



**CITY OF GRAND HAVEN, MICHIGAN
HARBOR TRANSIT**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

**FOR THE YEARS ENDED
JUNE 30, 2011 AND 2010**

**CITY OF GRAND HAVEN, MICHIGAN
HARBOR TRANSIT**

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INDEPENDENT AUDITORS' REPORT

December 6, 2011

To the Honorable Mayor and
Members of the City Council
City of Grand Haven, Michigan

We have audited the financial statements of the *City of Grand Haven, Michigan Harbor Transit* (an Enterprise Fund of the City of Grand Haven, Michigan) as of and for the years ended June 30, 2011 and 2010. These financial statements are the responsibility of the City of Grand Haven, Michigan'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 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 audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the City of Grand Haven, Michigan Harbor Transit Enterprise Fund and do not purport to, and do not present fairly the financial position of the City of Grand Haven, Michigan, as of June 30, 2011 and 2010 and the changes in its financial position and cash flows where applicable, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City of Grand Haven, Michigan Harbor Transit as of June 30, 2011 and 2010, and the respective changes in financial position and cash flows thereof for the years 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 October 31, 2011 on our consideration of the City of Grand Haven, Michigan'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 on 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.

Our audits were made for the purpose of forming an opinion on the financial statements of the City of Grand Haven, Michigan Harbor Transit taken as a whole. The accompanying supplementary information is presented for the purpose of additional analysis and is not a required part of the financial statements. This information, except for the portion marked “unaudited” on which we express no opinion, has been subjected to the procedures applied in the audits of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

The image shows a handwritten signature in cursive script that reads "Lehmann Johnson". The signature is written in black ink and is centered on the page.

**CITY OF GRAND HAVEN, MICHIGAN
HARBOR TRANSIT**

STATEMENTS OF NET ASSETS

	June 30	
	2011	2010
ASSETS		
Current assets		
Cash and cash equivalents	\$ 450	\$ 450
Accounts receivable	6,979	26,977
Due from other governmental units:		
Local	45,172	39,582
State	4,531	22,348
Federal	243,082	251,718
Inventories	55,788	26,598
Prepaid items	2,115	3,184
Total current assets	358,117	370,857
Noncurrent assets		
Capital assets not being depreciated	9,261	9,261
Capital assets being depreciated, net	1,119,551	948,635
Total noncurrent assets	1,128,812	957,896
Total assets	1,486,929	1,328,753
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	18,577	22,379
Accrued and other liabilities	38,496	37,057
Due to other funds of the City of Grand Haven	88,783	114,110
Compensated absences	114,078	99,297
Total liabilities (all current)	259,934	272,843
Net assets		
Invested in capital assets	1,128,812	957,896
Unrestricted	98,183	98,014
Total net assets	\$ 1,226,995	\$ 1,055,910

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

**CITY OF GRAND HAVEN, MICHIGAN
HARBOR TRANSIT**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

	Year Ended June 30	
	2011	2010
Operating revenue		
Demand-response (farebox)	\$ 98,842	\$ 103,762
Trolley (farebox)	17,633	16,424
Contractual services	34,222	32,536
Other	1,292	29,587
Total operating revenue	151,989	182,309
Operating expenses		
Labor	793,491	785,011
Fringe benefits	303,470	263,757
Professional and contractual services	187,895	233,621
Fuel and supplies	155,668	154,832
Utilities	26,453	29,805
Casualty and liability costs	17,138	15,605
Depreciation	154,386	133,524
Other	10,328	12,534
Total operating expenses	1,648,829	1,628,689
Operating loss	(1,496,840)	(1,446,380)
Nonoperating revenue (expense)		
Local operating grants	482,769	446,571
State operating grants	520,406	540,572
Federal operating grants	323,902	323,560
Gain on sale of capital assets	-	17,953
Interest expense	(153)	(558)
Total nonoperating revenue (expense)	1,326,924	1,328,098
Change in net assets before transfers and contributions	(169,916)	(118,282)
Transfers in from the City of Grand Haven	5,530	5,370
Capital contributions:		
State capital grants	2,000	99,328
Federal capital grants	333,471	408,648
Total transfers and contributions	341,001	513,346
Changes in net assets	171,085	395,064
Net assets, beginning of year	1,055,910	660,846
Net assets, end of year	\$ 1,226,995	\$ 1,055,910

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

**CITY OF GRAND HAVEN, MICHIGAN
HARBOR TRANSIT**

STATEMENTS OF CASH FLOWS

	Year Ended June 30	
	2011	2010
Cash flows from operating activities		
Receipts from customers and users	\$ 171,987	\$ 155,389
Payments to suppliers	(454,732)	(521,064)
Payments to employees	(1,080,741)	(1,052,819)
Net cash used in operating activities	(1,363,486)	(1,418,494)
Cash flows from noncapital financing activities		
Proceeds from local operating grants	477,179	466,794
Proceeds from state operating grants	538,223	533,929
Proceeds from federal operating grants	332,538	315,140
Transfers in from other funds of the City of Grand Haven	5,530	5,370
Net cash provided by noncapital financing activities	1,353,470	1,321,233
Cash flows from capital and related financing activities		
Purchase of capital assets	(325,302)	(433,046)
Proceeds from sale of capital assets	-	17,953
Proceeds from state and federal capital grants	335,471	512,912
Interest paid	(153)	(558)
Net cash provided by capital and related financing activities	10,016	97,261
Increase (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of year	450	450
Cash and cash equivalents, end of year	\$ 450	\$ 450

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

**CITY OF GRAND HAVEN, MICHIGAN
HARBOR TRANSIT**

**STATEMENTS OF CASH FLOWS
(CONCLUDED)**

	Year Ended June 30	
	2011	2010
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (1,496,840)	\$ (1,446,380)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	154,386	133,524
Changes in operating assets and liabilities which provided (used) cash:		
Accounts receivable	19,998	(26,920)
Inventories	(29,190)	4,877
Prepaid items	1,069	(1,227)
Accounts payable	(3,802)	7,155
Accrued and other liabilities	16,220	17,863
Due to other funds of the City of Grand Haven	(25,327)	(85,472)
Net other postemployment benefits obligation	-	(21,914)
Net cash used in operating activities	<u><u>\$ (1,363,486)</u></u>	<u><u>\$ (1,418,494)</u></u>

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

CITY OF GRAND HAVEN, MICHIGAN HARBOR TRANSIT

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

The *City of Grand Haven, Michigan Harbor Transit* ("Harbor Transit") is an Enterprise Fund of the City of Grand Haven, Michigan. It operates under direction of the City Charter. Harbor Transit provides public transportation services to users in the City of Grand Haven and portions of the surrounding area. The economic resources measurement focus and the accrual basis of accounting are used in preparing the financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The operations of Harbor Transit are accounted for in a single enterprise fund (a proprietary fund type). 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 Harbor Transit are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Cash Equivalents

For purposes of the statement of cash flows, the Harbor Transit considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Inventories

Inventories consist of materials and supplies and are stated at the lower of cost or market.

Capital Assets and Depreciation

Capital assets are stated at cost or fair market value at the date of purchase/gift. Costs relating to maintenance and repairs are charged to expense, whereas those costs for renewals and betterments in excess of \$1,000 are capitalized. Depreciation on all assets is provided on the straight line basis over the estimated useful lives as defined in the Local Public Transit Revenue and Expense Manual (R&E Manual), and/or as approved by the Bureau of Passenger Transportation (BPT).

Eligible depreciation includes only the depreciation of assets purchased with local funds where the useful life of the asset purchased has been approved by the BPT. Harbor Transit had no eligible depreciation expense during the years ended June 30, 2011 and 2010. For the year ended June 30, 2011 and 2010, the ineligible depreciation amounts of \$154,386 and \$133,524, respectively, include \$2,252 and \$2,624, respectively, of depreciation associated with assets purchased with local money where the useful life of the asset was not approved by the BPT.

**CITY OF GRAND HAVEN, MICHIGAN
HARBOR TRANSIT**

NOTES TO FINANCIAL STATEMENTS

2. DUE FROM FEDERAL GOVERNMENT

Harbor Transit receives funding from the U.S. Department of Transportation under Section 5307 operating grants and Section 5304 and Section 5309 capital grants. The computation of the amount due from the federal government is as follows at June 30:

	2011	2010
Maximum reimbursement per contract under Section 5307	\$ 243,082	\$ 242,460
Section 5304 grant	-	3,677
Section 5309 grant	-	5,581
Due from federal government	\$ 243,082	\$ 251,718

3. CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2011, are as follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Capital assets, not being depreciated				
Land	\$ 9,261	\$ -	\$ -	\$ 9,261
Capital assets, being depreciated				
Building	1,114,385	-	-	1,114,385
Vehicles	1,630,669	325,302	-	1,955,971
Dispatch and office equipment	179,818	-	-	179,818
	2,924,872	325,302	-	3,250,174
Accumulated depreciation				
Building	648,868	29,852	-	678,720
Vehicles	1,199,205	114,727	-	1,313,932
Dispatch and office equipment	128,164	9,807	-	137,971
	1,976,237	154,386	-	2,130,623
Net capital assets being depreciated	948,635	170,916	-	1,119,551
Total capital assets, net	\$ 957,896	\$ 170,916	\$ -	\$ 1,128,812

**CITY OF GRAND HAVEN, MICHIGAN
HARBOR TRANSIT**

NOTES TO FINANCIAL STATEMENTS

Changes in capital assets for the year ended June 30, 2010, are as follows:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Capital assets, not being depreciated				
Land	\$ 9,261	\$ -	\$ -	\$ 9,261
Capital assets, being depreciated				
Building	1,093,906	20,479	-	1,114,385
Vehicles	1,655,579	396,484	421,394	1,630,669
Dispatch and office equipment	163,735	16,083	-	179,818
	<u>2,913,220</u>	<u>433,046</u>	<u>421,394</u>	<u>2,924,872</u>
Accumulated depreciation				
Building	617,341	31,527	-	648,868
Vehicles	1,529,408	91,191	421,394	1,199,205
Dispatch and office equipment	117,358	10,806	-	128,164
	<u>2,264,107</u>	<u>133,524</u>	<u>421,394</u>	<u>1,976,237</u>
Net capital assets being depreciated	<u>649,113</u>	<u>299,522</u>	<u>-</u>	<u>948,635</u>
Total capital assets, net	<u>\$ 658,374</u>	<u>\$ 299,522</u>	<u>\$ -</u>	<u>\$ 957,896</u>

4. RISK MANAGEMENT

Harbor Transit is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which Harbor Transit carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss in excess of insurance coverage can be reasonably estimated. There has been no loss in excess of insurance in the past three years.

5. COST ALLOCATION PLANS

Harbor Transit has six cost allocation plans where the methodology has been approved by the BPT. Those cost allocations are for Central Garage and City Hall Rent, Charter, Trolley, Gasoline Charges, Parking for Agency Vehicles, and Administrative Costs. These cost allocation plans were adhered to in the preparation of the financial statements.

6. NET OTHER POSTEMPLOYMENT BENEFITS OBLIGATION

Harbor Transit participates in the single-employer defined benefit healthcare plan of the City of Grand Haven, Michigan. For a full description of the plan, funding policy, annual OPEB cost and net OPEB obligation, funded status and funding progress, actuarial methods and assumptions and Required Supplementary Information, see the City of Grand Haven, Michigan financial statements.

**CITY OF GRAND HAVEN, MICHIGAN
HARBOR TRANSIT**

NOTES TO FINANCIAL STATEMENTS

7. INELIGIBLE EXPENSES

Ineligible expenses are classified appropriately according to the definition in the Local Public Transit Revenue and Expense Manual (R&E Manual). Any ineligible expenses have been properly reported and subtracted out as ineligible.

No capital money (Section 5309) was used for operating expenditures during the fiscal years ending June 30, 2011 and 2010.

8. CONTINGENCIES

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 transit agency expects such amounts, if any, to be immaterial.

9. LOCAL GRANTS

In fiscal year 2007-08, the City of Grand Haven and the local governments served by Harbor Transit began grant-funded, detailed discussions on future funding of demand-response services. Included was a determination of the formula which will calculate the local shares owed by each unit for these services. Likewise, these discussions included scenarios on reimbursing the City's prior period overpayments into the Harbor Transit Fund.

To meet fiscal needs of Harbor Transit, using the "fair share formula" structure, the City General Fund incurred expenses of \$306,813 and \$276,839 as the City's annual formula payments, plus \$10,882 and \$11,348, for trolley services provided in the City alone during the years ended June 30, 2011 and 2010, respectively. Formula amounts for the Village of Spring Lake were \$66,475 and \$62,414, and formula amounts for the City of Ferrysburg were \$98,599 and \$86,875 for the years ended June 30, 2011 and 2010, respectively. In addition, a business located in the Township of Grand Haven contributed \$9,095 during the year ended June 30, 2010. The Cities of Grand Haven and Ferrysburg and the Village of Spring Lake fund this obligation through millage.

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**SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2011**

**CITY OF GRAND HAVEN, MICHIGAN
HARBOR TRANSIT**

SCHEDULE 1 - LOCAL REVENUES

	July 1, 2010 to September 30, 2010	October 1, 2010 to June 30, 2011	Total
Operating revenue:			
Demand-response (farebox)	\$ 27,007	\$ 71,835	\$ 98,842
Trolley (farebox)	13,509	4,124	17,633
Contractual services	19,123	15,099	34,222
Other	27	1,265	1,292
Total operating revenue	59,666	92,323	151,989
Nonoperating revenue:			
Local operating grants	-	482,769	482,769
Total local revenues	\$ 59,666	\$ 575,092	\$ 634,758

**CITY OF GRAND HAVEN, MICHIGAN
HARBOR TRANSIT**

**SCHEDULE 1A - LOCAL REVENUES BASED ON A
SEPTEMBER 30, 2010 YEAR END**

	October 1, 2009 to June 30, 2010	July 1, 2010 to September 30, 2010	Total
Operating revenue:			
Demand-response (farebox)	\$ 76,542	\$ 27,007	\$ 103,549
Trolley (farebox)	4,236	13,509	17,745
Contractual services	14,414	19,123	33,537
Other	2,629	27	2,656
Total operating revenue	97,821	59,666	157,487
Nonoperating revenue:			
Local operating grants	443,005	-	443,005
Total local revenues	\$ 540,826	\$ 59,666	\$ 600,492

**CITY OF GRAND HAVEN, MICHIGAN
HARBOR TRANSIT**

**SCHEDULE 2 - EXPENDITURES OF FEDERAL AND STATE AWARDS -
YEAR ENDED JUNE 30, 2011**

Federal and State Grantor/Pass-Through Grantor/Program Title	CFDA Number	Agency or Pass-Through Number	Approved Grant Award Amount
<u>U.S. Department of Transportation</u>			
Federal Transit Operating Grant			
Direct programs:			
Section 5307 prior year	20.507	MI-90-X623-00	\$ 323,280
Section 5307 current year	20.507	MI-90-X632-00	324,109
Section 5307	20.507	MI-90-X021-00	430,107
Section 5307	20.507	MI-90-X056-00	51,600
Federal Transit Capital Grant			
Direct programs:			
Section 5309	20.500	MI-03-0203-00	237,346
Passed through the Michigan Department of Transportation:			
Section 5304 (80/20)	20.515	MI-80-X014-00	90,000
<u>Michigan Department of Transportation</u>			
Operating Assistance - Act 51 Urban	N/A	N/A	520,406
Totals			

<u>Current Year Expenditures</u>			<u>Prior Year's Expenditures</u>	<u>Award Amount Remaining</u>
<u>Total</u>	<u>Federal</u>	<u>State</u>		
\$ 80,820	\$ 80,820	\$ -	\$ 242,460	\$ -
243,082	243,082	-	-	81,027
299,618	299,618	-	-	130,489
8,460	8,460	-	-	43,140
<u>631,980</u>	<u>631,980</u>	<u>-</u>	<u>242,460</u>	<u>254,656</u>
17,393	17,393	-	100,575	119,378
<u>10,000</u>	<u>8,000</u>	<u>2,000</u>	<u>80,000</u>	<u>-</u>
27,393	25,393	2,000	180,575	119,378
<u>520,406</u>	<u>-</u>	<u>520,406</u>	<u>-</u>	<u>-</u>
<u>\$ 1,179,779</u>	<u>\$ 657,373</u>	<u>\$ 522,406</u>	<u>\$ 423,035</u>	<u>\$ 374,034</u>

**CITY OF GRAND HAVEN, MICHIGAN
HARBOR TRANSIT**

**SCHEDULE 2A - FEDERAL AND STATE AWARDS -
OPERATING REVENUE ONLY**

	July 1, 2010 to September 30, 2010	October 1, 2010 to June 30, 2011	Total
	<u> </u>	<u> </u>	<u> </u>
Michigan Department of Transportation Local Bus Operating (Act 51)	\$ 105,433	\$ 414,973	\$ 520,406
Federal Transit Administration Section 5307	<u>80,820</u>	<u>243,082</u>	<u>323,902</u>
Total	<u>\$ 186,253</u>	<u>\$ 658,055</u>	<u>\$ 844,308</u>

**CITY OF GRAND HAVEN, MICHIGAN
HARBOR TRANSIT**

**SCHEDULE 2B - FEDERAL AND STATE AWARDS - OPERATING
REVENUE ONLY BASED ON A SEPTEMBER 30, 2010 YEAR END**

	October 1, 2009 to June 30, 2010	July 1, 2010 to September 30, 2010	Total
	<u> </u>	<u> </u>	<u> </u>
Michigan Department of Transportation Local Bus Operating (Act 51)	\$ 430,156	\$ 105,433	\$ 535,589
Federal Transit Administration Section 5307	<u>323,559</u>	<u>80,820</u>	<u>404,379</u>
Total	<u><u>\$ 753,715</u></u>	<u><u>\$ 186,253</u></u>	<u><u>\$ 939,968</u></u>

**CITY OF GRAND HAVEN, MICHIGAN
HARBOR TRANSIT**

**SCHEDULE 3 - OPERATING AND CONTRACT EXPENSES
YEAR ENDED JUNE 30, 2011**

	<u>Urban</u>	<u>Nonurban</u>	<u>Specialized Services</u>	<u>Operating Contract</u>	<u>Total</u>
Labor	\$ 793,491	\$ -	\$ -	\$ -	\$ 793,491
Fringe benefits	303,470	-	-	-	303,470
Professional and contractual services	187,895	-	-	-	187,895
Fuel and supplies	155,668	-	-	-	155,668
Utilities	26,453	-	-	-	26,453
Casualty and liability costs	17,138	-	-	-	17,138
Depreciation	154,386	-	-	-	154,386
Other	10,328	-	-	-	10,328
Total	<u><u>\$ 1,648,829</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,648,829</u></u>

**CITY OF GRAND HAVEN, MICHIGAN
HARBOR TRANSIT**

**SCHEDULE 3A - OPERATING EXPENSES SPLIT BETWEEN A
JUNE 30 AND SEPTEMBER 30 YEAR END**

	Urban		Total
	July 1, 2010 to September 30, 2010	October 1, 2010 to June 30, 2011	
Labor	\$ 176,675	\$ 616,816	\$ 793,491
Fringe benefits	80,565	222,905	303,470
Professional and contractual services	50,900	136,995	187,895
Fuel and supplies	47,733	107,935	155,668
Utilities	5,022	21,431	26,453
Casualty and liability costs	-	17,138	17,138
Depreciation	-	154,386	154,386
Other	3,675	6,653	10,328
Total	\$ 364,570	\$ 1,284,259	\$ 1,648,829

**CITY OF GRAND HAVEN, MICHIGAN
HARBOR TRANSIT**

**SCHEDULE 3B - OPERATING EXPENSES BY PROGRAM
BASED ON A SEPTEMBER 30, 2010 YEAR END**

	Urban		Total
	October 1, 2009 to June 30, 2010	July 1, 2010 to September 30, 2010	
Labor	\$ 612,511	\$ 176,675	\$ 789,186
Fringe benefits	185,154	80,565	265,719
Professional and contractual services	162,077	50,900	212,977
Fuel and supplies	117,752	47,733	165,485
Utilities	24,215	5,022	29,237
Casualty and liability costs	7,985	-	7,985
Depreciation	133,524	-	133,524
Other	24,691	3,675	28,366
Total	\$ 1,267,909	\$ 364,570	\$ 1,632,479

**CITY OF GRAND HAVEN, MICHIGAN
HARBOR TRANSIT**

**OAR SCHEDULE 4R - URBAN REGULAR SERVICE REVENUE REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

<u>Code</u>	<u>Description</u>	<u>Amount</u>
401:	Farebox Revenue	
40100	Passenger Fares	\$ 121,294
40200	Contract Fares	33,537
409:	Local Revenue	
40910	Local Operating Assistance	443,005
411:	State Formula and Contracts	
41101	State Operating Assistance	535,589
413:	Federal Contracts	
41302	Section 5307 (Operating Funds)	404,379
440:	Other Revenue	
44000	Prior Year Refunds and Credits	<u>2,656</u>
Total Revenues		<u><u>\$ 1,540,460</u></u>

**CITY OF GRAND HAVEN, MICHIGAN
HARBOR TRANSIT**

**OAD SCHEDULE 4E - URBAN REGULAR SERVICE EXPENSE REPORT -
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

<u>Code</u>	<u>Description</u>	<u>Operations</u>	<u>Maintenance</u>	<u>General Admin.</u>	<u>Total</u>
501:	Labor				
50101	Operators' Salaries & Wages	\$ 506,937	\$ 42,698	\$ -	\$ 549,635
50102	Other Salaries & Wages	-	-	67,897	67,897
50103	Dispatchers' Salaries & Wages	172,746	-	-	172,746
502:	Fringe Benefits				
50200	Other Fringe Benefits	208,153	6,709	21,602	236,464
50201	Pensions	22,430	2,112	3,620	28,162
503:	Services				
50302	Advertising Fees	16,891	-	-	16,891
50305	Audit Cost	-	-	4,500	4,500
50399	Other Services	7,703	44,025	161,496	213,224
504:	Material and Supplies				
50401	Fuel & Lubricants	91,249	-	-	91,249
50402	Tires & Tubes	-	7,411	-	7,411
50499	Other Materials & Supplies	7,866	57,113	588	65,567
505:	Utilities				
50500	Utilities	22,917	-	6,320	29,237
506:	Insurance				
50603	Liability Insurance	7,985	-	-	7,985
509:	Misc. Expenses				
50902	Travel, Meetings & Training	247	-	3,892	4,139
50903	Association Dues & Subscriptions	-	-	3,683	3,683
50999	Other Miscellaneous	-	-	165	165
511:	Interest Expense				
51102	Interest on Short-Term Debt	-	-	615	615
550:	Ineligible Expenses				
55007	Ineligible Depreciation	133,524	-	-	<u>133,524</u>
Total Expenses					1,633,094
Total Ineligible Expenses					<u>133,524</u>
Total Eligible Expenses					<u><u>\$ 1,499,570</u></u>

**CITY OF GRAND HAVEN, MICHIGAN
HARBOR TRANSIT**

**OAR SCHEDULE 4N - URBAN REGULAR SERVICE NON-FINANCIAL REPORT -
FOR THE YEAR ENDED SEPTEMBER 30, 2010 (UNAUDITED)**

Public Service					
Code	Description	Weekday	Saturday	Sunday	Total
610	Vehicle Hours	18,186	1,243	526	19,955
611	Vehicle Miles	238,492	16,215	5,408	260,115

The methodology used for compiling mileage on OAR Schedule 4N is an adequate and reliable method for recording vehicle mileage.

**CITY OF GRAND HAVEN, MICHIGAN
HARBOR TRANSIT**

**SCHEDULE 5 - OPERATING ASSISTANCE CALCULATION -
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Urban</u>
Total expenses	\$ 1,633,094
Less ineligible expenses	
Depreciation	<u>133,524</u>
Total state eligible expenses	<u><u>\$ 1,499,570</u></u>
Eligible expenses for state reimbursement	\$ 1,499,570
Reimbursement percentage	<u>35.7162%</u>
State operating assistance	<u><u>\$ 535,589</u></u>