

**MACATAWA AREA EXPRESS TRANSPORTATION
AUTHORITY**

HOLLAND, MICHIGAN

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED SEPTEMBER 30, 2009

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

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INDEPENDENT AUDITORS' REPORT

January 29, 2010

To the Members of the Transportation Authority Board
Macatawa Area Express Transportation Authority
Holland, Michigan

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the **Macatawa Area Express Transportation Authority** (the "Authority"), as of and for the year ended September 30, 2009, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Macatawa Area Express Transportation Authority. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information for the Macatawa Area Express Transportation Authority as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2010, on our consideration of the Macatawa Area Express Transportation Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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 compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements of the Macatawa Area Express Transportation Authority. The information found on pages 28 through 33 has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. The information on pages 34 through 39 has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

The Management's Discussion and Analysis on pages 3-8 is not a required part of the basic financial statements but is supplementary 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 supplementary information. However, we did not audit the information and express no opinion on it.

A handwritten signature in black ink that reads "Lehmann Johnson". The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the Macatawa Area Express Transportation Authority (the "Authority"), we offer readers of the Macatawa Area Express Transportation Authority financial statements this narrative overview and analysis of the financial activities of the Macatawa Area Express Transportation Authority for the fiscal year ended September 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that is furnished the financial statements and notes to the financial statements.

Financial Highlights

The Authority had capital investment projects in process including:

- A project to construct a Transfer Center by renovating an existing bus station and parking lot continued through fiscal year 2009. \$64,723 was spent during the fiscal year with construction projected to end sometime in fiscal year 2010.

The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$3,899,421 (net assets). Of this amount, \$1,303,278 was unrestricted and may be used to meet the Authority's ongoing obligations to citizens and creditors.

The Authority's total net assets increased by \$694,273 from operations during fiscal 2009.

As of the close of the current fiscal year, the Authority's General Fund reported an ending fund balance of \$1,240,847, an increase of \$271,315.

Total fund balance was 28.2% of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Macatawa Area Express Transportation Authority's financial statements. The Macatawa Area Express Transportation Authority's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information required by the Michigan Bureau of Passenger Transportation (BPT) in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Macatawa Area Express Transportation Authority's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Macatawa Area Express Transportation Authority's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Macatawa Area Express Transportation Authority's is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., accrued interest on long-term debt).

Both of the government-wide financial statements distinguish functions of the Macatawa Area Express Transportation Authority that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Macatawa Area Express Transportation Authority are all classified as public works. The Authority has no business-type activities.

The government-wide financial statements can be found on pages 9-10 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Macatawa Area Express Transportation Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Macatawa Area Express Transportation Authority can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balance of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Macatawa Area Express Transportation Authority reports one governmental fund. Information for this fund is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance.

The Macatawa Area Express Transportation Authority adopts an annual appropriated budget for its general fund. The budgetary comparison statement has been provided herein to demonstrate compliance with those budgets.

The basic governmental fund financial statements can be found on pages 11-15 of this report.

Proprietary funds. The Macatawa Area Express Transportation Authority maintains one type of proprietary fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Macatawa Area Express Transportation Authority's various functions. The Macatawa Area Express Transportation Authority uses an internal service fund to account for amounts that will be payable to the City of Holland to cover compensated absences of the employees that the Authority leases from the City.

The basic proprietary fund financial statements can be found on pages 16-18 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-26 of this report. The supplementary schedules referred to earlier as required by the Bureau of Passenger Transportation (BPT) are presented immediately following the notes.

Government-wide Financial Analysis

Statement of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Macatawa Area Express Transportation Authority, assets exceeded liabilities by \$3,899,421 at the close of the most recent fiscal year.

Macatawa Area Express Transportation Authority's Net Assets

	Governmental Activities	
	2009	2008
Assets		
Current and other assets	\$ 1,533,900	\$ 1,214,365
Capital assets, net	2,596,143	2,187,527
Total assets	4,130,043	3,401,892
Liabilities		
Long-term liabilities	9,334	8,508
Other liabilities	221,288	188,236
Total liabilities	230,622	196,744
Net assets		
Invested in capital assets	2,596,143	2,187,527
Unrestricted	1,303,278	1,017,621
Total net assets	\$ 3,899,421	\$ 3,205,148

The largest portion of the Macatawa Area Express Transportation Authority net assets (66.6%) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment and infrastructure). The Macatawa Area Express Transportation Authority uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

The remaining (33.4%) balance (\$1,303,278) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Macatawa Area Express Transportation Authority is able to report positive balance in both categories of net assets.

Statement of Activities

The Authority's net assets increased by \$694,273 during the current fiscal year.

Macatawa Area Express Transportation Authority's Change in Net Assets

	Governmental Activities	
	September 30, 2009	September 30, 2008
Revenues		
Program revenues:		
Charges for services	\$ 264,785	\$ 307,959
Operating grants and contributions	2,781,892	2,576,782
Capital grants and contributions	747,325	844,571
General revenues:		
Property taxes	875,795	1,756,434
Unrestricted investment earnings	5,216	22,480
Total revenues	4,675,013	5,508,226
Expenses		
Public works	3,980,740	4,845,542
Change in net assets before special item	694,273	662,684
Special item		
Transfer of assets from City of Holland	-	2,542,464
Change in net assets	694,273	3,205,148
Net assets, beginning of period	3,205,148	-
Net assets, end of period	\$ 3,899,421	\$ 3,205,148

Financial Analysis of the Government's Funds

As noted earlier, the Macatawa Area Express Transportation Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Macatawa Area Express Transportation Authority's *governmental fund* is to provide information on near-term inflows, outflows, and balance of *spendable* resources. Such information is useful in assessing the Macatawa Area Express Transportation Authority financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The Authority has only one governmental fund, the General Fund.

The overall results of General Fund operations were an increase in fund balance of \$271,315. The increase is primarily the result of receiving operating assistance funds from the federal and state government for the expenses associated with transit operations.

Proprietary funds. The Macatawa Area Express Transportation Authority proprietary fund consists of one internal service fund.

General Fund Budgetary Highlights

The original revenue budget was \$6,231,234 and as amended was \$8,270,637 which represents an increase of \$2,039,403. The original expenditure budget was \$6,217,215 and as amended was \$8,281,203 which represents an increase of \$2,063,988.

The most significant differences between the original budget and the amended budget are related to grants. The original budget was amended to include 2 (two) federal grants awarded during the fiscal year. One of the grants is funded by the American Recovery and Reinvestment Act (ARRA) and will finance the replacement of 6 (six) buses. All grant funds will be received as reimbursement for approved purchases.

Overall, the amended budgeted expenditures were \$2,063,215 higher than the original budgets. Actual expenditures came in \$3,887,321 less than the amended budget. The management fee paid to MV Transportation, snow removal costs and newly awarded federal grants required budget amendments. Actual fees paid to MV ending up less than projected and unexpended grant funds contributed to the favorable expenditure budget variance.

Capital Asset and Debt Administration

The Authority invested \$723,479 in buildings, equipment and vehicles during the fiscal period to service Authority users.

**Macatawa Area Express Transportation
Authority's Capital Assets
(net of depreciation)**

	Governmental Activities	
	2009	2008
Construction in progress	\$ 835,610	\$ 769,738
Land improvements, net	31,915	32,581
Buildings, equipment and vehicles, net	1,728,618	1,385,208
Total	\$ 2,596,143	\$ 2,187,527

Additional information on the Macatawa Area Express Transportation Authority capital assets can be found in note 4 on pages 25-26 of this report.

The Authority had no long-term debt at September 30, 2009 or 2008.

Economic Factors and Next Year's Budgets and Rates

The economic outlook for the Authority includes potential growth as a West Michigan Transit Linkages Study is underway to determine the feasibility of connecting transit systems in Kent, Ottawa and Muskegon County.

The tax rate remains at 0.35 mills for fiscal year 2010 with property tax revenue projected to decrease due to a reduction in the tax base of the taxing jurisdictions.

Requests for Information

This financial report is designed to provide a general overview of the Macatawa Area Express Transportation Authority finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ms. Michelle Price, Macatawa Area Express Transportation Authority, 270 River Ave., Holland, Michigan 49423.

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BASIC FINANCIAL STATEMENTS

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2009

Assets

Cash and pooled investments	\$ 1,202,651
Receivables, net	314,355
Prepaid items	16,894
Capital assets:	
Not being depreciated	835,610
Being depreciated, net	1,760,533
Total assets	4,130,043

Liabilities

Accounts payable	214,987
Unearned revenue	6,301
Due to City of Holland:	
Due in one year	7,813
Due in more than one year	1,521
Total liabilities	230,622

Net assets

Invested in capital assets	2,596,143
Unrestricted	1,303,278
Total net assets	\$ 3,899,421

The accompanying notes are an integral part of these financial statements.

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2009

Functions / Programs	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS		CAPITAL GRANTS AND CONTRIBUTIONS
Governmental activities:					
Public transportation	\$ 3,980,740	\$ 264,785	\$ 2,781,892	\$ 747,325	\$ (186,738)
General revenues:					
Property taxes					875,795
Investment earnings - unrestricted					5,216
Total general revenues					881,011
Change in net assets					694,273
Net assets, beginning of period					3,205,148
Net assets, end of period					\$ 3,899,421

The accompanying notes are an integral part of these financial statements.

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

BALANCE SHEET
GOVERNMENTAL FUND

SEPTEMBER 30, 2009

	<u>GENERAL FUND</u>
<u>ASSETS</u>	
Cash and pooled investments	\$ 1,193,317
Receivables:	
Accounts	40,950
Taxes and special assessments	61,357
Due from other governmental units	212,048
Prepaid items	16,894
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Total assets	\$ 1,524,566
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<u>LIABILITIES AND FUND BALANCE</u>	
LIABILITIES:	
Accounts payable	\$ 214,987
Deferred revenue	68,732
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Total liabilities	283,719
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FUND BALANCE:	
Reserved for prepaid items	16,894
Unreserved:	
Designated for:	
Bus replacement	300,000
Operating reserves	100,000
Local grant match	100,000
Working capital	100,000
Trolley replacement	11,510
Undesignated	612,443
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Total fund balance	1,240,847
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Total liabilities and fund balance	\$ 1,524,566
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The accompanying notes are an integral part of these financial statements.

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

RECONCILIATION OF FUND BALANCE ON THE BALANCE SHEET
FOR GOVERNMENTAL FUNDS TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS

SEPTEMBER 30, 2009

Fund balance governmental fund \$ 1,240,847

Amounts reported as *net assets of governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund.

Add - capital assets, net 2,596,143

Some items are recorded as revenues in the fund statements when received. These items are recorded on the government-wide statements when earned.

Add - deferred property taxes receivable 62,431

Net assets of governmental activities \$ 3,899,421

The accompanying notes are an integral part of these financial statements.

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	GENERAL FUND
REVENUES:	
Property taxes	\$ 861,453
Passenger fares	233,768
Intergovernmental:	
Federal	1,714,616
State	1,736,193
Local	78,408
Charges for services	31,017
Interest income	5,216
Total revenues	4,660,671
EXPENDITURES:	
Current:	
Public transportation	
Personal services	210,006
Other services and charges	3,458,799
Capital Outlay	725,077
Total expenditures	4,393,882
Excess of revenues over expenditures	266,789
OTHER FINANCING SOURCES:	
Insurance recoveries	4,526
NET CHANGES IN FUND BALANCES	271,315
FUND BALANCE - Beginning of period	969,532
FUND BALANCE- End of period	\$ 1,240,847

The accompanying notes are an integral part of these financial statements.

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2009

Net change in fund balance governmental fund \$ 271,315

Amounts reported as *changes in net assets of governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense.

Add - purchases of capital assets	723,479
Deduct - depreciation expense	(314,863)

Some revenues reported in the statement of activities do not constitute current financial resources and therefore are not reported as revenues in the fund.

Add - change in deferred property taxes receivable	14,342
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Change in net assets of governmental activities	\$ 694,273
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The accompanying notes are an integral part of these financial statements.

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes	\$ 880,609	\$ 860,609	\$ 861,453	\$ 844
Passenger fares	232,120	244,900	233,768	(11,132)
Intergovernmental:				
Federal	2,981,273	5,074,686	1,714,616	(3,360,070)
State	2,002,567	1,962,192	1,736,193	(225,999)
Local	81,200	82,200	78,408	(3,792)
Charges for services	25,465	36,050	31,017	(5,033)
Interest income	28,000	10,000	5,216	(4,784)
Total revenues	6,231,234	8,270,637	4,660,671	(3,609,966)
EXPENDITURES:				
Current:				
Public transportation				
Personal services	245,350	233,100	210,006	(23,094)
Other services and charges	3,530,800	3,587,625	3,458,799	(128,826)
Capital Outlay	2,441,065	4,460,478	725,077	(3,735,401)
Total expenditures	6,217,215	8,281,203	4,393,882	(3,887,321)
Excess of revenues over (under) expenditures	14,019	(10,566)	266,789	277,355
OTHER FINANCING SOURCES:				
Insurance recoveries	-	2,500	4,526	2,026
NET CHANGES IN FUND BALANCE	14,019	(8,066)	271,315	279,381
FUND BALANCE - Beginning of period	969,532	969,532	969,532	-
FUND BALANCE - End of period	\$ 983,551	\$ 961,466	\$ 1,240,847	\$ 279,381

The accompanying notes are an integral part of these financial statements.

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

STATEMENT OF FUND NET ASSETS
PROPRIETARY FUND

SEPTEMBER 30, 2009

	<u>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND</u>
<u>ASSETS</u>	
CURRENT ASSETS:	
Cash and pooled investments	\$ 9,334
<hr/>	
<u>LIABILITIES</u>	
CURRENT LIABILITIES:	
Due to City of Holland	7,813
NONCURRENT LIABILITIES:	
Due to City of Holland	1,521
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Total liabilities	9,334
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NET ASSETS:	
Unrestricted	\$ -
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The accompanying notes are an integral part of these financial statements.

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	GOVERNMENTAL ACTIVITIES
	<u>INTERNAL SERVICE FUND</u>
OPERATING REVENUES	
Charges for services	\$ 826
OPERATING EXPENSES:	
Personal services	826
<hr/>	
CHANGE IN NET ASSETS	-
NET ASSETS - Beginning of period	-
<hr/>	
NET ASSETS - End of period	\$ -
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The accompanying notes are an integral part of these financial statements.

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	GOVERNMENTAL ACTIVITIES
	<u>INTERNAL SERVICE FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from internal services provided	\$ 826
<u>CASH AND POOLED INVESTMENTS - Beginning of period</u>	<u>8,508</u>
<u>CASH AND POOLED INVESTMENTS - End of period</u>	<u>\$ 9,334</u>
RECONCILIATION OF CHANGE IN FUND NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Change in net assets	\$ -
Adjustment to reconcile change in net assets to net cash provided by operating activities:	
Changes in operating assets and liabilities that provided cash:	
Due to City of Holland	826
<u>Net cash provided by operating activities</u>	<u>\$ 826</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Macatawa Area Express Transportation Authority (the "Authority") conform to generally accepted accounting principles ("GAAP") as applicable to governmental units. The following is a summary of the significant accounting policies:

Reporting Entity

The Authority is a municipal corporation governed by an elected, nine-member Authority Board. As required by generally accepted accounting principles, these financial statements present the financial position and related activity for the Macatawa Area Express Transportation Authority. The Authority was formed on July 1, 2007 from the former Macatawa Area Transportation System enterprise fund of the City of Holland. The Authority has no component units and is not reported as a component unit of any other governmental unit.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Authority. The effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the internal service fund. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. After March 1, any delinquent taxes on real property are paid by the County which is responsible for collecting any outstanding taxes on real property as of that date. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2009

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Intergovernmental revenue, charges for services and interest are all considered to be susceptible to accrual if collected within 180 days of fiscal year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Authority.

The Authority reports the following major governmental funds:

The *General Fund* is the Authority's primary operating fund. It accounts for all financial resources of the Authority, except those required to be accounted for in another fund.

Additionally, the Authority reports the following fund type:

Internal Service Fund – used to report the financing of services provided by the Authority to other departments and funds on a cost reimbursement basis, specifically the accumulation of funds for future payment of compensated absences.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's internal service fund are charges to Authority departments for technology, equipment and insurance services. Operating expenses for the internal service fund include the cost of services. Other revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2009

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets and Budgetary Accounting

The Authority follows these procedures in establishing the budgetary data reflected in the financial statements.

- The MAX Coordinator is responsible for submitting the proposed operating budget for the following fiscal year to the Authority Board. The Authority Board, during its review, holds a public hearing to obtain taxpayer comments. The budget is legally enacted by resolution of the Board.
- The Authority financial officer is authorized to transfer budget amounts between accounts within the same department of any fund upon written request by a department or division head and approval by the MAX Coordinator. Any revisions that alter total appropriations of any fund must be approved by the Authority Board. Budgeted appropriations lapse each year; however, appropriations for continuing projects and programs which the Authority intends to complete are included in the budget of the ensuing year.
- Budgeted amounts are as originally adopted or as amended by the Authority Board during the year. The budgets have been prepared in accordance with generally accepted accounting principles. Supplemental appropriations were necessary during the year.
- The budget has been adopted on a department level basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan law.
- Annual budgets are legally adopted for the General Fund as required by the Uniform Budgeting Act (P.A. 621 of 1978) of the State of Michigan.
- Informal annual budgets are also adopted for the internal service fund.

Cash and Pooled Investments

The Authority considers cash and pooled investments to be cash and cash equivalents for statement of cash flow purposes. Investments within pooled cash and investments are not identifiable to specific funds and the assets can be withdrawn at anytime similar to a demand deposit account.

Receivables

All receivables are recorded at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible balances at year-end are considered by management to be immaterial.

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2009

Due From Other Governmental Units

Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program and capital grants are recorded as receivables and revenue at the time reimbursable costs are incurred. Revenues received in advance of costs being incurred are deferred.

Investments

Investments displayed on the financial statement and included in the cash and pooled investment caption are recorded at fair value.

State statute authorizes the Authority to invest in:

- Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.
- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- Bankers' acceptances of United States banks.
- Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

The Authority's investment policy allows for all of these types of investments.

Prepaid Items

The Authority incurred expenses prior to year-end for services that will be performed in the next fiscal year. In these situations, the Authority records an asset to reflect the investment in future services.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2009

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. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation on the capital assets (including infrastructure) of the primary government is computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Land improvements	15-20
Buildings	15-45
Machinery and equipment	5-15
Office furniture and equipment	5-20
Vehicles	7-10

The eligible depreciation of \$38,971, reported in the supplementary expenditure schedules required by the State of Michigan Bureau of Passenger Transportation (BPT), includes only the depreciation of assets purchased with local funds and where the useful life of the asset purchased has been approved by the BPT.

Property Taxes

Properties are assessed as of December 31 and become a lien at that time. The related property taxes are levied and billed on July 1 of the following year, and are due without penalty on or before August 15. Summer tax bills include the Authority's property taxes. Real property taxes that have not been collected as of March 1 are turned over to Ottawa and Allegan Counties for collection. The counties advance the Authority 100 percent for the delinquent real property taxes. Collection of delinquent personal property taxes and IFT's remains the responsibility of the Authority.

Interfund Transactions

During the course of normal operations, the Authority has numerous transactions between funds, including expenditures and transfers of resources to provide services. The accompanying financial statements generally reflect operating subsidies as transfers.

Risk Management

The Authority is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation), as well as medical benefits provided to employees. Employee-related risk management is provided by the City of Holland as the Authority leases its employees from the City. The buildings occupied by the Authority are owned by the City of Holland and are self-insured by the City. Building contents, general liability and vehicles are insured by commercial policies owned by the Authority.

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2009

Subsequent Events

In preparing these financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to September 30, 2009, the most recent statement of net assets presented herein, through the auditors' report date, the date these financial statements were available to be issued. No significant such events or transactions were identified

2. COMPLIANCE

Compliance with the Single Audit Act

Procedures performed to test compliance relating to expenditures of federal awards as required by the Single Audit Act Amendments of 1996 and related findings are detailed in a separate report.

3. DEPOSITS AND INVESTMENTS

The Authority reported cash and pooled investments of \$1,202,651 on the statement of net assets as of September 30, 2009.

For note disclosure purposes, this amount is classified as follows:

Petty cash	\$ 300
Checking and savings accounts	308,267
Certificates of deposit (all due within one year)	<u>894,084</u>
	<u>\$ 1,202,651</u>

Investment and Deposit Risk

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified above in Note 1. The Authority's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Authority did not have any investments at year-end.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers' acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified above. The Authority's investment policy does not have specific limits in excess of state law pertaining to investment credit risk. The Authority did not have any rated investments at year-end.

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2009

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. State law does not require and the Authority's investment policy does not have specific limits in excess of state law pertaining to custodial credit risk. As of year-end, \$51,380 of the bank balance of \$1,200,126 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Concentrations of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the listing above.

4. CAPITAL ASSETS

	<u>Balance October 1, 2008</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance September 30, 2009</u>
Governmental activities				
Capital assets, not being depreciated				
Construction in progress	\$ 769,737	\$ 65,873	\$ -	\$ 835,610
Capital assets, being depreciated				
Land Improvements	57,210	2,207	-	59,417
Buildings	54,185	26,650	-	80,835
Machinery & equipment	442,534	11,206	-	453,740
Office furniture and equipment	36,856	4,990	-	41,846
Vehicles	2,983,998	612,553	-	3,596,551
Total capital assets, being depreciated	<u>3,574,783</u>	<u>657,606</u>	<u>-</u>	<u>4,232,389</u>
Less accumulated depreciation for:				
Land Improvements	24,629	2,873	-	27,502
Buildings	24,345	3,460	-	27,805
Machinery & equipment	213,142	49,630	-	262,772
Office furniture and equipment	17,138	3,213	-	20,351
Vehicles	1,877,739	255,687	-	2,133,426
Total accumulated depreciation	<u>2,156,993</u>	<u>314,863</u>	<u>-</u>	<u>2,471,856</u>
Net capital assets, being depreciated	<u>1,417,790</u>	<u>342,743</u>	<u>-</u>	<u>1,760,533</u>
Net capital assets	<u>\$ 2,187,527</u>	<u>\$ 408,616</u>	<u>\$ -</u>	<u>\$ 2,596,143</u>

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2009

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
Public works	\$ 314,863

5. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

6. LITIGATION/CONTINGENT LIABILITY

In the normal course of its activities, the Authority has become a party in various legal actions, including property tax assessment appeals. Management of the Authority is of the opinion that the outcome of such actions will not have a material effect on the financial position of the Authority and, therefore, has not reflected loss reserves in the financial statements.

Amounts received or receivable under grant programs are subject to audit and adjustment by the grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the transit agency. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

7. COST ALLOCATION PLANS

The Authority maintains one cost allocation plan for which the methodology has been approved by the Michigan Bureau of Passenger Transportation (BPT). This allocation plan is for centralized vehicle and equipment maintenance charges. This cost allocation plan was adhered to in the preparation of the financial statements.

8. LEASE COMMITMENT

The Authority leases the Depot and the Bus Garage from the City of Holland (the "City") for \$1 per year. The current lease term expires at June 30, 2010. The lease automatically renews each June 30 for an indefinite term, unless either party gives notice of termination to the other party at least 30 days prior to the expiration of the current lease term in effect at the time of the notice. The City has title to these buildings and all improvements, fixtures or other types of fixed property appurtenant to the buildings and property located thereon. The Authority is responsible for insurance on building content, but is not required to pay real estate taxes. The buildings are insured through the City of Holland's self-insurance pool.

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**MICHIGAN BUREAU OF PASSENGER TRANSPORTATION
SCHEDULES**

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

EXPENDITURES OF FEDERAL AND STATE AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2009

FEDERAL AND STATE GRANTOR/PASS- THROUGH GRANTOR/PROGRAM TITLE	CFDA NUMBER	GRANT NO./ AUTHORIZATION NUMBER	PROGRAM AWARD AMOUNT
U.S. Department of Transportation			
Direct assistance:			
Federal Transit Operating Grant - Section 5307	20.507	90-X504	\$ 580,382
Federal Transit Operating Grant - Section 5307	20.507	90-X584	850,000
Federal Transit Operating Grant - Section 5307	20.507	90-X589	120,000
Capital Grant - Section 5309	20.500	90-X561	25,000
Capital Grant - Section 5309	20.500	96-0002	1,609,413
State grant match provided by the Michigan			
Department of Transportation:			
Capital Grant - Section 5309	20.500	03-0236	1,942,894
Capital Grant - Section 5309	20.500	90-X504	773,683
Capital Grant - Section 5309	20.500	90-X589	513,400
Total U.S. Department of Transportation			6,414,772
Michigan Department of Transportation -			
Operating assistance - Act 51:			
Year ended September 30, 2009	n/a	n/a	1,323,334
Prior years	n/a	n/a	329,855
New Freedom program - operating	20.521	2007-0613/Z15	50,295
New Freedom program - capital	20.521	2007-0613/Z15	16,000
Total Michigan Department of Transportation			1,719,484
Total Expenditures of Federal and State Awards			\$ 8,134,256

CURRENT YEAR'S EXPENDITURES				PRIOR	AWARD
TOTAL	FEDERAL	STATE	LOCAL	YEAR'S	AMOUNT
				EXPENDITURES	REMAINING
\$ 30,000	\$ 30,000	\$ -	\$ -	\$ 550,382	\$ -
850,000	850,000	-	-	-	-
120,000	120,000	-	-	-	-
12,347	12,347	-	-	12,618	35
266,317	266,317	-	-	-	1,343,096
470	376	94	-	-	1,942,424
67,741	54,796	12,945	-	602,164	103,778
387,586	317,621	69,965	-	-	125,814
1,734,461	1,651,457	83,004	-	1,165,164	3,515,147
1,323,334	-	1,323,334	-	-	-
329,855	-	329,855	-	-	-
50,295	50,295	-	-	-	-
12,864	12,864	-	-	-	3,136
1,716,348	63,159	1,653,189	-	-	3,136
\$ 3,450,809	\$ 1,714,616	\$ 1,736,193	\$ -	\$ 1,165,164	\$ 3,518,283

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

SCHEDULE OF OPERATING REVENUES

FOR THE YEAR ENDED SEPTEMBER 30, 2009

CODE		TOTAL
401:	FAREBOX REVENUE:	
40100	Passenger fares	\$ 195,516
405:	CHARTER:	
40500	Charter service	34,806
406:	AUXILIARY TRANSIT REVENUE:	
40615	Advertising	15,590
40699	Other auxiliary transit revenue (cash short/over, court recovery fees)	174
407:	NON-TRANSIT REVENUE	
40720	Rental of buildings and other property	15,398
40799	Other non-transit revenue	4,453
408:	LOCAL REVENUE	
40800	Taxes levied directly for/by transit agency	825,499
409:	LOCAL REVENUE	
40910	Local operating assistance	78,408
411:	STATE FORMULAS AND CONTRACTS:	
41101	State operating assistance	1,323,334
413:	FEDERAL CONTRACTS	
41302	Federal section 5307 (operating funds only)	1,000,000
414:	OTHER REVENUE	
41400	Interest income	5,216
Total operating revenues		\$ 3,498,394

Note:

Ineligible expenses are classified appropriately according to the definition in the Local Public Transit Revenue and Expense Manual (R&E Manual). Audit costs are the only costs in which eligibility differs from the State R&E Manual and Federal OMB Circular A-87. The Macatawa Area Express Transportation Authority did not incur expenses associated with 40720 Rental of buildings and other property and, therefore, no expenses are subtracted out as ineligible on OAR Schedule 4E, on page 32.

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

SCHEDULE OF OPERATING EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2009

CODE		OPERATIONS	MAINTENANCE	GENERAL ADMINISTRATION	TOTAL
501:	LABOR:				
50101	Operators' salaries and wages	\$ 1,279,635	\$ -	\$ -	\$ 1,279,635
50102	Other salaries and wages	135,302	-	158,304	293,606
50103	Dispatcher salaries and wages	185,754	-	-	185,754
	Total labor	1,600,691	-	158,304	1,758,995
502:	FRINGE BENEFITS:				
50200	Other	541,207	-	47,482	588,689
50201	Pensions	-	-	9,475	9,475
	Total fringe benefits	541,207	-	56,957	598,164
503:	SERVICES:				
50302	Advertising	-	-	82,917	82,917
50305	Audit cost	-	-	6,074	6,074
50399	Other	228,393	366,164	140,224	734,781
	Total services	228,393	366,164	229,215	823,772
504:	MATERIALS:				
50401	Fuel and lubricants	209,135	-	-	209,135
50402	Tires	25,920	-	-	25,920
50499	Other	-	-	11,877	11,877
	Total materials	235,055	-	11,877	246,932
50500	UTILITIES	-	-	51,199	51,199
506:	INSURANCE				
50603	Liability insurance	72,587	-	-	72,587
509:	MISCELLANEOUS EXPENSES:				
50902	Travel, meetings and training	-	-	1,526	1,526
50903	Association dues and subscriptions	-	-	8,703	8,703
50999	Other	-	-	4,078	4,078
	Total miscellaneous expenses	-	-	14,307	14,307
51200	OPERATING LEASES AND RENTALS	1,260	-	-	1,260
513:	DEPRECIATION:				
51300	Grant assets	-	-	275,892	275,892
51300	Other assets	-	-	38,971	38,971
	Total depreciation	-	-	314,863	314,863
550:	INELIGIBLE EXPENSES				
55007	Ineligible depreciation	-	-	275,892	275,892
55008	Other ineligible expenses	-	-	1,487	1,487
55010	Other ineligible expenses associated with auxiliary and nontrans	-	4,454	72	4,526
55011	Ineligible preventative maintenance	-	30,000	-	30,000
55015	Ineligible charter	15,251	4,813	6,243	26,307
	Total ineligible expenses	15,251	39,267	283,694	338,212
	Total expenses				3,882,079
	Total ineligible expenses				338,212
	Total eligible expenses				\$ 3,543,867

Note:

Any capital money used to pay for operating expense has been subtracted out as ineligible expense.

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

SCHEDULE OF OPERATING AND CONTRACT EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2009

	OPERATIONS	MAINTENANCE	GENERAL ADMINISTRATION	TOTAL
OPERATING EXPENSES:				
Labor	\$ 1,600,691	\$ -	\$ 158,304	\$ 1,758,995
Pensions	541,207	-	47,482	588,689
Other fringe benefits	-	-	9,475	9,475
Audit cost	-	-	6,074	6,074
Other services	228,393	366,164	223,141	817,698
Materials	235,055	-	11,877	246,932
Utilities	-	-	51,199	51,199
Insurance	72,587	-	-	72,587
Miscellaneous expenses	-	-	14,307	14,307
Lease and other rentals	1,260	-	-	1,260
Depreciation	-	-	314,863	314,863
Total operating expenses	2,679,193	366,164	836,722	3,882,079

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

OPERATING ASSISTANCE CALCULATION

FOR THE YEAR ENDED SEPTEMBER 30, 2009

Total expenses	\$ 3,882,079
Less ineligible expenses	
Depreciation	275,892
Charter	26,307
Other ineligible expenses associated with auxiliary and nontrans	4,526
Ineligible preventative maintenance	30,000
Other	1,487
<hr/> Total ineligible expenses	<hr/> 338,212
Total State eligible expenses	\$ 3,543,867

Eligible expenses for State reimbursement	\$ 3,543,867
Reimbursement percentage	<hr/> 0.3561660000
State operating assistance	<hr/> <hr/> \$ 1,262,205

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

SCHEDULE OF VEHICLE MILES

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(UNAUDITED)

	PUBLIC SERVICE	CHARTER	TOTAL
First quarter (October-December)	216,520	773	217,293
Second quarter (January-March)	209,944	179	210,123
Third quarter (April-June)	200,905	1,097	202,002
Fourth quarter (July-September)	201,232	949	202,181
Total	828,601	2,998	831,599

Note:

The methodology used for compiling mileage on OAR Schedules 4N, on pages 35 through 40 is an adequate and reliable method for recording vehicle mileage. Because expenses associated with providing charter service are based on vehicle hours, the methodology used for compiling hours is an adequate and reliable method.

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

SCHEDULE OF VEHICLE HOURS

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(UNAUDITED)

	PUBLIC SERVICE	CHARTER	TOTAL
First quarter (October-December)	16,937	52	16,989
Second quarter (January-March)	16,476	18	16,494
Third quarter (April-June)	16,033	193	16,226
Fourth quarter (July-September)	18,559	107	18,666
Total	68,005	370	68,375

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY

SCHEDULE OF LINE-HAUL PASSENGER DATA AND VEHICLE HOURS

FOR THE YEAR ENDED SEPTEMBER 30, 2009

(UNAUDITED)

	VEHICLE HOURS	REGULAR PASSENGERS	SENIOR PASSENGERS
First quarter (October-December)	7,366	42,256	1,593
Second quarter (January-March)	7,243	43,388	1,408
Third quarter (April-June)	8,378	47,033	1,519
Fourth quarter (July-September)	8,406	37,697	2,284
Total	31,393	170,374	6,804

<u>HANDICAPPED PASSENGERS</u>	<u>SENIOR/ HANDICAPPED PASSENGERS</u>	<u>TOTAL PASSENGERS</u>
8,627	267	52,743
9,599	361	54,756
8,380	504	57,436
13,073	597	53,651
<u>39,679</u>	<u>1,729</u>	<u>218,586</u>

MACATAWA AREA EXPRESS TRANSPORTATION AUTHORITY
 SCHEDULE OF DEMAND RESPONSE PASSENGER DATA AND VEHICLE HOURS
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

(UNAUDITED)

	VEHICLE HOURS	REGULAR PASSENGERS	SENIOR PASSENGERS
First quarter (October-December)	9,571	8,896	1,779
Second quarter (January-March)	9,233	7,271	2,044
Third quarter (April-June)	7,655	3,741	1,669
Fourth quarter (July-September)	10,153	1,782	1,692
Total	36,612	21,690	7,184

<u>HANDICAPPED PASSENGERS</u>	<u>SENIOR/ HANDICAPPED PASSENGERS</u>	<u>TOTAL PASSENGERS</u>
15,400	1,859	27,934
16,037	1,188	26,540
14,936	813	21,159
15,250	879	19,603
<u>61,623</u>	<u>4,739</u>	<u>95,236</u>