Suburban Mobility Authority for Regional Transportation

Financial Report
with Supplemental Information
June 30, 2010
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 each proprietary fund of the Suburban Mobility Authority for Regional Transportation (the “Authority” or SMART) as of and for the years ended June 30, 2010 and 2009, which comprise 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 audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the business-type activities and each proprietary fund of the Suburban Mobility Authority for Regional Transportation as of June 30, 2010 and 2009 and the respective changes in financial position and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated November 10, 2010 on our consideration of the Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audits.

November 10, 2010
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, 2010 and 2009 and does not purport to make any statement regarding the future operations of the organization. While SMART is an instrumentality of the State of Michigan, it is not a component of the State as defined by the Governmental Accounting Standards Board (GASB).

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

Financial Highlights

- Fare revenue is up approximately $932,000 due to a 33 percent increase in fares implemented in December 2009.

- Operating expenses before depreciation of $104.0 million have remained relatively stable as cost-containment initiatives implemented in fiscal year 2009 and 2010 continue to keep expenses down.

- Current assets had a net increase of $4.3 million, largely due to an increased cash balance, which was offset by reduced grants receivable balance from a planned reduction in federal preventive maintenance assistance.

- Current liabilities increased by $3.9 million, largely due to a board-directed payment of the unfunded portion of the annual required contribution (ARC) of the liability for other post employment benefits (OPEB) which was paid subsequent to year end.

- Net assets increased by $7.1 million due to an increase in current assets driven primarily by an increased cash balance and lower debt obligations as fleet loans are reaching maturity.
A summarization of SMART’s assets, liabilities, and net assets at June 30, 2010, 2009, and 2008 follows (in millions):

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>$49.0</td>
<td>$44.8</td>
<td>$53.4</td>
</tr>
<tr>
<td>Noncurrent assets</td>
<td>76.9</td>
<td>79.6</td>
<td>85.2</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$125.9</td>
<td>$124.4</td>
<td>$138.6</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>$36.9</td>
<td>$33.0</td>
<td>$42.5</td>
</tr>
<tr>
<td>Noncurrent liabilities</td>
<td>18.4</td>
<td>27.9</td>
<td>29.9</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$55.3</td>
<td>$60.9</td>
<td>$72.4</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets</td>
<td>$58.6</td>
<td>$50.7</td>
<td>$46.4</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>12.0</td>
<td>12.8</td>
<td>19.8</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>$70.6</td>
<td>$63.5</td>
<td>$66.2</td>
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SMART’s current assets had a net increase of $4.3 million, largely due to an increased cash balance, which was offset by reduced grants receivable balance from a planned reduction in federal preventive maintenance assistance.

SMART’s current liabilities increased by $3.9 million, primarily due to a board-directed payment of the unfunded portion of the annual required contribution (ARC) of the liability for other postemployment benefits (OPEB) which was paid subsequent to year end.

Amounts invested in capital assets (net of related debt) increased 15.6 percent from a year ago - increasing from $50.7 million to $58.6 million. In contrast, last year’s increase was only 9.3 percent. The current year increase is due primarily to lower debt obligations as fleet loans are reaching maturity.
Unrestricted net assets, which is the part of net assets that can be used to finance day-to-day operations, has decreased by $0.8 million. This represents a decrease of 6.3 percent. The current level of unrestricted net assets for SMART’s operations stands at $12.0 million, or about 11.5 percent of operating expenses before depreciation.

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

The following table is a summary of SMART’s revenue, expenses, and changes in net assets for the years ended June 30, 2010, 2009, and 2008 (in millions):

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<tr>
<td>Operating revenue</td>
<td>$ 13.8</td>
<td>$ 12.6</td>
<td>$ 11.9</td>
</tr>
<tr>
<td>Operating expenses before depreciation</td>
<td>103.9</td>
<td>106.3</td>
<td>110.5</td>
</tr>
<tr>
<td>Operating loss before depreciation</td>
<td>(90.1)</td>
<td>(93.7)</td>
<td>(98.6)</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>13.0</td>
<td>12.1</td>
<td>12.7</td>
</tr>
<tr>
<td>Total operating loss</td>
<td>(103.1)</td>
<td>(105.8)</td>
<td>(111.3)</td>
</tr>
<tr>
<td>Nonoperating revenue (net of related expenses)</td>
<td>99.6</td>
<td>96.7</td>
<td>105.6</td>
</tr>
<tr>
<td>Net loss before capital contributions</td>
<td>(3.5)</td>
<td>(9.1)</td>
<td>(5.7)</td>
</tr>
<tr>
<td>Capital contributions</td>
<td>10.6</td>
<td>6.4</td>
<td>6.4</td>
</tr>
<tr>
<td>Net gain (loss)</td>
<td>7.1</td>
<td>(2.7)</td>
<td>0.7</td>
</tr>
<tr>
<td>Net assets - Beginning of year</td>
<td>63.5</td>
<td>66.2</td>
<td>65.5</td>
</tr>
<tr>
<td>Net assets - End of year</td>
<td>$ 70.6</td>
<td>$ 63.5</td>
<td>$ 66.2</td>
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SMART’s operating revenue increased by approximately $1.2 million, largely attributable to increased fares, while nonoperating revenue (net of related expenses) increased $2.9 million due to a planned increase in draws against federal source funding, unused and now available for future fiscal periods. Total revenue when combined (net of related nonoperating expenses) is up $4.1 million, or an increase of 3.8 percent, from prior year.

Operating expenses (before depreciation) decreased $2.3 million during the year. Substantially, the reduction can be traced to cost containment efforts throughout the year.
Using this Annual Report

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

Contacting SMART’s Financial Management

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

### Assets

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<tr>
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<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
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<tr>
<td>Cash and cash equivalents (Note 4)</td>
<td>$38,226,334</td>
<td>$23,079,852</td>
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<tr>
<td>Grants receivable (Note 5)</td>
<td>5,785,804</td>
<td>15,118,531</td>
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<td>2,228,484</td>
<td>2,646,938</td>
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<tr>
<td>Other receivables</td>
<td>431,482</td>
<td>1,268,460</td>
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<tr>
<td>Materials and supplies inventories</td>
<td>1,839,875</td>
<td>1,766,273</td>
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<tr>
<td>Prepaid expenses and other assets</td>
<td>550,873</td>
<td>890,141</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>49,062,852</td>
<td>44,770,195</td>
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<tr>
<td>Noncurrent assets:</td>
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<td></td>
</tr>
<tr>
<td>Net pension asset (Note 11)</td>
<td>657,541</td>
<td>923,355</td>
</tr>
<tr>
<td>Nondepreciable capital assets (Note 6)</td>
<td>4,528,703</td>
<td>4,613,227</td>
</tr>
<tr>
<td>Depreciable capital assets - Net (Note 6)</td>
<td>71,678,566</td>
<td>74,066,160</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>76,864,810</td>
<td>79,602,742</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>125,927,662</td>
<td>124,372,937</td>
</tr>
</tbody>
</table>

### Liabilities

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<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Municipal and community credits payable</td>
<td>4,811,027</td>
<td>4,862,370</td>
</tr>
<tr>
<td>Amounts payable under purchase-of-service agreements</td>
<td>580,385</td>
<td>937,378</td>
</tr>
<tr>
<td>Current portion of accrued self-insurance (Note 10)</td>
<td>6,916,326</td>
<td>4,318,212</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>10,522,173</td>
<td>7,439,658</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>243,442</td>
<td>383,441</td>
</tr>
<tr>
<td>Current portion of notes payable (Note 9)</td>
<td>9,079,419</td>
<td>10,330,187</td>
</tr>
<tr>
<td>Current portion of compensated absences (Note 9)</td>
<td>2,992,186</td>
<td>3,021,789</td>
</tr>
<tr>
<td>Accrued compensation</td>
<td>1,746,450</td>
<td>1,663,772</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>36,891,408</td>
<td>32,956,807</td>
</tr>
<tr>
<td>Noncurrent liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued self-insurance - Net of current portion (Note 10)</td>
<td>5,564,956</td>
<td>6,069,995</td>
</tr>
<tr>
<td>Notes payable - Net of current portion (Note 9)</td>
<td>8,496,530</td>
<td>17,575,949</td>
</tr>
<tr>
<td>Compensated absences - Net of current portion (Note 9)</td>
<td>136,525</td>
<td>90,354</td>
</tr>
<tr>
<td>OPEB net obligations (Note 12)</td>
<td>4,245,672</td>
<td>4,135,459</td>
</tr>
<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>18,443,683</td>
<td>27,871,757</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>55,335,091</td>
<td>60,828,564</td>
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### Net Assets

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets - Net of related debt</td>
<td>58,631,320</td>
<td>50,773,251</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>11,961,251</td>
<td>12,771,122</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>$70,592,571</strong></td>
<td><strong>$63,544,373</strong></td>
</tr>
</tbody>
</table>
### Statement of Activities

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fares</td>
<td>$13,033,388</td>
<td>$12,101,330</td>
</tr>
<tr>
<td>Other income</td>
<td>785,777</td>
<td>465,920</td>
</tr>
<tr>
<td><strong>Total operating revenue</strong></td>
<td>13,819,165</td>
<td>12,567,250</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>40,744,274</td>
<td>42,265,832</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>30,567,883</td>
<td>30,865,771</td>
</tr>
<tr>
<td>Contractual services</td>
<td>3,081,907</td>
<td>3,606,240</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>13,382,918</td>
<td>15,396,657</td>
</tr>
<tr>
<td>Utilities</td>
<td>1,880,437</td>
<td>2,194,222</td>
</tr>
<tr>
<td>Claims and insurance</td>
<td>4,813,228</td>
<td>1,581,441</td>
</tr>
<tr>
<td>Purchased transportation (Note 8)</td>
<td>9,386,206</td>
<td>9,965,437</td>
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<tr>
<td>Miscellaneous expenses</td>
<td>101,406</td>
<td>410,138</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>12,980,575</td>
<td>12,072,882</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>116,938,834</td>
<td>118,358,620</td>
</tr>
<tr>
<td><strong>Operating Loss</strong></td>
<td>(103,119,669)</td>
<td>(105,791,370)</td>
</tr>
<tr>
<td><strong>Nonoperating Revenue (Expenses)</strong></td>
<td></td>
<td></td>
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<tr>
<td>Federal operating and preventive maintenance assistance</td>
<td>16,312,166</td>
<td>12,360,068</td>
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<tr>
<td>State operating grants</td>
<td>34,136,343</td>
<td>33,034,981</td>
</tr>
<tr>
<td>Local contributions</td>
<td>50,369,199</td>
<td>52,762,260</td>
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<tr>
<td>Interest income</td>
<td>136,210</td>
<td>302,853</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(1,265,022)</td>
<td>(1,718,344)</td>
</tr>
<tr>
<td>Loss on retirement of assets</td>
<td>(141,962)</td>
<td>(27,823)</td>
</tr>
<tr>
<td><strong>Total nonoperating revenue</strong></td>
<td>99,546,934</td>
<td>96,713,995</td>
</tr>
<tr>
<td><strong>Change in Net Assets Before Capital Contributions</strong></td>
<td>(3,572,735)</td>
<td>(9,077,375)</td>
</tr>
<tr>
<td><strong>Capital Contributions</strong></td>
<td>10,620,933</td>
<td>6,453,273</td>
</tr>
<tr>
<td><strong>Change in Net Assets</strong></td>
<td>7,048,198</td>
<td>(2,624,102)</td>
</tr>
<tr>
<td><strong>Net Assets - Beginning of year</strong></td>
<td>63,544,373</td>
<td>66,168,475</td>
</tr>
<tr>
<td><strong>Net Assets - End of year</strong></td>
<td>$70,592,571</td>
<td>$63,544,373</td>
</tr>
</tbody>
</table>

The Notes to Financial Statements are an Integral Part of this Statement.
### Suburban Mobility Authority for Regional Transportation

#### Proprietary Funds

**Statement of Net Assets**

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<tr>
<td><strong>Total noncurrent liabilities</strong></td>
<td>18,443,683</td>
<td>27,871,757</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>55,335,091</td>
<td>60,828,564</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets - Net of related debt</td>
<td>58,631,320</td>
<td>50,773,251</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>11,961,251</td>
<td>12,771,122</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>$70,592,571</td>
<td>$63,544,373</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Fund</th>
<th>2010</th>
<th>2009</th>
<th>2009 [Note 8]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Operating Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fares</td>
<td>$13,033,388</td>
<td>$12,101,330</td>
<td>$-</td>
</tr>
<tr>
<td>Other income</td>
<td>785,777</td>
<td>465,921</td>
<td>-</td>
</tr>
<tr>
<td>Total operating revenue</td>
<td>13,819,165</td>
<td>12,567,251</td>
<td>-</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>40,744,274</td>
<td>42,265,832</td>
<td>-</td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>30,567,883</td>
<td>27,865,774</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Contractual services</td>
<td>3,081,907</td>
<td>3,606,240</td>
<td>-</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>13,382,918</td>
<td>15,396,659</td>
<td>-</td>
</tr>
<tr>
<td>Utilities</td>
<td>1,880,437</td>
<td>2,194,220</td>
<td>-</td>
</tr>
<tr>
<td>Claims and insurance</td>
<td>4,813,228</td>
<td>1,581,439</td>
<td>-</td>
</tr>
<tr>
<td>Purchased transportation</td>
<td>9,386,206</td>
<td>9,965,437</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td>101,406</td>
<td>410,138</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>12,980,575</td>
<td>12,072,882</td>
<td>-</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>116,938,834</td>
<td>115,358,621</td>
<td>3,000,000</td>
</tr>
</tbody>
</table>

### Operating Loss

- (103,119,669)  
- (102,791,370)  
- (3,000,000)

### Nonoperating Revenue (Expense)

<table>
<thead>
<tr>
<th>Revenue/Expense</th>
<th>2010</th>
<th>2009</th>
<th>2009 [Note 8]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal operating and preventive maintenance assistance</td>
<td>16,312,166</td>
<td>12,360,068</td>
<td>-</td>
</tr>
<tr>
<td>State operating grants</td>
<td>34,136,343</td>
<td>33,034,981</td>
<td>-</td>
</tr>
<tr>
<td>Local contributions</td>
<td>50,369,199</td>
<td>52,762,260</td>
<td>-</td>
</tr>
<tr>
<td>Interest income</td>
<td>136,210</td>
<td>302,853</td>
<td>-</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(1,265,022)</td>
<td>(1,718,344)</td>
<td>-</td>
</tr>
<tr>
<td>Loss on retirement of assets</td>
<td>(141,962)</td>
<td>(27,823)</td>
<td>-</td>
</tr>
</tbody>
</table>

### Change in Net Assets Before Capital Contributions

- (3,572,735)  
- (6,077,375)  
- (3,000,000)

### Capital Contributions

- 10,620,933  
- 6,453,273  
- -

### Change in Net Assets

- 7,048,198  
- 375,898  
- -

### Net Assets - Beginning of year

- 63,544,373  
- 63,168,475  
- 3,000,000

### Net Assets - End of year

- $70,592,571  
- $63,544,373  
- -

The Notes to Financial Statements are an Integral Part of this Statement.
Suburban Mobility Authority for Regional Transportation

Proprietary Funds
Statement of Cash Flows

<table>
<thead>
<tr>
<th>Year Ended June 30</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Fund</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Cash Flows from Operating Activities**

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from transit operations</td>
<td>$14,650,570</td>
<td>$12,691,076</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(70,836,884)</td>
<td>(70,701,625)</td>
</tr>
<tr>
<td>Payments to suppliers</td>
<td>(15,098,487)</td>
<td>(19,999,975)</td>
</tr>
<tr>
<td>Payments to claims and insurance</td>
<td>(2,720,153)</td>
<td>(5,795,983)</td>
</tr>
<tr>
<td>Payments for purchased transportation</td>
<td>(9,794,542)</td>
<td>(10,492,566)</td>
</tr>
</tbody>
</table>

Net cash used in operating activities                    | (83,799,496)| (94,299,073)|

**Cash Flows from Noncapital Financing Activities**

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal operating and preventive maintenance assistance</td>
<td>25,644,892</td>
<td>18,265,154</td>
</tr>
<tr>
<td>State operating grants</td>
<td>34,136,343</td>
<td>33,034,981</td>
</tr>
<tr>
<td>Local contributions</td>
<td>50,787,653</td>
<td>51,527,090</td>
</tr>
</tbody>
</table>

Net cash provided by noncapital financing activities      | 110,568,888| 102,827,225|

**Cash Flows from Capital and Related Financing Activities**

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital grants received</td>
<td>10,620,933</td>
<td>6,453,273</td>
</tr>
<tr>
<td>Purchase of capital assets</td>
<td>(10,650,418)</td>
<td>(6,649,675)</td>
</tr>
<tr>
<td>Payment on installment note payable</td>
<td>(10,330,187)</td>
<td>(9,866,976)</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(1,405,021)</td>
<td>(1,999,600)</td>
</tr>
</tbody>
</table>

Net cash used in capital and related financing activities | (11,764,693)| (12,062,978)|

**Cash Flows from Investing Activities - Interest on investments**

| Description                                             | 141,783    | 315,320    |

**Net Increase (Decrease) in Cash and Cash Equivalents**

| Description                                             | 15,146,482 | (3,219,506)|

**Cash and Cash Equivalents - Beginning of year**

| Description                                             | 23,079,852 | 26,299,358|

**Cash and Cash Equivalents - End of year**

| Description                                             | $38,226,334 | $23,079,852|

Balance Sheet Classification of Cash and Cash Equivalents

| Description                                             | $38,226,334 | $23,079,852|

The Notes to Financial Statements are an Integral Part of this Statement.
### Reconciliation of Operating Loss to Net Cash from Operating Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$ (103,119,669)</td>
<td>$ (102,791,370)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>12,980,575</td>
<td>12,072,882</td>
</tr>
<tr>
<td>Noncash decrease in net pension asset</td>
<td>265,814</td>
<td>73,417</td>
</tr>
<tr>
<td>Noncash expense related to net OPEB obligations</td>
<td>110,213</td>
<td>2,267,504</td>
</tr>
<tr>
<td>Noncash decrease (increase) in self-insurance liability</td>
<td>2,093,075</td>
<td>(4,214,542)</td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Materials and supplies inventory</td>
<td>(73,602)</td>
<td>227,722</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>339,268</td>
<td>378,917</td>
</tr>
<tr>
<td>Other receivables</td>
<td>831,405</td>
<td>123,826</td>
</tr>
<tr>
<td>Municipal and community credits payable</td>
<td>(51,343)</td>
<td>(746,176)</td>
</tr>
<tr>
<td>Payable under purchase service contracts</td>
<td>(356,993)</td>
<td>219,047</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>3,082,515</td>
<td>(1,999,357)</td>
</tr>
<tr>
<td>Accrued wages and compensated absences</td>
<td>99,246</td>
<td>89,057</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>$ (83,799,496)</td>
<td>$ (94,299,073)</td>
</tr>
</tbody>
</table>
Suburban Mobility Authority for Regional Transportation

Notes to Financial Statements
June 30, 2010 and 2009

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 the RTCC provide that 35 percent of any state or federal transportation operating assistance or formula capital grants or loans is to be distributed to SMART, and the remaining 65 percent is to be distributed to the DDOT. The FTA and the State of Michigan pay such funds directly to SMART and the DDOT at the direction of the RTCC. Capital grants or loans are not allocated on a formula basis by the responsible federal or state agencies, but rather are allocated on a specific project or asset basis. These allocations to SMART and the DDOT are based on the terms of the grant or loan.

Reporting Entity

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

Prior to fiscal year end June 30, 2010, SMART reported an Internal Service Fund to account for retiree healthcare activity. This fund was closed during the fiscal year ended June 30, 2009, and the activity is now all reported in the Authority’s Enterprise Fund. Accordingly, there is no balance sheet information to present for the Internal Service Fund at June 30, 2009.

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.
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 estimated uncollectible amounts totaling $1,000,000 and $250,000 at June 30, 2010 and 2009, 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 are expected to extend the useful lives of existing assets are capitalized. Donated fixed assets are recorded at their estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.
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:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>25</td>
</tr>
<tr>
<td>Leasehold improvements *</td>
<td>5-25</td>
</tr>
<tr>
<td>Fixed-route buses</td>
<td>7-14</td>
</tr>
<tr>
<td>Connector transit buses</td>
<td>4-10</td>
</tr>
<tr>
<td>Equipment and office furniture</td>
<td>3-10</td>
</tr>
</tbody>
</table>

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

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

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.
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 under/over paid amount, if any.

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

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

**Passenger Fares** - Passenger fares are recorded as revenue at the time services are performed.
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, 2010 or 2009.

- **Unrestricted** - This consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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

- **Operating Revenue** - Operating revenue includes activities that have the characteristics of exchange transactions such as revenue from transit operations.

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

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

Methodology of Non-Financial Data to Allocate Costs - As SMART is a stand-alone entity with only one Enterprise Fund, allocation of costs using nonfinancial data is not used by the Authority.
Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

Note 3 - State of Michigan Operating Assistance Funds

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

The latest “final” determination of State of Michigan operating assistance allocable to SMART in accordance with the Act 51 funding formula was for the State of Michigan’s fiscal year ended September 30, 2007. The resulting additional revenue has been finalized with the State and was fully settled subsequent to year end. Furthermore, SMART awaits the “final” determination for the years ended September 30, 2008, 2009, and 2010. SMART has recorded an estimated aggregate liability as of June 30, 2010 based on management’s anticipation of the results of the State’s final determination of the Act 51 funding formula for the remaining open years.
Note 3 - State of Michigan Operating Assistance Funds (Continued)

Act 51 requires SMART to provide a portion of the State of Michigan operating assistance as funding to municipalities within its transportation district. Amounts not used by the municipalities within two years must be expended by SMART for operating purposes within the county in which the city, village, or township lies. SMART was required to provide approximately $3,059,000 pursuant to this provision in both fiscal years 2010 and 2009.

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:
Note 4 - Deposits and Investments (Continued)

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.

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:

<table>
<thead>
<tr>
<th>Investment</th>
<th>Fair Value</th>
<th>Credit Rating</th>
<th>Rating Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank investment pool</td>
<td>$1,537,062</td>
<td>Not rated</td>
<td>N/A</td>
</tr>
<tr>
<td>Money market</td>
<td>36,605,131</td>
<td>Not rated</td>
<td>N/A</td>
</tr>
</tbody>
</table>
### Note 5 - Grants Receivable

At June 30, 2010 and 2009, grants receivable are comprised of the following:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable - Billed:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Operating Grant (CMAQ)</td>
<td>$ 3,167,897</td>
<td>$ 4,118,635</td>
</tr>
<tr>
<td>Federal government grants</td>
<td>519,623</td>
<td>7,435,138</td>
</tr>
<tr>
<td>State of Michigan grants</td>
<td>$ 1,370,826</td>
<td>2,862,037</td>
</tr>
<tr>
<td>Total billed</td>
<td>5,058,346</td>
<td>14,415,810</td>
</tr>
<tr>
<td>Accounts receivable - Unbilled:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal government grants</td>
<td>654,547</td>
<td>528,601</td>
</tr>
<tr>
<td>State of Michigan grants</td>
<td>72,911</td>
<td>174,120</td>
</tr>
<tr>
<td>Total unbilled</td>
<td>727,458</td>
<td>702,721</td>
</tr>
<tr>
<td>Total</td>
<td>$ 5,785,804</td>
<td>$ 15,118,531</td>
</tr>
</tbody>
</table>
### Note 6 - Capital Assets

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

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

The eligible depreciation of $6,261,794 ($12,980,575 total depreciation reported less ineligible depreciation of $6,718,781) includes only depreciation of assets purchased with authority funds where the useful life of the asset purchased has been approved by the BPT.
## Note 6 - Capital Assets (Continued)

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

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

**Capital Purchase Commitments** - The Authority has active purchase contract commitments at year end related to the purchase of new vehicles. At year end, the Authority’s commitments with contractors are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Spent to Date</th>
<th>Remaining Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle purchases</td>
<td>$</td>
<td>$3,465,997</td>
</tr>
</tbody>
</table>

Note 7 - Property Taxes

In 2006, voters in Macomb County and in those communities participating in Act 196 Transportation Authorities in Oakland County and Wayne County approved a .59 property tax millage dedicated to public transportation. The Macomb and Wayne County millages were approved for four years and the Oakland County millage was approved for two years. The millage was re-approved in 2010 subsequent to June 30, 2010 in these same jurisdictions. Tax revenue received by Macomb County, the Wayne County Act 196 Authority, the Oakland County Act 196 Authority, and contributed to SMART for the years ended June 30, 2010 and 2009 were $50,369,199 and $52,762,260, 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.
Note 8 - Purchase of Service Agreements

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

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal credits</td>
<td>$3,058,956</td>
<td>$3,058,956</td>
</tr>
<tr>
<td>Community credits</td>
<td>3,540,069</td>
<td>3,540,068</td>
</tr>
<tr>
<td>Community transit bus service</td>
<td>1,793,701</td>
<td>2,026,370</td>
</tr>
<tr>
<td>Specialized services</td>
<td>787,817</td>
<td>787,811</td>
</tr>
<tr>
<td>NOTA</td>
<td>12,216</td>
<td>346,887</td>
</tr>
<tr>
<td>Royal Oak Township</td>
<td>52,967</td>
<td>56,507</td>
</tr>
<tr>
<td>Community-based services</td>
<td>140,480</td>
<td>148,838</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$9,386,206</td>
<td>$9,965,437</td>
</tr>
</tbody>
</table>

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, 2010 is summarized as follows:

<table>
<thead>
<tr>
<th>Note</th>
<th>Interest Rates*</th>
<th>Principal Maturity Ranges</th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>4.44%</td>
<td>$1,698,113 - $1,698,113</td>
<td>$4,984,499</td>
<td>-</td>
<td>$3,286,386</td>
<td>$1,698,113</td>
<td>$1,698,113</td>
</tr>
<tr>
<td>2</td>
<td>4.50%</td>
<td>$1,568,661 - $1,304,525</td>
<td>7,505,634</td>
<td>-</td>
<td>2,902,447</td>
<td>4,603,187</td>
<td>3,034,525</td>
</tr>
<tr>
<td>3</td>
<td>4.64%</td>
<td>$1,374,395 - $2,656,008</td>
<td>8,990,521</td>
<td>-</td>
<td>2,423,189</td>
<td>6,567,332</td>
<td>2,536,929</td>
</tr>
<tr>
<td>4</td>
<td>5.27%</td>
<td>$991,034 - $991,034</td>
<td>6,425,482</td>
<td>-</td>
<td>1,718,165</td>
<td>4,707,317</td>
<td>1,809,852</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>27,906,136</td>
<td>-</td>
<td>10,330,187</td>
<td>17,575,949</td>
<td>9,079,419</td>
</tr>
</tbody>
</table>

Compensated absences: 3,112,743 $3,409,398 $3,393,430 $3,128,711 $2,992,186

Total long-term debt: $31,018,879 $3,409,398 $13,723,617 $20,704,660 $12,071,605

* Represents interest rates pursuant to the restructuring of Notes 1, 2, and 3
Note 9 - Long-term Debt (Continued)

Activity for the year ended June 30, 2009 was as follows:

<table>
<thead>
<tr>
<th>Note</th>
<th>Description</th>
<th>Amount of Issue</th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Reductions</th>
<th>Ending Balance</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2000 Installment Purchase 100 Transit Coach Buses: Amount of issue: $27,300,000 Maturing through September 2010</td>
<td>$1,698,112</td>
<td>$3,286,386</td>
<td>$8,129,689</td>
<td>$3,145,190</td>
<td>$4,984,499</td>
<td>$3,286,386</td>
</tr>
<tr>
<td>2</td>
<td>2001 Installment Purchase 100 Transit Coach Buses: Amount of issue: $17,643,511 Maturing through September 2011</td>
<td>$1,568,661</td>
<td>$3,034,526</td>
<td>$10,281,750</td>
<td>$2,776,116</td>
<td>$7,505,634</td>
<td>$2,902,447</td>
</tr>
<tr>
<td>3</td>
<td>2002 Installment Purchase 87 Transit Coach Buses: Amount of issue: $15,469,092 Maturing through September 2012</td>
<td>$1,374,395</td>
<td>$2,656,008</td>
<td>$11,305,069</td>
<td>$2,314,548</td>
<td>$8,990,521</td>
<td>$2,423,189</td>
</tr>
<tr>
<td>4</td>
<td>2007 Installment Purchase Engine Replacement Plan: Amount of issue: $10,171,326 Maturing through September 2012</td>
<td>$991,034</td>
<td>$1,809,852</td>
<td>$8,056,604</td>
<td>$1,631,122</td>
<td>$6,425,482</td>
<td>$1,718,165</td>
</tr>
</tbody>
</table>

Total installment purchase obligations: $37,773,112
Compensated absences: $3,270,657

Total long-term debt: $41,043,769

* 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:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$9,079,419</td>
<td>$711,129</td>
<td>$9,790,548</td>
</tr>
<tr>
<td>2012</td>
<td>$6,131,101</td>
<td>$319,682</td>
<td>$6,450,783</td>
</tr>
<tr>
<td>2013</td>
<td>$2,365,429</td>
<td>$57,985</td>
<td>$2,423,414</td>
</tr>
<tr>
<td>Total</td>
<td>$17,575,949</td>
<td>$1,088,796</td>
<td>$18,664,745</td>
</tr>
</tbody>
</table>
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 2010 and 2009, SMART was a qualifying self-insurer for vehicle and general liability loss with a self-retention per occurrence amount of $1 million and excess insurance totaling $10 million per occurrence. SMART is self-insured for workers’ compensation claims up to $500,000 per specific claim and is insured up to $5 million for aggregate losses in excess of the $500,000 individual claim. Vehicle, general liability, and workers’ compensation claim liabilities are actuarially determined based on known information. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Recorded liabilities include an estimated amount for claims that have been incurred but not reported. Management represents, based on existing known information and prior experience, that the estimated reserve for claims is adequate to satisfy all claims filed, or expected to be filed, for incidents that occurred through June 30, 2010.

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

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

Changes in the balances of self-insured liabilities during fiscal 2010 and 2009 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims liability - July 1</td>
<td>$10,388,207</td>
<td>$14,602,749</td>
<td>$14,383,922</td>
</tr>
<tr>
<td>Current year claims incurred</td>
<td>5,683,051</td>
<td>1,507,246</td>
<td>4,460,698</td>
</tr>
<tr>
<td>Claim payments and adjustments for IBNR</td>
<td>(3,589,976)</td>
<td>(5,721,788)</td>
<td>(4,241,871)</td>
</tr>
<tr>
<td>Claims liability - June 30</td>
<td>$12,481,282</td>
<td>$10,388,207</td>
<td>$14,602,749</td>
</tr>
</tbody>
</table>
Note 11 - Defined Benefit Pension Plan

Plan Description

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

Substantially all SMART employees are members of the MMERS plan. As of December 31, 2009, the date of the last actuarial valuation, 551 retirees and beneficiaries were receiving benefit payments, and the plan had 889 active members and 205 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.
Note 11 - Defined Benefit Pension Plan (Continued)

Funding Policy

The obligation to contribute to and maintain the system for these employees was established by negotiation with the Authority’s collective bargaining units. Members of only one of SMART’s collective bargaining units (UAW No. 771) make contributions to MMERS. For the years ended June 30, 2010 and 2009, these employees (UAW No. 771) contributed 3 percent of eligible payroll. SMART is required to contribute at an actuarially determined rate. The actuarial determined rates for fiscal years ended June 30, 2010 and 2009 are as of the December 31, 2008 and 2007 valuations, respectively. For the fiscal years ended June 30, 2010 and 2009, the rates, as a percentage of annual payroll, are as follows: ATU drivers, 12.38 percent and 12.51 percent, respectively; ATU clerical, 10.92 percent and 11.42 percent, respectively; UAW No. 771, 8.19 percent and 8.61 percent, respectively; Teamsters No. 247, 13.45 percent and 13.12 percent, respectively; AFSCME No. 1917, 15.73 percent and 16.23 percent, respectively; and nonunion, 16.95 percent and 16.82 percent, respectively. The contribution requirements of plan members are established and may be amended by the retirement board of MMERS.

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

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Actuarial Value of Assets (a)</th>
<th>Accrued Liability (AAL)</th>
<th>Underfunded AAL (UAAL) (b-a)</th>
<th>Covered Payroll (c)</th>
<th>UAAL as a Percentage of Valuation Payroll</th>
<th>Funded Ratio (Percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/2006</td>
<td>$132,547</td>
<td>$157,725</td>
<td>$25,178</td>
<td>$42,543</td>
<td>59.2</td>
<td>84.0</td>
</tr>
<tr>
<td>12/31/2007</td>
<td>142,931</td>
<td>165,631</td>
<td>22,700</td>
<td>40,865</td>
<td>55.5</td>
<td>86.3</td>
</tr>
<tr>
<td>12/31/2008</td>
<td>148,449</td>
<td>178,591</td>
<td>30,142</td>
<td>42,973</td>
<td>70.1</td>
<td>83.1</td>
</tr>
<tr>
<td>12/31/2009</td>
<td>152,858</td>
<td>180,727</td>
<td>27,868</td>
<td>40,598</td>
<td>68.6</td>
<td>84.6</td>
</tr>
</tbody>
</table>
Note 11 - Defined Benefit Pension Plan (Continued)

Annual Pension Cost

For fiscal years ended June 30, 2010 and 2009, SMART’s annual pension costs of $5,093,929 and $5,339,085, 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, 2010 and 2009 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual required contribution (recommended)</td>
<td>$ (5,118,276)</td>
<td>$ (5,365,368)</td>
</tr>
<tr>
<td>Interest on the prior year’s net pension asset</td>
<td>73,869</td>
<td>79,742</td>
</tr>
<tr>
<td>Adjustment to the annual required contribution</td>
<td>(49,522)</td>
<td>(53,459)</td>
</tr>
<tr>
<td>Annual pension cost</td>
<td>(5,093,929)</td>
<td>(5,339,085)</td>
</tr>
<tr>
<td>Contributions made</td>
<td>4,828,115</td>
<td>5,265,668</td>
</tr>
<tr>
<td>Decrease in net pension asset</td>
<td>(265,814)</td>
<td>(73,417)</td>
</tr>
<tr>
<td>Net pension asset - Beginning of year</td>
<td>923,355</td>
<td>996,772</td>
</tr>
<tr>
<td>Net pension asset - End of year</td>
<td>$ 657,541</td>
<td>$ 923,355</td>
</tr>
</tbody>
</table>

Three-year historical trend information follows:

<table>
<thead>
<tr>
<th>Fiscal Years Ended June 30</th>
<th>Annual Pension Costs</th>
<th>Percentage Contributed</th>
<th>Net Pension Asset</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$ 5,048,848</td>
<td>104%</td>
<td>$ 996,772</td>
</tr>
<tr>
<td>2009</td>
<td>5,339,085</td>
<td>99%</td>
<td>923,355</td>
</tr>
<tr>
<td>2010</td>
<td>5,093,929</td>
<td>95%</td>
<td>657,541</td>
</tr>
</tbody>
</table>
Note 11 - Defined Benefit Pension Plan ( Continued )

Actuarial Methods and Assumptions

In the December 31, 2008 and 2007 actuarial valuations, the entry age actuarial cost method was used. Significant actuarial assumptions used include (a) an 8 percent investment rate of return, (b) projected salary increases of 4.5 percent per year compounded annually, attributable to inflation, (c) additional projected salary increases of 0 percent to 8.4 percent, attributable to seniority/merit, and (d) a 2.5 percent annual benefit increase. The actuarial valuation of assets was determined using techniques that smooth the effects of investment volatility over a 10-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 27 and 28 years, respectively.

Note 12 - Other Postemployment Benefits

Plan Description

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

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

Substantially all SMART employees are members of the plan. As of December 31, 2008 (the most recent actuarial valuation), 504 retirees and beneficiaries were receiving benefit payments and the plan had 893 active members.
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 a portion of these benefits through a contribution, as determined by a board budget resolution.

Funding Progress

For the years ended June 30, 2010 and 2009, the Authority has estimated the cost of providing retiree healthcare benefits through actuarial valuations as of December 31, 2008 and 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:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual required contribution (recommended)</td>
<td>$ 9,079,384</td>
<td>$ 8,630,150</td>
</tr>
<tr>
<td>Interest on the prior year's net OPEB obligation</td>
<td>330,837</td>
<td>149,436</td>
</tr>
<tr>
<td>Less adjustment to the annual required contribution</td>
<td>(220,624)</td>
<td>-</td>
</tr>
<tr>
<td>Annual OPEB cost</td>
<td>9,189,597</td>
<td>8,779,586</td>
</tr>
</tbody>
</table>

Amounts contributed:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments of current premiums</td>
<td>4,359,513</td>
<td>4,012,082</td>
</tr>
<tr>
<td>Advance funding</td>
<td>4,719,871</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Increase in net OPEB obligation</td>
<td>110,213</td>
<td>2,267,504</td>
</tr>
<tr>
<td>OPEB obligation - Beginning of year</td>
<td>4,135,459</td>
<td>1,867,955</td>
</tr>
<tr>
<td>OPEB obligation - End of year</td>
<td>$ 4,245,672</td>
<td>$ 4,135,459</td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th>Fiscal Years Ended June 30</th>
<th>Annual OPEB Costs</th>
<th>Percentage Contributed</th>
<th>Net OPEB Obligation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$8,258,515</td>
<td>77%</td>
<td>$1,867,955</td>
</tr>
<tr>
<td>2009</td>
<td>8,779,586</td>
<td>74%</td>
<td>4,135,459</td>
</tr>
<tr>
<td>2010</td>
<td>9,189,597</td>
<td>99%</td>
<td>4,245,672</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Actuarial Valuation Date</th>
<th>Actuarial Valuation Date</th>
<th>Actuarial Valuation Date</th>
<th>Actuarial Valuation Date</th>
<th>Actuarial Valuation Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/07</td>
<td>$6,093</td>
<td>$110,869</td>
<td>$104,776</td>
<td>5.5</td>
</tr>
<tr>
<td>12/31/08</td>
<td>7,565</td>
<td>116,089</td>
<td>108,524</td>
<td>6.5</td>
</tr>
</tbody>
</table>

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.
Note 12 - Other Postemployment Benefits (Continued)

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.

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, 2010 and 2009 was $345,533 and $331,093, respectively.

SMART entered into a new, noncancelable 10-year lease commencing October 1, 2007 through September 30, 2017 for its administrative offices and the ticket sales store. The 10-year lease provides for 42 months of free rent. The first 28 months of the lease are free, with the remaining free months distributed throughout the remaining eight-year period as is outlined in the lease agreement.
Note 13 - Commitments (Continued)

Minimum lease payments are as follows:

<table>
<thead>
<tr>
<th>Fiscal Years Ending June 30</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$356,366</td>
</tr>
<tr>
<td>2012</td>
<td>361,136</td>
</tr>
<tr>
<td>2013</td>
<td>329,173</td>
</tr>
<tr>
<td>2014</td>
<td>407,888</td>
</tr>
<tr>
<td>2015</td>
<td>375,448</td>
</tr>
<tr>
<td>2016-2018</td>
<td>881,134</td>
</tr>
<tr>
<td>Total</td>
<td>$2,711,145</td>
</tr>
</tbody>
</table>

Note 14 - Contingent Liabilities

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

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

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

#### Other Supplemental Information

**Operating Revenue Schedule**  
Year Ended June 30, 2010

<table>
<thead>
<tr>
<th>Description</th>
<th>Jul 1, 2009 to Oct 1, 2009</th>
<th>Description Sep 30, 2009 to Jun 30, 2010</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Fares</td>
<td>$3,009,504 $10,023,884 $13,033,388</td>
<td>$3,009,504 $10,023,884 $13,033,388</td>
<td>$13,033,388</td>
</tr>
<tr>
<td>Contract Fares</td>
<td>47,328 136,408 183,736</td>
<td>47,328 136,408 183,736</td>
<td>183,736</td>
</tr>
<tr>
<td>Concessions</td>
<td>- - -</td>
<td>- - -</td>
<td>-</td>
</tr>
<tr>
<td>Advertising</td>
<td>125,281 393,147 518,428</td>
<td>125,281 393,147 518,428</td>
<td>518,428</td>
</tr>
<tr>
<td>Rental of Bldgs or Other Property</td>
<td>9,928 42,982 52,910</td>
<td>9,928 42,982 52,910</td>
<td>52,910</td>
</tr>
<tr>
<td>Other NonTrans Revenue</td>
<td>6,365 20,152 26,517</td>
<td>6,365 20,152 26,517</td>
<td>26,517</td>
</tr>
<tr>
<td>Other Local Contracts - Mun. Cr.</td>
<td>- 4,186 4,186</td>
<td>- 4,186 4,186</td>
<td>4,186</td>
</tr>
<tr>
<td>Other Local Contracts - Com. Cr.</td>
<td>- - -</td>
<td>- - -</td>
<td>-</td>
</tr>
</tbody>
</table>
### Suburban Mobility Authority for Regional Transportation

#### Other Supplemental Information

#### Operating Revenue Schedule

**State Year Ended September 30, 2009**

<table>
<thead>
<tr>
<th>Description</th>
<th>Oct 1, 2008 to Jun 30, 2009</th>
<th>Jul 1, 2009 to Sep 30, 2009</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Fares</td>
<td>$8,819,424</td>
<td>$3,009,504</td>
<td>$11,828,928</td>
</tr>
<tr>
<td>Contract Fares</td>
<td>156,832</td>
<td>47,328</td>
<td>204,160</td>
</tr>
<tr>
<td>Concessions</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Advertising</td>
<td>166,669</td>
<td>125,281</td>
<td>291,950</td>
</tr>
<tr>
<td>Rental of Bldgs or Other Property</td>
<td>43,975</td>
<td>9,928</td>
<td>53,903</td>
</tr>
<tr>
<td>Other NonTrans Revenue</td>
<td>11,222</td>
<td>6,365</td>
<td>17,587</td>
</tr>
<tr>
<td>Other Local Contracts - Mun. Cr.</td>
<td>(1,005)</td>
<td>-</td>
<td>(1,005)</td>
</tr>
<tr>
<td>Other Local Contracts - Com. Cr.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>$9,197,117</strong></td>
<td><strong>$3,198,406</strong></td>
<td><strong>$12,395,523</strong></td>
</tr>
</tbody>
</table>
### Suburban Mobility Authority for Regional Transportation

**Other Supplemental Information**

**Local Revenue Schedule**

*For the Year Ended June 30, 2010*

<table>
<thead>
<tr>
<th>Description</th>
<th>Jul 1, 2009 to Sep 30, 2009</th>
<th>Oct 1, 2009 to Jun 30, 2010</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes Levied Directly</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Local Operating Assistance Millage</td>
<td>12,742,941</td>
<td>37,626,258</td>
<td>50,369,199</td>
</tr>
<tr>
<td>Other Local Contracts</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>$12,742,941</strong></td>
<td><strong>$37,626,258</strong></td>
<td><strong>$50,369,199</strong></td>
</tr>
<tr>
<td>Interest Income</td>
<td>$23,434</td>
<td>$112,776</td>
<td>$136,210</td>
</tr>
</tbody>
</table>
### Suburban Mobility Authority for Regional Transportation

#### Other Supplemental Information

#### Local Revenue Schedule

**For the Year Ended September 30, 2009**

<table>
<thead>
<tr>
<th>Description</th>
<th>Oct 1, 2008 to Jun 30, 2009</th>
<th>Jul 1, 2009 to Sep 30, 2009</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes Levied Directly</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Local Operating Assistance Millage</td>
<td>39,443,886</td>
<td>12,742,941</td>
<td>52,186,827</td>
</tr>
<tr>
<td>Other Local Contracts</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$ 39,443,886</td>
<td>$ 12,742,941</td>
<td>$ 52,186,827</td>
</tr>
<tr>
<td>Interest Income</td>
<td>$ 203,672</td>
<td>$ 23,434</td>
<td>$ 227,106</td>
</tr>
</tbody>
</table>
### Other Supplemental Information
#### Federal and State Operating Revenue
**For the Year Ended June 30, 2010**

<table>
<thead>
<tr>
<th>Description</th>
<th>Jul 1, 2009 to Oct 1, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Operating Assistance</strong></td>
<td>$6,861,040</td>
</tr>
<tr>
<td>Prior Year</td>
<td>-</td>
</tr>
<tr>
<td><strong>Line-Item Municipal Credit</strong></td>
<td>382,363</td>
</tr>
<tr>
<td>Mun. Cr. Special Appropriation</td>
<td>382,371</td>
</tr>
<tr>
<td>Cap. K Reimb. For Admin. Expenses</td>
<td>-</td>
</tr>
<tr>
<td>Other Cap. K Reimb. For Operating Exp.</td>
<td>-</td>
</tr>
<tr>
<td>Other MDOT/BPT Contracts &amp; Reimb.</td>
<td></td>
</tr>
<tr>
<td>Other Transit User Study MI-80-0002 2002-0088 Z8</td>
<td>-</td>
</tr>
<tr>
<td>State Preventive Maintenance 2002-0088 Z20</td>
<td>792,233</td>
</tr>
<tr>
<td>Gateway - M-0782 (075) 2007-0294/Z12</td>
<td>409</td>
</tr>
<tr>
<td><strong>Subtotal SMART State</strong></td>
<td>8,418,416</td>
</tr>
<tr>
<td>Pass-through State Act 51:</td>
<td></td>
</tr>
<tr>
<td>Bedford</td>
<td>17,374</td>
</tr>
<tr>
<td>Bedford (Prior Year)</td>
<td>-</td>
</tr>
<tr>
<td>LETC Urban &amp; Non-Urban</td>
<td>244,092</td>
</tr>
<tr>
<td>LETC Urban &amp; Non-Urban (Prior Year)</td>
<td>-</td>
</tr>
<tr>
<td>Royal Oak Township</td>
<td>12,349</td>
</tr>
<tr>
<td>Royal Oak Township (prior Year)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Pass-through State Act 51</strong></td>
<td>273,815</td>
</tr>
<tr>
<td>Other State Pass-through Grants</td>
<td></td>
</tr>
<tr>
<td>Specialized Service Grant 2007-0294 Z20</td>
<td>196,958</td>
</tr>
<tr>
<td>Specialized Service Grant 2007-0294 Z30</td>
<td>-</td>
</tr>
<tr>
<td>NOTA JARC MI-37-X031 2007-0294 Z18</td>
<td>40,887</td>
</tr>
<tr>
<td>NOTA New Freedom MI-57-X001 2007-0294 Z14</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Other State Pass-through Grants</strong></td>
<td>237,845</td>
</tr>
<tr>
<td><strong>Grand Total State Revenue Per F/S</strong></td>
<td>$8,930,076</td>
</tr>
</tbody>
</table>
## Suburban Mobility Authority for Regional Transportation

### Other Supplemental Information

#### Federal and State Operating Revenue (Continued)

For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th>Description</th>
<th>Jul 1, 2009 to Sep 30, 2009</th>
<th>Oct 1, 2009 to Jun 30, 2010</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Preventive Maintenance:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MI-90-0591</td>
<td>$467,352</td>
<td>$7,632,648</td>
<td>$8,100,000</td>
</tr>
<tr>
<td>MI-03-0205</td>
<td>3,168,931</td>
<td>-</td>
<td>3,168,931</td>
</tr>
<tr>
<td>MI-04-0013</td>
<td>-</td>
<td>800,000</td>
<td>800,000</td>
</tr>
<tr>
<td><strong>Planning/Capital Cost of Contracting</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2010 UWP - CONTRACT #MI-80-2001</td>
<td>77,048</td>
<td>228,442</td>
<td>305,490</td>
</tr>
<tr>
<td>Reimb. For JARC Admin MI-37-6040</td>
<td>-</td>
<td>1,124</td>
<td>1,124</td>
</tr>
<tr>
<td>Reimb. For New Freedom Admin. MI-57-6007</td>
<td>-</td>
<td>1,075</td>
<td>1,075</td>
</tr>
<tr>
<td>Other Transit User Study MI-80-0002 2002-0088 Z8</td>
<td>-</td>
<td>29,773</td>
<td>29,773</td>
</tr>
<tr>
<td>Gateway - M-0782 (075) 2007-0294/Z12</td>
<td>3,682</td>
<td>-</td>
<td>3,682</td>
</tr>
<tr>
<td><strong>Other Federal Transit Contracts &amp; Reimb.</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CMAQ MI-95-0049</td>
<td>830,550</td>
<td>2,325,547</td>
<td>3,156,097</td>
</tr>
</tbody>
</table>

**Subtotal SMART Federal**

| | $4,547,563 | $11,018,609 | $15,566,172 |

| **Other Federal Pass-through Grants:** | | | |
| Section 5307 Lake Erie MI-90-4758 | $83,025 | $249,075 | $332,100 |
| CMAQ Lake Erie MI-95-0017 | 38,338 | 162,229 | 200,567 |
| Section 5311 Lake Erie MI-18-X042 2007-0294 Z10 | - | (1,299) | (1,299) |
| Section 5311 Lake Erie MI-18-X047 2007-0294 Z22 | 44,622 | - | 44,622 |
| Section 5311 Lake Erie MI-18-X050 2007-0294 Z34 | - | 130,606 | 130,606 |
| Section 5311 Lake Erie ARRA MI-86-X002 2007-0294 Z33 | - | 27,210 | 27,210 |
| NOTA JARC MI-37-X031 2007-0294 Z18 | 40,887 | (96,367) | (55,480) |
| NOTA New Freedom MI-57-X001 2007-0294 Z14 | 12,160 | - | 12,160 |

**Total Pass-through Federal**

| | $219,032 | $526,962 | $745,994 |

| **Grand Total Federal Revenue Per F/S** | $4,766,595 | $11,545,571 | $16,312,166 |

| **Grand Total State and Federal Grants** | $13,696,671 | $36,751,838 | $50,448,509 |
### Suburban Mobility Authority for Regional Transportation

#### Other Supplemental Information

**Federal and State Operating Revenue**

**For the Year Ended September 30, 2009**

<table>
<thead>
<tr>
<th>Description</th>
<th>Oct 1, 2008 to Jun 30, 2009</th>
<th>Jul 1, 2009 to Sep 30, 2009</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Operating Assistance</td>
<td>$20,516,409</td>
<td>$6,861,040</td>
<td>$27,377,449</td>
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<tr>
<td>Prior Year</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Line-Item Municipal Credit</td>
<td>1,147,113</td>
<td>382,363</td>
<td>1,529,476</td>
</tr>
<tr>
<td>Mun. Cr. Special Appropriation</td>
<td>1,147,109</td>
<td>382,371</td>
<td>1,529,480</td>
</tr>
<tr>
<td>Cap. K Reimb. For Admin. Expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Cap. K Reimb. For Operating Exp.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other MDOT/BPT Contracts and Reimb.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Transit User Study</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>State Preventive Maintenance</td>
<td>-</td>
<td>792,233</td>
<td>792,233</td>
</tr>
<tr>
<td>SMART JARC 2007-0294 Z18</td>
<td>(90,976)</td>
<td>-</td>
<td>(90,976)</td>
</tr>
<tr>
<td>Gateway - M-0782 (075) 2007-0294/Z12</td>
<td>26,276</td>
<td>409</td>
<td>26,685</td>
</tr>
<tr>
<td>Subtotal Smart State</td>
<td>22,745,931</td>
<td>8,418,416</td>
<td>31,164,347</td>
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<tr>
<td>Pass-through State Act 51:</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Bedford</td>
<td>60,654</td>
<td>17,374</td>
<td>78,028</td>
</tr>
<tr>
<td>LETC Urban and Non-Urban</td>
<td>950,315</td>
<td>244,092</td>
<td>1,194,407</td>
</tr>
<tr>
<td>Royal Oak Township</td>
<td>44,698</td>
<td>12,349</td>
<td>57,047</td>
</tr>
<tr>
<td>Total Pass-through State Act 51</td>
<td>1,055,667</td>
<td>273,815</td>
<td>1,329,482</td>
</tr>
<tr>
<td>Other State Pass-through Grants:</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Specialized Service Grant 2007-0294 Z20</td>
<td>590,860</td>
<td>196,958</td>
<td>787,818</td>
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<tr>
<td>Specialized Service Grant 2007-0294</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NOTA JARC MI-37-X026 and 2007-0294 Z11</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NOTA JARC MI-37-X031 and 2007-0294 Z18</td>
<td>122,658</td>
<td>40,887</td>
<td>163,545</td>
</tr>
<tr>
<td>NOTA New Freedom MI-57-X001 2007-0294 Z14</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Other State Pass-through Grants</td>
<td>713,518</td>
<td>237,845</td>
<td>951,363</td>
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<tr>
<td>Grand Total State Revenue Per F/S</td>
<td><strong>$24,515,116</strong></td>
<td><strong>$8,930,076</strong></td>
<td><strong>$33,445,192</strong></td>
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</tbody>
</table>
### Suburban Mobility Authority for Regional Transportation

#### Other Supplemental Information

**Federal and State Operating Revenue (Continued)**

**For the Year Ended September 30, 2009**

<table>
<thead>
<tr>
<th>Description</th>
<th>Oct 1, 2008 to</th>
<th>Jul 1, 2009 to</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>MI-90-0591</td>
<td>$2,785,874</td>
<td>$467,352</td>
<td>$3,253,226</td>
</tr>
<tr>
<td>MI-03-0205</td>
<td>-</td>
<td>3,168,931</td>
<td>3,168,931</td>
</tr>
</tbody>
</table>

#### Preventive Maintenance:

- MI-90-0591: $2,785,874
- MI-03-0205: $3,168,931

#### Planning/Capital Cost of Contracting:

- FY 2009 UWP - CONTRACT MI-80-2003: $216,086
- FY 2010 UWP - CONTRACT #80-2001: $77,048

#### Cap. K Reimb. For JARC Admin. Expenses:

- SMART JARC MI-37-X033: $(90,976)
- SMART EASTSIDE COMMUNITY SERVICES MI-37-X014: $(293,550)
- Gateway - M-0782 (075) 2007-0294/Z12: $367,387

#### Other Cap. K Reimb. For New Freedom Admin. Expenses:

- Other Cap. K Reimb. For Operating Exp.:

#### Other Federal Transit Contracts and Reimb.:

- CMAQ MI-95-0038: $3,228,153
- CMAQ MI-95-0049: $830,550

#### Subtotal SMART Federal:

- $6,212,974

#### Other Federal Pass-through Grants:

- Section 5307 Lake Erie MI-90-4452: $332,799
- Section 5307 Lake Erie MI-90-4758: $83,025
- CMAQ Lake Erie MI-95-0011: $118,177
- CMAQ Lake Erie MI-95-0017: $66,392
- Section 5311 Lake Erie Non Urban MI-18-X041 2007-0294 Z2: $(11,990)
- Section 5311 Lake Erie Non Urban MI-18-X042 2007-0294 Z10: $(6,030)
- Section 5311 Lake Erie Non Urban MI-18-X047- 2007-0294 Z22: $133,866
- NOTA JARC MI-37-X026 and 2007-0294 Z11: -
- NOTA JARC MI-37-X031 and 2007-0294 Z18: $122,658
- NOTA New Freedom MI-57-X001 2007-0294 Z14: $36,482
- Section 5311 ARRA: -
- Other: -

#### Total Pass-through Federal:

- $792,354

#### Grand Total Federal Revenue Per F/S:

- $7,005,328

#### Grand Total State and Federal Grants:

- $31,520,444

- $13,696,671

- $45,217,115
### Other Supplemental Information

**SMART Expense Schedule**

**For the Year Ended June 30, 2010**

<table>
<thead>
<tr>
<th>Description</th>
<th>Jul 1, 2009</th>
<th>Oct 1, 2009</th>
<th>Sep 30, 2009</th>
<th>Jun 30, 2010</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor</td>
<td>$10,315,844</td>
<td>$30,428,431</td>
<td>$40,744,275</td>
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<td></td>
</tr>
<tr>
<td>Other fringe benefits</td>
<td>4,825,059</td>
<td>15,922,391</td>
<td>20,747,450</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pensions</td>
<td>1,374,324</td>
<td>3,616,026</td>
<td>4,990,350</td>
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<td></td>
</tr>
<tr>
<td>OPEB - Funded</td>
<td>-</td>
<td>4,719,871</td>
<td>4,719,871</td>
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<td></td>
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<tr>
<td>OPEB - Unfunded</td>
<td>1,179,035</td>
<td>(1,068,822)</td>
<td>110,213</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit cost</td>
<td>39,244</td>
<td>85,574</td>
<td>124,818</td>
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<td></td>
</tr>
<tr>
<td>Other services</td>
<td>530,721</td>
<td>2,426,368</td>
<td>2,957,089</td>
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<tr>
<td>Fuel and lubricants</td>
<td>1,683,498</td>
<td>5,531,412</td>
<td>7,214,910</td>
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<td></td>
</tr>
<tr>
<td>Tires and tubes</td>
<td>165,003</td>
<td>490,936</td>
<td>655,939</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other materials and supplies</td>
<td>1,448,653</td>
<td>4,063,408</td>
<td>5,512,061</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>403,416</td>
<td>1,477,022</td>
<td>1,880,438</td>
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<td></td>
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<tr>
<td>Casualty and Liab. Costs</td>
<td>1,378,209</td>
<td>3,435,019</td>
<td>4,813,228</td>
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<tr>
<td>Taxes and fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased transportation service</td>
<td>2,390,522</td>
<td>6,995,684</td>
<td>9,386,206</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pass-thru that are Expensed***</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel, meetings and training</td>
<td>5,559</td>
<td>19,705</td>
<td>25,264</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Association dues and subscriptions</td>
<td>960</td>
<td>30,180</td>
<td>31,140</td>
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<td></td>
</tr>
<tr>
<td>Gain/Loss on Disposal of Asset</td>
<td>-</td>
<td>140,264</td>
<td>140,264</td>
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<td></td>
</tr>
<tr>
<td>Other miscellaneous expenses</td>
<td>19,665</td>
<td>25,336</td>
<td>45,001</td>
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<tr>
<td>Cost Overruns</td>
<td>-</td>
<td>1,698</td>
<td>1,698</td>
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<td></td>
</tr>
<tr>
<td>Interest on Long-Term Debt</td>
<td>326,735</td>
<td>938,287</td>
<td>1,265,022</td>
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<tr>
<td>Interest on Short-Term Debt</td>
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<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on Capital Lease</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leases and rentals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,572,675</td>
<td>11,407,900</td>
<td>12,980,575</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>$27,659,122</strong></td>
<td><strong>$90,686,690</strong></td>
<td><strong>$118,345,812</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Other Supplemental Information
### SMART Expense Schedule (Continued)
#### For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th>Description</th>
<th>Jul 1, 2009 to Oct 1, 2009</th>
<th>Sep 30, 2009 to Jun 30, 2010</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Less ineligible expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ineligible Depreciation</td>
<td>$</td>
<td>$6,718,781</td>
<td>$6,718,781</td>
</tr>
<tr>
<td>Ineligible Loss on Disposal</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Local contracts</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Preventive maintenance (MI-90-0591)</td>
<td>467,352</td>
<td>7,632,648</td>
<td>8,100,000</td>
</tr>
<tr>
<td>Preventive maintenance (MI-03-0205)</td>
<td>3,168,931</td>
<td>3,168,931</td>
<td>3,168,931</td>
</tr>
<tr>
<td>Preventive maintenance (MI-04-0013)</td>
<td>-</td>
<td>800,000</td>
<td>800,000</td>
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<td>Planning/Cap. Cost of K (FY 2010 MI-80-2001)</td>
<td>77,048</td>
<td>228,442</td>
<td>305,490</td>
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<td>Admin Expense Paid by JARC MI-37-6040</td>
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<td>1,124</td>
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<tr>
<td>Admin Expense Paid by New Freedom MI-57-6007</td>
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<td>1,075</td>
<td>1,075</td>
</tr>
<tr>
<td>Other Ineligible Fed/State/Local</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CMAQ MI-95-0049</td>
<td>830,550</td>
<td>2,325,547</td>
<td>3,156,097</td>
</tr>
<tr>
<td>JARC MI-37-X033 2007-0294/Z10</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other State contracts (Municipal credits)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pass-through Ineligibles</td>
<td>1,326,555</td>
<td>3,819,587</td>
<td>5,146,142</td>
</tr>
<tr>
<td>Gateway - M-0782 (075) 2007-0294/Z12</td>
<td>4,091</td>
<td>-</td>
<td>4,091</td>
</tr>
<tr>
<td>Transit User Study MI-80-0002 2002-0088 Z8</td>
<td>-</td>
<td>37,216</td>
<td>37,216</td>
</tr>
<tr>
<td>State Preventive Maintenance 2002-0088 Z20</td>
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<td>-</td>
<td>792,233</td>
</tr>
<tr>
<td>Ineligible Interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ineligible Association dues</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>MPTA Dues (7.00% INELIG.)</td>
<td>-</td>
<td>1,964</td>
<td>1,964</td>
</tr>
<tr>
<td>CTAA Dues (2.05% INELIG.)</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>APTA Dues (10.00% INELIG.)</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ineligible Pension/OPEB</td>
<td>1,179,035</td>
<td>(1,068,822)</td>
<td>110,213</td>
</tr>
<tr>
<td>Other Ineligibles</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cost Overruns</td>
<td>-</td>
<td>1,698</td>
<td>1,698</td>
</tr>
<tr>
<td>Garnishments</td>
<td>6,365</td>
<td>-</td>
<td>6,365</td>
</tr>
<tr>
<td><strong>Total Ineligible expenses</strong></td>
<td>7,852,160</td>
<td>20,499,260</td>
<td>28,351,420</td>
</tr>
<tr>
<td><strong>Total eligible expenses</strong></td>
<td><strong>$ 19,806,962</strong></td>
<td><strong>$ 70,187,430</strong></td>
<td><strong>$ 89,994,392</strong></td>
</tr>
</tbody>
</table>
### Suburban Mobility Authority for Regional Transportation

#### Other Supplemental Information
SMART Expense Schedule (Continued)
For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th>Description</th>
<th>July 1, 2009 to Sep 30, 2009</th>
<th>Oct 1, 2009 to June 30, 2010</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pass-through that are Expensed:***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nankin Subsidy</td>
<td>$ 68,250</td>
<td>$ 204,750</td>
<td>$ 273,000</td>
</tr>
<tr>
<td>Lake Erie</td>
<td>427,451</td>
<td>1,501,746</td>
<td>1,929,197</td>
</tr>
<tr>
<td>Mun. Cr. - Formula</td>
<td>382,363</td>
<td>1,147,113</td>
<td>1,529,476</td>
</tr>
<tr>
<td>Mun. Cr. - Line Item</td>
<td>382,371</td>
<td>1,147,109</td>
<td>1,529,480</td>
</tr>
<tr>
<td>Comm. Cr.</td>
<td>885,023</td>
<td>2,655,046</td>
<td>3,540,069</td>
</tr>
<tr>
<td>Specialized Services</td>
<td>196,958</td>
<td>590,859</td>
<td>787,817</td>
</tr>
<tr>
<td>Royal Oak Twp</td>
<td>12,349</td>
<td>40,618</td>
<td>52,967</td>
</tr>
<tr>
<td>Contra SMART Paid Expense</td>
<td>(92,967)</td>
<td>(315,529)</td>
<td>(408,496)</td>
</tr>
<tr>
<td>NOTA JARC</td>
<td>81,774</td>
<td>(81,718)</td>
<td>56</td>
</tr>
<tr>
<td>NOTA NEW FREEDOM</td>
<td>12,160</td>
<td>-</td>
<td>12,160</td>
</tr>
<tr>
<td>CBS Bloomfield Hills/Richmond Lenox</td>
<td>34,790</td>
<td>105,690</td>
<td>140,480</td>
</tr>
<tr>
<td><strong>Total pass-through that are expensed</strong></td>
<td>$ 2,390,522</td>
<td>$ 6,995,684</td>
<td>$ 9,386,206</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>July 1, 2009 to Sep 30, 2009</th>
<th>Oct 1, 2009 to June 30, 2010</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ineligible pass-through:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nankin Subsidy</td>
<td>68,250</td>
<td>204,750</td>
<td>273,000</td>
</tr>
<tr>
<td>Lake Erie</td>
<td>427,451</td>
<td>1,501,746</td>
<td>1,929,197</td>
</tr>
<tr>
<td>Mun. Cr. - Formula</td>
<td>54,934</td>
<td>164,794</td>
<td>219,728</td>
</tr>
<tr>
<td>Mun. Cr. - Line Item</td>
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<td>1,147,110</td>
<td>1,529,480</td>
</tr>
<tr>
<td>Comm. Cr.</td>
<td>90,309</td>
<td>250,924</td>
<td>341,233</td>
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<tr>
<td>Other State Subsidized Serv.</td>
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</tr>
<tr>
<td>Specialized Services</td>
<td>196,958</td>
<td>590,859</td>
<td>787,817</td>
</tr>
<tr>
<td>Royal Oak Twp</td>
<td>12,349</td>
<td>40,618</td>
<td>52,967</td>
</tr>
<tr>
<td>JARC NOTA</td>
<td>81,774</td>
<td>(69,054)</td>
<td>12,720</td>
</tr>
<tr>
<td>NOTA NEW FREEDOM</td>
<td>12,160</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CBS Bloomfield Hills/Richmond Lenox</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Ineligible pass-through</strong></td>
<td>$ 1,326,555</td>
<td>$ 3,819,587</td>
<td>$ 5,146,142</td>
</tr>
</tbody>
</table>
### Suburban Mobility Authority for Regional Transportation

**Other Supplemental Information**

**SMART Expense Schedule**

**State Year Ended September 30, 2009**

<table>
<thead>
<tr>
<th>Description</th>
<th>Oct 1, 2008 to Jul 1, 2009</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>to</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Jun 30, 2009</td>
<td>Sep 30, 2009</td>
</tr>
<tr>
<td>Labor</td>
<td>$31,733,658</td>
<td>$10,315,844</td>
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<tr>
<td>Other fringe benefits</td>
<td>13,296,762</td>
<td>4,825,059</td>
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<tr>
<td>Pensions</td>
<td>3,997,380</td>
<td>1,374,324</td>
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<tr>
<td>OPEB - Funded</td>
<td>1,875,001</td>
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<tr>
<td>OPEB - Unfunded</td>
<td>2,267,504</td>
<td>1,179,035</td>
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<tr>
<td>Advertising fees</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Audit cost</td>
<td>90,526</td>
<td>39,244</td>
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<tr>
<td>Other services</td>
<td>2,313,134</td>
<td>530,721</td>
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<tr>
<td>Fuel and lubricants</td>
<td>4,993,955</td>
<td>1,683,498</td>
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<td>Tires and tubes</td>
<td>505,785</td>
<td>165,003</td>
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<tr>
<td>Other materials and supplies</td>
<td>4,567,060</td>
<td>1,448,653</td>
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<td>Utilities</td>
<td>1,783,752</td>
<td>403,416</td>
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<tr>
<td>Casualty and Liab. Costs</td>
<td>140,682</td>
<td>1,378,209</td>
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<tr>
<td>Taxes and fees</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Purchased transportation service</td>
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<tr>
<td>Pass-through that are Expensed***</td>
<td>7,537,545</td>
<td>2,390,522</td>
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<tr>
<td>Travel, meetings and training</td>
<td>65,810</td>
<td>5,559</td>
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<td>Association dues and subscriptions</td>
<td>94,492</td>
<td>960</td>
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<tr>
<td>Loss on Disposal of Asset</td>
<td>29,704</td>
<td>-</td>
</tr>
<tr>
<td>Other miscellaneous expenses</td>
<td>177,453</td>
<td>19,665</td>
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<tr>
<td>Cost Overruns</td>
<td>(1,881)</td>
<td>-</td>
</tr>
<tr>
<td>Interest on Long-Term Debt</td>
<td>1,293,577</td>
<td>326,735</td>
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<tr>
<td>Interest on Short-Term Debt</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Interest on Capital Lease</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Leases and rentals</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>10,420,533</td>
<td>1,572,675</td>
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<tr>
<td>Total expenses</td>
<td><strong>$87,182,432</strong></td>
<td><strong>$27,659,122</strong></td>
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</table>

*Note:** Oct 1, 2008 to Jul 1, 2009, Total expenses.
### Suburban Mobility Authority for Regional Transportation

#### Other Supplemental Information

**SMART Expense Schedule (Continued)**  
**State Year Ended September 30, 2009**

<table>
<thead>
<tr>
<th>Description</th>
<th>Oct 1, 2008 to Jun 30, 2009</th>
<th>Jul 1, 2009 to Sep 30, 2009</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Less ineligible expenses:</td>
<td>$6,067,127</td>
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<tr>
<td>Ineligible Depreciation</td>
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<td>$6,067,127</td>
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<tr>
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<td>29,704</td>
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<td>29,704</td>
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<tr>
<td>Local contracts</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>Preventive maintenance (MI-90-0591)</td>
<td>2,785,874</td>
<td>467,352</td>
<td>3,253,226</td>
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<tr>
<td>Preventive maintenance (MI-03-0205)</td>
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<td>3,168,931</td>
<td>3,168,931</td>
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<td>Administrative Expense Paid by Cap. K</td>
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<td>$ -</td>
<td>$ -</td>
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<tr>
<td>Other Expense Paid by Cap. K</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Other Ineligible Fed/State/Local</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>CMAQ MI-95-0038</td>
<td>3,228,153</td>
<td>$ -</td>
<td>3,228,153</td>
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<tr>
<td>CMAQ MI-95-0049</td>
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<td>830,550</td>
<td>830,550</td>
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<td>JARC MI-37-X033 2007-0294/Z10</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<td>Other State contracts (Municipal credits)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>Pass-Through Ineligibles</td>
<td>4,339,502</td>
<td>1,326,555</td>
<td>5,666,057</td>
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<tr>
<td>Gateway 2007-0294/Z12</td>
<td>393,663</td>
<td>4,091</td>
<td>397,754</td>
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<td>State Preventive Maintenance 2002-0088 Z20</td>
<td>$ -</td>
<td>792,233</td>
<td>792,233</td>
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<td>Ineligible Interest</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<td>MPTA Dues (7.10% INELIG.)</td>
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<td>$ -</td>
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<td>CTAA Dues (1.66% INELIG.)</td>
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<tr>
<td>APTA Dues (14.00% INELIG.)</td>
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<td>1,179,035</td>
<td>3,446,539</td>
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<tr>
<td>Other Ineligibles</td>
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<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Cost Overruns</td>
<td>(1,881)</td>
<td>$ -</td>
<td>(1,881)</td>
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<tr>
<td>Garnishments</td>
<td>11,222</td>
<td>6,365</td>
<td>17,587</td>
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<tr>
<td>Total Ineligible expenses</td>
<td>$19,344,747</td>
<td>$7,852,160</td>
<td>$27,196,907</td>
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<tr>
<td>Total eligible expenses</td>
<td>$67,837,685</td>
<td>$19,806,962</td>
<td>$87,644,647</td>
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</table>
### SMART Expense Schedule (Continued)

#### State Year Ended September 30, 2009

<table>
<thead>
<tr>
<th>Description</th>
<th>Oct 1, 2008 to</th>
<th>Jul 1, 2009 to</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pass-Through that are Expensed:***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nankin Subsidy</td>
<td>$ 204,750</td>
<td>$ 68,250</td>
<td>$ 273,000</td>
</tr>
<tr>
<td>Lake Erie</td>
<td>1,644,183</td>
<td>427,451</td>
<td>2,071,634</td>
</tr>
<tr>
<td>Mun. Cr. - Formula</td>
<td>1,147,113</td>
<td>382,363</td>
<td>1,529,476</td>
</tr>
<tr>
<td>Mun. Cr. - Line Item</td>
<td>1,147,109</td>
<td>382,371</td>
<td>1,529,480</td>
</tr>
<tr>
<td>Comm. Cr.</td>
<td>2,655,045</td>
<td>885,023</td>
<td>3,540,068</td>
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<tr>
<td>Other State Subsidized Serv.</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Specialized Services</td>
<td>590,860</td>
<td>196,958</td>
<td>787,818</td>
</tr>
<tr>
<td>Royal Oak Twp</td>
<td>44,698</td>
<td>12,349</td>
<td>57,047</td>
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<tr>
<td>Contra SMART Paid Expense</td>
<td>(273,072)</td>
<td>(92,967)</td>
<td>(366,039)</td>
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<tr>
<td>JARC NOTA</td>
<td>281,798</td>
<td>81,774</td>
<td>363,572</td>
</tr>
<tr>
<td>RTCC Revenue</td>
<td>-</td>
<td>12,160</td>
<td>12,160</td>
</tr>
<tr>
<td>CBS Bloomfield Hills/Richmond Lenox</td>
<td>95,061</td>
<td>34,790</td>
<td>129,851</td>
</tr>
</tbody>
</table>

**Pass-Through that are Expensed**

\[ \text{Total} = \text{Oct 1, 2008 to Jul 1, 2009 to Sep 30, 2009} \]

\[ \text{Total} = \text{7,537,545} + \text{2,390,522} = \text{9,928,067} \]

**Ineligible Pass-Through:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Oct 1, 2008 to</th>
<th>Jul 1, 2009 to</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nankin Subsidy</td>
<td>$ 204,750</td>
<td>$ 68,250</td>
<td>$ 273,000</td>
</tr>
<tr>
<td>Lake Erie</td>
<td>1,644,183</td>
<td>427,451</td>
<td>2,071,634</td>
</tr>
<tr>
<td>Mun. Cr. - Formula</td>
<td>175,199</td>
<td>54,934</td>
<td>230,133</td>
</tr>
<tr>
<td>Mun. Cr. - Line Item</td>
<td>1,147,110</td>
<td>382,370</td>
<td>1,529,480</td>
</tr>
<tr>
<td>Comm. Cr.</td>
<td>250,924</td>
<td>90,309</td>
<td>341,233</td>
</tr>
<tr>
<td>Other State Subsidized Serv.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specialized Services</td>
<td>590,860</td>
<td>196,958</td>
<td>787,818</td>
</tr>
<tr>
<td>Royal Oak Twp</td>
<td>44,678</td>
<td>12,349</td>
<td>57,027</td>
</tr>
<tr>
<td>JARC NOTA</td>
<td>281,798</td>
<td>81,774</td>
<td>363,572</td>
</tr>
<tr>
<td>NOTA NEW FREEDOM</td>
<td>-</td>
<td>12,160</td>
<td>12,160</td>
</tr>
</tbody>
</table>

**Ineligible Pass-Through**

\[ \text{Total} = \text{Oct 1, 2008 to Jul 1, 2009 to Sep 30, 2009} \]

\[ \text{Total} = \text{4,339,502} + \text{1,326,555} = \text{5,666,057} \]
### Schedule of Financial Assistance

**For the Year Ended June 30, 2010**

<table>
<thead>
<tr>
<th>GRANTOR/PASS-THRU</th>
<th>PROGRAM</th>
<th>UNAUDITED</th>
<th>AUDITED</th>
<th>UNAUDITED</th>
<th>UNAUDITED</th>
<th>UNAUDITED</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHARE</td>
<td>YEAR</td>
<td>SOURCE</td>
<td>NUMBER</td>
<td>NUMBER</td>
<td>NUMBER</td>
<td>NUMBER</td>
</tr>
<tr>
<td>FEDERAL GRANTOR</td>
<td>FEDERAL</td>
<td>FEDERAL</td>
<td>STATE</td>
<td>STATE</td>
<td>STATE</td>
<td>STATE</td>
</tr>
<tr>
<td>STATE</td>
<td>FISCAL</td>
<td>FUNDING</td>
<td>CFDA</td>
<td>GRANTOR</td>
<td>GRANTOR</td>
<td>GRANTOR</td>
</tr>
<tr>
<td>GRANTOR PROGRAM</td>
<td>NUMBER</td>
<td>NUMBER</td>
<td>NUMBER</td>
<td>NUMBER</td>
<td>NUMBER</td>
<td>NUMBER</td>
</tr>
<tr>
<td>TITLE</td>
<td>AMOUNT</td>
<td>EXPENDITURES</td>
<td>RECEIPTS/</td>
<td>RECEIPTS/</td>
<td>REMAINING</td>
<td></td>
</tr>
</tbody>
</table>

**U.S. DEPARTMENT OF TRANSPORTATION**

**DIRECT ASSISTANCE**

- **CAPITAL ASSISTANCE**
  - **Fiscal Year 2001**
    - Section 5309
    - Program 20.5
    - Grantor M1-03-075
    - Source 2002-0068-Z3
    - Amount $4,085,048
    - Disbursements $241
    - Revenue $241
    - Remaining $-

- **Fiscal Year 2002**
  - Section 5309
  - Program 20.5
  - Grantor M1-03-015
  - Source 2002-0068-Z1
  - Amount 2,088,961
  - Disbursements 10,837
  - Revenue 10,837
  - Remaining -

- **Fiscal Year 2003**
  - Section 5309
  - Program 20.5
  - Grantor M1-03-B20
  - Source 2002-0068-Z22
  - Amount 3,442,875
  - Disbursements 247,267
  - Revenue 247,267
  - Remaining -

- **Fiscal Year 2004**
  - Section 5309
  - Program 20.5
  - Grantor M1-03-0205
  - Source 2002-0068-Z23
  - Amount 5,339,805
  - Disbursements 3,196,268
  - Revenue 3,196,268
  - Remaining -

- **Fiscal Year 2005**
  - Section 5309
  - Program 20.5
  - Grantor M1-03-022
  - Source 2002-0068-Z27
  - Amount 2,267,14
  - Disbursements 47,343
  - Revenue 47,343
  - Remaining -

- **Fiscal Year 2006**
  - Section 5309
  - Program 20.5
  - Grantor M1-03-0220
  - Source 2002-0068-Z28
  - Amount 3,230,900
  - Disbursements 1,695,143
  - Revenue 1,695,143
  - Remaining -

- **Fiscal Year 2007**
  - Section 5309
  - Program 20.5
  - Grantor M1-04-0015
  - Source 2007-0294-Z7
  - Amount 3,923,200
  - Disbursements 2,828,572
  - Revenue 2,828,572
  - Remaining -

- **Fiscal Year 2009**
  - Section 5309
  - Program 20.5
  - Grantor M1-04-0040
  - Source 2007-0294-Z40
  - Amount 4,250,000
  - Disbursements -
  - Revenue -
  - Remaining -

**CAPITAL ASSISTANCE NOTA**

- **Fiscal Year 2005**
  - Section 5309
  - Program 20.5
  - Grantor M1-03-022
  - Source 2002-0068-Z27
  - Amount 77,742
  - Disbursements -
  - Revenue -
  - Remaining -

**CAPITAL ASSISTANCE**

- **Fiscal Year 2008**
  - Section 5309
  - Program 20.5
  - Grantor M1-03-0220
  - Source 2002-0068-Z28
  - Amount 2,267,14
  - Disbursements 47,343
  - Revenue 47,343
  - Remaining -

**Fiscal Year 2009**

- **Section 5309**
  - Program 20.5
  - Grantor M1-04-0040
  - Source 2007-0294-Z40
  - Amount 4,250,000
  - Disbursements -
  - Revenue -
  - Remaining -

**CAPITAL ASSISTANCE**

- **Fiscal Year 2009**
  - Section 5309
  - Program 20.5
  - Grantor M1-04-0040
  - Source 2007-0294-Z28
  - Amount 3,923,200
  - Disbursements 2,828,572
  - Revenue 2,828,572
  - Remaining -

**PLANNING & TECHNICAL STUDIES FY'09**

- **Fiscal Year 2009**
  - Section 5309
  - Program 20.5
  - Grantor M1-03-0017
  - Source N/A
  - Amount 305,490
  - Disbursements 305,490
  - Revenue 305,490
  - Remaining -

---

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### Suburban Mobility Authority for Regional Transportation

#### Other Supplemental Information

**Schedule of Financial Assistance (Continued)**

**For the Year Ended June 30, 2010**

<table>
<thead>
<tr>
<th>FEDERAL GRANTOR/PASS-THRU</th>
<th>STATE SHARE</th>
<th>FISCAL YEAR</th>
<th>FUNDING SOURCE</th>
<th>CFDA NUMBER</th>
<th>GRANTOR NUMBER</th>
<th>PROGRAM</th>
<th>DISBURSEMENTS</th>
<th>REVENUE</th>
<th>AMOUNT</th>
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</thead>
<tbody>
<tr>
<td><strong>CAPITAL ASSISTANCE</strong></td>
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</tr>
<tr>
<td>80 % - 20 % FY2000</td>
<td></td>
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<td></td>
<td>20.507</td>
<td>MI-90-0336</td>
<td>2000-0751</td>
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<tr>
<td>80 % - 20 % FY2002</td>
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<td>20.507</td>
<td>MI-90-0385</td>
<td>2002-0088-24</td>
<td>13,861,988</td>
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<tr>
<td>80 % - 20 % FY2003</td>
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<td>20.507</td>
<td>MI-90-0402</td>
<td>2002-0088-211</td>
<td>12,573,660</td>
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<td>MI-90-0410</td>
<td>2002-0088-214</td>
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<td>2002-0088-215</td>
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<td>2002-0088-217</td>
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<td>80 % - 20 % FY2004</td>
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<td>20.507</td>
<td>MI-90-0436</td>
<td>2002-0088-219</td>
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<td>80 % - 20 % FY2004</td>
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<td></td>
<td></td>
<td>20.507</td>
<td>MI-90-0438</td>
<td>2002-0088-225</td>
<td>974,986</td>
<td>51,100</td>
<td>51,100</td>
</tr>
<tr>
<td>80 % - 20 % FY2004</td>
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<td></td>
<td></td>
<td>20.507</td>
<td>MI-90-0441</td>
<td>2002-0088-218</td>
<td>268,460</td>
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<td></td>
</tr>
<tr>
<td>80 % - 20 % FY2005</td>
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<td>20.507</td>
<td>MI-90-0450</td>
<td>2002-0088-226</td>
<td>65,500</td>
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<td></td>
</tr>
<tr>
<td>80 % - 20 % FY2005</td>
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<td>20.507</td>
<td>MI-90-0456</td>
<td>2002-0088-229</td>
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<td></td>
</tr>
<tr>
<td>80 % - 20 % FY2005</td>
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<td></td>
<td>20.507</td>
<td>MI-90-0462</td>
<td>2002-0088-232</td>
<td>281,932</td>
<td>2,859</td>
<td>2,859</td>
</tr>
<tr>
<td>80 % - 20 % FY2005</td>
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### Suburban Mobility Authority for Regional Transportation

#### Other Supplemental Information

**Schedule of Financial Assistance (Continued)**

For the Year Ended June 30, 2010

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55
### Other Supplemental Information

#### Schedule of Financial Assistance (Continued)

**For the Year Ended June 30, 2010**

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**COMBINED STATE CONTRACTS**: 52,238,172 2,296,620 289,000 2,009,620 4,897,487

**TOTAL CAPITAL ASSISTANCE**: 251,250,463 23,768,444 217,582,824 2,009,620 49,798,304
### Other Supplemental Information
#### Schedule of Financial Assistance (Continued)
##### For the Year Ended June 30, 2010

<table>
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<tr>
<th>FEDERAL GRANTOR/PASS-THRU GRANTOR/PROGRAM TITLE</th>
<th>FEDERAL SHARE</th>
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<th>FISCAL YEAR</th>
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<th>STATE GRANTOR NUMBER</th>
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**Total**

| 25,535,041 | 3,688,764 | 3,688,764 | - | 245,918 |
## Other Supplemental Information
### Schedule of Financial Assistance (Continued)
#### For the Year Ended June 30, 2010

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### Table Notes:
- **FEDERAL** and **STATE** columns indicate the share of funding from federal and state sources, respectively.
- **FUNDING** columns list the specific funding sources.
- **AMOUNT** columns show the total amount received under each funding source.
- **EXPENDITURES**, **RECEIPTS**, and **REMAINING** columns provide additional financial details.
## Suburban Mobility Authority for Regional Transportation

### Other Supplemental Information

**Schedule of Financial Assistance (Continued)**

**For the Year Ended June 30, 2010**

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<tr>
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<td>FY08 &amp; 09</td>
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<tr>
<td>NOTA NEW FREEDOM OPERATING</td>
<td>100% STATE</td>
<td>FY08 &amp; 09</td>
<td>SECTION 5317</td>
<td>20.521</td>
<td>M-57-X001</td>
<td>2007-0294 Z14</td>
<td>$30,646</td>
<td>(12,299)</td>
<td>-</td>
<td>-</td>
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<tr>
<td>PASSED THROUGH MDOT</td>
<td>100% STATE</td>
<td>FY2008</td>
<td>SECTION 5311</td>
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<td>M-38-X042</td>
<td>2007-0294 Z10</td>
<td>$93,646</td>
<td>(12,969)</td>
<td>(12,969)</td>
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<tr>
<td>OPERATING ASSIST. - SEC.5311</td>
<td>100% STATE</td>
<td>FY2009</td>
<td>SECTION 5311</td>
<td>20.509</td>
<td>M-38-X047</td>
<td>2007-0294 Z22</td>
<td>$174,488</td>
<td>44,622</td>
<td>44,622</td>
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<tr>
<td>OPERATING ASSIST. - SEC.5311</td>
<td>100% STATE</td>
<td>FY2010</td>
<td>SECTION 5311</td>
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<td>M-38-X050</td>
<td>2007-0294 Z22</td>
<td>$31,447</td>
<td>44,622</td>
<td>44,622</td>
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</tr>
<tr>
<td>CAPITAL ASSIST. - SEC.5311 ARRA</td>
<td>100% STATE</td>
<td>FY2009</td>
<td>SECTION 5311</td>
<td>20.509</td>
<td>M-385-X002</td>
<td>2007-0294 Z32</td>
<td>$27,210</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>OPERATING ASSIST. - SEC.5311 ARRA</td>
<td>100% STATE</td>
<td>FY2009</td>
<td>SECTION 5311</td>
<td>20.509</td>
<td>M-385-X002</td>
<td>2007-0294 ZXX</td>
<td>$27,210</td>
<td>27,210</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>TOTAL</td>
<td>100% STATE</td>
<td>FY2009</td>
<td>SECTION 5311</td>
<td>20.509</td>
<td>M-385-X002</td>
<td>2007-0294 ZXX</td>
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<td>218,568</td>
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<td>-</td>
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<tr>
<td>SUB TOTAL</td>
<td>100% STATE</td>
<td>FY2009</td>
<td>SECTION 5311</td>
<td>20.509</td>
<td>M-385-X002</td>
<td>2007-0294 ZXX</td>
<td>$29,858,729</td>
<td>3,889,980</td>
<td>3,896,309</td>
<td>(6,329)</td>
<td>3,290,107</td>
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</table>
### Schedule of Financial Assistance (Continued)

**For the Year Ended June 30, 2010**

<table>
<thead>
<tr>
<th>GRANTOR/PROGRAM TITLE</th>
<th>FEDERAL PROGRAM SHARE</th>
<th>STATE PROGRAM SHARE</th>
<th>FEDERAL DISBURSEMENTS/EXPENDITURES</th>
<th>STATE RECEIPTS</th>
<th>UNAUDITED AMOUNT</th>
<th>AUDITED AMOUNT</th>
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<tbody>
<tr>
<td>FEDERAL STATE PROGRAM</td>
<td>UNAUDITED YEAR 2007</td>
<td>UNAUDITED YEAR 2009</td>
<td>UNAUDITED YEAR 2010</td>
<td>UNAUDITED YEAR 2010</td>
<td>UNAUDITED YEAR 2010</td>
<td>AUDITED YEAR 2010</td>
</tr>
<tr>
<td>Federal Grantor/Pass-Thru</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michigan Department of Transportation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**OPERATING ASSISTANCE - ACT 51 SMART URBAN**

- 9/30/2007: N/A, $0, 797,473, $797,473
- 9/30/2009: N/A, ($1,000,000), ($1,000,000)
- 9/30/2010: N/A, $29,238,431, $29,238,431

**OPERATING ASSISTANCE - ACT 51 BEDFORD URBAN**

- 9/30/2007: N/A, ($7,287), ($7,287)
- 9/30/2009: N/A, ($11,718), ($11,718)
- 9/30/2010: N/A, $65,209, $65,209

**OPERATING ASSISTANCE - ACT 51 LETC COMBINED**

- 9/30/2007: N/A, ($78,789), ($78,789)
- 9/30/2009: N/A, $38,570, $38,570
- 9/30/2010: N/A, $1,189,407, $1,189,407

**OPERATING ASSISTANCE - DODGE THE LODGE**

- N/A, 2007-0294 Z5, 63,804, -
- N/A, 2007-0294 Z5, 300,000, 37,216, 29,773, 7,443

**OPERATING ASSISTANCE - 2007-TSGP TRAINING**

- N/A, 2007-0294 12, 72,753, -
- N/A, 2007-0294 12, 867,830, 4,091, 3,852, 409

**OPERATING ASSISTANCE - GATEWAY PROJECT**

- N/A, M 0762 (075), 2007-0294 Z1, 2867,830, 4,091, (752), (752)
- N/A, M 0762 (075), 2007-0294 Z1, 53,947, -
- N/A, M 0762 (075), 2007-0294 Z1, 53,947, -

**SPECIALIZED SERVICES**

- N/A, 2007-0294 Z20, 767,819, $16,958, -
- N/A, 2007-0294 Z20, 590,859, -
- N/A, 2007-0294 Z20, 590,859, -

**TOTAL**

- 2,900,025, $3,337,737, $3,345,625, $3,344,082

**TOTAL OPERATING ASSISTANCE**

- 32,758,754, 37,267,517, 33,337,753, 3,290,187

**GRAND TOTAL - ALL ASSISTANCE**

- $284,049,217, $61,035,961, $25,688,588, $35,147,373, $53,088,411
## Other Supplemental Information
### Other Operating Expenses
#### For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th>Description</th>
<th>Community Based</th>
<th>Royal Oak</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1-Jul-09 to 30-Sep-09</td>
<td>1-Oct-09 to 30-Jun-10</td>
</tr>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fares</td>
<td>$160,017</td>
<td>$314,375</td>
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<tr>
<td>Taxes Levied Directly</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Local Operating Assistance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund/Property tax</td>
<td>449,369</td>
<td>673,602</td>
</tr>
<tr>
<td>Other</td>
<td>18,143</td>
<td>18,143</td>
</tr>
<tr>
<td>Other Local Contracts</td>
<td>9,039</td>
<td>12,278</td>
</tr>
<tr>
<td>Mun. Cr.</td>
<td>402,947</td>
<td>906,308</td>
</tr>
<tr>
<td>Comm. Cr.</td>
<td>534,152</td>
<td>1,032,925</td>
</tr>
<tr>
<td>Other MDOT/BPT Contracts &amp; Reimb.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACT 51</td>
<td>12,349</td>
<td></td>
</tr>
<tr>
<td>Specialized Services</td>
<td>13,532</td>
<td>38,133</td>
</tr>
<tr>
<td>Other Federal Transit Contracts &amp; Reimb.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Income</td>
<td>138</td>
<td>192</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>1,587,337</td>
<td>2,995,956</td>
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<tr>
<td>Total Operating Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eligible Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMART Municipal Credits</td>
<td>402,947</td>
<td>906,308</td>
</tr>
<tr>
<td>SMART Community Credits</td>
<td>534,152</td>
<td>1,032,925</td>
</tr>
<tr>
<td>State Specialized Services</td>
<td>13,532</td>
<td>38,133</td>
</tr>
<tr>
<td>Depreciation</td>
<td>8,415</td>
<td>8,415</td>
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<td>Total Ineligible</td>
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<td>1,985,781</td>
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<td>Total Eligible Expenses</td>
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<td>$1,712,406</td>
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</table>
### Other Supplemental Information
### Other Operating Expenses (Continued)
### For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th>Description</th>
<th>Mt. Clemens</th>
<th>Nankin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1-Jul-09 to 30-Sep-09</td>
<td>1-Oct-09 to 30-Jun-10</td>
</tr>
<tr>
<td><strong>Revenue:</strong></td>
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<td>$58,905</td>
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<td>Taxes Levied Directly</td>
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<td>-</td>
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<tr>
<td>General Fund/Property tax</td>
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<td>(14,228)</td>
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<td>Other</td>
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<td>3,463</td>
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<td><strong>Other Local Contracts</strong></td>
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<tr>
<td>Mun. Cr. (a)</td>
<td>4,281</td>
<td>12,844</td>
</tr>
<tr>
<td>Comm. Cr. (a)</td>
<td>6,630</td>
<td>19,885</td>
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<td><strong>Other MDOT/BPT Contracts &amp; Reimb.</strong></td>
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<tr>
<td>Specialized Services</td>
<td>3,455</td>
<td>13,866</td>
</tr>
<tr>
<td><strong>Other Federal Transit Contracts &amp; Reimb.</strong></td>
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</tr>
<tr>
<td>Interest Income</td>
<td>632</td>
<td>2,688</td>
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<td><strong>Total Revenue</strong></td>
<td>$423,754</td>
<td>$97,423</td>
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<td><strong>Total Operating Expenses</strong></td>
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<td>$404,252</td>
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<tr>
<td><strong>Ineligible Expenses:</strong></td>
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<tr>
<td>SMART Municipal Credits</td>
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<td>SMART Community Credits</td>
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</tr>
<tr>
<td>State Specialized Services</td>
<td>3,455</td>
<td>13,866</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Ineligible</strong></td>
<td>3,455</td>
<td>13,866</td>
</tr>
<tr>
<td><strong>Total Eligible Expenses</strong></td>
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<td>$390,386</td>
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</table>
### Suburban Mobility Authority for Regional Transportation

#### Other Supplemental Information

**Other Operating Expenses (Continued)**

**For the Year Ended June 30, 2010**

<table>
<thead>
<tr>
<th>Description</th>
<th>Harper Woods 1-Jul-09 to 30-Sep-09</th>
<th>Harper Woods 1-Oct-09 to 31-Dec-09</th>
<th>Harp Woods Total</th>
<th>Redford 1-Apr-09 to 30-Sep-09</th>
<th>Redford 1-Oct-09 to 31-Mar-10</th>
<th>Redford Total</th>
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<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td>$ 7,588</td>
<td>$ 13,117</td>
<td>$ 20,705</td>
<td>$ 1,946</td>
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<td>$ 3,957</td>
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<td>Fares</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes Levied Directly</td>
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<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Local Operating Assistance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund/Property tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>65,253</td>
<td>52,330</td>
<td>117,583</td>
<td>124,787</td>
<td>138,525</td>
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</tr>
<tr>
<td>Other Local Contracts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mun. Cr.</td>
<td>(a)</td>
<td>3,525</td>
<td>3,525</td>
<td>7,050</td>
<td>25,532</td>
<td>25,536</td>
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<tr>
<td>Comm. Cr.</td>
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<td>5,126</td>
<td>5,126</td>
<td>10,252</td>
<td>37,310</td>
<td>37,308</td>
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<tr>
<td>Other MDOT/BPT Contracts &amp; Reimb.</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Specialized Services</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,950</td>
<td>1,650</td>
<td>6,600</td>
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<tr>
<td>Other Federal Transit Contracts &amp; Reimb.</td>
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<td></td>
<td></td>
<td>11,250</td>
<td>33,959</td>
<td>45,209</td>
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<tr>
<td>Interest Income</td>
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<td>-</td>
<td>-</td>
<td>27</td>
<td>118</td>
<td>145</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$ 81,492</td>
<td>$ 74,098</td>
<td>$ 155,590</td>
<td>$ 94,803</td>
<td>$ 225,449</td>
<td>$ 320,252</td>
</tr>
</tbody>
</table>

| Total Operating Expenses | $ 81,492 | $ 74,098 | $ 155,590 | $ 140,377 | $ 159,182 | $ 299,559 |

| Ineligible Expenses: | | | | | | |
| SMART Municipal Credits | - | - | - | - | - | - |
| SMART Community Credits | - | - | - | - | - | - |
| State Specialized Services | - | - | - | 4,950 | 1,650 | 6,600 |
| Depreciation | - | - | - | - | - | - |
| **Total Ineligible** | - | - | - | 4,950 | 1,650 | 6,600 |

| **Total Eligible Expenses** | $ 81,492 | $ 74,098 | $ 155,590 | $ 135,427 | $ 157,532 | $ 292,959 |
### Other Supplemental Information

**Other Operating Expenses (Continued)**

For the Year Ended June 30, 2010

<table>
<thead>
<tr>
<th>Description</th>
<th>30-Sep-09</th>
<th>31-Mar-10</th>
<th>Total S.T.A.R.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fares</td>
<td>$ 2,087</td>
<td>$ 2,955</td>
<td>$ 5,042</td>
</tr>
<tr>
<td>Taxes Levied Directly</td>
<td>-</td>
<td>449,007</td>
<td>449,007</td>
</tr>
<tr>
<td>Local Operating Assistance</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>General Fund/Property tax</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>1,000</td>
<td>67,433</td>
<td>68,433</td>
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<tr>
<td>Other Local Contracts</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mun. Cr.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Comm. Cr.</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other MDOT/BPT Contracts &amp; Reimb.</td>
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<td></td>
</tr>
<tr>
<td>Specialized Services</td>
<td>12,243</td>
<td>4,079</td>
<td>16,322</td>
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<td>Other Federal Transit Contracts &amp; Reimb.</td>
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<td>-</td>
<td>268,276</td>
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<tr>
<td>Interest Income</td>
<td>-</td>
<td>1,061</td>
<td>1,061</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$ 283,606</td>
<td>$ 524,535</td>
<td>$ 808,141</td>
</tr>
</tbody>
</table>

| Total Operating Expenses: | $ 252,585 | $ 335,451 | $ 588,036 |

| Ineligible Expenses: |           |           |                |
| SMART Municipal Credits | -         | -         | -              |
| SMART Community Credits | -         | -         | -              |
| State Specialized Services | 70,146    | 133,440   | 203,586        |
| Depreciation | -         | -         | -              |
| **Total Ineligible** | 70,146    | 133,440   | 203,586        |

| Total Eligible Expenses | $ 182,439 | $ 202,011 | $ 384,450 |
### Other Supplemental Information
### Other Operating Expenses
### For the Year Ended September 30, 2009

<table>
<thead>
<tr>
<th>Description</th>
<th>Community Based</th>
<th>Royal Oak</th>
<th>Total</th>
<th>Community Based</th>
<th>Royal Oak</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fares</td>
<td>$256,033</td>
<td>$160,017</td>
<td>$416,050</td>
<td>$1,443</td>
<td>$655</td>
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<td>Taxes Levied Directly</td>
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<td></td>
</tr>
<tr>
<td>Local Operating Assistance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund/Property tax</td>
<td>1,190,281</td>
<td>458,408</td>
<td>1,648,689</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Other</td>
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<td>18,143</td>
<td>58,179</td>
<td>40,000</td>
<td>15,000</td>
<td>55,000</td>
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<tr>
<td>Other Local Contracts</td>
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<td>Mun. Cr.</td>
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<td>402,947</td>
<td>1,035,022</td>
<td>3,834</td>
<td>1,285</td>
<td>5,119</td>
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<tr>
<td>Comm. Cr.</td>
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<td>5,586</td>
<td>1,863</td>
<td>7,449</td>
</tr>
<tr>
<td>Other MDOT/BPT Contracts &amp; Reimb.</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACT 51</td>
<td></td>
<td></td>
<td></td>
<td>36,807</td>
<td>12,349</td>
<td>49,156</td>
</tr>
<tr>
<td>Specialized Services</td>
<td>33,598</td>
<td>13,532</td>
<td>47,130</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Other Federal Transit Contracts &amp; Reimb.</td>
<td></td>
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<td>1,508</td>
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<td><strong>Total Revenue</strong></td>
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<td><strong>$1,587,337</strong></td>
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<td><strong>$87,670</strong></td>
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<td>33,598</td>
<td>13,532</td>
<td>47,130</td>
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<tr>
<td>Depreciation</td>
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<td>8,415</td>
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<td><strong>959,046</strong></td>
<td><strong>2,964,633</strong></td>
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<td><strong>$36,301</strong></td>
<td><strong>$156,902</strong></td>
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### Suburban Mobility Authority for Regional Transportation

**Other Supplemental Information**

**Other Operating Expenses (Continued)**

State Year Ended September 30, 2009

<table>
<thead>
<tr>
<th>Description</th>
<th>Mt. Clemens 1-Oct-08 to 30-Jun-09</th>
<th>Mt. Clemens 1-Jul-09 to 30-Sep-09</th>
<th>Total Mt. Clemens</th>
<th>Nankin 1-Oct-08 to 30-Jun-09</th>
<th>Nankin 1-Jul-09 to 30-Sep-09</th>
<th>Total Nankin</th>
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<td></td>
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<tr>
<td>Local Operating Assistance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund/Property tax</td>
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<td>393,622</td>
<td>382,814</td>
<td>66,250</td>
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<td>4,281</td>
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<td>123,030</td>
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<td>10,372</td>
<td>3,455</td>
<td>13,827</td>
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<td>-</td>
<td>-</td>
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<tr>
<td>Other Federal Transit Contracts &amp; Reimb.</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
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<td>10,474</td>
<td>632</td>
<td>11,106</td>
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<td>$699,722</td>
<td>$252,095</td>
<td>$951,817</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMART Municipal Credits</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SMART Community Credits</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>State Specialized Services</td>
<td>10,372</td>
<td>3,455</td>
<td>13,827</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Ineligible</strong></td>
<td>10,372</td>
<td>3,455</td>
<td>13,827</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
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<td>$119,854</td>
<td>$509,022</td>
<td>$699,722</td>
<td>$252,095</td>
<td>$951,817</td>
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### Other Supplemental Information

#### Other Operating Expenses (Continued)

**State Year Ended September 30, 2009**

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<thead>
<tr>
<th>Description</th>
<th>Harper Woods</th>
<th>Redford</th>
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<tbody>
<tr>
<td>Total Operating Expenses</td>
<td>$ 234,835</td>
<td>$ 178,172</td>
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<tr>
<td>Fares</td>
<td>$ 36,606 $ 7,588</td>
<td>$ 1,973 $ 1,946</td>
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<td>General Fund/Property tax</td>
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<td>149,123</td>
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<td>Other</td>
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<td>51,068</td>
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<td>74,618</td>
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<td>74,618</td>
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<tr>
<td>Specialized Services</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other Federal Transit Contracts &amp; Reimb.</td>
<td>-</td>
<td></td>
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<tr>
<td>Interest Income</td>
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<tr>
<td>Total Operating Expenses</td>
<td>$ 234,835</td>
<td>$ 178,172</td>
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<td>Ineligible Expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMART Municipal Credits</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SMART Community Credits</td>
<td>-</td>
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<td>State Specialized Services</td>
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<tr>
<td>Depreciation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Ineligible</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Eligible Expenses</td>
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<td>$ 178,172</td>
</tr>
<tr>
<td>Description</td>
<td>S.T.A.R.</td>
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</tr>
<tr>
<td>----------------------------------------------------------</td>
<td>---------</td>
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<tr>
<td></td>
<td>1-Oct-08</td>
<td>1-Apr-09</td>
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<td>31-Mar-09</td>
<td>30-Sep-09</td>
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<tr>
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<td>Taxes Levied Directly</td>
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<td>Local Operating Assistance</td>
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<td></td>
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<tr>
<td>General Fund/Property tax</td>
<td>89,730</td>
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<td>Other</td>
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<td>Other Local Contracts</td>
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<tr>
<td>Mun. Cr.</td>
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<td>-</td>
</tr>
<tr>
<td>Comm. Cr.</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other MDOT/BPT Contracts &amp; Reimb.</td>
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<tr>
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<td>12,243</td>
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<td>SMART Community Credits</td>
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<td>70,146</td>
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<td><strong>Total Eligible Expenses:</strong></td>
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<td>$182,439</td>
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</table>
### Suburban Mobility Authority for Regional Transportation

#### Other Supplemental Information

**Other Operating Expenses – Combined Total**

**State Year Ended September 30, 2009**

<table>
<thead>
<tr>
<th>Description</th>
<th>Total C. Based</th>
<th>Total Mt. Clemens</th>
<th>Total Nankin</th>
<th>Total H.Woods</th>
<th>Total Redford</th>
<th>Total S.T.A.R.</th>
<th>TOTAL OTHER</th>
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<td></td>
<td></td>
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<td>44,194 $</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>462,296</td>
<td>462,296</td>
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<tr>
<td>Local Operating Assistance:</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund/Property tax</td>
<td>1,648,689</td>
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<td>199,000</td>
<td>149,123</td>
<td>89,730</td>
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<td>65,253</td>
<td>1,675</td>
<td>1,000</td>
<td>406,125</td>
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<tr>
<td>Mun. Cr.</td>
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<td>17,125 (a)</td>
<td>164,039 (a)</td>
<td>14,100 (a)</td>
<td>51,068 (a)</td>
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<td>Comm. Cr.</td>
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<td>232,999 (a)</td>
<td>20,502 (a)</td>
<td>74,618 (a)</td>
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<td>Act 51</td>
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<tr>
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<td>1,508</td>
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<td>(86)</td>
<td>4,473</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>5,080,644 $</td>
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<td>984,963 $</td>
<td>144,049 $</td>
<td>335,667 $</td>
<td>847,659</td>
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<td>6,063,638 $</td>
<td>522,849 $</td>
<td>951,817 $</td>
<td>316,327 $</td>
<td>320,199 $</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>SMART Municipal Credits</td>
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<td>-</td>
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<td>-</td>
<td>-</td>
<td>1,035,022</td>
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<td>SMART Community Credits</td>
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<td>-</td>
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<td>254,711</td>
<td>322,268</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,415</td>
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<tr>
<td><strong>Total Ineligible</strong></td>
<td>2,964,633</td>
<td>13,827</td>
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<td>-</td>
<td>6,600</td>
<td>254,711</td>
<td>3,239,771</td>
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<tr>
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<td>3,099,005 $</td>
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<td>951,817 $</td>
<td>316,327 $</td>
<td>313,599 $</td>
<td>343,203 $</td>
<td>5,532,973</td>
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</table>
### URBAN Revenue Combined Schedule

**State Year Ended September 30, 2009**

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<tr>
<th>Description Provided</th>
<th>SMART Directly</th>
<th>OTHER URBAN</th>
<th>OAR</th>
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<tbody>
<tr>
<td>Passenger Fares</td>
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<td>654,313</td>
<td>12,483,241</td>
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<td>Contract Fares</td>
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<td>204,160</td>
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<td>(1,005)</td>
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<td>Other Local Contracts  - Com. Cr.</td>
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<td>462,296</td>
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<td>2,228,700</td>
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<td>State Operating Assistance</td>
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<td>Bedford</td>
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<td>78,028</td>
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<td>LETC Urban &amp; Non-Urban</td>
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<td>Royal Oak Township</td>
<td>57,047</td>
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<td>Cap. K. Reimb. For Admin. Expenses</td>
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<tr>
<td>Other Cap. K. Reimb. For Operating Exp.</td>
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<td>Other MDOT/BPT Contracts &amp; Reimb.</td>
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<tr>
<td>State Preventive Maintenance 2002-0088 Z20</td>
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<td>792,233</td>
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<tr>
<td>SMART JARC 2007-0294 Z18</td>
<td>(90,976)</td>
<td>-</td>
<td>(90,976)</td>
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<tr>
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<tr>
<td>NOTA JARC MI-37-X031 &amp; 2007-0294 Z18</td>
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<td>MI-90-0591</td>
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<td>3,253,226</td>
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<td>MI-03-0205</td>
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<td>Other Cap. K. Reimb. For Operating Exp.</td>
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<tr>
<td>SMART JARC MI-37-X033</td>
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<td>JARC EASTSIDE COMMUNITY SERVICES MI-37-X014</td>
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<td>Section 5307 Lake Erie Mi-90-4758</td>
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<td>-</td>
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<td>244,107</td>
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<td>$7,920,051</td>
<td>$117,946,622</td>
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## Other Supplemental Information

### URBAN Expense Combined Schedule

**State Year Ended, September 30, 2009**

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<thead>
<tr>
<th>Description</th>
<th>SMART Directly Provided</th>
<th>OTHER</th>
<th>Total for URBAN OAR</th>
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<tr>
<td>Labor</td>
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<td>-</td>
<td>$42,049,502</td>
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<tr>
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<td>$12,142</td>
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<td>Pensions</td>
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<td>OPEB - Funded</td>
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<tr>
<td>OPEB - Unfunded</td>
<td>3,446,539</td>
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<td>3,446,539</td>
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<tr>
<td>Advertising fees</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Audit cost</td>
<td>29,770</td>
<td>-</td>
<td>29,770</td>
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<tr>
<td>Other services</td>
<td>2,843,855</td>
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<td>Fuel and lubricants</td>
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<td>-</td>
<td>6,677,453</td>
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<tr>
<td>Tires and tubes</td>
<td>670,788</td>
<td>-</td>
<td>670,788</td>
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<tr>
<td>Other materials and supplies</td>
<td>6,065,713</td>
<td>-</td>
<td>6,065,713</td>
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<tr>
<td>Utilities</td>
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<td>2,87,168</td>
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<td>Casualty and Liab. Costs</td>
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<td>-</td>
<td>15,891</td>
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<tr>
<td>Taxes and fees</td>
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<td>-</td>
</tr>
<tr>
<td>Purchased transportation service</td>
<td>-</td>
<td>8,772,744</td>
<td>8,772,744</td>
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<td>Pass-thru that are Expensed</td>
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<td>9,928,067</td>
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<td>Travel, meetings and training</td>
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<td>7,136,9</td>
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<td>Association dues and subscriptions</td>
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<td>95,452</td>
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<tr>
<td>Loss on Disposal of Asset</td>
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<td>29,704</td>
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<tr>
<td>Other miscellaneous expenses</td>
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<td>-</td>
<td>87,168</td>
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<tr>
<td>Cost Overruns</td>
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<td>-</td>
<td>(181)</td>
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<tr>
<td>Interest on Long-Term Debt</td>
<td>16,203,12</td>
<td>-</td>
<td>16,203,12</td>
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<tr>
<td>Interest on Short-Term Debt</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest on Capital Lease</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Leases and rentals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>11,993,208</td>
<td>-</td>
<td>11,993,208</td>
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<tr>
<td><strong>Total expenses</strong></td>
<td>$114,841,554</td>
<td>$8,772,744</td>
<td>$123,614,298</td>
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</tbody>
</table>

Less ineligible expenses:

| Description                                      | $6,067,127 | - | $6,067,127 |
| Ineligible Depreciation                         | $6,067,127 | - | $6,067,127 |
| Ineligible Loss on Disposal                     | 29,704     | - | 29,704     |
| Local contracts                                 | -          | - | -          |
| Preventive maintenance (M1-90-0591)             | 3,253,226  | - | 3,253,226  |
| Preventive maintenance (M1-03-0205)             | 3,888,931  | - | 3,888,931  |
| Planning/Cap. Cost of K (FY 2001 M1-80-200)    | 77,048     | - | 77,048     |
| Administrative Expense Paid by Cap. K           | -          | - | -          |
| Other Expense Paid by Cap. K                    | -          | - | -          |
| Other Ineligible Fed/State/Local                | -          | - | -          |
| CMAQ M1-95-0038                                 | 3,228,835  | - | 3,228,835  |
| CMAQ M1-95-0049                                 | 830,550    | - | 830,550    |
| JARC M1-37-X033 2007-0294/Z10                   | -          | - | -          |
| Other State contracts (Municipal credits)       | -          | - | -          |
| Purchased Transportation Ineligibles             | -          | 3,239,771 | 3,239,771 |
| Pass-Thru Ineligibles                           | 5,666,057  | - | 5,666,057  |
| Gateway 2007-0294/Z12                           | 397,754    | - | 397,754    |
| State Preventive Maintenance 2002-0088 Z20      | 792,233    | - | 792,233    |
| Ineligible Interest                            | -          | - | -          |
| MPTA Dues (7.10% INELIG.)                       | 2,343      | - | 2,343      |
| CTAA Dues (166% INELIG.)                        | 199        | - | 199        |
| APTA Dues (N.00% INELIG.)                       | 5,250      | - | 5,250      |
| Ineligible Pension/OPEB                        | 3,446,539  | - | 3,446,539  |
| Other Ineligibles                               | -          | - | -          |
| Cost Overruns                                   | (181)      | - | (181)      |
| Garnishments                                    | 7,587      | - | 7,587      |
| **Total Ineligibles:**                          | 27,996,907 | 3,239,771 | 30,436,678 |
| **Total eligible expenses**                     | $87,644,647 | $5,532,973 | $93,177,620 |
### SMART Combined Urban Regular Service Revenue Report
For the Year Ended September 30, 2009

<table>
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<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
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<td>Passenger Fares</td>
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<tr>
<td>Contract Fares</td>
<td>204,160</td>
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<tr>
<td>Package Delivery/ Meals on Wheels</td>
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<tr>
<td>Incidental Charter Service Revenue</td>
<td>-</td>
</tr>
<tr>
<td>Auxiliary Transportation Revenue (Explain)</td>
<td>-</td>
</tr>
<tr>
<td>.10 Concessions</td>
<td>-</td>
</tr>
<tr>
<td>.15 Advertising</td>
<td>291,950</td>
</tr>
<tr>
<td>.20 Intercity Ticket Sales</td>
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<tr>
<td>.99 Other Auxiliary Transportation Revenue</td>
<td>-</td>
</tr>
<tr>
<td>Nontransportation Revenue (Explain)</td>
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<tr>
<td>.10 Sale of Maintenance Services</td>
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<tr>
<td>.15 Rental of Revenue Vehicles</td>
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<tr>
<td>.20 Rental of Buildings or Other Property</td>
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<td>.25 Parking Lot Revenue</td>
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<td>.60 Gains from the Sales of Capital Assets</td>
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<td>.99 Other Nontransportation Revenue</td>
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<tr>
<td>Taxes Levied Directly by Transit System</td>
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<td>.20 Single Business Tax</td>
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<td>.99 Other Local Contracts (Community Credit Program)</td>
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<td>.10 Line Item Municipal Credits</td>
<td>1,529,480</td>
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<tr>
<td>.11 Preventive Maintenance</td>
<td>792,233</td>
</tr>
<tr>
<td>.12 Capital Cost of Contracting</td>
<td>-</td>
</tr>
<tr>
<td>.13 Capital Contract Reimbursement for Administrative Expenses</td>
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<tr>
<td>.14 Other Capital Contract Reimbursements for Operating Expenses</td>
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<tr>
<td>.99 Other State Contracts and Reimbursements</td>
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<td>415,824</td>
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<td>.12 Capital Cost of Contracting</td>
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<td>.13 Capital Contract Reimbursement for Administrative Expenses</td>
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## Other Supplemental Information
### SMART Combined Urban Regular Service Expense Report
#### For the Year Ended September 30, 2009

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<td>Post Retirement Benefits Unfunded</td>
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<td>01 Audit</td>
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<td>99 Other Services</td>
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<td>Materials &amp; Supp Cons</td>
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</tr>
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<td>01 Fuel and Lubricants</td>
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<td>-</td>
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<td>02 Tires and Tubes</td>
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<td>99 Other Materials &amp; Supplies</td>
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<td>2,187,168</td>
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<td>Casual &amp; Liab Costs</td>
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<td></td>
</tr>
<tr>
<td>03 Premium for Public Liability</td>
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<tr>
<td>99 Other Insurance</td>
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<td>Purchased Transportation Service on SMART F/S</td>
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<td>Purchased Transportation Service POS STAR and Community Based</td>
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</tr>
<tr>
<td>Miscellaneous Expense</td>
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</tr>
<tr>
<td>02 Travel and Meetings</td>
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<td>71,369</td>
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<tr>
<td>03 Dues and Subscriptions</td>
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<td>99 Other Miscellaneous Expense</td>
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<td>Interest Expense</td>
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</tr>
<tr>
<td>01 Interest on Long-Term Debt</td>
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<tr>
<td>02 Interest on Short-Term Debt</td>
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<td>1,620,312</td>
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<td>Leases and Rentals</td>
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</tr>
<tr>
<td>Depreciation</td>
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<td>-</td>
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<tr>
<td>Total Expenses</td>
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<td>13,366,531</td>
<td>61,152,351</td>
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Less Ineligible Expenses:

<table>
<thead>
<tr>
<th>Operation</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Ineligible Depreciation</td>
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<tr>
<td>Ineligible Loss on Disposal</td>
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</tr>
<tr>
<td>Local contracts</td>
<td>-</td>
</tr>
<tr>
<td>Preventive maintenance (MI-90-0591)</td>
<td>-</td>
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<tr>
<td>Preventive maintenance (MI-03-0205)</td>
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<tr>
<td>Planning/Cap. Cost of K (FY 2009)</td>
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<tr>
<td>Planning/Cap. Cost of K (FY 2010 MI-80-2001)</td>
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<tr>
<td>Administrative Expense Paid by Cap. K</td>
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<tr>
<td>Other Expense Paid by Cap. K</td>
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</tr>
<tr>
<td>Other Ineligible Fed/State/Local</td>
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</tr>
<tr>
<td>CMAQ Mi-95-0038</td>
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<tr>
<td>CMAQ Mi-95-0049</td>
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<tr>
<td>JARC Mi-37-X033 2007-0294/Z10</td>
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<tr>
<td>Other State contracts (Municipal credits)</td>
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<tr>
<td>Purchased Transportation Ineligibles</td>
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<td>Pass-Thru Ineligibles</td>
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<tr>
<td>Gateway 2007-0294/Z12</td>
<td>397,754</td>
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<tr>
<td>State Preventive Maintenance 2002-0088 220</td>
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<tr>
<td>Ineligible Interest</td>
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<tr>
<td>MPTA Dues (7.10% INELIG.)</td>
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</tr>
<tr>
<td>CTAA Dues (1.66% INELIG.)</td>
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<tr>
<td>APTA Dues (14.00% INELIG.)</td>
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<tr>
<td>Ineligible Pension/OPEB</td>
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<tr>
<td>Other Ineligibles</td>
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<td>Cost Overruns</td>
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<td>Garnishments</td>
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<tr>
<td>TOTAL Ineligible Expenses</td>
<td>13,362,285</td>
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Total Eligible Expenses:

<table>
<thead>
<tr>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$35,736,535</td>
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</table>
### Other Supplemental Information

**SMART Combined Urban Regular Service Nonfinancial Report**  
For the Year Ended September 30, 2009

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>WEEKDAYS</th>
<th>SATURDAY</th>
<th>SUNDAY</th>
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<tr>
<td><strong>FIXED ROUTE</strong></td>
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<tr>
<td>PUBLIC SERVICE</td>
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<tr>
<td>VEHICLE HOURS</td>
<td>606,246</td>
<td>69,403</td>
<td>33,879</td>
<td>709,528</td>
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<tr>
<td>VEHICLE MILES</td>
<td>9,549,083</td>
<td>1,084,864</td>
<td>527,726</td>
<td>11,161,673</td>
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<tr>
<td><strong>MISCELLANEOUS INFORMATION</strong></td>
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<tr>
<td>CHARTER SERVICE HOURS</td>
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<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CHARTER SERVICE MILES</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>CONNECTOR</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>PUBLIC SERVICE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VEHICLE HOURS</td>
<td>184,604</td>
<td>3,692</td>
<td>532</td>
<td>188,828</td>
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<tr>
<td>VEHICLE MILES</td>
<td>3,484,359</td>
<td>71,508</td>
<td>12,301</td>
<td>3,568,168</td>
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<tr>
<td><strong>MISCELLANEOUS INFORMATION</strong></td>
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<td></td>
</tr>
<tr>
<td>CHARTER SERVICE HOURS</td>
<td>-</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CHARTER SERVICE MILES</td>
<td>-</td>
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</tr>
</tbody>
</table>

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, 2009**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Passenger Fares</td>
<td>$ 2,098</td>
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<tr>
<td>Contract Fares</td>
<td>-</td>
</tr>
<tr>
<td>Package Delivery/ Meals on Wheels</td>
<td>-</td>
</tr>
<tr>
<td>Incidental Charter Service Revenue</td>
<td>-</td>
</tr>
<tr>
<td>Auxiliary Transportation Revenue (Explain)</td>
<td>-</td>
</tr>
<tr>
<td>.10 Concessions</td>
<td>-</td>
</tr>
<tr>
<td>.15 Advertising</td>
<td>-</td>
</tr>
<tr>
<td>.20 Intercity Ticket Sales</td>
<td>-</td>
</tr>
<tr>
<td>.99 Other Auxiliary Transportation Revenue</td>
<td>-</td>
</tr>
<tr>
<td>Nontransportation Revenue (Explain)</td>
<td>-</td>
</tr>
<tr>
<td>.10 Sale of Maintenance Services</td>
<td>-</td>
</tr>
<tr>
<td>.15 Rental of Revenue Vehicles</td>
<td>-</td>
</tr>
<tr>
<td>.20 Rental of Buildings or Other Property</td>
<td>-</td>
</tr>
<tr>
<td>.25 Parking Lot Revenue</td>
<td>-</td>
</tr>
<tr>
<td>.60 Gains from the Sales of Capital Assets</td>
<td>-</td>
</tr>
<tr>
<td>.99 Other Nontransportation Revenue</td>
<td>-</td>
</tr>
<tr>
<td>Taxes Levied Directly by Transit System</td>
<td>-</td>
</tr>
<tr>
<td>Local Cash Grants and Reimbursements (Explain)</td>
<td>-</td>
</tr>
<tr>
<td>.10 Local Operating Assistance</td>
<td>55,000</td>
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<tr>
<td>.20 Single Business Tax</td>
<td>-</td>
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<tr>
<td>.99 Other Local Contracts (Community Credit Program)</td>
<td>7,449</td>
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<tr>
<td>State Formula and Contracts</td>
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<tr>
<td>.01 State Operating Assistance</td>
<td>49,156</td>
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<tr>
<td>.10 Line Item Municipal Credits</td>
<td>5,119</td>
</tr>
<tr>
<td>.11 Preventive Maintenance</td>
<td>-</td>
</tr>
<tr>
<td>.12 Capital Cost of Contracting</td>
<td>-</td>
</tr>
<tr>
<td>.13 Capital Contract Reimbursement for Administrative Expenses</td>
<td>-</td>
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<tr>
<td>.14 Other Capital Contract Reimbursements for Operating Expenses</td>
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<tr>
<td>.99 Other State Contracts and Reimbursements</td>
<td>-</td>
</tr>
<tr>
<td>Federal Contracts</td>
<td></td>
</tr>
<tr>
<td>.01 Section 5311</td>
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</tr>
<tr>
<td>.02 Section 5307</td>
<td>-</td>
</tr>
<tr>
<td>.11 Preventive Maintenance</td>
<td>-</td>
</tr>
<tr>
<td>.12 Capital Cost of Contracting</td>
<td>-</td>
</tr>
<tr>
<td>.13 Capital Contract Reimbursement for Administrative Expenses</td>
<td>-</td>
</tr>
<tr>
<td>.14 Other Capital Contract Reimbursements for Operating Expenses</td>
<td>-</td>
</tr>
<tr>
<td>.98 RTAP</td>
<td>-</td>
</tr>
<tr>
<td>.99 Other Federal Contracts and Reimbursements</td>
<td>-</td>
</tr>
<tr>
<td>Interest Income</td>
<td>-</td>
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<tr>
<td>Contributed Service</td>
<td>-</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$ 118,822</td>
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</table>
## Suburban Mobility Authority for Regional Transportation

### Other Supplemental Information

**Royal Oak Twp Urban Regular Service Expense Report**

For the Year Ended September 30, 2009

<table>
<thead>
<tr>
<th></th>
<th>Operations</th>
<th>Maintenance</th>
<th>Gen. Admin.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Labor</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>01 Oper Sal &amp; Wages</td>
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<td>$ -</td>
<td>$ -</td>
<td>$26,586</td>
</tr>
<tr>
<td>02 Other Sal &amp; Wages</td>
<td>19,587</td>
<td>14,628</td>
<td>34,215</td>
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<tr>
<td>03 Disp Sal &amp; Wages</td>
<td>18,866</td>
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<td>18,866</td>
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<tr>
<td>Fringe Benefits</td>
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<td>20,948</td>
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<tr>
<td><strong>Services</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>01 Audit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>02 Advertising Fees</td>
<td>842</td>
<td></td>
<td>842</td>
<td></td>
</tr>
<tr>
<td>99 Other Services</td>
<td>268</td>
<td>723</td>
<td>12,336</td>
<td>13,327</td>
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<tr>
<td><strong>Materials &amp; Supp Cons</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>01 Fuel and Lubricants</td>
<td>9,952</td>
<td></td>
<td>9,952</td>
<td></td>
</tr>
<tr>
<td>02 Tires and Tubes</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>99 Other Materials &amp; Supplies</td>
<td>6,089</td>
<td>2,918</td>
<td>9,007</td>
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<td><strong>Utilities</strong></td>
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<td>12,393</td>
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<tr>
<td><strong>Casual &amp; Liab Costs</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>03 Premium for Public Liability</td>
<td>10,632</td>
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<td>10,632</td>
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</tr>
<tr>
<td>99 Other Insurance</td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Purchased Transportation Service</strong></td>
<td></td>
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</tr>
<tr>
<td><strong>Miscellaneous Expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>02 Travel and Meetings</td>
<td>134</td>
<td></td>
<td>134</td>
<td></td>
</tr>
<tr>
<td>99 Other Miscellaneous Expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Interest Expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>01 Interest on Long-term Debt</td>
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<td>-</td>
<td></td>
</tr>
<tr>
<td>02 Interest on Short-term Debt</td>
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<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Leases and Rentals</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>126,297</td>
<td>3,641</td>
<td>26,964</td>
<td>156,902</td>
</tr>
</tbody>
</table>

Less Ineligible Expenses

|                      |            |             |             |          |
| 03 Fed. Grants (Explain) |          |             |             |          |
| 04 State Grants (specialized svcs) | - | - | - |          |
| 05 Local Grants       |            |             |             |          |
| 06 Interest Expense   |            |             |             |          |
| 07 Depreciation       |            |             |             |          |
| 08 Other (Explain)    |            |             |             |          |
| 09 Ineligible Percent of Dues | - | - | - |          |
| 10 Expenses Assoc W/Auxiliary Trans | - | - | - |          |
| 15 Charter Expense    |            |             |             |          |
| **99 Total Ineligible Expense** | - | - | - |          |

**TOTAL Eligible Expenses**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operations</strong></td>
<td>$126,297</td>
<td>$3,641</td>
<td>$26,964</td>
<td>$156,902</td>
</tr>
<tr>
<td><strong>Maintenance</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Gen. Admin.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>
### Other Supplemental Information

**Royal Oak Twp Urban Regular Service Nonfinancial Report**  
For the Year Ended September 30, 2009

<table>
<thead>
<tr>
<th>Description</th>
<th>Weekdays</th>
<th>Saturday</th>
<th>Sunday</th>
<th>Total</th>
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<tbody>
<tr>
<td><strong>Fixed Route</strong></td>
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<td></td>
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</tr>
<tr>
<td>Public Service</td>
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<td></td>
</tr>
<tr>
<td>Vehicle Hours</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Vehicle Miles</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous Information</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Charter Service Hours</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Charter Service Miles</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Connector</strong></td>
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</tr>
<tr>
<td>Public Service</td>
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<tr>
<td>Vehicle Hours</td>
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<td>1,853</td>
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<tr>
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<tr>
<td>Charter Service Hours</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Charter Service Miles</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>

Management has determined that the methodology used for compiling miles and hours has been reviewed and the reconciling method has been found to be adequate and reliable.
1.) Administrative expenses that are charged to capital grants are not included in SMART’s operating expenses.

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

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

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

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

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