

MACATAWA BANK CORP
Form 11-K
May 21, 2015

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS
AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.
For the fiscal year ended December 31, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.
For the transition period from _____ to _____

Commission file number: 000-25927

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Macatawa Bank 401(k) Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Macatawa Bank Corporation, 10753 Macatawa Drive, Holland, Michigan 49424

401(k) Plan

Financial Statements
and
Supplementary Information

For the Years Ended
December 31, 2014 and 2013

MACATAWA BANK
401(k) PLAN
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All other schedules required by Section 2520.103-10 of the Department of Labor’s Rules and Regulations for Note: Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

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Report of Independent Registered Public Accounting Firm

Audit Committee of Macatawa Bank Corporation
Macatawa Bank 401(k) Plan
Holland, Michigan

We have audited the accompanying statements of net assets available for benefits of the Macatawa Bank 401(k) Plan (the "Plan") as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (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. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2014 and 2013, and the changes in net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying supplemental Schedule of Assets (Held at End of Year) as of December 31, 2014 has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental schedule is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental schedule reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental schedule. In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental schedule is fairly stated, in all material respects, in relation to the financial statements as a whole.

\s\ BDO USA, LLP

Grand Rapids, Michigan
May 21, 2015

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STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

| | December 31 | |
|--|--------------|--------------|
| | 2014 | 2013 |
| ASSETS | | |
| Investments at fair value | | |
| Mutual funds | \$18,923,671 | \$16,876,833 |
| Money market funds | 473,047 | 460,213 |
| Macatawa Bank Corporation common stock | 1,879,460 | 1,430,910 |
| Total investments at fair value | 21,276,178 | 18,767,956 |
| Notes receivable from participants | 281,784 | 309,377 |
| Accrued dividends receivable | 1,979 | 1,456 |
| Due from broker | 34,185 | --- |
| Total receivables | 317,948 | 310,833 |
| Total assets | 21,594,126 | 19,078,789 |
| LIABILITIES | | |
| Due to broker | 4 | 4 |
| Net assets available for benefits | \$21,594,122 | \$19,078,785 |

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

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401(k) PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

| | Year Ended December 31 | |
|---|------------------------|--------------|
| | 2014 | 2013 |
| Additions to net assets attributed to Investment income | | |
| Dividend income | \$246,179 | \$168,554 |
| Interest income | 46 | 69 |
| Net appreciation in fair value of investments | 1,414,702 | 4,369,667 |
| Total investment income | 1,660,927 | 4,538,290 |
| Contributions | | |
| Participant | 1,222,093 | 1,145,709 |
| Match | 630,180 | 584,287 |
| Rollover | 176,047 | 76,110 |
| Total contributions | 2,028,320 | 1,806,106 |
| Interest income – notes receivable from participants | 11,870 | 11,969 |
| Total additions | 3,701,117 | 6,356,365 |
| Deductions from net assets attributed to | | |
| Benefits paid to participants | 1,180,234 | 1,524,980 |
| Deemed distributions | --- | 1,330 |
| Administrative expenses | 5,546 | 5,236 |
| Total deductions | 1,185,780 | 1,531,546 |
| Net increase | 2,515,337 | 4,824,819 |
| Net assets available for benefits | | |
| Beginning of year | 19,078,785 | 14,253,966 |
| End of year | \$21,594,122 | \$19,078,785 |

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

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MACATAWA BANK

401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE PLAN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following description of the Macatawa Bank 401(k) Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement or Summary Plan Description for a more complete description of the Plan's provisions.

Description of the Plan

General

The Plan is a defined contribution plan covering all full-time employees of Macatawa Bank Corporation ("Plan Sponsor" or "Corporation") who have attained the age of 21 or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Contributions

Participants may contribute a portion of their annual compensation as pre-tax contributions, as defined in the Plan, up to the maximum amount allowed by the Internal Revenue Code. In addition, the Plan also allows for Roth after-tax contributions. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans, as well as Individual Retirement Accounts. The Plan Sponsor contributes a safe harbor matching contribution of 100% of the first 3% and 50% of the second 2% of base compensation that a participant contributes to the Plan.

Participants direct the investment of contributions into various investment options offered by the Plan. The Plan currently offers various mutual funds, a money market fund and Macatawa Bank Corporation common stock as investment options for participants. Contributions are subject to certain limitations.

Participant Accounts

Each participant's account is credited with the participant's contribution and an allocation of Plan earnings and charged with an allocation of administrative expenses, as applicable. Allocations are based on the ratio of each participant's earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants are immediately vested in employee deferral and employer matching contributions, plus actual earnings thereon.

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MACATAWA BANK

401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE PLAN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Notes Receivable

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The notes receivable are secured by the balance in the participant's account and bear interest at the prime rate plus one (effective rate of 4.25% at December 31, 2014) which is commensurate with local prevailing rates as determined quarterly by the Plan Administrator. Principal and interest is paid to the Plan ratably through payroll deductions. The notes receivable are to be repaid over a period not to exceed five years. The Plan Administrator may fix the term for repayment of a home loan for a period exceeding five years. A home loan is a loan used to acquire a dwelling unit which, within a reasonable time, the Participant will use as a principal residence.

Payment of Benefits

On termination of service due to death, disability or retirement, a participant is required to receive a lump-sum amount equal to the value of his or her vested interest in his or her account as defined by the Plan agreement. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. In-service withdrawal of account balances may be elected by active participants who have reached 59½ years of age. The Plan allows for participants to receive hardship distributions.

Administrative Expenses

The Plan's administrative expenses, including salaries, accounting, legal, recordkeeping, and trust services are paid by the Plan Sponsor and qualify as party-in-interest transactions, which are exempt from prohibited transaction rules. An administrative fee is charged to those participants electing to receive a distribution and an annual administrative fee is charged to those participants who have terminated service from the Corporation but continue to maintain an account balance in the Plan. There is also an administrative service fee charged to the individual participant's account at the time a note receivable is issued.

Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

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NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF THE PLAN AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in aggregate fair value includes the Plan's realized and unrealized gains and losses on investments bought and sold as well as those held during the year.

Management fees and operating expenses charged to the Plan related to investments in mutual funds are deducted from income earned on a daily basis and are not separately reflected. Consequently, management fees and operating expenses are reflected as a direct reduction of net appreciation or an addition to net depreciation in the aggregate fair value of such investments.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued unpaid interest. Delinquent notes receivable, if any, from participants are reclassified as distributions based upon the terms of the Plan agreement.

Payment of Benefits

Benefits are recorded when paid.

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NOTES TO FINANCIAL STATEMENTS

NOTE 2 – INVESTMENTS

Investments representing 5% or more of the Plan’s net assets available for benefits are as follows at December 31:

| | 2014 | 2013 |
|---|-------------|-------------|
| Investments at fair value as determined by quoted market price: | | |
| Mutual Funds | | |
| T. Rowe Price Mid Cap Growth Fund | \$2,931,978 | \$2,622,957 |
| Vanguard 500 Index Adm Fund | 2,702,203 | --- |
| Dodge and Cox Stock Fund | 2,505,194 | 2,169,860 |
| Vanguard Small Cap Index Adm Fund | 2,070,394 | 1,932,932 |
| T. Rowe Price Growth Stock Fund | 1,823,890 | 1,690,343 |
| Fidelity Spartan 500 Index Fund | --- | 2,204,761 |
| Scout International Fund | * | 1,065,482 |
| Macatawa Bank Corporation common stock | 1,879,460 | 1,430,910 |

*Below 5% of net assets available for benefits

The Plan’s investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows for the years ended December 31:

| | 2014 | 2013 |
|--|-------------|-------------|
| Macatawa Bank Corporation common stock | \$151,294 | \$725,579 |
| Mutual funds | 1,263,408 | 3,644,088 |
| Net appreciation | \$1,414,702 | \$4,369,667 |

NOTE 3 – FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820, Fair Value Measurements, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The three levels of fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2: Inputs to the valuation methodology include:
quoted prices for similar assets or liabilities in active markets;
quoted prices for identical or similar assets or liabilities in inactive markets;
inputs other than quoted prices that are observable for the asset or liability; and
inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014 and 2013.

Mutual funds: Shares held in mutual funds are valued at the net asset value ("NAV") of shares held by the Plan at year end. The NAV is based on the quoted market prices of the underlying shares owned by the fund, minus its liabilities, then divided by the number of shares outstanding.

Money market funds: Shares held in money market funds are comprised of government, bank and commercial securities with individual maturities of 12 months or less and the value is based on quoted market prices of the underlying securities. The composition of securities is structured to maintain a value of \$1 per share.

Common stock: Macatawa Bank Corporation common stock is valued at the closing price reported in the active market in which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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NOTES TO FINANCIAL STATEMENTS

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31:

| <u>2014</u> | Level 1 | Level 2 | Level 3 | Total |
|--|--------------|---------|---------|--------------|
| Mutual funds | | | | |
| Fixed income | | | | |
| Short-term bond | \$253,248 | \$ --- | \$ --- | \$253,248 |
| Long-term bond | 168,438 | --- | --- | 168,438 |
| Intermediate government | 438,740 | --- | --- | 438,740 |
| Specialty bond | 99,755 | --- | --- | 99,755 |
| Equity | | | | |
| Small blend | 2,070,394 | --- | --- | 2,070,394 |
| Small growth | 295,664 | --- | --- | 295,664 |
| Small value | 189,273 | --- | --- | 189,273 |
| Mid-cap blend | 960,020 | --- | --- | 960,020 |
| Mid-cap growth | 2,931,978 | --- | --- | 2,931,978 |
| Mid-cap value | 153,983 | --- | --- | 153,983 |
| Large blend | 2,702,203 | --- | --- | 2,702,203 |
| Large growth | 1,823,890 | --- | --- | 1,823,890 |
| Large value | 2,505,194 | --- | --- | 2,505,194 |
| Moderate allocation | 653,012 | --- | --- | 653,012 |
| Aggressive allocation | 336,058 | --- | --- | 336,058 |
| Conservative allocation | 119,786 | --- | --- | 119,786 |
| Target date 2015-2029 | 472,678 | --- | --- | 472,678 |
| Target date 2030 plus | 852,390 | --- | --- | 852,390 |
| Foreign large blend | 821,957 | --- | --- | 821,957 |
| Foreign large growth | 992,678 | --- | --- | 922,678 |
| Foreign large value | 9,022 | --- | --- | 9,022 |
| Emerging markets | 73,310 | --- | --- | 73,310 |
| Total mutual funds | 18,923,671 | --- | --- | 18,923,671 |
| Money market funds | 473,047 | --- | --- | 473,047 |
| Macatawa Bank Corp. common stock – financial institution | 1,879,460 | --- | --- | 1,879,460 |
| Total investments at fair value | \$21,276,178 | \$ --- | \$ --- | \$21,276,178 |

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NOTES TO FINANCIAL STATEMENTS

NOTE 3 – FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31:

| <u>2013</u> | Level 1 | Level 2 | Level 3 | Total |
|--|--------------|---------|---------|--------------|
| Mutual funds | | | | |
| Fixed income | | | | |
| Short-term bond | \$233,854 | \$ --- | \$ --- | \$233,854 |
| Long-term bond | 103,676 | --- | --- | 103,676 |
| Intermediate government | 385,010 | --- | --- | 385,010 |
| Specialty bond | 87,006 | --- | --- | 87,006 |
| Equity | | | | |
| Small blend | 1,932,932 | --- | --- | 1,932,932 |
| Small growth | 312,999 | --- | --- | 312,999 |
| Small value | 176,986 | --- | --- | 176,986 |
| Mid-cap blend | 832,696 | --- | --- | 832,696 |
| Mid-cap growth | 2,622,957 | --- | --- | 2,622,957 |
| Mid-cap value | 140,076 | --- | --- | 140,076 |
| Large blend | 2,204,761 | --- | --- | 2,204,761 |
| Large growth | 1,690,343 | --- | --- | 1,690,343 |
| Large value | 2,169,860 | --- | --- | 2,169,860 |
| Moderate allocation | 578,017 | --- | --- | 578,017 |
| Aggressive allocation | 278,245 | --- | --- | 278,245 |
| Conservative allocation | 116,628 | --- | --- | 116,628 |
| Target date 2015-2029 | 345,206 | --- | --- | 345,206 |
| Target date 2030 plus | 873,838 | --- | --- | 873,838 |
| Foreign large blend | 317,151 | --- | --- | 317,151 |
| Foreign large growth | 1,065,482 | --- | --- | 1,065,482 |
| Foreign large value | 358,398 | --- | --- | 358,398 |
| Emerging markets | 50,712 | --- | --- | 50,712 |
| Total mutual funds | 16,876,833 | --- | --- | 16,876,833 |
| Money market funds | 460,213 | --- | --- | 460,213 |
| Macatawa Bank Corp. common stock – financial institution | 1,430,910 | --- | --- | 1,430,910 |
| Total investments at fair value | \$18,767,956 | \$ --- | \$ --- | \$18,767,956 |

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. Plan management evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total assets available for benefits. For the years ended December 31, 2014 and 2013, there were no transfers in or out of levels 1, 2 or 3.

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NOTES TO FINANCIAL STATEMENTS

NOTE 4 - RELATED PARTY TRANSACTIONS

Parties-in-interest are defined under Department of Labor (“DOL”) regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others. Certain investments of the Plan are managed by SEI Investments Company, custodian of plan assets. Therefore, the Plan’s investments in the SEI SDIT Prime Obligations Fund as of December 31, 2014 and 2013, represent party-in-interest investment transactions.

Macatawa Bank Corporation, through its trust department, serves as trustee, custodian, and record keeper for the Plan. Therefore, all transactions between the Plan and Macatawa Bank Corporation constitute party-in-interest transactions. The 345,489 and 286,182 shares of Macatawa Bank Corporation common stock held by the Plan as of December 31, 2014 and 2013, represent approximately 1.02% and 0.85% of the Corporation’s total outstanding shares of common stock, respectively, as of those dates.

Cash dividends totaling \$24,693 were paid to the Plan by Macatawa Bank Corporation during 2014. No cash dividends were paid to the Plan by Macatawa Bank Corporation during 2013. Fees paid by the Plan to the trust department of Macatawa Bank Corporation for administrative expenses were \$5,546 and \$5,236 in 2014 and 2013, respectively.

NOTE 5 - INCOME TAX STATUS

The Corporation’s Board of Directors adopted the Macatawa Bank Prototype 401(k) plan document. The Plan Sponsor has received, from the Internal Revenue Service, an opinion letter dated March 31, 2008, stating that the written form of the underlying prototype plan is qualified under Section 401(a) of the Internal Revenue Code (the “Code”) and that any employer adopting this form of the Plan will be considered to have a plan qualified under Sections 401(a) of the Code. The Plan is required to operate in conformity with the Code to maintain its qualification. The prototype plan document has been amended since receiving the opinion letter. However, the Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes the Plan is qualified and the related trust is tax exempt.

Accounting principles generally accepted in the United States require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability or asset if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable taxing authorities. The Plan Administrator has analyzed the tax positions that would require recognition of a liability or asset or disclosure in the financial statements and has determined that there are no unrecognized tax benefits at December 31, 2014 or 2013. The Plan may be subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes the Plan is no longer subject to income tax examinations for years prior to 2011.

NOTE 6 - PLAN TERMINATION

The Plan Sponsor has not expressed any intent to terminate the Plan subject to the provisions of ERISA.

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NOTES TO FINANCIAL STATEMENTS

NOTE 7 - RISKS AND UNCERTAINTIES

The Plan invests in various mutual funds with underlying assets consisting of any combination of stocks, bonds, fixed income securities, and other investment securities, a money market fund and in shares of Macatawa Bank Corporation common stock. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the fair values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

* * * * *

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SUPPLEMENTARY INFORMATION

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MACATAWA BANK

401(k) PLAN

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

DECEMBER 31, 2014

PLAN #001

EIN 38-3378283

| (a) of Issue, Borrower, Lessor, or Similar Party | (b) Identity | (c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value | (d) Cost | (e) Current Value |
|---|---------------------------------------|--|-------------|-------------------------|
| | Mutual funds | | | |
| | T. Rowe Price | T. Rowe Price Mid Cap Growth Fund | ** | \$2,931,978 |
| | Vanguard | Vanguard 500 Index Adm Fund | ** | 2,702,203 |
| | Dodge and Cox Funds | Dodge and Cox Stock Fund | ** | 2,505,194 |
| | Vanguard | Vanguard Small Cap Index Adm Fund | ** | 2,070,394 |
| | T. Rowe Price | T. Rowe Price Growth Stock Fund | ** | 1,823,890 |
| | UMB Scout | Scout International Fund | ** | 992,678 |
| | Vanguard | Vanguard Mid-Cap Index Fund | ** | 960,020 |
| | T. Rowe Price | T. Rowe Price 2020 Retirement Fund | ** | 472,678 |
| | Vanguard | Vanguard Intermediate Bond Index AdmFund | ** | 438,740 |
| | Dodge and Cox Funds | Dodge & Cox International Stock Fund | ** | 433,065 |
| | Value Line Mutual Funds | Value Line Income & Growth Fund | ** | 423,339 |
| | T. Rowe Price | T. Rowe Price 2040 Retirement Fund | ** | 342,801 |
| | T. Rowe Price | T. Rowe Price PS Growth Fund | ** | 336,058 |
| | T. Rowe Price | T. Rowe Price 2030 Retirement Fund | ** | 314,230 |
| | Janus | Janus Triton Fund | ** | 295,664 |
| | Vanguard | Vanguard Short-term Investment | ** | 253,248 |
| | T. Rowe Price | T. Rowe Price PS Balanced Fund | ** | 229,673 |
| | First Eagle | First Eagle Global A | ** | 208,020 |
| | T. Rowe Price | T. Rowe Price 2050 Retirement Fund | ** | 195,359 |
| | Allianz Fund | Allianz Small Cap Value Fund | ** | 189,273 |
| | American Funds | American Funds EuroPacific Growth Fund R5 | ** | 180,872 |
| | Vanguard | Vanguard Long-term Bond Index Fund | ** | 168,438 |
| | Ridgeworth Investments | Ridgeworth Mid Cap Value Equity | ** | 153,983 |
| | T. Rowe Price | T. Rowe Price PS Income Fund | ** | 119,786 |
| | Vanguard | Vanguard Inflation Protected Secs Adm | ** | 99,755 |
| | Aberdeen | Aberdeen Emerging Markets | ** | 73,310 |
| | DFA | DFA International Value I | ** | 9,022 |
| | Total mutual funds | | | 18,923,671 |
| | Money market funds | | | |
| * | SEI | SDIT Prime Obligations Fund | ** | 473,047 |
| | Common stock | | | |
| * | Macatawa Bank Corporation | 345,489 shares of common stock | ** | 1,879,460 |
| | Total investments at fair value | | | 21,276,178 |
| | Notes receivable from participants | Loans, interest rate of 4.25%, collateral – participant account balances | | 281,784 |

Total

\$21,557,962

(*) An asterisk in this column identifies a person known to be a party-in-interest.

(**) Cost is not required because all investments are participant directed.

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EXHIBITS

The following exhibits are filed as part of this report:

23.1 Consent of Independent Registered Public Accounting Firm – BDO USA, LLP

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SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on their behalf by the undersigned thereunto duly authorized.

MACATAWA BANK
401(k) PLAN

Dated: May 21, 2015 By: /s/ Jon W. Swets
Jon W. Swets
Chief Financial Officer

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EXHIBIT INDEX

23.1 Consent of Independent Registered Public Accounting Firm – BDO USA, LLP
