

Suburban Mobility Authority for Regional Transportation

**Federal Awards
Supplemental Information
June 30, 2014**

Suburban Mobility Authority for Regional Transportation

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

Independent Auditor's Report

To the Board of Directors
Suburban Mobility Authority for
Regional Transportation

We have audited the financial statements of the Suburban Mobility Authority for Regional Transportation (the "Authority") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated November 10, 2014, which contained unmodified opinions on the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to November 10, 2014.

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

Plante & Morán, PLLC

November 10, 2014

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Suburban Mobility Authority for Regional Transportation (the "Authority") as of and for the year ended June 30, 2014, and related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 10, 2014.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Plante & Moran, PLLC

November 10, 2014

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

Independent Auditor's Report

To the Board of Directors
Suburban Mobility Authority for
Regional Transportation

Report on Compliance for Each Major Federal Program

We have audited the Suburban Mobility Authority for Regional Transportation's compliance 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, 2014. The Suburban Mobility Authority for Regional Transportation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

To the Board of Directors
Suburban Mobility Authority for
Regional Transportation

Opinion on Each Major Federal Program

In our opinion, the Suburban Mobility Authority for Regional Transportation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

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

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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors
Suburban Mobility Authority for
Regional Transportation

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

Plante & Moreau, PLLC

November 10, 2014

Suburban Mobility Authority for Regional Transportation

Schedule of Expenditures of Federal Awards Year Ended June 30, 2014

Federal Agency/Pass-through Agency/Program Title	Identifying Number	CFDA Number	Project Number	Federal Expenditures
U.S. Department of Transportation - Direct programs:				
Federal Transit Cluster:				
Investment Grants:				
Capital Assistance	N/A	20.500	MI-03-0194	\$ 125,038
Capital Assistance	N/A	20.500	MI-04-0013	93,439
Capital Assistance	N/A	20.500	MI-04-0025	49,000
Capital Assistance	N/A	20.500	MI-04-0040	247,747
Capital Assistance	N/A	20.500	MI-04-0062	42,344
Capital Assistance	N/A	20.500	MI-04-0080	23,429
Capital Assistance	N/A	20.500	MI-04-0091	1,427,325
Capital Assistance	N/A	20.500	MI-95-0088	96,128
Capital Assistance	N/A	20.500	MI-2012-0170 P28	1,429,314
Total Federal Transit - Investment Grants				3,533,764
Formula Grants:				
Capital Assistance	N/A	20.507	MI-90-0540	238
Capital Assistance	N/A	20.507	MI-90-0570	3,433
ARRA Capital Assistance	N/A	20.507	MI-96-0007	3,727,253
Capital Assistance	N/A	20.507	MI-90-0591	932
Capital Assistance	N/A	20.507	MI-90-0756	480,202
Capital Assistance	N/A	20.507	MI-90-0678	12,092,349
Capital Assistance	N/A	20.507	MI-90-0678	4,000,000
Capital Assistance	N/A	20.507	MI-90-0758	26,131
Operating Assistance (Monroe) FY13	N/A	20.507	MI-90-0678	(223,759)
Operating Assistance (Monroe) FY14	N/A	20.507	MI-90-0678	308,637
Total Federal Transit - Formula Grants				20,415,416
Total Federal Transit Cluster				23,949,180
Transit Services Program Cluster:				
Section 5310	2012-0170 P6	20.513	MI-16-X005	5,270
SMART JARC Program Mob Mgt	N/A	20.516	MI-37-0043	103,811
SMART JARC Program Operating	N/A	20.516	MI-37-4043	356,157
SMART JARC Program Admin	N/A	20.516	MI-37-6043	31,673
Section 5317 New Freedom Non-Urban NOTA	2012-0170 P2	20.521	MI-57-0010	(22,292)
Section 5317 New Freedom Non-Urban NOTA	2012-0170 P7	20.521	MI-57-0010	45,175
Section 5317 New Freedom Program Admin	N/A	20.521	MI-57-6007	489
Section 5317 New Freedom Program Admin	N/A	20.521	MI-57-6014	11,662
Section 5317 New Freedom Capital (MM)	N/A	20.521	MI-57-0018	69,812
Section 5317 New Freedom Operating	N/A	20.521	MI-57-4018	106,180
Section 5317 New Freedom Program Admin	N/A	20.521	MI-57-6018	25,816
Section 5317 New Freedom Operating	N/A	20.521	MI-57-0024	280,725
Total Transit Services Program Cluster				1,014,478
Total Direct programs				24,963,658
U.S. Department of Transportation - Pass-through programs from the State of Michigan Department of Transportation:				
Operating Assist. - SEC 5311 (2011)	2007-0294 Z47	20.509	MI-18-0050	(2,414)
Operating Assist. - SEC 5311 (2012)	2012-0170 P4	20.509	MI-18-0050	9,466
Operating Assist. - SEC 5311 (2013)	2012-0170 P12	20.509	MI-18-0050	45,174
Operating Assist. - SEC 5311 (2014)	2012-0170 P27	20.509	MI-18-0050	127,323
				179,549
U.S. Department of Transportation - Pass-through programs from the Southeast Michigan Council of Governments - Planning and Technical Studies UWP Program				
	N/A	20.505	MI-80-X006	305,491
Total Pass-through programs				485,040
Total federal awards				<u>\$ 25,448,698</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, 2014

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 17,733,510
Add federal portion of capital contributions - As reported on the financial statements (includes all funds)	<u>7,715,188</u>
Federal expenditures per the schedule of expenditures of federal awards	<u>\$ 25,448,698</u>

Suburban Mobility Authority for Regional Transportation

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2014

Note I - Basis of Presentation and Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Suburban Mobility Authority for Regional Transportation under programs of the federal government for the year ended June 30, 2014. 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 Suburban Mobility Authority for Regional Transportation, it is not intended to and does not present the financial position, changes in net position, or cash flows, if applicable, of the Suburban Mobility Authority for Regional Transportation. Pass-through entity identifying numbers are presented where available.

Suburban Mobility Authority for Regional Transportation

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2014

Note 2 - Subrecipient Awards

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

Federal Program Title	CFDA Number	Amount Provided to Subrecipients
Lake Erie Transit Corporation:		
Operating Assistance Section 5307	20.507	\$ 84,878
Operating Assistance Section 5311	20.509	179,549
Total Lake Erie Transit Corporation		264,427
North Oakland Transportation Authority:		
Section 5316 JARC	20.516	110,171
Section 5317 New Freedom	20.521	128,231
Total North Oakland Transportation Authority		238,402
Richmond Lenox:		
Section 5316 JARC	20.516	75,228
Section 5317 New Freedom	20.521	59,483
Total Richmond Lenox		134,711
Macomb County Community Service Agency -		
Section 5316 JARC	20.516	24,858
Downriver Community Conference:		
Section 5316 JARC	20.516	78,491
Section 5317 New Freedom	20.521	57,248
Total Downriver Community Conference		135,739
Jewish Family Services:		
Section 5316 JARC	20.516	159,569
Section 5317 New Freedom	20.521	153,861
Total Jewish Family Services		313,430
Program to Educate Cyclists:		
Section 5316 JARC	20.516	11,651
Section 5317 New Freedom	20.521	57,894
Total Program to Educate Cyclists		69,545
Total amount provided to subrecipients		\$ 1,181,112

Suburban Mobility Authority for Regional Transportation

Schedule of Findings and Questioned Costs Year Ended June 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major programs:

- 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 programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

Yes No

Identification of major programs:

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

Dollar threshold used to distinguish between type A and type B programs: \$763,461

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None

Suburban Mobility Authority for Regional Transportation

Summary Schedule of Prior Audit Findings Year Ended June 30, 2014

Prior Year Finding Number	Federal Program	Original Finding Description	Status	Planned Corrective Action
2013-001	Federal Transit Cluster (includes ARRA funding)	During fiscal year ended June 30, 2013, in one of the six samples selected for testing, the Authority failed to obtain the certified payroll of a contractor to ensure wages paid were in compliance with conditions stated in the Davis-Bacon Act.	Fully Corrected	The Authority has created a central listing of all contracts that fall under the scope of the Davis-Bacon Act. As part of our payment process, all payments for capital expenditures will be checked against this list to ensure compliance with the act. Additionally, SMART has updated our purchase order forms to include applicability of Davis-Bacon Act requirements.

Suburban Mobility Authority for Regional Transportation

**Financial Report
with Supplemental Information
June 30, 2014**

Suburban Mobility Authority for Regional Transportation

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Independent Auditor's Report

To the Board of Directors
Suburban Mobility Authority for
Regional Transportation

Report on the Financial Statements

We have audited the accompanying financial statements of the Suburban Mobility Authority for Regional Transportation (the "Authority" or SMART) as of and for the years ended June 30, 2014 and 2013 and the related notes to the financial statements, which collectively comprise the basic financial statements of the Authority, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

To the Board of Directors
Suburban Mobility Authority for
Regional Transportation

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Suburban Mobility Authority for Regional Transportation as of June 30, 2014 and 2013 and the changes in financial position and its cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

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

Other Information

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

To the Board of Directors
Suburban Mobility Authority for
Regional Transportation

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2014 on our consideration of the Suburban Mobility Authority for Regional Transportation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Suburban Mobility Authority for Regional Transportation's internal control over financial reporting and compliance.

Plante & Moran, PLLC

November 10, 2014

Management's Discussion and Analysis

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis

Overview of the Financial Statements and Financial Analysis

The following discussion and analysis has been prepared by the Suburban Mobility Authority for Regional Transportation's (the "Authority" or SMART) management and should be read in conjunction with the financial statements and related note disclosures. The discussion is intended to present an overview of SMART's financial performance for the years ended June 30, 2014 and 2013 and does not purport to make any statement regarding the future operations of the organization. While SMART is an instrumentality of the State of Michigan, it is not a component of the State as defined by the Governmental Accounting Standards Board (GASB).

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

Financial Highlights

- Operating revenue remained consistent with the prior year at \$13.8 million.
- Operating expenses before depreciation of \$98.7 million are \$1.8 million lower than 2013 primarily due to reductions in claims and insurance and purchased transportation expenses.
- Current assets had a net increase of \$5.5 million, largely due to an increase in cash and cash equivalents of \$8.9 million offset by a decrease in grants receivable of \$2.3 million as well as smaller decreases in local contributions receivable, other receivables, and inventories.
- Current liabilities decreased by \$4.7 million primarily due to decreases in accounts payable of \$1.1 million and other current liabilities of \$2.9 million.
- Net position increased by \$4.1 million to \$82.4 million, which is a combination of the \$8.3 million increase in unrestricted net position and the \$4.3 million decrease in net investment in capital assets.

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis (Continued)

Statement of Net Position

A summary of SMART's assets, liabilities, and net position at June 30, 2014, 2013, and 2012 follows (in millions):

	2014	2013	2012
Assets			
Current assets	\$ 62.7	\$ 57.2	\$ 48.5
Capital assets	63.9	68.2	71.5
Other noncurrent assets	1.2	1.1	1.8
Total assets	127.8	126.5	121.8
Liabilities			
Current liabilities	18.6	23.3	23.2
Noncurrent liabilities	26.9	25.0	20.4
Total liabilities	45.5	48.3	43.6
Net Position			
Net investment in capital assets	63.9	68.2	69.2
Restricted	1.2	1.1	1.1
Unrestricted	17.2	8.9	7.9
Total net position	<u>\$ 82.3</u>	<u>\$ 78.2</u>	<u>\$ 78.2</u>

SMART's current assets had a net increase of \$5.5 million, which represents a 9.6 percent increase compared with FY 2013.

Amounts invested in capital assets decreased 6.3 percent from a year ago - decreasing from \$68.2 million to \$63.9 million. The current year decrease is due to depreciation expense exceeding current year net capital asset purchases.

Restricted net position is a result of the sale of federally funded capital assets representing approximately \$1.2 million, which, although classified as restricted, are available to SMART for future capital purchases.

Unrestricted net position, which is the portion of net position that can be used to finance day-to-day operations, increased by \$8.3 million from 2013. This represents an increase of 93.3 percent. This follows a FY 2013 increase of \$1 million or approximately 12.2 percent. The current level of unrestricted net position for SMART's operations stands at \$17.2 million, or about 17.4 percent of 2014 operating expenses before depreciation.

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis (Continued)

Statement of Revenue, Expenses, and Changes in Net Position

The following table is a summary of SMART's revenue, expenses, and changes in net position for the years ended June 30, 2014, 2013, and 2012 (in millions):

	2014	2013	2012
Operating revenue	\$ 13.8	\$ 13.8	\$ 15.2
Operating expenses before depreciation	98.7	100.5	105.3
Operating loss before depreciation	(84.9)	(86.7)	(90.1)
Depreciation expense	12.8	12.8	12.8
Total operating loss	(97.7)	(99.5)	(102.9)
Nonoperating revenue (net of related expenses)	93.1	89.7	93.5
Net loss before capital contributions	(4.6)	(9.8)	(9.4)
Capital contributions	8.8	9.8	10.6
Increase in net position	4.2	-	1.2
Net position - Beginning of year	78.2	78.2	77.0
Net position - End of year	<u>\$ 82.4</u>	<u>\$ 78.2</u>	<u>\$ 78.2</u>

SMART's operating revenue remained consistent with 2013. Nonoperating revenue (net of related expenses) increased \$3.4 million or 3.8 percent due to the stabilization and slight increase in property values and related millage revenue in the service areas as well as small increases in state and federal grants.

Operating expenses (before depreciation) decreased \$1.8 million during the year. The decrease is primarily due to reductions in claims and insurance of \$1.1 million and purchased transportation expenses of \$1 million offset by an increase in salaries and wages payable of \$600 thousand.

SMART faces ongoing funding challenges and will continue to closely monitor available resources and expenses in the ensuing fiscal years.

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis (Continued)

Capital Assets and Related Debt

The Authority continues to invest in infrastructure, equipment, and vehicles. SMART had \$63.9 million and \$68.2 million invested in capital assets as of June 30, 2014 and 2013, respectively. During fiscal year 2014, the Authority had total capital asset additions of approximately \$8.5 million, including approximately \$3.2 million for a new vehicle locator system, \$2.7 million for buses acquired from the Detroit Department of Transportation (DDOT), and \$1.8 million for onboard cameras and related security equipment.

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

Economic Factors and Next Year's Budget

With the passage of Public Act (PA) 387 in December 2012, the Regional Transit Coordinating Council (RTCC) was terminated and the Regional Transit Authority (RTA) was created by the Michigan Legislature. The mission of the RTA is to improve, coordinate, and expand the delivery of public transit throughout the four-county transit region (Washtenaw County was added to what was formerly a tri-county transit region of Wayne, Oakland, and Macomb Counties, including the City of Detroit). As of October 1, 2013, the RTA became the designated recipient for federal funds, a portion of which is allocated to SMART. As of March 2013, the allocation of Section 5307 federal capital funding to the tri-county Urbanized Area passed through the RTA is 51.5 percent to SMART, 47.5 percent to DDOT, and 1 percent to the Detroit Transportation Corporation (the People Mover). Prior allocation under the RTCC had been 35 percent to SMART and 65 percent to DDOT. The change is expected to add approximately \$7 million in capital funding to SMART annually. This allocation remains in effect and is subject to change based on annual review by the RTA.

Like most municipal governments, SMART has endured the reduction in property tax value, decreasing the current property tax revenue more than 25 percent since 2008, resulting in a cumulative loss of over \$53 million in operating revenue to SMART. However, on August 4, 2014, voters in the Macomb, Oakland, and Wayne County service areas approved a millage increase from 0.59 to 1.0 mill. The additional revenue will allow the Authority to fund the much-needed replacement of the aging bus fleet by utilizing Section 5307 capital funds currently used to support operations.

SMART is committed to providing the best transit service to the communities under its service umbrella. To that end, nonessential costs have been eliminated within the administrative departments to achieve this goal. SMART has adopted a balanced budget for FY 2015, continuing the employee concessions obtained in the last negotiation session and imposed on administrative staff. Additionally, the Authority has maintained the staffing reductions in 2010 as well as the service reductions implemented in December 2011. SMART's operating budget in FY 2011 was a little over \$121 million while the FY 2015 operating budget will be \$110.7 million.

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis (Continued)

Using this Annual Report

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

Contacting SMART's Financial Management

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

Suburban Mobility Authority for Regional Transportation

Statement of Net Position

	Enterprise Operating Fund	
	June 30, 2014	June 30, 2013
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 50,626,048	\$ 41,681,960
Receivables:		
Local contributions receivable (Note 1)	111,168	716,297
Other receivables	268,514	624,854
Grant receivables (Note 4)	9,340,337	11,652,077
Materials and supplies inventories	2,240,103	2,402,847
Prepaid expenses and other assets	67,422	65,461
Total current assets	62,653,592	57,143,496
Noncurrent assets:		
Restricted cash (Note 3)	1,233,800	1,134,083
Nondepreciable capital assets (Note 5)	15,682,382	10,203,631
Depreciable capital assets - Net (Note 5)	48,263,654	58,016,809
Total noncurrent assets	65,179,836	69,354,523
Total assets	127,833,428	126,498,019
Liabilities		
Current liabilities:		
Municipal and community credits payable (Note 1)	2,868,263	2,985,393
Amounts payable under purchase-of-service agreements	527,196	769,586
Current portion of accrued self-insurance (Note 9)	6,513,690	6,591,230
Accounts payable	3,652,856	4,726,602
Accrued liabilities and other:		
Accrued salaries and wages	948,787	1,116,546
Other accrued liabilities	1,571,671	4,456,913
Current portion of compensated absences (Note 8)	2,492,311	2,604,914
Total current liabilities	18,574,774	23,251,184
Noncurrent liabilities:		
Accrued self-insurance - Net of current portion (Note 9)	5,241,340	6,830,925
Net pension obligation (Note 10)	-	73,494
Net OPEB obligation (Note 11)	21,491,223	17,968,271
Compensated absences - Net of current portion (Note 8)	170,394	163,127
Total noncurrent liabilities	26,902,957	25,035,817
Total liabilities	45,477,731	48,287,001
Equity		
Net position:		
Net investment in capital assets	63,946,036	68,220,440
Restricted (Note 1)	1,233,800	1,134,083
Unrestricted	17,175,861	8,856,495
Total net position	\$ 82,355,697	\$ 78,211,018

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

Suburban Mobility Authority for Regional Transportation

Statement of Revenues, Expenses, and Changes in Net Position

	Enterprise Operating Fund	
	Year Ended	
	June 30, 2014	June 30, 2013
Operating Revenue		
Fares	\$ 12,338,661	\$ 12,763,973
Other income	1,476,391	1,063,539
Total operating revenue	13,815,052	13,827,512
Operating Expenses		
Salaries and wages	35,462,705	34,850,027
Fringe benefits	28,647,885	28,626,018
Materials and supplies	15,136,960	15,291,171
Contractual services	2,375,603	2,423,588
Utilities	1,663,805	1,832,660
Claims and insurance	5,306,727	6,399,637
Purchased transportation (Note 7)	10,001,750	11,006,714
Miscellaneous expense	115,012	84,470
Depreciation	12,803,713	12,827,540
Total operating expenses	111,514,160	113,341,825
Operating Loss	(97,699,108)	(99,514,313)
Nonoperating Revenue (Expenses)		
Federal operating and preventative maintenance assistance	17,733,510	16,256,196
State operating grants	35,522,528	34,753,751
Local contributions (Note 6)	39,288,686	38,579,803
Interest expense	-	(55,116)
Other nonoperating revenue	417,724	243,642
Investment income	76,358	59,252
Gain (loss) on sale of assets	69,421	(95,057)
Total nonoperating revenue	93,108,227	89,742,471
Loss - Before capital contributions	(4,590,881)	(9,771,842)
Capital Contributions	8,735,560	9,749,603
Change in Net Position	4,144,679	(22,239)
Net Position - Beginning of year	78,211,018	78,233,257
Net Position - End of year	<u>\$ 82,355,697</u>	<u>\$ 78,211,018</u>

Suburban Mobility Authority for Regional Transportation

Statement of Cash Flows

	Enterprise Operating Fund	
	Year Ended	
	June 30, 2014	June 30, 2013
Cash Flows from Operating Activities		
Receipts from transit operations	\$ 14,171,394	\$ 14,034,864
Payments to suppliers	(23,089,585)	(15,395,012)
Payments to employees	(60,934,227)	(59,205,506)
Payments to claims and insurance	(6,973,852)	(5,572,144)
Payments for purchased transportation	(10,361,270)	(12,581,620)
Net cash used in operating activities	(87,187,540)	(78,719,418)
Cash Flows from Noncapital Financing Activities		
State operating grants	36,393,806	32,677,033
Federal operating and preventive maintenance assistance	19,173,972	15,281,817
Local contributions	39,893,815	38,618,270
Other nonoperating receipts	417,724	243,642
Net cash provided by noncapital financing activities	95,879,317	86,820,762
Cash Flows from Capital and Related Financing Activities		
Receipt of capital grants	7,306,243	9,749,603
Proceeds from disposal of capital assets	70,510	371,832
Purchase of capital assets	(7,101,083)	(9,946,682)
Payment on installment note payable	-	(2,365,429)
Interest paid	-	(113,101)
Net cash provided by (used in) capital and related financing activities	275,670	(2,303,777)
Cash Flows from Investment Activities - Interest received on investments	76,358	59,252
Net Increase in Cash and Cash Equivalents	9,043,805	5,856,819
Cash and Cash Equivalents - Beginning of year	42,816,043	36,959,224
Cash and Cash Equivalents - End of year	\$ 51,859,848	\$ 42,816,043
Balance Sheet Classification of Cash and Cash Equivalents		
Cash and investments	\$ 51,859,848	\$ 42,816,043
Restricted cash	(1,233,800)	(1,134,083)
Total unrestricted cash and cash equivalents	\$ 50,626,048	\$ 41,681,960
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	\$ (97,699,108)	\$ (99,514,313)
Depreciation and amortization	12,803,713	12,827,540
Noncash change in net pension asset/obligation	(73,494)	749,210
Noncash expense related to net OPEB obligations	3,522,952	3,620,297
Noncash (decrease) increase in self-insurance liability	(1,667,125)	827,493
Changes in assets and liabilities:		
Materials and supplies inventory	356,340	(62,459)
Other receivables	162,746	207,352
Prepaid and other assets	(1,961)	65,039
Accounts payable and accrued liabilities	(3,958,988)	4,234,297
Municipal and community credits payable	(117,130)	(1,757,072)
Payable under purchase service contracts	(242,390)	182,166
Accrued wages and compensated absences	(273,095)	(98,968)
Net cash used in operating activities	\$ (87,187,540)	\$ (78,719,418)

Noncash Capital and Financing Activities - During the year ended June 30, 2014, the Authority received a capital grant in the form of buses valued at \$1,429,317.

Suburban Mobility Authority for Regional Transportation

**Notes to Financial Statements
June 30, 2014 and 2013**

Note I - Summary of Significant Accounting Policies

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

Organization

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

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

PA 387 also terminated the Regional Transit Coordinating Council (RTCC), the then-existing designated recipient, and made the Southeast Michigan Council of Governments (SEMCOG) the designated recipient of federal funds until October 1, 2013, when the RTA became the designated recipient. Prior to PA 387, the allocation of State of Michigan operating assistance funds under Act 51 and federal capital funds to the tri-county Urbanized Area had been 65 percent to DDOT and 35 percent to SMART. However, for fiscal years ended June 30, 2012 and 2013, the State allocated funds to SMART as an independent large urban area transit agency. In March 2013, based on information submitted by the agencies, SEMCOG revised the allocation to 51.5 percent to SMART, 47.5 percent to DDOT, and 1 percent to the Detroit Transportation Corporation. This allocation remains in effect and is subject to change based on annual review by the RTA. Capital grants or loans are not allocated on a formula basis but rather are allocated on a specific project or asset basis in accordance with the terms of the grant or loan.

Suburban Mobility Authority for Regional Transportation

**Notes to Financial Statements
June 30, 2014 and 2013**

Note I - Summary of Significant Accounting Policies (Continued)

Reporting Entity

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

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

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

Accounting and Reporting Principles

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

Report Presentation

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

Fund Accounting

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

Suburban Mobility Authority for Regional Transportation

**Notes to Financial Statements
June 30, 2014 and 2013**

Note I - Summary of Significant Accounting Policies (Continued)

Basis of Accounting

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

Specific Balances and Transactions

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

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

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

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

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

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements
June 30, 2014 and 2013

Note I - Summary of Significant Accounting Policies (Continued)

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

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

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

Net Position Flow Assumption

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

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

Suburban Mobility Authority for Regional Transportation

**Notes to Financial Statements
June 30, 2014 and 2013**

Note I - Summary of Significant Accounting Policies (Continued)

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

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

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

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2014 and 2013

Note I - Summary of Significant Accounting Policies (Continued)

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

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

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

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

Reclassifications - Comparative total data for the prior year has been presented in order to provide an understanding of the changes in the financial position and operations of these funds. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

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

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

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2014 and 2013

Note 1 - Summary of Significant Accounting Policies (Continued)

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Significant estimates affecting the financial statements relate to the obligation for other postemployment benefits, the required contribution for pensions, estimated liabilities related to self-insurance, the allowance for collectibility of local contribution receivables, the accrual for pending property tax appeals and anticipated chargebacks from the counties, and the reserve for Act 51 revenue.

Note 2 - State of Michigan Operating Assistance Funds

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

The latest "final" determination of State of Michigan operating assistance allocable to SMART in accordance with the Act 51 funding formula was for the State of Michigan's fiscal year ended September 30, 2012. The resulting reduction in revenue has been finalized with the State and was paid in the first quarter of SMART's fiscal year ended June 30, 2014. Furthermore, SMART awaits the "final" determination for the years ended September 30, 2013 and 2014. SMART has recorded an estimated aggregate liability as of June 30, 2014, in the accrued other liabilities line in the financial statements, based on management's anticipation of the results of the State's final determination of the Act 51 funding formula for the open years. SMART has recorded approximately \$301,000, \$22,000, and \$129,000 of reserves for Act 51 funding for fiscal years 2014, 2013, and 2012, respectively, which remain outstanding at June 30, 2014.

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2014 and 2013

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

Act 51 requires SMART to provide a portion of the State of Michigan operating assistance as funding to municipalities within its transportation district. Amounts not used by the municipalities within two years must be expended by SMART for operating purposes within the county in which the city, village, or township resides. SMART was required to provide approximately \$3,261,000 pursuant to this provision in each of fiscal years 2014 and 2013. Refer to Note 1 for additional information regarding the State of Michigan operating assistance funds.

Note 3 - Deposits and Investments

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

Cash and cash equivalents	\$ 50,626,048
Restricted cash	<u>1,233,800</u>
Total designated	<u>\$ 51,859,848</u>

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

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

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements
June 30, 2014 and 2013

Note 3 - Deposits and Investments (Continued)

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

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. SMART does not have a deposit policy for custodial credit risk. At year end, the Authority had approximately \$47,229,000 of bank deposits (checking and savings accounts), of which \$46,479,000 was uninsured and uncollateralized.

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

Investment	Fair Value	Credit Rating
Comerica - J Fund	\$ 4,812,719	Not rated

Note 4 - Grants Receivable

At June 30, 2014 and 2013, grants receivable are comprised of the following:

	2014	2013
Accounts receivable - Billed:		
Federal government grants	\$ 5,358,925	\$ 5,748,207
State of Michigan grants	2,958,412	4,025,066
Total billed	8,317,337	9,773,273
Accounts receivable - Unbilled:		
Federal government grants	603,287	1,654,431
State of Michigan grants	220,636	122,098
Local grants	199,077	102,275
Total unbilled	1,023,000	1,878,804
Total	\$ 9,340,337	\$ 11,652,077

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2014 and 2013

Note 5 - Capital Assets

Capital asset activity during the fiscal year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Reclassifications	Additions	Disposals	Balance June 30, 2014
Capital assets not being depreciated:					
Land	\$ 3,473,174	\$ -	\$ -	\$ -	\$ 3,473,174
Construction in progress	6,730,457	(3,051,646)	8,530,397	-	12,209,208
Subtotal	10,203,631	(3,051,646)	8,530,397	-	15,682,382
Capital assets being depreciated:					
Fixed-route buses and equipment	97,564,964	1,978,802	-	9,183,913	90,359,853
Connector buses and related equipment	37,065,973	124,340	-	865,948	36,324,365
Buildings and improvements	43,769,503	129,617	-	-	43,899,120
Office furnishings and equipment	1,905,770	149,703	-	-	2,055,473
Other equipment	51,726,471	669,184	-	-	52,395,655
Leasehold improvements	6,468,144	-	-	-	6,468,144
Subtotal	238,500,825	3,051,646	-	10,049,861	231,502,610
Accumulated depreciation:					
Fixed-route buses and equipment	73,650,498	-	6,886,727	9,182,827	71,354,398
Connector buses and related equipment	24,076,909	-	2,654,238	865,946	25,865,201
Buildings and improvements	29,971,457	-	922,410	-	30,893,867
Office furnishings and equipment	1,846,385	-	17,703	-	1,864,088
Other equipment	45,920,766	-	1,980,554	-	47,901,320
Leasehold improvements	5,018,001	-	342,081	-	5,360,082
Subtotal	180,484,016	-	12,803,713	10,048,773	183,238,956
Net capital assets being depreciated	58,016,809	3,051,646	(12,803,713)	1,088	48,263,654
Net capital assets	\$ 68,220,440	\$ -	\$ (4,273,316)	\$ 1,088	\$ 63,946,036

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2014 and 2013

Note 5 - Capital Assets (Continued)

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

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

The eligible depreciation for fiscal year 2014 of \$5,419,507 (\$12,803,713 total depreciation reported less ineligible depreciation of \$7,384,206) includes only depreciation of assets purchased with local funds whereby the useful life of the asset purchased has been approved by the OPT (Office of Passenger Transportation).

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2014 and 2013

Note 5 - Capital Assets (Continued)

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

	Spent to Date	Remaining Commitment
Vehicle purchases	\$ -	\$ 7,065,000
Removal of in-ground hoists	935,036	345,229
Bus recording system	3,108,213	5,750,271
Total	<u>\$ 4,043,249</u>	<u>\$ 13,160,500</u>

Note 6 - Property Taxes

In 2006, voters in Macomb County and in those communities participating in Act 196 Transportation Authorities in Oakland County and Wayne County approved a .59 property tax millage dedicated to public transportation. The Macomb and Wayne County millages were approved for four years and the Oakland County millage was approved for two years. The millage was re-approved in the fiscal year ended June 30, 2011 in these same jurisdictions. As its two-year renewal was expiring, the Oakland County millage was again re-approved during the fiscal year ended June 30, 2013. Tax revenue received by Macomb County, the Wayne County Act 196 Authority, and the Oakland County Act 196 Authority, which was contributed to SMART for the years ended June 30, 2014 and 2013, totaled \$39,288,686 and \$38,579,803, respectively.

Note 7 - Purchase-of-service Agreements

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

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2014 and 2013

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

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

	2014	2013
Municipal credits	\$ 3,261,080	\$ 3,261,080
Community credits	2,832,055	2,832,055
Community transit bus service	1,682,314	2,324,363
Specialized services	778,819	796,828
JARC and New Freedom	1,288,849	1,583,866
Royal Oak Township	16,046	65,962
Community-based services - Bloomfield Township	142,587	142,560
Total	<u>\$ 10,001,750</u>	<u>\$ 11,006,714</u>

Note 8 - Long-term Debt

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

Long-term obligation activity for the year ended June 30, 2014 is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Accumulated compensated absences	<u>\$ 2,768,041</u>	<u>\$ 2,903,417</u>	<u>\$ 3,008,753</u>	<u>\$ 2,662,705</u>	<u>\$ 2,492,311</u>

Activity for the year ended June 30, 2013 was as follows:

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

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2014 and 2013

Note 9 - Risk Management

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

In fiscal years 2014 and 2013, SMART was a qualifying self-insurer for vehicle and general liability loss with a self-retention per occurrence amount of \$1 million and excess insurance totaling \$10 million per occurrence. SMART is self-insured for workers' compensation claims up to \$500,000 per specific claim and is insured up to \$5 million for aggregate losses in excess of the \$500,000 individual claim. Vehicle, general, and workers' compensation claim liabilities are actuarially determined based on known information. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Recorded liabilities include an estimated amount for claims that have been incurred but not reported (IBNR). Management represents, based on existing known information and prior experience, that the estimated reserve for claims is adequate to satisfy all claims filed, or expected to be filed, for incidents that occurred through June 30, 2014.

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

Changes in the balances of self-insured liabilities during fiscal years 2014, 2013, and 2012 were as follows:

	2014	2013	2012
Claims liability - July 1	\$ 13,422,155	\$ 12,594,662	\$ 13,217,117
Incurred claims - Current year including adjustments to IBNR	5,469,015	6,564,085	5,593,483
Claim payments	(7,136,140)	(5,736,592)	(6,215,938)
Claims liability - June 30	<u>\$ 11,755,030</u>	<u>\$ 13,422,155</u>	<u>\$ 12,594,662</u>

Note 10 - Defined Benefit Pension Plan

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

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2014 and 2013

Note 10 - Defined Benefit Pension Plan (Continued)

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

For employees hired prior to July 1, 2007:

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

For employees hired after July 1, 2007:

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

Substantially all SMART employees are members of the MMERS plan. As of December 31, 2013, the date of the last actuarial valuation, 738 retirees and beneficiaries were receiving benefit payments, and the plan had 750 active members and 185 inactive vested members.

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

As the plan sponsor, SMART is required to contribute at an actuarially determined rate. The actuarial determined rates for the fiscal years ended June 30, 2014 and 2013 were based on the December 31, 2011 and 2010 valuations, respectively. For the fiscal years ended June 30, 2014 and 2013, the UAW Local 771 new hire plan had an employer contribution rate, as a percentage of payroll, of 4.68 and 5.24 percent, the non-union employees hired after July 1, 2007 had an employer contribution rate, as a percentage of payroll, of 3.79 and 0.00, and all other employees hired after July 1, 2007 had an employer contribution rate of 6.89 and 7.70 percent, respectively. The contribution requirements of plan members are established and may be amended by the retirement board of MMERS.

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2014 and 2013

Note 10 - Defined Benefit Pension Plan (Continued)

Annual Pension Cost and Net Pension Asset/Obligation - For fiscal years ended June 30, 2014 and 2013, SMART's annual pension costs of \$4,551,363 and \$4,729,754, respectively, were equal to the adjusted required contribution less interest on the net pension asset/obligation. Eligible pension expenses paid by SMART were \$4,624,857 and \$3,980,544 for the years ended June 30, 2014 and 2013, respectively.

SMART's annual pension cost and net pension obligation for the years ended June 30, 2014 and 2013 are as follows:

	2014	2013
Annual required contribution	\$ 4,549,591	\$ 4,747,571
Interest on net pension asset/obligation	5,880	(54,057)
Adjustment to annual required contribution	(4,107)	36,240
Annual pension cost (APC)	4,551,363	4,729,754
Contributions made	(4,624,857)	(3,980,544)
Change in net pension asset/obligation	(73,494)	749,210
Net pension obligation (asset) - Beginning of year	73,494	(675,716)
Net pension obligation - End of year	\$ -	\$ 73,494

Three-year historical trend information follows:

	Fiscal Year Ended June 30		
	2014	2013	2012
Annual pension cost (APC)	\$ 4,551,363	\$ 4,729,754	\$ 5,162,739
Percentage of APC contributed	101.6 %	84.0 %	90.0 %
Net pension obligation (asset)	\$ -	\$ 73,494	\$ (675,716)

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2014 and 2013

Note 10 - Defined Benefit Pension Plan (Continued)

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

	Actuarial Valuation Date		
	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial value of assets	\$ 164,674	\$ 161,844	\$ 161,315
Actuarial accrued liability (AAL) (entry age)	\$ 215,308	\$ 206,698	\$ 201,887
Unfunded AAL (UAAL)	\$ 50,634	\$ 44,854	\$ 40,572
Funded ratio	76.5 %	78.3 %	79.9 %
Covered payroll	\$ 34,791	\$ 34,888	\$ 36,715
UAAL as a percentage of covered payroll	145.5 %	128.6 %	110.5 %

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

Note 11 - Other Postemployment Benefits

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

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2014 and 2013

Note 11 - Other Postemployment Benefits (Continued)

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, 2013 (the most recent actuarial valuation), 685 retirees and beneficiaries were receiving benefit payments and the plan had 678 active members.

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

Funding Progress - For the years ended June 30, 2014 and 2013, the Authority has estimated the cost of providing retiree healthcare benefits through actuarial valuations as of December 31, 2011. 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:

	2014	2013
Annual required contribution (recommended)	\$ 10,808,965	\$ 10,343,506
Interest on the prior year's net OPEB obligation	1,078,096	860,878
Less adjustment to the annual required contribution	<u>(741,351)</u>	<u>(633,074)</u>
Annual OPEB cost	11,145,710	10,571,310
Amounts contributed - Payments of current premiums	<u>7,622,758</u>	<u>6,951,013</u>
Increase in net OPEB obligation	3,522,952	3,620,297
OPEB obligation - Beginning of year	<u>17,968,271</u>	<u>14,347,974</u>
OPEB obligation - End of year	<u>\$ 21,491,223</u>	<u>\$ 17,968,271</u>

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2014 and 2013

Note 11 - Other Postemployment Benefits (Continued)

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

Fiscal Year Ended	Annual OPEB Costs	Percentage Contributed	Net OPEB Obligation
6/30/12	\$ 11,676,244	49.0 %	14,347,974
6/30/13	10,571,310	65.8	17,968,271
6/30/14	11,145,710	68.4	21,491,223

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)
12/31/10	\$ 17,683	\$ 177,518	\$ 159,835	10.0 %
12/31/11	18,076	170,594	152,518	10.6
12/31/13	22,982	202,106	179,124	11.4

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

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

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2014 and 2013

Note 11 - Other Postemployment Benefits (Continued)

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

The significant increases in the net OPEB obligation as of both June 30, 2014 and June 30, 2013 are due to the fact that there was no pre-funding in either year, and thus only a portion of the contributions in relation to the ARC was actually made. Although SMART is required to report an expense and liability for the unfunded ARC in any given year (in accordance with *Government Auditing Standards*), those expenses are only considered eligible expenses relative to the Authority's operating assistance funds allocation (through the State of Michigan) to the extent that they are paid. The amount of eligible other postemployment benefits paid by SMART for the years ended June 30, 2014 and 2013 was \$7,622,758 and \$6,951,013, respectively. When the additional portion of the ARC is paid, the Authority expects to receive supplemental State operating assistance to partially offset these future payments. SMART's management estimates that approximately \$6.6 million, predicated on the then-existing funding formulas, would be available to fund future ARC liability payments based on the recorded OPEB obligation at June 30, 2014.

Note 12 - Commitments

SMART leases certain office space and equipment under operating lease agreements. Some leases include escalation clauses for SMART's pro-rata share of taxes and operating expenses. Total rent expense for the years ended June 30, 2014 and 2013 was approximately \$351,000 and \$348,000, respectively.

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

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2014 and 2013

Note 12 - Commitments (Continued)

Approximate minimum lease payments are as follows:

Fiscal Years Ending June 30	Amount
2015	\$ 375,000
2016	380,000
2017	385,000
2018	116,000
Total	<u>\$ 1,256,000</u>

Note 13 - Contingent Liabilities

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

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

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

Note 15 - Upcoming Accounting Pronouncements

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

Required Supplemental Information

Suburban Mobility Authority for Regional Transportation

Required Supplemental Information Pension System Schedule Year Ended June 30, 2014

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/11	\$161,314,849	\$201,887,431	\$ 40,572,582	79.9	\$ 36,714,556	110.5
12/31/12	161,843,830	206,698,059	44,854,229	78.3	34,887,806	128.6
12/31/13	164,674,411	215,308,305	50,633,894	76.5	34,791,376	145.5

Suburban Mobility Authority for Regional Transportation

Required Supplemental Information OPEB System Schedule Year Ended June 30, 2014

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/10	\$ 17,682,609	\$177,517,688	\$159,835,079	10.0	\$ 36,714,556	435.3
12/31/11	18,076,157	170,593,754	152,517,597	10.6	34,887,806	437.2
12/31/13	22,982,071	202,106,111	179,124,040	11.4	34,791,376	514.9

Other Supplemental Information

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Revenue Schedule Year Ended June 30, 2014

Description	Jul 1, 2013 to Sep 30, 2013	Oct 1, 2013 to Jun 30, 2014	Total
Passenger fares	\$ 3,313,460	\$ 9,025,201	\$ 12,338,661
Contract fares	49,047	137,925	186,972
Advertising	230,662	470,365	701,027
Rental of buildings or other property	8,968	44,529	53,497
Gains from the sale of capital assets	-	69,421	69,421
Other nontrans. revenue	9,586	28,680	38,266
Other local contracts - Mun. Cr.	-	203,789	203,789
Other local contracts - Com. Cr.	-	318,858	318,858
Total revenue	\$ 3,611,723	\$ 10,298,768	\$ 13,910,491

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Revenue Schedule State Year Ended September 30, 2013

Description	Oct 1, 2012 to Jun 30, 2013	Jul 1, 2013 to Sep 30, 2013	Total
Passenger fares	\$ 9,444,585	\$ 3,313,460	\$ 12,758,045
Contract fares	127,876	49,047	176,923
Advertising	700,063	230,662	930,725
Rental of buildings or other property	43,882	8,968	52,850
Gains from the sale of capital assets	-	-	-
Other nontrans. revenue	138,471	9,586	148,057
Total revenue	<u>\$ 10,454,877</u>	<u>\$ 3,611,723</u>	<u>\$ 14,066,600</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Local Revenue Schedule Year Ended June 30, 2014

Description	July 1, 2013 to Sep 30, 2013	Oct 1, 2013 to Jun 30, 2014	Total
Taxes levied directly	\$ -	\$ -	\$ -
Local operating assistance millage	9,514,248	29,774,438	39,288,686
Other local contracts	-	-	-
Total revenue	<u>\$ 9,514,248</u>	<u>\$ 29,774,438</u>	<u>\$ 39,288,686</u>
Interest Income	<u>\$ 22,318</u>	<u>\$ 54,040</u>	<u>\$ 76,358</u>
Refunds and Credits	<u>\$ -</u>	<u>\$ 391,706</u>	<u>\$ 391,706</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Local Revenue Schedule Year Ended September 30, 2013

Description	Oct 1, 2012 to Jun 30, 2013	July 1, 2013 to Sep 30, 2013	Total
Taxes levied directly	\$ -	\$ -	\$ -
Local operating assistance millage	28,868,803	9,514,248	38,383,051
Other local contracts	-	-	-
Total revenue	<u>\$ 28,868,803</u>	<u>\$ 9,514,248</u>	<u>\$ 38,383,051</u>
Interest Income	<u>\$ 44,929</u>	<u>\$ 22,318</u>	<u>\$ 67,247</u>
Refunds and Credits	<u>\$ 115,575</u>	<u>\$ -</u>	<u>\$ 115,575</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Federal and State Operating Revenue Year Ended June 30, 2014

Description	Jul 1, 2013 to Sep 30, 2013	Oct 1, 2013 to Jun 30, 2014	Total
State Operating Assistance	\$ 6,246,948	\$ 19,173,543	\$ 25,420,491
Line-item municipal credit	407,636	1,222,904	1,630,540
Mun. Cr. special appropriation	407,636	1,222,904	1,630,540
Other MDOT/BPT contracts and reimb.:			
Reimb for section 5309 program admin	-	229	229
State Preventive Maintenance 2007-0294 ZXX	999,588	3,023,500	4,023,088
Subtotal SMART State	8,061,808	24,643,080	32,704,888
Pass-through State Act 51:			
Bedford	38,492	122,680	161,172
Bedford (prior year)	-	30,663	30,663
LETC Urban and Non-Urban	313,239	1,097,501	1,410,740
LETC Urban and Non-Urban (prior year)	-	48,036	48,036
Royal Oak Township	8,002	30,092	38,094
Royal Oak Township (prior year)	-	(22,050)	(22,050)
Total Pass-through State Act 51	359,733	1,306,922	1,666,655
Other state pass-through grants:			
Specialized Service Grant 2007-0294 Z30	187,951	-	187,951
Specialized Service Grant 2007-0294 ZXX	-	590,868	590,868
JARC PASS THRU 2007-0294 Z21	-	-	-
JARC PASS THRU 2007-0294 Z45	-	349,283	349,283
NOTA JARC Non-Urban 2012-0170 P1	-	-	-
NOTA New Freedom 2007-0294 Z35	-	22,883	22,883
Total other state pass-through grants	187,951	963,034	1,150,985
Grand total state revenue per F/S	\$ 8,609,492	\$ 26,913,036	\$ 35,522,528

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Federal and State Operating Revenue (Continued) Year Ended June 30, 2014

Description	Jul 1, 2013 to Sep 30, 2013	Oct 1, 2013 to Jun 30, 2014	Total
Preventive maintenance - MI-90-0756	\$ 3,998,349	\$ 12,178,000	\$ 16,176,349
Planning/capital cost of contracting - FY 2011 UWP - CONTRACT #MI-80-2002	67,145	238,346	305,491
Reimb. for JARC Admin MI-37-6040	8,178	23,495	31,673
Reimb. for JARC Admin MI-37-6043	-	-	-
Reimb. for New Freedom Admin. MI-57-6007	9,396	28,571	37,967
Reimb. for section 5309 program admin	-	918	918
Gateway - M-0782 (075) 2007-0294/Z12	-	-	-
Other federal transit contracts and reimb. - CMAQ MI-95-0049	-	-	-
Subtotal SMART State	4,083,068	12,469,330	16,552,398
Other federal pass-through grants:			
Section 5307 Lake Erie MI-90-4758	(223,759)	308,637	84,878
Section 5311 Lake Erie MI-86-X002-2007-0294-Z32	45,174	134,375	179,549
JARC	-	459,968	459,968
New Freedom	-	456,717	456,717
Total pass-through federal	(178,585)	1,359,697	1,181,112
Grand total federal revenue per F/S	\$ 3,904,483	\$ 13,829,027	\$ 17,733,510
Grand total state and federal	\$ 12,513,975	\$ 40,742,063	\$ 53,256,038

Suburban Mobility Authority for Regional Transportation

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

Description	Oct 1, 2012 to Jun 30, 2013	Jul 1, 2013 to Sep 30, 2013	Total
State Operating Assistance	\$ 19,190,050	\$ 6,246,948	\$ 25,436,998
Prior Year (2012 Reconciled Adj)	(1,420,594)	-	(1,420,594)
Prior Year (2010 Preliminary Audit Adj)	(876,923)	-	(876,923)
Line-item municipal credit	1,222,904	407,636	1,630,540
Mun. Cr. Special Appropriation	1,222,904	407,636	1,630,540
Other MDOT/BPT contracts and reimb. - State Preventive Maintenance	2,692,559	999,588	3,692,147
Subtotal SMART state	22,030,900	8,061,808	30,092,708
Pass-through State Act 51:			
Bedford	109,278	38,492	147,770
Bedford (FY 2011 Reconcile Adj.)	4,228	-	4,228
LETG Urban and Non-Urban	1,261,160	313,239	1,574,399
LETG Urban and Non-Urban (FY 2011 Reconcile Adj.)	31,210	-	31,210
Royal Oak Township	51,279	8,002	59,281
Royal Oak Township (FY 2011 Reconcile Adj.)	10,650	-	10,650
Total pass-through State Act 51	1,467,805	359,733	1,827,538
Other state pass-through grants:			
Specialized Service Grant 2007-0294 Z30	-	-	-
Specialized Service Grant 2007-0294 ZXX	599,868	590,868	1,190,736
NOTA JARC Non-Urban 2012-0170 PI	42,756	-	42,756
JARC PASS THRU 2007-0294 Z21	-	-	-
JARC PASS THRU 2007-0294 Z45	422,846	349,283	772,129
NOTA New Freedom 2007-0294 Z35	30,270	22,883	53,153
Total other state pass-through grants	1,095,740	963,034	2,058,774
Grand total state revenue per F/S	\$ 24,594,445	\$ 9,384,575	\$ 33,979,020

Suburban Mobility Authority for Regional Transportation

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

Description	Oct 1, 2012 to Jun 30, 2013	Jul 1, 2013 to Sep 30, 2013	Total
Preventive maintenance - MI-90-0756	\$ 10,770,240	\$ 3,998,349	\$ 14,768,589
Planning/capital cost of contracting - FY 2011 UWP - CONTRACT MI-80-2002	253,767	67,145	320,912
Reimb. for JARC Admin MI-37-6040	35,943	8,178	44,121
Reimb. for JARC Admin MI-37-6043	-	-	-
Reimb. for New Freedom Admin MI-57-6007	31,554	9,396	40,950
Subtotal SMART federal	11,091,504	4,083,068	15,174,572
Other federal pass-through grants:			
Section 5307 Lake Erie MI-90-4758	484,826	(223,759)	261,067
Section 5311 Lake Erie MI-86-X002 2007-0294 Z32	129,848	45,174	175,022
JARC	476,308	-	476,308
New Freedom	503,398	-	503,398
Total pass-through federal	1,594,380	(178,585)	1,415,795
Grand total federal revenue per F/S	\$ 12,685,884	\$ 3,904,483	\$ 16,590,367
Grand total state and federal	\$ 37,280,329	\$ 13,289,058	\$ 50,569,387

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Expense Schedule Year Ended June 30, 2014

Description	Jul 1, 2013 to Sep 30, 2013	Oct 1, 2013 to Jun 30, 2014	Total
Labor	\$ 8,902,228	\$ 26,560,477	\$ 35,462,705
Other fringe benefits	2,892,643	10,396,686	13,289,329
Pensions	1,475,798	3,073,793	4,549,591
Other postemployment benefits (OPEB)	2,755,918	8,053,047	10,808,965
Advertising fees	7,640	358,850	366,490
Audit cost	36,826	126,874	163,700
Other services	350,430	1,591,916	1,942,346
Fuel and lubricants	2,114,864	6,672,234	8,787,098
Tires and tubes	162,900	471,495	634,395
Other materials and supplies	1,438,698	4,278,777	5,717,475
Utilities	304,857	1,261,651	1,566,508
Casualty and liab. costs	1,448,052	3,858,672	5,306,724
Taxes and fees	-	-	-
Purchased transportation service - Pass-throughs that are expensed	1,523,281	8,478,469	10,001,750
Travel, meetings, and training	7,010	31,056	38,066
Association dues and subscriptions	-	-	-
Loss on disposal of asset	-	-	-
Other miscellaneous expenses	20,003	55,292	75,295
Interest on long-term debt	-	-	-
Interest on short-term debt	-	-	-
Interest on capital lease	-	-	-
Leases and rentals	-	-	-
Depreciation	1,400,001	11,403,712	12,803,713
Total expenses	\$ 24,841,149	\$ 86,673,001	\$ 111,514,150

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Expense Schedule (Continued) Year Ended June 30, 2014

Description	Jul 1, 2013 to Sep 30, 2013	Oct 1, 2013 to Jun 30, 2014	Total
Less ineligible expenses:			
Ineligible depreciation	\$ -	\$ 7,384,206	\$ 7,384,206
Ineligible loss on disposal	-	-	-
Local contracts	-	-	-
Preventive maintenance (MI-90-0591)	3,998,349	12,178,000	16,176,349
Planning/capital cost of contracting	67,145	238,346	305,491
Admin Expense Paid by JARC	8,178	23,495	31,673
Admin Expense Paid by New Freedom	9,396	28,571	37,967
Admin Expense Paid under Section 5309	-	918	918
Other ineligible federal/state/local:			
CMAQ MI-95-0049	-	-	-
JARC MI-37-X033 2007-0294/Z10	-	-	-
Other ineligible state contracts:			
Pass-Thru Ineligibles	968,606	5,428,192	6,396,798
Section 5307 Lake Erie	(223,759)	308,637	84,878
Section 5311 Lake Erie	45,174	134,375	179,549
JARC	-	459,968	459,968
New Freedom	-	456,717	456,717
State preventive maintenance	999,588	3,023,500	4,023,088
Ineligible association dues	-	-	-
Ineligible pension	346,180	(421,446)	(75,266)
Ineligible OPEB	890,076	2,296,131	3,186,207
Other ineligible - Garnishments	-	-	-
Total ineligible	7,108,933	31,539,610	38,648,543
Total eligible expenses	\$ 17,732,216	\$ 55,133,391	\$ 72,865,607

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Expense Schedule (Continued) Year Ended June 30, 2014

Description	Jul 1, 2013 to Sep 30, 2013	Oct 1, 2013 to Jun 30, 2014	Total
Pass-throughs that are expensed:			
Nankin Subsidy	\$ 68,250	\$ 204,750	\$ 273,000
Lake Erie	173,146	1,741,892	1,915,038
Mun. Cr. - Formula	407,636	1,222,904	1,630,540
Mun. Cr. - Line Item	407,636	1,222,904	1,630,540
Comm. Cr.	708,009	2,124,046	2,832,055
Other state subsidized serv.:			
Specialized services	187,951	590,868	778,819
Royal Oak Twp	8,002	8,042	16,044
Contra SMART Paid Expense	(106,308)	(399,416)	(505,724)
NOTA JARC Non-Urban	-	-	-
NOTA Local JARC Non-Urban	-	-	-
NOTA New Freedom Non-Urban	-	103,622	103,622
JARC - New Freedom Urban	-	624,771	624,771
JARC - Mobility Management Urban	-	184,479	184,479
New Freedom Operating Assistant Urban	-	773,810	773,810
New Freedom Mobility Management Urban	-	69,812	69,812
New Freedom Local Operating Expense Urban	-	(467,644)	(467,644)
CBS Bloomfield Hills/Richmond Lennox	35,653	106,935	142,588
Pass-throughs that are expensed	\$ 1,889,975	\$ 8,111,775	\$ 10,001,750
Ineligible pass-throughs:			
Nankin Subsidy	\$ 68,250	\$ 204,750	\$ 273,000
Lake Erie	173,146	1,741,892	1,915,038
Mun. Cr. - Formula	56,799	170,401	227,200
Mun. Cr. - Line Item	407,636	1,222,904	1,630,540
Comm. Cr.	66,822	200,485	267,307
Other state subsidized serv.:			
Specialized services	187,951	590,868	778,819
Royal Oak Twp	8,002	8,042	16,044
NOTA JARC Non-Urban	-	-	-
NOTA Local JARC Non-Urban	-	-	-
NOTA New Freedom Non-Urban	-	103,622	103,622
JARC - New Freedom Urban	-	624,771	624,771
JARC - Mobility Management Urban	-	184,479	184,479
New Freedom Operating Assistant Urban	-	773,810	773,810
New Freedom Mobility Management Urban	-	69,812	69,812
New Freedom Local Operating Expense Urban	-	(467,644)	(467,644)
Ineligible pass-throughs	\$ 968,606	\$ 5,428,192	\$ 6,396,798

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Expense Schedule State Year Ended September 30, 2013

Description	Oct 1, 2012 to Jun 30, 2013	Jul 1, 2013 to Sep 30, 2013	Total
Labor	\$ 26,155,406	\$ 8,902,228	\$ 35,057,634
Other fringe benefits	10,730,927	2,892,643	13,623,570
Pensions	3,388,098	1,475,798	4,863,896
Other postemployment benefits (OPEB)	6,759,026	2,755,918	9,514,944
Advertising fees	5,318	7,640	12,958
Audit cost	138,851	36,826	175,677
Other services	1,802,000	350,430	2,152,430
Fuel and lubricants	6,929,582	2,114,864	9,044,446
Tires and tubes	459,999	162,900	622,899
Other materials and supplies	4,210,649	1,438,698	5,649,347
Utilities	1,456,330	304,857	1,761,187
Casualty and liab. costs	5,016,803	1,448,052	6,464,855
Taxes and fees	-	-	-
Purchased transportation service - Pass-throughs that are expensed	8,800,366	1,523,281	10,323,647
Travel, meetings, and training	26,238	7,010	33,248
Association dues and subscriptions	-	-	-
Loss on disposal of asset	94,865	-	94,865
Other miscellaneous expenses	43,268	20,003	63,271
Cost overruns	192	-	192
Interest on long-term debt	13,844	-	13,844
Interest on short-term debt	-	-	-
Interest on capital lease	-	-	-
Leases and rentals	-	-	-
Depreciation	11,297,540	1,400,001	12,697,541
Total expenses	\$ 87,329,302	\$ 24,841,149	\$ 112,170,451

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Expense Schedule (Continued) State Year Ended September 30, 2013

Description	Oct 1, 2012 to Jun 30, 2013	Jul 1, 2013 to Sep 30, 2013	Total
Less ineligible expenses:			
Ineligible depreciation	\$ 6,988,686	\$ -	\$ 6,988,686
Ineligible loss on disposal	94,865	-	94,865
Local contracts	-	-	-
Preventive maintenance (MI-90-0591)	11,052,240	3,998,349	15,050,589
Planning/Cap. Cost of contracting	253,767	67,145	320,912
Admin expense paid by JARC	35,944	8,178	44,122
Admin expense paid by New Freedom	36,230	9,396	45,626
CMAQ MI-95-0049	-	-	-
Other state contracts:			
Pass-through ineligibles	6,050,462	968,606	7,019,068
Section 5307 Lake Erie MI-90-4758	-	(223,759)	(223,759)
Section 5311 Lake Erie MI-18-X002	-	45,174	45,174
JARC	-	-	-
New Freedom	-	-	-
State preventive maintenance 2002-0088 Z20	2,692,559	999,588	3,692,147
MPTA Dues (7.10% INELIG.)	-	-	-
CTAA Dues (1.66% INELIG.)	-	-	-
APTA Dues (14.00% INELIG.)	-	-	-
Ineligible pension	349,229	346,180	695,409
Ineligible OPEB	852,367	890,076	1,742,443
Other ineligibles:			
Cost overruns	-	-	-
Garnishments	-	-	-
Total ineligibles	<u>\$ 28,406,349</u>	<u>\$ 7,108,933</u>	<u>\$ 35,515,282</u>
Total eligible expenses	<u>\$ 58,922,953</u>	<u>\$ 17,732,216</u>	<u>\$ 76,655,169</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Expense Schedule (Continued) State Year Ended September 30, 2013

Description	Oct 1, 2012 to Jun 30, 2013	Jul 1, 2013 to Sep 30, 2013	Total
Pass-throughs that are expensed:			
Nankin Subsidy	\$ 204,750	\$ 68,250	\$ 273,000
Lake Erie	2,114,546	173,146	2,287,692
Mun. Cr. - Formula	1,222,903	407,636	1,630,539
Mun. Cr. - Line Item	1,222,903	407,636	1,630,539
Comm. Cr.	2,124,046	708,009	2,832,055
Other state subsidized serv.:			
Specialized services	599,868	187,951	787,819
Royal Oak Twp	61,929	8,002	69,931
Contra SMART Paid Expense	(333,080)	(106,308)	(439,388)
NOTA JARC Non-Urban Expense	102,558	-	102,558
NOTA Local JARC Non-Urban	(59,802)	-	(59,802)
NOTA New Freedom Non-Urban	30,270	-	30,270
JARC - New Freedom Expense Urban	810,052	-	810,052
JARC - Mobility Management Urban	89,102	-	89,102
New Freedom Operating Expense Urban	769,077	-	769,077
New Freedom Mobility Management Urban	84,043	-	84,043
New Freedom Local Operating Expense Urban	(349,722)	-	(349,722)
CBS Bloomfield Hills/Richmond Lenox	106,920	35,653	142,573
Pass-throughs that are expensed	\$ 8,800,363	\$ 1,889,975	\$ 10,690,338
Ineligible pass-throughs:			
Nankin Subsidy	\$ 204,750	\$ 68,250	\$ 273,000
Lake Erie	2,114,546	173,146	2,287,692
Mun. Cr. - Formula	170,401	56,799	227,200
Mun. Cr. - Line Item	1,222,903	407,636	1,630,539
Comm. Cr.	200,485	66,822	267,307
Other state subsidized serv.:			
Specialized services	599,868	187,951	787,819
Royal Oak Twp	61,929	8,002	69,931
Contra SMART Paid Expense	-	-	-
NOTA JARC Non-Urban Expense	102,558	-	102,558
NOTA Local JARC Non-Urban	(59,802)	-	(59,802)
NOTA New Freedom Non-Urban	30,270	-	30,270
JARC - New Freedom Expense Urban	810,052	-	810,052
JARC - Mobility Management Urban	89,102	-	89,102
New Freedom Operating Expense Urban	769,077	-	769,077
New Freedom Mobility Management Urban	84,043	-	84,043
New Freedom Local Operating Expense Urban	(349,722)	-	(349,722)
CBS Bloomfield Hills/Richmond Lenox	-	-	-
Ineligible pass-throughs	\$ 6,050,460	\$ 968,606	\$ 7,019,066

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Expense Schedule Year Ended June 30, 2014

Expense incurred:	7/1/2013 thru 9/30/2013	10/1/2013 thru 6/30/2014	Total
Pension	\$ 1,475,798	\$ 3,073,793	\$ 4,549,591
OPEB	2,755,918	8,053,047	10,808,965
Total	<u>\$ 4,231,716</u>	<u>\$ 11,126,840</u>	<u>\$ 15,358,556</u>

Amounts actually paid:	7/1/2013 thru 9/30/2013	10/1/2013 thru 6/30/2014	Total
Pension	\$ 1,129,618	\$ 3,495,239	\$ 4,624,857
OPEB	1,865,842	5,756,916	7,622,758
Total	<u>\$ 2,995,460</u>	<u>\$ 9,252,155</u>	<u>\$ 12,247,615</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Expense Schedule State Year Ended September 30, 2013

Expense incurred:	10/1/2012 thru 6/30/2013	7/1/2013 thru 9/30/2013	Total
Pension	\$ 3,390,529	\$ 1,475,798	\$ 4,866,327
OPEB	5,816,508	2,755,918	8,572,426
Total	<u>\$ 9,207,037</u>	<u>\$ 4,231,716</u>	<u>\$ 13,438,753</u>

Amounts actually paid:	10/1/2012 thru 6/30/2013	7/1/2013 thru 9/30/2013	Total
Pension	\$ 3,041,300	\$ 1,129,618	\$ 4,170,918
OPEB	4,964,141	1,865,842	6,829,983
Total	<u>\$ 8,005,441</u>	<u>\$ 2,995,460</u>	<u>\$ 11,000,901</u>

Current year ineligible expense:			
Pension			\$ (695,409)
OPEB			(1,742,443)
Total			<u>\$ (2,437,852)</u>

Prior year carryforward - September 30, 2012:

Pension		\$ (656,888)
OPEB		(11,367,339)
Total		<u>\$ (12,024,227)</u>

Carryforward - September 30, 2013:

Pension		\$ (1,352,297)
OPEB		(13,109,782)
Total		<u>\$ (14,462,079)</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Schedule of Financial Assistance Year Ended June 30, 2014

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAUDITED PROGRAM OR AWARD AMOUNT	AUDITED DISBURSEMENTS/ EXPENDITURES	UNAUDITED FEDERAL RECEIPTS/ REVENUE	UNAUDITED STATE RECEIPTS/ REVENUE	UNAUDITED AMOUNT REMAINING
U.S DEPARTMENT OF TRANSPORTATION:											
DIRECT ASSISTANCE:											
CAPITAL ASSISTANCE	80 % - 20 %	FY2001	SECTION 5309	20.500	MI-03-0175	2002-0088 Z3	\$ 4,085,048	\$ -	\$ -	\$ -	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2002	SECTION 5309	20.500	MI-03-0185	2002-0088 Z9	2,088,961	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2003	SECTION 5309	20.500	MI-03-0194	2002-0088 Z12	3,442,875	125,038	125,038	-	65
CAPITAL ASSISTANCE	80 % - 20 %	FY2004	SECTION 5309	20.500	MI-03-0205	2002-0088 Z20	5,339,805	-	-	-	2
CAPITAL ASSISTANCE NOTA	80 % - 20 %	FY2002	SECTION 5309	20.500	MI-03-0207	2002-0088 Z23	148,504	-	-	-	-
CAPITAL ASSISTANCE NOTA	80 % - 20 %	FY2005	SECTION 5309	20.500	MI-03-0218	2002-0088 Z27	77,742	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2005	SECTION 5309	20.500	MI-03-0220	2002-0088 Z28	3,401,222	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2006	SECTION 5309	20.500	MI-04-0013	2002-0088 Z37	7,623,000	93,439	93,439	-	96,058
CAPITAL ASSISTANCE	80 % - 20 %	FY2007	SECTION 5309	20.500	MI-04-0025	2007-0294 Z7	1,750,000	49,000	49,000	-	856,774
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	20.500	MI-04-0040	2007-0294 Z40	4,250,000	247,747	247,747	-	586,851
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	20.500	MI-04-0057	2007-0294 Z28	3,923,500	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	20.500	MI-04-0080		200,000	23,429	23,429	-	176,571
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	20.500	MI-04-0091		15,000,000	1,427,325	1,427,325	-	13,572,675
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	20.500	MI-95-0088		96,128	96,128	96,128	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2010	SECTION 5309	20.500	MI-04-0062	2007-0294 Z29	1,500,000	42,344	42,344	-	22
CAPITAL ASSISTANCE	80 % - 20 %	FY2010	SECTION 5309	20.500	N/A	2012-0170 P28	2,190,502	1,429,314	1,429,314	-	761,188
TOTAL							55,117,287	3,533,764	3,533,764	-	16,050,206
PLANNING AND TECHNICAL STUDIES FY2010	80 % - 20 %	FY2011		20.505	MI-80-X006	N/A	305,541	305,491	305,491	-	50
							305,541	305,491	305,491	-	50

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Schedule of Financial Assistance (Continued) Year Ended June 30, 2014

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAUDITED PROGRAM OR AWARD AMOUNT	AUDITED DISBURSEMENTS/ EXPENDITURES	UNAUDITED FEDERAL RECEIPTS/ REVENUE	UNAUDITED STATE RECEIPTS/ REVENUE	UNAUDITED AMOUNT REMAINING
U.S DEPARTMENT OF TRANSPORTATION (CONTINUED):											
CAPITAL ASSISTANCE	80 % - 20 %	FY2000	SECTION 5307	20.507	MI-90-0336	2000-0751	\$ 12,877,102	\$ -	\$ -	\$ -	\$ -
CAPITAL ASSISTANCE	80 % - 20 %	FY2002	SECTION 5307	20.507	MI-90-0385	2002-0088 Z4	13,861,988	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2002	ENHANCEMENT	20.507	MI-90-0392	2002-0088 Z7	13,840	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2003	SECTION 5307	20.507	MI-90-0402	2002-0088 Z11	12,573,660	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2003	CMAQ	20.507	MI-90-0410	2002-0088 Z14	688,325	-	-	-	-
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2003	SECTION 5307	20.507	MI-90-0413	2002-0088 Z15	268,490	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2004	SECTION 5307	20.507	MI-90-0435	2002-0088 Z17	12,723,791	-	-	-	-
CAPITAL ASSISTANCE RICHMOND LENOX	80 % - 20 %	FY2004	STP	20.507	MI-90-0436	2002-0088 Z19	24,000	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2004	CMAQ	20.507	MI-90-0438	2002-0088 Z25	974,986	-	-	-	-
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2004	SECTION 5307	20.507	MI-90-0441	2002-0088 Z18	268,460	-	-	-	-
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2004	STP	20.507	MI-90-0450	2002-0088 Z26	65,500	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2005	CMAQ	20.507	MI-90-0456	2002-0088 Z29	624,000	-	-	-	-
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2005	SECTION 5307	20.507	MI-90-0462	2002-0088 Z32	281,342	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2005	SECTION 5307	20.507	MI-90-0465	2002-0088 Z33	13,043,067	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2006	SECTION 5307	20.507	MI-90-0488	2002-0088 Z39	13,045,016	-	-	-	-
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2006	SECTION 5307	20.507	MI-90-0489	2002-0088 Z38	281,932	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2006	CMAQ	20.507	MI-90-0515	2002-0088 Z36	380,000	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2007	SECTION 5307	20.507	MI-90-0540	2007-0294 Z4	13,530,712	238	238	-	8,409
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2007	SECTION 5307	20.507	MI-90-0541	2007-0294 Z3	295,603	-	-	-	136
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2008	SECTION 5307	20.507	MI-90-0566	2007-0294 Z16	320,760	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2008	SECTION 5307	20.507	MI-90-0570	2007-0294 Z15	14,788,735	3,433	3,433	-	17,338
CAPITAL ASSISTANCE ARRA	100%	FY2009	SECTION 5307	20.507	MI-96-0007	N/A	18,479,625	3,727,253	3,727,253	-	1,354,552
CAPITAL ASSISTANCE ARRA LETC	100%	FY2009	SECTION 5307	20.507	MI-96-0008	N/A	903,695	-	-	-	2,970
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5307	20.507	MI-90-0591	2007-0294 Z26	15,476,782	932	932	-	47,278
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5307	20.507	MI-90-0592	2007-0294 Z27	411,196	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2010	SECTION 5307	20.507	MI-90-0756	2007-0294 Z38	15,301,944	-	-	-	322,618
CAPITAL ASSISTANCE	80 % - 20 %	FY2011	SECTION 5307	20.507	MI-90-0756	2007-0294 Z38	15,605,882	-	-	-	613,701
CAPITAL ASSISTANCE	80 % - 20 %	FY2012	SECTION 5307	20.507	MI-90-0756	2007-0294 Z38	15,612,066	480,202	480,202	-	4,205,150
CAPITAL ASSISTANCE	80 % - 20 %	FY2013	SECTION 5307	20.507	MI-90-0678		21,499,489	12,092,349	12,092,349	-	4,207,470
CAPITAL ASSISTANCE	80 % - 20 %	FY2014	SECTION 5307	20.507	MI-90-0678		4,000,000	4,000,000	4,000,000	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2010	ENHANCE & CMAQ	20.507	MI-95-0049	PENDING	16,013	-	-	-	-
CAPITAL ASSISTANCE	100%	FY2012	CMAQ	20.507	MI-95-X077	N/A	2,909,772	-	-	-	2,909,772
CAPITAL ASSISTANCE	80 % - 20 %	FY2010	SECTION 5307	20.507	MI-90-0758	2007-0294 Z39	151,083	-	-	-	122,675
CAPITAL ASSISTANCE	80 % - 20 %	FY2011	SECTION 5307	20.507	MI-90-0758	2007-0294 Z39	202,240	-	-	-	202,240
CAPITAL ASSISTANCE	80 % - 20 %	FY2012	SECTION 5307	20.507	MI-90-0758	2007-0294 Z39	492,476	26,131	26,131	-	304,105
CAPITAL ASSISTANCE	80 % - 20 %	FY2012	SECTION 5307	20.507	MI-90-4758		193,498	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2013	SECTION 5307	20.507	MI-90-0678		136,241	(223,759)	(223,759)	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2014	SECTION 5307	20.507	MI-90-0678		411,515	308,637	308,637	-	102,878
SMART PREVENTIVE MAINTENANCE			SECTION 5309	20.507	MI-96-0007		10,000	-	-	-	10,000
TOTAL							\$ 222,744,826	\$ 20,415,416	\$ 20,415,416	\$ -	\$ 14,431,292

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Other Supplemental Information Schedule of Financial Assistance (Continued) Year Ended June 30, 2014

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAUDITED PROGRAM OR AWARD AMOUNT	AUDITED DISBURSEMENTS/ EXPENDITURES	UNAUDITED FEDERAL RECEIPTS/ REVENUE	UNAUDITED STATE RECEIPTS/ REVENUE	UNAUDITED AMOUNT REMAINING
MICHIGAN DEPARTMENT OF TRANSPORTATION:											
CAPITAL ASSISTANCE	100 % STATE	FY1993	SECTION 3	N/A	N/A	93-1093	\$ 1,374,719	\$ -	\$ -	\$ -	\$ 40,445
CAPITAL ASSISTANCE	100 % STATE	FY1994	FHWA	N/A	N/A	94-0166	5,625,000	-	-	-	-
CAPITAL ASSISTANCE	100 % STATE	FY1995	16 B-2	N/A	N/A	95-1479	500,000	-	-	-	9,970
CAPITAL ASSISTANCE	80 % - 20 %	FY1995	SECTION 9	N/A	MI-90-0232	95-1652	3,027,062	-	-	-	494
CAPITAL ASSISTANCE	100 % STATE	FY1995	FHWA	N/A	IVH-9426(402)	95-2164	9,375,000	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY1996	SECTION 9	N/A	MI-90-0265	96-0778	1,244,902	-	-	-	1
CAPITAL ASSISTANCE	100 % STATE	FY1998	SECTION 5309	N/A	N/A	98-0581	944,000	-	-	-	122
CAPITAL ASSISTANCE	80 % - 20 %	FY2000	SECTION 5307	N/A	MI-90-0336	2000-0751	3,219,275	-	-	-	-
CAPITAL ASSISTANCE	100 % STATE	FY2001	SECTION 5310	N/A	N/A	2001-0862	526,736	-	-	-	157
CAPITAL ASSISTANCE	100 % STATE	FY2002	SECTION 5310	N/A	N/A	2002-0595	904,845	-	-	-	-
CAPITAL ASSISTANCE	100 % STATE	FY2004	SECTION 5310	20.513	MI-16-0029	2004-0462	809,940	-	-	-	7,673
CAPITAL ASSISTANCE	100 % STATE	FY2005	SECTION 5310	20.513	MI-16-0030	2005-0441	621,099	-	-	-	-
CAPITAL ASSISTANCE	100 % STATE	FY2005	SECTION 5310	20.513	MI-16-0030	2006-0548	162,417	-	-	-	3
CAPITAL ASSISTANCE	100 % STATE	FY2006	SECTION 5310	20.513	MI-16-0031	2006-0581	1,032,900	-	-	-	124
CAPITAL ASSISTANCE	100 % STATE		SECTION 5310	20.513	MI-16-X004	2007-0294 Z48	440,736	-	-	-	8,813
CAPITAL ASSISTANCE	100 % STATE		SECTION 5310	20.513	MI-16-X005	2012-0170 P6	875,631	5,270	5,270	-	-
CAPITAL ASSISTANCE	100 % STATE		SECTION 5310	20.516	MI-37-X031 &37	2012-0170 P1	66,550	-	-	-	66,550
CAPITAL ASSISTANCE	100 % STATE		SECTION 5310	20.521	MI-57-0010	2012-0170 P2	102,340	(22,292)	(22,292)	-	(22,192)
CAPITAL ASSISTANCE	100 % STATE		SECTION 5310	20.521	MI-57-0010	2012-0170 P7	53,981	45,175	45,175	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2001	SECTION 5309	N/A	MI-03-0175	2002-0088 Z3	1,021,262	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2002	SECTION 5307	N/A	MI-90-0385	2002-0088 Z4	3,465,497	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2002	ENHANCEMENT	N/A	MI-90-0392	2002-0088 Z7	3,460	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2002	SECTION 5309	N/A	MI-03-0185	2002-0088 Z9	522,240	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2003	SECTION 5307	N/A	MI-90-0402	2002-0088 Z11	3,143,415	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2003	SECTION 5309	N/A	MI-03-0194	2002-0088 Z12	860,719	31,345	-	31,345	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2003	CMAQ	N/A	MI-90-0410	2002-0088 Z14	172,081	-	-	-	-
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2003	SECTION 5307	N/A	MI-90-0413	2002-0088 Z15	67,122	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2004	SECTION 5307	N/A	MI-90-0435	2002-0088 Z17	3,180,948	-	-	-	-
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2004	SECTION 5307	N/A	MI-90-0441	2002-0088 Z18	67,115	-	-	-	-
CAPITAL ASSISTANCE RICHMOND LENOX	80 % - 20 %	FY2004	STP	N/A	MI-90-0436	2002-0088 Z19	6,000	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2004	SECTION 5309	N/A	MI-03-0205	2002-0088 Z20	1,334,951	-	-	-	-
CAPITAL ASSISTANCE NOTA	80 % - 20 %	FY2002	SECTION 5309	N/A	MI-03-0207	2002-0088 Z23	37,126	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2004	CMAQ	N/A	MI-90-0438	2002-0088 Z25	243,747	-	-	-	-
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2004	STP	N/A	MI-90-0450	2002-0088 Z26	16,375	-	-	-	-
CAPITAL ASSISTANCE NOTA	80 % - 20 %	FY2005	SECTION 5309	N/A	MI-03-0218	2002-0088 Z27	19,435	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2005	SECTION 5309	N/A	MI-03-0220	2002-0088 Z28	679,783	-	-	-	-

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Other Supplemental Information Schedule of Financial Assistance (Continued) Year Ended June 30, 2014

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAUDITED PROGRAM OR AWARD AMOUNT	AUDITED DISBURSEMENTS/ EXPENDITURES	UNAUDITED FEDERAL RECEIPTS/ REVENUE	UNAUDITED STATE RECEIPTS/ REVENUE	UNAUDITED AMOUNT REMAINING
MICHIGAN DEPARTMENT OF TRANSPORTATION (CONTINUED):											
CAPITAL ASSISTANCE	80 % - 20 %	FY2005	CMAQ	N/A	MI-90-0456	2002-0088 Z29	\$ 156,000	\$ -	\$ -	\$ -	\$ -
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2005	SECTION 5307	N/A	MI-90-0462	2002-0088 Z32	45,925	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2005	SECTION 5307	N/A	MI-90-0465	2002-0088 Z33	608,051	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2006	CMAQ	N/A	MI-90-0515	2002-0088 Z36	95,000	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2006	SECTION 5309	N/A	MI-04-0013	2002-0088 Z37	1,023,510	1,101	-	1,101	44,401
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2006	SECTION 5307	N/A	MI-90-0489	2002-0088 Z38	30,000	-	-	-	29,763
CAPITAL ASSISTANCE	80 % - 20 %	FY2006	SECTION 5307	N/A	MI-90-0488	2002-0088 Z39	67,932	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2007	SECTION 5307	N/A	MI-90-0541	2007-0294 Z3	12,000	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2007	SECTION 5307	N/A	MI-90-0540	2007-0294 Z4	64,482	110	-	110	1,994
CAPITAL ASSISTANCE	100 % STATE	FY2007	SECTION 5310	20.513	MI-16-X001	2007-0294 Z6	401,158	-	-	-	401,158
CAPITAL ASSISTANCE	80 % - 20 %	FY2007	SECTION 5309	N/A	MI-04-0025	2007-0294 Z7	437,500	12,250	-	12,250	215,958
CAPITAL ASSISTANCE	80 % - 20 %	FY2007	SECTION 5309	N/A	MI-04-0025	2007-0294 Z14	57,500	-	-	-	57,500
CAPITAL ASSISTANCE	80 % - 20 %	FY2008	SECTION 5307	N/A	MI-90-0570	2007-0294 Z15	50,425	-	-	-	2,708
CAPITAL ASSISTANCE	80 % - 20 %	FY2008	SECTION 5307	N/A	MI-90-0566	2007-0294 Z16	60,873	-	-	-	-
CAPITAL ASSISTANCE	100 % STATE	FY2008	SECTION 5307	N/A	MI-16-X002	2007-0294 Z17	784,380	-	-	-	9,732
CAPITAL ASSISTANCE	101 % STATE	FY2008	SECTION 5307	N/A	MI-16-X002	2007-0294 Z18	125,000	-	-	-	31,785
CAPITAL ASSISTANCE	104 % STATE	FY2008	SECTION 5307	N/A	MI-16-X002	2007-0294 Z21	99,806	-	-	-	5,239
CAPITAL ASSISTANCE	106 % STATE	FY2008	SECTION 5307	N/A	MI-16-X002	2007-0294 Z23	65,400	-	-	-	27,381
CAPITAL ASSISTANCE	100 % STATE	FY2009	SECTION 5310	N/A	MI-16-X003	2007-0294 Z24	1,231,315	-	-	-	3,145
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5307	N/A	MI-90-X591	2007-0294 Z26	52,558	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5307	N/A	MI-90-X592	2007-0294 Z27	85,502	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	N/A	MI-04-0057	2007-0294 Z28	980,875	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2010	SECTION 5309	N/A	MI-04-0057	2007-0294 Z29	139,865	-	-	-	18,150
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	N/A	MI-16-X004	2007-0294 Z28	8,697	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	N/A	MI-16-X004	2007-0294 Z36	10,871	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	N/A	MI-16-X004	2007-0294 Z37	-	-	-	42	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2010	SECTION 5307	N/A	MI-90-X756	2007-0294 Z38	85,057	-	-	-	37,057
CAPITAL ASSISTANCE State Preventive Maintenance	80 % - 20 %	FY2011	SECTION 5307	N/A	MI-90-X756	2007-0294 Z38	3,748,045	111,327	-	111,327	-
CAPITAL ASSISTANCE State Preventive Maintenance	80 % - 20 %	FY2012	SECTION 5307	N/A	MI-90-0756	2007-0294 ZXX	-	4,023,088	-	4,023,088	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2010	SECTION 5307	N/A	MI-90-X758	2007-0294 Z39	37,771	6,533	-	6,533	24,225
CAPITAL ASSISTANCE	80 % - 20 %	FY08-FY09	SECTION 5309	N/A	MI-04-0040	2007-0294 Z40	1,062,500	61,937	-	61,937	269,327
CAPITAL ASSISTANCE	80 % - 20 %	FY08-FY09	SECTION 5309	N/A	MI-16-0029	2007-0294 Z41	81,785	-	-	-	408
CAPITAL ASSISTANCE	80 % - 20 %	FY08-FY09	SECTION 5309	N/A	MI-16-0030	2007-0294 Z42	285,038	-	-	-	5,746
CAPITAL ASSISTANCE	80 % - 20 %	FY08-FY09	SECTION 5309	N/A	MI-16-0031	2007-0294 Z43	415,499	-	-	-	415,499
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5309	N/A		2007-0294 Z48	-	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5309	N/A		2007-0294 Z3	12,000	-	-	-	-
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5309	N/A		2007-0294 Z4	64,482	-	-	-	2,104
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5309	N/A		2007-0294 Z6	501,448	-	-	-	4,269
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5309	N/A		2012-XX70 P8	-	-	-	229	-

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FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAUDITED PROGRAM OR AWARD AMOUNT	AUDITED DISBURSEMENTS/ EXPENDITURES	UNAUDITED FEDERAL RECEIPTS/ REVENUE	UNAUDITED STATE RECEIPTS/ REVENUE	UNAUDITED AMOUNT REMAINING
MICHIGAN DEPARTMENT OF TRANSPORTATION (CONTINUED):											
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5309	N/A		2007-0294 Z7	\$ 437,500	\$ -	\$ -	\$ -	\$ 226,468
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5310	N/A		2012-0170 P6	-	6,587	-	6,587	-
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5310	N/A		2012-0170 P8	-	5,857	-	5,857	-
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5310	N/A		2012-0170 P19	-	356,831	-	356,831	-
CAPITAL ASSISTANCE	80 % - 20 %		SECTION 5310	N/A		2012-0170 P28	357,340	357,340	-	357,340	-
CAPITAL ASSISTANCE TRANSIT SECURITY	100 % STATE	FY2006		N/A	N/A	2006 TSGP	297,672	-	-	-	-
CAPITAL ASSISTANCE TRANSIT SECURITY	101 % STATE	FY2007		N/A	N/A	2007 TSGP	310,872	-	-	-	173,238
COMBINED STATE CONTRACTS							\$ 60,140,043	\$ 5,002,459	\$ 28,153	\$ 4,974,577	\$ 2,119,415
TOTAL CAPITAL ASSISTANCE							\$ 338,307,697	\$ 29,257,130	\$ 24,282,824	\$ 4,974,577	\$ 32,600,963
U.S. DEPARTMENT OF TRANSPORTATION - STATE & FED. OPERATING ASSISTANCE - COMPUTATIONS BASED ON OPERATING EXP. - DIRECT ASSISTANCE:											
OPERATING ASSIST. LETC		FY2003	SECTION 5307	20.507	MI-90-4413	N/A	\$ 268,490	\$ -	\$ -	\$ -	\$ -
OPERATING ASSIST. LETC		FY2004	SECTION 5307	20.507	MI-90-4441	N/A	268,459	-	-	-	-
OPERATING ASSIST. LETC		FY2005	SECTION 5307	20.507	MI-90-4462	N/A	281,343	-	-	-	-
OPERATING ASSIST. LETC		FY2006	SECTION 5307	20.507	MI-90-4489	N/A	283,250	-	-	-	-
OPERATING ASSIST. LETC		FY2007	SECTION 5307	20.507	MI-90-4541	N/A	295,603	-	-	-	-
OPERATING ASSIST. LETC		FY2007	SECTION 5307	20.507	MI-90-4566	N/A	320,759	-	-	-	-
OPERATING ASSIST. LETC		FY2009	SECTION 5307	20.507	MI-90-4592	N/A	411,198	-	-	-	-
OPERATING ASSIST. LETC		FY2010	SECTION 5307	20.507	MI-90-4758	N/A	528,404	-	-	-	-
OPERATING ASSIST. LETC		FY2011	SECTION 5307	20.507	MI-90-4758	N/A	478,998	-	-	-	-
ARRA OPERATING SMART			ARRA 5307	20.507	MI-96-4007	N/A	2,020,000	-	-	-	-
ARRA OPERATING BEDFORD			ARRA 5307	20.507	MI-96-4007	N/A	31,148	-	-	-	-
ARRA OPERATING LAKE ERIE			ARRA 5307	20.507	MI-96-4008	N/A	90,369	-	-	-	-
OPERATING ASSIST. - CMAQ SMART		FY2002	CMAQ	20.507	MI-90-0393	N/A	1,573,381	-	-	-	-
OPERATING ASSIST. - CMAQ		FY2003	CMAQ	20.507	MI-90-X410	N/A	2,058,574	-	-	-	-
OPERATING ASSIST. - CMAQ SMART		FY2004	CMAQ	20.507	MI-90-0438	N/A	1,630,740	-	-	-	-
OPERATING ASSIST. - CMAQ LETC		FY2004	CMAQ	20.507	MI-90-0438	N/A	160,000	-	-	-	-
OPERATING ASSIST. - CMAQ SMART		FY2005	CMAQ	20.507	MI-90-0456	N/A	1,024,319	-	-	-	-
OPERATING ASSIST. - CMAQ LETC		FY2006	CMAQ	20.507	MI-90-0515	N/A	245,000	-	-	-	-
OPERATING ASSIST. - CMAQ SMART		FY2006	CMAQ	20.507	MI-90-0515	N/A	2,413,889	-	-	-	-
OPERATING ASSIST. - CMAQ LETC		FY2007	CMAQ	20.507	MI-95-0011	N/A	310,366	-	-	-	-
OPERATING ASSIST. - CMAQ SMART		FY2007	CMAQ	20.507	MI-95-0011	N/A	2,365,188	-	-	-	-
OPERATING ASSIST. - CMAQ LETC		FY2008	CMAQ	20.507	MI-95-0017	N/A	316,573	-	-	-	-
OPERATING ASSIST. - CMAQ SMART		FY2008	CMAQ	20.507	MI-95-0017	N/A	3,516,204	-	-	-	-
OPERATING ASSIST. - CMAQ SMART		FY2009	CMAQ	20.507	MI-95-0038	N/A	4,107,204	-	-	-	-
OPERATING ASSIST. - CMAQ SMART		FY2010	CMAQ	20.507	MI-95-0049	N/A	3,156,097	-	-	-	-
OPERATING ASSIST. - CMAQ SMART		FY2011	CMAQ	20.507	MI-95-0049	N/A	857,010	-	-	-	-
TOTAL							\$ 29,012,566	\$ -	\$ -	\$ -	\$ -

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FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAUDITED PROGRAM OR AWARD AMOUNT	AUDITED DISBURSEMENTS/ EXPENDITURES	UNAUDITED FEDERAL RECEIPTS/ REVENUE	UNAUDITED STATE RECEIPTS/ REVENUE	UNAUDITED AMOUNT REMAINING
ACCESS TO JOBS (FEDERAL SHARE):											
SMART CAPITAL	80% - 20%		SECTION 5316	20.516	MI-37-X033		\$ 399,224	\$ -	\$ -	\$ -	\$ 399,224
FY2006 SECTION 5316 JARC CAPITAL RICHMOND LENOX	80% - 20%	FY2006	SECTION 5316	20.516	MI-37-X033	2007-0294 Z21	107,200	-	-	-	-
FY2006 SECTION 5316 JARC OPERATING RICHMOND LENOX	50% - 50%	FY2006	SECTION 5316	20.516	MI-37-X033	2007-0294 Z21	58,166	-	-	-	58,166
FY2006 SECTION 5316 JARC OPERATING NOTA	50% - 50%	FY2006	SECTION 5316	20.516	MI-37-X033	2007-0294 Z21	132,323	-	-	-	-
FY2007 SECTION 5316 CAPITAL SMART	80% - 20%	FY2007	SECTION 5316	20.516	MI-37-0040	2007-0294 Z29	559,459	-	-	-	-
FY2007 SECTION 5316 PROGRAM ADMINISTRATION	50% - 50%	FY2007	SECTION 5316	20.516	MI-37-6040	2007-0294 Z29	62,162	-	-	-	29,021
JARC PROGRAM MOB MANAGEMENT		FY2008	SECTION 5316	20.516	MI-37-0043	2007-0294 Z45	362,969	103,811	103,811	-	87,682
JARC PROGRAM OPERATING		FY2008	SECTION 5316	20.516	MI-37-4043	2007-0294 Z45	1,448,472	356,157	356,157	-	543,211
JARC PROGRAM ADMIN		FY2008	SECTION 5316	20.516	MI-37-6043	N/A	214,639	31,673	31,673	-	142,413
TOTAL							\$ 3,344,614	\$ 491,641	\$ 491,641	\$ -	\$ 1,259,717
NEW FREEDOM FEDERAL SHARE:											
SECT 5317 CAPITAL		FY2006	SECTION 5317	20.521	MI-57-0007	2007-0294 Z19	\$ 55,000	\$ -	\$ -	\$ -	\$ -
SECT 5317 OPERATING		FY2006	SECTION 5317	20.521	MI-57-4007	2007-0294 Z19	382,143	-	-	-	78,610
SECT 5317 PROGRAM ADMIN		FY2006	SECTION 5317	20.521	MI-57-6007	2007-0294 Z19	42,460	489	489	-	7,852
SECT 5317 OPERATING		FY2007	SECTION 5317	20.521	MI-57-4014	N/A	375,478	-	-	-	209,772
SECT 5317 PROGRAM ADMIN		FY2007	SECTION 5317	20.521	MI-57-6014	N/A	41,720	11,662	11,662	-	133
SECTION 5307 NEW FREEDOM CAPITAL			SECTION 5307	20.521	MI-57-0018	N/A	299,230	69,812	69,812	-	67,239
SECTION 5307 NEW FREEDOM OPERATING			SECTION 5307	20.521	MI-57-4018	N/A	917,171	106,180	106,180	-	244,888
SECTION 5307 NEW FREEDOM PROGRAM ADMIN			SECTION 5307	20.521	MI-57-6018	N/A	147,999	25,816	25,816	-	107,283
SECTION 5307 NEW FREEDOM OPERATING			SECTION 5307	20.521	MI-57-0024	N/A	781,948	280,725	280,725	-	501,223
TOTAL							\$ 3,043,149	\$ 494,684	\$ 494,684	\$ -	\$ 1,217,000
ACCESS TO JOBS (STATE SHARE):											
CAPITAL ASSISTANCE JARC RICHMOND LENOX	80% - 20%	FY2006	SECTION 5316	20.516	MI-37-X033	2007-0294 Z21	\$ 26,800	\$ -	\$ -	\$ -	\$ -
FY2006 SECTION 5316 JARC OPERATING RICHMOND LENOX	50% - 50%	FY2006	SECTION 5316	20.516	MI-37-4033	2007-0294 Z21	58,166	-	-	-	-
FY2006 SECTION 5316 JARC OPERATING NOTA	50% - 50%	FY2006	SECTION 5316	20.516	MI-37-4033	2007-0294 Z21	132,323	-	-	-	-
FY2006 SECTION 5316 JARC CAPITAL SMART	50% - 50%	FY2006	SECTION 5316	20.516	MI-37-X033	2007-0294 Z21	73,006	-	-	-	-
FY2007 SECTION 5316 JARC CAPITAL SMART	80% - 20%	FY2007	SECTION 5316	20.516	MI-37-0040	2007-0294 Z29	139,865	-	-	-	-
JARC PROGRAM OPERATING	100% STATE	FY2008	SECTION 5316	20.516	MI-37-4043	2007-0294 Z45	1,448,472	349,283	-	349,283	-
TOTAL							\$ 1,878,632	\$ 349,283	\$ -	\$ 349,283	\$ -

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Schedule of Financial Assistance (Continued) Year Ended June 30, 2014

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAUDITED PROGRAM OR AWARD AMOUNT	AUDITED DISBURSEMENTS/ EXPENDITURES	UNAUDITED FEDERAL RECEIPTS/ REVENUE	UNAUDITED STATE RECEIPTS/ REVENUE	UNAUDITED AMOUNT REMAINING
100% STATE JARC NOTA:											
NOTA ACCESS TO JOBS OPERATING	100 % STATE	FY06 & 07	SECTION 5316	20.516	MI-37-X026	2007-0294 Z11	\$ 297,354	\$ -	\$ -	\$ -	\$ -
NOTA ACCESS TO JOBS OPERATING	100 % STATE	FY2008	SECTION 5316	20.516	MI-37-X031	2007-0294 Z18	100,000	-	-	-	-
CAPITAL ASSISTANCE NOTA JARC	100 % STATE	FY2009	SECTION 5316	20.516	MI-37-X031	2007-0294 Z18	163,545	-	-	-	-
NOTA ACCESS TO JOBS CAPITAL	100 % STATE	FY2010	SECTION 5316	20.516	MI-37-X037	2007-0294 Z23	65,400	-	-	-	-
NOTA ACCESS TO JOBS OPERATING	100 % STATE	FY2010	SECTION 5316	20.516	MI-37-X037	2007-0294 Z23	337,926	-	-	-	-
SECTION 5316 JARC NOTA OPERATING	50 % - 50 %		SECTION 5316	20.516	MI-37-X037	2007-0294 Z31	51,752	-	-	-	-
SECTION 5316 JARC - NOTA - NON-UBAN	100% STATE	FY2012	SECTION 5316	20.516	N/A	2012-0170 P1	133,100	-	-	-	133,100
TOTAL							\$ 1,149,077	\$ -	\$ -	\$ -	\$ 133,100
100% STATE NEW FREEDOM NOTA:											
NOTA NEW FREEDOM CAPITAL	100 % STATE	FY 08 & 09	SECTION 5317	20.521	MI-57-X001	2007-0294 Z14	\$ 46,000	\$ -	\$ -	\$ -	\$ -
NOTA NEW FREEDOM CAPITAL	100 % STATE	FY 08 & 09	SECTION 5317	20.521	MI-57-X001	2007-0294 Z14	48,642	-	-	-	-
SECTION 5317 NEW FREEDOM - NOTA - NON-UBAN	100 % STATE	FY2013	SECTION 5318	21.521	MI-57-X002	2012-0170 P7	-	22,883	-	22,883	-
NOTA NEW FREEDOM OPERATING	100 % STATE	FY 09 & 10	SECTION 5317	20.521	MI-57-X010	2007-0294 Z35	93,034	-	-	-	-
SECTION 5317 NEW FREEDOM - NOTA - NON-UBAN	100% STATE	FY2012	SECTION 5317	20.521	N/A	2012-0170 P2	204,680	-	-	-	204,680
TOTAL							\$ 392,356	\$ 22,883	\$ -	\$ 22,883	\$ 204,680
PASSED THROUGH MDOT:											
OPERATING ASSIST. - SEC.5311	100 % STATE	FY2009	SECTION 5311	20.509	MI-18-X047	2007-0294 Z22	\$ 178,488	\$ -	\$ -	\$ -	\$ -
OPERATING ASSIST. - SEC.5311	100 % STATE	FY2010	SECTION 5311	20.509	MI-X18-X050	2007-0294 Z34	152,196	-	-	-	-
OPERATING ASSIST. - SEC.5311	100 % STATE	FY2011	SECTION 5311	20.509	MI-X18-X050	2007-0294 Z47	186,233	(2,414)	(2,414)	-	-
OPERATING ASSIST. - SEC.5311	100 % STATE	FY2012	SECTION 5311	20.509	MI-X18-X050	2012-0170 P4	200,879	9,466	9,466	-	94,980
OPERATING ASSIST. - SEC.5311	100 % STATE	FY2013	SECTION 5311	20.509	MI-X18-X050	2012-0170 P12	180,672	45,174	45,174	-	51,276
OPERATING ASSIST. - SEC.5311	100 % STATE	FY2013	SECTION 5311	20.509	MI-X18-X050	2012-0170 P27	169,768	127,323	127,323	-	42,445
CAPITAL ASSIST. - SEC.5311 ARRA	100 % STATE	FY2009	SECTION 5311	20.509	MI-X86-X002	2007-0294 Z32	17,447	-	-	-	-
OPERATING ASSIST. - SEC.5311 ARRA	100 % STATE	FY2009	SECTION 5311	20.509	MI-86-X002	2007-0294 ZXX	27,210	-	-	-	-
TOTAL							1,112,893	179,549	179,549	-	188,701
SUBTOTAL							39,933,287	1,538,040	1,165,874	372,166	3,003,198

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Schedule of Financial Assistance (Continued) Year Ended June 30, 2014

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	UNAUDITED PROGRAM OR AWARD AMOUNT	AUDITED DISBURSEMENTS/ EXPENDITURES	UNAUDITED FEDERAL RECEIPTS/ REVENUE	UNAUDITED STATE RECEIPTS/ REVENUE	UNAUDITED AMOUNT REMAINING
MICHIGAN DEPARTMENT OF TRANSPORTATION:											
OPERATING ASSISTANCE - ACT 51 SMART URBAN				N/A		9/30/2009	\$ -	\$ -	\$ -	\$ -	\$ -
OPERATING ASSISTANCE - ACT 51 SMART URBAN				N/A		9/30/2010	-	-	-	-	-
OPERATING ASSISTANCE - ACT 51 SMART URBAN				N/A		9/30/2012	-	-	-	277,828	-
OPERATING ASSISTANCE - ACT 51 SMART URBAN				N/A		9/30/2013	-	-	-	26,773,203	-
MUNICIPAL CREDIT SPECIAL APPROPRIATION				N/A		9/30/2013	-	-	-	1,630,540	-
OPERATING ASSISTANCE - ACT 51 BEDFORD URBAN				N/A		9/30/2010	-	-	-	-	-
OPERATING ASSISTANCE - ACT 51 BEDFORD URBAN				N/A		9/30/2011	-	-	-	-	-
OPERATING ASSISTANCE - ACT 51 BEDFORD URBAN				N/A		9/30/2012	-	-	-	-	-
OPERATING ASSISTANCE - ACT 51 BEDFORD URBAN				N/A		9/30/2013	-	-	-	191,835	-
OPERATING ASSISTANCE - ACT 51 LETC COMBINED				N/A		9/30/2010	-	-	-	-	-
OPERATING ASSISTANCE - ACT 51 LETC COMBINED				N/A		9/30/2011	-	-	-	-	-
OPERATING ASSISTANCE - ACT 51 LETC COMBINED				N/A		9/30/2012	-	-	-	-	-
OPERATING ASSISTANCE - ACT 51 LETC COMBINED				N/A		9/30/2013	-	-	-	1,458,776	-
OPERATING ASSISTANCE - FY07 SECTION 5304				N/A		2007-0294 Z8	300,000	-	-	-	-
ROYAL OAK TWP NEW SERVICES				N/A		9/30/2010	-	-	-	-	-
ROYAL OAK TWP NEW SERVICES				N/A		9/30/2011	-	-	-	-	-
ROYAL OAK TWP NEW SERVICES				N/A		9/30/2012	-	-	-	-	-
ROYAL OAK TWP NEW SERVICES				N/A		9/30/2013	-	-	-	(14,048)	-
ROYAL OAK TWP NEW SERVICES				N/A		9/30/2014	-	-	-	30,092	-
SPECIALIZED SERVICES		FY2012		N/A		2007-0294-ZXX	-	-	-	-	-
SPECIALIZED SERVICES		FY2013		N/A		2007-0294-ZXX	-	-	-	187,951	-
SPECIALIZED SERVICES		FY2014		N/A		2007-0294-ZXX	-	-	-	590,868	-
TOTAL							300,000	-	-	31,127,045	-
TOTAL OPERATING ASSISTANCE							40,233,287	1,538,040	1,165,874	31,499,211	3,003,198
GRAND TOTAL - ALL ASSISTANCE							\$ 378,540,984	\$ 30,795,170	\$ 25,448,698	\$ 36,473,788	\$ 35,604,161

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Other Operating Expenses Year Ended June 30, 2014

Description	Community Based			Royal Oak		
	1-Jul-13 to 30-Sep-13	1-Oct-13 to 30-Jun-14	Total C.Based	1-Jul-13 to 30-Sep-13	1-Oct-13 to 30-Jun-14	Total R.Oak
Revenue:						
Fares	\$ 175,863	\$ 502,417	\$ 678,280	\$ 359	\$ 978	\$ 1,337
Taxes levied directly	37,234	450,582	487,816	-	-	-
Local operating assistance:						
General Fund/Property tax	298,416	680,367	978,783	15,000	45,000	60,000
Other	-	-	-	1,495	4,464	5,959
Local special demonstration project assistance	-	-	-	-	-	-
Other local contracts:						
Mun. Cr.	663,709	1,586,695	2,250,404	594	1,800	2,394
Comm. Cr.	385,266	844,787	1,230,053	-	-	-
Other MDOT/BPT contracts and reimb.:						
ACT 51	-	-	-	8,002	30,092	38,094
Specialized services	-	-	-	-	-	-
Other federal transit contracts and reimb.	-	-	-	-	-	-
Interest income	9,375	26,428	35,803	-	-	-
Total revenue	\$ 1,569,863	\$ 4,091,276	\$ 5,661,139	\$ 25,450	\$ 82,334	\$ 107,784
Total operating expenses	\$ 2,072,305	\$ 5,802,306	\$ 7,874,611	\$ 21,524	\$ 62,489	\$ 84,013
Ineligible expenses:						
SMART Municipal Credits	663,709	1,586,695	2,250,404	-	-	-
SMART Community Credits	377,166	826,687	1,203,853	-	-	-
State specialized services	-	-	-	-	-	-
Depreciation	7,986	27,806	35,792	-	-	-
Total ineligible	1,048,861	2,441,188	3,490,049	-	-	-
Total eligible expenses	\$ 1,023,444	\$ 3,361,118	\$ 4,384,562	\$ 21,524	\$ 62,489	\$ 84,013

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Other Operating Expenses (Continued) Year Ended June 30, 2014

Description	Mt. Clemens			Nankin		
	1-Jul-13 to 30-Sep-13	1-Oct-13 to 30-Jun-14	Total Mt. Clemens	1-Jul-13 to 30-Sep-13	1-Oct-13 to 30-Jun-14	Total Nankin
Revenue:						
Fares	\$ 14,861	\$ 61,639	\$ 76,500	\$ 26,812	\$ 80,436	\$ 107,248
Taxes levied directly	-	-	-	-	-	-
Local operating assistance:						
General Fund/Property tax	313,488	(14,977)	298,511	-	-	-
Other	-	-	-	68,250	204,750	273,000
Other local contracts:						
Mun. Cr.	(a) -	16,733	16,733	40,060	120,180	160,240
Comm. Cr.	(a) -	21,204	21,204	46,600	139,801	186,401
Other MDOT/BPT contracts and reimb. -						
Specialized services	3,455	11,298	14,753	-	-	-
Other federal transit contracts and reimb.						
Refunds and rebates	-	11,550	11,550	-	-	-
Interest income	-	540	540	-	-	-
Total revenue	\$ 331,804	\$ 107,987	\$ 439,791	\$ 181,722	\$ 545,167	\$ 726,889
Total operating expenses	\$ 131,241	\$ 356,283	\$ 487,524	\$ 205,306	\$ 615,919	\$ 821,225
Ineligible expenses:						
SMART Municipal Credits	-	-	-	-	-	-
SMART Community Credits	-	-	-	-	-	-
State specialized services	3,455	11,298	14,753	-	-	-
Refunds and rebates	-	11,550	11,550	-	-	-
Depreciation	-	-	-	-	-	-
Total ineligible	3,455	22,848	26,303	-	-	-
Total eligible expenses	\$ 127,786	\$ 333,435	\$ 461,221	\$ 205,306	\$ 615,919	\$ 821,225

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Other Operating Expenses (Continued) Year Ended June 30, 2014

Description	Redford		Total Redford
	1-Apr-13 to 30-Sep-13	1-Oct-13 to 31-Mar-14	
Revenue:			
Fares	\$ 9,868	\$ 9,000	\$ 18,868
Taxes levied directly	-	-	-
Local operating assistance:			
General Fund/Property tax	-	81,476	81,476
Other	-	61,000	61,000
Other local contracts:			
Mun. Cr. (a)	27,451	41,357	68,808
Comm. Cr. (a)	-	40,966	40,966
Other MDOT/BPT contracts and reimb.:			
Specialized services	4,801	3,301	8,102
Other federal transit contracts and reimb.	-	-	-
Insurance proceeds	-	3,331	3,331
Interest income	97	223	320
Total revenue	<u>\$ 42,217</u>	<u>\$ 240,654</u>	<u>\$ 282,871</u>
Total operating expenses	\$ 88,911	\$ 185,496	\$ 274,407
Ineligible expenses:			
SMART Municipal Credits	-	-	-
SMART Community Credits	-	-	-
State specialized services	4,801	3,301	8,102
Insurance proceeds	-	3,331	3,331
Depreciation	-	-	-
Total ineligible	<u>4,801</u>	<u>6,632</u>	<u>11,433</u>
Total eligible expenses	<u>\$ 84,110</u>	<u>\$ 178,864</u>	<u>\$ 262,974</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Other Operating Expenses (Continued) Year Ended June 30, 2014

Description	S.T.A.R.		Total S.T.A.R.
	1-Apr-13 to 30-Sep-13	1-Oct-13 to 31-Mar-14	
Revenue:			
Fares	\$ 1,634	\$ 1,413	\$ 3,047
Taxes levied directly	-	382,325	382,325
Local operating assistance:			
General Fund/Property tax	-	-	-
Other	4,302	84,556	88,858
Other local contracts:			
Mun. Cr.	-	-	-
Comm. Cr.	-	-	-
Other MDOT/BPT contracts and reimb. -			
Specialized services	4,081	13,242	17,323
Other federal transit contracts and reimb.	-	-	-
Interest income	922	562	1,484
Total revenue	\$ 10,939	\$ 482,098	\$ 493,037
Total operating expenses	\$ 218,644	\$ 375,571	\$ 594,215
Ineligible expenses:			
SMART Municipal Credits	-	-	-
SMART Community Credits	-	-	-
State specialized services	64,192	198,355	262,547
Charter expense	-	5,000	5,000
Depreciation	-	-	-
Total ineligible	64,192	203,355	267,547
Total eligible expenses	\$ 154,452	\$ 172,216	\$ 326,668

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Other Operating Expenses Year Ended September 30, 2013

Description	Community Based			Royal Oak		
	1-Oct-12 to 30-Jun-13	1-Jul-13 to 30-Sep-13	Total C.Based	1-Oct-12 to 30-Jun-13	1-Jul-13 to 30-Sep-13	Total R.Oak
Revenue:						
Fares	\$ 527,773	\$ 175,863	\$ 703,636	\$ 1,021	\$ 359	\$ 1,380
Taxes levied directly	1,199,014	37,234	1,236,248	-	-	-
Local operating assistance:						
General Fund/Property tax	992,606	298,416	1,291,022	45,000	15,000	60,000
Other	-	-	-	4,464	1,495	5,959
Local special demonstration - Project assistance	-	-	-	-	-	-
Other local contracts:						
Mun. Cr.	1,917,116	663,709	2,580,825	1,800	594	2,394
Comm. Cr.	1,040,253	385,266	1,425,519	-	-	-
Other MDOT/BPT contracts and reimb.:						
ACT 51	-	-	-	49,698	8,002	57,700
Specialized services	-	-	-	-	-	-
Other federal transit contracts and reimb.	-	-	-	-	-	-
Interest income	26,920	9,375	36,295	-	-	-
Total revenue	\$ 5,703,682	\$ 1,569,863	\$ 7,273,545	\$ 101,983	\$ 25,450	\$ 127,433
Total operating expenses	\$ 5,950,465	\$ 2,072,305	\$ 8,022,770	\$ 54,714	21,524	\$ 76,238
Ineligible expenses:						
SMART Municipal Credits	1,917,116	663,709	2,580,825	-	-	-
SMART Community Credits	1,029,253	377,166	1,406,419	-	-	-
State specialized services	-	-	-	-	-	-
Depreciation	25,031	7,986	33,017	-	-	-
Total ineligible	2,971,400	1,048,861	4,020,261	-	-	-
Total eligible expenses	\$ 2,979,065	\$ 1,023,444	\$ 4,002,509	\$ 54,714	\$ 21,524	\$ 76,238

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Other Operating Expenses (Continued) State Year Ended September 30, 2013

Description	Mt. Clemens			Nankin		
	1-Oct-12 to 30-Jun-13	1-Jul-13 to 30-Sep-13	Total Mt. Clemens	1-Oct-12 to 30-Jun-13	1-Jul-13 to 30-Sep-13	Total Nankin
	Revenue:					
Fares	\$ 61,593	\$ 14,861	\$ 76,454	\$ 64,533	\$ 26,812	\$ 91,345
Taxes levied directly	-	-	-	-	-	-
Local operating assistance:						
General Fund/Property tax	(11,517)	313,488	301,971	-	-	-
Other	-	-	-	204,750	68,250	273,000
Other local contracts:						
Mun. Cr.	(a) 12,663	-	12,663	120,180	40,060	160,240
Comm. Cr.	(a) 15,903	-	15,903	139,801	46,600	186,401
Other MDOT/BPT contracts and reimb. - Specialized services	11,120	3,455	14,575	-	-	-
Other federal transit contracts and reimb.	-	-	-	-	-	-
Refunds and rebates	5,527	-	5,527	-	-	-
Interest income	1,504	-	1,504	-	-	-
Total revenue	<u>\$ 96,793</u>	<u>\$ 331,804</u>	<u>\$ 428,597</u>	<u>\$ 529,264</u>	<u>\$ 181,722</u>	<u>\$ 710,986</u>
Total operating expenses	\$ 386,956	\$ 131,241	\$ 518,197	\$ 633,967	\$ 205,306	\$ 839,273
Ineligible expenses:						
SMART Municipal Credits	-	-	-	-	-	-
SMART Community Credits	-	-	-	-	-	-
State specialized services	11,120	3,455	14,575	-	-	-
Refunds and rebates	5,527	-	5,527	-	-	-
Depreciation	-	-	-	-	-	-
Total ineligible	16,647	3,455	20,102	-	-	-
Total eligible expenses	<u>\$ 370,309</u>	<u>\$ 127,786</u>	<u>\$ 498,095</u>	<u>\$ 633,967</u>	<u>\$ 205,306</u>	<u>\$ 839,273</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Other Operating Expenses (Continued) State Year Ended September 30, 2013

Description	Redford		Total Redford
	1-Oct-12 to 30-Mar-13	1-Apr-13 to 30-Sep-13	
Revenue:			
Fares	\$ 10,917	\$ 9,868	\$ 20,785
Taxes levied directly	-	-	-
Local operating assistance:			
General Fund/Property tax	88,444	-	88,444
Other	37,500	-	37,500
Other local contracts:			
Mun. Cr.	(a) 32,857	27,451	60,308
Comm. Cr.	(a) 49,387	-	49,387
Other MDOT/BPT contracts and reimb. -			
Specialized services	1,650	4,801	6,451
Other federal transit contracts and reimb.			
Insurance proceeds	-	-	-
Interest income	(228)	97	(131)
Total revenue	\$ 220,527	\$ 42,217	\$ 262,744
Total operating expenses	\$ 137,735	\$ 88,911	\$ 226,646
Ineligible expenses:			
SMART Municipal Credits	-	-	-
SMART Community Credits	-	-	-
State specialized services	1,650	4,801	6,451
Insurance proceeds	-	-	-
Depreciation	-	-	-
Total ineligible	1,650	4,801	6,451
Total eligible expenses	\$ 136,085	\$ 84,110	\$ 220,195

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Other Operating Expenses (Continued) State Year Ended September 30, 2013

Description	S.T.A.R.		Total S.T.A.R.
	1-Oct-12 to 31-Mar-13	1-Apr-13 to 30-Sep-13	
Revenue:			
Fares	\$ 2,958	\$ 1,634	\$ 4,592
Taxes levied directly	371,821	-	371,821
Local operating assistance:			
General Fund/Property tax	-	-	-
Other	127,108	4,302	131,410
Other local contracts:			
Mun. Cr.	-	-	-
Comm. Cr.	-	-	-
Other MDOT/BPT contracts and reimb. -			
Specialized services	14,037	4,081	18,118
Other federal transit contracts and reimb.	-	-	-
Interest income	1,033	922	1,955
Total revenue	\$ 516,957	\$ 10,939	\$ 527,896
Total operating expenses	\$ 330,677	\$ 218,644	\$ 549,321
Ineligible expenses:			
SMART Municipal Credits	-	-	-
SMART Community Credits	-	-	-
State specialized services	158,792	64,192	222,984
Depreciation	-	-	-
Total ineligible	158,792	64,192	222,984
Total eligible expenses	\$ 171,885	\$ 154,452	\$ 326,337

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Other Operating Expenses - Combined Total State Year Ended September 30, 2013

Description	Total C.Based	Total Mt. Clemens	Total Nankin	Total Redford	Total S.T.A.R.	Total Other
Revenue:						
Fares	\$ 703,636	\$ 76,454	\$ 91,345	\$ 20,785	\$ 4,592	\$ 896,812
Taxes levied directly	1,236,248	-	-	-	371,821	1,608,069
Local operating assistance:						
General Fund/Property tax	1,291,022	301,971	-	88,444	-	1,681,437
Other	-	-	273,000	37,500	131,410	441,910
Other local contracts:						
Mun. Cr.	2,580,825	12,663 (a)	160,240 (a)	60,308 (a)	-	2,814,036
Comm. Cr.	1,425,519	15,903 (a)	186,401 (a)	49,387 (a)	-	1,677,210
Other MDOT/BPT contracts and reimb.:						
Act 51	-	-	-	-	-	-
Specialized services	-	14,575	-	6,451	18,118	39,144
Other federal transit contracts and reimb.	-	-	-	-	-	-
Refunds/rebates/insurance proceeds	-	5,527	-	-	-	5,527
Interest income	36,295	1,504	-	(131)	1,955	39,623
Total revenue	\$ 7,273,545	\$ 428,597	\$ 710,986	\$ 262,744	\$ 527,896	\$ 9,203,768
Total operating expenses	\$ 8,022,770	\$ 518,197	\$ 839,273	\$ 226,646	\$ 549,321	\$ 10,156,207
Ineligible expenses:						
SMART Municipal Credits	2,580,825	-	-	-	-	2,580,825
SMART Community Credits	1,406,419	-	-	-	-	1,406,419
State specialized services	-	14,575	-	6,451	222,984	244,010
Refunds/rebates/insurance proceeds	-	5,527	-	-	-	5,527
Depreciation	33,017	-	-	-	-	33,017
Total ineligible	4,020,261	20,102	-	6,451	222,984	4,269,798
Total eligible expenses	\$ 4,002,509	\$ 498,095	\$ 839,273	\$ 220,195	\$ 326,337	\$ 5,886,409

(a) included on SMARTS Ineligible Schedule

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information URBAN Revenue Combined Schedule State Year Ended September 30, 2013

Description	SMART Directly Provided	Other	Total for URBAN OAR
Passenger fares	\$ 12,758,045	\$ 896,812	\$ 13,654,857
Contract fares	176,923	-	176,923
Concessions	-	-	-
Advertising	930,725	-	930,725
Other auxiliary trans revenue	-	-	-
Sales of maintenance services	-	-	-
Rental of bldgs or other property	52,850	-	52,850
Other nontrans revenue	148,057	-	148,057
Taxes levied directly	38,383,051	1,608,069	39,991,120
Local operating assistance	-	2,123,347	2,123,347
Other local contracts and reimbursements	-	-	-
Other local community credits	-	1,677,210	1,677,210
State operating assistance:			
SMART	23,139,481	-	23,139,481
Municipal Credit	1,630,540	2,814,036	4,444,576
Bedford	151,998	-	151,998
LETC Urban and Non-Urban	1,605,609	-	1,605,609
Royal Oak Township	69,931	-	69,931
Line-item municipal credit	1,630,540	-	1,630,540
State preventive maintenance (20% State share)	3,692,147	-	3,692,147
Other MDOT/BPT contracts and reimb.:			
Specialized service grants	-	39,144	39,144
Specialized Service Grant 2007-0294 Z30	1,190,736	-	1,190,736
NOTA JARC 2007-0294 Z31	42,756	-	42,756
JARC PASS THRU 2007-0294 Z21	-	-	-
JARC PASS THRU 2007-0294 Z45	772,129	-	772,129
NOTA New Freedom 2007-0294 Z35	53,153	-	53,153
Federal preventive maintenance -			
MI-90-0591	14,768,589	-	14,768,589
Planning/Capital cost of contracting -			
FY 2011 UWP - CONTRACT #MI-80-2002	320,912	-	320,912
Reimb. For JARC Admin. MI-37-6040	44,121	-	44,121
Reimb. For JARC Admin. MI-37-6043	-	-	-
Reimb. For New Freedom Admin. MI-57-6007	40,950	-	40,950
Reimb. For New Freedom Admin. MI-57-6014	-	-	-
Reimb. For New Freedom Admin. MI-57-6018	-	-	-
Other federal transit contracts and reimb.:			
Section 5307 Lake Erie MI-90-4758	261,067	-	261,067
Section 5311 Lake Erie Non Urban MI-18-X002 2007-0294 Z32	175,022	-	175,022
JARC	476,308	-	476,308
New Freedom	503,398	-	503,398
Refunds, rebates, insurance proceeds	115,575	5,527	121,102
Gains from the sale of capital assets	-	-	-
Interest income	67,247	39,623	106,870
Total	\$ 103,201,860	\$ 9,203,768	\$ 112,405,628

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information URBAN Expense Combined Schedule State Year Ended September 30, 2013

Description	SMART Directly Provided	Other	Total for URBAN OAR
Operators salaries and wages	\$ 16,763,222	\$ -	\$ 16,763,222
Other salaries and wages	14,007,349	-	14,007,349
Dispatchers salaries and wages	4,287,063	-	4,287,063
Other fringe benefits	13,623,570	-	13,623,570
Pensions	4,863,896	-	4,863,896
Other postemployment benefits (OPEB)	9,514,944	-	9,514,944
Advertising fees	12,958	-	12,958
Audit cost	175,677	-	175,677
Other services	2,152,430	-	2,152,430
Fuel and lubricants	9,044,446	-	9,044,446
Tires and tubes	622,899	-	622,899
Other materials and supplies	5,649,347	-	5,649,347
Utilities	1,761,187	-	1,761,187
Casualty and liab. costs	6,464,855	-	6,464,855
Other insurance	-	-	-
Taxes and fees	-	-	-
Purchased transportation service - Pass-throughs that are expensed	10,323,647	2,133,437	12,457,084
Travel, meetings, and training	33,248	-	33,248
Association dues and subscriptions	-	-	-
Loss on disposal of asset	94,865	-	94,865
Other miscellaneous expenses	63,271	-	63,271
Cost overruns	192	-	192
Interest on long-term debt	13,844	-	13,844
Interest on short-term debt	-	-	-
Interest on capital lease	-	-	-
Leases and rentals	-	-	-
Depreciation	12,697,541	-	12,697,541
Total expenses	\$ 112,170,451	\$ 2,133,437	\$ 114,303,888
Less ineligible expenses:			
Ineligible depreciation	\$ 6,988,686	\$ -	\$ 6,988,686
Ineligible loss on disposal	94,865	-	94,865
Local contracts	-	-	-
Preventive maintenance Federal (MI-90-0591)	15,050,589	-	15,050,589
State Preventive Maintenance 2002-0088 Z20	3,692,147	-	3,692,147
Planning/Cap. Cost of contracting	320,912	-	320,912
Admin expense paid by JARC	44,122	-	44,122
Admin expense paid by New Freedom	45,626	-	45,626
Other ineligible federal/state/local - CMAQ MI-95-0049	-	-	-
Other state contracts:			
Pass-through ineligible	7,019,068	-	7,019,068
Section 5307 Lake Erie MI-90-4758	(223,759)	-	(223,759)
Section 5311 Lake Erie MI-18-X002	45,174	-	45,174
Non-Trans and misc ineligible associated w/aux and nontrans	-	-	-
MPTA dues (7.00% INELIG.)	-	-	-
CTAA dues (1.66% INELIG.)	-	-	-
APTA dues (14.00% INELIG.)	-	-	-
Ineligible pension	695,409	-	695,409
Ineligible OPEB	1,742,443	-	1,742,443
Other ineligible			
Cost overruns	192	-	192
Garnishments	-	-	-
Total ineligible	35,515,474	-	35,515,474
Total eligible expenses	\$ 76,654,977	\$ 2,133,437	\$ 78,788,414

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Combined Urban Regular Service Revenue Report Year Ended September 30, 2013

Description	Amount
Passenger fares	\$ 13,654,857
Contract fares	176,923
Package delivery/Meals on Wheels	-
Incidental charter service revenue	-
Auxiliary transportation revenue (explain):	
.10 Concessions	-
.15 Advertising	930,725
.20 Intercity ticket sales	-
.99 Other auxiliary transportation revenue	-
Nontransportation revenues (explain):	
.10 Sale of maintenance services	-
.15 Rental of revenue vehicles	-
.20 Rental of buildings or other property	52,850
.25 Parking lot revenue	-
.60 Gains from the sales of capital assets	-
.99 Other nontransportation revenue	148,057
Taxes levied directly by transit system	39,991,120
Local cash grants and reimbursements (explain):	
.10 Local operating assistance	2,123,347
.20 Single business tax	-
.99 Other local contracts	-
.99 Other local contracts (Community Credit Program)	1,677,210
State formula and contracts:	
.01 State operating assistance SMART	23,139,481
.01 State operating assistance CBS MUNICIPAL CREDITS	4,444,576
.01 State operating assistance LAKE ERIE BEDFORD ROYAL OAK	1,827,538
.10 Line item municipal credits	1,630,540
.11 Preventive maintenance	3,692,147
.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	2,097,918
Federal contracts:	
.01 Section 5311 LAKE ERIE	175,022
.02 Section 5307 LAKE ERIE	261,067
.11 Preventive maintenance	14,768,589
.12 Capital cost of contracting	320,912
.13 Capital contract reimbursement for administrative expenses	85,071
.99 Other planning	-
.99 Other CMAQ SMART	-
.99 Other CMAQ LAKE ERIE	-
.99 Other federal contracts and reimbursements	979,706
Interest income	106,870
Refunds and credits	121,102
Total Revenue	\$ 112,405,628

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Combined Urban Regular Service Expense Report Year Ended September 30, 2013

	Operations	Maintenance	Gen. Admin.	Total
Labor:				
01 Oper salary and wages	\$ 16,763,222	\$ -	\$ -	\$ 16,763,222
02 Other salary and wages	-	5,679,208	8,328,141	14,007,349
03 Disp salary and wages	4,287,063	-	-	4,287,063
Fringe benefits	6,948,021	2,724,714	3,950,835	13,623,570
Postemployment benefits	4,852,621	1,902,989	2,759,334	9,514,944
Pension	2,480,587	972,779	1,410,530	4,863,896
Services:				
01 Audit	-	-	175,677	175,677
02 Advertising fees	-	-	12,958	12,958
99 Other services	95,641	840,211	1,216,578	2,152,430
Materials and supp. cons.:				
01 Fuel and lubricants	9,044,446	-	-	9,044,446
02 Tires and tubes	622,899	-	-	622,899
99 Other materials and supplies	624,444	4,787,221	237,682	5,649,347
Utilities				
	-	-	1,761,187	1,761,187
Casual and liability costs:				
03 Premium for public liability	6,412,897	-	-	6,412,897
99 Other insurance	-	51,958	-	51,958
Taxes				
	-	-	-	-
Purchased transportation service on SMART F/S	10,323,647	-	-	10,323,647
Purchased transportation service POS STAR and community based	2,133,437	-	-	2,133,437
Miscellaneous expense:				
02 Travel and meetings	-	-	33,248	33,248
03 Dues and subscriptions	-	-	-	-
09 Loss on disposal of asset	-	-	94,865	94,865
99 Other overruns	-	-	192	192
99 Other miscellaneous expense	-	-	63,271	63,271
Interest expense:				
01 Interest on long-term debt	-	-	13,844	13,844
02 Interest on short-term debt	-	-	-	-
Leases and rentals				
	-	-	-	-
Depreciation				
	-	-	12,697,541	12,697,541
Total expenses	\$ 64,588,925	\$ 16,959,080	\$ 32,755,883	\$ 114,303,888
Less ineligible expenses:				
Ineligible depreciation	\$ -	\$ -	\$ 6,988,686	\$ 6,988,686
Ineligible loss on disposal	-	-	94,865	94,865
Local contracts	-	-	-	-
Preventive maintenance (MI-90-0591)	-	15,050,589	-	15,050,589
Planning/Cap. Cost of contracting	-	-	320,912	320,912
Admin expense paid by JARC	-	-	44,122	44,122
Admin expense paid by New Freedom	-	-	45,626	45,626
Other ineligible federal/state/local:				
CMAQ MI-95-0049	-	-	-	-
Other state contracts:				
Pass-through ineligibles	7,019,068	-	-	7,019,068
Section 5307 Lake Erie MI-90-4758	(223,759)	-	-	(223,759)
Section 5311 Lake Erie MI-18-X002	45,174	-	-	45,174
Transit user study MI-80-002 2202-0088 Z8	-	-	-	-
State preventive maintenance 2002-0088 Z20	3,692,147	-	-	3,692,147
Ineligible interest	-	-	-	-
MPTA dues (7.10% INELIG.)	-	-	-	-
CTAA dues (1.66% INELIG.)	-	-	-	-
APTA dues (14.00% INELIG.)	-	-	-	-
Ineligible pension	-	-	695,409	695,409
Ineligible OPEB	-	-	1,742,443	1,742,443
Other ineligibles:				
Cost overruns	192	-	-	192
Garnishments	-	-	-	-
Total ineligible expenses	10,532,822	15,050,589	9,932,063	35,515,474
Total eligible expenses	\$ 54,056,103	\$ 1,908,491	\$ 22,823,820	\$ 78,788,414

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Combined Urban Regular Service Nonfinancial Report Year Ended September 30, 2013

DESCRIPTION	WEEKDAYS	SATURDAY	SUNDAY	TOTAL
FIXED ROUTE				
PUBLIC SERVICE				
VEHICLE HOURS	567,431	54,303	26,096	647,830
VEHICLE MILES	9,538,939	883,020	449,641	10,871,600
MISCELLANEOUS INFORMATION				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-
CONNECTOR				
PUBLIC SERVICE				
VEHICLE HOURS	205,379	3,711	660	209,750
VEHICLE MILES	3,713,880	79,938	15,523	3,809,341
MISCELLANEOUS INFORMATION				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-

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

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Royal Oak Twp Urban Service Revenue Report Year Ended September 30, 2013

Description	Amount
Passenger fares	\$ 1,381
Contract fares	-
Package delivery/ Meals on Wheels	-
Incidental charter service revenue	-
Auxiliary transportation revenue (explain):	
.10 Concessions	-
.15 Advertising	-
.20 Intercity ticket sales	-
.99 Other auxiliary transportation revenue	-
Nontransportation revenue (explain):	
.10 Sale of maintenance services	-
.15 Rental of revenue vehicles	-
.20 Rental of buildings or other property	-
.25 Parking lot revenue	-
.60 Gains from the sales of capital assets	-
.99 Other nontransportation revenue	-
Taxes levied directly by transit system	-
Local cash grants and reimbursements (explain):	
.10 Local operating assistance	60,000
.20 Single business tax	-
.99 Other local contracts (Community Credit Program)	-
State formula and contracts:	
.01 State operating assistance	35,650
.10 Line item municipal credits	2,394
.11 Preventive maintenance	-
.12 Capital cost of contracting	-
.13 Capital contract reimbursement for administrative expenses	-
.14 Other capital contract reimbursements for operating expenses	-
.99 Other state contracts and reimbursements	5,959
Federal contracts:	
.01 Section 5311	-
.02 Section 5307	-
.11 Preventive maintenance	-
.12 Capital cost of contracting	-
.13 Capital contract reimbursement for administrative expenses	-
.14 Other capital contract reimbursements for operating expenses	-
.98 RTAP	-
.99 Other federal contracts and reimbursements	-
Interest income	-
Contributed service	-
Total revenue	<u>\$ 105,384</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Royal Oak Twp Urban Regular Service Expense Report Year Ended September 30, 2013

	Operations	Maintenance	Gen. Admin.	Total
Labor:				
01 Oper salary and wages	\$ 11,829	\$ -	\$ -	\$ 11,829
02 Other salary and wages	19,788	-	9,038	28,826
03 Disp salary and wages	18,562	-	-	18,562
Fringe benefits	3,553	-	-	3,553
Services:				
01 Audit	-	-	-	-
02 Advertising fees	899	-	-	899
99 Other services	-	-	9,638	9,638
Materials and supp. cons.:				
01 Fuel and lubricants	6,478	-	-	6,478
02 Tires and tubes	-	-	-	-
99 Other materials and supplies	3,694	810	-	4,504
Utilities	5,312	-	-	5,312
Casual and liability costs:				
03 Premium for public liability	1,431	-	-	1,431
99 Other insurance	-	-	-	-
Taxes				
Purchased transportation service	-	-	-	-
Miscellaneous expense:				
02 Travel and meetings	-	-	-	-
99 Other miscellaneous expense	336	-	-	336
Interest expense:				
01 Interest on long-term debt	-	-	-	-
02 Interest on short-term debt	-	-	-	-
Leases and rentals	-	-	-	-
Depreciation	-	-	-	-
Total expenses	\$ 71,882	\$ 810	\$ 18,676	\$ 91,368
Less ineligible expenses:				
03 Federal grants (explain)	-	-	-	-
04 State grants (specialized svcs)	-	-	-	-
05 Local grants	-	-	-	-
06 Interest expense	-	-	-	-
07 Depreciation	-	-	-	-
08 Other (explain)	-	-	-	-
09 Ineligible percent of dues	-	-	-	-
10 Expenses assoc w/auxiliary trans	-	-	-	-
15 Charter expense	-	-	-	-
99 Total ineligible expense	-	-	-	-
Total eligible expenses	\$ 71,882	\$ 810	\$ 18,676	\$ 91,368

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Royal Oak Twp Urban Regular Service Nonfinancial Report Year Ended September 30, 2013

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	1,846	-	-	1,846
VEHICLE MILES	15,724	-	-	15,724
MISCELLANEOUS INFORMATION				
CHARTER SERVICE HOURS	-	-	-	-
CHARTER SERVICE MILES	-	-	-	-

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

Suburban Mobility Authority for Regional Transportation

Notes to Other Supplemental Information

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

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

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

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

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

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

November 10, 2014

To the Board of Directors
Suburban Mobility Authority for
Regional Transportation

We have audited the financial statements of the Suburban Mobility Authority for Regional Transportation (the "Authority" or SMART) as of and for the year ended June 30, 2014 and have issued our report thereon dated November 10, 2014. Professional standards require that we provide you with the following information related to our audit which is divided into the following sections:

Section I - Required Communications with Those Charged with Governance

Section II - Legislative and Other Informational Items

Section I includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the members of the board of directors of SMART.

Section II contains updated legislative and informational items that we believe will be of interest to you.

In addition to the comments in this letter, our observations and comments regarding SMART's internal control, including any significant deficiencies or material weaknesses that we identified, if any, have been reported to you in the 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*. This report is included in the supplemental schedule of federal awards and we recommend that the matters we have noted there receive your careful consideration.

We would like to take this opportunity to thank the Authority's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism were critical to the completion of the engagement and are much appreciated.

This report is intended solely for the use of the members of the board of directors and management of SMART and is not intended to be and should not be used by anyone other than these specified parties.


To the Board of Directors
Suburban Mobility Authority for
Regional Transportation

November 10, 2014

We welcome any questions you may have regarding the following communications and we would be willing to discuss any of these or other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC

Handwritten signature of Pamela L. Hill in black ink.

Pamela L. Hill

Handwritten signature of Douglas G. Bohrer in black ink.

Douglas G. Bohrer

Section I - Communications Required Under AU 260

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 17, 2014, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

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

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

Our audit of SMART's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of SMART, including compliance with certain provisions of laws, regulations, contracts, grant agreements, certain instances of error or fraud, illegal acts applicable to government agencies, and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated November 10, 2014 regarding our consideration of SMART's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on August 19, 2014.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

No new accounting policies were adopted and the application of existing policies was not changed during 2014. GASB Statement No. 65 was effective for the Authority this year, but had no impact.

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

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

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

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

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

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

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

Difficulties Encountered in Performing the Audit

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

To the Board of Directors
Suburban Mobility Authority for
Regional Transportation

November 10, 2014

Disagreements with Management

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

Corrected and Uncorrected Misstatements

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

Significant Findings or Issues

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 10, 2014.

Management Consultations with Other Independent Accountants

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

Section II - Legislative and Informational Items

New Rules Governing Management of Federal Programs

In December 2013, the Office of Management and Budget (OMB) issued long-awaited reforms to the compliance requirements that must be followed by non-federal entities receiving federal funding. All entities receiving federal dollars will need to understand the changes made as a result of these reforms and may be required to make some changes to their internal procedures, processes, and controls.

These reforms impact three key areas of federal grants management:

1. **Audit Requirements** - For fiscal years beginning on or after January 1, 2015, the threshold for obtaining a federal awards audit will increase from the current threshold of \$500,000 of annual federal spending to \$750,000. There will also be significant changes to the criteria for qualifying as a low-risk auditee and a reduction in the number of major programs required to be tested for some clients.
2. **Cost Principles** - Effective December 26, 2014, the grant reforms related to cost principles go into effect. Not only were certain changes made to allowable costs under this new guidance, but there were significant changes in the area of time and effort reporting and indirect costs.
3. **Administrative Requirements** - Also effective December 26, 2014, non-federal entities receiving federal funding must adhere to new rules related to administering federal awards. Most notably, these requirements may impact the Authority's procurement systems, including maintaining written conflict of interest policies and disclosures.

These revisions are clearly the most significant change to occur to federal grants management in recent history. Entities receiving federal funding will need to carefully digest these changes. Plante & Moran, PLLC has many experts in these rules who can assist you in understanding the changes and how they impact the Authority. We understand members of your staff have already viewed the related webinars Plante & Moran, PLLC has hosted. We have also shared with them a checklist of items to consider and are happy to continue to assist them in complying with the new regulations.

New Pension Standards

Beginning with the Authority's June 30, 2015 year end, a new accounting standard issued by the Governmental Accounting Standards Board (GASB) will significantly impact the Authority's financial statements. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, significantly revises the current accounting and reporting requirements for pensions, both from an employer perspective as well as from a plan perspective.

To the Board of Directors
Suburban Mobility Authority for
Regional Transportation

November 10, 2014

Employers providing defined benefit pensions to their employees must now recognize their unfunded pension benefit obligation as a liability for the first time, and must more comprehensively and comparably measure the annual costs of pension benefits. The statements also enhance accountability and transparency through revised and expanded note disclosures and required supplementary information (RSI). As a result of implementing this new standard, the Authority will be recognizing a net pension liability, resulting in a significant impact to SMART's statement of net position. In addition, the Authority will also have to determine if the annual required contributions should be calculated using the assumption stipulated by GASB 67 or if the actuary should continue to calculate the funding requirements using the same assumptions used in recent years.

Significant coordination between the Authority, the actuary, and Plante & Moran, PLLC will be required in order to implement these pronouncements effectively. We are happy to work with the Authority over the next year to ensure smooth implementation of the new standard. We would also encourage SMART personnel to view the free webinars available on Plante & Moran, PLLC's website, if you have not already done so.