reports that include financial statements and required supplemental information for their respective organizations. The MERS financial report can be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917, or at the MERS website at www.mersofmich.com.

Benefits Provided

SMART provides postemployment health insurance, life insurance, and prescription benefits to eligible employees and beneficiaries. 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. There are no cost of living benefit adjustments. Union contracts or the nonunion benefit book outline specifically which healthcare agent a retiree or beneficiary can utilize.

Note 13 - Other Postemployment Benefit Plan (Continued)

Employees Covered by Benefit Terms

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 year 2015, SMART implemented a defined contribution healthcare savings plan (HCSP) as an alternative to the existing plan, effectively closing the retiree healthcare and prescription plan to new employees. All 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.

The following members were covered by the benefit terms as of December 31, 2016:

Inactive plan members or beneficiaries currently receiving benefits	598
Active plan members	<u>421</u>
Total plan members	<u><u>1,019</u></u>

Contributions

SMART contributes 100 percent of the actual monthly costs for current benefits and administrative expenses to the plan through its General Operating Fund (pay-as-you-go funding). SMART has made additional payments to the OPEB Retiree Health Funding Vehicle at MERS on a discretionary basis. In March 2018, the SMART board further committed to a minimum \$4.1 million contribution over and above pay-as-you-go benefit expenses to fund its OPEB liability subject to annual financial review by the board.

SMART union and nonunion retirees who retire after January 6, 2012 also contribute a portion of their monthly retirement benefit to fund monthly healthcare premium payments made by SMART. For the fiscal year ended June 30, 2018, SMART paid postemployment healthcare benefit premiums and administrative costs of \$8,335,309. In addition, SMART also contributed \$5,218,400 into its prefunded retiree healthcare fund and paid \$122,336 of administrative OPEB investment costs from the retiree healthcare fund.

Net OPEB Liability

The Authority has chosen to use the June 30, 2018 measurement date as its measurement date for the net OPEB liability. The June 30, 2018 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the June 30, 2018 measurement date. The June 30, 2018 total OPEB liability was determined by an actuarial valuation performed as of December 31, 2016, which used updated procedures to roll forward the estimated liability to June 30, 2018.

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements

June 30, 2018 and 2017

Note 13 - Other Postemployment Benefit Plan (Continued)

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

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at July 1, 2017	\$ 176,630,320	\$ 45,389,209	\$ 131,241,111
Changes for the year:			
Service cost	1,672,442	-	1,672,442
Interest	11,264,428	-	11,264,428
Differences between expected and actual experience	(321,657)	-	(321,657)
Contributions - Employer	-	13,553,709	(13,553,709)
Net investment income	-	3,672,021	(3,672,021)
Benefit payments, including refunds	(8,335,309)	(8,335,309)	-
Administrative expenses	-	(122,336)	122,336
Net changes	4,279,904	8,768,085	(4,488,181)
Balance at June 30, 2018	\$ 180,910,224	\$ 54,157,294	\$ 126,752,930

The plan's fiduciary net position represents 29.94 percent of the total OPEB liability.

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

For the year ended June 30, 2018, the Authority recognized OPEB expense of \$9,733,796.

At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 223,387
Net difference between projected and actual earnings on OPEB plan investments	-	444,881
Total	\$ -	\$ 668,268

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30	Amount
2019	\$ (209,490)
2020	(209,490)
2021	(138,068)
2022	(111,220)

Note 13 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using an inflation assumption of 2.00 to 2.75 percent; assumed salary increases used for individual members are based on age and include a base increase of 4 percent for all years and a merit/seniority increase of 13 percent at age 20, 6.8 percent at age 25, 3.26 percent at age 30, 2.05 percent at age 35, 1.30 percent at age 40, 0.81 percent at age 45, 0.52 percent at age 50, and 0.30 percent at age 55; an investment rate of return (net of investment expenses) of 6.5 percent; a healthcare cost trend rate of 9.0 percent for 2017, decreasing 0.75 percent per year for two years, then decreasing 0.50 percent for six years to an ultimate rate of 4.0 percent for 2027 and later years; and using the RP-2000 mortality tables projected 20 years with U.S. Projection Scale BB. These assumptions were applied to all periods included in the measurement.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that in years where an unfunded actuarial accrued liability exists, the total contributions will be equal to the projected benefit payments (pay-as-you-go) plus an additional fixed employer contribution of a minimum \$4.1 million, in order to fund the actuarial contribution amount. In years where no unfunded actuarial accrued liability exists, the total contributions will be equal to the projected service cost; and contributions and benefit payments occur halfway through the year.

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

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2018 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following tables:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	55.50 %	6.65 %
Global fixed income	18.50	1.76
Real assets	13.50	7.72
Diversifying strategies	12.50	5.50

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

The following presents the net OPEB liability of the Authority, calculated using the discount rate of 6.50 percent, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease (5.5%)	Current Discount Rate (6.5%)	1 Percent Increase (7.5%)
Net OPEB liability of the Municipal Employees' Retirement System of Michigan	\$ 148,193,605	\$ 126,752,930	\$ 108,770,131

Note 13 - Other Postemployment Benefit Plan (Continued)

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

The following presents the net OPEB liability of the Authority, calculated using the healthcare cost trend rate of 9.0 percent, as well as what the Authority's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percent Decrease (8.0%)	Current Healthcare Cost Trend Rate (9.0%)	1 Percent Increase (10.0%)
Net OPEB liability of the Municipal Employees' Retirement System of Michigan	\$ 106,191,848	\$ 126,752,930	\$ 151,339,316

Note 14 - 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, 2018 and 2017 was approximately \$357,000 and \$355,000, respectively.

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

Approximate minimum lease payments are as follows:

Years Ending	Amount
2019	\$ 385,000
2020	385,000
2021	391,000
2022	391,000
2023	397,000
2024-2027	1,592,000
Total	<u>\$ 3,541,000</u>

Note 15 - 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 16 - 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 17 - Tax Abatements

SMART receives reduced property tax revenue as a result of Industrial Facilities Tax exemptions, Brownfield Redevelopment Agreements, ACT 328 personal property exemptions, and payments in lieu of taxes (PILOT) 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; ACT 328 personal property exemptions can be given to eligible businesses within a designated eligible distressed district, as determined by the local governing body the distressed district is located; and payments in lieu of taxes are programs related to certain exempt properties.

For the fiscal year ended June 30, 2018, which is the December 2017 tax levy, SMART’s property tax revenue was reduced as follows:

	IFT	Brownfield	Act 328	PILOT
Oakland County	\$ 86,041	\$ 101,125	\$ 149,858	\$ 65,114
Macomb County	174,289	-	-	-
Total	<u>\$ 260,330</u>	<u>\$ 101,125</u>	<u>\$ 149,858</u>	<u>\$ 65,114</u>

At the time of this report being published, Wayne County could not provide IFT, Brownfield, and Public Act 328 tax abatement information for the 2017 tax levy year. For tax year 2016, the tax abatements reported by Wayne County totaled approximately \$332,000. The Macomb County Finance Department has determined that Brownfield and Public Act 328 activity is immaterial within Macomb County. SMART is ineligible to give a tax abatement directly.

Required Supplemental Information

Suburban Mobility Authority for Regional Transportation

Required Supplemental Information Schedule of Changes in the Net Pension Liability and Related Ratios

	Last Four Years Years Ended December 31			
	2017	2016	2015	2014
Total Pension Liability				
Service cost	\$ 4,143,547	\$ 3,891,466	\$ 3,819,202	\$ 3,701,095
Interest	19,005,207	18,585,805	17,695,500	17,072,926
Differences between expected and actual experience	(3,478,232)	(2,515,718)	99,715	-
Changes in assumptions	-	-	10,351,934	-
Benefit payments, including refunds	(15,337,264)	(14,527,892)	(13,643,308)	(12,930,124)
Net Change in Total Pension Liability	4,333,258	5,433,661	18,323,043	7,843,897
Total Pension Liability - Beginning of year	243,159,671	237,726,010	219,402,967	211,559,070
Total Pension Liability - End of year	\$ 247,492,929	\$ 243,159,671	\$ 237,726,010	\$ 219,402,967
Plan Fiduciary Net Position				
Contributions - Employer	\$ 16,522,752	\$ 15,725,356	\$ 5,096,203	\$ 4,675,271
Contributions - Employee	1,750,206	1,650,588	1,627,578	1,600,418
Net investment income (loss)	23,044,677	17,449,806	(2,305,957)	9,705,285
Administrative expenses	(364,112)	(348,853)	(340,843)	(355,364)
Benefit payments, including refunds	(15,337,264)	(14,527,892)	(13,643,308)	(12,930,124)
Net Change in Plan Fiduciary Net Position	25,616,259	19,949,005	(9,566,327)	2,695,486
Plan Fiduciary Net Position - Beginning of year	168,162,179	148,213,174	157,779,501	155,084,015
Plan Fiduciary Net Position - End of year	\$ 193,778,438	\$ 168,162,179	\$ 148,213,174	\$ 157,779,501
Authority's Net Pension Liability - Ending	\$ 53,714,491	\$ 74,997,492	\$ 89,512,836	\$ 61,623,466
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	78.30 %	69.16 %	62.35 %	71.91 %
Covered Employee Payroll	\$ 40,197,698	\$ 36,992,486	\$ 36,833,068	\$ 35,107,048
Authority's Net Pension Liability as a Percentage of Covered Employee Payroll	133.63 %	202.74 %	243.02 %	175.53 %

Schedule is built prospectively upon implementation of GASB 68.

Suburban Mobility Authority for Regional Transportation

Required Supplemental Information Schedule of Pension Contributions

**Last Ten Fiscal Years
Year Ended June 30**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 6,522,752	\$ 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
Contributions in relation to the actuarially determined contribution	16,522,752	15,725,357	5,096,203	4,788,752	4,624,857	3,980,544	4,649,410	6,466,982	4,828,115	5,265,668
Contribution excess (deficiency)	\$ 10,000,000	\$ 10,000,000	\$ -	\$ -	\$ 75,266	\$ (767,027)	\$ (544,682)	\$ 514,166	\$ (290,161)	\$ (99,700)
Covered employee payroll	\$ 40,197,698	\$ 36,992,486	\$ 36,833,068	\$ 35,107,048	\$ 34,791,376	\$ 34,887,806	\$ 36,714,556	\$ 39,146,755	\$ 40,597,694	\$ 42,972,512
Contributions as a percentage of covered employee payroll	41.10 %	42.51 %	13.84 %	13.64 %	13.29 %	11.41 %	12.66 %	16.52 %	11.89 %	12.25 %

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, two years prior to the end 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	22 years
Asset valuation method	five-year smoothed market
Inflation	2.5 percent
Salary increase	3.75 percent, including inflation
Investment rate of return	8.00 percent, net of pension plan investment expense, including inflation
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 Schedule of Changes in the Net OPEB Liability and Related Ratios

	Year Ended June 30*
	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 1,672,442
Interest	11,264,428
Differences between expected and actual experience	(321,657)
Benefit payments, including refunds	<u>(8,335,309)</u>
Net Change in Total OPEB Liability	4,279,904
Total OPEB Liability - Beginning of year	<u>176,630,320</u>
Total OPEB Liability - End of year	<u>\$ 180,910,224</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 13,553,709
Net investment income	3,672,021
Administrative expenses	(122,336)
Benefit payments, including refunds	<u>(8,335,309)</u>
Net Change in Plan Fiduciary Net Position	8,768,085
Plan Fiduciary Net Position - Beginning of year	<u>45,389,209</u>
Plan Fiduciary Net Position - End of year	<u>\$ 54,157,294</u>
Net OPEB Liability - Ending	<u>\$ 126,752,930</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	29.94 %
Covered Payroll	\$ 44,134,313
Net OPEB Liability as a Percentage of Covered Payroll	287.20 %

Schedule is built prospectively upon implementation of GASB 75.

Other Supplemental Information

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Operating Revenue Schedule**

Year Ended June 30, 2018

Description	Jul 1, 2017 to Sep 30, 2017	Oct 1, 2017 to Jun 30, 2018	Total
Passenger fares	\$ 2,884,954	\$ 8,498,149	\$ 11,383,103
Contract fares	29,734	86,188	115,923
Advertising	138,798	439,209	578,007
Rental of buildings or other property	9,943	26,515	36,458
Gains from the sale of capital assets	-	-	-
Other nontrans. revenue	501,862	1,914,495	2,416,357
Other local contracts - Mun. Cr.	-	8,968	8,968
Other local contracts - Com. Cr.	59,609	178,189	237,798
Total revenue	\$ 3,624,900	\$ 11,151,714	\$ 14,776,614

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Operating Revenue Schedule**

State Year Ended September 30, 2017

Description	Oct 1, 2016 to Jun 30, 2017	Jul 1, 2017 to Sep 30, 2017	Total
Passenger fares	\$ 8,663,466	\$ 2,884,954	\$ 11,548,420
Contract fares	86,584	29,734	116,318
Advertising	454,097	138,798	592,895
Rental of buildings or other property	52,524	9,943	62,467
Gains from the sale of capital assets	-	-	-
Other nontrans. revenue	2,057,781	501,862	2,559,643
Other local contracts - Mun. Cr.	2,622	-	2,622
Other local contracts - Com. Cr.	172,308	59,609	231,917
Total revenue	<u>\$ 11,489,382</u>	<u>\$ 3,624,900</u>	<u>\$ 15,114,282</u>

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Local Revenue Schedule**

Year Ended June 30, 2018

<u>Description</u>	<u>Jul 1, 2017 to Sep 30, 2017</u>	<u>Oct 1, 2017 to Jun 30, 2018</u>	<u>Total</u>
Taxes levied directly	\$ -	\$ -	\$ -
Local operating assistance millage	17,195,750	54,800,735	71,996,485
Other local contracts	-	-	-
Total revenue	<u>\$ 17,195,750</u>	<u>\$ 54,800,735</u>	<u>\$ 71,996,485</u>
Interest Income	<u>\$ 109,739</u>	<u>\$ 627,104</u>	<u>\$ 736,842</u>
Refunds and Credits	<u>\$ -</u>	<u>\$ 640,306</u>	<u>\$ 640,306</u>

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Local Revenue Schedule**

State Year Ended September 30, 2017

Description	Oct 1, 2016 to Jun 30, 2017	Jul 1, 2017 to Sep 30, 2017	Total
Taxes levied directly	\$ -	\$ -	\$ -
Local operating assistance millage	54,438,350	17,195,750	71,634,100
Other local contracts	-	-	-
Total revenue	<u>\$ 54,438,350</u>	<u>\$ 17,195,750</u>	<u>\$ 71,634,100</u>
Interest Income	<u>\$ 176,478</u>	<u>\$ 109,739</u>	<u>\$ 286,217</u>
Refunds and Credits	<u>\$ 404,678</u>	<u>\$ -</u>	<u>\$ 404,678</u>

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Federal and State Operating Revenue**

Year Ended June 30, 2018

Description	Jul 1, 2017 to Sep 30, 2017	Oct 1, 2017 to Jun 30, 2018	Total
State Operating Assistance	\$ 7,767,352	\$ 22,872,873	\$ 30,640,225
Line-item municipal credit	407,634	1,222,906	1,630,540
Mun. Cr. special appropriation	407,634	1,222,906	1,630,540
Other MDOT/BPT contracts and reimb. - State Preventive Maintenance 2017-0170 PXX	-	500,000	500,000
Subtotal SMART State	8,582,620	25,818,685	34,401,305
Pass-through State Act 51:			
Bedford	32,192	84,816	117,008
Bedford (prior year)	-	4,793	4,793
LETC Urban and Non-Urban	377,356	1,291,374	1,668,730
LETC Urban and Non-Urban (prior year)	-	101,961	101,961
Royal Oak Township	6,441	17,658	24,099
Royal Oak Township (prior year)	-	(652.00)	(652)
Total Pass-through State Act 51	415,989	1,499,950	1,915,939
Other state pass-through grants:			
Specialized Service Grant FY 2017	196,951	-	196,951
Specialized Service Grant FY 2018	-	590,868	590,868
JARC PASS THRU 2012-0170 P21	-	-	-
JARC PASS THRU 2007-0294 Z45	-	163,438	163,438
MOBILITY MGT 2012-0170 P20	2,630.34	14,467	17,098
MOBILITY MGT 2012-0170 P38	12,042	44,163	56,205
NOTA JARC Non-Urban 2017-0130 P03	-	29,459	29,459
NOTA JARC Non-Urban 2012-0170 P35	-	-	-
NOTA New Freedom 2012-0170 P21	-	-	-
NOTA New Freedom 2012-0170 P02	-	14,753	14,753
Total other state pass-through grants	211,624	857,148	1,068,772
Grand total state revenue per F/S	\$ 9,210,233	\$ 28,175,783	\$ 37,386,016

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Federal and State Operating Revenue (Continued)**

Year Ended June 30, 2018

Description	Jul 1, 2017 to Sep 30, 2017	Oct 1, 2017 to Jun 30, 2018	Total
Preventive maintenance - MI-2016-025-03	\$ -	\$ 2,000,000	\$ 2,000,000
Planning/capital cost of contracting - FY 2018 UWP - CONTRACT #MI-80-X006	90,936	387,280	478,216
Reimb. for JARC Admin MI-37-0043	11,024	16,377	27,401
Reimb. for New Freedom Admin. MI-XX-XXXX	17,540	95,376	112,916
Reimb. for section 5309 program admin	-	-	-
Subtotal SMART federal	119,500	2,499,032	2,618,532
Other federal pass-through grants:			
Section 5307 Lake Erie MI-90-0777	112,500	483,770	596,270
Section 5311 Lake Erie MI-18-0055	84,388	138,819	223,207
JARC	-	178,991	178,991
New Freedom	86,603	976,603	1,063,206
Total pass-through federal	283,491	1,778,183	2,061,674
Grand total federal revenue per F/S	\$ 402,991	\$ 4,277,215	\$ 4,680,206
Grand total state and federal	\$ 9,613,224	\$ 32,452,998	\$ 42,066,222

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Federal and State Operating Revenue**

State Year Ended September 30, 2017

Description	Oct 1, 2016 to Jun 30, 2017	Jul 1, 2017 to Sep 30, 2017	Total
State Operating Assistance	\$ 23,645,836	\$ 7,767,352	\$ 31,413,188
Prior Year (2012 Reconciled Adj)	-	-	-
Prior Year (2010 Preliminary Audit Adj)	-	-	-
Line-item municipal credit	815,272	407,634	1,222,906
Mun. Cr. Special Appropriation	815,272	407,634	1,222,906
Cap. K reimb. for admin. expenses	-	-	-
Other Cap. K reimb. for operating expenses	-	-	-
Other MDOT/BPT contracts and reimb. -			
Reimb for section 5309 program admin	-	-	-
State Preventive Maintenance 2012-0170 PXX	1,000,000	-	1,000,000
Subtotal SMART state	26,276,380	8,582,620	34,859,000
Pass-through State Act 51:			
Bedford	97,149	32,192	129,341
Bedford (prior year)	(21,692)	-	(21,692)
LETC Urban and Non-Urban	1,212,925	377,356	1,590,281
LETC Urban and Non-Urban (prior year)	(36,152)	-	(36,152)
Royal Oak Township	19,687	6,441	26,128
Royal Oak Township (prior year)	-	-	-
Total pass-through State Act 51	1,271,917	415,989	1,687,906
Other state pass-through grants:			
Specialized Service Grant FY 2017	590,868	196,951	787,819
Specialized Service Grant FY 2018	-	-	-
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	2,630	70,971
MOBILITY MGT 2012-0170 P38	18,572	12,042	30,614
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	1,301,578	211,624	1,513,202
Grand total state revenue per F/S	\$ 28,849,875	\$ 9,210,233	\$ 38,060,108

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Federal and State Operating Revenue (Continued)**

State Year Ended September 30, 2017

Preventive maintenance - MI-2016-025-03	\$ 4,000,000	\$ -	\$ 4,000,000
Planning/capital cost of contracting - FY 2017 UWP - CONTRACT #MI-80-X006	233,097	-	233,097
FY 2018 UWP - CONTRACT #MI-80-X006	-	90,936	90,936
Reimb. for JARC Admin MI-37-0043	31,782	11,024	42,806
Reimb. for New Freedom Admin. MI-XX-XXXX	37,609	17,540	55,149
Subtotal SMART federal	4,302,488	119,500	4,421,988
Other federal pass-through grants:			
Section 5307 Lake Erie MI-90-4777	471,198	112,500	583,698
Section 5307 Lake Erie ARRA LAKE ERIE MI-96-4008	-	-	-
Section 5307 Lake Erie ARRA BEDFORD MI-96-4007	-	-	-
CMAQ Lake Erie MI-95-0017	-	-	-
Section 5311 Lake Erie MI-18-0055	130,613	84,388	215,001
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	86,603	1,454,251
Total pass-through federal	2,606,930	283,491	2,890,421
Grand total federal revenue per F/S	\$ 6,909,418	\$ 402,991	\$ 7,312,409
Grand total state and federal	\$ 35,759,293	\$ 9,613,224	\$ 45,372,517

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
SMART Expense Schedule**

Year Ended June 30, 2018

Description	Jul 1, 2017 to Sep 30, 2017	Oct 1, 2017 to Jun 30, 2018	Total
Labor - Operators S&W	\$ 5,000,317	\$ 16,569,734	\$ 21,570,052
Labor - Other S&W	3,831,406	12,519,393	16,350,799
Labor - Dispatchers S&W	1,088,952	3,384,881	4,473,834
Other fringe benefits	5,150,233	8,176,873	13,327,106
Pensions - Defined contribution	6,945	30,580	37,525
Pensions - Defined benefit	1,959,624	7,929,586	9,889,210
Other postemployment benefits (OPEB)	1,166,349	9,223,501	10,389,850
Advertising fees	18,549	1,057,064	1,075,613
Audit cost	46,248	119,777	166,025
Other services	481,571	2,284,754	2,766,325
Fuel and lubricants	1,161,239	4,594,527	5,755,766
Tires and tubes	139,179	1,137,039	1,276,218
Other materials and supplies	1,079,830	3,368,709	4,448,539
Utilities	280,141	1,010,526	1,290,667
Casualty and liab. costs	2,212,349	3,148,002	5,360,351
Other insurance	15,882	47,648	63,530
Purchased transportation service - Pass-throughs that are expensed	2,456,104	9,167,545	11,623,649
Travel, meetings, and training	8,285	38,535	46,820
Loss on disposal of asset	-	2,839,150	2,839,150
Other miscellaneous expenses	48,720	194,453	243,173
Depreciation	999,999	13,218,774	14,218,773
Total expenses	27,151,923	100,061,051	127,212,974

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
SMART Expense Schedule (Continued)**

Year Ended June 30, 2018

Description	Jul 1, 2017 to Sep 30, 2017	Oct 1, 2017 to Jun 30, 2018	Total
Less ineligible expenses:			
Ineligible refunds and credits	\$ -	\$ 451,067	\$ 451,067
Ineligible depreciation	-	13,841,944	13,841,944
Unused municipal credits	-	8,968	8,968
Unused community credits	59,609	178,189	237,798
Ineligible non-trans exp	1,862	190,776	192,638
Ineligible loss on disposal	-	2,839,150	2,839,150
Local contracts	815,268	2,445,812	3,261,080
Preventive maintenance (MI-90-0591)	-	2,500,000	2,500,000
Planning/capital cost of contracting	90,936	387,280	478,216
Other ineligible federal/state/local:			
Reimb. for JARC Admin MI-37-0043	11,024	16,377	27,401
Reimb. for New Freedom Admin. MI-XX-XXXX	17,540	95,376	112,916
Other ineligible state contracts:			
Pass-Thru Ineligibles	1,536,949	6,119,991	7,656,940
New Freedom	-	8,834	8,834
State preventive maintenance	-	-	-
Ineligible pension	221,537	1,338,576	1,560,113
Ineligible OPEB	(2,750,354)	(578,458)	(3,328,812)
Other ineligibles	-	(202,176)	(202,176)
Total ineligibles	<u>4,371</u>	<u>29,641,705</u>	<u>29,646,077</u>
Total eligible expenses	<u>\$ 27,147,552</u>	<u>\$ 70,419,346</u>	<u>\$ 97,566,897</u>

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
SMART Expense Schedule (Continued)**

Year Ended June 30, 2018

Description	Jul 1, 2017 to Sep 30, 2017	Oct 1, 2017 to Jun 30, 2018	Total
Pass-throughs that are expensed:			
Nankin Subsidy	\$ -	\$ -	\$ -
Lake Erie	595,834	2,116,135	2,711,969
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	-	-	-
Other state subsidized serv.:			
Specialized services	196,951	590,868	787,819
Royal Oak Twp	6,441	17,006	23,447
Contra SMART Paid Expense	(178,821)	(462,870)	(641,691)
NOTA JARC Non-Urban	-	29,459	29,459
NOTA Local JARC Non-Urban	-	-	-
NOTA New Freedom Non-Urban	-	29,505	29,505
JARC - New Freedom Urban	-	316,508	316,508
JARC - Mobility Management Urban	-	25,921	25,921
New Freedom Operating Assistant Urban	55,825	1,554,838	1,610,663
New Freedom Mobility Management Urban	73,363	248,981	322,344
New Freedom Local Operating Expense Urban	(27,913)	(792,172)	(820,084)
CBS Bloomfield Hills/Richmond Lennox	-	-	-
Pass-throughs that are expensed	<u>\$ 1,536,949</u>	<u>\$ 6,119,991</u>	<u>\$ 7,656,940</u>
Ineligible pass-throughs:			
Nankin Subsidy	\$ -	\$ -	\$ -
Lake Erie	595,834	2,116,135	2,711,969
Municipal credit - Formula Admin Fee	407,634	1,222,906	1,630,540
Municipal credit - Line Item	407,634	1,222,906	1,630,540
Community credit Admin Fee	-	-	-
Other state subsidized serv.:			
Specialized services	196,951	590,868	787,819
Royal Oak Twp	6,441	17,006	23,447
Contra SMART Paid Expense	(178,821)	(462,870)	(641,691)
NOTA JARC Non-Urban	-	29,459	29,459
NOTA Local JARC Non-Urban	-	-	-
NOTA New Freedom Non-Urban	-	29,505	29,505
JARC - New Freedom Urban	-	316,508	316,508
JARC - Mobility Management Urban	-	25,921	25,921
New Freedom Operating Assistant Urban	55,825	1,554,838	1,610,663
New Freedom Mobility Management Urban	73,363	248,981	322,344
New Freedom Local Operating Expense Urban	(27,913)	(792,172)	(820,084)
Ineligible pass-throughs	<u>\$ 1,536,949</u>	<u>\$ 6,119,991</u>	<u>\$ 7,656,940</u>

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
SMART Expense Schedule**

State Year Ended September 30, 2017

Description	Oct 1, 2016 to Jun 30, 2017	Jul 1, 2017 to Sep 30, 2017	Total
Labor - Operators S&W	\$ 14,423,833	\$ 5,000,317	\$ 19,424,150
Labor - Other S&W	11,338,537	3,831,406	15,169,943
Labor - Dispatchers S&W	3,159,082	1,088,952	4,248,034
Other fringe benefits	(751,826)	5,150,233	4,398,407
Pensions - Defined contribution	19,613	6,945	26,558
Pensions - Defined benefit	11,965,007	1,959,624	13,924,631
Other postemployment benefits (OPEB)	10,090,433	1,166,349	11,256,782
Advertising fees	287,844	18,549	306,393
Audit cost	145,650	46,248	191,898
Other services	1,701,660	481,571	2,183,231
Fuel and lubricants	3,358,676	1,161,239	4,519,915
Tires and tubes	522,314	139,179	661,493
Other materials and supplies	2,913,641	1,079,830	3,993,471
Utilities	1,031,179	280,141	1,311,320
Casualty and liab. costs	6,908,168	2,212,349	9,120,517
Other insurance	47,500	15,882	63,382
Purchased transportation service - Pass-throughs that are expensed	9,875,700	2,456,104	12,331,804
Travel, meetings, and training	25,531	8,285	33,816
Loss on disposal of asset	104,531	-	104,531
Other miscellaneous expenses	(17,237)	48,720	31,483
Depreciation	11,442,859	999,999	12,442,858
Total expenses	88,592,695	27,151,923	115,744,618

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
SMART Expense Schedule (Continued)**

State Year Ended September 30, 2017

Description	Oct 1, 2016 to Jun 30, 2017	Jul 1, 2017 to Sep 30, 2017	Total
Less ineligible expenses:			
Ineligible refunds and credits	\$ 404,678	\$ -	\$ 404,678
Ineligible depreciation	10,946,773	-	10,946,773
Unused municipal credits	2,622	-	2,622
Unused community credits	172,308	59,609	231,917
Ineligible non-trans exp	-	1,862	
Ineligible loss on disposal	104,531	-	104,531
Local contracts	-	815,268	815,268
Preventive maintenance (MI-90-0591)	4,000,000	-	4,000,000
Planning/Cap. cost of contracting	233,097	90,936	324,033
Admin expense paid by JARC	31,782	11,024	42,806
Admin expense paid by New Freedom	37,609	17,540	55,149
Other ineligible state contracts:			
Pass-through ineligibles	7,009,138	1,536,949	8,546,087
Section 5307 Lake Erie	471,198	-	471,198
Section 5311 Lake Erie	130,613	-	130,613
JARC	526,734	-	526,734
New Freedom	1,367,648	-	1,367,648
State preventive maintenance	1,000,000	-	1,000,000
Ineligible pension	(4,301,884)	221,537	(4,080,347)
Ineligible OPEB	1,117,846	(2,750,354)	(1,632,508)
Other ineligibles			
Total ineligibles	<u>23,254,693</u>	<u>4,371</u>	<u>23,257,202</u>
Total eligible expenses	<u>\$ 65,338,002</u>	<u>\$ 27,147,552</u>	<u>\$ 92,487,416</u>

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
SMART Expense Schedule (Continued)**

State Year Ended September 30, 2017

Description	Oct 1, 2016 to Jun 30, 2017	Jul 1, 2017 to Sep 30, 2017	Total
Pass-throughs that are expensed:			
Nankin Subsidy	\$ 204,750	\$ -	\$ 204,750
Lake Erie	1,854,041	595,834	2,449,875
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	-	2,445,815
Other state subsidized serv.:			
Specialized services	590,868	196,951	787,819
Royal Oak Twp	19,687	6,441	26,128
Contra SMART Paid Expense	(501,334)	(178,821)	(680,155)
NOTA JARC Non-Urban Expense	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 Expense Urban	1,985,240	55,825	2,041,065
New Freedom Mobility Management Urban	461,941	73,363	535,304
New Freedom Local Operating Expense Urban	(1,065,971)	(27,913)	(1,093,884)
CBS Bloomfield Hills/Richmond Lenox	106,934	-	106,934
Pass-throughs that are expensed	\$ 9,882,402	\$ 1,536,949	\$ 11,419,351
Ineligible pass-throughs:			
Nankin Subsidy	\$ 204,750	\$ -	\$ 204,750
Lake Erie	1,854,041	595,834	2,449,875
Mun. Cr. - Formula	170,401	407,634	578,035
Mun. Cr. - Line Item	1,222,906	407,634	1,630,540
Comm. Cr.	230,656	-	230,656
Other state subsidized serv.:			
Specialized services	590,868	196,951	787,819
Royal Oak Twp	19,687	6,441	26,128
Contra SMART Paid Expense	-	(178,821)	(178,821)
NOTA JARC Non-Urban Expense	148,123	-	148,123
NOTA Local JARC Non-Urban	-	-	-
NOTA New Freedom Non-Urban	146,702	-	146,702
JARC - New Freedom Expense Urban	1,017,004	-	1,017,004
JARC - Mobility Management Urban	22,790	-	22,790
New Freedom Operating Expense Urban	1,985,240	55,825	2,041,065
New Freedom Mobility Management Urban	461,941	73,363	535,304
New Freedom Local Operating Expense Urban	(1,065,971)	(27,913)	(1,093,884)
Ineligible pass-throughs	\$ 7,009,138	\$ 1,536,949	\$ 8,546,087

**Other Supplemental Information
SMART Expense Schedule**

Year Ended June 30, 2018

Expense incurred:	Jul 1, 2017 to Sep 30, 2017	Oct 1, 2017 to Jun 30, 2018	Total
Pension - Defined benefit	\$ 1,959,624	\$ 7,929,586	\$ 9,889,210
OPEB - Defined benefit	1,019,750	8,714,046	9,733,796
Total	<u>\$ 2,979,374</u>	<u>\$ 16,643,632</u>	<u>\$ 19,623,006</u>

Amounts actually paid:	Jul 1, 2017 thru Sep 30, 2017	Oct 1, 2017 thru Jun 30, 2018	Total
Pension - Defined benefit	\$ 1,738,087	\$ 6,591,009	\$ 8,329,096
OPEB - Defined benefit	3,770,104	9,292,504	13,062,608
Total	<u>\$ 5,508,191</u>	<u>\$ 15,883,513</u>	<u>\$ 21,391,704</u>

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
SMART Expense Schedule**

State Year Ended September 30, 2017

	Oct 1, 2016 to Jun 30, 2017	Jul 1, 2017 to Sep 30, 2017	Total
Expense incurred:			
Pension - Defined benefit	\$ 10,251,287	\$ 1,959,624	\$ 12,210,911
OPEB - Defined benefit	9,786,265	1,019,750	10,806,015
Total	<u>\$ 20,037,552</u>	<u>\$ 2,979,374</u>	<u>\$ 23,016,926</u>
	Oct 1, 2016 thru Jun 30, 2017	Jul 1, 2017 thru Sep 30, 2017	Total
Amounts actually paid:			
Pension - Defined benefit	\$ 14,553,171	\$ 1,738,087	\$ 16,291,258
OPEB - Defined benefit	8,668,419	3,770,104	12,438,523
Total	<u>\$ 23,221,590</u>	<u>\$ 5,508,191</u>	<u>\$ 28,729,781</u>
Current year ineligible expense			
Pension - Defined benefit			\$ 4,080,347
OPEB - Defined benefit			1,632,508
Total			<u>\$ 5,712,855</u>
Prior year carryforward - September 30, 2016			
Pension - Defined benefit			\$ (3,948,450)
OPEB - Defined benefit			(12,936,999)
Total			<u>\$ (16,885,449)</u>
Carryforward - September 30, 2017			
Pension - Defined benefit			\$ 131,897
OPEB - Defined benefit			(11,304,491)
Total			<u>\$ (11,172,594)</u>

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Schedule of Financial Assistance**

Year Ended June 30, 2018

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAUDITED PROGRAM OR AWARD AMOUNT	AUDITED DISBURSEMENTS/ EXPENDITURES	UNAUDITED FEDERAL RECEIPTS/ REVENUE	UNAUDITED STATE RECEIPTS/ REVENUE	UNAUDITED AMOUNT REMAINING
U.S DEPARTMENT OF TRANSPORTATION:											
DIRECT ASSISTANCE:											
CAPITAL ASSISTANCE	80 % - 20 %	FY2003	SECTION 5309	20.500	MI-03-0194	2002-0088 Z12	\$ 3,442,875	\$ -	\$ -	\$ -	65
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	-	-	-	53,817
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	20.500	MI-04-0040	2007-0294 Z40	4,250,000	-	-	-	42,722
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5309	20.500	MI-04-0057	N/A	4,995,000	-	-	-	4,995,000
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	20.500	MI-04-0080	N/A	200,000	62,640	62,640	-	113,931
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	243,817	243,817	60,951	1,290,350
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	-	-	29,146	4,798,308
TOTAL							47,834,636	306,457	306,457	90,097	12,903,144
PLANNING AND TECHNICAL STUDIES UWP PROGRAM	80 % - 20 %	FY2011	SECTION 5303	20.505	MI-80-X006	N/A	318,806	318,806	318,806	-	-
TRANSIT ASSET MGT	80 % - 20 %		SECTION 5303	20.505	2015-0009		130,828	130,828	130,828	-	-
OPER REVIEW	80 % - 20 %		SECTION 5303	20.505	2015-0009		28,655	28,655	28,655	-	-
							478,289	478,289	478,289	-	-

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Schedule of Financial Assistance (Continued)**

Year Ended June 30, 2018

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	3,691	3,691	-	3,852,703
CAPITAL ASSISTANCE	80 % - 20 %	FY2013	SECTION 5307	20.507	MI-90-0678		22,231,592	18,090,439	18,090,439	4,522,194	(5,178,417)
CAPITAL ASSISTANCE	80 % - 20 %	FY2014	SECTION 5307	20.507	MI-90-0678		4,000,000	-	-	-	4,000,000
CAPITAL ASSISTANCE	100%	FY2012	CMAQ	20.507	MI-95-X077	N/A	11,575,989	-	-	-	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	-	-	-	329,130
CAPITAL ASSISTANCE	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-02	7,202,755	476,009	476,009	-	6,726,746
CAPITAL ASSISTANCE (preventative maint)	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-03	4,000,000	2,000,000	2,000,000	-	2,000,000
CAPITAL ASSISTANCE (training)	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-03	20,000	1,925	1,925	-	17,159
CAPITAL ASSISTANCE	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-04	501,192	312,206	312,206	-	188,986
CAPITAL ASSISTANCE	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-06	104,339	12,205	12,205	-	90,658
CAPITAL ASSISTANCE FY16	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-08	434,698	-	-	-	434,698
CAPITAL ASSISTANCE FY16	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-10	8,544,000	-	-	-	8,544,000
CAPITAL ASSISTANCE FY16	80 % - 20 %	FY2016	SECTION 5307	20.507	MI-90-0777	2016-025-11	120,000	109,923	109,923	-	10,077
CAPITAL ASSISTANCE FY10-12	80 % - 20 %		SECTION 5307	20.507	MI-90-0758		845,799	11,573	11,573	-	834,226
OPERATING ASSISTANCE (MONROE) FY18				20.507	MI-XX-XXXX	MI-XXXX-XXXX-XX	500,000	375,003	375,003	-	124,997
OPERATING ASSISTANCE (MONROE) FY17				20.507	MI-90-0777	MI-2016-025-00	558,767	221,267	221,267	355,706	337,500
OPERATING ASSISTANCE (MONROE) FY16				20.507	MI-90-4678	MI-2016-025-07	572,538	-	-	-	572,538
CAPITAL ASSISTANCE (CMAQ)				20.507	MI-95-0077		11,575,989	630,434	630,434	131,221	10,945,555
CAPITAL ASSISTANCE FY16 (CMAQ)				20.507	MI-95-0122	MI-2016-025-01	3,676,000	-	-	-	3,676,000
CAPITAL ASSISTANCE FY16 (CMAQ)				20.507	MI-95-0122	MI-2016-025-12	496,000	510,557	510,557	-	(14,557)
TOTAL							\$ 200,166,170	\$ 22,755,232	\$ 22,755,232	\$ 5,009,121	\$ 47,648,674

**Other Supplemental Information
Schedule of Financial Assistance (Continued)**

Year Ended June 30, 2018

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAUDITED PROGRAM OR AWARD AMOUNT	AUDITED DISBURSEMENTS/ EXPENDITURES	UNAUDITED FEDERAL RECEIPTS/ REVENUE	UNAUDITED STATE RECEIPTS/ REVENUE	UNAUDITED AMOUNT REMAINING
MICHIGAN DEPARTMENT OF TRANSPORTATION:											
CAPITAL ASSISTANCE	100 % STATE	FY1993	SECTION 3	N/A	N/A	93-1093	\$ 1,374,719	\$ -	\$ -	\$ -	40,445
CAPITAL ASSISTANCE	100 % STATE	FY1995	16 B-2	N/A	N/A	95-1479	500,000	-	-	-	9,970
CAPITAL ASSISTANCE	80 % - 20 %	FY1995	SECTION 9	N/A	MI-90-0232	95-1652	3,027,062	-	-	-	494
CAPITAL ASSISTANCE	100 % STATE	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	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	-	-	374,363	-
CAPITAL ASSISTANCE	100 % STATE		SECTION 5310	20.513	MI-16-X004	2012-0170 P16	31,138	-	-	3,584	31,138
CAPITAL ASSISTANCE	100 % STATE		SECTION 5310	20.513	MI-16-X004	2012-0170 P37	25,162	-	-	-	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)
MICHIGAN DEPARTMENT OF TRANSPORTATION (CONTINUED):											
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	-	-	927	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	-	-	-	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	-	-	-	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	-	-	2,893	-
CAPITAL ASSISTANCE	80 % - 20 %	FY08-FY09	SECTION 5309	N/A	MI-04-0040	2007-0294 Z40	1,062,500	-	-	-	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
MICHIGAN DEPARTMENT OF TRANSPORTATION (CONTINUED):											
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5309	N/A		2007-0294 Z7	\$ 437,500	\$ -	\$ -	\$ -	67,189
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	116,585	116,585	-	2,354,182
COMBINED STATE CONTRACTS							\$ 39,265,526	\$ 116,585	\$ 116,585	\$ 381,767	\$ 4,187,871
TOTAL CAPITAL ASSISTANCE							\$ 287,744,621	\$ 23,656,563	\$ 23,656,563	\$ 5,480,986	\$ 64,739,689

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Schedule of Financial Assistance (Continued)**

Year Ended June 30, 2018

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	
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	-	-	-	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	-	-	-	310,502	
JARC PROGRAM OPERATING		FY2008	SECTION 5316	20.516	MI-37-4043	2007-0294 Z45	1,448,472	-	-	-	(123,869)	
JARC PROGRAM OPERATING			SECTION 5316	20.516	MI-37-4050		1,894,878	178,991	178,991	-	1,400,372	
JARC PROGRAM ADMIN		FY2008	SECTION 5316	20.516	MI-37-6043	N/A	214,639	27,401	27,401	-	15,874	
TOTAL							\$ 5,527,483	\$ 206,392	\$ 206,392	\$ -	\$ 2,299,914	
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	-	-	-	(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	15,092	15,092	-	(4,619)	
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	-	-	-	60,623	
SECTION 5317 NEW FREEDOM PROGRAM ADMIN			SECTION 5307	20.521	MI-57-6024	N/A	51,247	16,834	16,834	-	28,775	
SECTION 5317 NEW FREEDOM OPERATING			SECTION 5307	20.521	MI-57-0024	N/A	781,948	-	-	-	45,452	
SECTION 5310 NEW FREEDOM PROGRAM ADMIN			SECTION 5310	20.513	MI-16-X007	2012-0170 P20	50,000	26,515	26,515	-	16,675	
SECTION 5310 NEW FREEDOM OPERATING			SECTION 5310	20.513	MI-16-X007	2012-0170 P20	1,500,000	338,749	338,749	-	517,859	
SECTION 5310 NEW FREEDOM MOBILITY MANAGEMENT			SECTION 5310	20.513	MI-16-X007	2012-0170 P20	320,000	33,056	33,056	-	13,581	
SECTION 5310 NEW FREEDOM CAPITAL			SECTION 5310	20.513	MI-16-X007	2012-0170 P20	2,907,322	502,235	502,235	-	942,303	
SECTION 5310 NEW FREEDOM CAPITAL			SECTION 5311	21.513	MI-16-X013	2012-0170 P20	1,442,708	829,197	829,197	125,559	581,511	
SECTION 5310 NEW FREEDOM CAPITAL			SECTION 5311	21.513	MI-16-X013	2012-0170 P20	25,000	16,577	16,577	-	8,423	
SECTION 5310 NEW FREEDOM OPERATING			SECTION 5311	21.513	MI-16-X013	2012-0170 P20	1,162,000	466,582	466,582	-	541,396	
SECTION 5310 NEW FREEDOM MOBILITY MANAGEMENT			SECTION 5311	21.513	MI-16-X013	2012-0170 P20	224,819	224,819	224,819	-	2,893	
TOTAL							\$ 10,644,144	\$ 2,469,656	\$ 2,469,656	\$ 125,559	\$ 2,948,156	

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Schedule of Financial Assistance (Continued)**

Year Ended June 30, 2018

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
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	20.509	N/A	2017-0130-P03	90,320	14,730	14,730	-	36,705
SECTION 5316 JARC - NOTA - NON-URBAN (2016)	100% STATE	FY2017	SECTION 5316	20.509	MI-18-0055	2012-0170 P35	38,909	-	-	-	3,732
TOTAL							\$ 466,469	\$ 14,730	\$ 14,730	\$ -	\$ 317,875
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	-	-	-	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	7,376	7,376	-	30,929
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	\$ 7,376	\$ 7,376	\$ -	\$ 352,257
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	-	-	-	151,665
OPERATING ASSIST. - SEC.5311	100 % STATE	FY2017	SECTION 5311	20.509	MI-18-0055	2017-0130 P01	116,100	-	-	-	(14,513)
OPERATING ASSIST. LET- SEC 5311 (2017)	100 % STATE	FY2017	SECTION 5311	20.509	MI-18-0055	2017-0130 P01	215,001	84,388	84,388	-	130,613
OPERATING ASSIST. LET- SEC 5311 (2018)	100 % STATE	FY2017	SECTION 5311	20.509	MI-18-0055	2017-0130 P09	68,281	138,819	138,819	-	(70,538)
TOTAL							\$ 1,164,972	\$ 223,207	\$ 223,207	\$ -	\$ 535,974
SUBTOTAL							19,647,849	2,921,361	2,921,361	125,559	6,454,176

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Schedule of Financial Assistance (Continued)**

Year Ended June 30, 2018

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:											
OPERATING ASSISTANCE - ACT 51 SMART URBAN				N/A		9/30/2017	-	-	-	32,068,589	-
MUNICIPAL CREDIT SPECIAL APPROPRIATION				N/A		9/30/2017	-	-	-	1,630,540	-
OPERATING ASSISTANCE - ACT 51 BEDFORD URBAN				N/A		9/30/2017	-	-	-	121,801	-
OPERATING ASSISTANCE - ACT 51 LETC COMBINED				N/A		9/30/2017	-	-	-	1,770,691	-
ROYAL OAK TWP NEW SERVICES				N/A		9/30/2017	-	-	-	23,447	-
SPECIALIZED SERVICES		FY2017		N/A		2007-0294-ZXX	-	-	-	196,951	-
SPECIALIZED SERVICES		FY2018		N/A		2007-0294-ZXX	-	-	-	590,868	-
TOTAL							-	-	-	36,402,887	-
TOTAL OPERATING ASSISTANCE							19,647,849	2,921,361	2,921,361	36,528,446	6,454,176
GRAND TOTAL - ALL ASSISTANCE							\$ 307,392,470	\$ 26,577,924	\$ 26,577,924	\$ 42,009,431	\$ 71,193,865

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Other Operating Expenses**

Year Ended June 30, 2018

Description	Community Based			Royal Oak		
	Jul 1, 2017 to Sep 30, 2017	Oct 1, 2017 to Jun 30, 2018	Total Community Based	Jul 1, 2017 to Sep 30, 2017	Oct 1, 2017 to Jun 30, 2018	Total Royal Oak
	Revenue:					
Fares	\$ 149,248	\$ 326,585	\$ 475,832	\$ 967	\$ 3,368	\$ 4,335
Taxes levied directly	31,528	100,459	131,987	-	-	-
Local operating assistance:						
General Fund/Property tax	302,625	647,639	950,264	13,535	27,000	40,535
Other	-	-	-	-	-	-
Other local contracts:						
Mun. Cr.	568,848	1,110,086	1,678,934	594	1,800	2,394
Comm. Cr.	548,318	963,437	1,511,755	1,709	5,130	6,839
Other MDOT/BPT contracts and reimb.:						
Act 51	68,876	190,083	258,959	6,441	17,658	24,099
Specialized services	32,331	50,355	82,685	-	-	-
Other federal transit contracts and reimb	57,729	34,363	92,092	-	-	-
Interest income	9,648	16,570	26,218	-	8	8
Total revenue	\$ 1,769,151	\$ 3,439,576	\$ 5,208,727	\$ 23,246	\$ 54,964	\$ 78,210
Total operating expenses	\$ 2,220,573	\$ 4,210,201	\$ 6,430,774	\$ 22,455	\$ 41,070	\$ 63,525
Ineligible expenses:						
SMART Municipal Credits	568,848	1,110,086	1,678,934	594	1,800	2,394
SMART Community Credits	548,318	963,437	1,511,755	1,709	5,130	6,839
Act 51	68,876	190,083	258,959	-	-	-
State specialized services	32,331	50,355	82,685	-	-	-
Other federal contracts and reimb	57,729	34,363	92,092	-	-	-
Depreciation	120	2,240	2,360	-	-	-
Total ineligible	1,276,222	2,350,563	3,626,785	2,303	6,930	9,233
Total eligible expenses	\$ 944,352	\$ 1,859,638	\$ 2,803,989	\$ 20,152	\$ 34,140	\$ 54,292

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Other Operating Expenses (Continued)**

Year Ended June 30, 2018

Description	Mt. Clemens			Nankin		
	Jul 1, 2017	Oct 1, 2017	Total Mt. Clemens	Jul 1, 2017	Oct 1, 2017	Total Nankin
	to Sep 30, 2017	to Jun 30, 2018		to Sep 30, 2017	to Jun 30, 2018	
Revenue:						
Fares	\$ 13,185	\$ 44,209	\$ 57,394	\$ 39,639	\$ 118,915	\$ 158,554
Taxes levied directly	-	-	-	-	-	-
Local operating assistance:						
General Fund/Property tax	330,927	(6,751)	324,176	68,250	204,750	273,000
Other	-	-	-	-	-	-
Other local contracts:						
Mun. Cr.	4,221	12,659	16,880	40,060	120,180	160,240
Comm. Cr.	6,099	18,500	24,599	53,614	160,841	214,455
Other MDOT/BPT contracts and reimb. -						
Specialized services	3,454	110,276	113,730	48,623	145,876	-
Other federal transit contracts and reimb.	-	-	-	-	-	-
Refunds and rebates	213	1,178	1,391	-	-	-
Interest income	1,476	-	1,476	-	-	-
Total revenue	\$ 359,575	\$ 180,071	\$ 539,646	\$ 250,186	\$ 750,562	\$ 806,249
Total operating expenses	\$ 104,212	\$ 352,567	\$ 456,779	\$ 222,457	\$ 667,374	\$ 889,831
Ineligible expenses:						
SMART municipal credits	4,221	12,659	16,880	40,060	120,180	160,240
SMART community credits	6,099	18,500	24,599	53,614	160,841	214,455
State specialized services	3,454	110,276	113,730	-	-	-
Refunds and rebates	213	1,178	1,391	-	-	-
Depreciation	-	-	-	-	-	-
Total ineligible	13,987	142,613	156,600	93,674	281,021	374,695
Total eligible expenses	\$ 90,225	\$ 209,954	\$ 300,179	\$ 128,783	\$ 386,353	\$ 515,136

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Other Operating Expenses (Continued)**

Redford Township Year Ended March 31, 2018

Description	Redford		Total Redford
	1-Apr-17 to 30-Sep-17	1-Oct-17 to 31-Mar-18	
Revenue:			
Fares	\$ 8,532	\$ 9,984	\$ 18,516
Taxes levied directly	-	-	-
Local operating assistance:			
General Fund/Property tax	8,484	74,416	82,900
Other	15,000.00	60,000	75,000
Other local contracts:			
Mun. Cr.	34,340	34,338	68,678
Comm. Cr.	25,042	25,038	50,080
Other MDOT/BPT contracts and reimb. -			
Specialized services	-	4,279	4,279
Other federal transit contracts and reimb.	-	-	-
Refunds and rebates	-	-	-
Interest income	-	3,003	3,003
Total revenue	\$ 91,398	\$ 211,058	\$ 302,456
Total operating expenses	\$ 83,286	\$ 108,222	\$ 191,508
Ineligible expenses:			
SMART municipal credits	34,340	34,338	68,678
SMART community credits	25,042	25,038	50,080
State specialized services	-	4,279	4,279
Refunds and rebates	-	-	-
Depreciation	-	-	-
Total ineligible	59,382	63,655	123,037
Total eligible expenses	\$ 23,904	\$ 44,567	\$ 68,471

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Other Operating Expenses (Continued)**

S.T.A.R. Year Ended March 31, 2018

Description	S.T.A.R.		Total S.T.A.R.
	1-Apr-17 to 30-Sep-17	1-Oct-17 to 31-Mar-18	
Revenue:			
Fares	\$ 690	\$ 1,385	\$ 2,075
Taxes levied directly	-	433,849	433,849
Local operating assistance:			
General Fund/Property tax	-	-	-
Other	46,937	71,645	118,582
Other local contracts:			
Mun. Cr.	-	-	-
Comm. Cr.	-	-	-
Other MDOT/BPT contracts and reimb. -			
Specialized services	12,240	4,080	16,320
Other federal transit contracts and reimk	-	-	-
Interest income	1,028	839	1,867
Total revenue	\$ 60,895	\$ 511,798	\$ 572,693
Total operating expenses	\$ 231,874	\$ 341,674	\$ 573,548
Ineligible expenses:			
SMART municipal credits	-	-	-
SMART community credits	-	-	-
State specialized services	106,318	160,212	266,530
Charter expense	-	-	-
Depreciation	-	-	-
Total ineligible	106,318	160,212	266,530
Total eligible expenses	\$ 125,556	\$ 181,462	\$ 307,018

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Other Operating Expenses**

State Year Ended September 30, 2017

Description	Community Based			Royal Oak		
	1-Oct-16 to 30-Jun-17	1-Jul-17 to 30-Sep-17	Total Community Based	1-Oct-16 to 30-Jun-17	1-Jul-17 to 30-Sep-17	Total Royal Oak
Revenue:						
Fares	\$ 541,471	\$ 149,248	\$ 690,719	\$ 2,237	\$ 967	\$ 3,204
Taxes levied directly	509,856	31,528	541,384	-	-	-
Local operating assistance:						
General Fund/Property tax	1,634,493	302,625	1,937,118	18,000	13,535	31,535
Other	-	-	-	165	-	165
Other local contracts:						
Mun. Cr.	1,647,478	568,848	2,216,326	1,800	594	2,394
Comm. Cr.	1,274,208	548,318	1,822,526	5,130	1,709	6,839
Other MDOT/BPT contracts and reimb.:						
Act 51	231,944	68,876	300,820	19,687	6,441	26,128
Specialized services	68,171	32,331	100,502	-	-	-
Other federal transit contracts and reimb:	51,761	57,729	109,490	-	-	-
Interest income	24,883	9,648	34,531	7	-	7
Total revenue	\$ 5,984,265	\$ 1,769,151	\$ 7,753,416	\$ 47,026	\$ 23,246	\$ 70,272
Total operating expenses	\$ 6,255,309	\$ 2,220,573	\$ 8,475,882	\$ 53,321	\$ 22,455	\$ 75,776
Ineligible expenses:						
SMART municipal credits	1,647,478	568,848	2,216,326	1,800	594	2,394
SMART community credits	1,274,208	548,318	1,822,526	5,130	1,709	6,839
Act 51	231,944	68,876	300,820	-	-	-
State specialized services	68,171	32,331	100,502	-	-	-
Other Federal contracts and reimb	51,761	57,729	109,490	-	-	-
Depreciation	17,190	120	17,310	-	-	-
Total ineligible	3,290,752	1,276,222	4,566,974	6,930	2,303	9,233
Total eligible expenses	\$ 2,964,557	\$ 944,352	\$ 3,908,909	\$ 46,391	\$ 20,152	\$ 66,543

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Other Operating Expenses (Continued)**

State Year Ended September 30, 2017

Description	Mt. Clemens			Nankin		
	1-Oct-16 to 30-Jun-17	1-Jul-17 to 30-Sep-17	Total Mt. Clemens	1-Oct-16 to 30-Jun-17	1-Jul-17 to 30-Sep-17	Total Nankin
Revenue:						
Fares	\$ 46,466	\$ 13,185	\$ 59,651	\$ 204,750	\$ 39,639	\$ 244,389
Taxes levied directly	-	-	-	-	-	-
Local operating assistance:						
General Fund/Property tax	38,102	330,927	369,029	-	68,250	68,250
Other	-	-	-	101,063	-	101,063
Other local contracts:						
Mun. Cr.	8,438	4,221	12,659	120,180	40,060	160,240
Comm. Cr.	12,206	6,099	18,305	160,841	53,614	214,455
Other MDOT/BPT contracts and reimb. - Specialized services	11,615	3,454	15,069	-	48,623	48,623
Other federal transit contracts and reimb.	-	-	-	-	-	-
Refunds and rebates	862	213	1,075	-	-	-
Interest income	427	1,476	1,903	-	-	-
Total revenue	\$ 118,116	\$ 359,575	\$ 477,691	\$ 586,834	\$ 250,186	\$ 837,020
Total operating expenses	\$ 289,801	\$ 104,212	\$ 394,013	\$ 612,987	\$ 222,457	\$ 835,444
Ineligible expenses:						
SMART municipal credits	8,438	4,221	12,659	120,180	40,060	160,240
SMART community credits	12,206	6,099	18,305	160,841	53,614	214,455
State specialized services	11,615	3,454	15,069	-	-	-
Refunds and rebates	862	213	1,075	-	-	-
Depreciation	-	-	-	-	-	-
Total ineligible	33,121	13,987	47,108	281,021	93,674	374,695
Total eligible expenses	\$ 256,680	\$ 90,225	\$ 346,905	\$ 331,966	\$ 128,783	\$ 460,749

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Other Operating Expenses (Continued)**

State Year Ended September 30, 2017

Description	Redford		Total Redford
	1-Oct-16 to 31-Mar-17	1-Apr-17 to 30-Sep-17	
Revenue:			
Fares	\$ 8,398	\$ 8,532	\$ 16,930
Taxes levied directly	-	-	-
Local operating assistance:			
General Fund/Property tax	74,067	8,484	82,551
Other	45,000	15,000	60,000
Other local contracts:			
Mun. Cr.	25,038	34,340	59,378
Comm. Cr.	34,338	25,042	59,380
Other MDOT/BPT contracts and reimb. -			
Specialized services	10,726	-	10,726
Other federal transit contracts and reimb.	-	-	-
Refunds and rebates	-	-	-
Interest income	464	-	464
Total revenue	\$ 198,031	\$ 91,398	\$ 289,429
Total operating expenses	\$ 108,751	\$ 83,286	\$ 192,037
Ineligible expenses:			
SMART municipal credits	25,038	34,340	59,378
SMART community credits	34,338	25,042	59,380
State specialized services	10,726	-	10,726
Refunds and rebates	-	-	-
Depreciation	-	-	-
Total ineligible	70,102	59,382	129,484
Total eligible expenses	\$ 38,649	\$ 23,904	\$ 62,553

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Other Operating Expenses (Continued)**

State Year Ended September 30, 2017

Description	S.T.A.R.		Total S.T.A.R.
	1-Oct-16 to 31-Mar-17	1-Apr-17 to 30-Sep-17	
Revenue:			
Fares	\$ 1,385	690	\$ 2,075
Taxes levied directly	419,900	-	419,900
Local operating assistance:			
General Fund/Property tax	-	-	-
Other	79,888	46,937	126,825
Other local contracts:			
Mun. Cr.	-	-	-
Comm. Cr.	-	-	-
Other MDOT/BPT contracts and reimb. -			
Specialized services	5,332	12,240	17,572
Other federal transit contracts and reimb			
Interest income	631	1,028	1,659
Total revenue	\$ 507,136	\$ 60,895	\$ 568,031
Total operating expenses	\$ 352,117	\$ 231,874	\$ 583,991
Ineligible expenses:			
SMART municipal credits	-	-	-
SMART community credits	-	-	-
State specialized services	146,551	106,318	252,869
Charter expense	5,763	-	5,763
Depreciation	-	-	-
Total ineligible	152,314	106,318	258,632
Total eligible expenses	\$ 199,803	\$ 125,556	\$ 325,359

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
Other Operating Expenses – Combined Total**

State Year Ended September 30, 2017

Description	Total Community Based	Total Mt. Clemens	Total Nankin	Total Redford	Total S.T.A.R.	Total Other
Fares	\$ 690,719	\$ 59,651	\$ 244,389	\$ 16,930	\$ 2,075	\$ 1,013,764
Taxes levied directly	541,384	-	-	-	419,900	961,284
Local operating assistance:						
General Fund/Property tax	1,937,118	369,029	68,250	82,551	-	2,456,948
Other	-	-	101,063	60,000	126,825	287,888
Other local contracts:						
Mun. Cr.	2,216,326	12,659	160,240	59,378	-	2,448,603
Comm. Cr.	1,822,526	18,305	214,455	59,380	-	2,114,666
Other MDOT/BPT contracts and reimb.:						
Act 51	300,820	-	-	-	-	300,820
Specialized services	100,502	15,069	48,623	10,726	17,572	192,492
Other federal transit contracts and reimb.	109,490	-	-	-	-	109,490
Refunds/rebates/insurance proceeds	-	1,075	-	-	-	1,075
Interest income	34,531	1,903	-	464	1,659	38,557
Total revenue	<u>\$ 7,753,416</u>	<u>\$ 477,691</u>	<u>\$ 837,020</u>	<u>\$ 289,429</u>	<u>\$ 568,031</u>	<u>\$ 9,925,587</u>
Total operating expenses	\$ 8,475,882	\$ 394,013	\$ 835,444	\$ 192,037	\$ 583,991	\$ 10,481,367
Ineligible expenses:						
SMART municipal credits	2,216,326	12,659	160,240	59,378	-	2,448,603
SMART community credits	1,822,526	18,305	214,455	59,380	-	2,114,666
Act 51	300,820	-	-	-	-	300,820
State specialized services	100,502	15,069	-	10,726	252,869	379,166
Charter expense	-	-	-	-	5,763	5,763
Refunds/rebates/insurance proceeds	-	1,075	-	-	-	1,075
Other federal contracts and reimb	109,490	-	-	-	-	109,490
Depreciation	17,310	-	-	-	-	17,310
Total ineligible	4,566,974	47,108	374,695	129,484	258,632	5,376,893
Total eligible expenses	<u>\$ 3,908,909</u>	<u>\$ 346,905</u>	<u>\$ 460,749</u>	<u>\$ 62,553</u>	<u>\$ 325,359</u>	<u>\$ 5,104,475</u>

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
URBAN Revenue Combined Schedule**

Description	State Year Ended September 30, 2017		
	SMART Directly Provided	Other	Total for URBAN OAR
Passenger fares	\$ 11,548,420	\$ 1,013,764	\$ 12,562,184
Contract fares	116,318	-	116,318
Concessions	-	-	-
Advertising	592,895	-	592,895
Other auxiliary trans revenue	-	-	-
Sales of maintenance services	-	-	-
Rental of bldgs or other property	62,467	-	62,467
Gains from the sale of capital assets	-	-	-
Other nontrans revenue	2,559,643	-	2,559,643
Taxes levied directly	71,634,100	961,284	72,595,384
Local operating assistance	-	2,744,836	2,744,836
Other local contracts - Municipal credit recapture	2,622	-	2,622
Other local contracts and reimbursements	-	-	-
Other local community credits	231,917	2,114,666	2,346,583
State operating assistance:			
SMART	31,413,188	-	31,413,188
Municipal credit	1,222,906	2,448,603	3,671,509
Bedford	107,649	-	107,649
LETC Urban and Non-Urban	1,554,129	-	1,554,129
Royal Oak Township	26,128	-	26,128
Line-item municipal credit	1,222,906	-	1,222,906
State preventive maintenance (20% State share)	1,000,000	-	1,000,000
Other MDOT/BPT contracts and reimb.:			
Specialized service grants	787,819	192,492	980,311
NOTA JARC 2007-0294 Z31	320,073	-	320,073
NOTA New Freedom 2012-0170 P36	18,010	-	18,010
JARC PASS THRU 2007-0294 Z45	192,987	-	192,987
MOBILITY MGT 2012-0170 P20	70,971	-	70,971
MOBILITY MGT 2012-0170 P38	30,614	-	30,614
NOTA JARC Non-Urban 2012-0170 P35	35,177	-	35,177
NOTA JARC Non-Urban 2017-0130 P03	38,885	-	38,885
NOTA New Freedom 2012-0170 P02	18,665	-	18,665
Act 51	-	300,820	300,820
Federal preventive maintenance -			
MI-90-0591	4,000,000	-	4,000,000
Planning/Capital cost of contracting -			
FY 2017 UWP - CONTRACT #MI-80-X006	233,097	-	233,097
FY 2018 UWP - CONTRACT #MI-80-X006	90,936	-	90,936
Reimb. for JARC Admin. MI-37-6040	-	-	-
Reimb. for JARC Admin. MI-37-6043	-	-	-
Reimb. for JARC Admin MI-37-0043	42,806	-	42,806
Reimb. for New Freedom Admin. MI-57-6007	55,149	-	55,149
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	583,698	-	583,698
Section 5311 Lake Erie Non Urban MI-18-X002 2007-0294 Z32	215,001	-	215,001
JARC	600,795	-	600,795
New Freedom	1,490,927	109,490	1,600,417
Refunds, rebates, insurance proceeds	404,678	1,075	405,753
Gains from the sale of capital assets	-	-	-
Interest income	286,217	38,557	324,774
Total	\$ 132,811,794	\$ 9,925,587	\$ 142,737,381

**Suburban Mobility Authority
for Regional Transportation**

**Other Supplemental Information
URBAN Expense Combined Schedule**

Description	State Year Ended September 30, 2017		
	SMART Directly Provided	Other	Total for URBAN OAR
Operators salaries and wages	\$ 19,424,150	\$ -	\$ 19,424,150
Other salaries and wages	15,169,943	-	15,169,943
Dispatchers salaries and wages	4,248,034	-	4,248,034
Other fringe benefits	4,398,407	-	4,398,407
Pensions - Defined contribuion	26,558	-	26,558
Pensions - Defined benefit	13,924,631	-	13,924,631
Other postemployment benefits (OPEB)	11,256,782	-	11,256,782
Advertising fees	306,393	-	306,393
Audit cost	191,898	-	191,898
Other services	2,183,231	-	2,183,231
Fuel and lubricants	4,519,915	-	4,519,915
Tires and tubes	661,493	-	661,493
Other materials and supplies	3,993,471	-	3,993,471
Utilities	1,311,320	-	1,311,320
Casualty and liab. costs	9,120,517	-	9,120,517
Other insurance	63,382	-	63,382
Purchased transportation service - Pass-throughs that are expensed	12,331,804	2,005,485	14,337,289
Travel, meetings, and training	33,816	-	33,816
Loss on disposal of asset	104,531	-	104,531
Other miscellaneous expenses	31,483	-	31,483
Depreciation	12,442,858	-	12,442,858
Total expenses	115,744,618	2,005,485	117,750,103
Less ineligible expenses:			
Ineligible refunds and credits	404,678	1,075	405,753
Ineligible depreciation	10,946,773	-	10,946,773
Ineligible loss on disposal	104,531	-	104,531
Unused municipal credits	2,622	-	2,622
Unused community credits	231,917	-	231,917
Preventive maintenance Federal (MI-90-0591)	4,000,000	-	4,000,000
State Preventive Maintenance 2012-0170 PXX	1,000,000	-	1,000,000
Planning/Cap. Cost of contracting	324,033	-	324,033
Admin expense paid by JARC	42,806	-	42,806
Admin expense paid by New Freedom	55,149	-	55,149
Other ineligible federal/state/local - Municiple credits	815,268	-	815,268
Other state contracts:			
Pass-through ineligibles	8,546,087	808,844	9,354,931
Section 5307 Lake Erie MI-90-4758	471,198	-	471,198
Section 5311 Lake Erie MI-18-X002	130,613	-	130,613
JARC	526,734	-	526,734
New Freedom	1,367,648	-	1,367,648
Ineligible pension	(4,080,347)	-	(4,080,347)
Ineligible OPEB	(1,632,508)	-	(1,632,508)
Total ineligible	23,257,202	809,919	24,067,121
Total eligible expenses	\$ 92,487,416	\$ 1,195,566	\$ 93,682,982

**Suburban Mobility Authority
for Regional Transportation**

Other Supplemental Information

SMART Combined Urban Regular Service Revenue Report

Description	State Year Ended September 30, 2017		
	SMART Directly Provided	Other	Total for URBAN OAR
Operators salaries and wages	\$ 19,424,150	\$ -	\$ 19,424,150
Other salaries and wages	15,169,943	-	15,169,943
Dispatchers salaries and wages	4,248,034	-	4,248,034
Other fringe benefits	4,398,407	-	4,398,407
Pensions - Defined contribuion	26,558	-	26,558
Pensions - Defined benefit	13,924,631	-	13,924,631
Other postemployment benefits (OPEB)	11,256,782	-	11,256,782
Advertising fees	306,393	-	306,393
Audit cost	191,898	-	191,898
Other services	2,183,231	-	2,183,231
Fuel and lubricants	4,519,915	-	4,519,915
Tires and tubes	661,493	-	661,493
Other materials and supplies	3,993,471	-	3,993,471
Utilities	1,311,320	-	1,311,320
Casualty and liab. costs	9,120,517	-	9,120,517
Other insurance	63,382	-	63,382
Purchased transportation service - Pass-throughs that are expensed	12,331,804	2,005,485	14,337,289
Travel, meetings, and training	33,816	-	33,816
Loss on disposal of asset	104,531	-	104,531
Other miscellaneous expenses	31,483	-	31,483
Depreciation	12,442,858	-	12,442,858
Total expenses	115,744,618	2,005,485	117,750,103
Less ineligible expenses:			
Ineligible refunds and credits	404,678	1,075	405,753
Ineligible depreciation	10,946,773	-	10,946,773
Ineligible loss on disposal	104,531	-	104,531
Unused municipal credits	2,622	-	2,622
Unused community credits	231,917	-	231,917
Preventive maintenance Federal (MI-90-0591)	4,000,000	-	4,000,000
State Preventive Maintenance 2012-0170 PXX	1,000,000	-	1,000,000
Planning/Cap. Cost of contracting	324,033	-	324,033
Admin expense paid by JARC	42,806	-	42,806
Admin expense paid by New Freedom	55,149	-	55,149
Other ineligible federal/state/local - Municiple credits	815,268	-	815,268
Other state contracts:			
Pass-through ineligibles	8,546,087	808,844	9,354,931
Section 5307 Lake Erie MI-90-4758	471,198	-	471,198
Section 5311 Lake Erie MI-18-X002	130,613	-	130,613
JARC	526,734	-	526,734
New Freedom	1,367,648	-	1,367,648
Ineligible pension	(4,080,347)	-	(4,080,347)
Ineligible OPEB	(1,632,508)	-	(1,632,508)
Total ineligible	23,257,202	809,919	24,067,121
Total eligible expenses	\$ 92,487,416	\$ 1,195,566	\$ 93,682,982

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information

SMART Combined Urban Regular Service Expense Report

	State Year Ended September 30, 2017			
	Operations	Maintenance	Gen. Admin.	Total
Labor:				
01 Oper salary and wages	\$ 19,424,150	\$ -	\$ -	\$ 19,424,150
02 Other salary and wages	-	5,865,586	9,304,357	15,169,943
03 Disp salary and wages	4,248,034	-	-	4,248,034
Fringe benefits	2,680,592	664,208	1,053,607	4,398,407
Postemployment benefits	6,860,402	1,699,897	2,696,483	11,256,782
Pension - Defined contribution	-	-	26,558	26,558
Pension - Defined benefit	8,486,313	2,102,772	3,335,547	13,924,632
Services:				
01 Audit	-	-	191,898	191,898
02 Advertising fees	-	-	306,393	306,393
99 Other services	104,253	899,663	1,179,315	2,183,231
Materials and supp. cons.:				
01 Fuel and lubricants	4,519,915	-	-	4,519,915
02 Tires and tubes	661,493	-	-	661,493
99 Other materials and supplies	478,606	3,275,933	238,932	3,993,471
Utilities	-	-	1,311,320	1,311,320
Casual and liability costs:				
03 Premium for public liability	9,120,517	-	-	9,120,517
99 Other insurance	-	63,382	-	63,382
Taxes	-	-	-	-
Purchased transportation service on SMART F/S	12,331,804	-	-	12,331,804
Purchased transportation service POS STAR and community based	1,783,028	-	-	1,783,028
Miscellaneous expense:				
02 Travel and meetings	-	-	33,816	33,816
03 Dues and subscriptions	-	-	-	-
09 Loss on disposal of asset	-	-	104,531	104,531
99 Other overruns	-	-	-	-
99 Other miscellaneous expense	-	-	31,483	31,483
Interest expense:				
01 Interest on long-term debt	-	-	-	-
02 Interest on short-term debt	-	-	-	-
Leases and rentals	-	-	-	-
Depreciation	-	-	12,442,858	12,442,858
Total expenses	70,699,107	14,571,441	32,257,098	117,527,646
Less ineligible expenses:				
Ineligible depreciation	-	-	10,946,773	10,946,773
Ineligible loss on disposal	-	-	104,531	104,531
Ineligible refunds and credits	-	-	405,753	405,753
Local contracts	-	-	-	-
Preventive maintenance (MI-90-0591)	-	4,000,000	-	4,000,000
Planning/Cap. Cost of contracting	-	-	324,033	324,033
Admin expense paid by JARC	-	-	42,806	42,806
Admin expense paid by New Freedom	-	-	55,149	55,149
Other ineligible federal/state/local:				
Unused municipal credits	2,622	-	-	2,622
Unused community credits	231,917	-	-	231,917
Other state contracts:				
Pass-through ineligibles	9,262,332	-	-	9,262,332
Section 5307 Lake Erie MI-90-4758	471,198	-	-	471,198
Section 5311 Lake Erie MI-18-X002	130,613	-	-	130,613
JARC	526,734	-	-	526,734
New Freedom	1,367,648	-	-	1,367,648
State Preventive Maintenance 2012-0170 PXX	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	-	-	(4,080,347)	(4,080,347)
Ineligible OPEB	-	-	(3,467,695)	(3,467,695)
Other ineligibles:				
Municipal Credits	-	-	815,268	815,268
Total ineligible expenses	12,993,064	4,000,000	5,146,271	22,139,335
Total eligible expenses	\$ 57,706,043	\$ 10,571,441	\$ 27,110,827	\$ 95,388,312

Other Supplemental Information

SMART Combined Urban Regular Service Nonfinancial Report

State Year Ended September 30, 2017

DESCRIPTION	WEEKDAYS	SATURDAY	SUNDAY	TOTAL
FIXED ROUTE				
<u>PUBLIC SERVICE</u>				
VEHICLE HOURS	609,536	55,489	7,536	672,561
VEHICLE MILES	9,950,297	942,847	125,379	11,018,523
<u>MISCELLANEOUS INFORMATION</u>				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-
CONNECTOR				
<u>PUBLIC SERVICE</u>				
VEHICLE HOURS	208,149	5,837	1,095	215,081
VEHICLE MILES	3,348,710	109,488	20,781	3,478,979
<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**

**Other Supplemental Information
Royal Oak Twp. Urban Service Revenue Report**

State Year Ended September 30, 2017

Description	Amount
Passenger fares	\$ 3,204
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	165
Taxes levied directly by transit system	-
Local cash grants and reimbursements (explain):	
.10 Local operating assistance	31,535
.20 Single business tax	-
.99 Other local contracts (Community Credit Program)	6,839
State formula and contracts:	
.01 State operating assistance	26,128
.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	7
Contributed service	-
Total revenue	<u>\$ 70,272</u>

**Suburban Mobility Authority
for Regional Transportation**

Other Supplemental Information
Royal Oak Twp. Urban Regular Service Expense Report

	State Year Ended September 30, 2017			
	Operations	Maintenance	Gen. Admin.	Total
Labor				
01 Oper salary and wages	\$ 22,533	\$ -	\$ -	\$ 22,533
02 Other salary and wages	-	4,390	21,374	25,764
03 Disp salary and wages	7,175	-	-	7,175
Fringe benefits	-	-	-	-
Services:				
01 Audit	-	-	853	853
02 Advertising fees	-	-	-	-
99 Other services	-	-	4,633	4,633
Materials and supp. Cons.:				
01 Fuel and lubricants	1,904	-	-	1,904
02 Tires and tubes	-	-	-	-
99 Other materials and supplies	-	326	1,237	1,563
Utilities	-	-	6,040	6,040
Casual and liability costs:				
03 Premium for public liability	-	-	2,069	2,069
99 Other insurance	-	-	-	-
Taxes	-	-	-	-
Purchased transportation service	-	-	-	-
Miscellaneous expense:				
02 Travel and meetings	-	-	-	-
99 Other miscellaneous expense	-	-	3,242	3,242
Interest expense:				
01 Interest on long-term debt	-	-	-	-
02 Interest on short-term debt	-	-	-	-
Leases and rentals	-	-	-	-
Depreciation	-	-	-	-
Total expenses	31,612	4,716	39,448	75,776
Less ineligible expenses:				
03 Federal grants (explain)	-	-	-	-
04 State grants (specialized svcs)	-	-	-	-
05 Local grants	-	-	-	-
06 Interest expense	-	-	-	-
07 Depreciation	-	-	-	-
08 Other (explain)	-	-	-	9,233
09 Ineligible percent of dues	-	-	-	-
10 Expenses assoc w/auxiliary trans	-	-	-	-
15 Charter expense	-	-	-	-
99 Total ineligible expense	-	-	-	9,233
Total eligible expenses	\$ 31,612	\$ 4,716	\$ 39,448	\$ 66,543

**Suburban Mobility Authority
for Regional Transportation**

Other Supplemental Information

Royal Oak Twp. Urban Regular Service Nonfinancial Report

State Year Ended September 30, 2017

DESCRIPTION	WEEKDAYS	SATURDAY	SUNDAY	TOTAL
FIXED ROUTE				
<u>PUBLIC SERVICE</u>				
VEHICLE HOURS	-	-	-	-
VEHICLE MILES	-	-	-	-
<u>MISCELLANEOUS INFORMATION</u>				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-
CONNECTOR				
<u>PUBLIC SERVICE</u>				
VEHICLE HOURS	1,568	-	-	1,568
VEHICLE MILES	7,268	-	-	7,268
<u>MISCELLANEOUS INFORMATION</u>				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-

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

- 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 fund. Therefore these expenditures are not reimbursed by state formula funds.

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

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

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

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