

**SCM COMMUNITY
TRANSPORTATION CORPORATION**

FINANCIAL STATEMENTS

and

INDEPENDENT AUDITORS' REPORT

June 30, 2009 and 2008



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RUCCI, BARDARO & BARRETT PC
Certified Public Accountants and Business Advisors

To the Board of Directors
SCM Community Transportation Corporation
Somerville, Massachusetts

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of financial position of **SCM Community Transportation Corporation** as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with United States generally accepted auditing standards. 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 opinion.

In our opinion, the financial statements, referred to above present fairly, in all material respects, the financial position of **SCM Community Transportation Corporation**, as of June 30, 2009 and 2008 and the results of its activities and its cash flows for the years then ended in conformity with United States generally accepted accounting principles.

Rucci, Bardaro & Barrett, PC

Rucci, Bardaro & Barrett, PC
Certified Public Accountants

February 17, 2010



SCM COMMUNITY TRANSPORTATION CORPORATION
STATEMENTS OF FINANCIAL POSITION

June 30,

ASSETS

	<u>2009</u>	<u>2008</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 117,316	\$ 111,003
Accounts receivable, net of allowance for uncollectible accounts of \$8,925 in 2009 and \$9,700 in 2008, respectively	302,856	184,862
Prepaid expenses	6,393	9,229
Total current assets	426,565	305,094
PROPERTY AND EQUIPMENT		
Vehicles	1,417,127	1,506,964
Vehicles under contract (see footnote I)	-	-
Computer, software and equipment	212,608	212,608
Leasehold improvements	20,705	20,705
Total property and equipment	1,650,440	1,740,277
Less: accumulated depreciation	(1,273,916)	(1,211,182)
Property and equipment, net	376,524	529,095
OTHER ASSETS		
Deposits	3,672	1,000
TOTAL ASSETS	\$ 806,761	\$ 835,189
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Line of credit	\$ 36,690	\$ 30,000
Long term debt, current portion	23,771	22,001
Accounts payable	160,275	75,079
Accrued expenses	127,162	135,189
Total current liabilities	347,898	262,269
LONG TERM LIABILITIES		
Long term debt, net of current portion	164,347	187,886
TOTAL LIABILITIES	512,245	450,155
NET ASSETS		
Unrestricted	199,400	307,118
Temporarily restricted	95,116	77,916
Total net assets	294,516	385,034
TOTAL LIABILITIES and NET ASSETS	\$ 806,761	\$ 835,189

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



SCM COMMUNITY TRANSPORTATION CORPORATION

STATEMENTS OF ACTIVITIES

For years ended June 30,

	2009			2008		
	Unrestricted Operating	Temporarily Restricted	Total	Unrestricted Operating	Temporarily Restricted	Total
OPERATING REVENUE						
Program fees - transportation	\$ 1,682,121	\$ -	\$ 1,682,121	\$ 1,643,650	\$ -	\$ 1,643,650
Contributions and other income:						
Contributions	124,338	15,100	139,438	109,576	154,625	264,201
Investment income	1,349	-	1,349	3,558	-	3,558
Fundraising events	47,115	-	47,115	-	-	-
Rebranding revenue	30,000	-	30,000	-	-	-
Net assets released from temporary restriction	48,201	(48,201)	-	157,765	(157,765)	-
Gain on sale of vehicles	2,056	-	2,056	13,500	-	13,500
Total contributions and other income	253,059	(33,101)	219,958	284,399	(3,140)	281,259
Total revenue and support	1,935,180	(33,101)	1,902,079	1,928,049	(3,140)	1,924,909
OPERATING EXPENSES						
Program services	1,564,419	-	1,564,419	1,627,383	-	1,627,383
Management and general	308,462	-	308,462	254,872	-	254,872
Fundraising	19,890	-	19,890	16,378	-	16,378
Total operating expenses	1,892,771	-	1,892,771	1,898,633	-	1,898,633
Net operating income - before depreciation and (depletions) additions to capital assets	42,409	(33,101)	9,308	29,416	(3,140)	26,276
DEPRECIATION - OTHER ASSETS	(6,042)	-	(6,042)	(6,037)	-	(6,037)
(DEPLETIONS) ADDITIONS TO CAPITAL ASSETS						
Vehicle grants	-	50,301	50,301	-	188,280	188,280
Depreciation expense-vehicles	(144,085)	-	(144,085)	(165,722)	-	(165,722)
Net assets released from temporary restrictions	-	-	-	166,942	(166,942)	-
Total (depletions) additions to capital assets	(144,085)	50,301	(93,784)	1,220	21,338	22,558
(DECREASE) INCREASE IN NET ASSETS	(107,718)	17,200	(90,518)	24,599	18,198	42,797
NET ASSETS, beginning of year	307,118	77,916	385,034	282,519	59,718	342,237
NET ASSETS, end of year	\$ 199,400	\$ 95,116	\$ 294,516	\$ 307,118	\$ 77,916	\$ 385,034

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

SCM COMMUNITY TRANSPORTATION CORPORATION

STATEMENTS OF CASH FLOWS

For years ended June 30,

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
(Decrease) increase in net assets	\$ (90,518)	\$ 42,797
Adjustments to reconcile (decrease) increase in net assets to net cash flows provided by operating activities:		
Depreciation	150,127	171,759
Gain on sale and disposal of vehicles	(2,056)	(13,500)
Grants for acquisition of vehicles	-	(221,031)
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(117,994)	89,153
Decrease in prepaid expenses	2,836	3,141
Increase in deposits	(2,672)	(728)
Increase (decrease) in accounts payable	85,196	(12,733)
Decrease in accrued expenses	(8,027)	(4,413)
	<u>16,892</u>	<u>54,445</u>
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	<u>16,892</u>	<u>54,445</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of vehicles	-	(51,095)
Proceeds from sale of vehicles	4,500	13,500
	<u>4,500</u>	<u>13,500</u>
NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	<u>4,500</u>	<u>(37,595)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments on notes payable	(21,769)	(20,328)
Proceeds from line of credit	6,690	-
	<u>(15,079)</u>	<u>(20,328)</u>
NET CASH FLOWS USED BY FINANCING ACTIVITIES	<u>(15,079)</u>	<u>(20,328)</u>
NET INCREASE (DECREASE) IN CASH	6,313	(3,478)
CASH BALANCE, beginning of year	<u>111,003</u>	<u>114,481</u>
CASH BALANCE, end of year	<u>\$ 117,316</u>	<u>\$ 111,003</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest expense	\$ 21,303	\$ 24,632
Income taxes	\$ -	\$ -
Non-cash investing and financing activities:		
Long-term debt incurred to acquire vehicles and equipment	\$ -	\$ 8,187
Net book value of vehicle traded in kind	\$ 2,444	\$ -

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



SCM COMMUNITY TRANSPORTATION CORPORATION

STATEMENTS OF FUNCTIONAL EXPENSES

For years ended June 30,

	2009			2008				
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries, taxes and fringe benefits	\$ 1,037,178	\$ 150,354	\$ -	\$ 1,187,532	\$ 994,010	\$ 165,186	\$ -	\$ 1,159,196
Vehicle expense	459,408	-	-	459,408	541,936	-	-	541,936
Professional services and consultants	4,610	61,006	-	65,616	2,309	45,255	-	47,564
Occupancy	33,651	4,878	-	38,529	55,970	10,063	-	66,033
Interest	18,534	2,769	-	21,303	20,879	3,753	-	24,632
Other operating	4,777	67,393	-	72,170	8,504	11,670	-	20,174
Office	-	18,219	19,890	38,109	-	9,025	16,378	25,403
Training and recruitment	6,261	3,118	-	9,379	3,775	1,422	-	5,197
Bad debt	-	725	-	725	-	8,498	-	8,498
Total expenses before depreciation	1,564,419	308,462	19,890	1,892,771	1,627,383	254,872	16,378	1,898,633
Depreciation - vehicles	144,085	-	-	144,085	165,722	-	-	165,722
Depreciation-other	1,740	4,302	-	6,042	1,736	4,301	-	6,037
Total functional expenses	\$ 1,710,244	\$ 312,764	\$ 19,890	\$ 2,042,898	\$ 1,794,841	\$ 259,173	\$ 16,378	\$ 2,070,392

The accompanying notes are an integral part of the financial statements

SCM COMMUNITY TRANSPORTATION CORPORATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2009 and 2008

NOTE A - ORGANIZATION

SCM Community Transportation Corporation (the "Organization") is committed to meeting the transportation needs of senior citizens and persons with disabilities. The Organization currently provides rides for medical appointments, grocery shopping, adult daycare, meal sites and social occasions. The availability of the Organization's services, providing the link between home and the community, allows individuals to remain independent and allows them to remain living in their homes. The majority of the Organization's services are provided to residents from several cities in the Greater Boston area.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The Organization's net assets (excess of assets over liabilities) and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. The statement of financial position presents two classes of net assets (unrestricted net assets and temporarily restricted net assets) based upon the existence or absence of imposed restrictions.

Unrestricted Net Assets

Unrestricted net assets are not subject to donor imposed restrictions and consist of assets and contributions available for the support of operations.

Temporarily Restricted Net Assets

Temporarily restricted net assets are subject to donor-imposed stipulations that are expected to be met, either by actions of the Organization and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from temporary restrictions. Restricted contributions and investment income whose restrictions are met in the same reporting period are recorded as temporarily restricted income and as net assets released from temporary restrictions.

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

2. Cash and Cash Equivalents

The Organization considers all short-term highly liquid investments as cash equivalents.



SCM COMMUNITY TRANSPORTATION CORPORATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2009 and 2008

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - Continued

3. Property and Equipment

The Organization records property and equipment at cost or estimated value at date of acquisition. Depreciation is provided for amounts sufficient to relate the cost of depreciable assets to operations over the estimated service lives of such assets. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of activities.

The Organization computes depreciation on a straight-line basis over various periods, based on the estimated useful life of the related property to operations, which range as follows:

Vehicles	5-7 years
Computer equipment	3-5 years
Leasehold improvements	3-5 years

4. Revenue Recognition

The Organization earns revenue as follows:

Program Fees

The majority of transportation revenue is derived from services provided to various municipalities and not-for-profit organizations. The Organization enters into fee for service contracts with these municipalities and organizations and bills the majority of these municipalities and organizations on a per ride basis with the other organizations paying on a fixed fee per month basis. The Organization recognizes transportation revenue as rides are provided.

Grants and Other Contributions

The Organization receives grants and other contributions in support of its programs, and complies with Financial Accounting Standards No. 116. "Accounting for Contributions Made" (SFAS 116), issued by the Financial Accounting Standards Board.

Under these standards, contributions made without donor imposed conditions are recognized as revenues when they are received or unconditionally pledged. In cases where the donor imposes conditions on a transfer of assets or a promise to give; where a specific future and uncertain event's occurrence or failure to occur gives the donee the right of return of the assets transferred or releases them from their obligation to transfer assets.



SCM COMMUNITY TRANSPORTATION CORPORATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2009 and 2008

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Revenue Recognition - Continued

Grants and Other Contributions - Continued

These contributions are recorded as revenue as the costs related to the services provided are incurred.

Contributions are recorded upon receipt or pledge as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Substantially all of the Organization's revenue is derived from its activities in Massachusetts. During the years ended June 30, 2009 and 2008, the Organization derived the majority of its revenue from various city and town elder service organizations. All revenue is recorded at the estimated net realizable amounts.

5. Income Taxes

The Organization qualifies as an organization formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code and therefore is not subject to income tax. The Organization is not a private foundation under Section 509(a)(1). Certain unrelated business income, as defined in the Internal Revenue Code, is subject to federal income tax. For the years ended June 30, 2009 and 2008, there was no liability for tax on unrelated business income.

The Organization has elected to defer the application of FASB Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" as permitted by Financial Staff Position "FSP" FIN 48-3 "Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises" to the year beginning after December 15, 2008 which is the Organization's June 30, 2010 fiscal year end.

6. Accounts Receivable

The Organization carries its accounts receivables at an amount equal to uncollected but earned revenue less an allowance for doubtful accounts. On a periodic basis, the Organization evaluates its accounts receivables and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit conditions. As of June 30, 2009 and 2008 the allowance for doubtful accounts amounted to \$8,925 and \$9,700, respectively.



SCM COMMUNITY TRANSPORTATION CORPORATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2009 and 2008

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - Continued

6. Accounts Receivable - Continued

Accounts receivable at June 30, 2009 and 2008 are measured at fair value using significant unobservable inputs (level 3) in accordance with SFAS 157 "Fair Value Measurements." Level 3 Inputs are unobservable for the asset reflecting the Organization's assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available in the circumstances.

The Organization does not have a policy to accrue interest on account receivables. Contract receivables are written off after collection efforts have failed, including collection agencies and small claims court. The Organization has no policies requiring collateral or other security to secure the accounts receivable. Substantially all of the Organization's receivables are due from cities, towns, and other not-for-profit agencies in Massachusetts.

7. Estimates

The presentation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting periods. Actual results could differ from those estimates.

8. Financial Instruments and Concentrations of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of periodic temporary investments of excess cash and trade receivables. The Organization places its temporary excess cash in short-term money market instruments through financial institutions. At times, such cash may be in excess of the FDIC insurance limit.

9. Long-Lived Assets

In March, 1995, Statement of Financial Accounting Standards (SFAS) No. 121, "Accounting for the Impairment of Long-Lived Assets to be Disposed Of," was issued. SFAS No. 121 requires that long-lived assets and certain identifiable intangibles to be held and used or disposed of by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. During the years ended June 30, 2009 and 2008, the Organization determined that no impairment loss need be recognized.

10. Advertising

The Organization expenses advertising costs when they are incurred. Advertising expense was immaterial for the years ended June 30, 2009 and 2008.



SCM COMMUNITY TRANSPORTATION CORPORATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2009 and 2008

NOTE B - SIGNIFICANT ACCOUNTING POLICIES - Continued

11. Fundraising

Fundraising relates to the activities of raising general and specific contributions to the Organization and promoting special events. Fundraising expenses as a percentage of total contribution revenue was 7.43% and 7.27% for the years ended June 30, 2009 and 2008, respectively. The ratio of expenses to amounts raised is computed using actual expenses and related revenue on an accrual basis.

12. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Payroll and associated costs are allocated to functions based upon time studies. Occupancy costs are allocated based upon associated full time equivalents salaries.

13. Donated Services

Contributed services are provided by individuals possessing specialized skills and relate to pro-bono legal services and information technology services provided for management. Contributed services are recorded at estimated fair value on date of receipt.

14. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of resources available to meet future obligations, but only in compliance with the restrictions specified by donors. As of June 30, 2009 and 2008, donor restrictions limit the use of resources to the particular purposes listed below:

<u>Type of Restriction</u>	<u>2009</u>	<u>2008</u>
Part-time financial manager	\$ 20,985	\$ 49,466
Purchase of vehicles	71,639	21,338
Strategic planning	2,492	-
Marketing	-	180
Medical Dial-a-Ride Program	-	6,932
	<u>\$ 95,116</u>	<u>\$ 77,916</u>

15. Fair Value of Financial Instruments

The Organization's financial instruments, none of which are held for trading purposes, include cash and cash equivalents and accounts receivable. The Organization estimates that the fair value of all financial instruments at June 30, 2009 and 2008 does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying financial statements.



SCM COMMUNITY TRANSPORTATION CORPORATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2009 and 2008

NOTE C - PROPERTY AND EQUIPMENT

Included in property and equipment are mini-buses and vans of which a substantial portion was funded by the Federal Transit Administration passed through the Commonwealth's Executive Office of Transportation and Construction (EOTC). Approximately 80% of these purchases are funded by the EOTC and 20% by the Organization. The EOTC maintains a lien on the vehicles until the earlier of one of the two following benchmarks are met: (a) for mini-buses - either seven years of service or 150,000 miles driven or (b) for vans - either five years of service or 100,000 miles driven.

EOTC maintains reversionary interest in vehicles with net book value of \$360,978 and \$507,506 as of June 30, 2009 and June 30, 2008, respectively. Depreciation on these vehicles for the years ended June 30, 2009 and 2008 is \$144,085 and \$165,722. Future expirations of this interest will expire through fiscal years ending 2014.

NOTE D - EMPLOYEE BENEFITS

Defined Contribution Plan

The Organization has a defined contribution retirement plan that qualifies as a tax-sheltered account under Section 403(b)(7) of the Internal Revenue Code for the benefit of eligible employees. Employees whose customary employment is at least 20 hours per week are eligible to participate in this plan after three months of employment. Under the plan, benefit eligible employees can invest pre-tax dollars. The employees are not taxed on contributions or earnings until they receive distributions from the account.

Cafeteria Plan

The Organization has a plan that qualifies as a "Cafeteria Plan" under Section 125 of the Internal Revenue Code. The plan allows the Organization's employees to pay for medical and dental insurance and daycare on a pre-tax basis. All employees employed for at least three months and whose customary employment is at least 20 hours per week are eligible to participate in the plan.

NOTE E - RELATED PARTY

A Board Member is the Executive Director of an organization that is an institutional user of program services. The Organization has a transportation contract with this organization. For the years ended June 30, 2009 and 2008 the Organization earned revenues from this organization of less than \$5,000 a month. As of June 30, 2009 and 2008, receivables outstanding against the contract with this organization were less than \$2,000.



SCM COMMUNITY TRANSPORTATION CORPORATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2009 and 2008

NOTE F - LINE OF CREDIT

The Organization has available a demand line of credit with Century Bank (a Massachusetts Bank) of \$50,000 to be drawn as needed. Interest is payable monthly at the bank's prime rate; 3.25% and 5.00%, for June 30, 2009 and 2008, respectively. The line is secured by the Organization's general business assets. The outstanding balance at June 30, 2009 and 2008 was \$36,689 and \$30,000, respectively.

NOTE G - NOTES PAYABLE

During the year ended June 30, 2007, the Organization refinanced a line of credit with Citizens Bank with a note payable to Century Bank. Under the terms of refinancing, the note will amortize on a 10 year basis at an interest rate of 7.75%, payable in monthly installments of \$2,593. Any unpaid principal and interest will be due September 2016 and is secured by the fixed assets of the Organization. The outstanding balance at June 30, 2009 and 2008 was \$171,399 and \$188,314, respectively.

The Organization is obligated to Century Bank on a note in the original amount of \$18,110. The note is due in monthly payments of \$366 and bears interest at 7.75%. Any unpaid principal and interest will be due May 2012. The note is secured by all the fixed assets of the Organization. At June 30, 2009 and 2008, the principal balance due was \$11,415 and \$14,767, respectively.

During the year ended June 30, 2008, the Organization signed a note payable with Century Bank in the original amount of \$8,188. The note is due in monthly payments of \$167 and bears interest at 8.00%. Any unpaid principal and interest will be due June 2012. The note is secured by all the fixed assets of the Organization. At June 30, 2009 and 2008, the principal balance due was \$5,304 and \$6,804, respectively.

Principal payments due on the long-term obligations for each of the five years subsequent to June 30, 2009 are as follows:

2010	\$ 23,771
2011	25,685
2012	27,410
2013	23,350
2014	25,227
Thereafter	<u>62,675</u>
Total	<u>\$ 188,118</u>



SCM COMMUNITY TRANSPORTATION CORPORATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2009 and 2008

NOTE H - RECLASSIFICATIONS

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE I - SUBSEQUENT EVENTS

Financing - On September 2, 2009 the Organization entered into an agreement with Cambridge Portuguese Credit Union for a loan amount of \$223,466, which bears an interest rate of 6.75% and a maturity date of September 2, 2017. This note consolidated and closed all of their outstanding notes and the previous line of credit with Century Bank.

Motor Vehicles - A letter confirming the selection of SCM to receive a Mobility Assistance Program grant from the Executive Office of Transportation and Public Works in the amount of \$214,461 was received on May 22, 2009 -- the letter confirming the purpose of this grant as "providing eighty (80) percent of the cost of two (2) 10-13 passenger Type C minibuses and three (3) 8-passenger, single rear wheel type E vehicles."

On November 13, 2009, SCM received a letter and Massachusetts Standard State Contract from the Massachusetts Department of Transportation -- the letter confirming the purpose of the Contract as follows: "The purpose of the contract, marked 'For Record Purposes Only', is to enable the Commonwealth to purchase vehicles through the Mobility Assistance Program on behalf of your agency and to ensure that your agency has grant documentation which will allow you to access funding for the local share and any selected options."

SCM executed this contract and the vehicles were subsequently received and placed into service as of January 2010. Their full acquisition value, inclusive of this grant, the local funding share and purchased options, will be reflected in the 2010 statement of financial position and the expense for depreciating the value of these assets recorded beginning in 2010 for a period of five and seven years for the type E and type C vehicles, respectively.

Evaluation Period - The Organization has evaluated subsequent events through February 17, 2010, which is the date the financial statements were issued. There are no recognized subsequent events that provide additional evidence about conditions that existed at the statement of financial position date, or non-recognized subsequent events, or events that provide evidence about conditions that did not exist at the statement of financial position date, which are necessary to disclose to keep the financial statements from being misleading.

