

Suburban Mobility Authority for Regional Transportation

**Financial Report
with Supplemental Information
June 30, 2009**

Suburban Mobility Authority for Regional Transportation

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Independent Auditor's Report

To the Board of Directors
Suburban Mobility Authority
for Regional Transportation

We have audited the accompanying financial statements of the business-type activities and the proprietary funds of the Suburban Mobility Authority for Regional Transportation (the "Authority" or SMART) as of and for the year ended June 30, 2009, which comprises the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Suburban Mobility Authority for Regional Transportation as of and for the year ended June 30, 2008 were audited by other auditors, whose report dated December 22, 2008 expressed an unqualified opinion on those statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the business-type activities and proprietary funds of the Suburban Mobility Authority for Regional Transportation as of June 30, 2009 and the respective changes in financial position and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

To the Board of Directors
Suburban Mobility Authority
for Regional Transportation

Our 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 other supplemental information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2009 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Plante & Moran, PLLC

November 13, 2009

Management's Discussion and Analysis

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis

Overview of the Financial Statements and Financial Analysis

The following discussion and analysis has been prepared by SMART's management and should be read in conjunction with the financial statements and related footnote disclosures. The discussion is intended to present an overview of SMART's financial performance for the years ended June 30, 2009 and 2008 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 report consists of the statement of net assets, the statement of revenue, expenses, and changes in net assets, and the statement of cash flows, prepared in accordance with GASB principles.

Financial Highlights

- Fare revenue is up approximately \$0.7 million due to an increase in ridership.
- Operating expenses before depreciation are down \$4.2 million given cost-containment initiatives and significant year-end adjustments to actuarially determined liabilities.
- Current assets decreased by \$8.6 million, largely due to a planned reduction in federal preventive maintenance assistance.
- Current liabilities decreased by \$9.5 million, due in part to a year-end write-down of the actuarially determined liabilities.
- The OPEB net obligation increased by \$2.3 million, primarily due to the current year required contribution being only partially funded.
- Net capital assets increased by \$5.5 million due to engine repower investments.
- Unrestricted net assets are down \$7.0 million due to rescheduling of federal assistance draws. As a result, a \$6.0 million - \$8.0 million recovery is expected for the next fiscal year end.

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis (Continued)

Statement of Net Assets

A summarization of SMART's assets, liabilities, and net assets at June 30, 2009 and 2008 follows (in millions):

	2009	2008	2007
Assets			
Current assets	\$ 44.8	\$ 53.4	\$ 51.1
Noncurrent assets	79.6	85.2	82.4
Total assets	<u>\$ 124.4</u>	<u>\$ 138.6</u>	<u>\$ 133.5</u>
Liabilities			
Current liabilities	\$ 33.0	\$ 42.5	\$ 38.3
Noncurrent liabilities	27.9	29.9	29.7
Total liabilities	<u>\$ 60.9</u>	<u>\$ 72.4</u>	<u>\$ 68.0</u>
Net Assets			
Invested in capital assets	\$ 50.7	\$ 46.4	\$ 43.9
Unrestricted	12.8	19.8	21.6
Total net assets	<u>\$ 63.5</u>	<u>\$ 66.2</u>	<u>\$ 65.5</u>

SMART's current assets decreased by \$8.6 million, the majority of which was a planned reduction in the draws against federal operating and preventive maintenance assistance due to reduced expenses. Approximately \$8.1 million of this federal revenue source was not necessary to balance fiscal operations at year end, reducing grants receivable, grant revenue, and thus transferring this assistance to future periods.

SMART's current liabilities decreased by \$9.5 million, primarily related to a year-end write-down, of the actuarially determined self-insurance obligation for vehicle liability and workers' compensation, which amounted to \$10.4 million versus \$14.6 million one year ago. A reclassification of a portion of these actuarial determined liabilities from current to long-term in the current year is the other reason for the decrease in total current liabilities.

The OPEB (Other Post Employment Benefits) net obligation, which is part of noncurrent liabilities, has increased by \$2.3 million. SMART's current year required contribution of \$8.6 million (plus interest on the beginning net OPEB obligation of approximately \$150,000) was funded at \$6.5 million, resulting in the increased liability of \$2.3 million.

Amounts invested in capital assets (net of related debt) increased 9.3 percent from a year ago - increasing from \$46.4 million to \$50.7 million. In contrast, last year's increase was only 5.7 percent. The current year increase is due to the addition of repowered engines to approximately 60 percent of SMART's fixed route bus fleet.

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis (Continued)

Unrestricted net assets, which is the part of net assets that can be used to finance day-to-day operations, has decreased by \$7.0 million. This represents a decrease of 35.5 percent. The current level of unrestricted net assets for SMART's operations stands at \$12.8 million, or about 12.0 percent of operating expenses before depreciation. The grant receivable discussed above is the material change forcing the \$7.0 million decrease; some of this decrease will be reversed next fiscal year due to the expected \$6.0 million - \$8.0 million increase in grants receivable at June 30, 2010.

Statement of Revenues, Expenses, and Changes in Net Assets

The following table is a summary of SMART's revenues, expenses, and changes in net assets for the years ended June 30, 2009, 2008, and 2007 (in millions):

	2009	2008	2007
Operating revenue	\$ 12.6	\$ 11.9	\$ 11.4
Operating expenses before depreciation	<u>106.3</u>	<u>110.5</u>	<u>103.9</u>
Operating loss before depreciation	(93.7)	(98.6)	(92.5)
Depreciation expense	<u>12.1</u>	<u>12.7</u>	<u>13.4</u>
Total operating loss	(105.8)	(111.3)	(105.9)
Nonoperating revenues (net of related expenses)	<u>96.7</u>	<u>105.6</u>	<u>102.2</u>
Net loss before capital contributions	(9.1)	(5.7)	(3.7)
Capital contributions	<u>6.5</u>	<u>6.4</u>	<u>4.7</u>
Net (loss) gain	(2.6)	0.7	1.0
Net assets - Beginning of year	<u>66.2</u>	<u>65.5</u>	<u>64.5</u>
Net assets - End of year	<u><u>\$ 63.6</u></u>	<u><u>\$ 66.2</u></u>	<u><u>\$ 65.5</u></u>

SMART's operating revenue increased by approximately \$0.7 million, largely attributed to fares increased due to ridership, while non-operating revenue (net of related expenses) decreased \$8.8 million due to a planned reduction in draws against federal source funding, unused and now available for future fiscal periods. Total revenue when combined is down \$8.1 million, or a reduction of 6.9 percent from prior year.

Operating expenses (before depreciation) decreased \$4.2 million during the year. Substantially, the reduction can be traced to a year-end write-down of actuarially determined liabilities, as well as cost containment efforts throughout the year.

Suburban Mobility Authority for Regional Transportation

Management's Discussion and Analysis (Continued)

Using this Annual Report

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

Contacting SMART's Financial Management

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

Suburban Mobility Authority for Regional Transportation

Statement of Net Assets

	June 30	
	2009	2008
Assets		
Current assets:		
Cash and cash equivalents (Note 4)	\$ 23,079,852	\$ 26,299,358
Accrued interest receivable	6,048	18,515
Grants receivable (Note 5)	15,118,531	21,023,617
Local contributions receivable (Note 2)	2,646,938	1,411,768
Other receivables	1,262,412	1,386,238
Materials and supplies inventories	1,766,273	1,993,995
Prepaid expenses	890,141	1,269,058
Total current assets	44,770,195	53,402,549
Noncurrent assets:		
Net pension asset (Note 11)	923,355	996,772
Nondepreciable capital assets (Note 6)	4,613,227	14,908,600
Depreciable capital assets - Net (Note 6)	74,066,160	69,221,817
Total noncurrent assets	79,602,742	85,127,189
Total assets	124,372,937	138,529,738
Liabilities		
Current liabilities:		
Municipal and community credits payable	4,862,370	5,608,546
Amounts payable under purchase-of-service agreements	937,378	718,331
Current portion of accrued self-insurance (Note 10)	4,318,212	6,070,130
Accounts payable and accrued liabilities	7,439,658	6,439,015
Accrued interest payable	383,441	664,700
Current portion of notes payable (Note 9)	10,330,187	9,866,976
Current portion of compensated absences (Note 9)	3,021,789	3,175,089
Accrued compensation	1,663,772	1,416,198
Total current liabilities	32,956,807	33,958,985
Noncurrent liabilities:		
Accrued self-insurance - Net of current portion (Note 10)	6,069,995	8,532,619
Notes payable - Net of current portion (Note 9)	17,575,949	27,906,136
Compensated absences - Net of current portion (Note 9)	90,354	95,568
OPEB net obligations (Note 12)	4,135,459	1,867,955
Total noncurrent liabilities	27,871,757	38,402,278
Total liabilities	60,828,564	72,361,263
Net Assets		
Invested in capital assets - Net of related debt	50,773,251	46,357,305
Unrestricted	12,771,122	19,811,170
Total net assets	\$ 63,544,373	\$ 66,168,475

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

Suburban Mobility Authority for Regional Transportation

Statement of Activities

	Year Ended June 30	
	2009	2008
Operating Revenue		
Fares	\$ 12,101,330	\$ 11,528,055
Other income	465,920	365,528
Total operating revenue	12,567,250	11,893,583
Operating Expenses		
Salaries and wages	42,265,832	43,244,750
Fringe benefits	30,865,771	28,056,578
Contractual services	3,606,240	5,736,995
Materials and supplies	15,396,657	18,166,764
Utilities	2,194,222	2,456,655
Claims and insurance	1,581,441	3,414,202
Purchased transportation (Note 8)	9,965,437	9,397,922
Miscellaneous expenses	410,138	74,389
Depreciation expense	12,072,882	12,651,478
Total operating expenses	118,358,620	123,199,733
Operating Loss	(105,791,370)	(111,306,150)
Nonoperating Revenue (Expense)		
Federal operating and preventive maintenance assistance	12,360,068	19,609,098
State operating grants	33,034,981	33,633,380
Local contributions	52,762,260	52,949,999
Interest income	302,853	1,403,671
Interest expense	(1,718,344)	(1,876,803)
Loss on retirement of assets	(27,823)	(199,673)
Change in Net Assets before Capital Contributions	(9,077,375)	(5,786,478)
Capital Contributions	6,453,273	6,443,628
Change in Net Assets	(2,624,102)	657,150
Net Assets - Beginning of year	66,168,475	65,511,325
Net Assets - End of year	\$ 63,544,373	\$ 66,168,475

Suburban Mobility Authority for Regional Transportation

Proprietary Funds Statement of Net Assets

	June 30			
	2009		2008	
	Enterprise Operating Fund	Internal Service Retiree Health Care	Enterprise Operating Fund	Internal Service Retiree Health Care
Assets				
Current assets:				
Cash and cash equivalents (Note 4)	\$ 23,079,852	\$ -	\$ 26,299,358	\$ -
Operating assistance due from State of Michigan	-	-	-	-
Accrued interest receivable	6,048	-	18,515	-
Grants receivable (Note 5)	15,118,531	-	21,023,617	-
Local contributions receivable (Note 2)	2,646,938	-	1,411,768	-
Due from other funds	-	-	-	3,000,000
Other receivables	1,262,412	-	1,386,238	-
Materials and supplies inventories	1,766,273	-	1,993,995	-
Prepaid expenses	890,141	-	1,269,058	-
Total current assets	44,770,195	-	53,402,549	3,000,000
Noncurrent assets:				
Net pension asset (Note 11)	923,355	-	996,772	-
Nondepreciable capital assets (Note 6)	4,613,227	-	14,908,600	-
Depreciable capital assets - Net (Note 6)	74,066,160	-	69,221,817	-
Total noncurrent assets	79,602,742	-	85,127,189	-
Total assets	124,372,937	-	138,529,738	-
Liabilities				
Current liabilities:				
Municipal and community credits payable	4,862,370	-	5,608,546	-
Amounts payable under purchase-of-service agreements	937,378	-	718,331	-
Current portion of accrued self-insurance (Note 10)	4,318,212	-	6,070,130	-
Accounts payable and accrued liabilities	7,439,658	-	6,439,015	-
Due to other funds	-	-	3,000,000	-
Accrued interest payable	383,441	-	664,700	-
Current portion of notes payable (Note 9)	10,330,187	-	9,866,976	-
Current portion of compensated absences (Note 9)	3,021,789	-	3,175,089	-
Accrued compensation	1,663,772	-	1,416,198	-
Total current liabilities	32,956,807	-	36,958,985	-
Noncurrent liabilities:				
Accrued self-insurance - Net of current portion (Note 10)	6,069,995	-	8,532,619	-
Notes payable - Net of current portion (Note 9)	17,575,949	-	27,906,136	-
Compensated absences - Net of current portion (Note 9)	90,354	-	95,568	-
OPEB net obligations (Note 12)	4,135,459	-	1,867,955	-
Total noncurrent liabilities	27,871,757	-	38,402,278	-
Total liabilities	60,828,564	-	75,361,263	-
Net Assets				
Invested in capital assets - Net of related debt	50,773,251	-	46,357,305	-
Unrestricted	12,771,122	-	16,811,170	3,000,000
Total net assets	\$ 63,544,373	\$ -	\$ 63,168,475	\$ 3,000,000

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

Suburban Mobility Authority for Regional Transportation

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

	Year Ended June 30			
	2009		2008	
	Enterprise Operating Fund	Internal Service Retiree Health Care	Enterprise Operating Fund	Internal Service Retiree Health Care
Operating Revenue				
Fares	\$ 12,101,330	\$ -	\$ 11,528,055	\$ -
Charges for services	-	-	-	3,000,000
Other income	465,920	-	365,528	-
Total operating revenue	12,567,250	-	11,893,583	3,000,000
Operating Expenses				
Salaries and wages	42,265,832	-	43,244,750	-
Fringe benefits	27,865,771	3,000,000	28,056,578	3,000,000
Contractual services	3,606,240	-	5,736,995	-
Materials and supplies	15,396,657	-	18,166,764	-
Utilities	2,194,222	-	2,456,655	-
Claims and insurance	1,581,441	-	3,414,202	-
Purchased transportation (Note 8)	9,965,437	-	9,397,922	-
Miscellaneous expenses	410,138	-	74,389	-
Depreciation expense	12,072,882	-	12,651,478	-
Total operating expenses	115,358,620	3,000,000	123,199,733	3,000,000
Operating Loss	(102,791,370)	(3,000,000)	(111,306,150)	-
Nonoperating Revenue (Expense)				
Federal operating and preventive maintenance assistance	12,360,068	-	19,609,098	-
State operating grants	33,034,981	-	33,633,380	-
Local contributions	52,762,260	-	52,949,999	-
Interest income	302,853	-	1,403,671	-
Interest expense	(1,718,344)	-	(1,876,803)	-
Loss on retirement of assets	(27,823)	-	(199,673)	-
Change in Net Assets Before Capital Contributions	(6,077,375)	(3,000,000)	(5,786,478)	-
Capital Contributions	6,453,273	-	6,443,628	-
Change in Net Assets	375,898	(3,000,000)	657,150	-
Net Assets - Beginning of year	63,168,475	3,000,000	62,511,325	3,000,000
Net Assets - End of year	\$ 63,544,373	\$ -	\$ 63,168,475	\$ 3,000,000

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

Suburban Mobility Authority for Regional Transportation

Proprietary Funds Statement of Cash Flows

	Year Ended June 30			
	2009		2008	
	Enterprise Operating Fund	Internal Service Retiree Health Care	Enterprise Operating Fund	Internal Service Retiree Health Care
Cash Flows from Operating Activities				
Receipts from transit operations	\$ 12,691,076	\$ -	\$ 11,893,583	\$ -
Receipts from interfund services provided	-	-	-	3,000,000
Payments to employees	(70,701,625)	-	(65,832,323)	-
Payments to suppliers	(19,999,975)	-	(26,916,862)	(3,000,000)
Payments to claims and insurance	(5,795,983)	-	(3,127,572)	-
Payments for purchased transportation	(10,492,566)	-	(10,004,405)	-
Net cash used in operating activities	(94,299,073)	-	(93,987,579)	-
Cash Flows from Noncapital Financing Activities				
Federal operating and preventive maintenance assistance	18,265,154	-	16,610,349	-
State operating grants	33,034,981	-	33,663,335	-
Local contributions	51,527,090	-	55,719,802	-
Net cash provided by noncapital financing activities	102,827,225	-	105,993,486	-
Cash Flows from Capital and Related Financing Activities				
Capital grants received	6,453,273	-	6,443,628	-
Purchase of capital assets (net of proceeds)	(6,672,374) 22,699	-	(15,172,990) (199,673)	-
Proceeds from note payable	-	-	9,000,000	-
Payment on installment note payable	(9,866,976)	-	(8,887,963)	-
Interest paid	(1,999,600)	-	(1,775,214)	-
Net cash used in capital and related financing activities	(12,062,978)	-	(10,592,212)	-
Cash Flow from Investing Activities - Interest on investments	315,320	-	1,490,565	-
Net (Decrease) Increase in Cash and Equivalents	(3,219,506)	-	2,904,260	-
Cash and Cash Equivalents - Beginning of year	26,299,358	-	23,395,098	-
Cash and Cash Equivalents - End of year	\$ 23,079,852	\$ -	\$ 26,299,358	\$ -
Balance Sheet Classification of Cash and Cash Equivalents	\$ 23,079,852	\$ -	\$ 26,299,358	\$ -

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

Suburban Mobility Authority for Regional Transportation

Proprietary Funds Statement of Cash Flows (Continued)

	Year Ended June 30			
	2009		2008	
	Enterprise Operating Fund	Internal Service Retiree Health Care	Enterprise Operating Fund	Internal Service Retiree Health Care
Reconciliation of Operating Loss to Net Cash from Operating Activities				
Operating loss	\$ (102,791,370)	\$ -	\$ (111,306,150)	\$ -
Adjustments to reconcile operating loss to net cash from operating activities:				
Depreciation expense	12,072,882	-	12,651,479	-
Noncash decrease (increase) in net pension asset	73,417	-	(196,428)	-
Noncash expense related to net OPEB obligations	(732,496)	-	1,867,955	-
Noncash decrease in self-insurance liability	(3,548,572)	-	-	-
Changes in assets and liabilities:				
Materials and supplies inventory	227,722	-	(158,679)	-
Prepaid expenses	378,917	-	770,140	-
Other receivables	123,826	-	-	-
Municipal and community credits payable	(746,176)	-	(528,557)	-
Payable under purchase service contracts	219,047	-	259,744	-
Accrued self-insurance (related to claim payments)	(665,970)	-	218,827	-
Accounts payable and accrued expenses	1,000,643	-	2,198,642	-
Accrued wages and compensated absences	89,057	-	235,448	-
Net cash used in operating activities	<u>\$ (94,299,073)</u>	<u>\$ -</u>	<u>\$ (93,987,579)</u>	<u>\$ -</u>

Suburban Mobility Authority for Regional Transportation

**Notes to Financial Statements
June 30, 2009 and 2008**

Note 1 - Description of Operations and the Entity

Organization

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

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

Reporting Entity

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

Suburban Mobility Authority for Regional Transportation

**Notes to Financial Statements
June 30, 2009 and 2008**

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

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

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

Note 2 - Summary of Significant Accounting Policies

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

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

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

Suburban Mobility Authority for Regional Transportation

**Notes to Financial Statements
June 30, 2009 and 2008**

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

Accounts Receivable - Local contributions receivables are shown net of an allowance for uncollectible accounts in the amounts of \$250,000 and \$120,000 at June 30, 2009 and 2008, respectively. No other allowances for anticipated uncollectible amounts are included in the financial statements, as SMART considers all other receivables to be fully collectible.

Capital Assets - Capital assets are defined by the Authority as assets with an initial individual cost of more than \$2,500 (\$1,000 for computer equipment) and an estimated useful life in excess of a year. Purchased or constructed capital assets are reported at cost or estimated historical cost. Improvements, which extend the useful lives of the assets, are capitalized. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost 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, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Suburban Mobility Authority for Regional Transportation

**Notes to Financial Statements
June 30, 2009 and 2008**

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

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

- **Invested in Capital, Net of Related Debt** - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** - This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first and then unrestricted resources when they are needed. The Authority does not have restricted net assets at June 30, 2009 or 2008.
- **Unrestricted** - This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

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

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

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

Suburban Mobility Authority for Regional Transportation

**Notes to Financial Statements
June 30, 2009 and 2008**

Note 2 - Summary of Significant Accounting Policies (Continued)

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

Reclassifications - Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Note 3 - State of Michigan Operating Assistance Funds

Under Act 51 of the Public Acts of 1951, as amended, the State of Michigan makes distributions of funds that have been appropriated for mass transit operating assistance. RTCC is the designated recipient of such funds, and SMART is a subrecipient of RTCC. SMART has recorded operating grant revenues 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 revenues of SMART and DDOT, the percentage of RTCC's funding that is allocable to SMART, and preliminary information made available by the Michigan Department of Transportation (MDOT) as to the amount of funds expected to be available to the RTCC.

The latest "final" determination of State of Michigan operating assistance allocable to SMART in accordance with the Act 51 funding formula was for September 30, 2006. The resulting obligation has been fully settled with the State. Further, SMART awaits the "final" determination for the year ended September 30, 2007, and has settled on a preliminary adjustment as of the year ended June 30, 2009. In addition, SMART has recorded a liability as of June 30, 2009 based on the State of Michigan's preliminary determination of the Act 51 funding formula at September 30, 2008.

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 lies. SMART was required to provide approximately \$3,059,000 pursuant to this provision in both fiscal years 2009 and 2008.

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2009 and 2008

Note 4 - Deposits and Investments

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

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

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. SMART does not have a deposit policy for custodial credit risk. At year end, the Authority had no bank deposits that were uninsured and uncollateralized.

Suburban Mobility Authority for Regional Transportation

**Notes to Financial Statements
June 30, 2009 and 2008**

Note 4 - Deposits and Investments (Continued)

Credit Risk

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

<u>Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Rating Agency</u>
Bank investment pool	\$ 1,678,392	Not rated	N/A
Money market	20,800,823	Not rated	N/A

Note 5 - Grant Receivables

At June 30, 2009 and 2008, grants receivable are comprised of the following:

	<u>2009</u>	<u>2008</u>
Accounts receivable - Billed:		
Federal Operating Grant (CMAQ)	\$ 4,118,635	\$ 3,543,325
Federal government grants	7,435,138	15,021,256
State of Michigan grants	<u>2,862,037</u>	<u>969,522</u>
Total billed	14,415,810	19,534,103
Accounts receivable - Unbilled:		
Federal government grants	528,601	508,119
State of Michigan grants	174,120	978,321
Local grants	<u>-</u>	<u>3,074</u>
Total unbilled	<u>702,721</u>	<u>1,489,514</u>
Total	<u>\$ 15,118,531</u>	<u>\$ 21,023,617</u>

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2009 and 2008

Note 6 - Capital Assets

Capital asset activity during the fiscal year ended June 30, 2009 was as follows:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Capital assets not being depreciated:				
Land	\$ 4,246,270	\$ 4,300	\$ -	\$ 4,250,570
Construction in progress	10,662,330	-	(10,299,673)	362,657
Subtotal capital assets not being depreciated	14,908,600	4,300	(10,299,673)	4,613,227
Capital assets being depreciated:				
Fixed route buses and equipment	82,933,574	8,796,736	-	91,730,310
Connector buses and related equipment	28,595,469	4,878,739	(125,949)	33,348,259
Buildings	42,936,986	215,449	-	43,152,435
Office furniture and equipment	1,846,277	22,227	-	1,868,504
Other equipment	41,390,016	2,652,689	-	44,042,705
Leasehold improvements	5,287,949	401,907	-	5,689,856
Subtotal capital assets being depreciated	202,990,271	16,967,747	(125,949)	219,832,069
Less accumulated depreciation:				
Fixed route buses and equipment	42,865,245	6,069,571	-	48,934,816
Connector buses and related equipment	20,046,505	3,427,021	(75,427)	23,398,099
Buildings	29,389,628	932,696	-	30,322,324
Office furniture and equipment	1,769,493	17,624	-	1,787,117
Other equipment	36,698,797	1,247,770	-	37,946,567
Leasehold improvements	2,998,786	378,200	-	3,376,986
Subtotal accumulated depreciation	133,768,454	12,072,882	(75,427)	145,765,909
Net capital assets being depreciated	69,221,817	4,894,865	(50,522)	74,066,160
Net capital assets	\$ 84,130,417	\$ 4,899,165	\$ (10,350,195)	\$ 78,679,387

The eligible depreciation of \$6,005,755 (\$12,072,882 total depreciation reported less ineligible depreciation of \$6,067,127) includes only depreciation of assets purchases with authority funds where the useful life of the asset purchased has been approved by the BPT.

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2009 and 2008

Note 6 - Capital Assets (Continued)

Capital asset activity during the fiscal year ended June 30, 2008 was as follows:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Capital asset not being depreciated:				
Land	\$ 4,246,270	\$ -	\$ -	\$ 4,246,270
Construction in progress	<u>2,173,426</u>	<u>10,662,330</u>	<u>(2,173,426)</u>	<u>10,662,330</u>
Subtotal capital assets not being depreciated	6,419,696	10,662,330	(2,173,426)	14,908,600
Capital assets being depreciated:				
Fixed route buses and equipment	83,599,799	116,400	(782,625)	82,933,574
Connector buses and related equipment	28,715,553	929,199	(1,049,283)	28,595,469
Buildings	40,033,838	2,903,148	-	42,936,986
Office furniture and equipment	1,803,844	42,433	-	1,846,277
Other equipment	39,001,823	2,388,193	-	41,390,016
Leasehold improvements	<u>4,670,165</u>	<u>617,784</u>	<u>-</u>	<u>5,287,949</u>
Subtotal capital assets being depreciated	197,825,022	6,997,157	(1,831,908)	202,990,271
Less accumulated depreciation:				
Fixed route buses and equipment	36,938,536	6,396,264	(469,555)	42,865,245
Connector buses and related equipment	17,582,852	3,512,936	(1,049,283)	20,046,505
Buildings	28,384,503	1,005,125	-	29,389,628
Office furniture and equipment	1,752,500	16,993	-	1,769,493
Other equipment	35,313,295	1,385,502	-	36,698,797
Leasehold improvements	<u>2,664,127</u>	<u>334,659</u>	<u>-</u>	<u>2,998,786</u>
Subtotal accumulated depreciation	<u>122,635,813</u>	<u>12,651,479</u>	<u>(1,518,838)</u>	<u>133,768,454</u>
Net capital assets being depreciated	<u>75,189,209</u>	<u>(5,654,322)</u>	<u>(313,070)</u>	<u>69,221,817</u>
Net capital assets	<u>\$ 81,608,905</u>	<u>\$ 5,008,008</u>	<u>\$ (2,486,496)</u>	<u>\$ 84,130,417</u>

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2009 and 2008

Note 7 - Property Taxes

In 2006, voters in Macomb County and in those communities participating in Act 196 Transportation Authorities in Oakland County and Wayne County approved a four-year, .59 property tax millage dedicated to public transportation. Tax revenues received by Macomb County, the Wayne County Act 196 Authority, and the Oakland County Act 196 Authority and contributed to SMART for the years ended June 30, 2009 and 2008 were \$52,762,260 and \$52,949,999, respectively.

Note 8 - Purchase of Service Agreements

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

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

	2009	2008
Municipal credits	\$ 3,058,956	\$ 3,058,956
Community credits	3,540,068	3,359,247
Community transit bus service	2,026,370	1,789,028
Specialized services	787,811	787,821
RTCC	-	16,411
NOTA	346,887	232,265
Royal Oak Township	56,507	51,191
Community-based services	148,838	103,003
Total	<u>\$ 9,965,437</u>	<u>\$ 9,397,922</u>

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2009 and 2008

Note 9 - Long-term Debt

SMART has entered into various installment purchase obligations to finance the acquisition of transit coaches and replacement engines. Long-term obligation activity for the year ended June 30, 2009 is summarized as follows:

	Interest Rates*	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note 1: 2000 Installment Purchase							
100 Transit Coach Buses							
Amount of issue: \$27,300,000							
Maturing through September 2011							
	4.44%	1,698,112-3,286,386	\$ 8,129,689	\$ -	\$ 3,145,190	\$ 4,984,499	\$ 3,286,386
Note 2: 2001 Installment Purchase							
100 Transit Coach Buses							
Amount of issue: \$17,643,511							
Maturing through September 2012							
	4.50%	1,568,661-3,034,526	10,281,750	-	2,776,116	7,505,634	2,902,447
Note 3: 2002 Installment Purchase							
87 Transit Coach Buses							
Amount of issue: \$15,469,092							
Maturing through September 2013							
	4.64%	1,374,395-2,656,008	11,305,069	-	2,314,548	8,990,521	2,423,189
Note 4: 2007 Installment Purchase							
Engine Replacement Plan							
Amount of issue: \$10,171,326							
Maturing through September 2013							
	5.27%	991,034-1,809,852	8,056,604	-	1,631,122	6,425,482	1,718,165
Total installment purchase obligations			37,773,112	-	9,866,976	27,906,136	10,330,187
Compensated absences			3,270,657	191,462	349,376	3,112,743	3,021,789
Total long-term debt			<u>\$41,043,769</u>	<u>\$ 191,462</u>	<u>\$10,216,352</u>	<u>\$ 31,018,879</u>	<u>\$ 13,351,976</u>

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

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2009 and 2008

Note 9 - Long-term Debt (Continued)

Activity for the year ended June 30, 2008 was as follows:

	Interest Rates*	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Note 1: 2000 Installment Purchase							
100 Transit Coach Buses							
Amount of issue: \$27,300,000							
Maturing through September 2010							
	4.44%	1,589,859 - 3,286,386	\$11,139,748	\$ -	\$ 3,010,059	\$ 8,129,689	\$ 3,145,190
Note 2: 2001 Installment Purchase							
100 Transit Coach Buses							
Amount of issue: \$17,643,511							
Maturing through September 2011							
	4.50%	1,403,500 - 3,034,526	12,937,034	-	2,655,284	10,281,750	2,776,116
Note 3: 2002 Installment Purchase							
87 Transit Coach Buses							
Amount of issue: \$15,469,092							
Maturing through September 2012							
	4.64%	1,170,544 - 2,656,008	13,584,293	-	2,279,224	11,305,069	2,314,548
Note 4: 2007 Installment Purchase							
Engine Replacement Plan							
Amount of issue: \$10,171,326							
Maturing through September 2012							
	5.27%	826,161 - 1,809,852	-	9,000,000	943,396	8,056,604	1,631,122
Total installment purchase obligations			37,661,075	9,000,000	8,887,963	37,773,112	9,866,976
Compensated absences			2,988,028	319,719	37,090	3,270,657	3,175,089
Total long-term debt			\$40,649,103	\$ 9,319,719	\$ 8,925,053	\$ 41,043,769	\$ 13,042,065

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

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

	Principal	Interest	Total
2010	\$ 10,330,187	\$ 1,196,171	\$ 11,526,358
2011	9,079,419	711,129	9,790,548
2012	6,131,101	319,682	6,450,783
2013	2,365,429	57,985	2,423,414
Total	\$ 27,906,136	\$ 2,284,967	\$ 30,191,103

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2009 and 2008

Note 10 - Risk Management

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

In fiscal 2009 and 2008, 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 \$1 million for aggregate losses in excess of the \$500,000 individual claim. Vehicle, general liability, and workers' compensation claim liabilities are actuarially determined based on known information. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Recorded liabilities include an estimated amount for claims that have been incurred but not reported. These liabilities are classified as current, although some portion may not be paid within one year. Management represents, based on prior experience, that the estimated reserve for claims is adequate to satisfy all claims filed, or to be filed, for incidents that occurred through June 30, 2009.

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

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

Changes in the balances of self-insured liabilities during fiscal 2009 and 2008 were as follows:

	2009	2008	2007
Claims liability - July 1	\$ 14,602,749	\$ 14,383,922	\$ 15,970,407
Current year claims incurred	1,507,246	4,460,698	4,724,540
Claim payments and adjustments for IBNR	<u>(5,721,788)</u>	<u>(4,241,871)</u>	<u>(6,311,025)</u>
Claims liability - June 30	<u>\$ 10,388,207</u>	<u>\$ 14,602,749</u>	<u>\$ 14,383,922</u>

Suburban Mobility Authority for Regional Transportation

**Notes to Financial Statements
June 30, 2009 and 2008**

Note 11 - Defined Benefit Pension Plan

Plan Description

SMART participates in the Michigan Municipal Employees' Retirement System, 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 supplementary information for the system. That report may be obtained by writing to the system at 1134 Municipal Way, Lansing, MI 48917.

Substantially all SMART employees are members of the MERS plan. As of December 31, 2008, the date of the last actuarial valuation, 504 retirees and beneficiaries were receiving benefit payments, and the plan had 892 active members and 199 inactive vested members.

For employees hired prior to July 1, 2007:

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

For employees hired after July 1, 2007:

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

Suburban Mobility Authority for Regional Transportation

**Notes to Financial Statements
June 30, 2009 and 2008**

Note 11 - Defined Benefit Pension Plan (Continued)

Funding Policy

The obligation to contribute to and maintain the system for these employees was established by negotiation with the Authority's collective bargaining units. Members of only one of SMART's collective bargaining units (UAW No. 771) make contributions to MERS. For the years ended June 30, 2009 and 2008, these employees (UAW No. 771) contributed 3 percent of eligible payroll. SMART is required to contribute at an actuarially determined rate. For the fiscal years ended June 30, 2009 and 2008, the rates, as a percentage of annual payroll, are as follows: ATU drivers, 12.51 percent and 12.23 percent, respectively; ATU clerical, 11.42 percent and 11.41 percent, respectively; UAW No. 771, 8.61 percent and 8.85 percent, respectively; Teamsters No. 247, 13.12 percent and 12.99 percent, respectively; AFSCME No. 1917, 16.23 percent and 15.63 percent, respectively; and nonunion, 16.82 percent and 16.43 percent, respectively. The contribution requirements of plan members are established and may be amended by the Retirement Board of MERS.

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

Funding Progress (in thousands)							
	Actuarial				UAAL as a		Funded
Actuarial	Actuarial	Accrued	Unfunded	Covered	Percentage of	Funded	
Valuation	Value of	Liability	(Overfunded)	Payroll	Valuation	Ratio	
Date	Assets	(AAL)	AAL (UAAL)	(c)	Payroll	(Percent)	
	(a)	(b)	(b-a)			(a/b)	
12/31/06	\$ 132,547	\$ 157,725	\$ 25,178	\$ 42,543	59.2	84.0	
12/31/07	142,931	165,631	22,700	40,865	55.5	86.3	
12/31/08	148,449	178,591	30,142	42,973	70.1	83.1	

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2009 and 2008

Note 11 - Defined Benefit Pension Plan (Continued)

Annual Pension Cost

For fiscal years ended June 30, 2009 and 2008, SMART's annual pension costs of \$5,339,085 and \$5,048,848, respectively, were equal to the adjusted required and actual contribution less interest on the net pension asset.

SMART's annual pension cost and net pension asset for the years ended June 30, 2009 and 2008 are as follows:

	2009	2008
Annual required contribution (recommended)	\$ 5,365,368	\$ 5,069,952
Interest on the prior year's net pension asset	(79,742)	(64,028)
Adjustment to the annual required contribution	53,459	42,924
Annual pension cost	<u>5,339,085</u>	<u>5,048,848</u>
Contributions made	<u>5,265,668</u>	<u>5,245,276</u>
Decrease (increase) in net pension asset	73,417	(196,428)
Net pension asset - Beginning of year	<u>(996,772)</u>	<u>(800,344)</u>
Net pension asset - End of year	<u>\$ (923,355)</u>	<u>\$ (996,772)</u>

Three-year historical trend information:

Fiscal Year Ended June 30	Annual Pension Costs	Percentage Contributed	Net Pension Asset
2007	\$ 4,888,092	104%	\$ (800,344)
2008	5,048,848	104%	(996,772)
2009	5,339,085	99%	(923,355)

Suburban Mobility Authority for Regional Transportation

**Notes to Financial Statements
June 30, 2009 and 2008**

Note 11 - Defined Benefit Pension Plan (Continued)

Actuarial Methods and Assumptions

In the December 31, 2008 actuarial valuation (the most recent actuarial valuation), 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 per year compounded annually, attributable to inflation, (c) additional projected salary increases of 0 percent to 8.4 percent, attributable to seniority/merit, and (d) 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 is 28 years.

Note 12 - Other Postemployment Benefits

Plan Description

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

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

Substantially all SMART employees are members of the plan. As of December 31, 2007 (the most recent actuarial valuation), 461 retirees and beneficiaries were receiving benefit payments, and the plan had 907 active members.

Suburban Mobility Authority for Regional Transportation

**Notes to Financial Statements
June 30, 2009 and 2008**

Note 12 - Other Postemployment Benefits (Continued)

Funding Policy

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

Funding Progress

For the years ended June 30, 2009 and 2008, the Authority has estimated the cost of providing retiree healthcare benefits through actuarial valuations as of December 31, 2006 and December 31, 2007, respectively. The valuations compute an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The valuations’ computed contributions and actual funding are summarized as follows:

	<u>2009</u>	<u>2008</u>
Annual required contribution (recommended)	\$ 8,630,150	\$ 8,258,515
Interest on the prior year's net OPEB obligation	<u>149,436</u>	<u>-</u>
Annual OPEB cost	8,779,586	8,258,515
Amounts contributed:		
Payments of current premiums	4,012,082	6,390,560
Advance funding	<u>2,500,000</u>	<u>-</u>
Increase in net OPEB obligation	2,267,504	1,867,955
OPEB obligation - Beginning of year	<u>1,867,955</u>	<u>-</u>
OPEB obligation - End of year	<u>\$ 4,135,459</u>	<u>\$ 1,867,955</u>

Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements June 30, 2009 and 2008

Note 12 - Other Postemployment Benefits (Continued)

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

Fiscal Year Ended June 30	Annual OPEB Costs	Percentage Contributed	Net OPEB Obligation
2008	\$ 8,258,515	77%	\$ 1,867,955
2009	8,779,586	74%	4,135,459

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

Funding Progress (in thousands)						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of Valuation Payroll	Funded Ratio (Percent) (a/b)
12/31/07	\$ 6,093	\$ 110,869	\$ 104,776	\$ 40,865	256	5.5

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, 2009 and 2008

Note 12 - Other Postemployment Benefits (Continued)

The current year required contribution amount was determined as part of the December 31, 2007 actuarial valuation using the individual entry-age actuarial cost method. The actuarial assumptions include: (a) an 8 percent investment rate of return; (b) projected salary increase of 4.5 percent per year compounded annually, attributable to inflation; (c) additional projected salary increases of 0.3 percent to 8.4 percent per year, depending on age, attributable to seniority/merit; and (d) the assumption that benefits will increase 4.5 percent to 10 percent per year (annually). The actuarial values of assets are determined on the basis of a valuation method that assumes the fund earns the expected rate of return (8 percent) and includes an adjustment to reflect market value. SMART's unfunded actuarial accrued liability is being amortized as a level percent of payroll over a period of 30 years.

Note 13 - Commitments

SMART leases certain office space and equipment under operating lease agreements. Some leases include escalation clauses for SMART's pro-rata share of taxes and operating expenses. Total rent expense for the years ended June 30, 2009 and 2008 was approximately \$636,800 and \$475,800, respectively.

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

Minimum lease payments are as follows:

Fiscal Year Ending June 30	Amount
2010	\$ 176,513
2011	356,366
2012	361,136
2013	329,173
2014	407,888
2015-2019	<u>1,256,583</u>
Total	<u>\$ 2,887,659</u>

Suburban Mobility Authority for Regional Transportation

**Notes to Financial Statements
June 30, 2009 and 2008**

Note 14 - Contingent Liabilities

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

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

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

Other Supplemental Information

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Revenue Year Ended June 30, 2009 Schedule I

	Jul-08 Sep-08	Jul-08 Sep-08	Jul-08 Sep-08	Oct-08 Jun-09	Oct-08 Jun-09	Oct-08 Jun-09	Jul-08 Jun-09	Jul-08 Jun-09	Jul-08 Jun-09	Jul-08 Sep-08	Oct-08 Jun-09	Jul-08 Jun-09
	SMART	COMM BASED	TOTAL	SMART	COMM BASED	TOTAL	SMART	COMM BASED	GRAND TOTAL	ROYAL OAK TWP	ROYAL OAK TWP	ROYAL OAK TWP
FIXED ROUTE (FAREBOX)	\$ 3,200,386	\$ -	\$ 3,200,386	\$ 8,569,270	\$ -	\$ 8,569,270	\$ 11,769,656	\$ -	\$ 11,769,656	\$ -	\$ -	\$ -
CONNECTOR (FAREBOX)	81,520	140,554	222,074	250,154	256,033	506,187	331,674	396,587	728,261	528	1,443	1,971
SPECIAL TRANSIT FARES	56,577	-	56,577	156,832	-	156,832	213,409	-	213,409	-	-	-
ADVERTISING	-	-	-	166,669	-	166,669	166,669	-	166,669	-	-	-
RENTAL	5,500	-	5,500	43,975	-	43,975	49,475	-	49,475	-	-	-
OTHER	18,223	-	18,223	11,222	36,286	47,508	29,445	36,286	65,731	-	-	-
MUN.CREDITS PLEDGED	7,920	-	7,920	(1,005)	-	(1,005)	6,915	-	6,915	-	-	-
COMMUNITY CREDITS PLEDGE	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING REVENUE	\$ 3,370,126	\$ 140,554	\$ 3,510,680	\$ 9,197,117	\$ 292,319	\$ 9,489,436	\$ 12,567,243	\$ 432,873	\$ 13,000,116	\$ 528	\$ 1,443	\$ 1,971

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Revenue State Year Ended September 30, 2008 Schedule IA

	Oct-07 Jun-08	Oct-07 Jun-08	Oct-07 Jun-08	Jul-08 Sep-08	Jul-08 Sep-08	Jul-08 Sep-08	Oct-07 Sep-08	Oct-07 Sep-08	Oct-07 Sep-08	Oct-07 Jun-08	Jul-08 Sep-08	Oct-07 Sep-08
	SMART	COMM BASED	TOTAL	SMART	COMM BASED	TOTAL	SMART	BASED	TOTAL	ROYAL OAK TWP	ROYAL OAK TWP	ROYAL OAK TWP
FIXED ROUTE (FAREBOX)	\$ 8,508,881	\$ -	\$ 8,508,881	\$ 3,200,386	\$ -	\$ 3,200,386	\$ 11,709,267	\$ -	\$ 11,709,267	\$ -	\$ -	\$ -
CONNECTOR (FAREBOX)	266,227	124,861	391,088	81,520	140,554	222,074	347,747	265,415	613,162	1,633	528	2,161
SPECIAL TRANSIT FARES	148,168	-	148,168	56,577	-	56,577	204,745	-	204,745	-	-	-
ADVERTISING	-	-	-	-	-	-	-	-	-	-	-	-
RENTAL	43,700	-	43,700	5,500	-	5,500	49,200	-	49,200	-	-	-
OTHER	13,725	-	13,725	18,223	-	18,223	31,948	-	31,948	-	-	-
MUN.CREDITS PLEDGED	28,212	-	28,212	7,920	-	7,920	36,132	-	36,132	-	-	-
COMMUNITY CREDITS PLEDGED	11,088	-	11,088	-	-	-	11,088	-	11,088	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING REVENUE	\$ 9,020,001	\$ 124,861	\$ 9,144,862	\$ 3,370,126	\$ 140,554	\$ 3,510,680	\$ 12,390,127	\$ 265,415	\$ 12,655,542	\$ 1,633	\$ 528	\$ 2,161

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Schedule of Financial Assistance For the Year Ended June 30, 2009 Schedule 2

FEDERAL GRANTOR/PASS THRU GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	PROGRAM OR AWARD AMOUNT	DISBURSEMENTS/ EXPENDITURES	FEDERAL RECEIPTS/ REVENUE	STATE RECEIPTS/ REVENUE	AMOUNT REMAINING
(1.0)											
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	184,628	184,628	-	241
CAPITAL ASSISTANCE	80 % - 20 %	FY2002	SECTION 5309	20.500	MI-03-0185	2002-0088 Z9	2,088,961	102,596	102,596	-	10,837
CAPITAL ASSISTANCE	80 % - 20 %	FY2003	SECTION 5309	20.500	MI-03-0194	2002-0088 Z12	3,442,875	52,426	52,426	-	2,126,366
CAPITAL ASSISTANCE	80 % - 20 %	FY2004	SECTION 5309	20.500	MI-03-0205	2002-0088 Z20	5,339,805	-	-	-	3,199,341
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	2,267,114	27,210	27,210	-	47,343
CAPITAL ASSISTANCE	80 % - 20 %	FY2006	SECTION 5309	20.500	MI-04-0133	2002-0088 Z37	7,623,000	1,874,496	1,874,496	-	2,393,550
CAPITAL ASSISTANCE	80 % - 20 %	FY2007	SECTION 5309	20.500	MI-04-0025	2007-0294 Z7	1,750,000	-	-	-	1,750,000
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	20.500	MI-04-0040	PENDING	2,000,000	-	-	-	2,000,000
CAPITAL ASSISTANCE	80 % - 20 %	FY2009	SECTION 5309	20.500	MI-04-0057	PENDING	3,923,500	-	-	-	3,923,500
							32,746,549	2,241,356	2,241,356	-	15,451,178
PLANNING & TECHNICAL STUDIES FY09				20.505	MI-080-2003	N/A	305,490	305,490	305,490	-	-
							305,490	305,490	305,490	-	-

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Schedule of Financial Assistance For the Year Ended June 30, 2009 Schedule 2 (Continued)

FEDERAL GRANTOR/PASS THRU GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	PROGRAM OR AWARD AMOUNT	DISBURSEMENTS/ EXPENDITURES	FEDERAL RECEIPTS/ REVENUE	STATE RECEIPTS/ REVENUE	AMOUNT REMAINING
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	57,089	57,089	-	-
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	103,028	103,028	-	88,197
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2004	SECTION 5307	20.507	MI-90-0441	2002-0088 Z18	268,460	12,970	12,970	-	-
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	-	-	-	119,962
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2005	SECTION 5307	20.507	MI-90-0462	2002-0088 Z32	281,342	95,505	95,505	-	2,859
CAPITAL ASSISTANCE	80 % - 20 %	FY2005	SECTION 5307	20.507	MI-90-0465	2002-0088 Z33	13,043,067	244,128	244,128	-	344,320
CAPITAL ASSISTANCE	80 % - 20 %	FY2006	SECTION 5307	20.507	MI-90-0488	2002-0088 Z39	13,045,016	60,304	60,304	-	319,368
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2006	SECTION 5307	20.507	MI-90-0489	2002-0088 Z38	281,932	45,291	45,291	-	166,641
CAPITAL ASSISTANCE	80 % - 20 %	FY2006	CMAQ	20.507	MI-90-0515	2002-0088 Z36	380,000	380,000	380,000	-	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2007	SECTION 5307	20.507	MI-90-0540	2007-0294 Z4	13,530,712	71,691	71,691	-	392,758
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2007	SECTION 5307	20.507	MI-90-0541	2007-0294 Z3	295,603	174,514	174,514	-	121,089
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2008	SECTION 5307	20.507	MI-90-0566	2007-0294 Z16	320,760	-	-	-	320,760
CAPITAL ASSISTANCE	80 % - 20 %	FY2008	SECTION 5307	20.507	MI-90-0570	2007-0294 Z15	14,788,735	3,921	3,921	-	506,254
CAPITAL ASSISTANCE ARRA	100%	2009	SECTION 5307	20.507	MI-96-0007	N/A	20,530,726	-	-	-	20,530,726
CAPITAL ASSISTANCE ARRA LETC	100%	2009	SECTION 5307	20.507	MI-96-0008	N/A	903,695	-	-	-	903,695
CAPITAL ASSISTANCE	80 % - 20 %	2009	SECTION 5307	20.507	MI-90-0591	PENDING	15,476,782	6,838,125	6,838,125	-	8,638,657
CAPITAL ASSISTANCE	80 % - 20 %	2009	SECTION 5307	20.507	MI-90-0592	PENDING	411,196	-	-	-	411,196
							148,253,708	8,086,566	8,086,566	-	32,866,482

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Schedule of Financial Assistance For the Year Ended June 30, 2009 Schedule 2 (Continued)

FEDERAL GRANTOR/PASS THRU GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	PROGRAM OR AWARD AMOUNT	DISBURSEMENTS/ EXPENDITURES	FEDERAL RECEIPTS/ REVENUE	STATE RECEIPTS/ REVENUE	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	-	-	-	10,288
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	N/A	95-2164	9,375,000	89,994	-	89,994	319
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	-	-	-	14
CAPITAL ASSISTANCE	80 % - 20 %	FY2000	SECTION 5307	N/A	MI-90-0336	2000-0751	3,219,275	-	-	-	-
CAPITAL ASSISTANCE	100 % STATE	FY2001	SECTION 5310	N/A	N/A	2001-0862	526,736	-	-	-	157
CAPITAL ASSISTANCE	100 % STATE	FY2002	SECTION 5310	N/A	N/A	2002-0595	904,845	-	-	-	-
CAPITAL ASSISTANCE	100 % STATE	FY2004	SECTION 5310	20.513	MI-16-0029	2004-0462	809,940	65,886	52,709	13,177	9,034
CAPITAL ASSISTANCE	100 % STATE	FY2005	SECTION 5310	20.513	MI-16-0030	2005-0441	621,099	250,434	200,347	50,087	-
CAPITAL ASSISTANCE	100 % STATE	FY2005	SECTION 5310	20.513	MI-16-0030	2006-0548	162,417	133,125	106,500	26,625	637
CAPITAL ASSISTANCE	100 % STATE	FY2006	SECTION 5310	20.513	MI-16-0031	2006-0581	1,291,125	1,039,519	831,615	207,904	194,296
CAPITAL ASSISTANCE	80 % - 20 %	FY2001	SECTION 5309	N/A	MI-03-0175	2002-0088 Z3	1,021,262	46,157	-	46,157	60
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	25,649	-	25,649	2,709
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	13,106	-	13,106	531,593
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	14,272	-	14,272	-
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2004	SECTION 5307	N/A	MI-90-0441	2002-0088 Z18	67,115	3,242	-	3,242	-
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	-	-	-	799,836
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	25,757	-	25,757	22,050
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2004	STP	N/A	MI-90-0450	2002-0088 Z26	16,375	-	-	-	-

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Schedule of Financial Assistance For the Year Ended June 30, 2009 Schedule 2 (Continued)

FEDERAL GRANTOR/PASS THRU GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	PROGRAM OR AWARD AMOUNT	DISBURSEMENTS/ EXPENDITURES	FEDERAL RECEIPTS/ REVENUE	STATE RECEIPTS/ REVENUE	AMOUNT REMAINING
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	6,802	-	6,802	11,836
CAPITAL ASSISTANCE	80 % - 20 %	FY2005	CMAQ	N/A	MI-90-0456	2002-0088 Z29	156,000	-	-	-	29,990
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2005	SECTION 5307	N/A	MI-90-0462	2002-0088 Z32	45,925	10,079	-	10,079	281
CAPITAL ASSISTANCE	80 % - 20 %	FY2005	SECTION 5307	N/A	MI-90-0465	2002-0088 Z33	608,051	38,742	-	38,742	39,313
CAPITAL ASSISTANCE	80 % - 20 %	FY2006	CMAQ	N/A	MI-90-0515	2002-0088 Z36	95,000	95,000	-	95,000	-
CAPITAL ASSISTANCE	80 % - 20 %	FY2006	SECTION 5309	N/A	MI-04-0013	2002-0088 Z37	1,023,510	468,482	-	468,482	335,913
CAPITAL ASSISTANCE LETC	80 % - 20 %	FY2006	SECTION 5307	N/A	MI-90-0489	2002-0088 Z38	30,000	5,081	-	5,081	24,919
CAPITAL ASSISTANCE	80 % - 20 %	FY2006	SECTION 5307	N/A	MI-90-0488	2002-0088 Z39	67,932	925	-	925	52,075
CAPITAL ASSISTANCE	80 % - 20 %	FY2007	SECTION 5307	N/A	MI-90-0541	2007-0294 Z3	12,000	-	-	-	12,000
CAPITAL ASSISTANCE	80 % - 20 %	FY2007	SECTION 5307	N/A	MI-90-0540	2007-0294 Z4	64,482	14,826	-	14,826	49,656
CAPITAL ASSISTANCE	100 % STATE	FY2007	SECTION 5310	20.513	MI-16-X001	2007-0294 Z6	501,448	429,792	343,834	85,958	71,656
CAPITAL ASSISTANCE	80 % - 20 %	FY2007	SECTION 5309	N/A	MI-04-0025	2007-0294 Z7	437,500	-	-	-	437,500
CAPITAL ASSISTANCE	80 % - 20 %	FY2008	SECTION 5307	N/A	MI-90-0570	2007-0294 Z15	50,425	-	-	-	50,425
CAPITAL ASSISTANCE	80 % - 20 %	FY2008	SECTION 5307	N/A	MI-90-0566	2007-0294 Z16	60,873	-	-	-	60,873
CAPITAL ASSISTANCE	100 % STATE	FY2008	SECTION 5310	20.513	MI-16-X002	2007-0294 Z17	784,380	-	-	-	784,380
CAPITAL ASSISTANCE NOTA JARC	80 % - 20 %	FY2009		20.516	MI-37-X031	2007-0294 Z18	35,000	-	-	-	35,000
CAPITAL ASSISTANCE TRANSIT SECURITY COMBINED STATE CONTRACTS	100 % STATE	FY2006		N/A	N/A	2006 TSGP	297,672	-	-	-	-
							48,737,594	2,776,870	1,535,005	1,241,865	3,607,750
TOTAL CAPITAL ASSISTANCE							230,043,341	13,410,282	12,168,417	1,241,865	51,925,410

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Schedule of Financial Assistance For the Year Ended June 30, 2009 Schedule 2 (Continued)

FEDERAL GRANTOR/PASS THRU GRANTOR/PROGRAM TITLE	FEDERAL			FEDERAL	FEDERAL	STATE	PROGRAM	DISBURSEMENTS/ EXPENDITURES	FEDERAL	STATE	AMOUNT REMAINING
	STATE SHARE	FISCAL YEAR	FUNDING SOURCE	CFDA NUMBER	GRANTOR NUMBER	GRANTOR NUMBER	OR AWARD AMOUNT		RECEIPTS/ REVENUE	RECEIPTS/ REVENUE	
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			SECTION 5307	20.507	MI-90-4592	N/A	411,198	411,198	411,198	-	-
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	130,094	130,094	-	-
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	66,392	66,392	-	250,181
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	4,107,204	4,107,204	-	-
TOTAL							21,850,540	4,714,888	4,714,888	-	250,181

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Schedule of Financial Assistance For the Year Ended June 30, 2009 Schedule 2 (Continued)

FEDERAL GRANTOR/PASS THRU GRANTOR/PROGRAM TITLE	FEDERAL STATE SHARE	FISCAL YEAR	FUNDING SOURCE	FEDERAL CFDA NUMBER	FEDERAL GRANTOR NUMBER	STATE GRANTOR NUMBER	PROGRAM OR AWARD AMOUNT	DISBURSEMENTS/ EXPENDITURES	FEDERAL RECEIPTS/ REVENUE	STATE RECEIPTS/ REVENUE	AMOUNT REMAINING
ACCESS TO JOBS (FEDRAL SHARE)											
FY2006 SECTION 5316 JARC CAPITAL RICHMOND LE	80 % - 20 %	FY2006	SECTION 5316	20.516	MI-37-X033	2007-0294 Z21	107,200	-	-	-	107,200
FY2006 SECTION 5316 JARC OPERATING RICHMOND	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	-	-	-	132,323
FY2006 SECTION 5316 JARC OPERATING SMART	50 % - 50 %	FY2006	SECTION 5316	20.516	MI-37-X033	2007-0294 Z21	292,024	-	-	-	292,024
							589,713	-	-	-	589,713
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	-	-	-	26,800
FY2006 SECTION 5316 JARC OPERATING RICHMOND	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	-	-	-	132,323
FY2006 SECTION 5316 JARC OPERATING SMART	50 % - 50 %	FY2006	SECTION 5316	20.516	MI-37-X033	2007-0294 Z21	292,024	-	-	-	292,024
							509,313	-	-	-	509,313
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	65,089	32,545	32,544	-
NOTA ACCESS TO JOBS CAPITAL	100 % STATE	FY2008		20.516	MI-37-X031	2007-0294 Z18	125,000	125,000	100,000	25,000	-
NOTA ACCESS TO JOBS OPERATING	100 % STATE	FY2008		20.516	MI-37-X031	2007-0294 Z18	327,090	245,316	122,658	122,658	81,774
							749,444	435,405	255,203	180,202	81,774
100% STATE NEW FREEDOM NOTA											
NOTA NEW FREEDOM CAPITAL	100 % STATE	FY 08 & 09		20.521		2007-0294 Z14	57,500	-	-	-	57,500
NOTA NEW FREEDOM OPERATING	100 % STATE	FY 08 & 09		20.521		2007-0294 Z14	48,642	36,482	36,482	-	12,160
							106,142	36,482	36,482	-	69,660
PASSED THROUGH MDOT											
OPERATING ASSIST. - SEC.5311		FY2008	SECTION 5311	20.509	MI-18-X042	2007-0294 Z10	163,646	34,882	34,882	-	-
OPERATING ASSIST. - SEC.5311		FY2009	SECTION 5311	20.509	MI-18-X042	2007-0294 Z22	178,488	133,866	133,866	-	-
TOTAL							342,134	168,748	168,748	-	-
SUB TOTAL							24,147,286	5,355,523	5,175,321	180,202	1,500,641

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Schedule of Financial Assistance For the Year Ended June 30, 2009 Schedule 2 (Continued)

FEDERAL GRANTOR/PASS THRU GRANTOR/PROGRAM TITLE	FEDERAL			FEDERAL	FEDERAL	STATE	PROGRAM	DISBURSEMENTS/ EXPENDENTURES	FEDERAL	STATE	AMOUNT REMAINING
	STATE SHARE	FISCAL YEAR	FUNDING SOURCE	CFDA NUMBER	GRANTOR NUMBER	GRANTOR NUMBER	OR AWARD AMOUNT		RECEIPTS/ REVENUE	RECEIPTS/ REVENUE	
MICHIGAN DEPARTMENT OF TRANSPORTATION											
OPERATING ASSISTANCE - ACT 51 SMART URBAN				N/A		9/30/2006	-	268,869	-	268,869	-
OPERATING ASSISTANCE - ACT 51 SMART URBAN				N/A		9/30/2008	-	7,130,665	-	7,130,665	-
OPERATING ASSISTANCE - ACT 51 SMART URBAN				N/A		9/30/2009	-	21,730,221	-	21,730,221	-
MUNICIPAL CREDIT SPECIAL APPROPRIATION				N/A		9/30/2009	-	1,529,480	-	1,529,480	-
OPERATING ASSISTANCE - ACT 51 BEDFORD URBAN				N/A		9/30/2006	-	(526)	-	(526)	-
OPERATING ASSISTANCE - ACT 51 BEDFORD URBAN				N/A		9/30/2008	-	5,956	-	5,956	-
OPERATING ASSISTANCE - ACT 51 BEDFORD URBAN				N/A		9/30/2009	-	78,183	-	78,183	-
OPERATING ASSISTANCE - ACT 51 LETC COMBINED				N/A		9/30/2006	-	(11,407)	-	(11,407)	-
OPERATING ASSISTANCE - ACT 51 LETC COMBINED				N/A		9/30/2008	-	244,210	-	244,210	-
OPERATING ASSISTANCE - ACT 51 LETC COMBINED				N/A		9/30/2009	-	1,032,264	-	1,032,264	-
OPERATING ASSISTANCE - DODGE THE LODGE				N/A		2007-0294 Z5	83,804	-	-	-	-
OPERATING ASSISTANCE - FY07 SECTION 5304				N/A		2007-0294 Z8	300,000	-	-	-	267,655
OPERATING ASSISTANCE - 2007-TSGP TRAINING				N/A		2007-TSGP	72,753	-	-	-	65,765
OPERATING ASSISTANCE - GATEWAY PROJECT				20.205	IM 0782(075)	2007-0294 Z12	867,830	524,565	472,109	52,456	155,642
ROYAL OAK TWP NEW SERVICES				N/A		9/30/2006	48,641	(471)	-	(471)	-
ROYAL OAK TWP NEW SERVICES				N/A		9/30/2008	47,233	19,943	-	19,943	-
ROYAL OAK TWP NEW SERVICES				N/A		9/30/2009	-	37,035	-	37,035	-
SPECIALIZED SERVICES				N/A		2007-0294 Z9	787,819	196,950	-	196,950	-
SPECIALIZED SERVICES				N/A		2007-0294 Z20	787,819	590,861	-	590,861	196,958
TOTAL							2,995,899	33,376,798	472,109	32,904,689	686,020
TOTAL OPERATING ASSISTANCE							27,143,185	38,732,321	5,647,430	33,084,891	2,186,661
GRAND TOTAL - ALL ASSISTANCE							257,186,526	52,142,603	17,815,847	34,326,756	54,112,071

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Federal and State Operating Awards Only For the Year Ended June 30, 2009 Schedule 2A

	FISCAL YEAR	FUNDING SOURCE	07/01/08 09/30/08	10/01/08 06/30/09	Total
Michigan Department of Transportation					
Local Bus Operating (Act 51)					
Urban			\$ 7,083,870	\$ 20,583,108	\$ 27,666,978
Municipal Credits			382,363	1,147,113	1,529,476
Municipal Credits (Special Appropriation)			-	1,529,480	1,529,480
Prior Year			-	(66,699)	(66,699)
Total Act 51			<u>7,466,233</u>	<u>23,193,002</u>	<u>30,659,235</u>
Federal Transit Administration					
Section 5307	FY2009	MI-90-0591	4,051,725	2,785,874	6,837,599
Section 5309			-	-	-
Total Preventive Maintenance			<u>4,051,725</u>	<u>2,785,874</u>	<u>6,837,599</u>
CMAQ	FY2009	MI-95-0038	879,051	3,228,153	4,107,204
Total Federal			<u>4,930,776</u>	<u>6,014,027</u>	<u>10,944,803</u>
Total			<u>\$ 12,397,009</u>	<u>\$ 29,207,029</u>	<u>\$ 41,604,038</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Federal and State Operating Awards Only For the Year Ended September 30, 2008 Schedule 2B

	FISCAL YEAR	FUNDING SOURCE	10/01/07 06/30/08	07/01/08 09/30/08	Total
Michigan Department of Transportation					
Local Bus Operating (Act 51)					
Urban			\$ 21,251,601	\$ 7,083,870	\$ 28,335,471
Municipal Credits			1,147,113	382,363	1,529,476
Municipal Credits (Special Appropriation)			1,529,480	-	1,529,480
Prior Year			(250,432)	-	(250,432)
Total Act 51			<u>23,677,762</u>	<u>7,466,233</u>	<u>31,143,995</u>
Federal Transit Administration					
Section 5307	FY2006	MI-90-0488	343,949	-	343,949
Section 5307	FY2008	MI-90-0570	10,315,809	-	10,315,809
Section 5307	FY2009	MI-90-0591	-	4,051,725	4,051,725
Section 5309	FY2006	MI-04-0133	480,000	-	480,000
Total Preventive Maintenance			<u>11,139,758</u>	<u>4,051,725</u>	<u>15,191,483</u>
CMAQ	FY2008	MI-95-0017	2,637,153	-	2,637,153
CMAQ	FY2009	MI-95-0038	-	879,051	879,051
Total CMAQ			<u>2,637,153</u>	<u>879,051</u>	<u>3,516,204</u>
Total Federal			<u>13,776,911</u>	<u>4,930,776</u>	<u>18,707,687</u>
Total			<u>\$ 37,454,673</u>	<u>\$ 12,397,009</u>	<u>\$ 49,851,682</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating, Purchased of Service and Contract Expenses - Urban For the Period July 1, 2007- September 30, 2007 Schedule 3

OPERATING EXPENSES:	SMART		COMBINED	
	DIRECTLY OPERATED	COMMUNITY BASED	SMART URBAN TOTAL	ROYAL OAK TWP
Labor	\$ 10,647,666	\$ 672,500	\$ 11,320,166	\$ 21,200
Fringe Benefits	4,379,590	133,188	4,512,778	4,303
Post Retirement Benefits Funded	750,000	-	750,000	-
Post Retirement Benefits Unfunded	-	-	-	-
Pension	1,320,801	-	1,320,801	-
Audit Costs	45,818	15,275	61,093	
Services	1,148,943	44,945	1,193,888	3,290
Repairs and Miantenance	1,454,625	-	1,454,625	-
Materials and Supplies	2,633,220	116,377	2,749,597	3,799
Utilities	547,575	11,174	558,749	1,335
Casualty and Liab. Costs	1,563,570	95,057	1,658,627	428
Purchased Transportation	-	58,082	58,082	-
Pass-Thru that are Expensed				
Nankin Subsidy	68,250	-	68,250	-
Lake Erie	465,974	-	465,974	-
Muni.Cr. - Formula	382,363	-	382,363	-
Muni.Cr. - Line-Item	382,371	-	382,371	-
Comm.Cr.	844,812	-	844,812	-
Other State Subsidized Serv.	-	-	-	-
Specialized Services	196,953	-	196,953	-
Royal Oak Twp	12,449	-	12,449	-
Contra SMART Paid Expense	(76,378)	-	(76,378)	-
JARC NOTA	-	-	-	-
RTCC Revenue	16,050	-	16,050	-
CBS Bloomfield Hills/Township Richmond Lenox	-	-	-	-
Total Purchased Transportation	<u>2,292,844</u>	<u>58,082</u>	<u>2,350,926</u>	<u>-</u>
Miscellaneous	61,451	27,496	88,947	405
Interest	410,797	-	410,797	-
Leases and Rentals	-	4,860	4,860	-
Overruns	-	-	-	-
Gain or Loss on Retirement of Assets	-	-	-	-
Depreciation	1,599,876	3,000	1,602,876	-
Total Operating Expenses:	<u>\$ 28,856,776</u>	<u>\$ 1,181,954</u>	<u>\$ 30,038,730</u>	<u>\$ 34,760</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating, Purchased of Service and Contract Expenses - Urban For the Period July 1, 2007- September 30, 2007 Schedule 3 (Continued)

OPERATING EXPENSES:	SMART		COMBINED	
	<u>DIRECTLY</u> <u>OPERATED</u>	<u>COMMUNITY</u> <u>BASED</u>	<u>SMART</u> <u>URBAN</u> <u>TOTAL</u>	<u>ROYAL</u> <u>OAK TWP</u>
Pass-Thru that are Expensed				
Nankin Subsidy	\$ 68,250	\$ -	\$ 68,250	\$ -
Lake Erie	465,974	-	465,974	-
Muni.Cr. - Formula	61,746	406,621	468,367	-
Muni.Cr. - Line-Item	382,370	-	382,370	-
Comm.Cr.	90,309	85,463	175,772	-
Other State Subsidized Services				
Specialized Services	196,953	8,852	205,805	-
Royal Oak Twp	12,449	-	12,449	-
Rideshare	-	-	-	-
RTCC Revenue	16,050	-	16,050	-
JARC NOTA	-	-	-	-
CBS Bloomfield Hills/Township	-	-	-	-
Pass-Thru Ineligibles	<u>1,294,101</u>	<u>500,936</u>	<u>1,795,037</u>	<u>-</u>
Net Expenses Before Ineligibles	27,562,675	681,018	28,243,693	34,760
Federal Planning Grants				
FY2008	72,929	-	72,929	-
FY2009	-	-	-	-
Federal Preventive Maintenance Section 5307				
MI-90-0591	-	-	-	-
Federal Preventive Maintenance Section 5309				
MI-04-0133	-	-	-	-
Federal Preventive Maintenance Section 5309 FY06				
MI-90-0570	3,962,751	-	3,962,751	-
Federal Preventive Maintenance Section 5307 FY08				
MI-90-0488	-	-	-	-
Federal Preventive Maintenance Section 5307 FY06				
2007-0294 Z5	1,978	-	1,978	-
State Grant (Dodge the Lodge)				
2007-0294 Z12	-	-	-	-
State Grant (Gateway Project)				
2007-0294 Z8	-	-	-	-
State Grant (Transit User Study)				
2007 TS GP	-	-	-	-
State Grant (Michigan State Police Security)				
MI-95-0038	-	-	-	-
CMAQ (80% Ineligible)				
MI-95-0017	879,051	-	879,051	-
CMAQ (80% Ineligible)				
MI-37-X033	-	-	-	-
Federal SMART JARC				
2007-0294 Z10	-	-	-	-
State SMART JARC				
2007-0294 Z10	-	-	-	-
Garnishments, Trolley, Adv.,Etc.	-	-	-	-
Depreciation	-	-	-	-
MPTA Dues (6.99% INELIG.)	-	-	-	-
CTAA Dues (1.66% INELIG.)	-	-	-	-
APTA Dues (X.XX% INELIG.)	-	-	-	-
Post Retirement Benefits Unfunded	-	-	-	-
Grant Overruns	-	-	-	-
Gain or Loss Sale of Assets	-	-	-	-
Total Ineligible Cost	<u>4,916,709</u>	<u>-</u>	<u>4,916,709</u>	<u>-</u>
Total Eligible Expenses:	\$ 22,645,966	\$ 681,018	\$ 23,326,984	\$ 34,760

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating, Purchased of Service and Contract Expenses - Urban For the Year Ended June 30, 2008 Schedule 3 (Continued)

OPERATING EXPENSES:	SMART		COMBINED	
	DIRECTLY OPERATED	COMMUNITY BASED	SMART URBAN TOTAL	ROYAL OAK TWP
Labor	\$ 43,244,761	\$ 2,049,080	\$ 45,293,841	\$ 90,896
Fringe Benefits	18,088,510	343,451	18,431,961	19,598
Post Retirement Benefits Funded	3,000,000	-	3,000,000	-
Post Retirement Benefits Unfunded	1,867,955	-	1,867,955	-
Pension	5,100,110	-	5,100,110	-
Audit Costs	158,528	16,575	175,103	-
Services	5,578,469	147,743	5,726,212	15,925
Repairs and Miantenance	5,682,145	-	5,682,145	-
Materials and Supplies	12,269,816	463,057	12,732,873	27,799
Utilities	2,456,657	68,169	2,524,826	10,044
Casualty and Liab. Costs	3,414,200	215,148	3,629,348	7,518
Purchased Transportation	-	174,727	174,727	-
Pass-Thru that are Expensed				
Nankin Subsidy	273,000	-	273,000	-
Lake Erie	1,853,698	-	1,853,698	-
Muni.Cr. - Formula	1,529,476	-	1,529,476	-
Muni.Cr. - Line-Item	1,529,480	-	1,529,480	-
Comm.Cr.	3,359,247	-	3,359,247	-
Other State Subsidized Serv.	-	-	-	-
Specialized Services	787,821	-	787,821	-
Royal Oak Twp	51,191	-	51,191	-
Contra SMART Paid Expense	(337,670)	-	(337,670)	-
JARC NOTA	232,265	-	232,265	-
RTCC Revenue	16,411	-	16,411	-
CBS Bloomfield Hills/Township Richmond Lenox	103,003	-	103,003	-
Total Purchased Transportation	<u>9,397,922</u>	<u>174,727</u>	<u>9,572,649</u>	<u>-</u>
Miscellaneous	289,182	77,874	367,056	2,775
Interest	1,876,803	526	1,877,329	-
Leases and Rentals		25,802	25,802	-
Overruns	3,069		3,069	-
Gain or Loss on Retirement of Assets	196,604	-	196,604	-
Depreciation	12,651,478	25,830	12,677,308	-
Total Operating Expenses:	\$ 125,276,209	\$ 3,607,982	\$ 128,884,191	\$ 174,555

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating, Purchased of Service and Contract Expenses - Urban Year Ended June 30, 2008 Schedule 3 (Continued)

OPERATING EXPENSES:	SMART		COMBINED	
	<u>DIRECTLY</u> <u>OPERATED</u>	<u>COMMUNITY</u> <u>BASED</u>	<u>SMART</u> <u>URBAN</u> <u>TOTAL</u>	<u>ROYAL</u> <u>OAK TWP</u>
Less Ineligible Expenses				
Pass-Thru that are Expensed				
Nankin Subsidy	\$ 273,000	\$ -	\$ 273,000	\$ -
Lake Erie	1,853,698	-	1,853,698	-
Muni.Cr. - Formula	246,978	917,749	1,164,727	-
Muni.Cr. - Line-Item	1,529,480	-	1,529,480	-
Comm.Cr.	341,233	1,466,787	1,808,020	-
Other State Subsidized Services				-
Specialized Services	787,821	69,910	857,731	-
Royal Oak Twp	51,191	-	51,191	-
Rideshare		-		-
RTCC Revenue	16,411	-	16,411	-
JARC NOTA	232,265	-	232,265	-
CBS Bloomfield Hills/Township Richmond Lenox	-	-	-	-
Pass-Thru Ineligibles	<u>\$ 5,332,077</u>	<u>\$ 2,454,446</u>	<u>\$ 7,786,523</u>	<u>\$ -</u>
Net Expenses Before Ineligibles	119,944,132	1,153,536	121,097,668	174,555
Federal Planning Grants				
FY2008	305,490	-	305,490	-
FY2009	-	-	-	-
Federal Preventive Maintenance Section 5307				
MI-90-0591	-	-	-	-
Federal Preventive Maintenance Section 5309				
-	-	-	-	-
Federal Preventive Maintenance Section 5309 FY06				
MI-04-0133	480,000	-	480,000	-
Federal Preventive Maintenance Section 5307 FY08				
MI-90-0570	14,278,560	-	14,278,560	-
Federal Preventive Maintenance Section 5307 FY06				
MI-90-0488	343,949	-	343,949	-
State Grant (Dodge the Lodge)				
2007-0294 Z5	1,978	-	1,978	-
State Grant (Gateway Project)				
2007-0294 Z12	187,623	-	187,623	-
State Grant (Transit User Study)				
2007-0294 Z8	32,345	-	32,345	-
State Grant (Michigan State Police Security)				
2007 TSGP	6,988	-	6,988	-
CMAQ (80% Ineligible)				
MI-95-0038	-	-	-	-
CMAQ (80% Ineligible)				
MI-95-0017	3,516,204	-	3,516,204	-
Federal SMART JARC				
MI-37-X033	24,910	-	24,910	-
State SMART JARC				
2007-0294 Z10	24,910	-	24,910	-
Garnishments, Trolley, Adv.,Etc.				
-	15,390	-	15,390	-
Depreciation				
-	6,338,470	-	6,338,470	-
MPTA Dues (6.99% INELIG.)				
-	2,098	-	2,098	-
CTAA Dues (1.66% INELIG.)				
-	133	-	133	-
APTA Dues (X.XX% INELIG.)				
-	-	-	-	-
Post Retirement Benefits Unfunded				
-	1,867,955	-	1,867,955	-
Grant Overruns				
-	3,069	-	3,069	-
Gain or Loss Sale of Assets				
-	196,604	-	196,604	-
Total Ineligible Cost	<u>27,626,676</u>	<u>-</u>	<u>27,626,676</u>	<u>-</u>
Total Eligible Expenses:	<u>\$ 92,317,456</u>	<u>\$ 1,153,536</u>	<u>\$ 93,470,992</u>	<u>\$ 174,555</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating, Purchased of Service and Contract Expenses - Urban For the Period July 1, 2008 - September 30, 2008 Schedule 3 (Continued)

OPERATING EXPENSES:	SMART	COMMUNITY	COMBINED	ROYAL
	DIRECTLY <u>OPERATED</u>		SMART URBAN <u>TOTAL</u>	
Labor	\$ 10,532,175	\$ 1,129,671	\$ 11,661,846	\$ 18,330
Fringe Benefits	4,442,879	147,268	4,590,147	4,526
Post Retirement Benefits Funded	624,999	-	624,999	-
Post Retirement Benefits Unfunded	-	-	-	-
Pension	1,361,243	-	1,361,243	-
Audit Costs	52,119	5,925	58,044	-
Services	1,150,458	56,359	1,206,817	3,216
Repairs and Miantenance	1,576,032	-	1,576,032	-
Materials and Supplies	3,753,826	274,472	4,028,298	5,613
Utilities	410,469	28,635	439,104	2,106
Casualty and Liab. Costs	1,440,759	94,279	1,535,038	1,697
Purchased Transportation	-	180,537	180,537	-
Pass-Thru that are Expensed				
Nankin Subsidy	68,250	-	68,250	-
Lake Erie	468,939	-	468,939	-
Muni.Cr. - Formula	382,363	-	382,363	-
Muni.Cr. - Line-Item	382,371	-	382,371	-
Comm.Cr.	885,023	-	885,023	-
Other State Subsidized Serv.	-	-	-	-
Specialized Services	196,951	-	196,951	-
Royal Oak Twp	11,809	-	11,809	-
Contra SMART Paid Expense	(86,680)	-	(86,680)	-
JARC NOTA	65,089	-	65,089	-
RTCC Revenue	-	-	-	-
CBS Bloomfield Hills/Township Richmond Lenox	53,777	-	53,777	-
Total Purchased Transportation	<u>2,427,892</u>	<u>180,537</u>	<u>2,608,429</u>	<u>-</u>
Miscellaneous	72,377	27,458	99,835	485
Interest	424,767	-	424,767	-
Leases and Rentals	-	14,124	14,124	-
Overruns	-	-	-	-
Gain or Loss on Retirement of Assets	-	-	-	-
Depreciation	1,652,349	9,815	1,662,164	-
Total Operating Expenses:	\$ 29,922,344	\$ 1,968,543	\$ 31,890,887	\$ 35,973

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating, Purchased of Service and Contract Expenses - Urban For the Period July 1, 2008 - September 30, 2008 Schedule 3 (Continued)

OPERATING EXPENSES:	SMART DIRECTLY OPERATED	COMMUNITY BASED	COMBINED SMART URBAN TOTAL	ROYAL OAK TWP
Less Ineligible Expenses				
Pass-Thru that are Expensed				
Nankin Subsidy	\$ 68,250	\$ -	\$ 68,250	\$ -
Lake Erie	468,939	-	468,939	-
Muni.Cr. - Formula	58,402	927,203	985,605	-
Muni.Cr. - Line-Item	382,370	-	382,370	-
Comm.Cr.	90,309	423,393	513,702	-
Other State Subsidized Services			-	-
Specialized Services	196,951	7,986	204,937	-
Royal Oak Twp	11,829	-	11,829	-
Rideshare	-	-	-	-
RTCC Revenue	-	-	-	-
JARC NEW FREEDOM NOTA	65,089	-	65,089	-
CBS Bloomfield Hills/Township Richmond Lenox	-	-	-	-
Pass-Thru Ineligibles	<u>1,342,139</u>	<u>1,358,582</u>	<u>2,700,721</u>	<u>-</u>
Net Expenses Before Ineligibles	28,580,205	609,961	29,190,166	35,973
Federal Planning Grants				
FY2008	-	-	-	-
FY2009	89,403	-	89,403	-
Federal Preventive Maintenance Section 5307 FY09	4,051,725	-	4,051,725	-
Federal Preventive Maintenance Section 5309	-	-	-	-
Federal Preventive Maintenance Section 5309 FY06	-	-	-	-
Federal Preventive Maintenance Section 5307 FY08	-	-	-	-
Federal Preventive Maintenance Section 5307 FY06	-	-	-	-
State Grant (Dodge the Lodge)	-	-	-	-
State Grant (Gateway Project)	130,902	-	130,902	-
State Grant (Transit User Study)	-	-	-	-
State Grant (Michigan State Police Security)	-	-	-	-
CMAQ (80% Ineligible) FY09	879,051	-	879,051	-
CMAQ (80% Ineligible) FY08	-	-	-	-
Federal SMART JARC	(24,910)	-	(24,910)	-
State SMART JARC	(24,910)	-	(24,910)	-
Garnishments, Trolley, Adv.,Etc.	-	-	-	-
Depreciation	-	-	-	-
MPTA Dues (6.99% INELIG.)	-	-	-	-
CTAA Dues (1.66% INELIG.)	-	-	-	-
APTA Dues (X.XX% INELIG.)	-	-	-	-
Post Retirement Benefits Unfunded	-	-	-	-
Grant Overruns	-	-	-	-
Gain or Loss Sale of Assets	-	-	-	-
Total Ineligible Cost	<u>5,101,261</u>	<u>-</u>	<u>5,101,261</u>	<u>-</u>
Total Eligible Expenses:	<u>\$ 23,478,944</u>	<u>\$ 609,961</u>	<u>\$ 24,088,905</u>	<u>\$ 35,973</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating, Purchased of Service and Contract Expenses - Urban For the Period October 1, 2007 - September 30, 2008 Schedule 3 (Continued)

	SMART		COMBINED	
	DIRECTLY <u>OPERATED</u>	COMMUNITY <u>BASED</u>	SMART URBAN <u>TOTAL</u>	ROYAL OAK TWP <u></u>
OPERATING EXPENSES:				
Labor	\$ 43,129,270	\$ 2,506,251	\$ 45,635,521	\$ 88,026
Fringe Benefits	18,151,799	357,531	18,509,330	19,821
Post Retirement Benefits Funded	2,874,999	-	2,874,999	-
Post Retirement Benefits Unfunded	1,867,955	-	1,867,955	-
Pension	5,140,552	-	5,140,552	-
Audit Costs	164,829	7,225	172,054	-
Services	5,579,984	159,157	5,739,141	15,851
Repairs and Miantenance	5,803,552	-	5,803,552	-
Materials and Supplies	13,390,422	621,152	14,011,574	29,613
Utilities	2,319,551	85,630	2,405,181	10,815
Casualty and Liab. Costs	3,291,389	214,370	3,505,759	8,787
Purchased Transportation	-	297,182	297,182	-
Pass-Thru that are Expensed				
Nankin Subsidy	273,000	-	273,000	-
Lake Erie	1,856,663	-	1,856,663	-
Muni.Cr. - Formula	1,529,476	-	1,529,476	-
Muni.Cr. - Line-Item	1,529,480	-	1,529,480	-
Comm.Cr.	3,399,458	-	3,399,458	-
Other State Subsidized Serv.	-	-	-	-
Specialized Services	787,819	-	787,819	-
Royal Oak Twp	50,551	-	50,551	-
Contra SMART Paid Expense	(347,972)	-	(347,972)	-
JARC NOTA	297,354	-	297,354	-
RTCC Revenue	361	-	361	-
CBS Bloomfield Hills/Township Richmond Lenox	156,780	-	156,780	-
Total Purchased Transportation	<u>9,532,970</u>	<u>297,182</u>	<u>9,830,152</u>	<u>-</u>
Miscellaneous	300,108	77,836	377,944	2,855
Interest	1,890,773	526	1,891,299	-
Leases and Rentals	-	35,066	35,066	-
Overruns	3,069	-	3,069	-
Gain or Loss on Retirement of Assets	196,604	-	196,604	-
Depreciation	12,703,951	32,645	12,736,596	-
Total Operating Expenses:	<u>\$ 126,341,777</u>	<u>\$ 4,394,571</u>	<u>\$ 130,736,348</u>	<u>\$ 175,768</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating, Purchased of Service and Contract Expenses - Urban For the Period October 1, 2007- September 30, 2008 Schedule 3 (Continued)

	SMART		COMBINED	
	DIRECTLY OPERATED	COMMUNITY BASED	SMART URBAN TOTAL	ROYAL OAK TWP
OPERATING EXPENSES:				
Less Ineligible Expenses				
Pass-Thru that are Expensed				
Nankin Subsidy	\$ 273,000	\$ -	\$ 273,000	\$ -
Lake Erie	1,856,663	-	1,856,663	-
Muni.Cr. - Formula	243,634	1,438,331	1,681,965	-
Muni.Cr. - Line-Item	1,529,480	-	1,529,480	-
Comm.Cr.	341,233	1,804,717	2,145,950	-
Other State Subsidized Services	-	-	-	-
Specialized Services	787,819	69,044	856,863	-
Royal Oak Twp	50,571	-	50,571	-
Contra SMART Paid Expense	-	-	-	-
RTCC Revenue	361	-	361	-
JARC NOTA	297,354	-	297,354	-
CBS Bloomfield Hills/Township Richmond Lenox	-	-	-	-
Pass-Thru Ineligibles	<u>5,380,115</u>	<u>3,312,092</u>	<u>8,692,207</u>	-
Net Expenses Before Ineligibles	120,961,662	1,082,479	122,044,141	175,768
Federal Planning Grants				
FY2008	232,561	-	232,561	-
FY2009	89,403	-	89,403	-
Federal Preventive Maintenance Section 5307 FY09	MI-90-0591 4,051,725	-	4,051,725	-
Federal Preventive Maintenance Section 5309	-	-	-	-
Federal Preventive Maintenance Section 5309 FY06	MI-04-0133 480,000	-	480,000	-
Federal Preventive Maintenance Section 5307 FY08	MI-90-0570 10,315,809	-	10,315,809	-
Federal Preventive Maintenance Section 5307 FY06	MI-90-0488 343,949	-	343,949	-
State Grant (Dodge the Lodge)	2007-0294 Z5 -	-	-	-
State Grant (Gateway Project)	2007-0294 Z12 318,525	-	318,525	-
State Grant (Transit User Study)	2007-0294 Z8 32,345	-	32,345	-
State Grant (Michigan State Police Security)	2007 TSGP 6,988	-	6,988	-
CMAQ (80% Ineligible) FY09	MI-95-0038 879,051	-	879,051	-
CMAQ (80% Ineligible) FY08	MI-95-0017 2,637,153	-	2,637,153	-
Federal SMART JARC	MI-37-X033 -	-	-	-
State SMART JARC	2007-0294 Z10 -	-	-	-
Garnishments, Trolley, Adv., Etc.	15,390	-	15,390	-
Depreciation	6,338,470	-	6,338,470	-
MPTA Dues (6.99% INELIG.)	2,098	-	2,098	-
CTAA Dues (1.66% INELIG.)	133	-	133	-
APTA Dues (X.XX% INELIG.)	-	-	-	-
Post Retirement Benefits Unfunded	1,867,955	-	1,867,955	-
Grant Overruns	3,069	-	3,069	-
Gain or Loss Sale of Assets	196,604	-	196,604	-
Total Ineligible Cost	<u>27,811,228</u>	-	<u>27,811,228</u>	-
Total Eligible Expenses:	\$ 93,150,434	\$ 1,082,479	\$ 94,232,913	\$ 175,768

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating, Purchased of Service and Contract Expenses - Urban For the Year Ended June 30, 2009 Schedule 3 (Continued)

OPERATING EXPENSES:	SMART		COMBINED	
	DIRECTLY OPERATED	COMMUNITY BASED	SMART URBAN TOTAL	ROYAL OAK TWP
Labor	\$ 42,265,833	\$ 3,381,844	\$ 45,647,677	\$ 79,145
Fringe Benefits	17,739,641	494,363	18,234,004	21,343
Post Retirement Benefits Funded	2,500,000	-	2,500,000	-
Post Retirement Benefits Unfunded	2,267,504	-	2,267,504	-
Pension	5,358,623	-	5,358,623	-
Audit Costs	142,645	15,418	158,063	-
Services	3,463,592	178,894	3,642,486	13,459
Repairs and Miantenance	5,419,772	-	5,419,772	-
Materials and Supplies	9,976,886	705,861	10,682,747	21,552
Utilities	2,194,221	145,568	2,339,789	10,540
Casualty and Liab. Costs	1,581,441	222,370	1,803,811	8,898
Purchased Transportation	-	517,700	517,700	-
Pass-Thru that are Expensed				
Nankin Subsidy	273,000	-	273,000	-
Lake Erie	2,113,122	-	2,113,122	-
Muni.Cr. - Formula	1,529,476	-	1,529,476	-
Muni.Cr. - Line-Item	1,529,480	-	1,529,480	-
Comm.Cr.	3,540,068	-	3,540,068	-
Other State Subsidized Serv.				
Specialized Services	787,811	-	787,811	-
Royal Oak Twp	56,507	-	56,507	-
Contra SMART Paid Expense	(359,752)	-	(359,752)	-
JARC NOTA/New Freedom	346,887	-	346,887	-
RTCC Revenue	-	-	-	-
CBS Bloomfield Hills/Township Richmond Lenox	148,838	-	148,838	-
Total Purchased Transportation	<u>9,965,437</u>	<u>517,700</u>	<u>10,483,137</u>	<u>-</u>
Miscellaneous	410,132	92,190	502,322	1,637
Interest	1,718,344	-	1,718,344	-
Leases and Rentals	-	124,833	124,833	-
Overruns	(1,881)	-	(1,881)	-
Gain or Loss on Retirement of Assets	29,704	-	29,704	-
Depreciation	12,072,882	41,060	12,113,942	-
Total Operating Expenses *	<u>\$ 117,104,776</u>	<u>\$ 5,920,101</u>	<u>\$ 123,024,877</u>	<u>\$ 156,574</u>

*Statements of Revenues, Expenses, and Changes in Net Assets of SMART's Financial Statements includes internal transfers related to retiree health care of \$3,000,000 that are not included as operating expenses above

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating, Purchased of Service and Contract Expenses - Urban For the Year Ended June 30, 2009 Schedule 3 (Continued)

OPERATING EXPENSES:	SMART DIRECTLY <u>OPERATED</u>	COMMUNITY <u>BASED</u>	COMBINED SMART URBAN <u>TOTAL</u>	ROYAL OAK TWP <u></u>
Less Ineligible Expenses				
Pass-Thru that are Expensed				
Nankin Subsidy	\$ 273,000	\$ -	\$ 273,000	\$ -
Lake Erie	2,113,122	-	2,113,122	-
Muni.Cr. - Formula	233,601	1,559,277	1,792,878	-
Muni.Cr. - Line-Item	1,529,480	-	1,529,480	-
Comm.Cr.	341,233	1,763,308	2,104,541	-
Other State Subsidized Services				
Specialized Services	787,811	41,584	829,395	-
Royal Oak Twp	56,507	-	56,507	-
Rideshare	-	-	-	-
RTCC Revenue	-	-	-	-
JARC NOTA/New Freedom	346,887	-	346,887	-
CBS Bloomfield Hills/Township Richmond Lenox	-	-	-	-
Pass-Thru Ineligibles	<u>\$ 5,681,641</u>	<u>\$ 3,364,169</u>	<u>\$ 9,045,810</u>	<u>\$ -</u>
Net Expenses Before Ineligibles	111,423,135	2,555,932	113,979,067	156,574
Federal Planning Grants				
FY2008	-	-	-	-
Federal Planning Grants				
FY2009	305,490	-	305,490	-
Federal Preventive Maintenance Section 5307 FY09	MI-90-0591	6,837,599	-	6,837,599
Federal Preventive Maintenance Section 5309		-	-	-
Federal Preventive Maintenance Section 5309 FY06	MI-04-0133	-	-	-
Federal Preventive Maintenance Section 5307 FY08	MI-90-0570	-	-	-
Federal Preventive Maintenance Section 5307 FY06	MI-90-0488	-	-	-
State Grant (Dodge the Lodge)	2007-0294 Z5	-	-	-
State Grant (Gateway Project)	2007-0294 Z12	524,565	-	524,565
State Grant (Transit User Study)	2007-0294 Z8	-	-	-
State Grant (Michigan State Police Security)	2007 TSGP	-	-	-
CMAQ (80% Ineligible) FY09	MI-95-0038	4,107,204	-	4,107,204
CMAQ (80% Ineligible) FY08	MI-95-0017	-	-	-
Federal SMART JARC	MI-37-X033	(24,910)	-	(24,910)
State SMART JARC	2007-0294 Z10	(24,910)	-	(24,910)
Garnishments, Trolley, Adv.,Etc.		29,445	-	29,445
Depreciation		6,067,127	-	6,067,127
MPTA Dues (7.10% INELIG.)		2,343	-	2,343
CTAA Dues (1.66% INELIG.)		199	-	199
APTA Dues (14.00% INELIG.)		5,250	-	5,250
Post Retirement Benefits Unfunded		2,267,504	-	2,267,504
Grant Overruns		(1,881)	-	(1,881)
Gain or Loss Sale of Assets		29,704	-	29,704
Total Ineligible Cost	<u>20,124,729</u>	<u>-</u>	<u>20,124,729</u>	<u>-</u>
Total Eligible Expenses:	<u>\$ 91,298,406</u>	<u>\$ 2,555,932</u>	<u>\$ 93,854,338</u>	<u>\$ 156,574</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Expenses By OAR For the Year Ended June 30, 2009 Schedule 3 (Continued)

	SMART <u>URBAN</u>	ROYAL <u>OAK TWP</u>
Operating Expenses:		
Labor	\$ 45,647,677	\$ 79,145
Fringe Benefits	18,234,004	21,343
Post Retirement Benefits Funded	2,500,000	-
Post Retirement Benefits Unfunded	2,267,504	-
Pension	5,358,623	-
Audit Costs	158,063	-
Services	3,642,486	13,459
Repairs and Miantenance	5,419,772	-
Materials and Supplies	10,682,747	21,552
Utilities	2,339,789	10,540
Casualty and Liab. Costs	1,803,811	8,898
Purchased Transportation	517,700	-
Pass-Thru that are Expensed		
Nankin Subsidy	273,000	-
Lake Erie	2,113,122	-
Muni.Cr. - Formula	1,529,476	-
Muni.Cr. - Line-Item	1,529,480	-
Comm.Cr.	3,540,068	-
Other State Subsidized Serv.		
Specialized Services	787,811	-
Royal Oak Twp	56,507	-
Contra SMART Paid Expense	(359,752)	-
JARC NOTA/New Freedom	346,887	-
RTCC Revenue	-	-
CBS Bloomfield Hills/Township Richmond Lenox	148,838	-
Total Purchased Transportation	<u>10,483,137</u>	<u>-</u>
Miscellaneous	502,322	1,637
Interest	1,718,344	-
Leases and Rentals	124,833	-
Overruns	(1,881)	-
Gain or Loss on Retirement of Assets	29,704	-
Depreciation	12,113,942	-
Total Operating Expenses:	<u>\$ 123,024,877</u>	<u>\$ 156,574</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Expenses By OAR For the Year Ended June 30, 2009 Schedule 3 (Continued)

	<u>SMART</u> <u>URBAN</u>	<u>ROYAL</u> <u>OAK TWP</u>
Operating Expenses:		
Pass-Thru that are Expensed		
Nankin Subsidy	\$ 273,000	\$ -
Lake Erie	2,113,122	-
Muni.Cr. - Formula	1,792,878	-
Muni.Cr. - Line-Item	1,529,480	-
Comm.Cr.	2,104,541	-
Other State Subsidized Services		
Specialized Services	829,395	-
Royal Oak Twp	56,507	-
Rideshare	-	-
RTCC Revenue	-	-
JARC NOTA/New Freedom	346,887	-
CBS Bloomfield Hills/Township Richmond Lenox	-	-
Pass-Thru Ineligibles	<u>\$ 9,045,810</u>	<u>\$ -</u>
Net Expenses Before Ineligibles	113,979,067	156,574
Federal Planning Grants		
FY2008	-	-
FY2009	305,490	-
Federal Preventive Maintenance Section 5307 FY09	MI-90-0591 6,837,599	-
Federal Preventive Maintenance Section 5309	-	-
Federal Preventive Maintenance Section 5309 FY06	MI-04-0133 -	-
Federal Preventive Maintenance Section 5307 FY08	MI-90-0570 -	-
Federal Preventive Maintenance Section 5307 FY06	MI-90-0488 -	-
State Grant (Dodge the Lodge)	2007-0294 Z5 -	-
State Grant (Gateway Project)	2007-0294 Z12 524,565	-
State Grant (Transit User Study)	2007-0294 Z8 -	-
State Grant (Michigan State Police Security)	2007 TSGP -	-
CMAQ (80% Ineligible) FY09	MI-95-0038 4,107,204	-
CMAQ (80% Ineligible) FY08	MI-95-0017 -	-
Federal SMART JARC	MI-37-X033 (24,910)	-
State SMART JARC	2007-0294 Z10 (24,910)	-
Garnishments, Trolley, Adv.,Etc.	29,445	-
Depreciation	6,067,127	-
MPTA Dues (7.10% INELIG.)	2,343	-
CTAA Dues (1.66% INELIG.)	199	-
APTA Dues (14.00% INELIG.)	5,250	-
Post Retirement Benefits Unfunded	2,267,504	-
Grant Overruns	(1,881)	-
Gain or Loss Sale of Assets	29,704	-
Total Ineligible Cost	<u>20,124,729</u>	<u>-</u>
Total Eligible Expenses:	<u>\$ 93,854,338</u>	<u>\$ 156,574</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Expenses By OAR - Net Duplicate Expenses For the Year Ended June 30, 2009 Schedule 3 (Continued)

	SMART <u>URBAN</u>	ROYAL <u>OAK TWP</u>
Operating Expenses:		
Labor	\$ 45,647,677	\$ 79,145
Fringe Benefits	18,234,004	21,343
Post Retirement Benefits Funded	2,500,000	-
Post Retirement Benefits Unfunded	2,267,504	-
Pension	5,358,623	-
Audit Costs	158,063	
Services	3,642,486	13,459
Repairs and Miantenance	5,419,772	-
Materials and Supplies	10,682,747	21,552
Utilities	2,339,789	10,540
Casualty and Liab. Costs	1,803,811	8,898
Purchased Transportation	517,700	-
Pass-Thru that are Expensed		
— Nankin Subsidy	273,000	-
— Lake Erie	2,113,122	-
Muni. Cr. - Formula	1,529,476	-
— Muni. Cr. - Line Item	1,529,480	-
Comm. Cr.	3,540,068	-
Other State Subsidized Serv.		
Specialized Services	787,811	-
— Royal Oak Twp	56,507	-
Contra SMART Paid Expense	(359,752)	-
— JARC NOTA New Freedom	346,887	-
RTCC Revenue	-	-
CBS Bloomfield Hills/Township Richmond Lenox	148,838	-
Total Purchased Transportation	10,483,137	-
Miscellaneous	502,322	1,637
Interest	1,718,344	-
Leases and Rentals	124,833	-
Overruns	(1,881)	-
Gain or Loss on Retirement of Assets	29,704	-
Depreciation	12,113,942	-
Total Operating Expenses:	\$ 123,024,877	\$ 156,574

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Expenses By OAR - Net Duplicate Expenses For the Year Ended June 30, 2009 Schedule 3 (Continued)

	<u>SMART</u> <u>URBAN</u>	<u>ROYAL</u> <u>OAK TWP</u>
Less Ineligible Expenses		
Pass-Thru that are Expensed		
— Nankin Subsidy	\$ 273,000	\$ -
— Lake Erie	2,113,122	-
Muni.Cr. - Formula	1,792,878	-
— Muni.Cr. - Line Item	1,529,480	-
Comm.Cr.	2,104,541	-
Other State Subsidized Services		
Specialized Services	829,395	-
— Royal Oak Twp	56,507	-
Rideshare	-	-
RTCC Revenue	-	-
— JARC NOTA/New Freedom	346,887	-
CBS Bloomfield Hills/Township Richmond Lenox	-	-
Pass-Thru Ineligibles	\$ 9,045,810	\$ -
Net Expenses Before Ineligibles	113,979,067	156,574
Federal Planning Grants		
FY2008	-	-
Federal Planning Grants		
FY2009	305,490	-
Federal Preventive Maintenance Section 5307 FY09	MI-90-0591	6,837,599
Federal Preventive Maintenance Section 5309		-
Federal Preventive Maintenance Section 5309 FY06	MI-04-0133	-
Federal Preventive Maintenance Section 5307 FY08	MI-90-0570	-
Federal Preventive Maintenance Section 5307 FY06	MI-90-0488	-
State Grant (Dodge the Lodge)	2007-0294 Z5	-
State Grant (Gateway Project)	2007-0294 Z12	524,565
State Grant (Transit User Study)	2007-0294 Z8	-
State Grant (Michigan State Police Security)	2007 TSGP	-
CMAQ (80% Ineligible) FY09	MI-95-0038	4,107,204
CMAQ (80% Ineligible) FY08	MI-95-0017	-
Federal SMART JARC	MI-37-X033	(24,910)
State SMART JARC	2007-0294 Z10	(24,910)
Garnishments, Trolley, Adv.,Etc.		29,445
Depreciation		6,067,127
MPTA Dues (7.10% INELIG.)		2,343
CTAA Dues (1.66% INELIG.)		199
APTA Dues (14.00% INELIG.)		5,250
Post Retirement Benefits Unfunded		2,267,504
Grant Overruns		(1,881)
Gain or Loss Sale of Assets		29,704
Total Ineligible Cost	20,124,729	-
Total Eligible Expenses:	\$ 93,854,338	\$ 156,574

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Expenses By OAR - Net Duplicate Expenses For the Year Ended June 30, 2009 Schedule 3 (Continued)

	<u>SMART</u> <u>URBAN</u>	<u>ROYAL</u> <u>OAK TWP</u>
Operating Expenses:		
Labor	\$ 45,647,677	\$ 79,145
Fringe Benefits	18,234,004	21,343
Post Retirement Benefits Funded	2,500,000	-
Post Retirement Benefits Unfunded	2,267,504	-
Pension	5,358,623	-
Audit Costs	158,063	-
Services	3,642,486	13,459
Repairs and Miantenance	5,419,772	-
Materials and Supplies	10,682,747	21,552
Utilities	2,339,789	10,540
Casualty and Liab. Costs	1,803,811	8,898
Purchased Transportation	517,700	-
Pass-Thru that are Expensed		
Muni.Cr. - Formula	1,529,476	-
Comm.Cr.	3,540,068	-
Other State Subsidized Serv.		
Specialized Services	787,811	-
Contra SMART Paid Expense	(359,752)	-
RTCC Revenue	-	-
CBS Bloomfield Hills/Township Richmond Lenox	148,838	-
Total Purchased Transportation	6,164,141	-
Miscellaneous	502,322	1,637
Interest	1,718,344	-
Leases and Rentals	124,833	-
Overruns	(1,881)	-
Gain or Loss on Retirement of Assets	29,704	-
Depreciation	12,113,942	-
Total Operating Expenses:	\$ 118,705,881	\$ 156,574

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Expenses By OAR - Net Duplicate Expenses For the Year Ended June 30, 2009 Schedule 3 (Continued)

	<u>SMART</u>	<u>ROYAL</u>
	<u>URBAN</u>	<u>OAK TWP</u>
Pass-Thru that are Expensed		
Muni.Cr. - Formula	\$ 1,792,878	\$ -
Comm.Cr.	2,104,541	-
Other State Subsidized Services		
Specialized Services	829,395	-
Rideshare	-	-
RTCC Revenue	-	-
CBS Bloomfield Hills/Township Richmond Lenox	-	-
Pass-Thru Ineligibles	\$ 4,726,814	\$ -
Net Expenses Before Ineligibles	113,979,067	156,574
Federal Planning Grants		
FY2008	-	-
Federal Planning Grants		
FY2009	305,490	-
Federal Preventive Maintenance Section 5307 FY09	MI-90-0591	6,837,599
Federal Preventive Maintenance Section 5309	-	-
Federal Preventive Maintenance Section 5309 FY06	MI-04-0133	-
Federal Preventive Maintenance Section 5307 FY08	MI-90-0570	-
Federal Preventive Maintenance Section 5307 FY06	MI-90-0488	-
State Grant (Dodge the Lodge)	2007-0294 Z5	-
State Grant (Gateway Project)	2007-0294 Z12	524,565
State Grant (Transit User Study)	2007-0294 Z8	-
State Grant (Michigan State Police Security)	2007 TSGP	-
CMAQ (80% Ineligible) FY09	MI-95-0038	4,107,204
CMAQ (80% Ineligible) FY08	MI-95-0017	-
Federal SMART JARC	MI-37-X033	(24,910)
State SMART JARC	2007-0294 Z10	(24,910)
Garnishments, Trolley, Adv.,Etc.	29,445	-
Depreciation	6,067,127	-
MPTA Dues (7.10% INELIG.)	2,343	-
CTAA Dues (1.66% INELIG.)	199	-
APTA Dues (14.00% INELIG.)	5,250	-
Post Retirement Benefits Unfunded	2,267,504	-
Grant Overruns	(1,881)	-
Gain or Loss Sale of Assets	29,704	-
Total Ineligible Cost	20,124,729	-
Total Eligible Expenses:	\$ 93,854,338	\$ 156,574

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Expenses for SMART Urban Split Between Different Fiscal Years - Net Duplicate Expenses For the Year Ended June 30, 2008 Schedule 3 (Continued)

	Jul.1.2007 <u>Sept.30.2007</u>	Oct.1.2007 <u>Jun.30.2008</u>	COMBINED SMART <u>URBAN</u>
OPERATING EXPENSES:			
Labor	\$ 11,320,166	\$ 33,973,675	\$ 45,293,841
Fringe Benefits	4,512,778	13,919,183	18,431,961
Post Retirement Benefits Funded	750,000	2,250,000	3,000,000
Post Retirement Benefits Unfunded	-	1,867,955	1,867,955
Pension	1,320,801	3,779,309	5,100,110
Audit Costs	61,093	114,010	175,103
Services	1,193,888	4,532,324	5,726,212
Repairs and Miantenance	1,454,625	4,227,520	5,682,145
Materials and Supplies	2,749,597	9,983,276	12,732,873
Utilities	558,749	1,966,077	2,524,826
Casualty and Liab. Costs	1,658,627	1,970,721	3,629,348
Purchased Transportation	58,082	(58,082)	-
Pass-Thru that are Expensed	-	-	-
Nankin Subsidy	68,250	204,750	273,000
Lake Erie	465,974	1,387,724	1,853,698
Muni.Cr. - Formula	382,363	1,147,113	1,529,476
Muni.Cr. - Line-Item	382,371	1,147,109	1,529,480
Comm.Cr.	844,812	2,514,435	3,359,247
Other State Subsidized Serv.			
Specialized Services	196,953	590,868	787,821
Royal Oak Twp	12,449	38,742	51,191
Contra SMART Paid Expense	(76,378)	(261,292)	(337,670)
JARC NOTA	-	232,265	232,265
RTCC Revenue	16,050	361	16,411
CBS Bloomfield Hills/Township Richmond Lenox	-	103,003	103,003
Total Purchased Transportation	<u>2,350,926</u>	<u>7,046,996</u>	<u>9,397,922</u>
Miscellaneous	88,947	452,836	541,783
Interest	410,797	1,466,532	1,877,329
Leases and Rentals	4,860	20,942	25,802
Overruns	-	3,069	3,069
Gain or Loss on Retirement of Assets	-	196,604	196,604
Depreciation	1,602,876	11,074,432	12,677,308
Total Operating Expenses:	<u>\$ 30,038,730</u>	<u>\$ 98,845,461</u>	<u>\$ 128,884,191</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Expenses for SMART Urban Split Between Different Fiscal Years - Net Duplicate Expenses For the Year Ended June 30, 2008 Schedule 3 (Continued)

	<u>Jul.1.2007</u> <u>Sept.30.2007</u>	<u>Oct.1.2007</u> <u>Jun.30.2008</u>	<u>COMBINED</u> <u>SMART</u> <u>URBAN</u>
Less Ineligible Expenses			
Pass-Thru that are Expensed			
Nankin Subsidy	68,250	204,750	273,000
Lake Erie	465,974	1,387,724	1,853,698
Muni.Cr. - Formula	468,367	696,360	1,164,727
Muni.Cr. - Line-Item	382,370	1,147,110	1,529,480
Comm.Cr.	175,772	1,632,248	1,808,020
Other State Subsidized Services			
Specialized Services	205,805	651,926	857,731
Royal Oak Twp	12,449	38,742	51,191
JARC NOTA	-	232,265	232,265
RTCC Revenue	16,050	361	16,411
CBS Bloomfield Hills/Township Richmond Lenox	-	-	-
Pass-Thru Ineligibles	<u>\$ 1,795,037</u>	<u>\$ 5,991,486</u>	<u>\$ 7,786,523</u>
Net Expenses Before Ineligibles	\$ 28,243,693	\$ 92,853,975	\$ 121,097,668
Federal Planning Grants			
FY2008	\$ 72,929	\$ 232,561	\$ 305,490
Federal Planning Grants			
FY2009	-	-	-
Federal Preventive Maintenance Section 5307			
MI-90-0591	-	-	-
Federal Preventive Maintenance Section 5309			
FY06	-	-	-
Federal Preventive Maintenance Section 5309 FY06			
MI-04-0133	-	480,000	480,000
Federal Preventive Maintenance Section 5307 FY08			
MI-90-0570	3,962,751	10,315,809	14,278,560
Federal Preventive Maintenance Section 5307 FY06			
MI-90-0488	-	343,949	343,949
State Grant (Dodge the Lodge)			
2007-0294 Z5	1,978	-	1,978
State Grant (Gateway Project)			
2007-0294 Z12	-	187,623	187,623
State Grant (Transit User Study)			
2007-0294 Z8	-	32,345	32,345
State Grant (Michigan State Police Security)			
2007 TSGP	-	6,988	6,988
CMAQ (80% Ineligible)			
MI-95-0038	-	-	-
CMAQ (80% Ineligible)			
MI-95-0017	879,051	2,637,153	3,516,204
Federal SMART JARC			
MI-37-X033	-	24,910	24,910
State SMART JARC			
2007-0294 Z10	-	24,910	24,910
Garnishments, Trolley, Adv.,Etc.			
-	-	15,390	15,390
Depreciation			
-	-	6,338,470	6,338,470
MPTA Dues (6.99% INELIG.)			
-	-	2,098	2,098
CTAA Dues (1.66% INELIG.)			
-	-	133	133
APTA Dues (X.XX% INELIG.)			
-	-	-	-
Post Retirement Benefits Unfunded			
-	-	1,867,955	1,867,955
Grant Overruns			
-	-	3,069	3,069
Gain or Loss Sale of Assets			
-	-	196,604	196,604
Total Ineligible Cost	<u>\$ 4,916,709</u>	<u>\$ 22,709,967</u>	<u>\$ 27,626,676</u>
Total Eligible Expenses:	<u>\$ 23,326,984</u>	<u>\$ 70,144,008</u>	<u>\$ 93,470,992</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Expenses Royal Oak Twp Split Between Different Fiscal Years - Net Duplicate Expenses For the Year Ended June 30, 2008 Schedule 3 (Continued)

OPERATING EXPENSES:	<u>Jul.1.2007</u> <u>Sept.30.2007</u>	<u>Oct.1.2007</u> <u>Jun.30.2008</u>	<u>ROYAL</u> <u>OAK TWP</u>
Labor	\$ 21,200	\$ 69,696	\$ 90,896
Fringe Benefits	4,303	15,295	19,598
Pension	-	-	-
Audit Costs	-	-	-
Services	3,290	12,635	15,925
Materials and Supplies	3,799	24,000	27,799
Utilities	1,335	8,709	10,044
Casualty and Liab. Costs	428	7,090	7,518
Purchased Transportation	-	-	-
Pass-Thru that are Expensed	-	-	-
Muni.Cr. - Formula	-	-	-
Comm.Cr.	-	-	-
Other State Subsidized Serv.	-	-	-
CBS Bloomfield Hills/Township Richmond Lenox	-	-	-
Total Purchased Transportation	<u>-</u>	<u>-</u>	<u>-</u>
Miscellaneous	405	2,370	2,775
Interest	-	-	-
Leases and Rentals	-	-	-
Gain or Loss on Retirement of Assets	-	-	-
Depreciation	-	-	-
Total Operating Expenses:	<u>\$ 34,760</u>	<u>\$ 139,795</u>	<u>\$ 174,555</u>
Less Ineligible Expenses			
Federal Planning Grants	-	-	-
Federal Preventive Maintenance Section 5307	-	-	-
Federal Preventive Maintenance Section 5309	-	-	-
State Grant (Dodge the Lodge)	-	-	-
CMAQ (80% Ineligible)	-	-	-
Garnishments, Trolley, Adv.,Etc.	-	-	-
Depreciation	-	-	-
MPTA Dues (7.05% INELIG.)	-	-	-
Internal Service Fund Expense-Revenue	-	-	-
Gain or Loss Sale of Assets/Overruns	-	-	-
Total Ineligible Cost	<u>-</u>	<u>-</u>	<u>-</u>
Total Eligible Expenses:	<u>\$ 34,760</u>	<u>\$ 139,795</u>	<u>\$ 174,555</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Summary of Operating Revenue and Expenses for SMART and Royal Oak Twp Split Between Different Fiscal Years For the Year Ended June 30, 2009 Schedule 3 (Continued)

	SMART			Royal Oak Township		
	Urban			Urban		
	<u>07/01/08-</u> <u>9/30/2008</u>	<u>10/1/2008</u> <u>6/30/2009</u>	TOTAL	<u>07/01/08-</u> <u>9/30/2008</u>	<u>10/1/2008</u> <u>6/30/2009</u>	TOTAL
Operating Revenues:						
401 Passenger Fares	\$ 3,422,460	\$ 9,075,457	\$ 12,497,917	\$ 528	\$ 1,443	\$ 1,971
402 Contract Fares	56,577	156,832	213,409	-	-	-
406 Advertising	-	166,669	166,669	-	-	-
407 Rental	5,500	43,975	49,475	-	-	-
407 Other	18,223	47,508	65,731	-	-	-
409 Mun.Credits Pledged	7,920	(1,005)	6,915	-	-	-
409 C.Cr. Pledged	-	-	-	-	-	-
Total Operating Revenues:	<u>3,510,680</u>	<u>9,489,436</u>	<u>13,000,116</u>	<u>528</u>	<u>1,443</u>	<u>1,971</u>
Operating Expenses:						
501 Labor	11,661,846	33,985,831	45,647,677	18,330	60,815	79,145
502 Fringe Benefits	4,590,147	13,643,857	18,234,004	4,526	16,817	21,343
502 Post Retirement Benefits Funded	624,999	1,875,001	2,500,000	-	-	-
502 Post Retirement Benefits Unfunded	-	2,267,504	2,267,504	-	-	-
502 Pension	1,361,243	3,997,380	5,358,623	-	-	-
503 Audit	58,044	100,019	158,063	-	-	-
503 Services	1,206,817	2,435,669	3,642,486	3,216	10,243	13,459
504 Material and Supplies	5,604,330	10,498,189	16,102,519	7,719	13,833	21,552
505 Utilities	439,104	1,900,685	2,339,789	1,697	8,843	10,540
506 Insurance	1,535,038	273,025	1,808,063	-	8,898	8,898
508 Purchased Transportation	(92,292)	1,529,619	1,437,327	-	-	-
509 Miscellaneous Expenses	99,835	398,235	498,070	485	1,152	1,637
511 Interest	424,767	1,293,577	1,718,344	-	-	-
512 Operating Leases	14,124	110,709	124,833	-	-	-
513 Overruns	-	(1,881)	(1,881)	-	-	-
513 Gain or Loss on Retirement of Assets	-	29,704	29,704	-	-	-
513 Depreciation Expense	1,662,164	10,451,778	12,113,942	-	-	-
Total Operating Expenses:	<u>29,190,166</u>	<u>84,788,901</u>	<u>113,979,067</u>	<u>35,973</u>	<u>120,601</u>	<u>156,574</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Summary of Operating Revenue and Expenses for SMART and Royal Oak Twp Split Between Different Fiscal Years Year Ended June 30, 2009 Schedule 3 (Continued)

	SMART Urban			Royal Oak Township Urban		
	07/01/08- 9/30/2008	10/1/2008 6/30/2009	TOTAL	07/01/08- 9/30/2008	10/1/2008 6/30/2009	TOTAL
Less Ineligible Expenses:						
55004 JARC STATE	\$ (24,910)	\$ -	\$ (24,910)	\$ -	\$ -	\$ -
55004 Other State Grants	130,902	393,663	524,565	-	-	-
55007 Depreciation		6,067,127	6,067,127	-	-	-
55007 Gain or Loss		29,704	29,704	-	-	-
55007 Overruns		(1,881)	(1,881)	-	-	-
55008 Bad Debt Expense	-	-	-	-	-	-
55008 Garnishments, Etc.	-	29,445	29,445	-	-	-
55008 Insurance Reimb.		-	-	-	-	-
55009 APTA Dues		5,250	5,250	-	-	-
55009 CTTA Dues		199	199	-	-	-
55009 MPTA Dues		2,343	2,343	-	-	-
55010 Nontransportation		-	-	-	-	-
55011 Fed. Preventive Maint.	4,051,725	2,785,874	6,837,599	-	-	-
55011 State Preventive Maint.	-	-	-	-	-	-
56004 Rental Income		-	-	-	-	-
57099 CMAQ (80% ineligible)	879,051	3,228,153	4,107,204	-	-	-
57099 JARC FEDERAL	(24,910)	-	(24,910)	-	-	-
57099 Other Federal Grants	-	-	-	-	-	-
57602 Federal Planning	89,403	216,087	305,490	-	-	-
XXXXX Unfunded OPEB Obligation	-	2,267,504	2,267,504	-	-	-
Total Ineligible Expenses:	<u>5,101,261</u>	<u>15,023,468</u>	<u>20,124,729</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Eligible Expenses:	<u>\$ 24,088,905</u>	<u>\$ 69,765,433</u>	<u>\$ 93,854,338</u>	<u>\$ 35,973</u>	<u>\$ 120,601</u>	<u>\$ 156,574</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Expenses for SMART Urban Split Between Different Fiscal Years For the Year Ended June 30, 2009 Schedule 3 (Continued)

	Jul.1.2008 <u>Sept.30.2008</u>	Oct.1.2008 <u>Jun.30.2009</u>	COMBINED SMART <u>URBAN</u>
OPERATING EXPENSES:			
Labor	\$ 11,661,846	\$ 33,985,831	\$ 45,647,677
Fringe Benefits	4,590,147	13,643,857	18,234,004
Post Retirement Benefits Funded	624,999	1,875,001	2,500,000
Post Retirement Benefits Unfunded		2,267,504	2,267,504
Pension	1,361,243	3,997,380	5,358,623
Audit Costs	58,044	100,019	158,063
Services	1,206,817	2,435,669	3,642,486
Repairs and Maintenance	1,576,032	3,843,740	5,419,772
Materials and Supplies	4,028,298	6,654,449	10,682,747
Utilities	439,104	1,900,685	2,339,789
Casualty and Liab. Costs	1,535,038	273,025	1,808,063
Purchased Transportation	180,537	337,163	517,700
Pass-Thru that are Expensed	-	-	-
Nankin Subsidy	68,250	204,750	273,000
Lake Erie	468,939	1,644,183	2,113,122
Muni.Cr. - Formula	382,363	1,147,113	1,529,476
Muni.Cr. - Line-Item	382,371	1,147,109	1,529,480
Comm.Cr.	885,023	2,655,045	3,540,068
Other State Subsidized Serv.		-	
Specialized Services	196,951	590,860	787,811
Royal Oak Twp	11,809	44,698	56,507
Contra SMART Paid Expense	(86,680)	(273,072)	(359,752)
JARC NOTA	65,089	281,798	346,887
RTCC Revenue	-	-	-
CBS Bloomfield Hills/Township Richmond Lenox	53,777	95,061	148,838
Total Purchased Transportation	<u>2,608,429</u>	<u>7,874,708</u>	<u>10,483,137</u>
Miscellaneous	99,835	398,235	498,070
Interest	424,767	1,293,577	1,718,344
Leases and Rentals	14,124	110,709	124,833
Overruns	-	(1,881)	(1,881)
Gain or Loss on Retirement of Assets	-	29,704	29,704
Depreciation	1,662,164	10,451,778	12,113,942
Total Operating Expenses:	<u>\$ 31,890,887</u>	<u>\$ 91,133,990</u>	<u>\$ 123,024,877</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Expenses for SMART Urban Split Between Different Fiscal Years For the Year Ended June 30, 2009 Schedule 3 (Continued)

Less Ineligible Expenses			
Pass-Thru that are Expensed			
Nankin Subsidy	\$ 68,250	\$ 204,750	\$ 273,000
Lake Erie	468,939	1,644,183	2,113,122
Muni.Cr. - Formula	985,605	807,273	1,792,878
Muni.Cr. - Line-Item	382,370	1,147,110	1,529,480
Comm.Cr.	513,702	1,590,839	2,104,541
Other State Subsidized Services			-
Specialized Services	204,937	624,458	829,395
Royal Oak Twp	11,829	44,678	56,507
NOTA JARC New Freedom	65,089	281,798	346,887
RTCC Revenue	-	-	-
CBS Bloomfield Hills/Township Richmond Lenox	-	-	-
Pass-Thru Ineligibles	<u>\$ 2,700,721</u>	<u>\$ 6,345,089</u>	<u>\$ 9,045,810</u>
Net Expenses Before Ineligibles	\$ 29,190,166	\$ 84,788,901	\$ 113,979,067
Ineligible Expenses			
Federal Planning Grants	FY2008	-	-
Federal Planning Grants	FY2009	89,403	216,087
Federal Preventive Maintenance Section 5307 FY09	MI-90-0591	4,051,725	2,785,874
Federal Preventive Maintenance Section 5309		-	-
Federal Preventive Maintenance Section 5309 FY06	MI-04-0133	-	-
Federal Preventive Maintenance Section 5307 FY08	MI-90-0570	-	-
Federal Preventive Maintenance Section 5307 FY06	MI-90-0488	-	-
State Grant (Dodge the Lodge)	2007-0294 Z5	-	-
State Grant (Gateway Project)	2007-0294 Z12	130,902	393,663
State Grant (Transit User Study)	2007-0294 Z8	-	-
State Grant (Michigan State Police Security)	2007 TSGP	-	-
CMAQ (80% Ineligible) FY09	MI-95-0038	879,051	3,228,153
CMAQ (80% Ineligible) FY08	MI-95-0017	-	-
Federal SMART JARC	MI-37-X033	(24,910)	(24,910)
State SMART JARC	2007-0294 Z10	(24,910)	(24,910)
Garnishments, Trolley, Adv.,Etc.		-	29,445
Depreciation		-	6,067,127
MPTA Dues (7.10% INELIG.)		-	2,343
CTAA Dues (1.66% INELIG.)		-	199
APTA Dues (14.00% INELIG.)		-	5,250
Post Retirement Benefits Unfunded		-	2,267,504
Grant Overruns		-	(1,881)
Gain or Loss Sale of Assets		-	29,704
Total Ineligible Cost		<u>\$ 5,101,261</u>	<u>\$ 15,023,468</u>
Total Eligible Expenses:		<u>\$ 24,088,905</u>	<u>\$ 93,854,338</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Expenses for Royal Oak Twp Split Between Different Fiscal Years For the Year Ended June 30, 2009 Schedule 3 (Continued)

OPERATING EXPENSES:	<u>Jul.1.2008</u> <u>Sept.30.2008</u>	<u>Oct.1.2008</u> <u>Jun.30.2009</u>	<u>ROYAL</u> <u>OAK TWP</u>
Labor	\$ 18,330	\$ 60,815	\$ 79,145
Fringe Benefits	4,526	16,817	21,343
Pension	-	-	-
Audit Costs	-	-	-
Services	3,216	10,243	13,459
Materials and Supplies	5,613	15,939	21,552
Utilities	2,106	8,434	10,540
Casualty and Liab. Costs	1,697	7,201	8,898
Purchased Transportation	-	-	-
Pass-Thru that are Expensed			
Muni.Cr. - Formula	-	-	-
Comm.Cr.	-	-	-
Other State Subsidized Serv.	-	-	-
CBS Bloomfield Hills/Township Richmond Lenox	-	-	-
Total Purchased Transportation	<u>-</u>	<u>-</u>	<u>-</u>
Miscellaneous	485	1,152	1,637
Interest	-	-	-
Leases and Rentals	-	-	-
Gain or Loss on Retirement of Assets	-	-	-
Depreciation	-	-	-
Total Operating Expenses:	<u>\$ 35,973</u>	<u>\$ 120,601</u>	<u>\$ 156,574</u>
Less Ineligible Expenses			
Federal Planning Grants	-	-	-
Federal Preventive Maintenance Section 5307	-	-	-
Federal Preventive Maintenance Section 5309	-	-	-
State Grant (Dodge the Lodge)	-	-	-
CMAQ (80% Ineligible)	-	-	-
Garnishments, Trolley, Adv.,Etc.	-	-	-
Depreciation	-	-	-
MPTA Dues (7.05% INELIG.)	-	-	-
Internal Service Fund Expense-Revenue	-	-	-
Gain or Loss Sale of Assets/Overruns	-	-	-
Total Ineligible Cost	<u>-</u>	<u>-</u>	<u>-</u>
Total Eligible Expenses:	<u>\$ 35,973</u>	<u>\$ 120,601</u>	<u>\$ 156,574</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Summary of Operating Expenses for SMART Urban and Royal Oak Twp Split Between Different Fiscal Years For the Year Ended June 30, 2008 Schedule 3 (Continued)

	SMART Urban			ROYAL OAK TWP Urban		
	10/1/07 - 6/30/2008	7/1/08 - 9/30/2008	TOTAL	10/1/07 - 6/30/2008	7/1/08 - 9/30/2008	TOTAL
Operating Revenues:						
401 Passenger Fares	\$ 8,899,969	\$ 3,422,460	\$ 12,322,429	\$ 1,633	\$ 528	\$ 2,161
402 Contract Fares	148,168	56,577	204,745	-	-	-
406 Advertising	-	-	-	-	-	-
407 Rental	43,700	5,500	49,200	-	-	-
407 Other	13,725	18,223	31,948	-	-	-
409 Mun.Credits Pledged	28,212	7,920	36,132	-	-	-
409 C.Cr. Pledged	11,088	-	11,088	-	-	-
Total Operating Revenues:	9,144,862	3,510,680	12,655,542	1,633	528	2,161
Operating Expenses:						
501 Labor	33,973,675	11,661,846	45,635,521	69,696	18,330	88,026
502 Fringe Benefits	13,919,183	4,590,147	18,509,330	15,295	4,526	19,821
502 Post Retirement Benefits Funded	2,250,000	624,999	2,874,999	-	-	-
502 Post Retirement Benefits Unfunded	1,867,955	-	1,867,955	-	-	-
502 Pension	3,779,309	1,361,243	5,140,552	(3,216)	3,216	-
503 Audit	114,010	58,044	172,054	(5,613)	5,613	-
503 Services	4,532,324	1,206,817	5,739,141	13,745	2,106	15,851
504 Material and Supplies	14,210,796	5,604,330	19,815,126	27,916	1,697	29,613
505 Utilities	1,966,077	439,104	2,405,181	10,815	-	10,815
506 Insurance	1,970,721	1,535,038	3,505,759	8,787	-	8,787
508 Purchased Transportation	1,230,237	(92,292)	1,137,945	-	-	-
509 Miscellaneous Expenses	278,109	99,835	377,944	2,370	485	2,855
511 Interest	1,466,532	424,767	1,891,299	-	-	-
512 Operating Leases	20,942	14,124	35,066	-	-	-
513 Overruns	3,069	-	3,069	-	-	-
513 Gain or Loss on Retirement of Assets	196,604	-	196,604	-	-	-
513 Depreciation Expense	11,074,432	1,662,164	12,736,596	-	-	-
Total Operating Expenses:	92,853,975	29,190,166	122,044,141	139,795	35,973	175,768

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Expenses for SMART Urban Split Between Different Fiscal Years For the Year Ended September 30, 2008 Schedule 3 (Continued)

	SMART Urban			ROYAL OAK TWP Urban		
	10/1/07 - 6/30/2008	7/1/08 - 9/30/2008	TOTAL	10/1/07 - 6/30/2008	7/1/08 - 9/30/2008	TOTAL
Less Ineligible Expenses:						
55004 JARC STATE	\$ 24,910	\$ (24,910)	\$ -	\$ -	\$ -	\$ -
55004 Other State Grants	226,956	130,902	357,858	-	-	-
55007 Depreciation	6,338,470	-	6,338,470	-	-	-
55007 Gain or Loss	196,604	-	196,604	-	-	-
55007 Overruns	3,069	-	3,069	-	-	-
55008 Bad Debt Expense	-	-	-	-	-	-
55008 Garnishments, Etc.	15,390	-	15,390	-	-	-
55008 Insurance Reimb.	-	-	-	-	-	-
55009 APTA Dues	-	-	-	-	-	-
55009 CTTA Dues	133	-	133	-	-	-
55009 MPTA Dues	2,098	-	2,098	-	-	-
55010 Nontransportation	-	-	-	-	-	-
55011 Fed. Preventive Maint.	11,139,758	4,051,725	15,191,483	-	-	-
55011 State Preventive Maint.	-	-	-	-	-	-
56004 Rental Income	-	-	-	-	-	-
57099 CMAQ (80% ineligible)	2,637,153	879,051	3,516,204	-	-	-
57099 JARC FEDERAL	24,910	(24,910)	-	-	-	-
57099 Other Federal Grants	-	-	-	-	-	-
57602 Federal Planning	232,561	89,403	321,964	-	-	-
XXXXX Unfunded OPEB Obligation	1,867,955	-	1,867,955	-	-	-
Total Ineligible Expenses:	<u>22,709,967</u>	<u>5,101,261</u>	<u>27,811,228</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Eligible Expenses:	<u>\$ 70,144,008</u>	<u>\$ 24,088,905</u>	<u>\$ 94,232,913</u>	<u>\$ 139,795</u>	<u>\$ 35,973</u>	<u>\$ 175,768</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Expenses for SMART Urban Split Between Different Fiscal Years For the Year Ended September 30, 2008 Schedule 3 (Continued)

	<u>Oct.1.2007</u> <u>Jun.30.2008</u>	<u>Jul.1.2008</u> <u>Sept.30.2008</u>	<u>COMBINED</u> <u>SMART</u> <u>URBAN</u>
OPERATING EXPENSES:			
Labor	\$ 33,973,675	\$ 11,661,846	\$ 45,635,521
Fringe Benefits	13,919,183	4,590,147	18,509,330
Post Retirement Benefits Funded	2,250,000	624,999	2,874,999
Post Retirement Benefits Unfunded	1,867,955	-	1,867,955
Pension	3,779,309	1,361,243	5,140,552
Audit Costs	114,010	58,044	172,054
Services	4,532,324	1,206,817	5,739,141
Repairs and Miantenance	4,227,520	1,576,032	5,803,552
Materials and Supplies	9,983,276	4,028,298	14,011,574
Utilities	1,966,077	439,104	2,405,181
Casualty and Liab. Costs	1,970,721	1,535,038	3,505,759
Purchased Transportation			
Pass-Thru that are Expensed	116,645	180,537	297,182
Nankin Subsidy	204,750	68,250	273,000
Lake Erie	1,387,724	468,939	1,856,663
Muni.Cr. - Formula	1,147,113	382,363	1,529,476
Muni.Cr. - Line-Item	1,147,109	382,371	1,529,480
Comm.Cr.	2,514,435	885,023	3,399,458
Other State Subsidized Serv.			
Specialized Services	590,868	196,951	787,819
Royal Oak Twp	38,742	11,809	50,551
Contra SMART Paid Expense	(261,292)	(86,680)	(347,972)
JARC NOTA	232,265	65,089	297,354
RTCC Revenue	361	-	361
CBS Bloomfield Hills/Township Richmond Lenox	103,003	53,777	156,780
Total Purchased Transportation	<u>7,221,723</u>	<u>2,608,429</u>	<u>9,830,152</u>
Miscellaneous	278,109	99,835	377,944
Interest	1,466,532	424,767	1,891,299
Leases and Rentals	20,942	14,124	35,066
Overruns	3,069	-	3,069
Gain or Loss on Retirement of Assets	196,604	-	196,604
Depreciation	11,074,432	1,662,164	12,736,596
Total Operating Expenses:	<u><u>\$ 98,845,461</u></u>	<u><u>\$ 31,890,887</u></u>	<u><u>\$ 130,736,348</u></u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Expenses for SMART Urban Split Between Different Fiscal Years For the Year Ended September 30, 2008 Schedule 3 (Continued)

	<u>Oct.1.2007</u> <u>Jun.30.2008</u>	<u>Jul.1.2008</u> <u>Sept.30.2008</u>	<u>COMBINED</u> <u>SMART</u> <u>URBAN</u>
Less Ineligible Expenses			
Pass-Thru that are Expensed			
Nankin Subsidy	\$ 204,750	\$ 68,250	\$ 273,000
Lake Erie	1,387,724	468,939	1,856,663
Muni.Cr. - Formula	696,360	985,605	1,681,965
Muni.Cr. - Line-Item	1,147,110	382,370	1,529,480
Comm.Cr.	1,632,248	513,702	2,145,950
Other State Subsidized Services			
Specialized Services	651,926	204,937	856,863
Royal Oak Twp	38,742	11,829	50,571
Contra SMART Paid Expense	-	-	-
RTCC Revenue	361	-	361
JARC NOTA	232,265	65,089	297,354
CBS Bloomfield Hills/Township Richmond Lenox	-	-	-
Pass-Thru Ineligibles	<u>5,991,486</u>	<u>2,700,721</u>	<u>8,692,207</u>
Net Expenses Before Ineligibles	92,853,975	29,190,166	122,044,141
Federal Planning Grants			
FY2008	232,561	-	232,561
FY2009	-	89,403	89,403
Federal Preventive Maintenance Section 5307 FY09	-	4,051,725	4,051,725
Federal Preventive Maintenance Section 5309	-	-	-
Federal Preventive Maintenance Section 5309 FY06	480,000	-	480,000
Federal Preventive Maintenance Section 5307 FY08	10,315,809	-	10,315,809
Federal Preventive Maintenance Section 5307 FY06	343,949	-	343,949
State Grant (Dodge the Lodge)	-	-	-
State Grant (Gateway Project)	187,623	130,902	318,525
State Grant (Transit User Study)	32,345	-	32,345
State Grant (Michigan State Police Security)	6,988	-	6,988
CMAQ (80% Ineligible) FY09	-	879,051	879,051
CMAQ (80% Ineligible) FY08	2,637,153	-	2,637,153
Federal SMART JARC	24,910	(24,910)	-
State SMART JARC	24,910	(24,910)	-
Garnishments, Trolley, Adv.,Etc.	15,390	-	15,390
Depreciation	6,338,470	-	6,338,470
MPTA Dues (6.99% INELIG.)	2,098	-	2,098
CTAA Dues (1.66% INELIG.)	133	-	133
APTA Dues (X.XX% INELIG.)	-	-	-
Post Retirement Benefits Unfunded	1,867,955	-	1,867,955
Grant Overruns	3,069	-	3,069
Gain or Loss Sale of Assets	196,604	-	196,604
Total Ineligible Cost	<u>22,709,967</u>	<u>5,101,261</u>	<u>27,811,228</u>
Total Eligible Expenses:	<u>\$ 70,144,008</u>	<u>\$ 24,088,905</u>	<u>\$ 94,232,913</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Expenses for Royal Oak Twp Split Between Different Fiscal Years For the Year Ended September 30, 2008 Schedule 3 (Continued)

	<u>Oct.1.2007</u> <u>Jun.30.2008</u>	<u>Jul.1.2008</u> <u>Sept.30.2008</u>	<u>ROYAL</u> <u>OAK TWP</u>
OPERATING EXPENSES:			
Labor	\$ 69,696	\$ 18,330	\$ 88,026
Fringe Benefits	15,295	4,526	19,821
Pension	-	-	-
Audit Costs	-	-	-
Services	12,635	3,216	15,851
Materials and Supplies	24,000	5,613	29,613
Utilities	8,709	2,106	10,815
Casualty and Liab. Costs	7,090	1,697	8,787
Purchased Transportation	-	-	-
Pass-Thru that are Expensed	-	-	-
Muni.Cr. - Formula	-	-	-
Comm.Cr.	-	-	-
Other State Subsidized Serv.	-	-	-
CBS Bloomfield Hills/Township Richmond Lenox	-	-	-
Total Purchased Transportation	<u>-</u>	<u>-</u>	<u>-</u>
Miscellaneous	2,370	485	2,855
Interest	-	-	-
Leases and Rentals	-	-	-
Overruns	-	-	-
Gain or Loss on Retirement of Assets	-	-	-
Depreciation	-	-	-
Total Operating Expenses:	<u><u>\$ 139,795</u></u>	<u><u>\$ 35,973</u></u>	<u><u>\$ 175,768</u></u>
Less Ineligible Expenses			
Federal Planning Grants	-	-	-
Federal Preventive Maintenance Section 5307	-	-	-
Federal Preventive Maintenance Section 5309	-	-	-
State Grant (Dodge the Lodge)	-	-	-
CMAQ (80% Ineligible)	-	-	-
Garnishments, Trolley, Adv.,Etc.	-	-	-
Depreciation	-	-	-
MPTA Dues (7.05% INELIG.)	-	-	-
Internal Service Fund Expense-Revenue	-	-	-
Gain or Loss Sale of Assets/Overruns	-	-	-
Total Ineligible Cost	<u>-</u>	<u>-</u>	<u>-</u>
Total Eligible Expenses:	<u><u>\$ 139,795</u></u>	<u><u>\$ 35,973</u></u>	<u><u>\$ 175,768</u></u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Combined Urban Regular Service Revenue Report For the Year Ended September 30, 2008 Schedule 4R

Description	<u>Amount</u>
Passenger Fares	\$ 12,319,650
Contract Fares	254,743
Package Delivery/ Meals on Wheels	-
Incidental Charter Service Revenues	-
Auxiliary Transportation Revenues (Explain)	
.10 Concessions	-
.15 Advertising	-
.20 Intercity Ticket Sales	-
.99 Other Auxiliary Transportation Revenues	-
Nontransportation Revenues (Explain)	
.10 Sale of Maintenance Services	-
.15 Rental of Revenue Vehicles	-
.20 Rental of Buildings or Other Property	49,200
.25 Parking Lot Revenue	-
.60 Gains from the Sales of Capital Assets	-
.99 Other Nontransportation Revenue	31,948
Taxes Levied Directly by Transit System	-
Local Cash Grants and Reimbursements (Explain)	
.10 Local Operating Assistance	53,462,939
.20 Single Business Tax	-
.99 Other Local Contracts (Community Credit Program)	1,804,718
State Formula and Contracts	
.01 State Operating Assistance	28,085,039
.10 Line Item Municipal Credits	4,497,287
.11 Preventive Maintenance	-
.12 Capital Cost of Contracting	-
.13 Capital Contract Reimbursement for Administrative Expenses	-
.14 Other Capital Contract Reimbursements for Operating Expenses	430,328
.99 Other State Contracts and Reimbursements	66,066
Federal Contracts	
.01 Section 5311	-
.02 Section 5307	-
.11 Preventive Maintenance	15,191,483
.12 Capital Cost of Contracting	-
.13 Capital Contract Reimbursement for Administrative Expenses	-
.99 Other Planning	321,964
.99 Other CMAQ	3,516,204
.99 Other Federal Contracts and Reimbursements	90,976
Interest Income	1,144,493
Contributed Service	<u>1,500</u>
Total Revenue	<u><u>\$ 121,268,538</u></u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Combined Urban Regular Service Expense Report For the Year Ended September 30, 2008 Schedule 4E

Object Class	Operations	Maintenance	Gen. Admin.	Total
501 Labor				
01 Oper Sal & Wages	23,001,122	-	-	23,001,122
02 Other Sal & Wages	332,771	7,104,403	9,651,443	17,088,617
03 Disp Sal & Wages	376,638	-	5,169,144	5,545,782
	-	-	-	
502 Fringe Benefits	357,531	-	18,151,799	18,509,330
Post Retirement Benefits Funded	-	-	2,874,999	2,874,999
Post Retirement Benefits Unfunded	-	-	1,867,955	1,867,955
Pension	-	-	5,140,552	5,140,552
503 Services				
01 Audit	-	-	172,054	172,054
02 Advertising Fees	-	-	79,055	79,055
99 Other Services	314,550	3,576,753	1,768,783	5,660,086
504 Materials & Supp Cons				
01 Fuel and Lubricants	12,317,123	-	-	12,317,123
02 Tires and Tubes	615,305	-	-	615,305
99 Other Materials & Supplies	669,339	5,918,484	294,875	6,882,698
505 Utilities	-	2,319,551	85,630	2,405,181
506 Casual & Liab Costs				
03 Premium for Public Liability	-	-	3,412,935	3,412,935
99 Other Insurance	-	-	92,824	92,824
507 Taxes	-	-	-	-
508 Purchased Transportation Service	4,152,855	-	(3,014,910)	1,137,945
509 Miscellaneous Expense	-	-	-	
02 Travel and Meetings	-	-	125,846	125,846
99 Other Miscellaneous Expense	-	-	252,098	252,098
511 Interest Expense	-	-	-	-
01 Interest on Long-Term Debt	-	-	1,890,773	1,890,773
02 Interest on Short-Term Debt	-	-	526	526
512 Leases and Rentals	-	-	35,066	35,066
513 Depreciation	32,645	-	12,903,624	12,936,269
549 Total Expenses	42,169,879	18,919,191	60,955,071	122,044,141

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Combined Urban Regular Service Expense Report For the Year Ended September 30, 2008 Schedule 4E (Continued)

Object Class		Operations	Maintenance	Gen. Admin.	Total
Less Ineligible Expenses					
Federal Planning Grants	FY2008	-	-	232,561	232,561
Federal Planning Grants	FY2009	-	-	89,403	89,403
Federal Preventive Maintenance Section 5307 FY09	MI-90-0591	-	4,051,725	-	4,051,725
Federal Preventive Maintenance Section 5309		-	-	-	-
Federal Preventive Maintenance Section 5309 FY06	MI-04-0133	-	480,000	-	480,000
Federal Preventive Maintenance Section 5307 FY08	MI-90-0570	-	10,315,809	-	10,315,809
Federal Preventive Maintenance Section 5307 FY06	MI-90-0488	-	343,949	-	343,949
State Grant (Dodge the Lodge)	2007-0294 Z5	-	-	-	-
State Grant (Gateway Project)	2007-0294 Z12	318,525	-	-	318,525
State Grant (Transit User Study)	2007-0294 Z8	32,345	-	-	32,345
State Grant (Michigan State Police Security)	2007 TSGP	6,988	-	-	6,988
CMAQ (80% Ineligible) FY09	MI-95-0038	879,051	-	-	879,051
CMAQ (80% Ineligible) FY08	MI-95-0017	2,637,153	-	-	2,637,153
Federal SMART JARC	MI-37-X033	-	-	-	-
State SMART JARC	2007-0294 Z10	-	-	-	-
Garnishments, Trolley, Adv.,Etc.		-	-	15,390	15,390
Depreciation		-	-	6,338,470	6,338,470
MPTA Dues (6.99% INELIG.)		-	-	2,098	2,098
CTAA Dues (1.66% INELIG.)		-	-	133	133
APTA Dues (X.XX% INELIG.)		-	-	-	-
Post Retirement Benefits Unfunded		-	-	1,867,955	1,867,955
Grant Overruns		-	-	3,069	3,069
Gain or Loss Sale of Assets		-	-	196,604	196,604
		<u>3,874,062</u>	<u>15,191,483</u>	<u>8,745,683</u>	<u>27,811,228</u>
TOTAL Eligible Expenses		38,295,817	3,727,708	52,209,388	94,232,913

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information SMART Combined Urban Regular Service Nonfinancial Report For the Year Ended June 30, 2008 Schedule 4N

CODE	DESCRIPTION	WEEKDAYS	SATURDAY	SUNDAY	TOTAL
FIXED ROUTE					
<u>PUBLIC SERVICE</u>					
610	VEHICLE HOURS	610,188	70,129	33,637	713,954
611	VEHICLE MILES	11,521,801	1,324,238	640,315	13,486,354
<u>MISCELLANEOUS INFORMATION</u>					
630	CHARTER SERVICE HOURS	-	-	-	-
631	CHARTER SERVICE MILES	-	-	-	-
CONNECTOR					
<u>PUBLIC SERVICE</u>					
610	VEHICLE HOURS	178,513	3,963	-	182,476
611	VEHICLE MILES	3,342,960	82,061	-	3,425,021
<u>MISCELLANEOUS INFORMATION</u>					
630	CHARTER SERVICE HOURS	-	-	-	-
631	CHARTER SERVICE MILES	-	-	-	-

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

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Royal Oak Twp Urban Service Revenue Report For the Year Ended September 30, 2008 Schedule 4R

Code	Description	Amount
401.	Passenger Fares	\$ 2,161
402.	Contract Fares	-
404.	Package Delivery/ Meals on Wheels	-
405.	Incidental Charter Service Revenues	-
406.	Auxiliary Transportation Revenues (Explain)	
	.10 Concessions	-
	.15 Advertising	-
	.20 Intercity Ticket Sales	-
	.99 Other Auxiliary Transportation Revenues	-
407.	Nontransportation Revenues (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	-
408.	Taxes Levied Directly by Transit System	-
409.	Local Cash Grants and Reimbursements (Explain)	
	.10 Local Operating Assistance	74,711
	.20 Single Business Tax	-
	.99 Other Local Contracts (Community Credit Program)	7,157
411.	State Formula and Contracts	
	.01 State Operating Assistance	55,367
	.10 Line Item Municipal Credits	5,119
	.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	-
413.	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	-
414.	Interest Income	-
430.	Contributed Service	-
499.	Total Revenue	<u>\$ 144,515</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Royal Oak Twp Urban Regular Service Expense Report For the Year Ended September 30, 2008 Schedule 4E

Object Class	Operations	Maintenance	Gen. Admin.	Total
501 Labor				
01 Oper Sal & Wages	34,340	-	-	34,340
02 Other Sal & Wages	19,489	-	14,625	34,114
03 Disp Sal & Wages	19,572	-	-	19,572
502 Fringe Benefits	19,821	-	-	19,821
503 Services				
01 Audit	-	-	-	-
02 Advertising Fees	2,651	-	-	2,651
99 Other Services	214	650	12,336	13,200
504 Materials & Supp Cons				
01 Fuel and Lubricants	14,996	-	-	14,996
02 Tires and Tubes	2,507	-	-	2,507
99 Other Materials & Supplies	7,773	4,337	-	12,110
505 Utilities	10,815	-	-	10,815
506 Casual & Liab Costs				
03 Premium for Public Liability	8,787	-	-	8,787
99 Other Insurance	-	-	-	-
507 Taxes				-
508 Purchased Transportation Service	-	-	-	-
509 Miscellaneous Expense				
02 Travel and Meetings	856	-	-	856
99 Other Miscellaneous Expense	1,769	230	-	1,999
511 Interest Expense				
01 Interest on Long-Term Debt	-	-	-	-
02 Interest on Short-Term Debt	-	-	-	-
512 Leases and Rentals	-	-	-	-
513 Depreciation	-	-	-	-
549 Total Expenses	143,590	5,217	26,961	175,768
550 Less Ineligible Expenses				
03 Fed. Grants (Explain)	-	-	-	-
04 State Grants (specialized svcs)	-	-	-	-
05 Local Grants	-	-	-	-
06 Interest Expense	-	-	-	-
07 Depreciation	-	-	-	-
08 Other (Explain)	-	-	-	-
09 Ineligible Percent of Dues	-	-	-	-
10 Expenses Assoc W/Auxiliary Trans	-	-	-	-
15 Charter Expense	-	-	-	-
99 Total Ineligible Expense	-	-	-	-
599 TOTAL Eligible Expenses	<u>143,590</u>	<u>5,217</u>	<u>26,961</u>	<u>175,768</u>

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Royal Oak Twp Urban Regular Service Nonfinancial Report For the Year Ended September 30, 2008 Schedule 4N

CODE	DESCRIPTION	WEEKDAYS	SATURDAY	SUNDAY	TOTAL
FIXED ROUTE					
<u>PUBLIC SERVICE</u>					
610	VEHICLE HOURS	-	-	-	-
611	VEHICLE MILES	-	-	-	-
<u>MISCELLANEOUS INFORMATION</u>					
630	CHARTER SERVICE HOURS	-	-	-	-
631	CHARTER SERVICE MILES	-	-	-	-
CONNECTOR					
<u>PUBLIC SERVICE</u>					
610	VEHICLE HOURS	1,887	-	-	1,887
611	VEHICLE MILES	31,669	-	-	31,669
<u>MISCELLANEOUS INFORMATION</u>					
630	CHARTER SERVICE HOURS	-	-	-	-
631	CHARTER SERVICE MILES	-	-	-	-

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

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Assistance Calculation For the Year Ended June 30, 2008 Schedule 5

		10/01/07 09/30/08	10/01/07 06/30/08	07/01/08 09/30/08	10/01/07 06/30/08	07/01/08 09/30/08	10/01/07 06/30/08	07/01/08 09/30/08	10/01/07 06/30/08	07/01/08 09/30/08
		SMART	NANKIN TRANSIT	NANKIN TRANSIT	REDFORD	REDFORD	MT CLEMENS	MT CLEMENS	HARPER WOODS	HARPER WOODS
Total Expenses		122,044,141	647,333	233,241	263,978	88,729	430,522	119,459	242,519	67,979
Federal Planning Grants	FY2008	232,561	-	-	-	-	-	-	-	-
Federal Planning Grants	FY2009	89,403	-	-	-	-	-	-	-	-
Federal Preventive Maintenance Section 5307 FY09	MI-90-0591	4,051,725	-	-	-	-	-	-	-	-
Federal Preventive Maintenance Section 5309		-	-	-	-	-	-	-	-	-
Federal Preventive Maintenance Section 5309 FY06	MI-04-0133	480,000	-	-	-	-	-	-	-	-
Federal Preventive Maintenance Section 5307 FY08	MI-90-0570	10,315,809	-	-	-	-	-	-	-	-
Federal Preventive Maintenance Section 5307 FY06	MI-90-0488	343,949	-	-	-	-	-	-	-	-
State Grant (Dodge the Lodge)	2007-0294 Z5	-	-	-	-	-	-	-	-	-
State Grant (Gateway Project)	2007-0294 Z12	318,525	-	-	-	-	-	-	-	-
State Grant (Transit User Study)	2007-0294 Z8	32,345	-	-	-	-	-	-	-	-
State Grant (Michigan State Police Security)	2007 TSGP	6,988	-	-	-	-	-	-	-	-
CMAQ (80% Ineligible) FY09	MI-95-0038	879,051	-	-	-	-	-	-	-	-
CMAQ (80% Ineligible) FY08	MI-95-0017	2,637,153	-	-	-	-	-	-	-	-
Federal SMART JARC	MI-37-X033	-	-	-	-	-	-	-	-	-
State SMART JARC	2007-0294 Z10	-	-	-	-	-	-	-	-	-
Garnishments, Trolley, Adv.,Etc.		15,390	-	-	-	-	-	-	-	-
Depreciation		6,338,470	-	-	-	-	-	-	-	-
MPTA Dues (6.99% INELIG.)		2,098	-	-	-	-	-	-	-	-
CTAA Dues (1.66% INELIG.)		133	-	-	-	-	-	-	-	-
APTA Dues (X.XX% INELIG.)		-	-	-	-	-	-	-	-	-
Post Retirement Benefits Unfunded		1,868,955	-	-	-	-	-	-	-	-
Grant Overruns		3,069	-	-	-	-	-	-	-	-
Gain or Loss Sale of Assets		196,604	-	-	-	-	-	-	-	-
08 STAR reported Ineligibles (See Report)		-	-	-	-	-	-	-	-	-
99 Total Ineligible Expense		27,812,228	-	-	-	-	-	-	-	-
Eligible Expenses for State Reimbursement		94,231,913	647,333	233,241	263,978	88,729	430,522	119,459	242,519	67,979
x Reimbursement Percentage		0.325231	0.325231	0.301604	0.301604	0.301604	0.301604	0.301604	0.301604	0.301604
State Operating Assistance *		\$ 30,647,139	\$ 210,533	\$ 70,346	\$ 79,617	\$ 26,761	\$ 129,847	\$ 36,029	\$ 73,145	\$ 20,503

* Calculation incorrect w/o City of Detroit eligible expenses

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Operating Assistance Calculation For the Year Ended June 30, 2008 Schedule 5 (Continued)

		10/01/07 03/31/08	04/01/08 09/30/08	10/01/007 09/30/08 COMBINED URBAN	10/01/007 9/30/2008 ROYAL OAK TWP
Total Expenses		428,930	302,884	124,869,715	175,768
Federal Planning Grants	FY2008	-	-	232,561	-
Federal Planning Grants	FY2009	-	-	89,403	-
Federal Preventive Maintenance Section 5307 FY09	MI-90-0591	-	-	4,051,725	-
Federal Preventive Maintenance Section 5309		-	-	-	-
Federal Preventive Maintenance Section 5309 FY06	MI-04-0133	-	-	480,000	-
Federal Preventive Maintenance Section 5307 FY08	MI-90-0570	-	-	10,315,809	-
Federal Preventive Maintenance Section 5307 FY06	MI-90-0488	-	-	343,949	-
State Grant (Dodge the Lodge)	2007-0294 Z5	-	-	-	-
State Grant (Gateway Project)	2007-0294 Z12	-	-	318,525	-
State Grant (Transit User Study)	2007-0294 Z8	-	-	32,345	-
State Grant (Michigan State Police Security)	2007 TSGP	-	-	6,988	-
CMAQ (80% Ineligible) FY09	MI-95-0038	-	-	879,051	-
CMAQ (80% Ineligible) FY08	MI-95-0017	-	-	2,637,153	-
Federal SMART JARC	MI-37-X033	-	-	-	-
State SMART JARC	2007-0294 Z10	-	-	-	-
Garnishments, Trolley, Adv.,Etc.		-	-	15,390	-
Depreciation		-	-	6,338,470	-
MPTA Dues (6.99% INELIG.)		-	-	2,098	-
CTAA Dues (1.66% INELIG.)		-	-	133	-
APTA Dues (X.XX% INELIG.)		-	-	-	-
Post Retirement Benefits Unfunded		-	-	1,868,955	-
Grant Overruns		-	-	3,069	-
Gain or Loss Sale of Assets		-	-	196,604	-
08 STAR reported Ineligibles (See Report)		207,700	83,766	291,466	-
99 Total Ineligible Expense		207,700	83,766	28,103,694	-
Eligible Expenses for State Reimbursement		221,230	219,118	96,766,021	175,768
x Reimbursement Percentage		0.301604	0.301604	0.301604	0.301604
State Operating Assistance *		\$ 66,724	\$ 66,087	\$ 29,185,019	\$ 53,012

* Calculation incorrect w/o City of Detroit eligible expenses

Suburban Mobility Authority for Regional Transportation

Other Supplemental Information Footnotes

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

All administrative costs related to capital contracts are deducted and transferred to the capital fund.

Therefore, these expenditures are not reimbursed by state formula funds.

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

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

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

- 4) Expenses for STAR, Nankin Transit, Redford, Mt. Clemens and Harper Woods are included only on schedule 5.