

Suburban Mobility Authority for Regional Transportation

**Financial Report
with Supplemental Information
June 30, 2011**

Suburban Mobility Authority for Regional Transportation

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Independent Auditor's Report

To the Board of Directors
Suburban Mobility Authority
for Regional Transportation

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, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the 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, 2011 and 2010 and the respective changes in financial position and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, as identified in the table of contents, is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

To the Board of Directors
Suburban Mobility Authority
for Regional Transportation

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Suburban Mobility Authority for Regional Transportation's basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2011 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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* and should be read in conjunction with this report in considering the results of our audits.

As further disclosed in Note 5 to the financial statements, the Authority is experiencing a significant delay in the collections of certain federal grant monies. This is due to objections filed by certain Authority union groups causing a delay in the release (from the Federal Department of Labor) to the Authority of federal grant monies. These delays are impacting available cash flows for the Authority.

Plante & Moran, PLLC

November 23, 2011

Management's Discussion and Analysis

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis

Overview of the Financial Statements and Financial Analysis

The following discussion and analysis has been prepared by SMART's management and should be read in conjunction with the financial statements and related footnote disclosures. The discussion is intended to present an overview of SMART's financial performance for the years ended June 30, 2011 and 2010 and does not purport to make any statement regarding the future operations of the organization. While SMART is an instrumentality of the State of Michigan, it is not a component of the State as defined by the Governmental Accounting Standards Board (GASB).

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

Financial Highlights

- Fare revenue is up approximately \$1.47 million, or 11 percent, due to the fare increases implemented in the 2010 fiscal year, which were in place for the full 2011 fiscal year (as compared to just five months during 2010) and ridership which was up just slightly compared to the prior year. This was, however, \$1.9 million less than budgeted revenue estimates for the year.
- Operating expenses before depreciation of \$108.8 million increased \$4.9 million over fiscal 2010 due to increased costs for diesel fuel, insurance, and purchase of services agreements with local communities. Other expenses have remained relatively stable as cost-containment initiatives implemented in fiscal year 2010 continued through 2011.
- Current liabilities decreased by \$5.8 million, largely due to a reduction of notes payable on the remaining fleet financing debt.
- Net assets increased by \$6.4 million due to a decrease in current liabilities driven primarily by lower debt obligations as fleet loans are reaching maturity.

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis (Continued)

Statement of Net Assets

A summarization of SMART's assets, liabilities, and net assets at June 30, 2011, 2010, and 2009 follows (in millions):

	2011	2010	2009
Assets			
Current assets	\$ 49.0	\$ 49.0	\$ 44.8
Noncurrent assets	75.7	76.9	79.6
Total assets	<u>\$ 124.7</u>	<u>\$ 125.9</u>	<u>\$ 124.4</u>
Liabilities			
Current liabilities	\$ 31.1	\$ 36.9	\$ 33.0
Noncurrent liabilities	16.6	18.4	27.9
Total liabilities	<u>\$ 47.7</u>	<u>\$ 55.3</u>	<u>\$ 60.9</u>
Net Assets			
Invested in capital assets	\$ 66.0	\$ 58.6	\$ 50.7
Unrestricted	11.0	12.0	12.8
Total net assets	<u>\$ 77.0</u>	<u>\$ 70.6</u>	<u>\$ 63.5</u>

SMART's current assets remained consistent with the prior two years.

SMART's current liabilities decreased by \$5.8 million, primarily due to payments made on installment purchase obligations for the fleet vehicles purchased in fiscal years ended in 2001 through 2003.

Amounts invested in capital assets (net of related debt) increased 12.8 percent from a year ago - increasing from \$58.6 million to \$66.0 million. The current year increase is due primarily to lower debt obligations as fleet loans are reaching maturity.

Unrestricted net assets, which is the part of net asset reserves that can be used to finance day-to-day operations, has decreased by \$1.0 million. This represents a decrease of 8.3 percent. This follows the fiscal year ending in 2010 decrease of \$0.8 million or a decrease of 6.3 percent. The current level of unrestricted net assets for SMART's operations stands at \$11.0 million, or about 10.1 percent of operating expenses before depreciation.

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis (Continued)

Statement of Revenue, Expenses, and Changes in Net Assets

The following table is a summary of SMART's revenue, expenses, and changes in net assets for the years ended June 30, 2011, 2010, and 2009 (in millions):

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Operating revenue	\$ 15.3	\$ 13.8	\$ 12.6
Operating expenses before depreciation	<u>108.8</u>	<u>103.9</u>	<u>106.3</u>
Operating loss before depreciation	(93.5)	(90.1)	(93.7)
Depreciation expense	<u>12.7</u>	<u>13.0</u>	<u>12.1</u>
Total operating loss	(106.2)	(103.1)	(105.8)
Nonoperating revenue (net of related expenses)	<u>101.3</u>	<u>99.6</u>	<u>96.7</u>
Net loss before capital contributions	(4.9)	(3.5)	(9.1)
Capital contributions	<u>11.3</u>	<u>10.6</u>	<u>6.4</u>
Net gain (loss)	6.4	7.1	(2.7)
Net assets - Beginning of year	<u>70.6</u>	<u>63.5</u>	<u>66.2</u>
Net assets - End of year	<u>\$ 77.0</u>	<u>\$ 70.6</u>	<u>\$ 63.5</u>

SMART's operating revenue increased by approximately \$1.5 million, largely attributable to increased fare revenue, while nonoperating revenue (net of related expenses) increased \$1.7 million due to a planned increase in draws against federal source funding. Total revenue when combined (net of related nonoperating expenses) is up \$3.2 million, or an increase of 2.8 percent, from prior year.

Operating expenses (before depreciation) increased \$4.9 million during the year. Substantially, the increase can be traced to increased costs of diesel fuel, insurance, and purchase of service agreements during the year.

SMART continues to face funding challenges and must closely monitor available resources and expenses in the ensuing years.

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis (Continued)

Using this Annual Report

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

Contacting SMART's Financial Management

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

Suburban Mobility Authority for Regional Transportation

Proprietary Funds Statement of Net Assets

	June 30	
	2011	2010
	Enterprise Operating Fund	
Assets		
Current assets:		
Cash and cash equivalents (Note 4)	\$ 33,308,065	\$ 38,226,334
Grants receivable (Note 5)	10,492,943	5,785,804
Local contributions receivable (Note 2)	1,020,524	2,228,484
Other receivables	537,087	431,482
Materials and supplies inventories	1,999,771	1,839,875
Prepaid expenses and other assets	1,654,412	550,873
Total current assets	49,012,802	49,062,852
Noncurrent assets:		
Net pension asset (Note 11)	1,189,045	657,541
Nondepreciable capital assets (Note 6)	7,665,190	4,528,703
Depreciable capital assets - Net (Note 6)	66,881,355	71,678,566
Total noncurrent assets	75,735,590	76,864,810
Total assets	124,748,392	125,927,662
Liabilities		
Current liabilities:		
Municipal and community credits payable (Note 2)	5,308,976	4,811,027
Amounts payable under purchase-of-service agreements	1,162,285	580,385
Current portion of accrued self-insurance (Note 10)	7,465,407	6,916,326
Accounts payable and accrued liabilities	7,067,304	10,522,173
Accrued interest payable	119,645	243,442
Current portion of notes payable (Note 9)	6,131,101	9,079,419
Current portion of compensated absences (Note 9)	2,934,949	2,992,186
Accrued compensation	903,546	1,746,450
Total current liabilities	31,093,213	36,891,408
Noncurrent liabilities:		
Accrued self-insurance - Net of current portion (Note 10)	5,751,710	5,564,956
Notes payable - Net of current portion (Note 9)	2,365,429	8,496,530
Compensated absences - Net of current portion (Note 9)	162,059	136,525
OPEB net obligations (Note 12)	8,341,544	4,245,672
Total noncurrent liabilities	16,620,742	18,443,683
Total liabilities	47,713,955	55,335,091
Net Assets		
Invested in capital assets - Net of related debt	66,050,015	58,631,320
Unrestricted	10,984,422	11,961,251
Total net assets	<u>\$ 77,034,437</u>	<u>\$ 70,592,571</u>

The Notes to Financial Statements are an
Integral Part of this Statement.

Suburban Mobility Authority for Regional Transportation

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Assets

	Year Ended June 30	
	2011	2010
<u>Enterprise Operating Fund</u>		
Operating Revenue		
Fares	\$ 14,504,641	\$ 13,033,388
Other income	824,031	785,777
Total operating revenue	<u>15,328,672</u>	<u>13,819,165</u>
Operating Expenses		
Salaries and wages	40,766,661	40,744,274
Fringe benefits	30,504,551	30,567,883
Contractual services	3,049,770	3,081,907
Materials and supplies	15,233,536	13,382,918
Utilities	1,840,771	1,880,437
Claims and insurance	6,043,924	4,813,228
Purchased transportation (Note 8)	11,254,225	9,386,206
Miscellaneous expenses	99,506	101,406
Depreciation expense	12,703,139	12,980,575
Total operating expenses	<u>121,496,083</u>	<u>116,938,834</u>
Operating Loss	(106,167,411)	(103,119,669)
Nonoperating Revenue (Expenses)		
Federal operating and preventive maintenance assistance	23,235,854	16,312,166
State operating grants	34,734,988	34,136,343
Local contributions (Note 7)	44,188,008	50,369,199
Interest income	117,710	136,210
Interest expense	(798,716)	(1,265,022)
Loss on retirement of assets	(146,654)	(141,962)
Total nonoperating revenue	<u>101,331,190</u>	<u>99,546,934</u>
Change in Net Assets Before Capital Contributions	(4,836,221)	(3,572,735)
Capital Contributions	<u>11,278,087</u>	<u>10,620,933</u>
Change in Net Assets	6,441,866	7,048,198
Net Assets - Beginning of year	<u>70,592,571</u>	<u>63,544,373</u>
Net Assets - End of year	<u>\$ 77,034,437</u>	<u>\$ 70,592,571</u>

Suburban Mobility Authority for Regional Transportation

Proprietary Funds Statement of Cash Flows

	Year Ended June 30	
	2011	2010
	Enterprise Operating Fund	
Cash Flows from Operating Activities		
Receipts from transit operations	\$ 15,222,718	\$ 14,650,570
Payments to employees	(68,581,451)	(70,836,884)
Payments to suppliers	(24,941,887)	(15,098,487)
Payments to claims and insurance	(5,308,089)	(2,720,153)
Payments for purchased transportation	(10,174,376)	(9,794,542)
Net cash used in operating activities	(93,783,085)	(83,799,496)
Cash Flows from Noncapital Financing Activities		
Federal operating and preventive maintenance assistance	18,528,715	25,644,892
State operating grants	34,734,988	34,136,343
Local contributions	45,395,968	50,787,653
Net cash provided by noncapital financing activities	98,659,671	110,568,888
Cash Flows from Capital and Related Financing Activities		
Capital grants received	11,278,087	10,620,933
Purchase of capital assets	(11,189,069)	(10,650,418)
Payment on installment note payable	(9,079,419)	(10,330,187)
Interest paid	(922,513)	(1,405,021)
Net cash used in capital and related financing activities	(9,912,914)	(11,764,693)
Cash Flows from Investing Activities - Interest on investments	118,059	141,783
Net (Decrease) Increase in Cash and Cash Equivalents	(4,918,269)	15,146,482
Cash and Cash Equivalents - Beginning of year	38,226,334	23,079,852
Cash and Cash Equivalents - End of year	\$ 33,308,065	\$ 38,226,334
Balance Sheet Classification of Cash and Cash Equivalents	\$ 33,308,065	\$ 38,226,334

The Notes to Financial Statements are an
Integral Part of this Statement.

Suburban Mobility Authority for Regional Transportation

Proprietary Funds Statement of Cash Flows (Continued)

	Year Ended June 30	
	2011	2010
	Enterprise Operating Fund	
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	\$ (106,167,411)	\$ (103,119,669)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation expense	12,703,139	12,980,575
Noncash (increase) decrease in net pension asset	(531,504)	265,814
Noncash expense related to net OPEB obligations	4,095,872	110,213
Noncash decrease in self-insurance liability	735,835	2,093,075
Changes in assets and liabilities:		
Materials and supplies inventory	(159,896)	(73,602)
Prepaid expenses	(1,103,539)	339,268
Other receivables	(105,954)	831,405
Municipal and community credits payable	497,949	(51,343)
Payable under purchase service contracts	581,900	(356,993)
Accounts payable and accrued expenses	(3,454,869)	3,082,515
Accrued wages and compensated absences	(874,607)	99,246
Net cash used in operating activities	<u>\$ (93,783,085)</u>	<u>\$ (83,799,496)</u>

Suburban Mobility Authority for Regional Transportation

**Notes to Financial Statements
June 30, 2011 and 2010**

Note I - Description of Operations and the Entity

Organization

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

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

Reporting Entity

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

Suburban Mobility Authority for Regional Transportation

**Notes to Financial Statements
June 30, 2011 and 2010**

Note 1 - Description of Operations and the Entity (Continued)

Under the guidelines of GASB Statement No. 14, 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 their governing authority, designate their management, exercise significant influence over their daily operations, or maintain their 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.

Note 2 - Summary of Significant Accounting Policies

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

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

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

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2011 and 2010

Note 2 - Summary of Significant Accounting Policies (Continued)

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Authority applies all applicable GASB pronouncements, as well as all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

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

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

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

Local Contributions Receivable - Local contributions receivable are shown net of an allowance for estimated uncollectible amounts totaling \$1,600,000 at June 30, 2011 and 2010. No other allowances for anticipated uncollectible amounts are included in the financial statements, as SMART considers all other receivables to be fully collectible.

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

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2011 and 2010

Note 2 - Summary of Significant Accounting Policies (Continued)

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

	<u>Years</u>
Building	25
Leasehold improvements *	5-25
Fixed-route buses	7-14
Connector transit buses	4-10
Equipment and office furniture	3-10

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

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

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

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2011 and 2010

Note 2 - Summary of Significant Accounting Policies (Continued)

Compensated Absences (Vacation and Sick) - 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 non-union employees, it can be carried over for two years. Upon termination of employment, employees are paid for unused accumulated vacation. For union employees, sick leave may be accumulated and paid upon retirement and, for certain employees, upon voluntary termination of employment. For union employees, certain accumulated sick leave may also be converted into additional vacation time. Accumulated unpaid vacation and sick leave are recorded as compensated absence liabilities.

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

Grant Activities - The federal government, through the Federal Transit Administration (FTA) and the Michigan Department of Transportation (MDOT), provides financial assistance and grants directly to the Authority for operations and acquisition of property and equipment. Operating grants and special fare assistance awards made on the basis of entitlement periods are recorded as grant receivables and revenue over the entitlement periods. Federal and state capital acquisition grants fund the purchase of capital items, including buses, bus terminals, and related transportation equipment used by SMART and other transit agencies within the southeastern Michigan region. Capital grants for the acquisition of capital assets are recorded as grants receivable in the statement of net assets and capital contributions in the statement of revenue, expenses, and changes in net assets 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.

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2011 and 2010

Note 2 - Summary of Significant Accounting Policies (Continued)

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

Net Assets - Equity is presented in three components as follows:

- **Invested in Capital, Net of Related Debt** - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** - This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first and then unrestricted resources when they are needed. The Authority does not have restricted net assets at June 30, 2011 or 2010.
- **Unrestricted** - This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

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

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

Methodology of Non-financial Data to Allocate Costs - As SMART is a stand-alone entity with only one enterprise fund, allocation of costs using non-financial data is not used by the Authority.

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2011 and 2010

Note 2 - Summary of Significant Accounting Policies (Continued)

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

Significant estimates affecting the financial statements relate to the obligation for other postemployment benefits, the net pension asset, estimated liabilities related to self-insurance, the allowance for collectibility of local contribution receivables, and the reserve for Act 51 revenue.

Note 3 - State of Michigan Operating Assistance Funds

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

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, 2009. The resulting reduction in revenue has been finalized with the State and is scheduled to be paid in the first quarter of 2012. Furthermore, SMART awaits the "final" determination for the years ended September 30, 2010 and 2011. SMART has recorded an estimated aggregate liability as of June 30, 2011 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 \$3,059,000 pursuant to this provision in both fiscal years 2011 and 2010. Refer to Notes 1 and 2 for additional information regarding the State of Michigan Operating Assistance Funds.

Suburban Mobility Authority for Regional Transportation

**Notes to Financial Statements
June 30, 2011 and 2010**

Note 4 - Deposits and Investments

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 local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

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

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government'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 no bank deposits that were uninsured and uncollateralized.

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2011 and 2010

Note 4 - Deposits and Investments (Continued)

Credit Risk

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

<u>Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Rating Agency</u>
Comerica - J Fund	\$ 1,414,434	Not rated	N/A
Money market	31,735,665	Not rated	N/A

Note 5 - Grants Receivable

At June 30, 2011 and 2010, grants receivable are comprised of the following:

	<u>2011</u>	<u>2010</u>
Accounts receivable - Billed:		
Federal Operating Grant (CMAQ)	\$ -	\$ 3,167,897
Federal government grants	6,510,279	519,623
State of Michigan grants	2,943,615	1,370,826
Total billed	9,453,894	5,058,346
Accounts receivable - Unbilled:		
Federal government grants	778,656	654,547
State of Michigan grants	246,490	72,911
Local grants	13,903	-
Total unbilled	1,039,049	727,458
Total	\$ 10,492,943	\$ 5,785,804

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2011 and 2010

Note 5 - Grants Receivable (Continued)

Included in the above billed grant receivable amount is approximately \$5 million related to the Authority's Section 5307 federal grants. Authority management believes that collection on all these outstanding receivables is probable; however, the timing of the expected cash collections has been altered. The collection timing is delayed due to objections filed by certain Authority union groups causing a delay in the release (from the Federal Department of Labor) to the Authority of these federal grant monies. Accordingly, the timing of collection for these grant receivable monies will be over a longer period than the normal collection cycle.

The collection of fiscal year 2011-2012 Section 5307 grant revenue monies (which are expected to range from approximately \$18-\$19 million) is also delayed due to the objections filed by certain Authority union groups as discussed in the above paragraph. These monies are a significant revenue source for the Authority and any delays in collections will further impact available cash flows needed to fund the day-to-day operations of the organization.

Note 6 - Capital Assets

Capital asset activity during the fiscal year ended June 30, 2011 was as follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Capital assets not being depreciated:				
Land	\$ 4,250,570	\$ -	\$ -	\$ 4,250,570
Construction in progress	278,133	3,137,206	(719)	3,414,620
Subtotal capital assets not being depreciated	4,528,703	3,137,206	(719)	7,665,190
Capital assets being depreciated:				
Fixed-route buses and equipment	95,440,268	5,022,227	(1,296,900)	99,165,595
Connector buses and related equipment	34,314,759	1,086,649	(2,163,768)	33,237,640
Buildings	43,537,803	339,514	-	43,877,317
Office furniture and equipment	1,868,504	37,266	-	1,905,770
Other equipment	48,839,538	1,447,855	-	50,287,393
Leasehold improvements	6,195,001	230,852	-	6,425,853
Subtotal capital assets being depreciated	230,195,873	8,164,363	(3,460,668)	234,899,568
Less accumulated depreciation:				
Fixed-route buses and equipment	55,301,425	6,885,307	(1,038,537)	61,148,195
Connector buses and related equipment	26,759,190	2,445,099	(2,163,696)	27,040,593
Buildings	31,199,660	846,901	-	32,046,561
Office furniture and equipment	1,803,889	15,506	-	1,819,395
Other equipment	39,652,823	2,075,478	-	41,728,301
Leasehold improvements	3,800,320	434,848	-	4,235,168
Subtotal accumulated depreciation	158,517,307	12,703,139	(3,202,233)	168,018,213
Net capital assets being depreciated	71,678,566	(4,538,776)	(258,435)	66,881,355
Net capital assets	\$ 76,207,269	\$ (1,401,570)	\$ (259,154)	\$ 74,546,545

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2011 and 2010

Note 6 - Capital Assets (Continued)

The eligible depreciation of \$6,094,130 (\$12,703,139 total depreciation reported less ineligible depreciation of \$6,609,009) includes only depreciation of assets purchased with Authority funds whereby the useful life of the asset purchased has been approved by the BPT.

Capital asset activity during the fiscal year ended June 30, 2010 was as follows:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Capital assets not being depreciated:				
Land	\$ 4,250,570	\$ -	\$ -	\$ 4,250,570
Construction in progress	<u>362,657</u>	<u>169,364</u>	<u>(253,888)</u>	<u>278,133</u>
Subtotal capital assets not being depreciated	4,613,227	169,364	(253,888)	4,528,703
Capital assets being depreciated:				
Fixed-route buses and equipment	91,730,310	4,028,728	(318,770)	95,440,268
Connector buses and related equipment	33,348,259	1,021,969	(55,469)	34,314,759
Buildings	43,152,435	385,368	-	43,537,803
Office furniture and equipment	1,868,504	-	-	1,868,504
Other equipment	44,042,705	4,796,833	-	48,839,538
Leasehold improvements	<u>5,689,856</u>	<u>505,145</u>	<u>-</u>	<u>6,195,001</u>
Subtotal capital assets being depreciated	219,832,069	10,738,043	(374,239)	230,195,873
Less accumulated depreciation:				
Fixed-route buses and equipment	48,934,816	6,540,317	(173,708)	55,301,425
Connector buses and related equipment	23,398,099	3,416,560	(55,469)	26,759,190
Buildings	30,322,324	877,336	-	31,199,660
Office furniture and equipment	1,787,117	16,772	-	1,803,889
Other equipment	37,946,567	1,706,256	-	39,652,823
Leasehold improvements	<u>3,376,986</u>	<u>423,334</u>	<u>-</u>	<u>3,800,320</u>
Subtotal accumulated depreciation	<u>145,765,909</u>	<u>12,980,575</u>	<u>(229,177)</u>	<u>158,517,307</u>
Net capital assets being depreciated	<u>74,066,160</u>	<u>(2,242,532)</u>	<u>(145,062)</u>	<u>71,678,566</u>
Net capital assets	<u>\$ 78,679,387</u>	<u>\$ (2,073,168)</u>	<u>\$ (398,950)</u>	<u>\$ 76,207,269</u>

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2011 and 2010

Note 6 - Capital Assets (Continued)

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

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Vehicle purchases	\$ 67,390	\$ 7,147,480
Building improvements/renovations	905,139	1,453,744
Radio upgrade	<u>42,819</u>	<u>167,603</u>
Total	<u>\$ 1,015,348</u>	<u>\$ 8,768,827</u>

Note 7 - Property Taxes

In 2006, voters in Macomb County and in those communities participating in Act 196 Transportation Authorities in Oakland County and Wayne County approved a .59 property tax millage dedicated to public transportation. The Macomb and Wayne County millages were approved for four years and the Oakland County millage was approved for two years. The millage was re-approved in fiscal year ended June 30, 2011 in these same jurisdictions. 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, 2011 and 2010, totaled \$44,188,008 and \$50,369,199, respectively.

Note 8 - Purchase of Service Agreements

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

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2011 and 2010

Note 8 - Purchase of Service Agreements (Continued)

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

	2011	2010
Municipal credits	\$ 3,058,956	\$ 3,058,956
Community credits	3,540,069	3,540,069
Community transit bus service	2,447,034	1,793,701
Specialized services	787,819	787,817
JARC and New Freedom	1,235,426	12,216
Royal Oak Township	42,339	52,967
Community-based services - Bloomfield Township	142,582	140,480
Total	<u>\$ 11,254,225</u>	<u>\$ 9,386,206</u>

Note 9 - Long-term Debt

SMART has entered into various installment purchase obligations to finance the acquisition of transit coaches and replacement engines. Long-term obligation activity for the year ended June 30, 2011 is summarized as follows:

	Interest Rates*	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note 1: 2000 Installment Purchase							
100 Transit Coach Buses:							
Amount of issue: \$27,300,000							
Maturing through September 2010							
	4.44%	\$1,698,113	\$ 1,698,113	\$ -	\$ 1,698,113	\$ -	\$ -
Note 2: 2001 Installment Purchase							
100 Transit Coach Buses:							
Amount of issue: \$17,643,511							
Maturing through September 2011							
	4.50%	\$1,568,661- \$3,034,525	4,603,187	-	3,034,525	1,568,662	1,568,661
Note 3: 2002 Installment Purchase							
87 Transit Coach Buses:							
Amount of issue: \$15,469,092							
Maturing through September 2012							
	4.64%	\$1,374,395- \$2,656,008	6,567,332	-	2,536,929	4,030,403	2,656,008
Note 4: 2007 Installment Purchase							
Engine Replacement Plan:							
Amount of issue: \$10,171,326							
Maturing through September 2012							
	5.27%	\$991,034- \$1,906,432	4,707,317	-	1,809,852	2,897,465	1,906,432
Total installment purchase obligations			17,575,949	-	9,079,419	8,496,530	6,131,101
Compensated absences			3,128,711	2,995,091	3,026,794	3,097,008	2,934,949
Total long-term debt			<u>\$ 20,704,660</u>	<u>\$ 2,995,091</u>	<u>\$ 12,106,213</u>	<u>\$ 11,593,538</u>	<u>\$ 9,066,050</u>

* Represents interest rates pursuant to the restructuring of Notes 1, 2, and 3

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2011 and 2010

Note 9 - Long-term Debt (Continued)

Activity for the year ended June 30, 2010 was as follows:

	Interest Rates*	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note 1: 2000 Installment Purchase 100 Transit Coach Buses: Amount of issue: \$27,300,000 Maturing through September 2010	4.44%	\$1,698,113	\$ 4,984,499	\$ -	\$ 3,286,386	\$ 1,698,113	\$ 1,698,113
Note 2: 2001 Installment Purchase 100 Transit Coach Buses: Amount of issue: \$17,643,511 Maturing through September 2011	4.50%	\$1,568,661- 3,034,525	7,505,634	-	2,902,447	4,603,187	3,034,525
Note 3: 2002 Installment Purchase 87 Transit Coach Buses: Amount of issue: \$15,469,092 Maturing through September 2012	4.64%	\$1,374,395- \$2,656,008	8,990,521	-	2,423,189	6,567,332	2,536,929
Note 4: 2007 Installment Purchase Engine Replacement Plan: Amount of issue: \$10,171,326 Maturing through September 2012	5.27%	\$991,034- \$1,906,432	6,425,482	-	1,718,165	4,707,317	1,809,852
Total installment purchase obligations			27,906,136	-	10,330,187	17,575,949	9,079,419
Compensated absences			3,112,743	3,409,398	3,393,430	3,128,711	2,992,186
Total long-term debt			\$ 31,018,879	\$ 3,409,398	\$ 13,723,617	\$ 20,704,660	\$ 12,071,605

* Represents interest rates pursuant to the restructuring of Notes 1, 2, and 3

Annual debt service requirements to maturity for the above note obligations are as follows:

Year	Principal	Interest	Total
2012	\$ 6,131,101	\$ 319,682	\$ 6,450,783
2013	2,365,429	57,985	2,423,414
Total	\$ 8,496,530	\$ 377,667	\$ 8,874,197

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2011 and 2010

Note 10 - Risk Management

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

In fiscal 2011 and 2010, 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 liability, 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. 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, 2011.

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

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

Changes in the balances of self-insured liabilities during fiscal 2011 and 2010 were as follows:

	2011	2010	2009
Claims liability - July 1	\$ 12,481,282	\$ 10,388,207	\$ 14,602,749
Current year claims incurred	8,306,684	5,683,051	1,507,246
Claim payments and adjustments for IBNR	<u>(7,570,849)</u>	<u>(3,589,976)</u>	<u>(5,721,788)</u>
Claims liability - June 30	<u>\$ 13,217,117</u>	<u>\$ 12,481,282</u>	<u>\$ 10,388,207</u>

Suburban Mobility Authority for Regional Transportation

**Notes to Financial Statements
June 30, 2011 and 2010**

Note 11 - Defined Benefit Pension Plan

Plan Description

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

Substantially all SMART employees are members of the MMERS plan. As of December 31, 2010, the date of the last actuarial valuation, 606 retirees and beneficiaries were receiving benefit payments, and the plan had 856 active members and 204 inactive vested members.

For employees hired prior to July 1, 2007:

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

For employees hired after July 1, 2007:

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

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2011 and 2010

Note 11 - Defined Benefit Pension Plan (Continued)

Funding Policy

The obligation to contribute to and maintain the system for these employees was established by negotiation with the Authority's collective bargaining units. Members of only one of SMART's collective bargaining units (UAW No. 771) make contributions to MMERS. For the years ended June 30, 2011 and 2010, these employees (UAW No. 771) contributed 3 percent of eligible payroll. SMART is required to contribute at an actuarially determined rate. The actuarial determined rates for fiscal years ended June 30, 2011 and 2010 are as of the December 31, 2008 and 2007 valuations, respectively. As of the December 31, 2007 valuation, the ATU, ATU clerical, UAW No. 771, Teamsters No. 24, AFSCME Local 1917 and Non Union plans were closed. All new hires after July 1, 2007 are a part of one of two plans. For the fiscal years ended June 30, 2011 and 2010, the UAW Local 771 new hire plan had an employer contribution rate, as a percentage of payroll, of 5.07 percent and all other employees had an employer contribution rate of 7.06 percent. The contribution requirements of plan members are established and may be amended by the retirement board of MMERS.

The funded status and funding progress of the plan as of the most recent valuation date are as follows:

Funding Progress (in thousands)						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial			UAAL as a Percentage of Valuation Payroll	Funded Ratio (Percent) (a/b)
		Accrued Liability (AAL) (b)	Underfunded AAL (UAAL) (b-a)	Covered Payroll (c)		
12/31/2006	\$ 132,547	\$ 157,725	\$ 25,178	\$ 42,543	59.2	84.0
12/31/2007	142,931	165,631	22,700	40,865	55.5	86.3
12/31/2008	148,449	178,591	30,142	42,973	70.1	83.1
12/31/2009	152,858	180,727	27,869	40,598	68.6	84.6
12/31/2010	157,584	190,871	33,287	39,147	85.0	82.6

Annual Pension Cost

For fiscal years ended June 30, 2011 and 2010, SMART's annual pension costs of \$5,935,478 and \$5,093,929, respectively, were equal to the adjusted required and actual contribution less interest on the net pension asset.

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2011 and 2010

Note 11 - Defined Benefit Pension Plan (Continued)

SMART's annual pension cost and net pension asset for the years ended June 30, 2011 and 2010 are as follows:

	2011	2010
Annual required contribution (recommended)	\$ (5,952,816)	\$ (5,118,276)
Interest on the prior year's net pension asset	52,603	73,869
Adjustment to the annual required contribution	(35,265)	(49,522)
Annual pension cost	(5,935,478)	(5,093,929)
Contributions made	6,466,982	4,828,115
Increase (decrease) in net pension asset	531,504	(265,814)
Net pension asset - Beginning of year	657,541	923,355
Net pension asset - End of year	<u>\$ 1,189,045</u>	<u>\$ 657,541</u>

Three-year historical trend information follows:

Fiscal Years Ended June 30	Annual Pension Costs	Percentage Contributed	Net Pension Asset
2009	\$ 5,339,085	99%	\$ 923,355
2010	5,093,929	95%	657,541
2011	5,935,478	109%	1,189,045

Actuarial Methods and Assumptions

In the December 31, 2009 and 2008 actuarial valuations, the entry age actuarial cost method was used. Significant actuarial assumptions used include (a) an 8 percent investment rate of return, (b) projected salary increases of 2 to 4.5 percent per year compounded annually, attributable to inflation, (c) additional projected salary increases of 0 percent to 8.4 percent, attributable to seniority/merit, and (d) a 2.5 percent annual benefit increase. The actuarial valuation of assets was determined using techniques that smooth the effects of investment volatility over a 10-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period being used for both of the above valuation years is 28 years, which will then be reduced by one year in each of the next eight annual valuations, beginning with the 2010 valuation.

Suburban Mobility Authority for Regional Transportation

**Notes to Financial Statements
June 30, 2011 and 2010**

Note 12 - Other Postemployment Benefits

Plan Description

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

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

Substantially all SMART employees are members of the plan. As of December 31, 2010 (the most recent actuarial valuation), 603 retirees and beneficiaries were receiving benefit payments and the plan had 879 active members.

Funding Policy

SMART contributes 100 percent of the actual costs for current benefits and administrative expenses of the plan. The Authority has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis), but it can choose to do so on a discretionary basis each year. As summarized below, the Authority made a decision during 2010 to advance-fund a portion of these benefits through a contribution, as determined by a board budget resolution.

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2011 and 2010

Note 12 - Other Postemployment Benefits (Continued)

Funding Progress

For the years ended June 30, 2011 and 2010, the Authority has estimated the cost of providing retiree healthcare benefits through actuarial valuations as of December 31, 2008. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The valuations' computed contributions and actual funding are summarized as follows:

	2011	2010
Annual required contribution (recommended)	\$ 9,487,958	\$ 9,079,384
Interest on the prior year's net OPEB obligation	339,654	330,837
Less adjustment to the annual required contribution	<u>(226,503)</u>	<u>(220,624)</u>
Annual OPEB cost	9,601,109	9,189,597
Amounts contributed:		
Payments of current premiums	5,505,236	4,359,513
Advance funding	<u>-</u>	<u>4,719,871</u>
Increase in net OPEB obligation	4,095,873	110,213
OPEB obligation - Beginning of year	<u>4,245,672</u>	<u>4,135,459</u>
OPEB obligation - End of year	<u>\$ 8,341,545</u>	<u>\$ 4,245,672</u>

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

Fiscal Years Ended June 30	Annual OPEB Costs	Percentage Contributed	Net OPEB Obligation
2009	\$ 8,779,586	74%	\$ 4,135,459
2010	9,189,597	99%	4,245,672
2011	9,601,109	57%	8,341,544

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2011 and 2010

Note 12 - Other Postemployment Benefits (Continued)

The funding progress of the plan as of the most recent valuation date is as follows:

Funding Progress (in thousands)				
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial		Funded Ratio (Percent) (a/b)
		Accrued Liability (AAL) (b)	Underfunded AAL (UAAL) (b-a)	
12/31/07	\$ 6,093	\$ 110,869	\$ 104,776	5.5
12/31/08	7,565	116,089	108,524	6.5
12/31/10	17,683	177,518	159,835	10.0

Actuarial Methods and Assumptions

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

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

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2011 and 2010

Note 12 - Other Postemployment Benefits (Continued)

The current year required contribution amount was determined as part of the December 31, 2008 actuarial valuation using the individual entry-age actuarial cost method. The actuarial assumptions include: (a) an 8 percent investment rate of return; (b) projected salary increase of 4.5 percent per year compounded annually, attributable to inflation; (c) additional projected salary increases of 0.3 percent to 8.4 percent per year, depending on age, attributable to seniority/merit; and (d) the assumption that benefits will increase 4.5 percent to 10 percent per year (annually). The actuarial values of assets are determined on the basis of a valuation method that assumes the fund earns the expected rate of return (8 percent), and includes an adjustment to reflect market value. SMART's unfunded actuarial accrued liability is being amortized as a level percent of payroll over a period of 30 years.

The increase in the net OPEB obligation as of June 30, 2011 is due to the fact that there was no pre-funding in the current year, and thus only a portion of the contributions in relation to the ARC was actually made. Although SMART is required to report an expense and liability for the unfunded ARC in any given year (in accordance with *Governmental Auditing Standards*), those expenses are only considered eligible expenses relative to the Authority's Operating Assistance Funds allocation (through the State of Michigan) to the extent that they are paid. When the additional portion of the ARC is paid, the Authority expects to receive additional State operating assistance to offset these expenses in the range of \$2.2 million to \$2.7 million, predicated on the then-existing funding formula.

Note 13 - Commitments

SMART leases certain office space and equipment under operating lease agreements. Some leases include escalation clauses for SMART's prorata share of taxes and operating expenses. Total rent expense for the years ended June 30, 2011 and 2010 was \$343,790 and \$345,533, respectively.

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

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2011 and 2010

Note 13 - Commitments (Continued)

Minimum lease payments are as follows:

Fiscal Years Ending June 30	Amount
2012	\$ 361,136
2013	329,173
2014	407,888
2015	375,448
2016-2018	881,134
Total	<u>\$ 2,354,779</u>

Note 14 - Contingent Liabilities

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

Note 15 - Explanation of Ineligible Expenses per the BPT R&E Manual

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

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2011 and 2010

Note 16 - Subsequent Events

Effective October 1, 2011, SMART changed the employee premium contribution of retiree healthcare benefits for non-represented employees, which represents approximately 10 percent of the workforce. Non-represented employees who retire after November 1, 2011 shall have similar healthcare plans, carriers, prescription drug plans, and premium contributions as active non-represented employees. These new healthcare plans will require, at a minimum, a 16 percent employee premium contribution (up to 20 percent). When Medicare eligible, retirees shall have an 11.5 percent premium contribution for Medicare supplementary coverage. This same group of employees and retirees will have the option to waive healthcare coverage and receive a weekly payment from the Authority in lieu of the coverage. Lastly, also effective October 1, 2011, non-represented employees shall contribute 4.5 percent of their total compensation to MERS for their pension plan benefit, increasing to 6 percent beginning July 1, 2012. The financial impact of these plan changes has yet to be determined by management.

The board has also approved the reductions of fixed route and connector services, effective December 12, 2011. These changes will include the discontinuation of some routes and termination of routes at the Detroit City limits during off-peak periods, collectively to offset the shortfall in the fiscal year 2012 budget. These changes will result in the elimination of 123 operator positions, and are projected to save the Authority a net amount of \$3.45 million through the year ending June 30, 2012.

Note 17 - Upcoming Accounting Pronouncements

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement incorporates into GASB literature certain accounting and financial reporting guidance issued on or before November 30, 1989 that is included in FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins of the AICPA Committee on Accounting Procedure. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted during the Authority's 2012-2013 fiscal year.

Suburban Mobility Authority for Regional Transportation

**Notes to Financial Statements
June 30, 2011 and 2010**

Note 17 - Upcoming Accounting Pronouncements (Continued)

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The statement will be effective for the Authority's 2012-2013 fiscal year. The statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. This statement also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Once implemented, this statement may impact the format and reporting of the balance sheet at the enterprise fund level.

Other Supplemental Information

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Revenue Schedule Year Ended June 30, 2011

Description	July 1, 2010 to Sep. 30, 2010	Oct. 1, 2010 to June 30, 2011	Total
Passenger Fares	\$ 3,630,563	\$ 10,874,075	\$ 14,504,638
Contract Fares	47,838	128,579	176,417
Concessions	-	-	-
Advertising	127,559	433,709	561,268
Rental of Bldgs or Other Property	8,328	41,541	49,869
Other NonTrans Revenue	5,419	24,650	30,069
Other Local Contracts - Mun. Cr.	-	6,404	6,404
Other Local Contracts - Com. Cr.	-	6	6
Total revenue	\$ 3,819,707	\$ 11,508,964	\$ 15,328,671

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Revenue Schedule State Year Ended September 30, 2010

Description	Oct. 1, 2009 to June 30, 2010	July 1, 2010 to Sep. 30, 2010	Total
Passenger Fares	\$ 10,023,884	\$ 3,630,563	\$ 13,654,447
Contract Fares	136,408	47,838	184,246
Concessions	-	-	-
Advertising	393,147	127,559	520,706
Rental of Bldgs or Other Property	42,982	8,328	51,310
Other NonTrans Revenue	20,152	5,419	25,571
Other Local Contracts - Mun. Cr.	4,186	-	4,186
Other Local Contracts - Com. Cr.	-	-	-
Total revenue	\$ 10,620,759	\$ 3,819,707	\$ 14,440,466

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Local Revenue Schedule For the Year Ended June 30, 2011

Description	July 1, 2010 to Sep. 30, 2010	Oct. 1, 2010 to June 30, 2011	Total
Taxes Levied Directly	\$ -	\$ -	\$ -
Local Operating Assistance Millage	11,360,574	32,827,434	44,188,008
Other Local Contracts	-	-	-
Total revenue	<u>\$ 11,360,574</u>	<u>\$ 32,827,434</u>	<u>\$ 44,188,008</u>
Interest income	<u>\$ 46,140</u>	<u>\$ 71,570</u>	<u>\$ 117,710</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Local Revenue Schedule For the Year Ended September 30, 2010

Description	Oct. 1, 2009 to June 30, 2010	July 1, 2010 to Sep. 30, 2010	Total
Taxes Levied Directly	\$ -	\$ -	\$ -
Local Operating Assistance Millage	37,626,258	11,360,574	48,986,832
Other Local Contracts	-	-	-
Total revenue	\$ 37,626,258	\$ 11,360,574	\$ 48,986,832
Interest income	\$ 112,776	\$ 46,140	\$ 158,916

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Federal and State Operating Revenue For the Year Ended June 30, 2011

Description	July 1, 2010 to Sep. 30, 2010	Oct. 1, 2010 to June 30, 2011	Total
State Operating Assistance	\$ 6,949,309	\$ 20,324,820	\$ 27,274,129
Prior Year (2010 Reconciled Adj)	-	677,952	677,952
Prior Year (2009 Preliminary Audit Adj)	-	(880,200)	(880,200)
Line-Item Municipal Credit	382,363	1,147,113	1,529,476
Mun. Cr. Special Appropriation	382,371	1,147,109	1,529,480
Cap. K Reimb. For Admin. Expenses	-	-	-
Other Cap. K Reimb. For Operating Exp.	-	-	-
Other MDOT/BPT Contracts & Reimb.			
Other Transit User Study MI-80-0002 2007-0294 Z8	-	187,094	187,094
State Preventive Maintenance 2007-0294 ZXX	-	1,390,294	1,390,294
Subtotal SMART State	7,714,043	23,994,182	31,708,225
Pass-through State Act 51:			
Bedford	15,943	89,544	105,487
Bedford (FY10 Reconcile Adj.)	-	17,121	17,121
LETC Urban & Non-Urban	315,106	1,272,522	1,587,628
LETC Urban & Non-Urban (FY10 Reconcile Adj.)	-	51,350	51,350
Royal Oak Township	9,244	37,301	46,545
Royal Oak Township (Reconciled FY10 Adj.)	-	(4,206)	(4,206)
Total Pass-through State Act 51	340,293	1,463,632	1,803,925
Other State Pass-through Grants:			
Specialized Service Grant 2007-0294 Z30	196,960	-	196,960
Specialized Service Grant 2007-0294 ZXX	-	590,859	590,859
State Job Access Revenue	-	-	-
NOTA JARC 2007-0294 Z23	29,234	-	29,234
NOTA JARC 2007-0294 Z31	-	101,848	101,848
JARC PASS THRU 2007-0294 Z21	-	125,271	125,271
JARC PASS THRU 2007-0294 Z45	-	85,632	85,632
NOTA New Freedom 2007-0294 Z35	-	93,034	93,034
Total Other State Pass-through Grants	226,194	996,644	1,222,838
Grand Total State Revenue Per F/S	\$ 8,280,530	\$ 26,454,458	\$ 34,734,988

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Federal and State Operating Revenue (Continued) For the Year Ended June 30, 2011

Description	July 1, 2010 to Sep. 30, 2010	Oct. 1, 2010 to June 30, 2011	Total
Preventive Maintenance MI-90-0756	\$ 5,434,701	\$ 14,913,805	\$ 20,348,506
Planning/Capital Cost of Contracting FY 2011 UWP - CONTRACT #MI-80-2002	74,769	230,723	305,492
Reimb. For JARC Admin MI-37-6040	4,242	13,660	17,902
Reimb. For JARC Admin MI-37-6043	-	1,690	1,690
Reimb. For New Freedom Admin. MI-57-6007	3,927	13,698	17,625
Reimb. For New Freedom Admin. MI-57-6014	-	441	441
Reimb. For New Freedom Admin. MI-57-6018	-	1,855	1,855
Other Transit User Study MI-80-0002 2002-0088 Z8 Gateway - M-0782 (075) 2007-0294/Z12	-	-	-
Other Federal Transit Contracts & Reimb. CMAQ MI-95-0049	385,821	471,189	857,010
Subtotal SMART Federal	5,903,460	15,647,061	21,550,521
Other Federal Pass-through Grants:			
Section 5307 Lake Erie MI-90-4758	196,304	359,248	555,552
Section 5307 Lake Erie ARRA LAKE ERIE MI-96-4008	22,592	67,777	90,369
Section 5307 Lake Erie ARRA BEDFORD MI-96-4007	7,800	23,348	31,148
CMAQ Lake Erie MI-95-0017	40,320	9,294	49,614
Section 5311 Lake Erie MI-86-X002-2007-0294-Z32	43,535	114,705	158,240
Other	-	236,751	236,751
Other	-	563,658	563,658
Total Pass-through Federal	\$ 310,551	\$ 1,374,781	\$ 1,685,332
Grand Total Federal Revenue Per F/S	\$ 6,214,011	\$ 17,021,842	\$ 23,235,853
Grand Total State and Federal	\$ 14,494,541	\$ 43,476,300	\$ 57,970,841

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Federal and State Operating Revenue For the Year Ended September 30, 2010

Description	Oct. 1, 2009	July 1, 2010	Total
	to June 30, 2010	to Sep. 30, 2010	
State Operating Assistance	\$ 20,847,915	\$ 6,949,309	\$ 27,797,224
Prior Year	532,143	-	532,143
Line-Item Municipal Credit	1,147,113	382,363	1,529,476
Mun. Cr. Special Appropriation	1,147,109	382,371	1,529,480
Cap. K Reimb. For Admin. Expenses	-	-	-
Other Cap. K Reimb. For Operating Exp.	-	-	-
Other MDOT/BPT Contracts & Reimb.			
Other Transit User Study	7,443	-	7,443
State Preventive Maintenance	-	-	-
SMART JARC 2007-0294 Z18	-	-	-
Gateway - M-0782 (075) 2007-0294/Z12	-	-	-
Subtotal SMART State	23,681,723	7,714,043	31,395,766
Pass-through State Act 51:			
Bedford	47,835	15,943	63,778
Bedford (Prior Year)	(19,005)	-	(19,005)
LETC Urban & Non-Urban	945,315	315,106	1,260,421
LETC Urban & Non-Urban (Prior Year)	(40,219)	-	(40,219)
Royal Oak Township	41,598	9,244	50,842
Royal Oak Township (Prior Year)	(980)	-	(980)
Total Pass-through State Act 51	974,544	340,293	1,314,837
Other State Pass-through Grant's:			
Specialized Service Grant 2007-0294 Z20	-	-	-
Specialized Service Grant 2007-0294	590,859	196,960	787,819
NOTA JARC MI-37-X033-2007-0291 Z21	(96,367)	-	(96,367)
NOTA JARC MI-37-X033-2007-0291 Z29	55,508	29,234	84,742
Total Other State Pass-through Grants	550,000	226,194	776,194
Grand Total State Revenue Per F/S	<u>\$ 25,206,267</u>	<u>\$ 8,280,530</u>	<u>\$ 33,486,797</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Federal and State Operating Revenue (Continued) For the Year Ended September 30, 2010

Description	Oct. 1, 2009 to June 30, 2010	July 1, 2010 to Sep. 30, 2010	Total
Preventive Maintenance:			
MI-90-0591	\$ 7,632,648	\$ 5,434,701	\$ 13,067,349
MI-03-0205	-	-	-
MI-04-0013	800,000	-	800,000
Planning/Capital Cost of Contracting:			
FY 2009 UWP - CONTRACT MI-80-2003	-	-	-
FY 2010 UWP - CONTRACT #80-2001	228,442	74,769	303,211
Cap. K Reimb. For JARC Admin. Expenses	1,124	4,242	5,366
Remib. For Jarc Admin MI-37-6040	-	3,927	3,927
SMART JARC MI-37-X033	1,075	-	1,075
JARC EASTSIDE COMMUNITY SERVICES MI-37-X014	29,773	-	29,773
Gateway - M-0782 (075) 2007-0294/Z12	-	-	-
Other Federal Transit Contracts and Reimb.			
CMAQ MI-95-0049	2,325,547	385,821	2,711,368
Subtotal SMART Federal	11,018,609	5,903,460	16,922,069
Other Federal Pass-through Grants:			
Section 5307 Lake Erie MI-90-4452	-	-	-
Section 5307 Lake Erie MI-90-4758	249,075	196,304	445,379
CMAQ Lake Erie MI-X18-X050 2007-0294 Z34	162,229	40,320	202,549
Section 5311 Lake Erie Non Urban MI-18-X047 2007-0294 Z22	(1,299)	22,592	21,293
Section 5311 Lake Erie Non Urban MI-X18-X050-2007-0294 Z47	130,606	-	130,606
Section 5311 Lake Erie ARRA MI-86-X002 2007-0294 ZXX	27,210	7,800	35,010
Section 5311 Lake Erie Non Urban MI-X86-X002 2007-0294-Z32	-	43,535	43,535
NOTA JARC MI-37-X033-2007-0294-Z21	(96,367)	-	(96,367)
NOTA JARC MI-37-4033-2007-0294-Z49	55,508	-	55,508
Total Pass-through Federal	526,962	310,551	837,513
Grand Total Federal Revenue Per F/S	11,545,571	6,214,011	17,759,582
Grand Total State and Federal	\$ 36,751,838	\$ 14,494,541	\$ 51,246,379

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Expense Schedule For the Year Ended June 30, 2011

Description	July 1, 2010 to Sep. 30, 2010	Oct. 1, 2010 to June 30, 2011	Total
Labor	\$ 10,354,060	\$ 30,412,580	\$ 40,766,640
Other fringe benefits	5,323,412	15,120,341	20,443,753
Pensions	1,478,385	4,486,541	5,964,926
OPEB - Funded	-	-	-
OPEB - Unfunded	1,048,669	3,047,203	4,095,872
Advertising fees	-	-	-
Audit cost	34,099	107,179	141,278
Other services	643,944	2,264,546	2,908,490
Fuel and lubricants	1,828,740	7,011,706	8,840,446
Tires and tubes	175,601	504,628	680,229
Other materials and supplies	1,194,798	4,518,066	5,712,864
Utilities	372,000	1,468,773	1,840,773
Casualty and liab. costs	1,272,869	4,771,058	6,043,927
Taxes and fees	-	-	-
Purchased transportation service	2,512,592	8,741,634	11,254,226
Pass-throughs that are expensed	-	-	-
Travel, meetings and training	6,447	24,705	31,152
Association dues and subscriptions	8,175	3,639	11,814
Gain/Loss on disposal of asset	-	146,654	146,654
Other miscellaneous expenses	23,800	32,741	56,541
Cost Overruns	-	-	-
Interest on long-term debt	199,681	599,043	798,724
Interest on short-term debt	-	-	-
Interest on capital lease	-	-	-
Leases and rentals	-	-	-
Depreciation	1,525,551	11,177,588	12,703,139
Total expenses	\$ 28,002,823	\$ 94,438,625	\$ 122,441,448

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Expense Schedule (Continued) For the Year Ended June 30, 2011

Description	July 1, 2010 to Sep. 30, 2010	Oct. 1, 2010 to June 30, 2011	Total
Less ineligible expenses:			
Ineligible Depreciation	\$ -	\$ 6,609,009	\$ 6,609,009
Ineligible Loss on Disposal	-	-	-
Local contracts	-	-	-
Preventive maintenance (MI-90-0591)	5,434,701	14,913,805	20,348,506
Planning/Cap. Cost of K (FY 2011 MI-80-0201)	74,769	230,723	305,492
Admin Expense Paid by JARC MI-37-6040	-	-	-
Admin Expense Paid by New Freedom MI-57-6007	-	-	-
Other Ineligible Fed/State/Local	-	-	-
CMAQ MI-95-0049	385,821	471,189	857,010
JARC MI-37-X033 2007-0294/Z10	-	-	-
Other State contracts (Municipal credits)	-	-	-
Pass-through Ineligibles	-	-	-
Gateway - M-0782 (075) 2007-0294/Z12	-	-	-
Transit User Study MI-80-0002 2002-0088 Z8	-	187,094	187,094
State Preventive Maintenance	-	1,390,294	1,390,294
Ineligible Interest	-	-	-
Ineligible Association dues	-	-	-
MPTA Dues (7.00% INELIG.)	-	-	-
CTAA Dues (2.05% INELIG.)	-	-	-
APTA Dues (10.00% INELIG.)	-	-	-
Ineligible Pension/OPEB	1,048,669	3,626,314	4,674,983
Other Ineligibles	-	-	-
Cost overruns	-	883	883
Garnishments	5,419	24,650	30,069
	6,949,379	27,453,961	34,403,340
Total Ineligibles expenses	6,949,379	27,453,961	34,403,340
Total eligible expenses	\$ 21,053,444	\$ 66,984,664	\$ 88,038,108

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Expense Schedule (Continued) For the Year Ended June 30, 2011

Description	July 1, 2010 to Sep. 30, 2010	Oct. 1, 2010 to June 30, 2011	Total
Pass-throughs that are Expensed:			
Nankin Subsidy	\$ 68,250	\$ 204,750	\$ 273,000
Lake Erie	641,600	2,004,909	2,646,509
Mun. Cr. - Formula	382,363	1,147,113	1,529,476
Mun. Cr. - Line Item	382,371	1,147,109	1,529,480
Comm. Cr.	885,023	2,655,046	3,540,069
Other State Subsidized Serv.			
Specialized Services	196,960	590,859	787,819
Royal Oak Twp	9,244	33,095	42,339
Contra SMART Paid Expense	(118,099)	(354,377)	(472,476)
NOTA JARC	29,234	101,848	131,082
NOTA NEW FREEDOM	-	187,443	187,443
JARC - NEW FREEDOM expense Urban	-	404,576	404,576
JARC - Mobility Management Urban	-	43,079	43,079
NEW FREEDOM Operating Assistant Urban	-	834,367	834,367
NEW FREEDOM Mobility Management Urban	-	45,878	45,878
NEW FREEDOM Local Operating Expense Urban	-	(410,996)	(410,996)
CBS Bloomfield Hills/Richmond Lenox	35,646	106,936	142,582
Pass-throughs that are Expensed	\$ 2,512,592	\$ 8,741,635	\$ 11,254,227
Ineligible Pass-throughs:			
Nankin Subsidy	68,250	204,750	273,000
Lake Erie	641,600	2,004,909	2,646,509
Mun. Cr. - Formula	382,363	1,147,113	1,529,476
Mun. Cr. - Line Item	382,371	1,147,109	1,529,480
Comm. Cr.	885,023	2,655,046	3,540,069
Other State Subsidized Serv.			
Specialized Services	196,960	590,859	787,819
Royal Oak Twp	9,244	33,095	42,339
Contra SMART Paid Expense	(118,099)	(354,377)	(472,476)
NOTA JARC	29,234	101,848	131,082
NOTA NEW FREEDOM	-	187,443	187,443
JARC - NEW FREEDOM expense Urban	-	404,576	404,576
JARC - Mobility Management Urban	-	43,079	43,079
NEW FREEDOM Operating Assistant Urban	-	834,367	834,367
NEW FREEDOM Mobility Management Urban	-	45,878	45,878
NEW FREEDOM Local Operating Expense Urban	-	(410,996)	(410,996)
Ineligible Pass-throughs	\$ 2,476,946	\$ 8,634,699	\$ 11,111,645

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Expense Schedule State Year Ended September 30, 2010

Description	Oct. 1, 2009	July 1, 2010	Total
	to June 30, 2010	to Sep. 30, 2010	
Labor	\$ 30,428,431	\$ 10,354,060	\$ 40,782,491
Other fringe benefits	15,922,391	5,323,412	21,245,803
Pensions	3,616,026	1,478,385	5,094,411
OPEB - Funded	4,719,871	-	4,719,871
OPEB - Unfunded	(1,068,822)	1,048,669	(20,153)
Advertising fees	-	-	-
Audit cost	85,574	34,099	119,673
Other services	2,426,368	643,944	3,070,312
Fuel and lubricants	5,531,412	1,828,740	7,360,152
Tires and tubes	490,936	175,601	666,537
Other materials and supplies	4,063,408	1,194,797	5,258,205
Utilities	1,477,022	372,000	1,849,022
Casualty and Liab. Costs	3,435,019	1,272,869	4,707,888
Taxes and fees	-	-	-
Purchased transportation service	6,995,684	2,512,592	9,508,276
Pass-through that are Expensed***	-	-	-
Travel, meetings, and training	19,705	6,447	26,152
Association dues and subscriptions	30,180	8,175	38,355
Loss on Disposal of Asset	140,264	-	140,264
Other miscellaneous expenses	25,336	23,800	49,136
Cost Overruns	1,698	-	1,698
Interest on Long-term Debt	938,287	199,681	1,137,968
Interest on Short-term Debt	-	-	-
Interest on Capital Lease	-	-	-
Leases and rentals	-	-	-
Depreciation	11,407,900	1,525,551	12,933,451
Total expenses	\$ 90,686,690	\$ 28,002,822	\$ 118,689,512

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Expense Schedule (Continued) State Year Ended September 30, 2010

Description	Oct. 1, 2009 to June 30, 2010	July 1, 2010 to Sep. 30, 2010	Total
Less ineligible expenses:			
Ineligible Depreciation	\$ 6,718,781	\$ -	\$ 6,718,781
Ineligible Loss on Disposal	-	-	-
Local contracts	-	-	-
Preventive maintenance (MI-90-0591)	7,632,648	-	7,632,648
Preventive maintenance (MI-03-0205)	-	5,434,701	5,434,701
Preventive maintenance (MI-04-0013)	800,000	-	800,000
Planning/Cap. Cost of K (FY 2010 MI-80-2001)	228,442	74,769	303,211
Administrative Expense Paid by Cap. K	1,124	-	1,124
Other Expense Paid by Cap. K	1,075	-	1,075
Other Ineligible Fed/State/Local	-	-	-
CMAQ MI-95-0038	2,325,547	385,821	2,711,368
CMAQ MI-95-0049	-	-	-
JARC MI-37-X033 2007-0294/Z10	-	-	-
Other State contracts (Municipal credits)	3,819,587	-	3,819,587
Pass-through Ineligibles~ ~ ~	-	-	-
Gateway 2007-0294/Z12	37,216	-	37,216
State Preventive Maintenance 2002-0088 Z20	-	-	-
Ineligible Interest	-	-	-
MPTA Dues (7.10% INELIG.)	-	-	-
CTAA Dues (1.66% INELIG.)	1,964	-	1,964
APTA Dues (14.00% INELIG.)	-	-	-
Ineligible Pension/OPEB	-	-	-
Other Ineligibles	(1,068,822)	1,048,669	(20,153)
Cost Overruns	-	-	-
Garnishments	1,698	5,419	7,117
Total Ineligibles	<u>\$ 20,499,260</u>	<u>\$ 6,949,379</u>	<u>\$ 27,448,639</u>
Total eligible expenses	<u>\$ 70,187,430</u>	<u>\$ 21,053,443</u>	<u>\$ 91,240,873</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Expense Schedule (Continued) State Year Ended September 30, 2010

Description	Oct. 1, 2009	July 1, 2010	Total
	to June 30, 2010	to Sep. 30, 2010	
Pass-throughs that are Expensed:			
Nankin Subsidy	\$ 204,750	\$ 68,250	\$ 273,000
Lake Erie	1,501,746	641,600	2,143,346
Mun. Cr. - Formula	1,147,113	382,363	1,529,476
Mun. Cr. - Line Item	1,147,109	382,371	1,529,480
Comm. Cr.	2,655,046	885,023	3,540,069
Other State Subsidized Serv.			
Specialized Services	590,859	196,960	787,819
Royal Oak Twp	40,618	9,244	49,862
Contra SMART Paid Expense	(315,529)	(118,099)	(433,628)
JARC NOTA	(81,718)	29,234	(52,484)
CBS Bloomfield Hills/Richmond Lenox	105,690	-	105,690
Pass-throughs that are Expensed	\$ 6,995,684	\$ 2,476,946	\$ 9,472,630
Ineligible Pass-throughs:			
Nankin Subsidy	204,750	68,250	273,000
Lake Erie	1,501,746	641,600	2,143,346
Mun. Cr. - Formula	164,794	382,363	547,157
Mun. Cr. - Line Item	1,147,110	382,371	1,529,481
Comm. Cr.	250,924	885,023	1,135,947
Other State Subsidized Serv.			
Specialized Services	590,859	196,960	787,819
Royal Oak Twp	40,618	9,244	49,862
JARC NOTA	(69,054)	(118,099)	(187,153)
NOTA NEW FREEDOM	(12,160)	29,234	17,074
Ineligible Pass-throughs	\$ 3,819,587	\$ 2,476,946	\$ 6,296,533

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Schedule of Financial Assistance For the Year Ended June 30, 2011

FEDERAL GRANTOR/PASS THRU GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAUDITED PROGRAM OR AWARD AMOUNT	AUDITED DISBURSEMENTS/ EXPENDITURES	UNAUDITED FEDERAL RECEIPTS/ REVENUE	UNAUDITED STATE RECEIPTS/ REVENUE	UNAUDITED AMOUNT REMAINING	
U.S. DEPARTMENT OF TRANSPORTATION												
DIRECT ASSISTANCE												
CAPITAL ASSISTANCE	80% - 20%	FY2001	SECTION 5309	20.500	MI-03-0175	2002-0088 Z3	\$ 4,085,948	\$ -	\$ -	\$ -	\$ -	
CAPITAL ASSISTANCE	80% - 20%	FY2002	SECTION 5309	20.500	MI-03-0185	2002-0088 Z9	2,088,961	-	-	-	-	
CAPITAL ASSISTANCE	80% - 20%	FY2003	SECTION 5309	20.500	MI-03-0194	2002-0088 Z12	3,442,875	45,864	45,864	-	1,833,235	
CAPITAL ASSISTANCE	80% - 20%	FY2004	SECTION 5309	20.500	MI-03-0205	2002-0088 Z20	5,339,805	3,071	3,071	-	2	
CAPITAL ASSISTANCE NOTA	80% - 20%	FY2002	SECTION 5309	20.500	MI-03-0207	2002-0088 Z33	148,504	-	-	-	-	
CAPITAL ASSISTANCE	80% - 20%	FY2005	SECTION 5309	20.500	MI-03-0218	2002-0088 Z27	77,742	-	-	-	-	
CAPITAL ASSISTANCE	80% - 20%	FY2005	SECTION 5309	20.500	MI-03-0220	2002-0088 Z28	2,267,114	-	-	-	-	
CAPITAL ASSISTANCE	80% - 20%	FY2006	SECTION 5309	20.500	MI-04-0013	2002-0088 Z37	7,623,000	311,159	311,159	-	387,238	
CAPITAL ASSISTANCE	80% - 20%	FY2007	SECTION 5309	20.500	MI-04-0025	2007-0294 Z7	1,750,000	558,531	558,531	-	860,422	
CAPITAL ASSISTANCE	80% - 20%	FY2009	SECTION 5309	20.500	MI-04-0040	2007-0294 Z40	4,250,000	476,765	476,765	-	3,773,235	
CAPITAL ASSISTANCE	80% - 20%	FY2009	SECTION 5309	20.500	MI-04-0057	2007-0294 Z28	3,973,500	1,094,928	1,094,928	-	-	
							34,996,549	2,490,318	2,490,318	-	6,854,132	
PLANNING & TECHNICAL STUDIES FY10												
	80% - 20%	FY2011		20.505	MI-80-XXXX	N/A	305,490	305,490	305,490	-	-	
PLANNING & TECHNICAL STUDIES SECTION 5304												
	100% STATE	FY2011	SECTION 5309	20.505	MI-80-0002		240,000	150,323	150,323	-	-	
							240,000	150,323	150,323	-	-	

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Schedule of Financial Assistance (Continued) For the Year Ended June 30, 2011

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
80 % - 20 %	FY2000	SECTION 5307	20.507	MI-90-0336	2000-0751	\$ 12,877,102	\$ -	\$ -	\$ -	\$ -
80 % - 20 %	FY2002	SECTION 5307	20.507	MI-90-0385	2003-0088 Z4	13,861,988	-	-	-	-
80 % - 20 %	FY2002	ENHANCEMENT	20.507	MI-90-0392	2002-0088 Z7	13,840	-	-	-	-
80 % - 20 %	FY2003	SECTION 5307	20.507	MI-90-0402	2002-0088 Z11	12,573,660	-	-	-	-
80 % - 20 %	FY2003	CHQA	20.507	MI-90-0410	2002-0088 Z14	688,325	-	-	-	-
80 % - 20 %	FY2003	SECTION 5307	20.507	MI-90-0413	2002-0088 Z15	268,490	-	-	-	-
80 % - 20 %	FY2004	SECTION 5307	20.507	MI-90-0435	2002-0088 Z17	12,723,791	-	-	-	-
80 % - 20 %	FY2004	STP	20.507	MI-90-0436	2002-0088 Z19	24,000	-	-	-	-
80 % - 20 %	FY2004	CHQA	20.507	MI-90-0438	2002-0088 Z25	974,986	26,470	26,470	-	10,627
80 % - 20 %	FY2004	SECTION 5307	20.507	MI-90-0441	2002-0088 Z18	268,460	-	-	-	-
80 % - 20 %	FY2004	STP	20.507	MI-90-0450	2002-0088 Z26	65,500	-	-	-	-
80 % - 20 %	FY2004	CHQA	20.507	MI-90-0456	2002-0088 Z29	624,000	119,962	119,962	-	559,459
80 % - 20 %	FY2005	SECTION 5307	20.507	MI-90-0462	2002-0088 Z32	281,342	-	-	-	-
80 % - 20 %	FY2005	SECTION 5307	20.507	MI-90-0465	2002-0088 Z33	13,043,067	167,479	167,479	-	1
80 % - 20 %	FY2006	SECTION 5307	20.507	MI-90-0488	2002-0088 Z39	13,045,016	234,679	234,679	-	467
80 % - 20 %	FY2006	SECTION 5307	20.507	MI-90-0489	2002-0088 Z38	281,932	161,306	161,306	-	5,335
80 % - 20 %	FY2006	CHQA	20.507	MI-90-0515	2002-0088 Z36	380,000	-	-	-	-
80 % - 20 %	FY2007	SECTION 5307	20.507	MI-90-0540	2007-0294 Z4	13,520,712	210,621	210,621	-	82,357
80 % - 20 %	FY2007	SECTION 5307	20.507	MI-90-0541	2007-0294 Z3	295,603	83,102	83,102	-	19,253
80 % - 20 %	FY2008	SECTION 5307	20.507	MI-90-0566	2007-0294 Z16	320,760	245,067	245,067	-	71,485
80 % - 20 %	FY2008	SECTION 5307	20.507	MI-90-0570	2007-0294 Z15	14,788,735	224,961	224,961	-	249,662
80 % - 20 %	FY2009	SECTION 5307	20.507	MI-96-0007	N/A	18,479,625	4,622,780	4,622,780	-	9,817,918
100%	FY2009	SECTION 5307	20.507	MI-96-0008	N/A	903,695	638,034	638,034	-	-
80 % - 20 %	FY2009	SECTION 5307	20.507	MI-90-0591	2007-0294 Z26	15,476,782	98,303	98,303	-	406,341
80 % - 20 %	FY2009	SECTION 5307	20.507	MI-90-0592	2007-0294 Z27	411,196	342,005	342,005	-	69,191
80 % - 20 %	FY2010	SECTION 5307	20.507	MI-90-0756	2007-0294 Z38	14,787,659	14,976,659	14,976,659	-	325,285
80 % - 20 %	FY2011	SECTION 5307	20.507	MI-90-0756	2007-0294 Z38	14,477,561	5,561,182	5,561,182	-	9,430,999
80 % - 20 %	FY2010	ENHANCEMENT CHQA	20.507	MI-95-0049	PENDING	16,013	14,621	14,621	-	1,192
80 % - 20 %	FY2010	SECTION 5307	20.507	MI-90-0758	2007-0294 Z39	151,083	14,270	14,270	-	136,813
						10,000				10,000
						175,644,588	27,741,701	27,741,701	-	21,196,385

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Schedule of Financial Assistance (Continued) For the Year Ended June 30, 2011

FEDERAL GRANTOR/PASS THRU GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CEDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAWAIDED PROGRAM OR AWARD AMOUNT	AUDITED DISBURSEMENTS/ EXPENDITURES	UNAWAIDED FEDERAL RECEIPTS/ REVENUE	UNAWAIDED STATE RECEIPTS/ REVENUE	UNAUDITED AMOUNT REMAINING	
MICHIGAN DEPARTMENT OF TRANSPORTATION												
CAPITAL ASSISTANCE	100 % STATE	FY1993	SECTION 3	N/A	N/A	93-1093	\$ 1,374,719	\$ -	\$ -	\$ -	\$ 40,445	
CAPITAL ASSISTANCE	100 % STATE	FY1994	FHWA	N/A	N/A	94-0166	5,625,000	-	-	-	10,288	
CAPITAL ASSISTANCE	100 % STATE	FY1995	16 B-2	N/A	N/A	95-1479	500,000	-	-	-	494	
CAPITAL ASSISTANCE	80 % - 20 %	FY1995	SECTION 9	N/A	MI-90-0232	95-1652	3,027,062	-	-	-	-	
CAPITAL ASSISTANCE	100 % STATE	FY1995	FHWA	N/A	MI-90-0265	95-2164	9,375,000	-	-	-	-	
CAPITAL ASSISTANCE	80 % - 20 %	FY1996	SECTION 9	N/A	MI-90-0265	96-0778	1,244,902	-	-	-	-	
CAPITAL ASSISTANCE	100 % STATE	FY1998	SECTION 5309	N/A	N/A	98-0581	944,000	-	-	-	14	
CAPITAL ASSISTANCE	80 % - 20 %	FY2000	SECTION 5307	N/A	MI-90-0336	2000-0751	3,219,275	-	-	-	-	
CAPITAL ASSISTANCE	100 % STATE	FY2001	SECTION 5310	N/A	N/A	2001-0862	526,736	-	-	-	157	
CAPITAL ASSISTANCE	100 % STATE	FY2002	SECTION 5310	N/A	N/A	2002-0595	904,845	-	-	-	-	
CAPITAL ASSISTANCE	100 % STATE	FY2004	SECTION 5310	20.513	MI-16-0029	2004-0462	809,940	-	-	-	-	
CAPITAL ASSISTANCE	100 % STATE	FY2005	SECTION 5310	20.513	MI-16-0030	2005-0441	621,099	-	-	-	7,673	
CAPITAL ASSISTANCE	100 % STATE	FY2006	SECTION 5310	20.513	MI-16-0030	2006-0548	162,417	-	-	-	-	
CAPITAL ASSISTANCE	100 % STATE	FY2001	SECTION 5309	N/A	MI-16-0031	2006-0581	1,291,125	-	-	-	88,499	
CAPITAL ASSISTANCE	80 % - 20 %	FY2002	SECTION 5307	N/A	MI-90-0385	2002-0088 Z1	3,465,497	-	-	-	-	
CAPITAL ASSISTANCE	80 % - 20 %	FY2003	ENHANCEMENT	N/A	MI-90-0392	2002-0088 Z1	3,460	-	-	-	-	
CAPITAL ASSISTANCE	80 % - 20 %	FY2002	SECTION 5309	N/A	MI-03-0185	2002-0088 Z9	522,240	-	-	-	-	
CAPITAL ASSISTANCE	80 % - 20 %	FY2003	SECTION 5307	N/A	MI-90-0402	2002-0088 Z11	3,143,415	-	-	-	-	
CAPITAL ASSISTANCE	80 % - 20 %	FY2003	SECTION 5309	N/A	MI-03-0194	2002-0088 Z12	660,719	11,466	-	11,466	458,310	
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2003	CHAQ	N/A	MI-90-0410	2002-0088 Z14	172,081	-	-	-	-	
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2003	SECTION 5307	N/A	MI-90-0413	2002-0088 Z15	67,122	-	-	-	-	
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2004	SECTION 5307	N/A	MI-90-0435	2002-0088 Z17	3,180,948	-	-	-	-	
CAPITAL ASSISTANCE RICHMOND LENOX	80 % - 20 %	FY2004	SECTION 5307	N/A	MI-90-0441	2002-0088 Z18	67,115	-	-	-	-	
CAPITAL ASSISTANCE	80 % - 20 %	FY2004	STP	N/A	MI-90-0436	2002-0088 Z19	6,000	-	-	767	-	
CAPITAL ASSISTANCE	80 % - 20 %	FY2004	SECTION 5309	N/A	MI-03-0205	2002-0088 Z20	1,334,951	-	-	-	-	
CAPITAL ASSISTANCE	80 % - 20 %	FY2002	SECTION 5309	N/A	MI-03-0207	2002-0088 Z23	37,126	-	-	-	-	
CAPITAL ASSISTANCE	80 % - 20 %	FY2004	CHAQ	N/A	MI-90-0438	2002-0088 Z25	243,747	6,284	-	6,284	2,544	
CAPITAL ASSISTANCE	80 % - 20 %	FY2004	STP	N/A	MI-90-0450	2002-0088 Z26	16,375	-	-	-	-	
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2005	SECTION 5309	N/A	MI-03-0218	2002-0088 Z27	19,435	-	-	-	-	
CAPITAL ASSISTANCE	80 % - 20 %	FY2005	SECTION 5309	N/A	MI-03-0220	2002-0088 Z28	679,783	-	-	-	-	
CAPITAL ASSISTANCE	80 % - 20 %	FY2005	CHAQ	N/A	MI-90-0456	2002-0088 Z29	156,000	29,990	-	29,990	-	
CAPITAL ASSISTANCE	80 % - 20 %	FY2005	SECTION 5307	N/A	MI-90-0462	2002-0088 Z32	45,925	-	-	-	-	
CAPITAL ASSISTANCE	80 % - 20 %	FY2005	SECTION 5307	N/A	MI-90-0465	2002-0088 Z33	608,051	39,313	-	39,313	-	
CAPITAL ASSISTANCE	80 % - 20 %	FY2006	CHAQ	N/A	MI-90-0515	2002-0088 Z36	95,000	-	-	-	-	

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Schedule of Financial Assistance (Continued) For the Year Ended June 30, 2011

FEDERAL GRANTOR/PASS THRU 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
CAPITAL ASSISTANCE	80% - 20%	FY2006	SECTION 5309	N/A	MI-04-0013	2002-0088 Z37	1,023,510	69,024	69,024	-	43,100
CAPITAL ASSISTANCE LETC	80% - 20%	FY2006	SECTION 5307	N/A	MI-90-0489	2002-0088 Z38	30,000	24,682	24,682	-	237
CAPITAL ASSISTANCE	80% - 20%	FY2006	SECTION 5307	N/A	MI-90-0488	2002-0088 Z39	67,932	39,339	-	39,339	-
CAPITAL ASSISTANCE	80% - 20%	FY2007	SECTION 5307	N/A	MI-90-0541	2007-0294 Z3	12,000	-	-	-	-
CAPITAL ASSISTANCE	80% - 20%	FY2007	SECTION 5307	N/A	MI-90-0540	2007-0294 Z4	64,482	-	-	-	-
CAPITAL ASSISTANCE	100% STATE	FY2007	SECTION 5310	20-513	MI-16-X001	2007-0294 Z6	401,158	-	-	-	4,269
CAPITAL ASSISTANCE	80% - 20%	FY2007	SECTION 5309	N/A	MI-04-0025	2007-0294 Z7	437,500	-	-	500	-
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	49,025	47,604	-	47,604	1,421
CAPITAL ASSISTANCE	80% - 20%	FY2008	SECTION 5307	N/A	MI-90-0566	2007-0294 Z16	60,873	60,516	-	60,516	357
CAPITAL ASSISTANCE	100% STATE	FY2008	SECTION 5307	N/A	MI-16-X002	2007-0294 Z17	627,504	1,554	1,554	-	684,883
CAPITAL ASSISTANCE	100% STATE	FY2008	SECTION 5307	N/A	MI-16-X002	2007-0294 Z18	31,785	-	-	-	31,785
CAPITAL ASSISTANCE	100% STATE	FY2008	SECTION 5307	N/A	MI-16-X002	2007-0294 Z21	99,806	-	-	-	99,806
CAPITAL ASSISTANCE	100% STATE	FY2008	SECTION 5307	N/A	MI-16-X002	2007-0294 Z23	65,400	30,523	30,523	-	27,246
CAPITAL ASSISTANCE	100% STATE	FY2008	SECTION 5307	N/A	MI-16-X002	2007-0294 Z23	327,090	14,617	14,617	-	197,676
CAPITAL ASSISTANCE	100% STATE	FY2008	SECTION 5307	N/A	MI-16-X002	2007-0294 Z31	103,504	50,924	50,924	-	1,656
CAPITAL ASSISTANCE	100% STATE	FY2009	SECTION 5310	N/A	MI-16-X003	2007-0294 Z24	985,652	81,681	81,681	-	1,128,995
CAPITAL ASSISTANCE	80% - 20%	FY2009	SECTION 5307	N/A	MI-90-X591	2007-0294 Z26	52,558	17,005	17,005	-	35,553
CAPITAL ASSISTANCE	80% - 20%	FY2009	SECTION 5307	N/A	MI-90-X592	2007-0294 Z27	85,502	85,502	85,502	-	-
CAPITAL ASSISTANCE	80% - 20%	FY2009	SECTION 5309	N/A	MI-04-0057	2007-0294 Z28	980,875	273,731	273,731	-	139,865
CAPITAL ASSISTANCE	80% - 20%	FY2010	SECTION 5309	N/A	MI-04-0057	2007-0294 Z29	139,865	-	-	-	-
CAPITAL ASSISTANCE	80% - 20%	FY2009	SECTION 5309	N/A	MI-16-X004	2007-0294 Z28	8,697	-	-	-	10,871
CAPITAL ASSISTANCE	80% - 20%	FY2009	SECTION 5309	N/A	MI-16-X004	2007-0294 Z36	10,871	-	-	-	10,871
CAPITAL ASSISTANCE	80% - 20%	FY2010	SECTION 5307	N/A	MI-90-X756	2007-0294 Z38	85,057	47,334	47,334	-	37,723
CAPITAL ASSISTANCE	80% - 20%	FY2011	SECTION 5307	N/A	MI-90-X756	2007-0294 Z38	3,748,045	1,390,294	1,390,294	-	34,203
CAPITAL ASSISTANCE	80% - 20%	FY2010	SECTION 5307	N/A	MI-90-X758	2007-0294 Z39	37,771	3,568	3,568	-	943,309
CAPITAL ASSISTANCE	80% - 20%	FY08-FY09	SECTION 5309	N/A	MI-04-0040	2007-0294 Z40	1,062,500	119,191	119,191	-	81,785
CAPITAL ASSISTANCE	80% - 20%	FY08-FY09	SECTION 5309	N/A	MI-16-0029	2007-0294 Z41	65,428	-	-	-	285,038
CAPITAL ASSISTANCE	80% - 20%	FY08-FY09	SECTION 5309	N/A	MI-16-0030	2007-0294 Z42	228,030	-	-	-	415,499
CAPITAL ASSISTANCE	80% - 20%	FY08-FY09	SECTION 5309	N/A	MI-16-0031	2007-0294 Z43	332,339	-	-	-	-
CAPITAL ASSISTANCE	80% - 20%	FY2009	SECTION 5309	N/A	MI-16-0031	2007-0294 Z3	12,000	12,000	12,000	-	186
CAPITAL ASSISTANCE	80% - 20%	FY2009	SECTION 5309	N/A	MI-16-0031	2007-0294 Z4	28,336	28,150	28,150	-	4,269
CAPITAL ASSISTANCE	80% - 20%	FY2009	SECTION 5309	N/A	MI-16-0031	2007-0294 Z6	3,644	625	625	-	215,106
CAPITAL ASSISTANCE	80% - 20%	FY2006	SECTION 5309	N/A	N/A	2006 TSGP	297,672	139,632	139,632	-	-
CAPITAL ASSISTANCE TRANSIT SECURITY	100% STATE	FY2007		N/A	N/A	2007 TSGP	310,872	137,634	137,634	-	173,238
CAPITAL ASSISTANCE TRANSIT SECURITY	100% STATE	FY2007		N/A	N/A						
COMBINED STATE CONTRACTS							\$ 57,382,629	\$ 2,763,450	\$ 317,433	\$ 2,446,017	\$ 5,264,002
TOTAL CAPITAL ASSISTANCE							\$ 268,589,256	\$ 33,451,282	\$ 31,005,265	\$ 2,446,017	\$ 33,314,519

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Schedule of Financial Assistance (Continued) For the Year Ended June 30, 2011

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
						\$	\$	\$	\$	
	FY2003	SECTION 5307	20.507	MI-90-4413	N/A	268,490	-	-	-	-
	FY2004	SECTION 5307	20.507	MI-90-4441	N/A	288,459	-	-	-	-
	FY2005	SECTION 5307	20.507	MI-90-4462	N/A	281,343	-	-	-	-
	FY2006	SECTION 5307	20.507	MI-90-4489	N/A	283,250	-	-	-	-
	FY2007	SECTION 5307	20.507	MI-90-4541	N/A	295,651	-	-	-	-
	FY2007	SECTION 5307	20.507	MI-90-4566	N/A	320,759	-	-	-	-
	FY2009	SECTION 5307	20.507	MI-90-4592	N/A	411,198	-	-	-	-
	FY2010	SECTION 5307	20.507	MI-90-4758	N/A	528,404	196,304	196,304	-	119,750
	FY2011	SECTION 5307	20.507	MI-90-4758	N/A	478,998	359,248	359,248	-	2,020,000
		ARRA 5307	20.507	MI-96-4007	N/A	2,020,000	-	-	-	-
		ARRA 5307	20.507	MI-96-4007	N/A	31,148	31,148	31,148	-	-
		ARRA 5307	20.507	MI-96-4008	N/A	90,369	90,369	90,369	-	-
	FY2002	CMAQ	20.507	MI-90-0393	N/A	1,573,381	-	-	-	-
	FY2003	CMAQ	20.507	MI-90-X410	N/A	2,058,574	-	-	-	-
	FY2004	CMAQ	20.507	MI-90-0438	N/A	1,630,740	-	-	-	-
	FY2004	CMAQ	20.507	MI-90-0438	N/A	160,000	-	-	-	-
	FY2005	CMAQ	20.507	MI-90-0456	N/A	1,024,319	-	-	-	-
	FY2006	CMAQ	20.507	MI-90-0515	N/A	245,000	-	-	-	-
	FY2006	CMAQ	20.507	MI-90-0515	N/A	2,413,889	-	-	-	-
	FY2007	CMAQ	20.507	MI-95-0011	N/A	310,366	-	-	-	-
	FY2007	CMAQ	20.507	MI-95-0011	N/A	2,365,188	-	-	-	-
	FY2008	CMAQ	20.507	MI-95-0017	N/A	316,573	49,614	49,614	-	-
	FY2008	CMAQ	20.507	MI-95-0017	N/A	3,516,204	-	-	-	-
	FY2009	CMAQ	20.507	MI-95-0038	N/A	4,107,204	-	-	-	-
	FY2010	CMAQ	20.507	MI-95-0049	N/A	3,156,097	-	-	-	-
	FY2011	CMAQ	20.507	MI-95-0049	N/A	857,010	857,010	857,010	-	-
						\$ 29,012,566	\$ 1,503,693	\$ 1,503,693	\$ -	\$ 2,139,750

TOTAL

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Schedule of Financial Assistance (Continued) For the Year Ended June 30, 2011

FEDERAL GRANTOR/PASS THRU GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAUDITED PROGRAM OR AWARD AMOUNT	AUDITED DISBURSEMENTS/ EXPENDITURES	UNAUDITED FEDERAL RECEIPTS/ REVENUE	UNAUDITED STATE RECEIPTS/ REVENUE	UNAUDITED AMOUNT REMAINING
100% STATE JARC NOTA	100 % STATE	FY06 & 07	SECTION 5316	20-516	MI-37-X026	2007-0294 Z11	\$ 297,354	\$ -	\$ -	\$ -	\$ -
NOTA ACCESS TO JOBS OPERATING	100 % STATE	FY2008	SECTION 5316	20-516	MI-37-X031	2007-0294 Z18	100,000	-	-	-	-
NOTA ACCESS TO JOBS OPERATING	100 % STATE	FY2009	SECTION 5316	20-516	MI-37-X031	2007-0294 Z18	163,545	-	-	-	-
CAPITAL ASSISTANCE NOTA JARC	100 % STATE	FY2010	SECTION 5316	20-516	MI-37-X037	2007-0294 Z23	65,400	-	-	-	-
NOTA ACCESS TO JOBS CAPITAL	100 % STATE	FY2010	SECTION 5316	20-516	MI-37-X037	2007-0294 Z23	337,926	29,234	-	29,234	-
NOTA ACCESS TO JOBS OPERATING	100 % STATE	FY2010	SECTION 5316	20-516	MI-37-X037	2007-0294 Z31	51,752	101,848	-	101,848	-
SECTION 5316 JARC NOTA OPERATING	50 % - 50 %						\$ 1,015,977	\$ 131,082	\$ -	\$ 131,082	\$ -
100% STATE NEW FREEDOM NOTA	100 % STATE	FY 08 & 09	SECTION 5317	20-521	MI-57-X001	2007-0294 Z14	46,000	-	-	-	-
NOTA NEW FREEDOM CAPITAL	100 % STATE	FY 08 & 09	SECTION 5317	20-521	MI-57-X001	2007-0294 Z14	48,642	-	-	-	-
NOTA NEW FREEDOM CAPITAL	100 % STATE	FY 09 & 10	SECTION 5317	20-521	MI-57-X010	2007-0294 Z35	93,034	93,034	93,034	-	-
NOTA NEW FREEDOM OPERATING	100 % STATE						\$ 187,676	\$ 93,034	\$ 93,034	\$ -	\$ -
PASSED THROUGH MIDOT	100 % STATE	FY2009	SECTION 5311	20-509	MI-18-X047	2007-0294 Z22	178,488	(22,921)	(22,921)	-	-
OPERATING ASSIST. - SEC.5311	100 % STATE	FY2010	SECTION 5311	20-509	MI-18-X050	2007-0294 Z34	174,141	22,087	22,087	-	-
OPERATING ASSIST. - SEC.5311	100 % STATE	FY2011	SECTION 5311	20-509	MI-18-X050	2007-0294 Z47	212,098	159,074	159,074	-	-
CAPITAL ASSIST. - SEC.5311 ARRA	100 % STATE	FY2009	SECTION 5311	20-509	MI-X86-X002	2007-0294 Z32	17,447	-	-	-	-
OPERATING ASSIST. - SEC.5311 ARRA	100 % STATE	FY2009	SECTION 5311	20-509	MI-86-X002	2007-0294 Z00X	27,210	-	-	-	-
TOTAL							609,384	158,240	158,240	-	-
SUB TOTAL							38,255,050	3,016,873	2,674,888	341,985	6,181,786

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Schedule of Financial Assistance (Continued) For the Year Ended June 30, 2011

FEDERAL GRANTOR/PASS THRU 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		9/30/2009	\$ -	(880,200)	-	(880,200)	-	
OPERATING ASSISTANCE - ACT 51 SMART URBAN				N/A		9/30/2010	-	8,009,624	-	8,009,624	-	
OPERATING ASSISTANCE - ACT 51 SMART URBAN				N/A		9/30/2011	-	21,471,933	-	21,471,933	-	
MUNICIPAL CREDIT SPECIAL APPROPRIATION				N/A		9/30/2010	-	1,529,480	-	1,529,480	-	
OPERATING ASSISTANCE - ACT 51 BEDFORD URBAN				N/A		9/30/2010	-	33,064	-	33,064	-	
OPERATING ASSISTANCE - ACT 51 BEDFORD URBAN				N/A		9/30/2011	-	89,544	-	89,544	-	
OPERATING ASSISTANCE - ACT 51 LETC COMBINED				N/A		9/30/2010	-	366,456	-	366,456	-	
OPERATING ASSISTANCE - ACT 51 LETC COMBINED				N/A		9/30/2011	-	1,272,522	-	1,272,522	-	
OPERATING ASSISTANCE - FY07 SECTION 5304				N/A		2007-0294-ZB	300,000	187,094	-	187,094	42,535	
ROYAL OAK TWP NEW SERVICES				N/A		9/30/2010	-	5,038	-	5,038	-	
ROYAL OAK TWP NEW SERVICES				N/A		9/30/2011	-	37,301	-	37,301	-	
SPECIALIZED SERVICES		FY2010		N/A		2007-0294-Z30	787,819	196,960	-	196,960	-	
SPECIALIZED SERVICES		FY2011		N/A		2007-0294-ZXX	-	590,859	-	590,859	-	
TOTAL							1,087,819	32,909,675	-	32,909,675	42,535	
TOTAL OPERATING ASSISTANCE							39,342,869	35,926,548	2,674,888	33,251,660	6,224,321	
GRAND TOTAL - ALL ASSISTANCE							\$ 307,912,125	\$ 33,680,153	\$ 33,680,153	\$ 35,697,677	\$ 39,538,840	

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Other Operating Expenses For the Year Ended June 30, 2011

Description	Community Based			Royal Oak		
	1-Jul-10 to 30-Sep-10	1-Oct-10 to 30-Jun-11	Total C.Based	1-Jul-10 to 30-Sep-10	1-Oct-10 to 30-Jun-11	Total R.Oak
Revenue:						
Fares	\$ 155,987	\$ 362,886	\$ 518,873	\$ 699	\$ 1,033	\$ 1,732
Taxes Levied Directly	-	360,209	360,209	-	-	-
Local Operating Assistance						
General Fund/Property tax	245,127	627,367	872,494	15,000	30,000	45,000
Other	-	22,005	22,005	1,869	5,580	7,449
Local Special Demonstration						
Project Assistance	-	17,455	17,455	-	-	-
Other Local Contracts	123,137	147,980	271,117	-	-	-
Mun. Cr.	524,225	1,033,671	1,557,896	1,285	3,834	5,119
Comm. Cr.	502,833	1,278,439	1,781,272	-	-	-
Other MDOT/BPT Contracts & Reimb.						
ACT 51	-	-	-	9,244	38,385	47,629
Specialized Services	16,186	16,186	32,372	-	-	-
Other Federal Transit Contracts and Reimb.	-	-	-	-	-	-
Interest Income	59	7,737	7,796	-	-	-
Total Revenue	1,567,554	3,873,935	5,441,489	28,097	78,832	106,929
Total Operating Expenses:	1,920,537	4,404,433	6,324,970	41,662	110,706	152,368
Ineligible Expenses:						
SMART Municipal Credits	524,225	1,033,671	1,557,896	-	-	-
SMART Community Credits	502,833	1,277,171	1,780,004	-	-	-
State Specialized Services	16,186	16,186	32,372	-	-	-
Depreciation	-	-	-	-	-	-
Total Ineligible	1,043,244	2,327,028	3,370,272	-	-	-
Total Eligible Expenses	\$ 877,293	\$ 2,077,405	\$ 2,954,698	\$ 41,662	\$ 110,706	\$ 152,368

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Other Operating Expenses (Continued) For the Year Ended June 30, 2011

Description	Harper Woods			Redford		
	1-Jul-10 to 30-Sep-10	1-Oct-10 to 31-Dec-10	Total H.Woods	1-Apr-10 to 30-Sep-10	1-Oct-10 to 31-Mar-11	Total Redford
Revenue:						
Fares	\$ 9,034	\$ 36,436	\$ 45,470	\$ 10,717	\$ 10,824	\$ 21,541
Taxes Levied Directly	-	-	-	-	-	-
Local Operating Assistance						
General Fund/Property tax	52,899	143,969	196,868	-	119,066	119,066
Other	-	-	-	382	-	382
Other Local Contracts	-	-	-	-	-	-
Mun. Cr.	(a) 3,525	10,575	14,100	25,536	25,536	51,072
Comm. Cr.	(a) 5,127	15,376	20,503	37,057	36,896	73,953
Other MDOT/BPT Contracts & Reimb.						
Specialized Services	-	-	-	4,951	3,667	8,618
Other Federal Transit Contracts & Reimb.	-	-	-	11,541	35,250	46,791
Interest Income	-	-	-	140	55	195
Total Revenue	\$ 70,585	\$ 206,356	\$ 276,941	\$ 90,324	\$ 231,294	\$ 321,618
Total Operating Expenses	\$ 70,585	\$ 206,356	\$ 276,941	\$ 118,329	\$ 154,484	\$ 272,813
Ineligible Expenses:						
SMART Municipal Credits	-	-	-	-	-	-
SMART Community Credits	-	-	-	-	-	-
State Specialized Services	-	-	-	4,951	3,667	8,618
Depreciation	-	-	-	-	-	-
Total Ineligible	-	-	-	4,951	3,667	8,618
Total Eligible Expenses	\$ 70,585	\$ 206,356	\$ 276,941	\$ 113,378	\$ 150,817	\$ 264,195

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Other Operating Expenses (Continued) For the Year Ended June 30, 2011

Description	S.T.A.R.		Total S.T.A.R.
	I-Apr-10 to 30-Sep-10	I-Oct-10 to 31-Mar-11	
Revenue:			
Fares	\$ 4,443	\$ 6,665	\$ 11,108
Taxes Levied Directly	-	397,554	397,554
Local Operating Assistance			
General Fund/Property tax	-	-	-
Other	44,654	67,296	111,950
Other Local Contracts	-	-	-
Mun. Cr.	-	-	-
Comm. Cr.	-	-	-
Other MDOT/BPT Contracts & Reimb.			
Specialized Services	12,243	12,240	24,483
Other Federal Transit Contracts & Reimb.	-	-	-
Interest Income	298	265	563
Total Revenue	\$ 61,638	\$ 484,020	\$ 545,658
Total Operating Expenses	\$ 211,374	\$ 335,451	\$ 546,825
Ineligible Expenses:			
SMART Municipal Credits	-	-	-
SMART Community Credits	-	-	-
State Specialized Services	12,243	12,240	24,483
Depreciation	-	-	-
Total Ineligible	12,243	12,240	24,483
Total Eligible Expenses	\$ 199,131	\$ 323,211	\$ 522,342

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Other Operating Expenses For the Year Ended September 30, 2010

Description	Community Based			Royal Oak		
	1-Oct-09 to 30-Jun-10	1-Jul-10 to 30-Sep-10	Total C.Based	1-Oct-09 to 30-Jun-10	1-Jul-10 to 30-Sep-10	Total R.Oak
Revenue:						
Fares	\$ 314,375	\$ 155,987	\$ 470,362	\$ 1,567	\$ 699	\$ 2,266
Taxes Levied Directly	-	-	-	-	-	-
Local Operating Assistance	-	-	-	-	-	-
General Fund/Property tax	673,602	245,127	918,729	35,000	15,000	50,000
Other	18,143	-	18,143	-	1,869	1,869
Other Local Contracts	12,278	123,137	135,415	-	-	-
Mun. Cr.	906,308	524,225	1,430,533	3,834	1,285	5,119
Comm. Cr.	1,032,925	502,833	1,535,758	5,580	-	5,580
Other MDOT/BPT Contracts & Reimb. ACT 51	-	-	-	41,598	9,244	50,842
Specialized Services	38,133	16,186	54,319	-	-	-
Other Federal Transit Contracts & Reimb.	-	-	-	-	-	-
Interest Income	192	59	251	-	-	-
Total Revenue	\$ 2,995,956	\$ 1,567,554	\$ 4,563,510	\$ 87,579	\$ 28,097	\$ 115,676
Total Operating Expenses	\$ 2,112,081	\$ 1,920,537	\$ 4,032,618	\$ 111,637	\$ 41,662	\$ 153,299
Ineligible Expenses:						
SMART Municipal Credits	402,947	524,225	927,172	-	-	-
SMART Community Credits	534,152	502,833	1,036,985	-	-	-
State Specialized Services	13,532	16,186	29,718	-	-	-
Depreciation	8,415	-	8,415	-	-	-
Total Ineligible	959,046	1,043,244	2,002,290	-	-	-
Total Eligible Expenses	\$ 1,153,035	\$ 877,293	\$ 2,030,328	\$ 111,637	\$ 41,662	\$ 153,299

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Other Operating Expenses (Continued) State Year Ended September 30, 2010

Description	Mt. Clemens			Nankin		
	1-Oct-09 to 30-Jun-10	1-Jul-10 to 30-Sep-10	Total Mt. Clemens	1-Oct-09 to 30-Jun-10	1-Jul-10 to 30-Sep-10	Total Nankin
Revenue:						
Fares	\$ 58,905	\$ 11,486	\$ 70,391	\$ 87,175	\$ 25,699	\$ 112,874
Taxes Levied Directly	-	-	-	-	-	-
Local Operating Assistance						
General Fund/Property tax	(14,228)	362,325	348,097	45,250	132,750	178,000
Other	3,463	-	3,463	204,750	68,250	273,000
Other Local Contracts						
Mun. Cr.	(a) 12,844	4,281	17,125	123,026	41,009	164,035
Comm. Cr.	(a) 19,885	6,630	26,515	174,750	58,250	233,000
Other MDOT/BPT Contracts & Reimb.						
Specialized Services	13,866	3,455	17,321	-	-	-
Other Federal Transit Contracts & Reimb.						
Interest Income	2,688	101	2,789	-	-	-
Total Revenue	\$ 97,423	\$ 388,278	\$ 485,701	\$ 634,951	\$ 325,958	\$ 960,909
Total Operating Expenses	\$ 404,252	\$ 123,025	\$ 527,277	\$ 756,285	\$ 253,381	\$ 1,009,666
Ineligible Expenses:						
SMART Municipal Credits	-	-	-	-	-	-
SMART Community Credits	-	-	-	-	-	-
State Specialized Services	13,866	3,455	17,321	-	-	-
Depreciation	-	-	-	-	-	-
Total Ineligible	13,866	3,455	17,321	-	-	-
Total Eligible Expenses	\$ 390,386	\$ 119,570	\$ 509,956	\$ 756,285	\$ 253,381	\$ 1,009,666

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Other Operating Expenses (Continued) State Year Ended September 30, 2010

Description	Harper Woods			Redford		Total Redford
	1-Oct-09 to 30-Jun-10	1-Jul-10 to 30-Sep-10	Total H.Woods	1-Oct-09 to 30-Apr-10	1-Apr-10 to 30-Sep-10	
Revenue:						
Fares	\$ 13,117	\$ 9,034	\$ 22,151	\$ 2,011	\$ 10,717	\$ 12,728
Taxes Levied Directly	-	-	-	-	-	-
Local Operating Assistance						
General Fund/Property tax	52,330	52,899	105,229	124,787	-	124,787
Other	-	-	-	80	382	462
Other Local Contracts						
Mun. Cr.	(a) 3,525	3,525	7,050	25,536	25,536	51,072
Comm. Cr.	(a) 5,126	5,127	10,253	37,308	37,057	74,365
Other MDOT/BPT Contracts & Reimb.						
Specialized Services	-	-	-	1,650	4,951	6,601
Other Federal Transit Contracts & Reimb.	-	-	-	33,959	11,541	45,500
Interest Income	-	-	-	118	140	258
Total Revenue	\$ 74,098	\$ 70,585	\$ 144,683	\$ 225,449	\$ 90,324	\$ 315,773
Total Operating Expenses	\$ 74,098	\$ 70,585	\$ 144,683	\$ 159,182	\$ 118,329	\$ 277,511
Ineligible Expenses:						
SMART Municipal Credits	-	-	-	-	-	-
SMART Community Credits	-	-	-	-	-	-
State Specialized Services	-	-	-	1,650	4,951	6,601
Depreciation	-	-	-	-	-	-
Total Ineligible	-	-	-	1,650	4,951	6,601
Total Eligible Expenses	\$ 74,098	\$ 70,585	\$ 144,683	\$ 157,532	\$ 113,378	\$ 270,910

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Other Operating Expenses (Continued) State Year Ended September 30, 2010

Description	S.T.A.R.		Total S.T.A.R.
	1-Oct-09 to 31-Mar-10	1-Apr-10 to 30-Sep-10	
Revenue:			
Fares	\$ 2,955	\$ 4,443	\$ 7,398
Taxes Levied Directly	449,007	-	449,007
Local Operating Assistance			
General Fund/Property tax	-	-	-
Other	67,433	44,788	112,221
Other Local Contracts	-	-	-
Mun. Cr.	-	-	-
Comm. Cr.	-	-	-
Other MDOT/BPT Contracts & Reimb.			
Specialized Services	4,079	12,243	16,322
Other Federal Transit Contracts & Reimb.	-	-	-
Interest Income	1,061	298	1,359
Total Revenue	\$ 524,535	\$ 61,772	\$ 586,307
Total Operating Expenses	\$ 335,451	\$ 211,374	\$ 546,825
Ineligible Expenses:			
SMART Municipal Credits	-	-	-
SMART Community Credits	-	-	-
State Specialized Services	133,440	12,243	145,683
Depreciation	-	-	-
Total Ineligible	133,440	12,243	145,683
Total Eligible Expenses	\$ 202,011	\$ 199,131	\$ 401,142

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Other Operating Expenses - Combined Total State Year Ended September 30, 2010

Description	Total C. Based	Total Mt. Clemens	Total Nankin	Total H.Woods	Total Redford	Total S.T.A.R.	TOTAL OTHER
Revenue:							
Fares	\$ 470,362	\$ 70,391	\$ 112,874	\$ 22,151	\$ 12,728	\$ 7,398	\$ 695,904
Taxes Levied Directly						449,007	449,007
Local Operating Assistance	918,729	348,097	178,000	105,229	124,787	-	1,674,842
General Fund/Property tax	153,558	3,463	273,000	-	462	-	542,704
Other							
Other Local Contracts							
Mun. Cr.	1,430,533	17,125 (a)	164,035 (a)	7,050 (a)	51,072 (a)	-	1,669,815
Comm. Cr.	1,535,758	26,515 (a)	233,000 (a)	10,253 (a)	74,365 (a)	-	1,879,891
Other MDOT/BPT Contracts & Reimb.							
Act 51	-	-	-	-	-	-	-
Specialized Services	54,319	17,321	-	-	6,601	16,322	94,563
Other Federal Transit Contracts & Reimb.	-	-	-	-	45,500	-	45,500
Interest Income	251	2,789	-	-	258	1,359	4,657
Total Revenue	\$ 4,563,510	\$ 485,701	\$ 960,909	\$ 144,683	\$ 315,773	\$ 586,307	\$ 7,056,883
Total Operating Expenses	\$ 4,032,618	\$ 527,277	\$ 1,009,666	\$ 144,683	\$ 277,511	\$ 546,825	\$ 6,538,580
Ineligible Expenses:							
SMART Municipal Credits	927,172	-	-	-	-	-	927,172
SMART Community Credits	1,036,985	-	-	-	-	-	1,036,985
State Specialized Services	29,718	17,321	-	-	6,601	145,683	199,323
Depreciation	8,415	-	-	-	-	-	8,415
Total Ineligible	2,002,290	17,321	-	-	6,601	145,683	2,171,895
Total Eligible Expenses	\$ 2,030,328	\$ 509,956	\$ 1,009,666	\$ 144,683	\$ 270,910	\$ 401,142	\$ 4,366,685

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information URBAN Revenue Combined Schedule State Year Ended September 30, 2010

Description	SMART Directly Provided	Other	Total for URBAN OAR
Passenger Fares	\$ 13,654,447	\$ 695,904	\$ 14,350,351
Contract Fares	184,246	-	184,246
Concessions	-	-	-
Advertising	520,706	-	520,706
Rental of Bldgs or Other Property	51,310	-	51,310
Other NonTrans Revenue	25,571	-	25,571
Other Local Contracts - Mun. Cr. Recapture	4,186	-	4,186
Other Local Contracts - Com. Cr.	-	-	-
Taxes Levied Directly	-	449,007	449,007
Local Operating Assistance	48,936,832	1,674,842	50,611,674
Other Local Contracts	-	542,704	542,704
Other Local Community Credits	-	1,879,891	1,879,891
State Operating Assistance			
SMART	27,797,224	-	27,797,224
Municipal Credit	1,529,476	1,669,815	3,199,291
Bedford	44,773	-	44,773
LETC Urban & Non-Urban	1,220,202	-	1,220,202
Royal Oak Township	49,862	-	49,862
Line-Item Municipal Credit	1,529,480	-	1,529,480
Cap. K Reimb. For Admin. Expenses	-	-	-
Other Cap. K Reimb. For Operating Exp.	-	-	-
Other MDOT/BPT Contracts & Reimb.	-	-	-
Specialized Service Grants	-	94,563	94,563
Specialized Service Grant 2007-0294 Z30	787,819	-	787,819
NOTA JARC MI-03-0218 & MI-03-0207	(96,367)	-	(96,367)
NOTA JARC MI-37-4043 & MI-37-6043	70,125	-	70,125
Federal Preventive Maintenance	-	-	-
MI-90-0591	13,067,349	-	13,067,349
MI-04-0013	800,000	-	800,000
Planning/Capital Cost of Contracting			
FY 2011 UWP - CONTRACT #MI-80-2001	303,211	-	303,211
Cap. K Reimb. For Admin. Expenses	5,366	-	5,366
Reimb. For New Freedom Admin. MI-57-6007	-	-	-
Other Transit User Study MI-80-0002 2002-0088 Z8	29,773	-	29,773
SMART JARC MI-37-0040 2007-0294 Z29	1,075	-	1,075
JARC EASTSIDE COMMUNITY SERVICES	-	-	-
Other Federal Transit Contracts & Reimb.	-	45,500	45,500
CMAQ MI-95-0049	2,325,547	-	2,325,547
Section 5307 Lake Erie MI-90-4758	445,379	-	445,379
CMAQ Lake Erie MI-95-0017	202,549	-	202,549
Section 5311 Lake Erie Non Urban MI-18-X042 2007-0294 Z10	(1,299)	-	(1,299)
Section 5311 Lake Erie Non Urban MI-18-X047- 2007-0294 Z22	-	-	-
Section 5311 Lake Erie Non Urban MI-18-X050 2007-0294 Z34	130,606	-	130,606
Section 5311 Lake Erie ARRA MI-86-X002 2007-0294 Z33	27,210	-	27,210
NOTA JARC MI-37-X031 & 2007-0294 Z18	(81,750)	-	(81,750)
NOTA JARC MI-37-X307 & 2007-0294 Z23	55,508	-	55,508
NOTA New Freedom MI-57-X001 2007-0294 Z14	-	-	-
Section 5311 ARRA	-	-	-
Other	-	-	-
Interest Income	158,916	4,657	163,573
Total	<u>\$ 113,779,332</u>	<u>\$ 7,056,883</u>	<u>\$ 120,836,215</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information URBAN Expense Combined Schedule State Year Ended September 30, 2010

Description	SMART Directly Provided	Other	Total for URBAN OAR
Labor	\$ 40,782,491	\$ -	\$ 40,782,491
Other fringe benefits	21,245,803	-	21,245,803
Pensions	5,094,411	-	5,094,411
OPEB - Funded	4,719,871	-	4,719,871
OPEB - Unfunded	(20,153)	-	(20,153)
Advertising fees	-	-	-
Audit cost	119,673	-	119,673
Other services	3,070,312	-	3,070,312
Fuel and lubricants	7,360,152	-	7,360,152
Tires and tubes	666,537	-	666,537
Other materials and supplies	5,258,205	-	5,258,205
Utilities	1,849,022	-	1,849,022
Casualty and Liab. Costs	4,707,888	-	4,707,888
Taxes and fees	-	-	-
Purchased transportation service	9,508,276	6,538,580	16,046,856
Pass-throughs that are Expensed	-	-	-
Travel, meetings and training	26,152	-	26,152
Association dues and subscriptions	38,355	-	38,355
Gain/Loss on Disposal of Asset	140,264	-	140,264
Other miscellaneous expenses	49,136	-	49,136
Cost Overruns	1,698	-	1,698
Interest on Long-Term Debt	1,137,968	-	1,137,968
Interest on Short-Term Debt	-	-	-
Interest on Capital Lease	-	-	-
Leases and rentals	-	-	-
Depreciation	12,933,451	-	12,933,451
Total expenses	\$ 118,689,512	\$ 6,538,580	\$ 125,228,092
Less ineligible expenses:			
Ineligible Depreciation	\$ 6,718,781	\$ -	\$ 6,718,781
Ineligible Loss on Disposal	-	-	-
Local contracts	-	-	-
Preventive maintenance (MI-90-0591)	7,632,648	-	7,632,648
Preventive maintenance (MI-03-0205)	5,434,701	-	5,434,701
Preventive maintenance (MI-04-0013)	800,000	-	800,000
Planning/Cap. Cost of K (FY 2010 MI-80-2001)	303,211	-	303,211
Planning/Cap. Cost of K (FY 2011 MI-90-2001)	-	-	303,211
Administrative Expense Paid by JARC MI-37-6040	1,124	-	1,124
Administrative Expense Paid by New Freedom MI-57-6007	1,075	-	1,075
Other Ineligible Fed/State/Local	-	-	-
CMAQ MI-95-0049	2,711,368	-	2,711,368
JARC MI-37-X033 2007-0294/Z10	-	-	-
Other State contracts (Municipal credits)	-	-	-
Purchased Transportation Ineligibles~~~	3,819,587	2,042,534	5,862,121
Pass-through Ineligibles~~~	-	-	-
Gateway 2007-0294/Z12	-	-	-
Transit User Study MI-80-0002 2002-0088 ZB	37,216	-	37,216
State Preventive Maintenance 2002-0088 Z20	-	-	-
Ineligible Interest	-	-	-
MPTA Dues (7.00% INELIG.)	1,964	-	1,964
CTAA Dues (1.66% INELIG.)	-	-	-
APTA Dues (14.00% INELIG.)	-	-	-
Ineligible Pension/OPEB	-	-	-
Other Ineligibles	(20,153)	-	(20,153)
Cost Overruns	-	-	-
Garnishments	7,117	-	7,117
Total Ineligibles	27,448,639	2,042,534	29,491,173
Total eligible expenses	\$ 91,240,873	\$ 4,496,046	\$ 95,736,919

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Combined Urban Regular Service Revenue Report For the Year Ended September 30, 2010

Description	Amount
Passenger Fares	\$ 14,350,351
Contract Fares	184,246
Package Delivery/ Meals on Wheels	-
Incidental Charter Service Revenue	-
Auxiliary Transportation Revenue (Explain)	
.10 Concessions	-
.15 Advertising	520,706
.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	51,310
.25 Parking Lot Revenue	-
.60 Gains from the Sales of Capital Assets	-
.99 Other Nontransportation Revenue	29,757
Taxes Levied Directly by Transit System	449,007
Local Cash Grants and Reimbursements (Explain)	
.10 Local Operating Assistance	50,611,674
.20 Single Business Tax	-
.99 Other Local Contracts	542,704
.99 Other Local Contracts (Community Credit Program)	1,879,891
State Formula and Contracts	
.01 State Operating Assistance SMART	29,326,704
.01 State Operating Assistance CBS MUNICIPAL CREDITS	1,669,815
.01 State Operating Assistance LAKE ERIE BEDFORD ROYAL OAK	1,314,837
.10 Line Item Municipal Credits	1,529,480
.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	856,136
Federal Contracts	
.01 Section 5311 LAKE ERIE	156,517
.02 Section 5307 LAKE ERIE	445,379
.11 Preventive Maintenance	13,867,349
.12 Capital Cost of Contracting	-
.13 Capital Contract Reimbursement for Administrative Expenses	5,366
.99 Other Planning	303,211
.99 Other CMAQ SMART	2,325,547
.99 Other CMAQ LAKE ERIE	202,549
.99 Other Federal Contracts and Reimbursements	50,106
Interest Income	163,573
Contributed Service	-
Total Revenue	\$ 120,836,215

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Combined Urban Regular Service Expense Report For the Year Ended September 30, 2010

	Operations	Maintenance	Gen. Admin.	Total
Labor				
01 Oper Sal & Wages	\$ 20,139,571	\$ -	\$ -	\$ 20,139,571
02 Other Sal & Wages	-	7,314,942	8,509,586	15,824,528
03 Disp Sal & Wages	-	-	4,818,392	4,818,392
Fringe Benefits	-	-	21,245,803	21,245,803
Post Retirement Benefits Funded	-	-	4,719,871	4,719,871
Post Retirement Benefits Unfunded	-	-	(20,153)	(20,153)
Pension	-	-	5,094,411	5,094,411
Services				
01 Audit	-	-	119,673	119,673
02 Advertising Fees	-	-	-	-
99 Other Services	119,250	1,394,955	1,556,107	3,070,312
Materials & Supp Cons				
01 Fuel and Lubricants	7,360,152	-	-	7,360,152
02 Tires and Tubes	666,537	-	-	666,537
99 Other Materials & Supplies	682,766	4,575,439	-	5,258,205
Utilities	-	-	1,849,022	1,849,022
Casual & Liab Costs				
03 Premium for Public Liability	-	-	-	-
99 Other Insurance	4,707,888	-	-	4,707,888
Taxes	-	-	-	-
Purchased Transportation Service on SMART F/S	9,508,276	-	-	9,508,276
Purchased Transportation Service POS STAR and Community Based	6,538,580	-	-	6,538,580
Miscellaneous Expense				
02 Travel and Meetings	-	-	26,152	26,152
03 Dues and Subscriptions	-	-	38,355	38,355
09 Loss on Disposal of Asset	-	-	140,264	140,264
99 Other Overruns	-	-	1,698	1,698
99 Other Miscellaneous Expense	-	-	49,136	49,136
Interest Expense				
01 Interest on Long-term Debt	-	-	1,137,968	1,137,968
02 Interest on Short-term Debt	-	-	-	-
Leases and Rentals	-	-	-	-
Depreciation	-	-	12,933,451	12,933,451
Total Expenses	49,723,020	13,285,336	62,219,736	125,228,092
Less Ineligible Expenses				
Ineligible Depreciation	-	-	6,718,781	6,718,781
Ineligible Loss on Disposal	-	-	-	-
Local contracts				
Preventive maintenance (MI-90-0591)	-	7,632,648	-	7,632,648
Preventive maintenance (MI-03-0205)	-	5,434,701	-	5,434,701
Preventive maintenance (MI-04-0013)	-	800,000	-	800,000
Planning/Cap. Cost of K (FY 2009)	-	-	303,211	303,211
Planning/Cap. Cost of K (FY 2010 MI-80-2001)	-	-	-	-
Administrative Expense Paid by Cap. K	-	-	1,124	1,124
Other Expense Paid by Cap. K	-	-	1,075	1,075
Other Ineligible Fed/State/Local				
CMAQ MI-95-0038	2,711,368	-	-	2,711,368
CMAQ MI-95-0049	-	-	-	-
JARC MI-37-X033 2007-0294/Z10	-	-	-	-
Other State contracts (Municipal credits)				
Purchased Transportation Ineligibles	3,819,587	-	-	3,819,587
Pass-through Ineligibles	37,216	-	-	37,216
Gateway 2007-0294/Z12	-	-	-	-
State Preventive Maintenance 2002-0088 Z20	-	-	-	-
Ineligible Interest				
MPTA Dues (7.10% INELIG.)	-	-	1,964	1,964
CTAA Dues (1.66% INELIG.)	-	-	-	-
APTA Dues (14.00% INELIG.)	-	-	-	-
Ineligible Pension/OPEB	-	-	-	-
Other Ineligibles	-	-	(20,153)	(20,153)
Cost Overruns	-	-	-	-
Garnishments	-	-	7,117	7,117
TOTAL Ineligible Expenses	6,568,171	13,867,349	7,013,119	27,448,639
Total Eligible Expenses	\$ 43,154,849	\$ (582,013)	\$ 55,206,617	\$ 97,779,453

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Combined Urban Regular Service Nonfinancial Report For the Year Ended September 30, 2010

DESCRIPTION	WEEKDAYS	SATURDAY	SUNDAY	TOTAL
FIXED ROUTE				
PUBLIC SERVICE				
VEHICLE HOURS	735,307	79,472	37,056	851,835
VEHICLE MILES	11,252,823	1,327,702	624,385	13,204,910
MISCELLANEOUS INFORMATION				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-
CONNECTOR				
PUBLIC SERVICE				
VEHICLE HOURS	183,482	3,826	690	187,998
VEHICLE MILES	3,369,914	69,896	14,324	3,454,134
MISCELLANEOUS INFORMATION				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-

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

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Royal Oak Twp Urban Service Revenue Report For the Year Ended September 30, 2010

Description	Amount
Passenger Fares	\$ 2,266
Contract Fares	-
Package Delivery/ Meals on Wheels	-
Incidental Charter Service Revenue	-
Auxiliary Transportation Revenue (Explain)	-
.10 Concessions	-
.15 Advertising	-
.20 Intercity Ticket Sales	-
.99 Other Auxiliary Transportation Revenue	-
Nontransportation Revenue (Explain)	-
.10 Sale of Maintenance Services	-
.15 Rental of Revenue Vehicles	-
.20 Rental of Buildings or Other Property	-
.25 Parking Lot Revenue	-
.60 Gains from the Sales of Capital Assets	-
.99 Other Nontransportation Revenue	-
Taxes Levied Directly by Transit System	-
Local Cash Grants and Reimbursements (Explain)	51,869
.10 Local Operating Assistance	-
.20 Single Business Tax	5,580
.99 Other Local Contracts (Community Credit Program)	-
State Formula and Contracts	50,842
.01 State Operating Assistance	5,119
.10 Line Item Municipal Credits	-
.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	-
Contributed Service	-
Total Revenue	\$ 115,676

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Royal Oak Twp Urban Regular Service Expense Report For the Year Ended September 30, 2010

	Operations	Maintenance	Gen. Admin.	Total
Labor				
01 Oper Sal & Wages	\$ 27,626	\$ -	\$ -	\$ 27,626
02 Other Sal & Wages	21,075	-	14,628	35,703
03 Disp Sal & Wages	19,479	-	-	19,479
Fringe Benefits	17,701	-	-	17,701
Services				
01 Audit	-	-	-	-
02 Advertising Fees	-	-	-	-
99 Other Services	88	-	12,336	12,424
Materials & Supp Cons				
01 Fuel and Lubricants	6,884	-	-	6,884
02 Tires and Tubes	-	-	-	-
99 Other Materials & Supplies	4,707	7,731	-	12,438
Utilities	12,636	-	-	12,636
Casual & Liab Costs				
03 Premium for Public Liability	-	-	-	-
99 Other Insurance	7,446	-	-	7,446
Taxes				
Purchased Transportation Service	-	-	-	-
Miscellaneous Expense				
02 Travel and Meetings	-	-	-	-
99 Other Miscellaneous Expense	792	170	-	962
Interest Expense				
01 Interest on Long-term Debt	-	-	-	-
02 Interest on Short-term Debt	-	-	-	-
Leases and Rentals	-	-	-	-
Depreciation	-	-	-	-
Total Expenses	<u>118,434</u>	<u>7,901</u>	<u>26,964</u>	<u>153,299</u>
Less Ineligible Expenses				
03 Fed. Grants (Explain)	-	-	-	-
04 State Grants (specialized svcs)	-	-	-	-
05 Local Grants	-	-	-	-
06 Interest Expense	-	-	-	-
07 Depreciation	-	-	-	-
08 Other (Explain)	-	-	-	-
09 Ineligible Percent of Dues	-	-	-	-
10 Expenses Assoc W/Auxiliary Trans	-	-	-	-
15 Charter Expense	-	-	-	-
99 Total Ineligible Expense	-	-	-	-
TOTAL Eligible Expenses	<u>\$ 118,434</u>	<u>\$ 7,901</u>	<u>\$ 26,964</u>	<u>\$ 153,299</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Royal Oak Twp Urban Regular Service Nonfinancial Report For the Year Ended September 30, 2010

DESCRIPTION	WEEKDAYS	SATURDAY	SUNDAY	TOTAL
FIXED ROUTE				
PUBLIC SERVICE				
VEHICLE HOURS	-			-
VEHICLE MILES	-			-
MISCELLANEOUS INFORMATION				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-
CONNECTOR				
PUBLIC SERVICE				
VEHICLE HOURS	1,869			1,869
VEHICLE MILES	19,372			19,372
MISCELLANEOUS INFORMATION				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-

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

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Footnotes

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

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

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

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

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

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

Suburban Mobility Authority for Regional Transportation

**Federal Awards
Supplemental Information
June 30, 2011**

Suburban Mobility Authority for Regional Transportation

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Independent Auditor's Report

To the Board of Directors
Suburban Mobility Authority for
Regional Transportation

We have audited the basic financial statements of Suburban Mobility Authority for Regional Transportation (the "Authority") as of and for the year ended June 30, 2011 and have issued our report thereon dated November 23, 2011. Those basic financial statements are the responsibility of the management of Suburban Mobility Authority for Regional Transportation. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Suburban Mobility Authority for Regional Transportation taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Plante & Moran, PLLC

November 23, 2011



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

Independent Auditor's Report

To the Board of Directors
Suburban Mobility Authority for
Regional Transportation

We have audited the financial statements of Suburban Mobility Authority for Regional Transportation as of and for the year ended June 30, 2011 and have issued our report thereon dated November 23, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Suburban Mobility Authority for Regional Transportation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as Finding 2011-0 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

To the Board of Directors
Suburban Mobility Authority
for Regional Transportation

Compliance and Other Matters

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

We noted certain matters that we have reported to management of Suburban Mobility Authority for Regional Transportation in a separate letter dated November 23, 2011.

Suburban Mobility Authority for Regional Transportation's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Suburban Mobility Authority for Regional Transportation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the board of directors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

November 23, 2011

Report on Compliance with Requirements That Could Have a Direct
and Material Effect on the Major Programs and on Internal Control Over
Compliance in Accordance with OMB Circular A-133

Independent Auditor's Report

To the Board of Directors
Suburban Mobility Authority for
Regional Transportation

Compliance

We have audited the compliance of Suburban Mobility Authority for Regional Transportation (the "Authority") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The major federal programs of Suburban Mobility Authority for Regional Transportation are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Suburban Mobility Authority for Regional Transportation's management. Our responsibility is to express an opinion on Suburban Mobility Authority for Regional Transportation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Suburban Mobility Authority for Regional Transportation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Suburban Mobility Authority for Regional Transportation's compliance with those requirements.

To the Board of Directors
Suburban Mobility Authority
for Regional Transportation

In our opinion, Suburban Mobility Authority for Regional Transportation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as Finding 2011-1.

Internal Control Over Compliance

The management of Suburban Mobility Authority for Regional Transportation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Suburban Mobility Authority for Regional Transportation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2011-1 to be a material weakness.

Suburban Mobility Authority for Regional Transportation's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Suburban Mobility Authority for Regional Transportation's response and, accordingly, we express no opinion on the response.

To the Board of Directors
Suburban Mobility Authority
for Regional Transportation

This report is intended solely for the information and use of management, the board of directors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

November 23, 2011

Suburban Mobility Authority for Regional Transportation

Schedule of Expenditures of Federal Awards Year Ended June 30, 2011

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Project Number	Federal Expenditures
U.S. Department of Transportation - Direct Programs:			
Federal Transit Cluster:			
Investment Grants:			
Capital Assistance	20.500	MI-03-0194	\$ 45,864
Capital Assistance	20.500	MI-03-0205	3,071
Capital Assistance	20.500	MI-04-0013	311,159
Capital Assistance	20.500	MI-04-0025	558,531
Capital Assistance	20.500	MI-04-0040	476,765
Capital Assistance	20.500	MI-04-0057	1,094,928
Total Federal Transit - Investment Grants			2,490,318
Formula Grants:			
Capital Assistance	20.507	MI-90-0438	26,470
Capital Assistance	20.507	MI-90-0462	119,962
Capital Assistance	20.507	MI-90-0465	167,479
Capital Assistance	20.507	MI-90-0488	234,679
Capital Assistance	20.507	MI-90-0489	161,306
Capital Assistance	20.507	MI-90-0540	210,621
Capital Assistance	20.507	MI-90-0541	83,102
Capital Assistance	20.507	MI-90-0566	245,067
Capital Assistance	20.507	MI-90-0570	224,961
ARRA Capital Assistance	20.507	MI-96-0007	4,622,780
ARRA Capital Assistance	20.507	MI-96-0008	638,034
Capital Assistance	20.507	MI-90-0591	98,303
Capital Assistance	20.507	MI-90-0592	342,005
Capital Assistance	20.507	MI-90-0756	20,537,841
Capital Assistance	20.507	MI-90-0758	14,270
Capital Assistance	20.507	MI-95-0049	14,821
ARRA Operating	20.507	MI-96-4007	31,148
ARRA Operating	20.507	MI-96-4008	90,369
Operating Assistance (LETC)	20.507	MI-90-4758	555,552
Operating Assistance (CMAQ LETC)	20.507	MI-95-0017	49,614
Operating Assistance (CMAQ SMART)	20.507	MI-95-X049	857,010
Total Federal Transit - Formula Grants			29,325,394
Total Federal Transit Cluster			31,815,712

Suburban Mobility Authority for Regional Transportation

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2011

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Project Number	Federal Expenditures
U.S. Department of Transportation - Direct Programs (Continued):			
Transit Services Program Cluster:			
Section 5310	20.513	MI-16-X001	\$ 500
Section 5310	20.513	MI-16-X002	1,554
Section 5310	20.513	MI-16-X003	81,681
Section 5316 JARC NOTA	20.516	MI-37-X037	96,064
Richmond Lenox	20.516	MI-37-4033	125,271
JARC Program Admin	20.516	MI-37-6040	17,902
JARC Program	20.516	MI-37-4043	113,170
Section 5307 New Freedom	20.521	MI-57-X007	218,815
Section 5317 New Freedom NOTA	20.521	MI-57-X010	93,034
Section 5307 New Freedom	20.521	MI-57-X014	119,294
Section 5307 New Freedom	20.521	MI-57-X018	245,469
Total Transit Services Program Cluster			<u>1,112,754</u>
Total Direct Programs			32,928,466
U.S. Department of Transportation - Pass-through Programs from the State of Michigan Department of Transportation:			
Operating Assistance - Section 5311	20.509	MI-18-X050	181,161
Planning and Technical Studies Section 5304	20.515	MI-80-0002	150,323
U.S. Department of Transportation - Pass-through Programs from the Southeast Michigan Council of Governments - Planning and Technical Studies UWP Program			
	20.505	MI-80-X006	<u>305,491</u>
Total Pass-through Programs			<u>636,975</u>
Total U.S. Department of Transportation			33,565,441
U.S. Department of Homeland Security- Pass-through Programs from the State of Michigan Department of State Police - Transit Security Grant Program			
	97.075	2007-RL-T7-0117	<u>137,634</u>
Total federal awards			<u>\$ 33,703,075</u>

Suburban Mobility Authority for Regional Transportation

Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures of Federal Awards Year Ended June 30, 2011

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 23,235,854
Revenue from federal sources - As reported on financial statements (federal portion of capital contributions)	10,444,305
Add back amounts reported as federal revenue in prior years for which grants were not awarded - Offset to federal revenue on financial statements in current year	<u>22,916</u>
Federal expenditures per the schedule of expenditures of federal awards	<u>\$ 33,703,075</u>

Suburban Mobility Authority for Regional Transportation

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2011

Note 1 - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Authority under programs of the federal government for the year ended June 30, 2011. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

Suburban Mobility Authority for Regional Transportation

Notes to Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2011

Note 2 - Subrecipient Awards

Included in federal expenditures presented in the schedule, federal awards provided to subrecipients for capital and operating assistance were as follows:

Subrecipient / Federal Program	CFDA Number	Amount
Lake Erie Transit Corporation:		
Operating Assistance Section 5307	20.507	\$ 555,552
Operating Assistance (CMAQ)	20.507	49,614
ARRA Operating Assistance	20.507	121,517
Rural and Small Urban Public Transportation Assistance Program	20.509	<u>158,240</u>
		884,923
Total Lake Erie Transit Corporation		
North Oakland Transportation Authority:		
Section 5316 JARC	20.516	206,221
Section 5317 New Freedom	20.521	<u>211,887</u>
		418,108
Total North Oakland Transportation Authority		
Richmond Lenox:		
Section 5316 JARC	20.516	19,577
Section 5317 New Freedom	20.521	<u>12,462</u>
		32,039
Total Richmond Lennox		
Macomb County Community Service Agency Section 5316 JARC	20.516	30,000
Downriver Community Conference:		
Section 5316 JARC	20.516	33,577
Section 5317 New Freedom	20.521	<u>94,327</u>
		127,904
Total Downriver Community Conference		
Macomb County Interfaith Volunteer Caregivers Section 5317 New Freedom	20.521	106,863
Jewish Family Services Section 5317 New Freedom	20.521	158,505
Program to Educate Cyclists:		
Section 5316 JARC	20.516	43,440
Section 5317 New Freedom	20.521	<u>72,647</u>
		116,087
Total Program to Educate Cyclists		
		<u>\$ 1,874,429</u>
Total amount provided to subrecipients		

Suburban Mobility Authority for Regional Transportation

Schedule of Findings and Questioned Costs Year End June 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial
statements noted? Yes No

Federal Awards

Internal control over major program(s):

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

Type of auditor's report issued on compliance for major program(s): Unqualified

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

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
20.500, 20.507	Federal Transit Cluster
20.513, 20.516, 20.521	Transit Services Cluster

Dollar threshold used to distinguish between type A and type B programs: \$1,011,092

Auditee qualified as low-risk auditee? Yes No

Suburban Mobility Authority for Regional Transportation

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2011

Section II - Financial Statement Audit Findings

Reference Number	Findings
2011-0	<p>Finding Type - Significant deficiency</p> <p>Criteria - Management's method for calculating estimated potential liabilities related to Michigan Tax Tribunal (MTT) open cases only included one year's worth of potential payouts. Currently, three years' worth of outstanding tax years are in appeal related to open MTT cases.</p> <p>Condition - Due to the current state of the economy, this liability continues to grow and become a larger, more significant number for many governmental entities.</p> <p>Context - Management had a process in place to estimate potential liabilities related to Michigan Tax Tribunal (MTT) open cases and county chargebacks related to delinquent taxes. Their current process for MTT liabilities did not take into account all open tax years.</p> <p>Cause and Effect - An adjustment was proposed by Plante & Moran, LLC and posted by the Authority to adjust the reserve for MTT liabilities to account for all open tax years.</p> <p>Recommendation - We recommend that the Authority implement a process to more consistently track the potential liabilities related to MTT and county chargeback liabilities.</p> <p>Views of Responsible Officials and Planned Corrective Actions - Management is aware of the auditor's concern. We believed our method of reserve was sufficient as it has been difficult to estimate the total outstanding cases specific to the SMART opt-in communities. However, we agree to the estimate as recommended by the auditor at this time, and will work toward establishing a method to determine a more realistic number with the three counties for MTT and county chargebacks.</p>

Suburban Mobility Authority for Regional Transportation

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2011

Section III - Federal Program Audit Findings

Reference Number	Findings
2011-1	<p>Program Name - Federal Transit Cluster, CFDA # 20.500 - Federal Transit - Investment Grants and #20.507 - Federal Transit - Formula Grants (Urbanized Area Formula Programs), includes American Recovery and Reinvestment Act funding</p> <p>Finding Type - Material weakness, material noncompliance</p> <p>Criteria - The FTA requires award recipients to implement a disadvantaged business enterprise (DBE) program and to submit semi-annual reports to the federal granting agency.</p> <p>Condition - During fiscal year ended June 30, 2011, semi-annual DBE reports were not submitted to the FTA.</p> <p>Questioned Costs - None</p> <p>Context - The Authority has a DBE program in place and was aware of the required DBE reporting to the FTA. However, semi-annual reports were not submitted to the federal granting agency.</p> <p>Cause and Effect - During the fiscal year 2011, a process was not in place to ensure that required semi-annual DBE reports were properly prepared and submitted to the federal granting agency resulting in noncompliance with the federal reporting requirements.</p> <p>Recommendation - We recommend that the Authority implement controls to ensure that all federal reports are timely filed with the appropriate agency.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The finding represents a reporting requirement that was sent to the Michigan Department of Transportation instead of the FTA in 2011 due to a misunderstanding of the previous DBE coordinator. The DBE report is required to be filed semi-annually with the FTA directly to monitor SMART's compliance with the federal requirement. The DBE Officer is aware of the reporting requirement and has reassigned the completion of the report to a new DBE Coordinator who has the knowledge and skill to fulfill the obligation and no further remedy is necessary. The next filing of the report will be December 2011 and will continue on a semi-annual basis as required.</p>

Suburban Mobility Authority for Regional Transportation

Summary Schedule of Prior Audit Findings Year Ended June 30, 2011

<u>Fiscal Year</u>	<u>Finding Number</u>	<u>Finding</u>	<u>CFDA Number</u>	<u>Questioned Costs</u>	<u>Comments</u>
2010	1	The audit identified that the Davis-Bacon Act requiring contractors and subcontractors to submit weekly certified payroll reports was not being done.	20.500/ 20.507	Unknown	Corrected
2010	2	The audit identified non-compliance with the reporting requirement for the American Recovery and Reinvestment Act Section 1512 reports.	20.500/ 20.507	None	Corrected