



**THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION**



*S.A.M.
38*

**Victoria F. Sheehan
Commissioner**

**William Cass, P.E.
Assistant Commissioner**

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, NH 03301

Bureau of Rail & Transit
April 28, 2017

REQUESTED ACTION

Authorize the Department of Transportation to enter into an agreement with Southwestern Community Services, Inc. (Vendor 177511), Keene, NH, for an amount not to exceed \$458,478 for public transportation services in the Claremont, Newport, Charlestown area, for the period July 1, 2017 through June 30, 2019, effective upon approval by Governor and Council. 100% Federal Funds.

Funding for this agreement is available in the State fiscal year 2018 and 2019 budget, contingent upon the availability and continued appropriation of funds, with the authority to adjust encumbrances in each of the State fiscal years through the Budget Office if needed and justified.

	<u>SFY 2018</u>	<u>SFY 2019</u>
04-96-96-964010-2916 Public Transportation		
072-500575 Grants to Non-Profits-Federal	\$242,282	\$216,196

EXPLANATION

The Department has approved a request for Federal Transit Administration (FTA) funding from Southwestern Community Services, Inc. (SCS) to assist in the provision of public transit service. SCS is a private, non-profit organization that provides rural public transportation, including transportation for seniors and individuals with disabilities, in Claremont, Newport, and Charlestown.

The bus schedule for SCS is attached to this Agreement.

The Department's proposed SFY 2018 and 2019 operating budget includes funds from the FTA Section 5311 Formula Grants for Rural Areas Program (Section 5311) that provides funds for capital, planning, and operating assistance for public transportation in rural areas with populations of less than 50,000. SCS has provided public transportation utilizing these funds since October 2016 when the agency was assigned the contract of Community Alliance of Human Services, which went out of business but had utilized these funds and provided public transportation in the region since 1993. The Department has allocated federal funding for the SFY 2018-2019 biennium based on prior funding levels, applications received, and available FTA funds. For the SFY 2018-2019 biennium, the FTA Section 5311 allocation for SCS is \$432,392.

SCS has also been awarded FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities formula program (Section 5310) funds in the amount of \$26,086 for SFY 2018. These Section 5310 funds will fund a coordinator position for SCS's volunteer driver program, which provides additional transportation opportunities for seniors and individuals with disabilities in the Sullivan County Regional

Coordinating Council area. The Section 5310 funds were allocated by region, according to a formula based on regional populations of residents over 65 and those between the ages of 5-64 with disabilities. Each individual Regional Coordinating Council was responsible for conducting its own project solicitation, evaluation, and prioritization and then submitting one regional application for eligible Section 5310 formula fund projects through an approved lead agency. The Sullivan County Regional Coordinating Council designated SCS as the lead agency to apply for the funds on behalf of the region. As required by FTA, this project is identified in a locally developed coordinated public transit–human services transportation plan.

SCS will provide the required matching funds for both the FTA Section 5311 and FTA Section 5310 programs to include 20% for administration and/or capital and 50% for operations.

The Department released a public notice on January 10, 2017 announcing the availability of FTA Section 5311 funds. Applications for requested funding were due on February 21, 2017. The Department received applications for seven (7) rural public transit systems and one application was subsequently withdrawn. Funding was awarded to six (6) public transportation systems as follows:

Transit System	Applicant
Advance Transit (AT)	Advance Transit
Concord Area Transit (CAT)	Community Action Program Belknap-Merrimack Counties
Southwestern Community Services Transportation (SCST)	Southwestern Community Services
North Country Transit (NCT)	Tri-County Community Action Program
Carroll County Transit (CCT)	Tri-County Community Action Program
City Express	VNA @ Home Healthcare, Hospice & Community Services

An evaluation committee that consisted of Fred Butler (NHDOT Rail & Transit, Public Transportation Administrator), Michael Pouliot (NHDOT Rail & Transit, Transportation Specialist), and Karen Jennison (NHDOT Rail & Transit, Transit Grants Coordinator) reviewed, evaluated, and scored Section 5311 applications based on criteria as indicated in the application materials and the Department’s State Management Plan for FTA programs. The evaluation matrix and scores are provided below for reference:

	Evaluation Criteria	Weight
1	The proposed service effectively addresses a demonstrated community need, and/or the proposed service is a continuation or expansion of existing services.	15%
2	The applicant has the fiscal and technical capacity and adequate budget to operate its service.	15%
3	The applicant has successful experience in providing transportation services.	15%
4	The application shows coordination with other transportation providers in the service area: public, nonprofit, and for-profit.	10%
5	The applicant demonstrates involvement in and support for the project, financial and otherwise, on the part of citizens and local government.	10%
6	The applicant demonstrates effort to involve the private sector in the delivery of transportation services.	10%

7	The applicant successfully demonstrates service efficiency and effectiveness, measured in ridership, service miles and hours, costs, and fare recovery. New applicants must demonstrate the ability to measure performance and achieve goals.	15%
8	The applicant complies with relevant federal and state regulations, and has a history of compliance with regulations and reporting requirements.	10%
		100%

Transit System	Average Score
Advance Transit	90.20%
Community Action Program Belknap-Merrimack Counties Concord Area Transit	85.50%
VNA at HCS City Express	83.30%
Tri-County CAP North Country Transit	80.70%
Southwestern Community Services Southwestern Community Services Transportation	80.30%
Tri-County CAP Carroll County Transit	75.00%

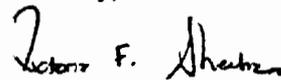
Note: Every application met the Department's criteria for inclusion in its SFY 2018-2019 public transit funding plan and will be awarded separate amounts for the aforementioned transit systems.

In the event that federal funds become unavailable, general funds will not be requested to support this program.

The Agreement has been approved by the Attorney General as to form and execution and the Department will verify the necessary funds are available pending enactment of the Fiscal Year 2018 and 2019 budget. Copies of the fully executed agreement are on file at the Secretary of State's Office and the Department of Administrative Services' Office, and subsequent to Governor and Council approval will be on file at the Department of Transportation.

Your approval of this resolution is respectfully requested.

Sincerely,



Victoria F. Sheehan
Commissioner

Attachments

Subject: Southwestern Community Services, Inc. SFY 2018-2019 FORM NUMBER P-37 (version 1/09)

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name NH Department of Transportation		1.2 State Agency Address PO Box 483, 7 Hazen Drive, Concord NH 03302-0483	
1.3 Contractor Name Southwestern Community Services, Inc.		1.4 Contractor Address 63 Community Way, Keene, NH 03431	
1.5 Contractor Phone Number 603-352-7512	1.6 Account Number 04-96-96-964010-2916-072-5	1.7 Completion Date June 30, 2019	1.8 Price Limitation \$458,478.00
1.9 Contracting Officer for State Agency Michelle Winters, Bureau of Rail & Transit		1.10 State Agency Telephone Number 603-271-2468	
1.11 Contractor Signature <i>[Signature]</i>		1.12 Name and Title of Contractor Signatory John A Manning CEO	
1.13 Acknowledgement: State of NH , County of Cheshire I, LEISA J PERROTTA , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily indicated in Block 1.13.1, Signature of Notary Public or Justice of the Peace and acknowledged that s/he executed this document in the capacity of CEO . Signature of Notary Public or Justice of the Peace LEISA J PERROTTA, NOTARY			
1.14 State Agency Signature <i>[Signature]</i>		1.15 Name and Title of State Agency Signatory Patrick C. Herlihy Director Aeronautics, Rail and Transit	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: <i>[Signature]</i> On: 5/4/17			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			



[Handwritten initials]
4/3/17

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

Contractor Initials Jm
Date 4/11/7

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
- 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
- 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
- 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be

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Date 4/3/17

attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("*Workers' Compensation*").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual

intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

SOUTHWESTERN COMMUNITY SERVICES, INC.

EXHIBITS TO CONTRACT

EXHIBIT A Scope of Services

EXHIBIT B Budget

EXHIBIT C Special Provisions

EXHIBIT D Vehicle Inventory

Certificate of Good Standing

Certificate of Corporate Vote

Certificate of Insurance

Unified Protective Arrangement

Federal Clauses and Federal Certifications

2 CFR Part 200

Social Service Documents to Include:

 Financial Report

 Board of Directors

 Key Personnel and salaries

 Resumes

Quarterly Monitoring Report Form

Charter Report Form

NTD Report Form

Bus Schedule(s)

SOUTHWESTERN COMMUNITY SERVICES, INC.

EXHIBIT A

SCOPE OF SERVICES

I. The Contractor, Southwestern Community Services, Inc. shall provide the following public transit service(s):

- Fixed route, demand-responsive, and/or route deviation public transit services in the Towns of Claremont, Newport, and Charlestown as detailed in the “Project Description” of the Contractor’s application to the New Hampshire Department of Transportation, Bureau of Rail and Transit (hereinafter “NHDOT”) for Section 5311 funding, including a map of service areas and fare structure.

The following terms and conditions apply to all of the public transit services provided by Contractor pursuant to this agreement:

- a. The Commissioner of the Department of Transportation or the Commissioner’s designee (hereinafter the “Commissioner”) may require the Contractor to provide additional transportation services or to reduce transportation services provided under this contract. Any alterations to such transportation services shall be submitted in writing by the Commissioner to the Contractor. The Contractor shall implement the alterations within thirty (30) days unless a different timeframe is agreed to by the Commissioner and the Contractor.
- b. The Contractor may request to revise transportation services, as submitted in the Contractor’s grant application to the NHDOT, to add, reduce, or adjust transportation services provided under this contract. Any alterations to such transportation services, including alterations for the provision of service to special events, shall be requested in writing by the Contractor to the Commissioner for approval at least 30 days in advance. Revisions subject to a public comment period shall be requested at least 60 days in advance. Upon approval of the Commissioner, the Contractor shall implement any alterations within thirty (30) days unless a different timeframe is agreed to by the Commissioner and the Contractor.
- c. The Contractor shall not change, add, or delete any route or make any fare, service or operating schedule adjustments without the prior written agreement of the Commissioner, except in an emergency situation. In such an emergency, the Contractor shall notify the Commissioner no later than the next working day following the day of such changes. Such emergency changes will be valid for a maximum of five days; thereafter, the written approval of the Commissioner shall be required to continue such emergency changes.

d. All project vehicles, including those Federally-funded vehicles outlined in Exhibit D, Project Equipment, as identified by their Vehicle Identification Numbers, shall be used in accordance with all applicable Federal and State laws.

II. The Contractor will act as the lead agency for the Region 4, Sullivan County Regional Coordinating Council, for Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities formula funds. This project is for the time period 7/1/2017 to 6/30/2018. Activities shall include those listed in the "Project Description" of the Contractor's application to NHDOT for Section 5310 formula funding, including but not limited to:

- Volunteer driver coordinator position for intake, coordination and assignment of rides, marketing, recruiting, training, tracking and reporting, and oversight of the volunteer driver program.

EXHIBIT B

BUDGET

- I. The Contract price, as defined in Section 1.8 of the General Provisions, is the FTA Section 5311 and Section 5310 portion of the eligible project costs. Federal funds are granted as follows:

	SFY 2018	SFY 2019
SECTION 5311		
Administration	\$119,536	\$119,536
Capital PM	\$16,560	\$16,560
Operating	\$80,100	\$80,100
Sub Total	\$216,196	\$216,196
SECTION 5310 FORMULA		
Region 4 Sullivan County	\$26,086	
TOTAL FEDERAL FUNDS	\$242,282	\$216,196

Contract Funds Requested = \$458,478 Federal

Funds are contingent upon Federal and State appropriations.

- II. Not less than fourteen days prior to the submission of the Contractor's first request for FTA Section 5311 reimbursement, the Contractor shall submit to the Commissioner a budget incorporating all funds to be expended in the provision of services pursuant to this contract. Budget revisions may be made with written approval of the Commissioner. Budget revisions may only request the transfer of funds within a category or between categories with the same matching ratio.
- III. The Contractor may seek reimbursement only for eligible expenses listed in the budget and detail-of-cost form provided by the State, with the exception of funds specifically reserved, if any, and identified in "Specifically Programmed Funds," at the end of this Exhibit.
- IV. At the sole discretion of the Commissioner, the Contractor may carry forward any unexpended portion of the federal funds included in the Contract Price to a subsequent contract, if any, between the State and the Contractor.
- V. The Contractor may seek reimbursement for Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities formula funds by submitting a monthly or quarterly invoice to the NHDOT for the total eligible expenses less required agency match. The invoice shall include verification of sources of amounts of matching funds to support the request.

SOUTHWESTERN COMMUNITY SERVICES, INC.

**EXHIBIT C
SPECIAL PROVISIONS**

- C.1. Amend P-37 Section 2. "EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED" by adding the following:
- 2.1 The Contractor may change services only with the prior written agreement of the State and in accordance with applicable Federal Transit Administration (FTA) requirements.
- C.2. Amend P-37 Section 5. "CONTRACT PRICE/PRICE LIMITATION/PAYMENT" by adding the following:
- 5.5 The amount paid by the State to the Contractor shall not exceed 50% of allowable operating costs less fare revenues plus 80% of allowable administrative and capital costs. Operating, administrative and capital costs are identified in Exhibit B. The Contractor shall provide and document the availability of local funds sufficient to meet the project cost in excess of the Contract Price Limitation.
 - 5.6 In the event that revenues exceed the total allowable costs, said revenues in excess of total allowable costs shall be placed in an interest bearing account within 30 days of the Completion Date and made available to the State upon demand.
 - 5.7 The Contractor shall submit a request for payment to the State on a form specified by the State on a monthly or quarterly basis, together with all information to support the request. Such requests for payment shall be properly completed and signed. Requests for payments must be for allowable costs only as defined in 2 CFR Part 200. No requests for advance payment will be accepted by the State.
 - 5.8 Upon receipt of the request for payment, the State shall review the request to determine the allowability of costs. In connection with this review, the State may demand production of (and the Contractor shall produce) and inspect any documents and records described in Section 5.
 - 5.9 Within 30 days of receipt of the request for payment and other documents and records required by the State, the State shall determine the allowability of costs and the amount due and owing to the Contractor and shall pay said amount, subject to other provisions of this Agreement. Contract reimbursements shall not exceed 50% of the total contract amount in any given quarter.
 - 5.10 Final Payment. Satisfactory acceptance by the State and FTA of all reports required by this Agreement is a condition precedent to final payment (i.e., payment for the last month or portion thereof of this Agreement). All reports will be prepared to the satisfaction of the State and Federal Transit Administration (FTA). The final payment may be retained and withheld pending receipt and satisfactory acceptance of all reports required by this Agreement and resolution of all pending matters.
- C.3. Amend P-37 Section 6. "COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/EQUAL EMPLOYMENT OPPORTUNITY" by adding the following:

- 6.4 The Contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.
 - 6.5 The Contractor shall state, in all solicitations or advertisements for employees, that all qualified applicants will receive consideration for employment without regard to race, color, age, creed, sex or national origin.
 - 6.6 The provisions of 2 CFR 200 shall apply to local administration of this agreement and any subcontracts under this agreement.
- C.4. Amend P-37 Section 9. "DATA/ACCESS/CONFIDENTIALITY/PRESERVATION" by adding the following:
- 9.4 The following restrictions apply to all subject data first produced in the performance of this agreement:
 - a) Except for its own internal use, the Contractor may not publish or reproduce such data in whole or in part, or in any manner or form, nor may the Contractor authorize others to do so, without the written consent of the State, until such time as the FTA may have either released or approved the release of such data to the public.
 - b) As authorized by 2 CFR 200, the FTA reserves a royalty-free, non-exclusive and irrevocable license to reproduce, publish and otherwise use, and to authorize others to use, for Federal purposes, any work developed under a grant, cooperative agreement, sub-grant, or third party contract, irrespective of whether a copyright has been obtained; and any rights of copyright to which a recipient, sub-recipient, or third party contractor purchases ownership with Federal assistance.
 - 9.5 It is FTA's intent to increase the body of mass transportation knowledge. Therefore, the Contractor understands and agrees that in addition to the rights set forth in 9.4 (b) above, FTA may make available to any recipient, subgrantee, contractor or subcontractor its license in the copyright to the date derived under this Agreement or a copy of the data first produced under this Agreement.
 - 9.6 The Contractor shall indemnify, save and hold harmless the State and United States, their officers, agents and employees acting within the scope of their official duties against any liability, including costs and expenses, resulting from any willful or intentional violation of the proprietary rights, copyrights, or right of privacy, arising out of the publication, translation, reproduction, delivery, use, or disposition of any data furnished under this Agreement.
 - 9.7 Nothing contained in this clause shall imply a license to the United States under any patent or be construed as affecting the scope of any license or other right otherwise granted to the United States under any patent.
 - 9.8 Sections 9.4, 9.5, and 9.6 above are not applicable to material furnished to the Contractor by the State or United States and incorporated in the work furnished under the agreement; provided that such incorporated material is identified by the Contractor at the time of delivery of such work.
 - 9.9 In the event that the project is not completed for any reason, all data developed under that project shall become subject Data as defined in Section 9.1 and shall be delivered as the State or FTA may direct.

C.5. Amend P-37 Section 10. "TERMINATION" by adding the following:

- 10.1 The termination report must be accepted by the State and the Federal Transit Administration (FTA) prior to final payment.
- 10.2 Termination; Liability. In the event of termination under Section 4 or 10.4 of this Agreement, the acceptance of a Termination Report by the State shall in no event relieve the Contractor from any and all liability for damages sustained or incurred by the State as a result of the Contractor's breach of its obligations hereunder, including refund of any federal funds required by FTA.
- 10.3 Completion of Services; Payment of Price. Excepting those obligations of the Contractor which, by the terms of this Agreement, do not expire on the Completion Date, upon the completion of the Services and upon payment of the Contract Price, this Agreement, and all obligations of the parties hereunder, shall cease and shall be without recourse to the parties hereto.
- 10.4 Termination for Convenience. Notwithstanding anything in this Agreement to the contrary, either the State or, except where notice of default has been given to the Contractor hereunder, the Contractor may terminate this Agreement without cause upon thirty (30) days written notice.

C.6. Amend P-37 Section 12. "ASSIGNMENTS/DELEGATION/SUBCONTRACTS" by adding the following:

- 12.1 The Contractor shall cause the provisions of this contract to be inserted in all subcontracts for any work covered by this Agreement so that the provisions will be binding on each subcontractor; provided, however, that the foregoing provisions shall not apply to subcontractors for standard commercial supplies or raw materials. The Contractor shall take such action with respect to any subcontract as the State may direct as a means of enforcing such provisions, including sanctions for noncompliance. The Contractor shall ensure that any subcontractor has obtained all licenses, permits or approvals required for the performance of contract services.

C.7. Amend P-37 Section 14. "INSURANCE" by adding the following:

- 14.1.1.a. The State of New Hampshire, Department of Transportation has accepted the General Liability insurance of \$1,000,000 per occurrence, \$2,000,000 General Aggregate for Southwestern Community Services, Inc. in fulfillment of the requirements of Section 14.1.1 General Liability Insurance of the P-37 form.

C.8. Amend P-37 by adding "DEFINITIONS" as Section 25:

25. DEFINITIONS

ALLOWABLE COSTS: Costs that are incurred in the performance of the Services described in Exhibit A and which satisfy the requirements of 2 CFR 200.

FTA: U.S. Department of Transportation, Federal Transit Administration

PROJECT APPLICATION: The narrative, charts, figures and/or maps submitted to the

State detailing the scope of the public transportation program of the Contract as modified and approved by the State.

REVENUE: Fares from individuals or other direct income for the public transportation services being provided by the Contractor. Revenues also include funds from contracts, purchase of service agreement, and excess matching funds that directly benefit the transportation service.

SECTION 5311: Section 5311 of the Federal Transit Act of 1964, as amended.

STATE: The State of New Hampshire, acting through the Department of Transportation, Bureau of Rail and Transit.

C.9. Amend P-37 by adding "ACCOUNTING, BOOKKEEPING AND REPORTING REQUIREMENTS" as Section 26:

1. **Ledgers.** Contractor and/or subcontractor shall establish and maintain ledger sheets for each budget category. Entries shall be made and shall reflect the financial activities of the Contractor. The ledger sheet must be in a form approved by the State. The ledger will indicate the funds remaining in each line item of the Contract Budget at the beginning of each month. Entries shall be made on a running basis and carried over to the following month; that is, figures will be brought forward cumulatively. Contractor shall also prepare and submit to the State a profit and loss statement quarterly if such information is not provided with invoices.
2. **Accounts Receivable.** Contractor and/or subcontractor shall deposit all revenue in an interest-bearing account with a banking institution in this State. Contractor shall prepare and maintain receipt vouchers for all revenue. Immediately upon receipt, Contractor and/or subcontractor shall credit all revenue to the appropriate receipt account. Contractor and/or subcontractor shall establish and maintain an Accounts Receivable Ledger. The receipt number appearing in the Ledger shall correspond to the receipt voucher number. A receipt voucher must be completed on a form approved by the State and shall identify each component of every deposit. All appropriate supporting documents for each deposit should be attached to the receipt voucher.
3. **Payables.** Contractor and/or subcontractor shall prepare vouchers to document all expenditures of funds. The voucher shall include the following information and shall be prepared on a form approved by the State: The Division and account numbers from which the funds will be drawn, the date of expenditure, a voucher number running in sequence, and any appropriate comments supporting the expenditure of funds (e.g., invoices and payroll vouchers). All invoices received by the Contractor shall be checked for accuracy and allowability. Each invoice must be approved for payment by the Contract Manager or designee. Immediately upon payment, Contractor and/or subcontractor shall make entries to the appropriate ledger sheets documenting payment. (Each subcontractor shall identify a Contract Manager).
4. **Voucher and Receipt Register.** Contractor and/or subcontractor shall establish and maintain two registers that will contain a running total of all payable receipt vouchers. The registers will provide a summary of voucher or receipt numbers, amount and purpose of action. No self-designated abbreviations are to be used.
5. **Check Register.** Contractor and/or subcontractor shall maintain a check register. This register is also considered a book of original entry, and is posted to the ledger immediately.
6. **Time Sheet, Taxes, and Benefits.** Contractor and/or subcontractor shall require each of its

employees to: 1) submit weekly time reports designating work performed and time spent on such work, or 2) be included in an indirect cost allocation plan approved by the cognizant Federal agency. The contractor shall summarize time reports by task and apply employee's rates of pay to the hours worked. The Contract Manager shall review completed and signed time reports, and cause them to be posted to the appropriate category in the general ledger. The Contractor shall maintain records of employee payroll and benefits and shall post this information to the appropriate category in the general ledger. The Contract Manager shall ensure that all payments are on a timely basis.

- .7. **Reimbursements.** Prior to the fifteenth day of each month, the Contractor shall submit a description of Contract activities, in a format as required by the State. Should the Contractor show a profit for any month, the Contractor shall apply the amount of profit against subsequent reimbursement requests. The Contractor shall agree to provide information in addition to the monthly narrative at such times and in such manner as the State may require, and to prepare any reports which may be requested by the State including but not limited to a final or termination report if operations cease.
- .8. **Maintenance of Records.** The Contractor shall keep and maintain the records, documents, and accounts described herein for a period of three years after the FTA grant is closed. The Contractor shall maintain, and make available to the State and FTA, records relating to complaints and comments received from the public. In the event the State disputes the Contractor's operations or records as submitted for payment or otherwise, final resolution shall rest with the State.
- .9. **Audits and Inspections.** Between the Effective Date and the Completion Date, and for a period of three (3) years after the FTA grant is closed or the date of resolution of all matters relating to this Agreement, whichever is later, at any time during the Contractor's normal business hours, and as often as the State or FTA may demand, the Contractor shall make available to the State and FTA or their designees all records pertaining to matters covered by this Agreement. The Contractor shall permit the State and FTA to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, Data (as defined in P-37 section 9.1) and other information relating to all matters covered by this Agreement. As used in this paragraph, "Contractor" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Contractor in 1.3 of P-37.
- .10. **Independent Audit.** The Contractor shall submit one audit done by one Certified Public Accountant (CPA) for the entire project, or, as the State may require, for any part of the project upon demand. Monies required for payment of the audit shall be set aside in the Contract Budget for that specific purpose.
 - .10.1. In the event the audit reveals that monies are due and owing to the State from the Contractor, for whatever reasons, the Contractor shall pay to the State such sums within thirty (30) days of the audit date.
- .11. The Contractor shall submit quarterly performance, drug and alcohol, and charter activity reports within 30 days of the end of each quarter and shall submit any forms, information or reports required by the State to complete the FTA's National Transit Database (NTD) reporting.
- C.10. Amend P-37 by adding "PROJECT EQUIPMENT AND REAL PROPERTY" as Section 27:
 27. **PROJECT EQUIPMENT AND REAL PROPERTY.** The following terms and conditions apply to all equipment and real property purchased in whole or in part with funds provided

through this or other Agreements between the State and the Contractor:

- a. All procurements shall be made in accordance with 2 CFR 200 and FTA Circular 4220.1F and future amendments, and with Buy America requirements, 49 CFR Part 660.
- b. All vehicles shall be purchased by the State, unless the Contractor has received prior approval from the State to procure vehicles.
- c. All other equipment with a cost in excess of five hundred (\$500) per unit shall be purchased by the Contractor subject to the prior approval of the State.
- d. Title to all project equipment shall be in the name of the Contractor; provided, however, that in order to secure the complete performance of this Agreement, the Contractor shall give the State a security interest in all such equipment at the time of purchase and shall execute financing statements and do all other acts necessary or useful to the perfection of that interest and the renewal thereof. In connection with the purchase of any motor vehicles pursuant to this Agreement, the Contractor shall give the State a security interest in the motor vehicles at the time of purchase and shall take all steps necessary to protect the State's security interest, including taking steps to identify the State as a lien holder of such motor vehicles on the motor vehicle titles.
- e. In the event that this agreement is terminated, all project equipment and property becomes the property of the State and it is understood and agreed that legal title to such equipment shall be transferred to the State as soon as feasible. Project equipment will be disposed of in accordance with FTA Circular 9040.1G, and the State Management Plan.

C.11. Amend P-37 by adding "EQUIPMENT CERTIFICATION" as section 28:

28. **EQUIPMENT CERTIFICATION.** The Contractor shall maintain a current inventory listing of all nonexpendable property involved in this Agreement. The Contractor shall submit to the State a certification that the equipment is still being used in accordance with the terms of the Agreement. The inventory listing and equipment certification shall be supplied to the State by May 31st of each year.

C.12. Amend P-37 by adding "EQUIPMENT MAINTENANCE" as section 29:

29. **EQUIPMENT MAINTENANCE.** Contractor shall be responsible for the maintenance and repair of all equipment used in the service described in Exhibit D. Contractor shall maintain all such equipment at a high level of cleanliness, safety, and mechanical soundness. The contractor shall certify that a proper maintenance plan that meets or exceeds the original equipment manufacturer's preventive maintenance guidelines is followed. Vehicle maintenance plans must be approved by the Board of Directors. All maintenance, repair and physical improvement activities on equipment shall be conducted by the Contractor and at a location specified by the Contractor. The Contractor shall notify the State of any changes in this location. The Contractor further agrees to maintain, repair, or make any physical improvement to equipment as requested by the State. The State, FTA and/or their designees shall have the right to conduct periodic inspections for the purpose of confirming proper maintenance and repair.

C.13. Amend P-37 by adding "REPAIR RECORDS AND REPORTS" as section 30:

30. **REPAIR RECORDS AND REPORTS.** The Contractor shall maintain a complete and up to date record of all motor vehicle repairs, and shall make such records available to the State and FTA upon demand.

C.14. Amend P-37 by adding “VEHICLE STORAGE” as section 31:

31. **VEHICLE STORAGE.** With respect to any motor vehicles purchased in whole or part under this Agreement, or maintained under this Agreement, the Contractor shall park or garage each vehicle so as to ensure maximum available protection and safety for each vehicle. The Contractor shall also ensure that each vehicle will be parked or garaged in such a manner that its daily operations are not impaired or curtailed by conditions of weather or any other circumstances. The Contractor shall notify the State of the location of the garaging site and any relocation.

C.15. Amend P-37 by adding “TRAINING AND DRIVER REVIEW” as section 32:

32. **TRAINING AND DRIVER REVIEW.** The State may require participation in training courses determined to be essential to FTA program management in this contract period and may require participation in such training programs as it deems necessary by drivers and other employees involved in the transportation of the public. Training may include defensive driving, passenger assistance, emergency procedures and periodic refresher training every three (3) years. The Contractor agrees that the State shall have the right to review the performance of all drivers who are employed in connection with this Agreement, and to disallow the use of any driver whose performance as a driver is determined to be unsatisfactory by the State.

C.16. Amend P-37 by adding “SAFETY REQUIREMENTS” as section 33:

33. **SAFETY REQUIREMENTS.** All project equipment shall be inspected and certified by the Department of Safety, and shall meet all applicable Federal Motor Vehicle Safety Standards and Federal Motor Carrier Safety Regulations as required by the United States Department of Transportation, and by the New Hampshire Department of Safety under RSA 266:72-a, in the purchase and operation of all project equipment.

The Contractor shall provide the State with full and prompt written notification of any accident involving any vehicle used in its services. In addition, the Contractor shall be responsible to report any accident in compliance with State law.

The Contractor shall submit to the State by February 15 of each year a report covering the previous year (January 1 through December 31), summarizing the results of its alcohol misuse prevention and anti-drug programs on FTA approved forms. This shall be in compliance with 49 CFR Part 655.

C.17. Amend P-37 by adding “SERVICE LIMITATIONS” as section 34:

34. **SERVICE LIMITATIONS.** The Contractor shall not engage in the provision of transportation services other than those described in Exhibit A, or outside the service area described in Exhibit A, without the written consent of the State and without obtaining the appropriate operating authority. The Contractor shall not engage in charter or school bus operations except as permitted by 49 CFR Parts 604 and 605, respectively.

C.18. Amend P-37 by adding “CONTRACTOR REPRESENTATIONS” as section 35:

35. **CONTRACTOR REPRESENTATIONS.** Contractor warrants that with respect to the Services to be performed, it has obtained all licenses, permits, or approvals which are required by any law, order or regulation of any authority, state or federal, or which may be necessary for the performance of the Services hereunder. The Contractor warrants that all personnel engaged

in the Services shall be qualified to perform such Services, and shall be properly licensed and authorized to perform such Services under all applicable laws.

C.19. Amend P-37 by adding “LABOR PROVISIONS” as section 36:

36. **LABOR PROVISIONS.** The Contractor agrees to adhere to the terms and conditions of the Unified Protective Arrangement, Section 533(b) of 49 USC 53 or as amended, incorporated herein for the protection of the employees of any employer providing transportation services assisted by this Agreement, and the employees of any other surface transportation providers in the transportation service area identified in Exhibit A.

C.20. Amend P-37 by adding “PATENT RIGHTS” as section 37:

37. **PATENT RIGHTS.** If any invention, improvement, or discovery of the Contractor is conceived or first actually reduced to practice in the course of or under this Contract, which invention, improvement or discovery may be patentable under the laws of the United States or any foreign country, the Contractor shall immediately notify the State and provide a detailed report. The rights and responsibilities of the Contractor and the State with respect to such invention, improvement, or discovery will be determined in accordance with applicable Federal laws, regulations, policies and any waiver thereof.

C.21. Amend P-37 by adding “BROKERAGE REPRESENTATION” as section 38:

38. **BROKERAGE REPRESENTATION.** The Contractor warrants that it has not employed or retained any company or person, other than a bona-fide employee working solely for the Contractor, to solicit or secure this Agreement; and that it has not paid or agreed to pay any company or person, other than a bona-fide employee working solely for the Contractor, any fee, commission, percentage, brokerage fee, gifts or any other consideration, contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, the State shall have the right to annul this Agreement without liability or, in its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage, brokerage fee, gift, or contingent fee.

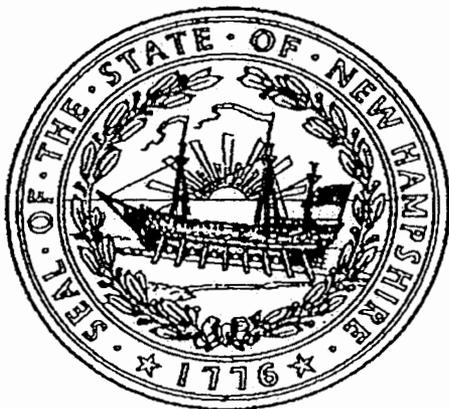
State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that SOUTHWESTERN COMMUNITY SERVICES, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 19, 1965. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 65514



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 4th day of April A.D. 2017.

A handwritten signature in black ink, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, Elaine M. Amer, do hereby certify that:

(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary of Southwestern Community Services, Inc. Board of Directors. (Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of the Agency duly held on 02/18/16: (Date)

RESOLVED: That the Chief Executive Officer (Title of Contract Signatory)

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 3rd day of April, 20 17. (Date Contract Signed)

John A. Manning is the duly elected Chief Executive Officer of the Agency. (Name of Contract Signatory) (Title of Contract Signatory)

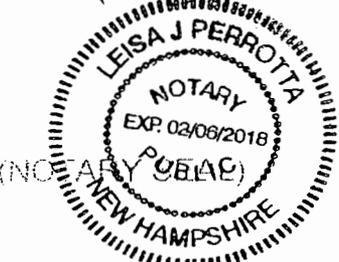
Elaine M. Amer (Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Cheshire

The forgoing instrument was acknowledged before me this 3rd day of April, 20 17.

By Elaine M. Amer (Name of Elected Officer of the Agency)



Leisa Perrotta (Signature)
Leisa Perrotta, Notary

Commission Expires: 2-6-18

UNIFIED PROTECTIVE ARRANGEMENT

For Application to Capital and Operating Assistance Projects
PURSUANT TO SECTION 5333(b) OF
TITLE 49 OF THE U.S. CODE, CHAPTER 53
January 3, 2011

The following language shall be made part of the Department of Transportation's contract of assistance with the Grantee, by reference;

The terms and conditions set forth below shall apply for the protection of the transportation related employees in the transportation service area of the Project. As a precondition of the release of assistance by the Grantee to any additional Recipient under the grant, the Grantee shall incorporate this arrangement into the contract of assistance between the Grantee and the Recipient, by reference, binding the Recipient to these arrangements.

These protective arrangements are intended for the benefit of transit employees in the service area of the project, who are considered as third-party beneficiaries to the employee protective arrangements incorporated by reference in the grant contract between the U.S. Department of Transportation and the Grantee, and the parties to the contract so signify by executing that contract. Transit employees are also third-party beneficiaries to the protective arrangements incorporated in subsequent contracts of assistance, pursuant to the Department's certification, between the Grantee and any Recipient. Employees may assert claims through their representative with respect to the protective arrangements under this provision. This clause creates no independent cause of action against the United States Government.

The term "service area," as used herein, includes the geographic area over which the Project is operated and the area whose population is served by the Project, including adjacent areas affected by the Project. The term "Union," as used herein, refers to any labor organization representing employees providing public transportation services in the service area of a Project assisted under the grant, including both employees of the Recipient and employees of other public transportation providers. The term "Recipient," as used herein, shall refer to any employer(s) receiving transportation assistance under the grant. The term "Grantee," as used herein, shall refer to the applicant for assistance; a Grantee which receives assistance is also a Recipient.

(1) The Project shall be carried out in such a manner and upon such terms and conditions as will not adversely affect employees of the Recipient and of any other surface public transportation provider in the transportation service area of the Project. It shall be an obligation of the Recipient to assure that any and all transportation services assisted by the Project are contracted for and operated in such a manner that they do not impair the rights and interests of affected employees. The term "Project," as used herein, shall not be limited to the particular facility, service, or operation assisted by Federal funds, but shall include any changes, whether organizational, operational, technological, or otherwise, which are a result of the assistance provided. The phrase "as a result of the Project," shall, when used in this arrangement, include events related to the Project occurring in anticipation of, during, and subsequent to the Project and any program of efficiencies or economies related thereto; provided, however, that volume rises and falls of business, or changes in volume and character of employment brought about solely by causes other than the Project (including any economies or efficiencies unrelated to the Project) are not within the purview of this arrangement.

An employee covered by this arrangement, who is not dismissed, displaced or otherwise worsened in his/her position with regard to employment as a result of the Project, but who is dismissed, displaced or otherwise worsened solely because of the total or partial termination of the Project or exhaustion of Project funding shall not be deemed eligible for a dismissal or displacement allowance within the meaning of paragraphs (6) and (7) of this arrangement.

(2) Where employees of a Recipient are represented for collective bargaining purposes, all Project services provided by that Recipient shall be provided under and in accordance with any collective bargaining agreement applicable to such employees which is then in effect. This Arrangement does not create any collective bargaining relationship where one does not already exist or between any Recipient and the employees of another employer. Where the Recipient has no collective bargaining relationship with the Unions representing employees in the service area, the Recipient will not take any action which impairs or interferes with the rights, privileges, and benefits and/or the preservation or continuation of the collective bargaining rights of such employees.

(3) All rights, privileges, and benefits (including pension rights and benefits) of employees covered by this arrangement (including employees having already retired) under existing collective bargaining agreements or otherwise, or under any revision or renewal thereof, shall be preserved and continued; provided, however, that such rights, privileges and benefits which are not foreclosed from further bargaining under applicable law or contract may be modified by collective bargaining and agreement by the Recipient and the Union involved to substitute other rights, privileges and benefits. Unless otherwise provided, nothing in this arrangement shall be deemed to restrict any rights the Recipient may otherwise have to direct the working forces and manage its business as it deems best, in accordance with the applicable collective bargaining agreement.

(4) The collective bargaining rights of employees covered by this arrangement, including the right to arbitrate labor disputes and to maintain union security and checkoff arrangements, as provided by applicable laws, policies and/or existing collective bargaining agreements, shall be preserved and continued. Provided, however, that this provision shall not be interpreted so as to require the Recipient to retain any such rights which exist by virtue of a collective bargaining agreement after such agreement is no longer in effect.

The Recipient agrees that it will bargain collectively with the Union or otherwise arrange for the continuation of collective bargaining, and that it will enter into agreements with the Union or arrange for such agreements to be entered into, relative to all subjects which are or may be proper subjects of collective bargaining. If, at any time, applicable law or contracts permit or grant to employees covered by this arrangement the right to utilize any economic measures, nothing in this arrangement shall be deemed to foreclose the exercise of such right.

(5)(a) The Recipient shall provide to all affected employees sixty (60) days' notice of intended actions which may result in displacements or dismissals or rearrangements of the working forces as a result of the Project. In the case of employees represented by a Union, such notice shall be provided by certified mail through their representatives. The notice shall contain a full and adequate statement of the proposed changes, and an estimate of the number of employees affected by the intended changes, and the number and classifications of any jobs within the jurisdiction and control of the Recipient, including those in the employment of any entity bound by this arrangement pursuant to paragraph (21), available to be filled by such affected employees.

(5)(b) The procedures of this subparagraph shall apply to cases where notices, provided under subparagraph 5(a), involve employees represented by a Union for collective bargaining purposes. At the request of either the Recipient or the representatives of such employees, negotiations for the purposes of reaching agreement with respect to the application of the terms and conditions of this arrangement shall commence immediately. These negotiations shall include determining the selection of forces from among the mass transportation employees who may be affected as a result of the Project, to establish which such employees shall be offered employment for which they are qualified or can be trained. If no agreement is reached within twenty (20) days from the commencement of negotiations, any party to the dispute may submit the matter to dispute settlement procedures in accordance with paragraph (15) of this arrangement. Unless the parties otherwise mutually agree in writing, no change in operations, services, facilities or equipment within the purview of this paragraph (5) shall occur until after either: 1) an agreement with respect to the application of the terms and conditions of this arrangement to the intended change(s) is reached; 2) the decision has been rendered pursuant to the dispute resolution procedures in accordance with paragraph (15) of this arrangement; or 3) an arbitrator selected pursuant to Paragraph (15) of this arrangement determines that the intended change(s) may be instituted prior to the finalization of implementing arrangements.

(5)(c) In the event of a dispute as to whether an intended change within the purview of this paragraph (5) may be instituted at the end of the 60-day notice period and before an implementing agreement is reached or a final dispute resolution determination is rendered pursuant to subparagraph (b), any involved party may immediately submit that issue to the dispute resolution process under paragraph (15) of this arrangement. In any such dispute resolution procedure, the neutral shall rely upon the standards and criteria utilized by the Surface Transportation Board (and its predecessor agency, the Interstate Commerce Commission) to address the "preconsummation" issue in cases involving employee protections pursuant to 49 U.S.C. Section 11326 (or its predecessor, Section 5(2)(f) of the Interstate Commerce Act, as amended). If the Recipient demonstrates, as a threshold matter in any such dispute resolution process, that the intended action is a trackage rights, lease proceeding or similar transaction, and not a merger, acquisition, consolidation, or other similar transaction, the burden shall then shift to the involved labor organization(s) to prove that under the standards and criteria referenced above, the intended action should not be permitted to be instituted prior to the effective date of a negotiated or arbitrated implementing agreement. If the Recipient fails to demonstrate that the intended action is a trackage rights, lease proceeding, or similar transaction, it shall be the burden of the Recipient to prove that under the standards and criteria referenced above, the intended action should be

permitted to be instituted prior to the effective date of a negotiated or arbitrated implementing agreement. For purposes of any such dispute resolution procedure, the time period within which the parties are to respond to the list of potential neutrals submitted by the American Arbitration Association shall be five (5) days, the notice of hearing may be given orally or by facsimile, the hearing will be held promptly, and the award of the neutral shall be rendered promptly and, unless otherwise agreed to by the parties, no later than fourteen (14) days from the date of closing the hearings, with five (5) additional days if post hearing briefs are submitted by either party. The intended change shall not be instituted during the pendency of any dispute resolution proceedings under this subparagraph (c).

(5)(d) If an intended change within the purview of this paragraph (5) is instituted before an implementing agreement is reached or a final decision is rendered pursuant to subparagraph (b), all employees affected shall be kept financially whole, as if the noticed and implemented action has not taken place, from the time they are affected until the effective date of an implementing agreement or final decision. This protection shall be in addition to the protective period defined in paragraph (14) of this arrangement, which period shall begin on the effective date of the implementing agreement or final dispute resolution determination rendered pursuant to subparagraph (b).

An employee selecting, bidding on, or hired to fill any position established as a result of a noticed and implemented action prior to the consummation of an implementing agreement or final dispute resolution determination shall accumulate no benefits under this arrangement as a result thereof during that period prior to the consummation of an implementing agreement or final decision pursuant to subparagraph (b).

(6)(a) Whenever an employee retained in service, recalled to service, or employed by the Recipient pursuant to paragraphs (5), (7)(e), or (18) hereof is placed in a worse position with respect to compensation as a result of the Project, the employee shall be considered a "displaced employee", and shall be paid a monthly "displacement allowance" to be determined in accordance with this paragraph. Said displacement allowance shall be paid to each displaced employee during the protective period so long as the employee is unable, in the exercise of his/her seniority rights, to obtain a position producing compensation equal to or exceeding the compensation the employee received in the position from which the employee was displaced, adjusted to reflect subsequent general wage adjustments, including cost of living adjustments where provided for.

(6)(b) The displacement allowance shall be a monthly allowance determined by computing the total compensation received by the employee, including vacation allowances and monthly compensation guarantees, and his/her total time paid for during the last twelve (12) months in which the employee performed compensated service more than fifty per centum of each such months, based upon the employee's normal work schedule, immediately preceding the date of his/her displacement as a result of the Project, and by dividing separately the total compensation and the total time paid for by twelve, thereby producing the average monthly compensation and the average monthly time paid for. Such allowance shall be adjusted to reflect subsequent general wage adjustments, including cost of living adjustments where provided for. If the displaced employee's compensation in his/her current position is less in any month during his/her protective period than the aforesaid average compensation (adjusted to reflect subsequent general wage adjustments, including cost of living adjustments where provided for), the employee shall be paid the difference, less compensation for any time lost on account of voluntary absences to the extent that the employee is not available for service equivalent to his/her average monthly time, but the employee shall be compensated in addition thereto at the rate of the current position for any time worked in excess of the average monthly time paid for. If a displaced employee fails to exercise his/her seniority rights to secure another position to which the employee is entitled under the then existing collective bargaining agreement, and which carries a wage rate and compensation exceeding that of the position which the employee elects to retain, the employee shall thereafter be treated, for the purposes of this paragraph, as occupying the position the employee elects to decline.

(6)(c) The displacement allowance shall cease prior to the expiration of the protective period in the event of the displaced employee's resignation, death, retirement, or dismissal for cause in accordance with any labor agreement applicable to his/her employment.

(7)(a) Whenever any employee is laid off or otherwise deprived of employment as a result of the Project, in accordance with any collective bargaining agreement applicable to his/her employment, the employee shall be considered a "dismissed employee" and shall be paid a monthly dismissal allowance to be determined in accordance with this paragraph. Said dismissal allowance shall first be paid to each dismissed employee on the thirtieth (30th) day following the day on which the employee is "dismissed" and shall continue during the protective period, as follow:

Employee's length of service

Prior to adverse effect

1 day to 6 years

6 years or more

Period of protection

equivalent period

6 years

The monthly dismissal allowance shall be equivalent to one-twelfth (1/12th) of the total compensation received by the employee in the last twelve (12) months of his/her employment in which the employee performed compensation service more than fifty per centum of each such month based on the employee's normal work schedule to the date on which the employee was first deprived of employment as a result of the Project. Such allowance shall be adjusted to reflect subsequent general wage adjustments, including cost of living adjustments where provided for.

(7)(b) An employee shall be regarded as deprived of employment and entitled to a dismissal allowance when the position the employee holds is abolished as a result of the Project, or when the position the employee holds is not abolished but the employee loses that position as a result of the exercise of seniority rights by an employee whose position is abolished as a result of the Project or as a result of the exercise of seniority rights by other employees brought about as a result of the Project, and the employee is unable to obtain another position, either by the exercise of the employee's seniority rights, or through the Recipient, in accordance with subparagraph (e). In the absence of proper notice followed by an agreement or decision pursuant to paragraph (5) hereof, no employee who has been deprived of employment as a result of the Project shall be required to exercise his/her seniority rights to secure another position in order to qualify for a dismissal allowance hereunder.

(7)(c) Each employee receiving a dismissal allowance shall keep the Recipient informed as to his/her current address and the current name and address of any other person by whom the employee may be regularly employed, or if the employee is self-employed.

(7)(d) The dismissal allowance shall be paid to the regularly assigned incumbent of the position abolished. If the position of an employee is abolished when the employee is absent from service, the employee will be entitled to the dismissal allowance when the employee is available for service. The employee temporarily filling said position at the time it was abolished will be given a dismissal allowance on the basis of that position, until the regular employee is available for service, and thereafter shall revert to the employee's previous status and will be given the protections of the agreement in said position, if any are due him/her.

(7)(e) An employee receiving a dismissal allowance shall be subject to call to return to service by the employee's former employer, after being notified in accordance with the terms of the then-existing collective bargaining agreement. Prior to such call to return to work by his/her employer, the employee may be required by the Recipient to accept reasonably comparable employment for which the employee is physically and mentally qualified, or for which the employee can become qualified after a reasonable training or retraining period, provided it does not require a change in residence or infringe upon the employment rights of other employees under then-existing collective bargaining agreements.

(7)(f) When an employee who is receiving a dismissal allowance again commences employment in accordance with subparagraph (e) above, said allowance shall cease while the employee is so reemployed, and the period of time during which the employee is so reemployed shall be deducted from the total period for which the employee is entitled to receive a dismissal allowance. During the time of such reemployment, the employee shall be entitled to the protections of this arrangement to the extent they are applicable.

(7)(g) The dismissal allowance of any employee who is otherwise employed shall be reduced to the extent that the employee's combined monthly earnings from such other employment or self-employment, any benefits received from any unemployment insurance law, and his/her dismissal allowance exceed the amount upon which the employee's dismissal allowance is based. Such employee, or his/her union representative, and the Recipient shall agree upon a procedure by which the Recipient shall be kept currently informed of the earnings of such employee in employment other than with the employee's former employer, including self-employment, and the benefits received.

(7)(h) The dismissal allowance shall cease prior to the expiration of the protective period in the event of the failure of the employee without good cause to return to service in accordance with the applicable labor agreement, or to accept

employment as provided under subparagraph (e) above, or in the event of the employee's resignation, death, retirement, or dismissal for cause in accordance with any labor agreement applicable to his/her employment.

(7)(i) A dismissed employee receiving a dismissal allowance shall actively seek and not refuse other reasonably comparable employment offered him/her for which the employee is physically and mentally qualified and does not require a change in the employee's place of residence. Failure of the dismissed employee to comply with this obligation shall be grounds for discontinuance of the employee's allowance; provided that said dismissal allowance shall not be discontinued until final determination is made either by agreement between the Recipient and the employee or his/her representative, or by final and binding dispute resolution determination rendered in accordance with paragraph (15) of this arrangement that such employee did not comply with this obligation.

(8) In determining length of service of a displaced or dismissed employee for purposes of this arrangement, such employee shall be given full service credits in accordance with the records and labor agreements applicable to him/her and the employee shall be given additional service credits for each month in which the employee receives a dismissal or displacement allowance as if the employee were continuing to perform services in his/her former position.

(9) No employee shall be entitled to either a displacement or dismissal allowance under paragraphs (6) or (7) hereof because of the abolishment of a position to which, at some future time, the employee could have bid, been transferred, or promoted.

(10) No employee receiving a dismissal or displacement allowance shall be deprived, during the employee's protected period, of any rights, privileges, or benefits attaching to his/her employment, including, without limitation, group life insurance, hospitalization and medical care, free transportation for the employee and the employee's family, sick leave, continued status and participation under any disability or retirement program, and such other employee benefits as Railroad Retirement, Social Security, Workmen's Compensation, and unemployment compensation, as well as any other benefits to which the employee may be entitled under the same conditions and so long as such benefits continue to be accorded to other employees of the bargaining unit, in active service or furloughed as the case may be.

(11)(a) Any employee covered by this arrangement who is retained in the service of his/her employer, or who is later restored to service after being entitled to receive a dismissal allowance, and who is required to change the point of his/her employment in order to retain or secure active employment with the Recipient in accordance with this arrangement, and who is required to move his/her place of residence, shall be reimbursed for all expenses of moving his/her household and other personal effects, for the traveling expenses for the employee and members of the employee's immediate family, including living expenses for the employee and the employee's immediate family, and for his/her own actual wage loss during the time necessary for such transfer and for a reasonable time thereafter, not to exceed five (5) working days. The exact extent of the responsibility of the Recipient under this paragraph, and the ways and means of transportation, shall be agreed upon in advance between the Recipient and the affected employee or the employee's representatives.

(11)(b) If any such employee is laid off within three (3) years after changing his/her point of employment in accordance with paragraph (a) hereof, and elects to move his/her place of residence back to the original point of employment, the Recipient shall assume the expenses, losses and costs of moving to the same extent provided in subparagraph (a) of this paragraph (11) and paragraph (12)(a) hereof.

(11)(c) No claim for reimbursement shall be paid under the provisions of this paragraph unless such claim is presented to the Recipient in writing within ninety (90) days after the date on which the expenses were incurred.

(11)(d) Except as otherwise provided in subparagraph (b), changes in place of residence, subsequent to the initial changes as a result of the Project, which are not a result of the Project but grow out of the normal exercise of seniority rights, shall not be considered within the purview of this paragraph.

(12)(a) The following conditions shall apply to the extent they are applicable in each instance to any employee who is retained in the service of the employer (or who is later restored to service after being entitled to receive a dismissal allowance), who is required to change the point of his/her employment as a result of the Project, and is thereby required to move his/her place of residence.

If the employee owns his/her own home in the locality from which the employee is required to move, the employee shall, at the employee's option, be reimbursed by the Recipient for any loss suffered in the sale of the employee's home for less than its fair market value, plus conventional fees and closing costs, such loss to be paid within thirty (30) days of settlement or closing on the sale of the home. In each case, the fair market value of the home in question shall be determined, as of a date sufficiently prior to the date of the Project, so as to be unaffected thereby. The Recipient shall, in each instance, be afforded an opportunity to purchase the home at such fair market value before it is sold by the employee to any other person and to reimburse the seller for his/her conventional fees and closing costs.

If the employee is under a contract to purchase his/her home, the Recipient shall protect the employee against loss under such contract, and in addition, shall relieve the employee from any further obligation thereunder.

If the employee holds an unexpired lease of a dwelling occupied as the employee's home, the Recipient shall protect the employee from all loss and cost in securing the cancellation of said lease.

(12)(b) No claim for loss shall be paid under the provisions of this paragraph unless such claim is presented to the Recipient in writing within one year after the effective date of the change in residence.

(12)(c) Should a controversy arise in respect to the value of the home, the loss sustained in its sale, the loss under a contract for purchase, loss and cost in securing termination of a lease, or any other question in connection with these matters, it shall be decided through a joint conference between the employee, or his/her union, and the Recipient. In the event they are unable to agree, the dispute or controversy may be referred by the Recipient or the union to a board of competent real estate appraisers selected in the following manner: one (1) to be selected by the representatives of the employee, and one (1) by the Recipient, and these two, if unable to agree within thirty (30) days upon the valuation, shall endeavor by agreement with ten (10) days thereafter to select a third appraiser, or to agree to a method by which a third appraiser shall be selected, and failing such agreement, either party may request the State and local Board of Real Estate Commissioners to designate within ten (10) days a third appraiser, whose designation will be binding upon the parties and whose jurisdiction shall be limited to determination of the issues raised in this paragraph only. A decision of a majority of the appraisers shall be required and said decision shall be final, binding, and conclusive. The compensation and expenses of the neutral appraiser including expenses of the appraisal board, shall be borne equally by the parties to the proceedings. All other expenses shall be paid by the party incurring them, including the compensation of the appraiser selected by such party.

(12)(d) Except as otherwise provided in paragraph (11)(b) hereof, changes in place of residence, subsequent to the initial changes as a result of the Project, which are not a result of the Project but grow out of the normal exercise of seniority rights, shall not be considered within the purview of this paragraph.

(12)(e) "Change in residence" means transfer to a work location which is either (A) outside a radius of twenty (20) miles of the employee's former work location and farther from the employee's residence than was his/her former work location, or (B) is more than thirty (30) normal highway route miles from the employee's residence and also farther from his/her residence than was the employee's former work location.

(13)(a) A dismissed employee entitled to protection under this arrangement may, at the employee's option within twenty-one (21) days of his/her dismissal, resign and (in lieu of all other benefits and protections provided in this arrangement) accept a lump sum payment computed in accordance with section (9) of the Washington Job Protection Agreement of May 1936:

<u>Length of Service</u>	<u>Separation Allowance</u>
1 year and less than 2 years	3 months' pay
2" " " 3 "	6 " "
3" " " 5 "	9 " "
5" " " 10 "	12 " "
10"" " " 15 "	12 " "
15 " " over	12 " "

In the case of an employee with less than one year's service, five days' pay, computed by multiplying by 5 the normal daily earnings (including regularly scheduled overtime, but excluding other overtime payments) received by the

employee in the position last occupied, for each month in which the employee performed service, will be paid as the lump sum.

Length of service shall be computed as provided in Section 7(b) of the Washington Job Protection Agreement, as follows:

For the purposes of this arrangement, the length of service of the employee shall be determined from the date the employee last acquired an employment status with the employing carrier and the employee shall be given credit for one month's service for each month in which the employee performed any service (in any capacity whatsoever) and twelve (12) such months shall be credited as one year's service. The employment status of an employee shall not be interrupted by furlough in instances where the employee has a right to and does return to service when called. In determining length of service of an employee acting as an officer or other official representative of an employee organization, the employee will be given credit for performing service while so engaged on leave of absence from the service of a carrier.

(13)(b) One month's pay shall be computed by multiplying by 30 the normal daily earnings (including regularly scheduled overtime, but excluding other overtime payments) received by the employee in the position last occupied prior to time of the employee's dismissal as a result of the Project.

(14) Whenever used herein, unless the context requires otherwise, the term "protective period" means that period of time during which a displaced or dismissed employee is to be provided protection hereunder and extends from the date on which an employee is displaced or dismissed to the expiration of six (6) years therefrom, provided, however, that the protective period for any particular employee during which the employee is entitled to receive the benefits of these provisions shall not continue for a longer period following the date the employee was displaced or dismissed than the employee's length of service, as shown by the records and labor agreements applicable to his/her employment prior to the date of the employee's displacement or dismissal.

1. (15) Any dispute, claim, or grievance arising from or relating to the interpretation, application or enforcement of the provisions of this arrangement, not otherwise governed by paragraph 12(c) of this arrangement, the Labor-Management Relations Act, as amended, the Railway Labor Act, as amended, or by impasse resolution provisions in a collective bargaining or protective arrangement involving the Recipient(s) and the Union(s), which cannot be settled by the parties thereto within thirty (30) days after the dispute or controversy arises, may be submitted at the written request of the Recipient(s) or the Union(s) in accordance with a final and binding resolution procedure mutually acceptable to the parties. Failing agreement within ten (10) days on the selection of such a procedure, any party to the dispute may request the American Arbitration Association to furnish an arbitrator and administer a final and binding arbitration under its Labor Arbitration Rules. The parties further agree to accept the arbitrator's award as final and binding.

The compensation and expenses of the neutral arbitrator, and any other jointly incurred expenses, shall be borne equally by the Union(s) and Recipient(s), and all other expenses shall be paid by the party incurring them.

In the event of any dispute as to whether or not a particular employee was affected by the Project, it shall be the employee's obligation to identify the Project and specify the pertinent facts of the Project relied upon. It shall then be the burden of the Recipient to prove that factors other than the Project affected the employee. The claiming employee shall prevail if it is established that the Project had an effect upon the employee even if other factors may also have affected the employee (See Hodgson's Affidavit in Civil Action No. 825-71).

(16) The Recipient will be financially responsible for the application of these conditions and will make the necessary arrangements so that any employee affected, as a result of the project, may file a written claim through his/her Union representative with the Recipient within sixty (60) days of the date the employee is terminated or laid off as a result of the Project, or within eighteen (18) months of the date the employee's position with respect to his/her employment is otherwise worsened as a result of the Project. In the latter case, if the events giving rise to the claim have occurred over an extended period, the 18-month limitation shall be measured from the last such event. No benefits shall be payable for any period prior to six (6) months from the date of the filing of any claim. Unless the claim is filed with the Recipient within said time limitations, the Recipient shall thereafter be relieved of all liabilities and obligations related to the claims.

The Recipient will fully honor the claim, making appropriate payments, or will give written notice to the claimant and his/her representative of the basis for denying or modifying such claim, giving reasons therefore. In the event the Recipient fails to honor such claim, the Union may invoke the following procedures for further joint investigation of the claim by giving notice in writing of its desire to pursue such procedures. Within ten (10) days from the receipt of such notice, the parties shall exchange such factual material as may be requested of them relevant to the disposition of the claim and shall jointly take such steps as may be necessary or desirable to obtain from any third party such additional factual materials as may be relevant. In the event the claim is so rejected by the Recipient, the claim may be processed in accordance with the final and binding resolution procedures described in paragraph (15).

(17) Nothing in this arrangement shall be construed as depriving any employee of any rights or benefits which such employee may have under existing employment or collective bargaining agreements or otherwise; provided that there shall be no duplication of benefits to any employee, and, provided further, that any benefit under this arrangement shall be construed to include the conditions, responsibilities, and obligations accompanying such benefit. This arrangement shall not be deemed a waiver of any rights derived from any other agreement or provision of federal, state or local law.

(18) During the employee's protective period, a dismissed employee shall, if the employee so requests, in writing, be granted priority of employment or reemployment to fill any vacant position within the jurisdiction and control of the Recipient reasonably comparable to that which the employee held when dismissed, including those in the employment of any entity bound by this arrangement pursuant to paragraph (21) hereof, for which the employee is, or by training or retraining can become, qualified; not, however, in contravention of collective bargaining agreements related thereto. In the event such employee requests such training or re-training to fill such vacant position, the Recipient shall provide for such training or re-training at no cost to the employee. The employee shall be paid the salary or hourly rate provided for in the applicable collective bargaining agreement for such position, plus any displacement allowance to which the employee may be otherwise entitled. If such dismissed employee who has made such request fails, without good cause, within ten (10) days to accept an offer of a position comparable to that which the employee held when dismissed for which the employee is qualified, or for which the employee has satisfactorily completed such training, the employee shall, effective at the expiration of such ten-day period, forfeit all rights and benefits under this arrangement.

As between employees who request employment pursuant to this paragraph, the following order where applicable shall prevail in hiring such employees:

(a) Employees in the craft or class of the vacancy shall be given priority over employees without seniority in such craft or class;

(b) As between employees having seniority in the craft or class of the vacancy, the senior employees, based upon their service in that craft or class, as shown on the appropriate seniority roster, shall prevail over junior employees;

(c) As between employees not having seniority in the craft or class of the vacancy, the senior employees, based upon their service in the crafts or classes in which they do have seniority as shown on the appropriate seniority rosters, shall prevail over junior employees.

(19) The Recipient will post, in a prominent and accessible place, a notice stating that the Recipient has received federal assistance under the Federal Transit statute and has agreed to comply with the provisions of 49 U.S.C., Section 5333(b). This notice shall also specify the terms and conditions set forth herein for the protection of employees. The Recipient shall maintain and keep on file all relevant books and records in sufficient detail as to provide the basic information necessary to the proper application, administration, and enforcement of this arrangement and to the proper determination of any claims arising thereunder.

(20) In the event the Project is approved for assistance under the statute, the foregoing terms and conditions shall be made part of the contract of assistance between the federal government and the Grantee and between the Grantee and any Recipient; provided, however, that this arrangement shall not merge into the contract of assistance, but shall be independently binding and enforceable by and upon the parties thereto, and by any covered employee or his/her representative, in accordance with its terms, nor shall any other employee protective agreement merge into this arrangement, but each shall be independently binding and enforceable by and upon the parties thereto, in accordance with its terms.

(21) This arrangement shall be binding upon the successors and assigns of the parties hereto, and no provisions, terms, or obligations herein contained shall be affected, modified, altered, or changed in any respect whatsoever by reason of the arrangements made by or for the Recipient to manage and operate the system.

Any person, enterprise, body, or agency, whether publicly or privately owned, which shall undertake the management, provision and/or operation of the Project services or the Recipient's transit system, or any part or portion thereof, under contractual arrangements of any form with the Recipient, its successors or assigns, shall agree to be bound by the terms of this arrangement and accept the responsibility with the Recipient for full performance of these conditions. As a condition precedent to any such contractual arrangements, the Recipient shall require such person, enterprise, body or agency to so agree in writing. Transit employees in the service area of the project are third-party beneficiaries to the terms of this protective arrangement, as incorporated by reference in the contractual agreement.

(22) In the event of the acquisition, assisted with Federal funds, of any transportation system or services, or any part or portion thereof, the employees of the acquired entity shall be assured employment, in comparable positions, within the jurisdiction and control of the acquiring entity, including positions in the employment of any entity bound by this arrangement pursuant to paragraph (21). All persons employed under the provisions of this paragraph shall be appointed to such comparable positions without examination, other than that required by applicable federal, state or local law or collective bargaining agreement, and shall be credited with their years of service for purposes of seniority, vacations, and pensions in accordance with the records of their former employer and/or any applicable collective bargaining agreements.

(23) The employees covered by this arrangement shall continue to receive any applicable coverage under Social Security, Railroad Retirement, Workmen's Compensation, unemployment compensation, and the like. In no event shall these benefits be worsened as a result of the Project.

(24) In the event any provision of this arrangement is held to be invalid, or otherwise unenforceable under federal, state, or local law, in the context of a particular Project, the remaining provisions of this arrangement shall not be affected and the invalid or unenforceable provision shall be renegotiated by the Recipient and the interested Union representatives of the employees involved for purpose of adequate replacement under Section 5333(b). If such negotiation shall not result in mutually satisfactory agreement any party may invoke the jurisdiction of the Secretary of Labor to determine substitute fair and equitable employee protective arrangements for application only to the particular Project, which shall be incorporated in this arrangement only as applied to that Project, and any other appropriate action, remedy, or relief.

(25) If any employer of the employees covered by this arrangement shall have rearranged or adjusted its work force(s) in anticipation of the Project, with the effect of depriving an employee of benefits to which the employee should be entitled under this arrangement, the provisions of this arrangement shall apply to such employee as of the date when the employee was so affected.

Last Updated: 1-3-11

Federal Clauses

Fly America Requirements

Applicability – all contracts involving transportation of persons or property, by air between the U.S. and/or places outside the U.S. These requirements do not apply to micro-purchases (\$3,500 or less, except for construction contracts over \$2,000).

Contractor shall comply with 49 USC 40118 (the "Fly America" Act) in accordance with General Services Administration regulations 41 CFR 301-10, stating that recipients and subrecipients of Federal funds and their contractors are required to use US Flag air carriers for US Government-financed international air travel and transportation of their personal effects or property, to the extent such service is available, unless travel by foreign air carrier is a matter of necessity, as defined by the Fly America Act. Contractor shall submit, if a foreign air carrier was used, an appropriate certification or memorandum adequately explaining why service by a US flag air carrier was not available or why it was necessary to use a foreign air carrier and shall, in any event, provide a certificate of compliance with the Fly America requirements. Contractor shall include the requirements of this section in all subcontracts that may involve international air transportation.

Charter Bus Requirements

These requirements do not apply to micro-purchases (\$3,500 or less, except for construction contracts over \$2,000).

Contractor shall comply with 49 USC 5323(d) and (g) and 49 CFR 604, which state that recipients and subrecipients of FTA assistance may provide charter service for transportation projects that uses equipment or facilities acquired with Federal assistance authorized under the Federal transit laws (except as permitted by 49 CFR 604.2), or under 23 U.S.C. 133 or 142, only in compliance with those laws and FTA regulations, "Charter Service," 49 CFR part 604, the terms and conditions of which are incorporated herein by reference.

School Bus Requirements

School Bus Requirements – Applicability – Operational Service Contracts. These requirements do not apply to micro-purchases (\$3,500 or less, except for construction contracts over \$2,000). Pursuant to 69 USC 5323(f) or (g) as amended by MAP-21, 23 USC 133, 23 USC 142, and 49 CFR 605, recipients and subrecipients of FTA assistance shall not engage in school bus operations exclusively for transportation of students and school personnel in competition with private school bus operators unless qualified under specified exemptions. When operating exclusive school bus service under an allowable exemption, recipients and subrecipients shall not use federally funded equipment, vehicles, or facilities. Violations. If a Recipient or any Third Party Participant that has operated school bus service in violation of FTA's School Bus laws and regulations, FTA may: (1) Require the Recipient or Third Party Participant to take such remedial measures as FTA considers appropriate, or (2) Bar the Recipient or Third Party Participant from receiving Federal transit funds.

Energy Conservation

All Contracts except micro-purchases (\$3,500 or less, except for construction contracts over \$2,000)

Contractor shall comply with mandatory standards and policies relating to energy efficiency, stated in the state energy conservation plan issued in compliance with the Energy Policy & Conservation Act.

Clean Water

Applicability – All Contracts and Subcontracts over \$150,000. Contractor shall comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 USC 1251 et seq. Contractor shall report each violation to the recipient and understands and agrees that the recipient shall, in turn, report each violation as required to FTA and the appropriate EPA Regional Office. Contractor shall include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with FTA assistance.

Lobbying

Construction/Architectural and Engineering/Acquisition of Rolling Stock/Professional Service Contract/Operational Service Contract/Turnkey contracts over \$150,000

Byrd Anti-Lobbying Amendment, 31 U.S.C. 1352, as amended by the Lobbying Disclosure Act of 1995, P.L. 104-65 [to be codified at 2 U.S.C. § 1601, et seq.] - Contractors who apply or bid for an award of \$150,000 or more shall file the certification required by 49 CFR part 20, "New Restrictions on Lobbying." Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose the name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying contacts on its behalf with non-Federal funds with respect to that Federal contract, grant or award covered by 31 U.S.C. 1352. Such disclosures are forwarded from tier to tier up to the recipient.

Access to Records and Reports

Applicability – As shown below. These requirements do not apply to micro-purchases (\$3,500 or less, except for construction contracts over \$2,000)

The following access to records requirements apply to this Contract:

1. Where the purchaser is not a State but a local government and is an FTA recipient or a subgrantee of FTA recipient in accordance with 49 CFR 18.36(i), contractor shall provide the purchaser, the FTA, the US Comptroller General or their authorized representatives access to any books, documents, papers and contractor records which are pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions. Contractor shall also, pursuant to 49 CFR 633.17, provide authorized FTA representatives, including any PMO contractor, access to contractor's records and construction sites pertaining to a capital project, defined at 49 USC 5302(a)1, which is receiving FTA assistance through the programs described at 49 USC 5307, 5309 or 5311.
2. Where the purchaser is a State and is an FTA recipient or a subgrantee of FTA recipient in accordance with 49 CFR 633.17, contractor shall provide the purchaser, authorized FTA representatives, including any PMO Contractor, access to contractor's records and construction sites pertaining to a capital project, defined at 49 USC 5302(a)1, which receives FTA assistance through the programs described at 49 USC 5307, 5309 or 5311. By definition, a capital project excludes contracts of less than the simplified acquisition threshold currently set at \$150,000.
3. Where the purchaser enters into a negotiated contract for other than a small purchase or under the simplified acquisition threshold and is an institution of higher education, a hospital or other non-profit organization and is an FTA recipient or a subgrantee of FTA recipient in accordance with 49 CFR 19.48, contractor shall provide the purchaser, the FTA, the US Comptroller General or their authorized representatives, access to any books, documents, papers and record of the contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions.
4. Where a purchaser which is an FTA recipient or a subgrantee of FTA recipient in accordance with 49 USC 5325(a) enters into a contract for a capital project or improvement (defined at 49 USC 5302(a)1) through other than competitive bidding, contractor shall make available records related to the contract to the purchaser, the Secretary of USDOT and the US Comptroller General or any authorized officer or employee of any of them for the purposes of conducting an audit and inspection.
5. Contractor shall permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
6. Contractor shall maintain all books, records, accounts and reports required under this contract for a period of not less than three (3) years after the date of termination or expiration of this contract, except in the event of litigation or settlement of claims arising from the performance of this contract, in which case contractor agrees to maintain same until the recipient, FTA Administrator, US Comptroller General, or any of their authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. Re: 49 CFR

FTA does not require the inclusion of these requirements in subcontracts.

Federal Changes

All Contracts except micro-purchases (\$3,500 or less, except for construction contracts over \$2,000)

Contractor shall comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Master Agreement between the purchaser and FTA, as they may be amended or promulgated from time to time during the term of the contract. Contractor's failure to comply shall constitute a material breach of the contract.

Clean Air

Applicability – All contracts over \$150,000.

- 1) Contractor shall comply with all applicable standards, orders or regulations pursuant to the Clean Air Act, 42 USC 7401 et seq. Contractor shall report each violation to the recipient and understands and agrees that the recipient will, in turn, report each violation as required to FTA and the appropriate EPA Regional Office.
- 2) Contractor shall include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with FTA assistance.

Recycled Products

All contracts for items designated by the EPA, when the purchaser or contractor procures \$10,000 or more of one of these items during the current or previous fiscal year using Federal funds. The contractor agrees to comply with all the requirements of Section 6002 of the Resource Conservation and Recovery Act (RCRA), as amended (42 U.S.C. 6962), including but not limited to the regulatory provisions of 40 CFR Part 247, and Executive Order 12873, as they apply to the procurement of the items designated in Subpart B of 40 CFR Part 247.

Contract Work Hours & Safety Standards Act

Applicability – Contracts over \$150,000

(1) Overtime requirements - No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages - In the event of any violation of the clause set forth in para. (1) of this section, contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in para. (1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in para. (1) of this section.

(3) Withholding for unpaid wages and liquidated damages - the recipient shall upon its own action or upon written request of USDOL withhold or cause to be withheld, from any moneys payable on account of work performed by contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours & Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in para. (2) of this section.

(4) Subcontracts - Contractor or subcontractor shall insert in any subcontracts the clauses set forth in this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. Prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in this section.

No Government Obligation to Third Parties

Applicability – All contracts except micro-purchases (\$3,500 or less, except for construction contracts over \$2,000)

(1) The recipient and contractor acknowledge and agree that, notwithstanding any concurrence by the US Government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the US Government, the US Government is not a party to this contract and shall not be subject to any obligations or liabilities to the recipient, the contractor, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract.

(2) Contractor agrees to include the above clause in each subcontract financed in whole or in part with FTA assistance. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

Program Fraud and False or Fraudulent Statements or Related Acts

Applicability – All contracts except micro-purchases (\$3,500 or less, except for construction contracts over \$2,000)

(1) Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 USC 3801 et seq. and USDOT regulations, "Program Fraud Civil Remedies," 49 CFR 31, apply to its actions pertaining to this project. Upon execution of the underlying contract, contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract or FTA assisted project for which this contract work is being performed. In addition to other penalties that may be applicable, contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submittal, or certification, the US Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act (1986) on contractor to the extent the US Government deems appropriate.

(2) If contractor makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submittal, or certification to the US Government under a contract connected with a project that is financed in whole or in part with FTA assistance under the authority of 49 USC 5307, the Government reserves the right to impose the penalties of 18 USC 1001 and 49 USC 5307(n)(1) on contractor, to the extent the US Government deems appropriate.

(3) Contractor shall include the above two clauses in each subcontract financed in whole or in part with FTA assistance. The clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

Termination

Applicability – All Contracts over \$10,000, except contracts with nonprofit organizations and institutions of higher learning, where the threshold is \$150,000

a. Termination for Convenience (General Provision) the recipient may terminate this contract, in whole or in part, at any time by written notice to contractor when it is in the recipient's best interest. Contractor shall be paid its costs, including contract close-out costs, and profit on work performed up to the time of termination. Contractor shall promptly submit its termination claim to the recipient. If contractor is in possession of any of the recipient's property, contractor shall account for same, and dispose of it as the recipient directs.

b. Termination for Default [Breach or Cause] (General Provision) If contractor does not deliver items in accordance with the contract delivery schedule, or, if the contract is for services, and contractor fails to perform in the manner called for in the contract, or if contractor fails to comply with any other provisions of the contract, the

recipient may terminate this contract for default. Termination shall be effected by serving a notice of termination to contractor setting forth the manner in which contractor is in default. Contractor shall only be paid the contract price for supplies delivered and accepted, or for services performed in accordance with the manner of performance set forth in the contract.

If it is later determined by the recipient that contractor had an excusable reason for not performing, such as a strike, fire, or flood, events which are not the fault of or are beyond the control of contractor, the recipient, after setting up a new delivery or performance schedule, may allow contractor to continue work, or treat the termination as a termination for convenience.

c. Opportunity to Cure (General Provision) the recipient in its sole discretion may, in the case of a termination for breach or default, allow contractor an appropriately short period of time in which to cure the defect. In such case, the notice of termination shall state the time period in which cure is permitted and other appropriate conditions. If contractor fails to remedy to the recipient's satisfaction the breach or default or any of the terms, covenants, or conditions of this Contract within ten (10) days after receipt by contractor or written notice from the recipient setting forth the nature of said breach or default, the recipient shall have the right to terminate the Contract without any further obligation to contractor. Any such termination for default shall not in any way operate to preclude the recipient from also pursuing all available remedies against contractor and its sureties for said breach or default.

d. Waiver of Remedies for any Breach In the event that the recipient elects to waive its remedies for any breach by contractor of any covenant, term or condition of this Contract, such waiver by the recipient shall not limit its remedies for any succeeding breach of that or of any other term, covenant, or condition of this Contract.

e. Termination for Convenience (Professional or Transit Service Contracts) the recipient, by written notice, may terminate this contract, in whole or in part, when it is in the recipient's interest. If the contract is terminated, the recipient shall be liable only for payment under the payment provisions of this contract for services rendered before the effective date of termination.

f. Termination for Default (Supplies and Service) If contractor fails to deliver supplies or to perform the services within the time specified in this contract or any extension or if the contractor fails to comply with any other provisions of this contract, the recipient may terminate this contract for default. The recipient shall terminate by delivering to contractor a notice of termination specifying the nature of default. Contractor shall only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner or performance set forth in this contract.

If, after termination for failure to fulfill contract obligations, it is determined that contractor was not in default, the rights and obligations of the parties shall be the same as if termination had been issued for the recipient's convenience.

g. Termination for Default (Transportation Services) If contractor fails to pick up the commodities or to perform the services, including delivery services, within the time specified in this contract or any extension or if contractor fails to comply with any other provisions of this contract, the recipient may terminate this contract for default. The recipient shall terminate by delivering to contractor a notice of termination specifying the nature of default. Contractor shall only be paid the contract price for services performed in accordance with the manner of performance set forth in this contract.

If this contract is terminated while contractor has possession of the recipient goods, contractor shall, as directed by the recipient, protect and preserve the goods until surrendered to the recipient or its agent. Contractor and the recipient shall agree on payment for the preservation and protection of goods. Failure to agree on an amount shall be resolved under the Dispute clause. If, after termination for failure to fulfill contract obligations, it is determined that contractor was not in default, the rights and obligations of the parties shall be the same as if termination had been issued for the recipient's convenience.

h. Termination for Default (Construction) If contractor refuses or fails to prosecute the work or any separable part, with the diligence that will insure its completion within the time specified, or any extension, or fails to complete the

work within this time, or if contractor fails to comply with any other provisions of this contract, the recipient may terminate this contract for default. The recipient shall terminate by delivering to contractor a notice of termination specifying the nature of default. In this event, the recipient may take over the work and complete it by contract or otherwise, and may take possession of and use any materials, appliances, and plant on the work site necessary for completing the work. Contractor and its sureties shall be liable for any damage to the recipient resulting from contractor's refusal or failure to complete the work within specified time, whether or not contractor's right to proceed with the work is terminated. This liability includes any increased costs incurred by the recipient in completing the work.

Contractor's right to proceed shall not be terminated nor shall contractor be charged with damages under this clause if:

1. Delay in completing the work arises from unforeseeable causes beyond the control and without the fault or negligence of contractor. Examples of such causes include: acts of God, acts of the recipient, acts of another contractor in the performance of a contract with the recipient, epidemics, quarantine restrictions, strikes, freight embargoes; and
2. Contractor, within 10 days from the beginning of any delay, notifies the recipient in writing of the causes of delay. If in the recipient's judgment, delay is excusable, the time for completing the work shall be extended. The recipient's judgment shall be final and conclusive on the parties, but subject to appeal under the Disputes clauses.

If, after termination of contractor's right to proceed, it is determined that contractor was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if termination had been issued for the recipient's convenience.

i. Termination for Convenience or Default (Architect & Engineering) the recipient may terminate this contract in whole or in part, for the recipient's convenience or because of contractor's failure to fulfill contract obligations. The recipient shall terminate by delivering to contractor a notice of termination specifying the nature, extent, and effective date of termination. Upon receipt of the notice, contractor shall (1) immediately discontinue all services affected (unless the notice directs otherwise), and (2) deliver to the recipient all data, drawings, specifications, reports, estimates, summaries, and other information and materials accumulated in performing this contract, whether completed or in process. If termination is for the recipient's convenience, it shall make an equitable adjustment in the contract price but shall allow no anticipated profit on unperformed services. If termination is for contractor's failure to fulfill contract obligations, the recipient may complete the work by contract or otherwise and contractor shall be liable for any additional cost incurred by the recipient.

If, after termination for failure to fulfill contract obligations, it is determined that contractor was not in default, the rights and obligations of the parties shall be the same as if termination had been issued for the recipient's convenience.

j. Termination for Convenience or Default (Cost-Type Contracts) the recipient may terminate this contract, or any portion of it, by serving a notice of termination on contractor. The notice shall state whether termination is for convenience of the recipient or for default of contractor. If termination is for default, the notice shall state the manner in which contractor has failed to perform the requirements of the contract. Contractor shall account for any property in its possession paid for from funds received from the recipient, or property supplied to contractor by the recipient. If termination is for default, the recipient may fix the fee, if the contract provides for a fee, to be paid to contractor in proportion to the value, if any, of work performed up to the time of termination. Contractor shall promptly submit its termination claim to the recipient and the parties shall negotiate the termination settlement to be paid to contractor. If termination is for the recipient's convenience, contractor shall be paid its contract close-out costs, and a fee, if the contract provided for payment of a fee, in proportion to the work performed up to the time of termination.

If, after serving a notice of termination for default, the recipient determines that contractor has an excusable reason for not performing, such as strike, fire, flood, events which are not the fault of and are beyond the control

of contractor, the recipient, after setting up a new work schedule, may allow contractor to continue work, or treat the termination as a termination for convenience.

Government Wide Debarment and Suspension (Non Procurement)

The Recipient agrees to the following: (1) It will comply with the requirements of 2 C.F.R. part 180, subpart C, as adopted and supplemented by U.S. DOT regulations at 2 C.F.R. part 1200, which include the following: (a) It will not enter into any arrangement to participate in the development or implementation of the Project with any Third Party Participant that is debarred or suspended except as authorized by: 1 U.S. DOT regulations, "Nonprocurement Suspension and Debarment," 2 C.F.R. part 1200, 2 U.S. OMB, "Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," 2 C.F.R. part 180, including any amendments thereto, and 3 Executive Orders Nos. 12549 and 12689, "Debarment and Suspension," 31 U.S.C. § 6101 note, (b) It will review the U.S. GSA "System for Award Management," <http://https.www.sam.gov.proxy1.semalt.design> if required by U.S. DOT regulations, 2 C.F.R. part 1200, and (c) It will include, and require each of its Third Party Participants to include, a similar provision in each lower tier covered transaction, ensuring that each lower tier Third Party Participant: 1 Will comply with Federal debarment and suspension requirements, and 2 Reviews the "System for Award Management" at <http://https.www.sam.gov.proxy1.semalt.design> if necessary to comply with U.S. DOT regulations, 2 C.F.R. part 1200, and (2) If the Recipient suspends, debars, or takes any similar action against a Third Party Participant or individual, the Recipient will provide immediate written notice to the: (a) FTA Regional Counsel for the Region in which the Recipient is located or implements the Project, (b) FTA Project Manager if the Project is administered by an FTA Headquarters Office, or (c) FTA Chief Counsel,

Contracts Involving Federal Privacy Act Requirements

When a grantee maintains files on drug and alcohol enforcement activities for FTA, and those files are organized so that information could be retrieved by personal identifier, the Privacy Act requirements apply to all contracts except micro-purchases (\$3,500 or less, except for construction contracts over \$2,000)

The following requirements apply to the Contractor and its employees that administer any system of records on behalf of the Federal Government under any contract:

(1) The Contractor agrees to comply with, and assures the compliance of its employees with, the information restrictions and other applicable requirements of the Privacy Act of 1974, 5 U.S.C. § 552a. Among other things, the Contractor agrees to obtain the express consent of the Federal Government before the Contractor or its employees operate a system of records on behalf of the Federal Government. The Contractor understands that the requirements of the Privacy Act, including the civil and criminal penalties for violation of that Act, apply to those individuals involved, and that failure to comply with the terms of the Privacy Act may result in termination of the underlying contract.

(2) The Contractor also agrees to include these requirements in each subcontract to administer any system of records on behalf of the Federal Government financed in whole or in part with Federal assistance provided by FTA.

Civil Rights Requirements

Applicability – All contracts except micro-purchases (\$3,500 or less, except for construction contracts over \$2,000)

The following requirements apply to the underlying contract:

The Recipient understands and agrees that it must comply with applicable Federal civil rights laws and regulations, and follow applicable Federal guidance, except as the Federal Government determines otherwise in writing. Therefore, unless a Recipient or Program, including an Indian Tribe or the Tribal Transit Program, is specifically exempted from a civil rights statute, FTA requires compliance with that civil rights statute, including compliance with equity in service:

a. Nondiscrimination in Federal Public Transportation Programs. The Recipient agrees to, and assures that each Third Party Participant will, comply with Federal transit law, 49 U.S.C. § 5332 (FTA's "Nondiscrimination" statute): (1) FTA's "Nondiscrimination" statute prohibits discrimination on the basis of: (a) Race, (b) Color, (c) Religion, (d) National origin, (e) Sex, (f) Disability, (g) Age, or (h) Gender identity and (2) The FTA "Nondiscrimination" statute's prohibition against discrimination includes: (a) Exclusion from participation, (b) Denial of program benefits, or (c) Discrimination, including discrimination in employment or business opportunity, (3) Except as FTA determines otherwise in writing: (a) General. Follow: 1 The most recent edition of FTA Circular 4702.1, "Title VI Requirements and Guidelines for Federal Transit Administration Recipients," to the extent consistent with applicable Federal laws, regulations, and guidance, and 2 Other applicable Federal guidance that may be issued, but (b) Exception for the Tribal Transit Program. FTA does not require an Indian Tribe to comply with FTA program-specific guidelines for Title VI when administering its projects funded under the Tribal Transit Program,

b. Nondiscrimination – Title VI of the Civil Rights Act. The Recipient agrees to, and assures that each Third Party Participant will: (1) Prohibit discrimination based on: (a) Race, (b) Color, or (c) National origin, (2) Comply with: (a) Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000d et seq., (b) U.S. DOT regulations, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964," 49 C.F.R. part 21, and (c) Federal transit law, specifically 49 U.S.C. § 5332, as stated in the preceding section a, and (3) Except as FTA determines otherwise in writing, follow: (a) The most recent edition of FTA Circular 4702.1, "Title VI and Title VI-Dependent Guidelines for Federal Transit Administration Recipients," to the extent consistent with applicable Federal laws, regulations, and guidance. (b) U.S. DOJ, "Guidelines for the enforcement of Title VI, Civil Rights Act of 1964," 28 C.F.R. § 50.3, and (c) Other applicable Federal guidance that may be issued,

c. Equal Employment Opportunity. (1) Federal Requirements and Guidance. The Recipient agrees to, and assures that each Third Party Participant will, prohibit discrimination on the basis of race, color, religion, sex, or national origin, and: (a) Comply with Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e et seq., (b) Facilitate compliance with Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order No. 11246, Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note, (c) Comply with Federal transit law, specifically 49 U.S.C. § 5332, as stated in section a, and (d) Comply with other applicable EEO laws and regulations, as provided in Federal guidance, including laws and regulations prohibiting discrimination on the basis of disability, except as the Federal Government determines otherwise in writing, (2) General. The Recipient agrees to: (a) Ensure that applicants for employment are employed and employees are treated during employment without discrimination on the basis of their: 1 Race, 2 Color, 3 Religion, 4 Sex, 5 Disability, 6 Age, or 7 National origin, (b) Take affirmative action that includes, but is not limited to: 1 Recruitment advertising, 2 Recruitment, 3 Employment, 4 Rates of pay, 5 Other forms of compensation, 6 Selection for training, including apprenticeship, 7 Upgrading, 8 Transfers, 9 Demotions, 10 Layoffs, and 11 Terminations, but (b) Indian Tribe. Title VII of the Civil Rights Act of 1964, as amended, exempts Indian Tribes under the definition of "Employer".

(3) Equal Employment Opportunity Requirements for Construction Activities. In addition to the foregoing, when undertaking "construction" as recognized by the U.S. Department of Labor (U.S. DOL), the Recipient agrees to comply, and assures the compliance of each Third Party Participant, with: (a) U.S. DOL regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. chapter 60, and (b) Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order No. 11246, Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note,

d. Disadvantaged Business Enterprise. To the extent authorized by applicable Federal law, the Recipient agrees to facilitate, and assures that each Third Party Participant will facilitate, participation by small business concerns owned and controlled by socially and economically disadvantaged individuals, also referred to as "Disadvantaged

Business Enterprises" (DBEs), in the Project as follows: 1) Requirements. The Recipient agrees to comply with: (a) Section 1101(b) of MAP-21, 23 U.S.C. § 101 note, (b) U.S. DOT regulations, "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs," 49 C.F.R. part 26, and (c) Federal transit law, specifically 49 U.S.C. § 5332, as stated in section a, (2) Assurance. As required by 49 C.F.R. § 26.13(a), (b) DBE Program Requirements. Recipients receiving planning, capital and/or operating assistance that will award prime third party contracts exceeding \$250,000 in a Federal fiscal year must: 1 Have a DBE program meeting the requirements of 49 C.F.R. part 26, 2 Implement a DBE program approved by FTA, and 3 Establish an annual DBE participation goal, (c) Special Requirements for a Transit Vehicle Manufacturer. The Recipient understands and agrees that each transit vehicle manufacturer, as a condition of being authorized to bid or propose on FTA-assisted transit vehicle procurements, must certify that it has complied with the requirements of 49 C.F.R. part 26, (d) the Recipient provides assurance that: The Recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE program or the requirements of 49 C.F.R. part 26. The Recipient shall take all necessary and reasonable steps under 49 C.F.R. part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts. The Recipient's DBE program, as required by 49 C.F.R. part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the Recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under 49 C.F.R. part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. § 1001 and/or the Program Fraud Civil Remedies Act of 1986, 31 U.S.C. § 3801 et seq.,

(2) Exception for the Tribal Transit Program. FTA exempts Indian tribes from the Disadvantaged Business Enterprise regulations at 49 C.F.R. part 26 under MAP-21 and previous legislation,

e. Nondiscrimination on the Basis of Sex. The Recipient agrees to comply with Federal prohibitions against discrimination on the basis of sex, including: (1) Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. § 1681 et seq., (2) U.S. DOT regulations, "Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance," 49 C.F.R. part 25, and (3) Federal transit law, specifically 49 U.S.C. § 5332, as stated in section a,

f. Nondiscrimination on the Basis of Age. The Recipient agrees to comply with Federal prohibitions against discrimination on the basis of age, including: (1) The Age Discrimination in Employment Act (ADEA), 29 U.S.C. §§ 621 – 634, which prohibits discrimination on the basis of age, (2) U.S. Equal Employment Opportunity Commission (U.S. EEOC) regulations, "Age Discrimination in Employment Act," 29 C.F.R. part 1625, which implements the ADEA, (3) The Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6101 et seq., which prohibits discrimination against individuals on the basis of age in the administration of programs or activities receiving Federal funds, (4) U.S. Health and Human Services regulations, "Nondiscrimination on the Basis of Age in Programs or Activities Receiving Federal Financial Assistance," 45 C.F.R. part 90, which implements the Age Discrimination Act of 1975, and (5) Federal transit law, specifically 49 U.S.C. § 5332, as stated in section a,

g. Nondiscrimination on the Basis of Disability. The Recipient agrees to comply with the following Federal prohibitions pertaining to discrimination against seniors or individuals with disabilities: (1) Federal laws, including: (a) Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794, which prohibits discrimination on the basis of disability in the administration of federally funded programs or activities, (b) The Americans with Disabilities Act of 1990 (ADA), as amended, 42 U.S.C. § 12101 et seq., which requires that accessible facilities and services be made available to individuals with disabilities, 1 General. Titles I, II, and III of the ADA apply to FTA Recipients, but 2 Indian Tribes. While Titles II and III of the ADA apply to Indian Tribes, Title I of the ADA exempts Indian Tribes from the definition of "employer," (c) The Architectural Barriers Act of 1968, as amended, 42 U.S.C. § 4151 et seq., which requires that buildings and public accommodations be accessible to individuals with disabilities, (d) Federal transit law, specifically 49 U.S.C. § 5332, which now includes disability as a prohibited basis for discrimination, and (e) Other applicable laws and amendments pertaining to access for elderly individuals or individuals with disabilities, (2) Federal regulations, including: (a) U.S. DOT regulations,

"Transportation Services for Individuals with Disabilities (ADA)," 49 C.F.R. part 37, (b) U.S. DOT regulations, "Nondiscrimination on the Basis of Disability in Programs and Activities Receiving or Benefiting from Federal Financial Assistance," 49 C.F.R. part 27, (c) U.S. DOT regulations, "Transportation for Individuals with Disabilities: Passenger Vessels," 49 C.F.R. part 39, (d) Joint U.S. Architectural and Transportation Barriers Compliance Board (U.S. ATBCB) and U.S. DOT regulations, "Americans With Disabilities (ADA) Accessibility Specifications for Transportation Vehicles," 36 C.F.R. part 1192 and 49 C.F.R. part 38, (e) U.S. DOJ regulations, "Nondiscrimination on the Basis of Disability in State and Local Government Services," 28 C.F.R. part 35, (f) U.S. DOJ regulations, "Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities," 28 C.F.R. part 36, (g) U.S. EEOC, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. part 1630, (h) U.S. Federal Communications Commission regulations, "Telecommunications Relay Services and Related Customer Premises Equipment for Persons with Disabilities," 47 C.F.R. part 64, Subpart F, (i) U.S. ATBCB regulations, "Electronic and Information Technology Accessibility Standards," 36 C.F.R. part 1194, and (j) FTA regulations, "Transportation for Elderly and Handicapped Persons," 49 C.F.R. part 609, and (3) Other applicable Federal civil rights and nondiscrimination guidance,

h. Drug or Alcohol Abuse - Confidentiality and Other Civil Rights Protections. The Recipient agrees to comply with the confidentiality and civil rights protections of: (1) The Drug Abuse Office and Treatment Act of 1972, as amended, 21 U.S.C. § 1101 et seq., (2) The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, as amended, 42 U.S.C. § 4541 et seq., and (3) The Public Health Service Act, as amended, 42 U.S.C. §§ 290dd – 290dd-2,

i. Access to Services for People with Limited English Proficiency. Except as the Federal Government determines otherwise in writing, the Recipient agrees to promote accessibility of public transportation services to people whose understanding of English is limited by following: 1) Executive Order No. 13166, "Improving Access to Services for Persons with Limited English Proficiency," August 11, 2000, 42 U.S.C. § 2000d-1 note, and (2) U.S. DOT Notice, "DOT Policy Guidance Concerning Recipients' Responsibilities to Limited English Proficiency (LEP) Persons," 70 Fed. Reg. 74087, December 14, 2005,

j. Other Nondiscrimination Laws. Except as the Federal Government determines otherwise in writing, the Recipient agrees to: (1) Comply with other applicable Federal nondiscrimination laws and regulations, and (2) Follow Federal guidance prohibiting discrimination.

k. Remedies. Remedies for failure to comply with applicable Federal Civil Rights laws and Federal regulations may be enforced as provided in those Federal laws or Federal regulations.

Breaches and Dispute Resolution

All contracts over \$150,000

Disputes arising in the performance of this contract which are not resolved by agreement of the parties shall be decided in writing by the recipient's authorized representative. This decision shall be final and conclusive unless within ten (10) days from the date of receipt of its copy, contractor mails or otherwise furnishes a written appeal to the recipient's CEO. In connection with such appeal, contractor shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of the recipient's CEO shall be binding upon contractor and contractor shall abide by the decision. FTA has a vested interest in the settlement of any violation of Federal law including the the False Claims Act, 31 U.S.C. § 3729.

Performance During Dispute - Unless otherwise directed by the recipient, contractor shall continue performance under this contract while matters in dispute are being resolved.

Claims for Damages - Should either party to the contract suffer injury or damage to person or property because of any act or omission of the party or of any of his employees, agents or others for whose acts he is legally liable, a claim for damages therefore shall be made in writing to such other party within ten days after the first observance of such injury or damage.

Remedies - Unless this contract provides otherwise, all claims, counterclaims, disputes and other matters in question between the recipient and contractor arising out of or relating to this agreement or its breach will be decided by arbitration if the parties mutually agree, or in a court of competent jurisdiction within the residing State.

Rights and Remedies - Duties and obligations imposed by the contract documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act by the recipient or contractor shall constitute a waiver of any right or duty afforded any of them under the contract, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

Transit Employee Protective Provisions

Contracts for transit operations except micro-purchases (\$3,500 or less, except for construction contracts over \$2,000)

Public Transportation Employee Protective Arrangements. The Recipient agrees that 49 U.S.C. § 5333(b) requires employee protective arrangements to be in place as a condition of award of FTA assistance made available or appropriated for FTA programs involving public transportation operations. U.S. DOL recognizes the following categories of arrangements:

(1) U.S. DOL Certification. When its Project involves public transportation operations and is financed with funding made available or appropriated for 49 U.S.C. §§ 5307, 5309, 5312, 5337, or 5339, as amended by Map-21, or former 49 U.S.C. §§ 5308, 5309, 5312, or other provisions of law as required by the Federal Government, U.S. DOL must provide a Certification of employee protective arrangements before FTA may provide financial assistance for the Project. Therefore, the Recipient understands and agrees, and assures that any Third Party Participant providing public transportation operations will agree, that: (a) It must carry out the Project as provided in its U.S. DOL Certification, which contains the terms and conditions that U.S. DOL has determined to be fair and equitable to protect the interests of any employees affected by the Project, (b) It must comply with 49 U.S.C. § 5333(b), and any future amendments thereto, (c)

It will follow the U.S. DOL guidelines, "Guidelines, Section 5333(b), Federal Transit Law," 29 C.F.R. part 215, except as U.S. DOL determines otherwise in writing, (d) It must comply with the terms and conditions of the U.S. DOL certification of public transportation employee protective arrangements for the Project, which certification is dated as identified on the Underlying Agreement, including: 1 Alternative comparable arrangements U.S. DOL has specified for the Project, 2 Any revisions U.S. DOL has specified for the Project, or 3 Both, and

(e) It must comply with the following documents and provisions incorporated by reference in and made part of the Underlying Agreement for the Project: 1 The U.S. DOL certification of public transportation employee protective arrangements for the Project, which certification is dated as identified on the Underlying Agreement, 2 The documents cited in that U.S. DOL certification for the Project, 3 Any alternative comparable arrangements that U.S. DOL has specified for the Project, and 4 Any revisions that U.S. DOL has specified for the Project, (2)

Special Warranty. When its Project involves public transportation operations, and is financed with funding made available or appropriated for 49 U.S.C. § 5311, as amended by Map-21, for former 49 U.S.C. § 5311 in effect in FY 2012, or a previous fiscal year, or for section 3038 of TEA-21, as amended by section 3039 of SAFETEA-LU, U.S. DOL will provide a Special Warranty for those projects, including projects under the Tribal Transit Program. Therefore, the Recipient understands and agrees, and assures that any Third Party Participant providing public transportation operations will agree, that: (a) It must comply with Federal transit laws, specifically 49 U.S.C. § 5333(b),

(b) Follow the U.S. DOL guidelines, "Guidelines, Section 5333(b), Federal Transit Law," 29 C.F.R. part 215, except as U.S. DOL determines otherwise in writing, (c) It will comply with the U.S. DOL Special Warranty for its Project that is most current on the date when it executed the Underlying Agreement, and documents cited therein, including: 1 Any alternative comparable arrangements U.S. DOL has specified for the Project, 2 Any revisions U.S. DOL has specified for the Project, or 3 Both, and (d) It will comply with the following documents and provisions incorporated by reference in and made part of the Underlying Agreement: 1 The U.S. DOL Special

Warranty for its Project, 2 Documents cited in that Special Warranty, 3 Alternative comparable arrangements U.S. DOL specifies for the Project, and 4 Any revisions that U.S. DOL has specified for the Project, and (3) Special Arrangements for 49 U.S.C. § 5310 Projects. The Recipient understands and agrees, and assures that any Third Party Participant providing public transportation operations will agree, that although pursuant to 49 U.S.C. § 5310, and former 49 U.S.C. §§ 5310 or 5317, FTA has determined that it was not "necessary or appropriate" to apply the conditions of 49 U.S.C. § 5333(b) to Subrecipients participating in the program to provide public transportation for seniors (elderly individuals) and individuals with disabilities, FTA reserves the right to make the following exceptions: (a) FTA will make case-by-case determinations of the applicability of 49 U.S.C. § 5333(b) for all transfers of funding authorized under title 23, United States Code (flex funds), and (b) FTA reserves the right to make other exceptions as it deems appropriate.

Disadvantaged Business Enterprise

Contracts over \$3,500 awarded on the basis of a bid or proposal offering to use DBEs

- a. This contract is subject to the requirements of Title 49, Code of Federal Regulations, Part 26, Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs. The national goal for participation of Disadvantaged Business Enterprises (DBE) is 10%. The recipient's overall goal for DBE participation is listed elsewhere. If a separate contract goal for DBE participation has been established for this procurement, it is listed elsewhere.
- b. The contractor shall not discriminate on the basis of race, color, religion, national origin or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of this contract. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the municipal corporation deems appropriate. Each subcontract the contractor signs with a subcontractor must include the assurance in this paragraph (see 49 CFR 26.13(b)).
- c. If a separate contract goal has been established, Bidders/offerors are required to document sufficient DBE participation to meet these goals or, alternatively, document adequate good faith efforts to do so, as provided for in 49 CFR 26.53.
- d. If no separate contract goal has been established, the successful bidder/offeror will be required to report its DBE participation obtained through race-neutral means throughout the period of performance.
- e. The contractor is required to pay its subcontractors performing work related to this contract for satisfactory performance of that work no later than 30 days after the contractor's receipt of payment for that work from the recipient. In addition, the contractor may not hold retainage from its subcontractors or must return any retainage payments to those subcontractors within 30 days after the subcontractor's work related to this contract is satisfactorily completed or must return any retainage payments to those subcontractors within 30 days after incremental acceptance of the subcontractor's work by the recipient and contractor's receipt of the partial retainage payment related to the subcontractor's work.
- f. The contractor must promptly notify the recipient whenever a DBE subcontractor performing work related to this contract is terminated or fails to complete its work, and must make good faith efforts to engage another DBE subcontractor to perform at least the same amount of work. The contractor may not terminate any DBE subcontractor and perform that work through its own forces or those of an affiliate without prior written consent of the recipient.

Prompt payment

Applicability – All contracts except micro-purchases (\$3,500 or less, except for construction contracts over \$2,000)

The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than 30 days from the receipt of each payment the prime contract receives from the Recipient. The prime contractor agrees further to return retainage payments to each subcontractor within 30 days after the subcontractors work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the Recipient. This clause applies to both DBE and non-DBE subcontracts.

Incorporation of Federal Transit Administration (FTA) Terms

All contracts except micro-purchases (\$3,500 or less, except for construction contracts over \$2,000)

The preceding provisions include, in part, certain Standard Terms & Conditions required by USDOT, whether or not expressly stated in the preceding contract provisions. All USDOT-required contractual provisions, as stated in FTA Circular 4220.1F, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. The contractor shall not perform any act, fail to perform any act, or refuse to comply with any request that would cause the recipient to be in violation of FTA terms and conditions.

Drug and Alcohol Abuse and Testing

Operational service contracts except micro-purchases (\$3,500 or less, except for construction contracts over \$2,000)

The Contractor agrees to comply with the following Federal substance abuse regulations: a. Drug-Free Workplace. U.S. DOT regulations, "Drug-Free Workplace Requirements (Grants)," 49 C.F.R. Part 32, that implements the Drug-Free Workplace Act of 1988 as amended, 41 U.S.C. §§ 8103 et seq., and 2 CFR part 182, b. Alcohol Misuse and Prohibited Drug Use. FTA Regulations, "Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations," 49 USC 5331, as amended by Map-21, 49 CFR part 40, 49 USC chapter 53, 49 CFR Part 655, to the extent applicable.

Other Federal Requirements

The following requirements are not federal clauses.

Full and Open Competition

In accordance with 49 U.S.C. § 5325(a) all procurement transactions shall be conducted in a manner that provides full and open competition.

Prohibition Against Exclusionary or Discriminatory Specifications

Apart from inconsistent requirements imposed by Federal statute or regulations, the contractor shall comply with the requirements of 49 USC 5323(h)(2) by refraining from using any FTA assistance to support procurements using exclusionary or discriminatory specifications.

Conformance with ITS National Architecture

Contractor shall conform, to the extent applicable, to the National Intelligent Transportation Standards architecture as required by SAFETEA-LU Section 5307(c), 23 U.S.C. Section 512 and as amended by MAP-21 23 U.S.C. § 517(d), note and follow the provisions of FTA Notice, "FTA National Architecture Policy on Transit Projects," 66 Fed. Reg. 1455 et seq., January 8, 2001, and any other implementing directives FTA may issue at a later date, except to the extent FTA determines otherwise in writing.

Access Requirements for Persons with Disabilities

Contractor shall comply with 49 USC 5301(d), stating Federal policy that the elderly and persons with disabilities have the same rights as other persons to use mass transportation services and facilities and that special efforts shall be made in planning and designing those services and facilities to implement that policy. Contractor shall

also comply with all applicable requirements of Sec. 504 of the Rehabilitation Act (1973), as amended, 29 USC 794, which prohibits discrimination on the basis of handicaps, and the Americans with Disabilities Act of 1990 (ADA), as amended, 42 USC 12101 et seq., which requires that accessible facilities and services be made available to persons with disabilities, including any subsequent amendments thereto.

Notification of Federal Participation

To the extent required by law, in the announcement of any third party contract award for goods and services (including construction services) having an aggregate value of \$500,000 or more, contractor shall specify the amount of Federal assistance to be used in financing that acquisition of goods and services and to express that amount of Federal assistance as a percentage of the total cost of the third party contract.

Interest of Members or Delegates to Congress

No members of, or delegates to, the US Congress shall be admitted to any share or part of this contract nor to any benefit arising therefrom.

Ineligible Contractors and Subcontractors

Any name appearing upon the Comptroller General's list of ineligible contractors for federally-assisted contracts shall be ineligible to act as a subcontractor for contractor pursuant to this contract. If contractor is on the Comptroller General's list of ineligible contractors for federally financed or assisted construction, the recipient shall cancel, terminate or suspend this contract.

Other Contract Requirements

To the extent not inconsistent with the foregoing Federal requirements, this contract shall also include those provisions attached hereto, and shall comply with the recipient's Procurement Guidelines, available upon request from the recipient.

Compliance with Federal Regulations

Any contract entered pursuant to this solicitation shall contain the following provisions: All USDOT-required contractual provisions, as set forth in FTA Circular 4220.1F, are incorporated by reference. Anything to the contrary herein notwithstanding, FTA mandated terms shall control in the event of a conflict with other provisions contained in this Agreement. Contractor shall not perform any act, fail to perform any act, or refuse to comply with any grantee request that would cause the recipient to be in violation of FTA terms and conditions. Contractor shall comply with all applicable FTA regulations, policies, procedures and directives, including, without limitation, those listed directly or incorporated by reference in the Master Agreement between the recipient and FTA, as may be amended or promulgated from time to time during the term of this contract. Contractor's failure to so comply shall constitute a material breach of this contract.

Real Property

Any contract entered into shall contain the following provisions: Contractor shall at all times comply with all applicable statutes and USDOT regulations, policies, procedures and directives governing the acquisition, use and disposal of real property, including, but not limited to, 49 CFR 18.31-18.34, 49 CFR 19.30-19.37, 49 CFR Part 24, 49 CFR 5326 as amended by FAST Act, 49 CFR part 18 or 19, 49 USC 5334, applicable FTA Circular 5010, and FTA Master Agreement, as they may be amended or promulgated during the term of this contract. Contractor's failure to so comply shall constitute a material breach of this contract.

Access to Services for Persons with Limited English Proficiency

To the extent applicable and except to the extent that FTA determines otherwise in writing, the Recipient agrees to comply with the policies of Executive Order No. 13166, "Improving Access to Services for Persons with Limited English Proficiency," 42 U.S.C. § 2000d 1 note, and with the provisions of U.S. DOT Notice, "DOT Guidance to Recipients on Special Language Services to Limited English Proficient (LEP) Beneficiaries," 70 Fed. Reg. 74087, December 14, 2005.

Environmental Justice

Except as the Federal Government determines otherwise in writing, the Recipient agrees to promote environmental justice by following: (1)

Executive Order No. 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations," February 11, 1994, 42 U.S.C. § 4321 note, as well as facilitating compliance with that Executive Order, and (2) DOT Order 5610.2, "Department of Transportation Actions To Address Environmental Justice in Minority Populations and Low-Income Populations," 62 Fed. Reg. 18377, April 15, 1997, and (3) The most recent and applicable edition of FTA Circular 4703.1, "Environmental Justice Policy Guidance for Federal Transit Administration Recipients," August 15, 2012, to the extent consistent with applicable Federal laws, regulations, and guidance,

Environmental Protections

Compliance is required with any applicable Federal laws imposing environmental and resource conservation requirements for the project. Some, but not all, of the major Federal laws that may affect the project include: the National Environmental Policy Act of 1969; the Clean Air Act; the Resource Conservation and Recovery Act; the comprehensive Environmental response, Compensation and Liability Act; as well as environmental provisions with Title 23 U.S.C., and 49 U.C. chapter 53. The U.S. EPA, FHWA and other federal agencies may issue other federal regulations and directives that may affect the project. Compliance is required with any applicable Federal laws and regulations in effect now or that become effective in the future.

Geographic Information and Related Spatial Data

Any project activities involving spatial data or geographic information systems activities financed with Federal assistance are required to be consistent with the National Spatial Data Infrastructure promulgated by the Federal Geographic Data Committee, except to the extent that FTA determines otherwise in writing.

Geographic Preference

All project activities must be advertised without geographic preference, (except in A/E under certain circumstances, preference for hiring veterans on transit construction projects and geographic-based hiring preferences as proposes to be amended in 2 CFR Part 1201).

Organizational Conflicts of Interest

The Recipient agrees that it will not enter into a procurement that involves a real or apparent organizational conflict of interest described as follows: (1) **When It Occurs.** An organizational conflict of interest occurs when the Project work, without appropriate restrictions on certain future activities, results in an unfair competitive advantage: (a) To that Third Party Participant or another Third Party Participant performing the Project work, and (b) That impairs that Third Party Participant's objectivity in performing the Project work, or (2) **Other.** An organizational conflict of interest may involve other situations resulting in fundamentally unfair competitive conditions, (3) **Disclosure Requirements.** Consistent with FTA policies, the Recipient must disclose to FTA, and each of its Subrecipients must disclose to the Recipient: (a) Any instances of organizational conflict of interest, or (b) Violations of federal criminal law, involving fraud, bribery, or gratuity violations potentially affecting the federal award, and (4) **Failure to Disclose.** Failure to make required disclosures can result in remedies for noncompliance, including debarment or suspension.

Federal Single Audit Requirements for State Administered Federally Aid Funded Projects Only

Non Federal entities that expend \$750,000 or more in a year in Federal awards from all sources are required to comply with the Federal Single Audit Act provisions contained in U.S. Office of Management and Budget (OMB) Circular No. A 133, "Audits of States, Local Governments, and Non Profit Organizations" (replaced with 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" effective December 26, 2014 as applicable). Non Federal entities that expend Federal awards from a single source may provide a program specific audit, as defined in the Circular. Non Federal entities that expend less

than the amount above in a year in Federal awards from all sources are exempt from Federal audit requirements for that year, except as noted in Sec. 215 (a) of OMB Circular A-133 Subpart B--Audits, records must be available for review or audit by appropriate officials of the cognizant Federal agency the New York State Department of Transportation, the New York State Comptrollers Office and the U.S. Governmental Accountability Office (GAO). Non Federal entities are required to submit a copy of all audits, as described above, within 30 days of issuance of audit report, but no later than 9 months after the end of the entity's fiscal year, to the New York State Department of Transportation, Contract Audit Bureau, 50 Wolf Road, Albany, NY 12232. Unless a time extension has been granted by the cognizant Federal Agency and has been filed with the New York State Department of Transportation's Contract Audit Bureau, failure to comply with the requirements of OMB Circular A-133 may result in suspension or termination of Federal award payments.

Veterans Preference

Veterans Preference. As provided by 49 U.S.C. § 5325(k), to the extent practicable, the Recipient agrees and assures that each of its Subrecipients:

- (1) Will give a hiring preference to veterans, as defined in 5 U.S.C. § 2108, who have the skills and abilities required to perform construction work required under a third party contract in connection with a Capital Project supported with federal assistance appropriated or made available for 49 U.S.C. chapter 53, and
- (2) Will not require an employer to give a preference to any veteran over any equally qualified applicant who is a member of any racial or ethnic minority, female, an individual with a disability, or a former employee.

Safe Operation of Motor Vehicles

The Contractor is encouraged to adopt and promote on-the-job seat belt use policies and programs for its employees and other personnel that operate company-owned vehicles, company rented vehicles, or personally operated vehicles. The terms "company-owned" and "company-leased" refer to vehicles owned or leased either by the Contractor or AGENCY.

The Contractor agrees to adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers, including policies to ban text messaging while using an electronic device supplied by an employer, and driving a vehicle the driver owns or rents, a vehicle Contractor owns, leases, or rents, or a privately-owned vehicle when on official business in connection with the work performed under this agreement.

Catalog of Federal Domestic Assistance (CFDA) Identification Number

The municipal project sponsor is required to identify in its accounts all Federal awards received and expended, and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass through entity.

CFDA number for the Federal Transportation Administration

Nonurbanized Area Formula (Section 5311) is 20.509. A Recipient covered by the Single Audit Act Amendments of 1996 and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," (replaced with 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" effective December 26, 2014 as applicable) agrees to separately identify the expenditures for Federal awards under the Recovery Act on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by OMB Circular A-133. The Recipient agrees to accomplish this by identifying expenditures for Federal awards made under Recovery Act separately on the SEFA, and as separate rows under Item 9 of Part III on the SF-SAC by CFDA number, and inclusion of the prefix "ARRA" in identifying the name of the Federal program on the SEFA and as the first characters in Item 9d of Part III on the SF-SAC.

Disadvantaged Business Enterprise

Contracts over \$3,500 awarded on the basis of a bid or proposal offering to use DBEs

Section a.

Separate contract goal for Disadvantaged Business Enterprise (DBE) participation

The State of New Hampshire, Department of Transportation has established a goal of 1.65% for DBE participation for this contract in lieu of the 10% national goal outlined in Section a. of the Disadvantaged Business Enterprise Federal Clause.

By signing below the Contractor agrees to comply with the applicable Federal Clauses.

Date: 4/3/17

Company Name: SOUTHWESTERN COMMUNITY SERVICES INC

Authorized Name: JOHN A MANNING

Signature: JAManning

Title: CEO

JM
4/3/17

Federal Certifications

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CERTIFICATION AND RESTRICTIONS ON LOBBYING

I, JOHN A MANNING, hereby certify
(Name and title of official)

On behalf of SOUTH WESTERN COMMUNITY SERVICES INC that:
(Name of Bidder/Company Name)

- No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- If any funds other than federal appropriated funds have been paid or will be paid to any person influencing or attempting to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with the federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form – LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-contracts, sub-grants and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The undersigned certifies or affirms the truthfulness and accuracy of the contents of the statements submitted on or with this certification and understands that the provisions of 31 U.S.C. Section 3801, et seq., are applicable thereto.

Name of Bidder/Company Name SOUTH WESTERN COMMUNITY SERVICES INC

Type or print name JOHN A MANNING

Signature of authorized representative [Signature] Date 4/13/17

Signature of notary and SEAL [Signature]



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GOVERNMENT-WIDE DEBARMENT AND SUSPENSION (NONPROCUREMENT)

Instructions for Certification: By signing and submitting this bid or proposal, the prospective lower tier participant is providing the signed certification set out below.

- (1) It will comply and facilitate compliance with U.S. DOT regulations, "Nonprocurement Suspension and Debarment," 2 CFR part 1200, which adopts and supplements the U.S. Office of Management and Budget (U.S. OMB) "Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," 2 CFR part 180,
- (2) To the best of its knowledge and belief, that its Principals and Subrecipients at the first tier:
 - a. Are eligible to participate in covered transactions of any Federal department or agency and are not presently:
 - (1) Debarred,
 - (2) Suspended,
 - (3) Proposed for debarment,
 - (4) Declared ineligible,
 - (5) Voluntarily excluded, or
 - (6) Disqualified,
 - b. Its management has not within a three-year period preceding its latest application or proposal been convicted of or had a civil judgment rendered against any of them for:
 - (1) Commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction, or contract under a public transaction,
 - (2) Violation of any Federal or State antitrust statute, or
 - (3) Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making any false statement, or receiving stolen property,
 - c. It is not presently indicted for, or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses listed in the preceding subsection 2.b of this Certification,
 - d. It has not had one or more public transactions (Federal, State, or local) terminated for cause or default within a three-year period preceding this Certification,
 - e. If, at a later time, it receives any information that contradicts the statements of subsections 2.a - 2.d above, it will promptly provide that information to FTA,

gm
4/13/17

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GOVERNMENT-WIDE DEBARMENT AND SUSPENSION (NONPROCUREMENT)

f. It will treat each lower tier contract or lower tier subcontract under its Project as a covered lower tier contract for purposes of 2 CFR part 1200 and 2 CFR part 180 if it:

- (1) Equals or exceeds \$25,000,
- (2) Is for audit services, or
- (3) Requires the consent of a Federal official, and

g. It will require that each covered lower tier contractor and subcontractor:

- (1) Comply and facilitate compliance with the Federal requirements of 2 CFR parts 180 and 1200, and
- (2) Assure that each lower tier participant in its Project is not presently declared by any Federal department or agency to be:

- a. Debarred from participation in its federally funded Project,
- b. Suspended from participation in its federally funded Project,
- c. Proposed for debarment from participation in its federally funded Project,
- d. Declared ineligible to participate in its federally funded Project,
- e. Voluntarily excluded from participation in its federally funded Project, or
- f. Disqualified from participation in its federally funded Project, and

3. It will provide a written explanation as indicated on a page attached in FTA's TEAM-Web or the Signature Page if it or any of its principals, including any of its first tier Subrecipients or its Third Party Participants at a lower tier, is unable to certify compliance with the preceding statements in this Certification Group.

Certification

Contractor SOUTHWESTERN COMMUNITY SERVICES INC

Signature of Authorized Official John A Manning Date 4/3/17

Name and Title of Contractor's Authorized Official John A Manning

JM
4/3/17

**Contract agreement between the NH Department of Transportation
and Southwest Community Services, Inc.**

The subrecipient, Southwest Community Services, Inc., shall comply with all applicable federal laws, regulations and requirements as outlined in the most recent Federal Transit Administration (FTA) Master Agreement and Federal Certifications and Assurances.

This subaward includes information required by 2 CFR Part 200 as follows:

Subrecipient Name: **Southwest Community Services, Inc.**

Subrecipient DUNS number: **081251381**

Federal Award Identification Number (FAIN): **5311 is 1385-2017-4, 5310 Formula is 1385-2017-5,**

Federal Award Date: **2017**

Period of Performance for FFY 2017 award. **Start is 7/1/2017 and End Date is 6/30/18**

Federal Funds obligated by this action: **For SFY 2018 - 5311 is \$216,196, 5310 Formula is \$26,086**

Total amount of Federal Funds obligated to subrecipient: **SFY 2018 - 5311 is \$216,196 and 5310 Formula is \$26,086**

Total amount of Federal award: **5311 is \$216,196 and 5310 Formula is \$26,086**

Federal Award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA): **Section 5311 project administration, capital preventative maintenance, Operating. Section 5310 Formula mobility management**

Name of Federal Awarding Agency: **Federal Transit Administration**

Grantee: **New Hampshire Department of Transportation**

Contact Information for awarding Official: **Patrick C. Herlihy, Director of Aeronautics, Rail & Transit, Patrick.herlihy@dot.nh.gov, 603-271-2449**

Catalog of Federal Domestic Assistance (CFDA) number, name & dollar amount: **FFY 2017 grant award. CFDA 20.509, Non-Urban area formula grant, \$216,196. CFDA 20.513 Enhanced Mobility of Seniors and Individuals with Disabilities, \$26,086.**

Is this award research and development? **No**

Indirect cost rate for the Federal award: **N/A**

Financial Statements

**SOUTHWESTERN COMMUNITY SERVICES, INC.
AND RELATED COMPANIES**

**FOR THE YEARS ENDED
MAY 31, 2016 AND 2015
AND
INDEPENDENT AUDITORS' REPORT**

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2016**

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditors' Report	1 - 2
Financial Statements:	
Consolidated Statements of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statements of Cash Flows	5 - 8
Consolidated Statement of Functional Expenses	7
Consolidated Notes to Financial Statements	8 - 21
Supplementary Information:	
Consolidated Schedule of Functional Revenues and Expenses	22
Schedule of Expenditures of Federal Awards	23
Notes to Schedule of Expenditures of Federal Awards	24
Independent Auditors' Reports on Internal Control and Compliance	25 - 28
Schedule of Findings and Questioned Costs	29 - 30
Summary Schedule of Prior Audit Findings	31

To the Board of Directors of
Southwestern Community Services, Inc.
Keene, New Hampshire

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Southwestern Community Services, Inc. (a New Hampshire nonprofit corporation) and related companies, which comprise the consolidated statements of financial position as of May 31, 2016 and 2015, and the related consolidated statements of cash flows, and notes to the financial statements for the years then ended, and the related statements of activities and functional expenses for the year ended May 31, 2016.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Southwestern Community Services, Inc. and related companies as of May 31, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Southwestern Community Services, Inc. and related companies' 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 23, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedule of Functional Revenues and Expenses are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2016, on our consideration of Southwestern Community Services, Inc.'s internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southwestern Community Services, Inc.'s internal control over financial reporting and compliance.

Leone McDonnell & Roberts
Professional Association

December 9, 2016
Wolfboro, New Hampshire

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MAY 31, 2016 AND 2015**

ASSETS

	<u>2016</u>	<u>2015</u> (restated)
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,188,826	\$ 197,247
Accounts receivable	1,102,367	911,829
Prepaid expenses	23,413	45,899
Notes receivable	112,000	112,000
Interest receivable	<u>36,587</u>	<u>32,107</u>
Total current assets	<u>2,463,193</u>	<u>1,299,082</u>
PROPERTY		
Land and buildings	14,237,257	19,155,380
Vehicles and equipment	813,172	802,622
Furniture and fixtures	<u>40,986</u>	<u>144,840</u>
Total property	15,091,415	20,102,842
Less accumulated depreciation	<u>5,446,011</u>	<u>8,819,308</u>
Property, net	<u>9,645,404</u>	<u>11,283,534</u>
OTHER ASSETS		
Inventory	-	209,342
Investment in related parties	20,700	20,700
Due from related parties	281,825	352,217
Cash escrow and reserve funds	341,367	278,772
Security deposits	35,961	62,930
Other assets	<u>384</u>	<u>15,968</u>
Total other assets	<u>680,237</u>	<u>939,929</u>
Total assets	<u>\$ 12,788,834</u>	<u>\$ 13,522,545</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 155,247	\$ 720,997
Accrued expenses	146,363	117,347
Accrued payroll and payroll taxes	218,182	309,572
Other current liabilities	181,696	132,696
Refundable advances	201,064	239,234
Bank line of credit	-	249,953
Current portion of long term debt	<u>381,611</u>	<u>331,865</u>
Total current liabilities	1,284,163	2,101,664
NONCURRENT LIABILITIES		
Long term debt, less current portion shown above	<u>7,991,096</u>	<u>9,069,941</u>
Total liabilities	<u>9,275,259</u>	<u>11,171,605</u>
NET ASSETS		
Unrestricted	3,302,355	2,341,095
Temporarily restricted	<u>211,220</u>	<u>9,845</u>
Total net assets	<u>3,513,575</u>	<u>2,350,940</u>
Total liabilities and net assets	<u>\$ 12,788,834</u>	<u>\$ 13,522,545</u>

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2016
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Total</u>	<u>2015 Total (restated)</u>
REVENUES AND OTHER SUPPORT				
Government contracts	\$ 9,060,110	\$ -	\$ 9,060,110	9,154,522
Program service fees	2,030,772	-	2,030,772	1,991,293
Rental income	1,007,200	-	1,007,200	533,766
Developer income	254,004	-	254,004	347,615
Support	306,582	211,220	517,802	381,297
Fundraising	67,765	-	67,765	92,884
Interest income	4,710	-	4,710	4,549
Forgiveness of debt	61,209	-	61,209	585,457
Miscellaneous	264,795	-	264,795	122,439
In-kind contributions	215,867	-	215,867	161,575
Total revenues and other support	<u>13,273,014</u>	<u>211,220</u>	<u>13,484,234</u>	<u>13,375,397</u>
NET ASSETS RELEASED FROM RESTRICTIONS				
	<u>9,845</u>	<u>(9,845)</u>	<u>-</u>	<u>-</u>
Total revenues, other support, and net assets released from restrictions	<u>13,282,859</u>	<u>201,375</u>	<u>13,484,234</u>	<u>13,375,397</u>
EXPENSES				
Program services				
Home energy programs	3,624,241	-	3,624,241	4,014,931
Education and nutrition	2,271,455	-	2,271,455	2,213,462
Homeless programs	2,122,818	-	2,122,818	2,211,640
Housing services	2,521,333	-	2,521,333	1,895,451
Economic development services	317,822	-	317,822	437,548
Other programs	745,736	-	745,736	818,906
Total program services	<u>11,603,405</u>	<u>-</u>	<u>11,603,405</u>	<u>11,591,938</u>
Supporting activities				
Management and general	1,887,761	-	1,887,761	1,826,284
Total expenses	<u>13,491,166</u>	<u>-</u>	<u>13,491,166</u>	<u>13,418,222</u>
CHANGES IN NET ASSETS BEFORE GAIN (LOSS) ON SALE OF PROPERTY	(208,307)	201,375	(6,932)	(42,825)
GAIN (LOSS) ON SALE OF PROPERTY	<u>759,643</u>	<u>-</u>	<u>759,643</u>	<u>(11,116)</u>
CHANGE IN NET ASSETS	<u>551,336</u>	<u>201,375</u>	<u>752,711</u>	<u>(53,941)</u>
NET ASSETS, BEGINNING OF YEAR	2,341,095	9,845	2,350,940	4,194,192
PRIOR PERIOD ADJUSTMENT	-	-	-	195,077
NET ASSETS TRANSFERRED FROM LIMITED PARTNERSHIPS	<u>409,924</u>	<u>-</u>	<u>409,924</u>	<u>(1,984,388)</u>
NET ASSETS, BEGINNING OF YEAR	<u>2,751,019</u>	<u>9,845</u>	<u>2,760,864</u>	<u>2,404,881</u>
NET ASSETS, END OF YEAR	<u>\$ 3,302,355</u>	<u>\$ 211,220</u>	<u>\$ 3,513,575</u>	<u>\$ 2,350,940</u>

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MAY 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u> (restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 752,711	\$ (53,941)
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation and amortization	597,297	505,694
(Gain) loss on sales of property	(884,882)	-
Loss on sale of property developments sold	125,239	11,116
Forgiveness of debt	(61,209)	(585,457)
(Increase) decrease in assets:		
Accounts receivable	(190,538)	71,516
Prepaid expenses	31,980	(53,739)
Interest receivable	(4,480)	(4,480)
Due from related parties	(164,685)	944,184
Security deposits	59,036	(5,398)
Other assets	15,584	
Increase (decrease) in liabilities:		
Accounts payable	(603,671)	(334,243)
Accrued expenses	(820)	(639,853)
Accrued payroll and payroll taxes	(91,390)	196,026
Other current liabilities	49,000	2,563
Refundable advances	(38,170)	107,120
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(408,998)</u>	<u>161,108</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in escrow funds	237,589	29,115
Proceeds from property developments sold	266,500	261,478
Improvements to property developments	(182,397)	(158,756)
Proceeds from sales of property	4,019,878	-
Purchase of property	<u>(115,173)</u>	<u>(75,198)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>4,226,397</u>	<u>56,639</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayments on bank line of credit	(249,953)	(89,000)
Proceeds from long term debt	34,182	67,917
Repayment of long term debt	<u>(2,636,139)</u>	<u>(102,869)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(2,851,910)</u>	<u>(123,952)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	965,489	93,795
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	197,247	96,654
CASH TRANSFERRED FROM LIMITED PARTNERSHIPS	<u>26,090</u>	<u>6,798</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,188,826</u>	<u>\$ 197,247</u>

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED MAY 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u> (restated)
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	\$ <u>253,726</u>	\$ <u>186,420</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Transfer of assets from newly consolidated LPs:		
Accounts receivable	\$ -	\$ 7,149
Due from related parties	40,000	-
Prepaid expenses	9,494	8,324
Land and buildings	3,097,594	6,623,002
Furniture and fixtures	28,666	111,730
Accumulated depreciation	(1,147,270)	(3,857,476)
Other assets	-	15,377
Cash escrow and reserve funds	300,184	125,050
Security deposits	<u>32,067</u>	<u>45,904</u>
Total transfer of assets from newly consolidated LPs	\$ <u>2,360,735</u>	\$ <u>3,079,060</u>
Transfer of liabilities from newly consolidated LPs:		
Accounts payable	\$ 37,921	\$ 504,354
Due to related parties	-	226,789
Accrued expenses	29,836	645,873
Long term debt	<u>1,909,144</u>	<u>3,693,230</u>
Total transfer of liabilities from newly consolidated LPs	\$ <u>1,976,901</u>	\$ <u>5,070,246</u>
Transfer of net assets from newly consolidated LPs	\$ <u>409,924</u>	\$ <u>(1,984,388)</u>

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED MAY 31, 2016

WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2016 Total	2015 Total (restated)
Payroll	\$ 387,452	\$ 1,020,131	\$ 560,784	\$ 780,508	\$ 205,470	\$ 382,202	\$ 3,316,547	\$ 754,218	\$ 4,070,765	\$ 3,884,753
Payroll taxes	37,424	114,436	55,898	75,987	19,773	43,778	347,296	66,039	413,335	419,912
Employee benefits	125,137	288,025	156,712	217,328	54,272	119,434	970,908	149,659	1,120,567	1,241,803
Retirement	24,223	70,374	36,081	59,160	13,817	17,028	220,863	63,302	283,985	284,701
Advertising	150	26,290	1,698	2,908	1,990	-	33,038	396	33,432	24,335
Bank charges	240	-	104	5,370	-	-	5,714	8,123	13,837	10,143
Bad debt expense	-	-	-	27,680	-	-	27,680	-	27,680	10,143
Commercial subsidy	1,800	-	11,074	-	-	1,868	14,742	-	14,742	13,373
Computer cost	58	3,133	3,189	-	1,310	-	7,690	129,074	136,764	159,188
Contractual	219,626	22,618	144,801	35,717	2,388	80,035	505,183	18,144	521,327	785,393
Depreciation	-	21,870	91,203	321,803	-	11,557	446,433	150,864	597,297	505,694
Dues/registration	-	6,815	625	235	-	7,914	15,589	3,030	18,619	28,125
Duplicating	1,588	9,460	207	135	-	728	12,116	5,407	17,523	14,354
Insurance	6,038	15,578	22,855	98,104	1,198	6,211	149,984	39,640	189,624	141,687
Interest	7,374	8,774	10,663	103,971	2,190	2,190	125,598	128,128	253,726	186,420
Meeting and conference	9,396	899	11,848	8,762	-	28,274	55,152	36,430	91,582	58,293
Miscellaneous expense	-	8,715	2,975	136,707	355	5,702	163,850	31,485	195,315	77,676
Miscellaneous taxes	-	-	-	89,068	-	-	89,068	10,175	99,243	49,920
Equipment purchases	232	1,832	569	4,744	-	-	7,377	5,770	13,147	17,962
Office expense	11,381	16,083	12,258	7,957	3,686	430	53,773	16,483	70,256	62,621
Postage	45	377	100	588	294	-	1,404	23,999	25,403	23,144
Professional fees	-	-	-	48,030	-	-	48,030	92,569	140,599	66,297
Staff development and training	3,300	5,335	17,882	6,227	-	12,592	45,336	20,609	65,945	93,425
Subscriptions	-	-	-	458	234	1,050	1,742	551	2,293	979
Telephone	-	-	-	9,660	4,347	1,133	56,084	5,076	61,180	85,550
Fax	1,621	15,497	23,825	-	-	-	-	-	-	46
Travel	5,778	18,032	20,648	7,572	5,171	764	57,965	3,429	61,394	52,997
Vehicle	1,668	3,362	2,713	28,122	-	5,807	41,472	36,084	77,558	78,974
Rent	-	26,550	-	391,556	-	-	28,550	-	26,550	25,550
Space costs	-	146,298	258,489	52,998	-	510	798,653	91,117	889,970	697,407
Direct client assistance	2,799,710	191,127	675,640	52,998	3,519	18,731	3,741,723	3,741,723	3,741,723	4,187,069
In-kind expenses	-	215,867	-	-	-	-	215,867	-	215,867	161,575
TOTAL FUNCTIONAL EXPENSES BEFORE GENERAL AND MANAGEMENT ALLOCATION	3,624,241	2,271,455	2,122,818	2,521,333	317,822	745,736	11,803,405	1,887,781	13,491,168	13,418,222
Allocation of management and general expenses	593,629	369,544	345,362	410,196	51,707	121,323	1,887,781	(1,887,781)	-	-
TOTAL FUNCTIONAL EXPENSES	\$ 4,213,870	\$ 2,640,999	\$ 2,468,180	\$ 2,931,529	\$ 389,529	\$ 867,059	\$ 13,691,186	\$ -	\$ 13,491,168	\$ 13,418,222

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2016 AND 2015

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Southwestern Community Services, Inc. (the Organization) is a New Hampshire nonprofit corporation formed as an umbrella corporation that offers an array of services to the elderly, disabled, and low-income households in the Cheshire and Sullivan counties of New Hampshire. Various programs provide assistance in the areas of education, child development, employment, energy and its conservation, housing, and homelessness prevention. Services are provided through Southwestern Community Services, Inc., and its related corporations, SCS Management Corp., SCS Housing, Inc., Drewsville Carriage House Associates, LP (Drewsville), North Walpole Village Housing Associates, LP (North Walpole), Troy Common Associates, LP (Troy), Peterborough/Finlay, LLC (Peterborough), Hinsdale Main Street Associates LP (Hinsdale), Jaffrey Housing Associates LP (Jaffrey), Troy Senior Housing Associates, LP (Troy Senior), and Keene Eastside Senior Housing Associates, LP (Keene Eastside). The Organization is committed to providing respectful support service and assisting individuals and families in achieving self-sufficiency by helping them overcome the causes of poverty. The primary source of revenues is derived from governmental contracts.

Basis of Accounting

The consolidated financial statements of Southwestern Community Services, Inc. and related companies have been prepared utilizing the accrual basis of accounting in accordance with generally accepted accounting principles. The consolidated financial statements include the accounts of Southwestern Community Services, Inc., SCS Management Corp., and SCS Housing, Inc. The three corporations are combined because Southwestern Community Services, Inc. controls more than 50% of the voting power. All significant intercompany items and transactions have been eliminated from the basic consolidated financial statements.

For the years ended May 31, 2016 and 2015, Drewsville, North Walpole, Troy, Peterborough, Hinsdale, Jaffrey, Troy Senior, and Keene Eastside have been consolidated with the Organization because the Organization owns 100% of the voting power. Troy Senior and Keene Eastside were acquired by the Organization during the year ended May 31, 2016, and Peterborough, Hinsdale, and Jaffrey were acquired during the year ended May 31, 2015. During the year ended May 31, 2016, the Organization sold North Walpole, Troy, Peterborough, and Hinsdale. All significant intercompany items and transactions have been eliminated from the basic consolidated financial statements.

Basis of Presentation

Financial statement presentation follows the recommendations of the Accounting Standard Codification No. 958-210, Financial Statements of Not-for-Profit Organizations. Under FASB ASC 958-210, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets based upon the existence or absence of donor-imposed restrictions.

Unrestricted: Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted: Net assets whose use is limited by donor imposed stipulations that will either expire with the passage of time or be fulfilled or removed by actions of the Organization.

Permanently Restricted: Net assets reflecting the historical cost of gifts (and in certain circumstances, the earnings from those gifts), subject to donor - imposed stipulations, which require the corpus to be invested in perpetuity to produce income for general or specific purposes.

As of May 31, 2016 and 2015, the Organization had unrestricted and temporarily restricted net assets.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended May 31, 2015 from which the summarized information was derived.

Refundable Advances

The Organization records grant and contract revenue as refundable advances until it is expended for the purpose of the grant or contract, at which time it is recognized as revenue.

In-Kind Support

The Organization records various types of in-kind support including professional services and materials. Contributed professional services are recognized if the service received creates or enhances long-lived assets or requires specialized skill, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received.

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 period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all liquid investments purchased with original maturities of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for uncollectible accounts was estimated to be zero at May 31, 2016 and 2015. The Organization has no policy for charging interest on overdue accounts.

Notes Receivable

The Organization has two notes receivable from an unrelated third party. The notes receivable are stated at the amount that is expected to be collected at year end. Interest is accrued at a rate of 4% annually. The balance of the notes receivable and related interest receivable is \$112,000 and \$36,587, respectively at May 31, 2016 and \$112,000 and \$32,107, respectively at May 31, 2015.

Inventory

Inventory is recorded at cost or at fair value if contributed. Inventory consists of property developments, which when complete, will be held for sale. There are no property developments in process at May 31, 2016.

Current Vulnerability Due to Certain Concentrations

The Organization is operated in a heavily regulated environment. The operations of the Organization are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by an act of Congress or Legislature. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change. For the years ended May 31, 2016 and 2015, approximately 66% and 68%, respectively, of the Organization's total revenue was received from government agencies. The future nature of the organization is dependent upon continued support from the government.

Concentration of Credit Risk

The Organization maintains its cash accounts in several financial institutions, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk with respect to these accounts. At May 31, 2016, cash balances in excess of federally insured limits aggregated approximately \$960,000. At May 31, 2015, no balance exceeded the federally insured limits.

Property and Depreciation

Purchased property and equipment are stated at cost at the date of acquisition or at fair value at the date of receipt in the case of donated property. The Organization generally capitalizes and depreciates all assets with a cost greater than \$5,000 and an expected life greater than one year. Depreciation is provided for using the straight-line method in amounts designed to amortize the cost of the assets over their estimated useful lives as follows:

Buildings and improvements	10 - 40 Years
Vehicles and equipment	5 - 10 Years
Furniture and fixtures	7 Years

The use of certain assets is specified under the terms of grants received from agencies of the federal government. These grants also place liens on certain assets and impose restrictions on the use of funds received from the disposition of the property.

Advertising

The Organization expenses advertising costs as incurred.

Revenue Recognition

Amounts received from conditional grants and contracts received for specific purposes are generally recognized as income to the extent that related expenses and conditions are incurred or met. Conditional grants received prior to the conditions being met are reported as refundable advances. Contributions of cash and other assets are reported as restricted if they are received with donor imposed stipulations that limit the use of the donated assets. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted.

Income Taxes

Southwestern Community Services, Inc. and SCS Management Corporation are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and are not a private foundation. As such, they are exempt from income tax on its exempt function income.

SCS Housing, Inc. is taxed as a corporation and has federal net operating loss carryforwards totaling \$808,894 and \$800,793 at May 31, 2016 and 2015, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2027.

The tax effects of the carryforwards as related to deferred tax assets is as follows as of May 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Tax benefit from loss carryforwards	\$121,334	\$120,119
Valuation allowance	(121,334)	(120,119)
Deferred tax asset	\$ _____	\$ _____

Drewsville, North Walpole, Troy, Peterborough, Hinsdale, Jaffrey, Troy, Senior and Keene Eastside are taxed as partnerships. Federal income taxes are not payable by, or provided for these entities. Earnings and losses are included in the partners' federal income tax returns based on their share of partnership earnings. Partnerships are required to file income tax returns with the State of New Hampshire and pay an income tax at the state's statutory rate.

Accounting Standard Codification No. 740, "Accounting for Income Taxes," established the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in financial statements. Management has analyzed the Organization's tax position taken on its income tax returns for all open years (tax years ending May 31, 2013 – 2016), and has concluded that no additional provision for income taxes is necessary in the Organization's financial statements.

Fair Value of Financial Instruments

FASB ASC Topic No. 820-10, Financial Instruments, provides a definition of fair value which focuses on an exit price rather than an entry price, establishes a framework in generally accepted accounting principles for measuring fair value which emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and requires expanded disclosures about fair value measurements. In accordance with ASC 820-10, the Organization may use valuation techniques consistent with market, income and cost approaches to measure fair value. As a basis for considering market participant assumptions in fair value measurements, Topic 820-10 establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair values. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. The three levels of the fair value hierarchy under ASC Topic 820-10 are described as follows:

Level 1 – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2 - Inputs to the valuation methodology are other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

Level 3 - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

The carrying amount of cash, accounts receivables, prepaid expenses, inventory, accounts payable, accrued expenses, and refundable advances approximates fair value because of the short maturity of those instruments.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, costs have been allocated among the program services and supporting activities benefited.

NOTE 2 **BANK LINE OF CREDIT**

The Organization has a \$250,000 revolving line of credit agreement with a bank. The line calls for monthly interest payments based on an interest rate of 4% per annum. The line is secured by all the Organization's assets. The outstanding balance at May 31, 2015 totaled \$249,953. The balance has been repaid in full as of May 31, 2016.

NOTE 3 **LONG TERM DEBT**

The long term debt at May 31, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
1% mortgage payable to New Hampshire Housing Finance Authority in monthly installments for principal and interest of \$891 through August 2032. The note is secured by real estate of the Organization.	\$ 172,929	\$ 181,843
Non-interest bearing mortgage payable to Community Development Finance Authority, in quarterly principal payments based on operating income formula applied to affordable housing portion of the specified real estate. The note is secured by real estate of the Organization.	32,147	32,147
3.5% note payable to a bank in monthly installments for principal and interest of \$959 through March 2021. The note is secured by real estate of the Organization.	51,906	61,388
Non-interest bearing mortgage payable to New Hampshire Housing Finance Authority. Payment is deferred for 30 years, through September 2031, or until project is sold or refinanced. The note is secured by real estate of the Organization.	250,000	250,000
Non-interest bearing mortgage payable to New Hampshire Housing Finance Authority. Payment is deferred for 30 years, through July 2032, unless there is surplus cash from which to make a payment, or until project is sold or refinanced. The note is secured by real estate of the Organization.	406,558	408,300

4.25% mortgage payable to a bank in monthly installments for principal and interest of \$1,875 through December 2016, with a balloon payment due January 2017. The note is secured by real estate of the Organization.	192,893	206,615
4.375% note payable to Rural Housing Service in monthly installments for principal and interest of \$11,050 through May 2049. The note is secured by real estate of the Organization.	2,312,802	2,343,485
Non-interest bearing note payable to Cheshire County in New Hampshire. Payment is not necessary unless Organization defaults on contract and the note is secured by real estate of the Organization.	460,000	460,000
4% note payable to a development company, in annual interest installments only through March 2015 at which time a final balloon payment of the entire principal balance was due. The remaining balance is still outstanding at May 31, 2016 and is classified as current. The note is secured by real estate of the Organization.	63,000	63,000
4% note payable to a development company, in annual interest installments only through March 2015 at which time a final balloon payment of the entire principal balance was due. The remaining balance is still outstanding at May 31, 2016 and is classified as current. The note is secured by real estate of the Organization.	45,000	45,000
Note payable to a bank in monthly installments for principal and interest of \$2,769 including interest through May 2039. Interest is adjusted every five years based on remaining principal balance and "Classic Advantage Rate" provided by Federal Home Loan Bank of Boston which resulted in an interest rate of 4.07% at May 31, 2016 and 2015. The note is secured by real estate of the Organization.	439,386	449,567
5.95% note payable to a bank in monthly installments for principal and interest of \$934 through May 2021. The note is secured by real estate of the Organization.	110,853	115,214

North Walpole - 6% note payable to a bank in monthly installments for principal and interest of \$1,351 through April 2016 at which time a balloon payment of \$123,000 was due. North Walpole was sold during the year ended May 31, 2016. The note was secured by real estate of the Organization.	-	128,971
Troy - 7% note payable to a bank in monthly installments for principal and interest of \$807 through December 2025. Troy was sold during the year ended May 31, 2016 and the note was paid off. The note was secured by real estate of the Organization.	-	76,750
Non-interest bearing note payable to the United States Department of Housing and Urban Development. No payment is due and beginning in January 2015 10% of the note is forgiven each year providing the property is used for low income housing through January 2025. The note is secured by real estate of the Organization.	200,000	225,000
Non-interest bearing note payable to the United States Department of Housing and Urban Development. No payment is due and beginning in January 2015 10% of the note is forgiven each year providing the property is used for low income housing through January 2025. The note is secured by real estate of the Organization.	120,000	135,000
Non-interest bearing note payable to New Hampshire Finance Authority in annual payments in the amount of 50% of annual surplus cash through July 2023 at which time the remaining balance is due. The note is secured by real estate of the Organization.	794,189	794,189
Non-interest bearing note payable to a county in New Hampshire. No payment is due and 5% of the balance is forgiven each year through 2032 when the remaining balance becomes due. The note is secured by real estate of the Organization.	402,966	424,175

3.99% note payable to a bank in monthly installments for principal and interest of \$355 through May 2018. The note is secured by a vehicle of the Organization.	8,401	12,249
Peterborough - 7% note payable to New Hampshire Housing Finance Authority in monthly installments for principal and interest of \$15,013 through June 2040. Peterborough was sold during the year ended May 31, 2016 and the note was paid off. The note was secured by a mortgage and risk sharing security agreement with the U.S. Department of Housing and Urban Development on the Organization's assets.	-	2,124,114
Peterborough - Non-recourse 0% note payable to New Hampshire Housing Finance Authority. Principal is payable at the sole discretion of the lender from excess cash of the borrower determined by formula. Peterborough was sold during the year ended May 31, 2016 and the note was paid off. The note was due December 2041 and was secured by the Partnership's land and buildings.	-	388,657
Jaffrey - 30-year deferred note payable to the Town of Jaffrey, New Hampshire. Payment of principal and accrued interest at 1% are deferred until the note matures in June 2027. The note is secured by land and buildings. The balance included cumulative accrued interest of \$46,819.	297,668	294,721
Jaffrey - 6% note payable to a bank in monthly installments for principal and interest of \$484 through June 2027. The note is secured by land and buildings.	46,592	49,463
Hinsdale - 6% note payable to a bank in monthly installments for principal and interest of \$635 with a balloon payment due October 2017. Hinsdale was sold during the year ended May 31, 2016 and the note was paid off. The note was secured by land and buildings.	-	66,030
4.25% note payable to a bank in monthly installments for principal and interest through December 2016. The note was secured by land and buildings and was paid off during the year ended May 31, 2016.	-	37,718

6.99% note payable to a finance company in monthly installments for principal and interest of \$652 through June 2019. The note is secured by a vehicle.	22,167	28,210
Troy Senior - Non-interest bearing note payable to a county in New Hampshire. Payments are deferred until the note matures in June 2029. The note is secured by real estate of the Organization.	640,000	-
Troy Senior - Non-interest bearing note payable to New Hampshire Housing Finance Authority to fund energy efficiency improvements through the Authority's Greener Homes Program. Payment is deferred for 30 years, through August 2042. The note is secured by real estate of the Organization.	140,210	-
Keene Eastside - Non-interest bearing note payable to a county in New Hampshire. Payments are deferred until the note matures in December 2028. The note is secured by real estate of the Organization.	900,000	-
Keene Eastside - Non-interest bearing note payable to New Hampshire Community Development Finance Authority (CDFA) to fund energy upgrades and capital improvements. The mortgage may be released after ten years in January 2026. The note is secured by real estate of the Organization.	34,106	-
Keene Eastside - Non-interest bearing note payable to New Hampshire Housing Finance Authority to fund energy efficiency improvements through the Authority's Greener Homes Program. Payment is deferred for 30 years, through August 2042. The note is secured by real estate of the Organization.	<u>228,934</u>	<u>-</u>
	8,372,707	9,401,806
Less current portion due within one year	<u>381,611</u>	<u>331,865</u>
	<u>\$ 7,991,096</u>	<u>\$ 9,069,941</u>

The schedule of maturities of long term debt at May 31, 2016 is as follows:

Year Ending <u>May 31</u>	<u>Amount</u>
2017	\$ 381,611
2018	84,403
2019	83,465
2020	80,398
2021	81,318
Thereafter	<u>7,661,512</u>
Total	<u>\$ 8,372,707</u>

NOTE 4 **OPERATING LEASES**

The Organization leases facilities and vehicles under non-cancelable lease agreements at various financial institutions. Lease periods range from month to month to 2017. Monthly lease payments range from \$341 to \$3,521. Lease expense for the years ended May 31, 2016 and 2015 totaled \$25,093 and \$9,472, respectively.

Future minimum payments as of May 31, 2016 on the above leases are \$36,617 during the year ending May 31, 2017.

NOTE 5 **ACCRUED COMPENSATED BALANCES**

At May 31, 2016 and 2015, the Organization accrued a liability for future annual leave time that its employees had earned and vested in the amount of \$125,790 and \$125,564, respectively.

NOTE 6 **CONTINGENCIES**

At May 31, 2016, SCS Housing, Inc. is the general partner of seven limited partnerships (which include Drewsville, Jaffrey, and Troy Senior, consolidated within the financial statements) formed to develop low-income housing projects through the use of Low Income Housing Tax Credits. Southwestern Community Services, Inc. and SCS Housing, Inc. have guaranteed repayment of liabilities of various partnerships totaling approximately \$2,345,000 at May 31, 2016. Partnership real estate with a cost basis of approximately \$17,286,000 provides collateral on these loans.

At May 31, 2015, SCS Housing, Inc. was the general partner of eleven limited partnerships (which included Drewsville, North Walpole, Troy, Peterborough, Hinsdale, and Jaffrey, consolidated within the financial statements) formed to develop low-income housing projects through the use of Low Income Housing Tax Credits. Southwestern Community Services, Inc. and SCS Housing, Inc. had guaranteed repayment of liabilities of various partnerships totaling \$5,209,000 at May 31, 2015. Partnership real estate with a cost basis of approximately \$25,300,000 provided collateral on these loans.

The Organization receives funds under various state grants and from Federal sources. Under the terms of these agreements, the Organization is required to use the funds within a certain period and for purposes specified by the governing laws and regulations. If costs were found not to have been incurred in compliance with the laws and regulations, the Organization might be required to repay the funds.

No provisions have been made for this contingency because specific amounts, if any, have not been determined or assessed by government audits as of May 31, 2016 and 2015.

NOTE 7 **RELATED PARTY TRANSACTIONS**

During the years ended May 31, 2016 and 2015, SCS Housing, Inc. managed seven limited partnerships. Management fees charged by SCS Housing, Inc. totaled \$276,881 and \$337,996, for the years ended May 31, 2016 and 2015, respectively. In addition, SCS Housing, Inc. has advanced the limited partnerships funds for cash flow purposes over several years. The total amount due and expected to be collected from the limited partnerships was \$281,825 and \$352,217 at May 31, 2016 and 2015, respectively.

NOTE 8 **INVESTMENT IN RELATED PARTIES**

The Organization has invested in three related entities for property development and Department of Housing and Urban Development (HUD) sponsorship purposes. The total amount invested in these entities totaled \$20,700 at May 31, 2016 and 2015.

NOTE 9 **RETIREMENT PLAN**

The Organization maintains a tax sheltered annuity plan under the provisions of Section 403(b) of the internal Revenue Code. All employees who have had at least 30 days of service to the Organization are eligible to contribute to the plan. The Organization begins matching contributions after the employee has reached one year of service. Employer contributions are at the Organization's discretion and totaled \$283,985 and \$264,701 for the years ended May 31, 2016 and 2015, respectively.

NOTE 10 **RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets consist of contributions received by the Organization that have not been used for the specified purpose of the donor. Temporarily restricted net assets at May 31, 2016 and 2015 totaled \$211,220 and \$9,845, respectively.

NOTE 11 **FORGIVENESS OF DEBT**

During the year ended May 31, 2016 the Organization realized forgiveness of debt income in connection with notes payable to HUD. Forgiveness of debt income totaled \$61,209 for the year ended May 31, 2016.

During the year ended May 31, 2015 the Organization realized forgiveness of debt income in connection with notes payable to the Town of Hinsdale, the County of Cheshire and HUD. Forgiveness of debt income totaled \$585,457 for the year ended May 31, 2015.

NOTE 12 **PRIOR PERIOD ADJUSTMENT**

The beginning net assets for the year ended May 31, 2016 have been restated to properly reflect the amount of assets and liabilities assumed in 2015 when Southwestern Community Services, Inc. acquired interests in a low income housing partnership. Unrestricted net assets at May 31, 2015 have been increased by \$195,077 to properly reflect the transaction.

NOTE 13 **TRANSFER OF PARTNERSHIP INTEREST**

During 2016, SCS acquired partnership interests in two low income housing limited partnerships: Troy Senior Housing Associates, LP (Troy Senior) and Keene Eastside Senior Housing Associates, LP (Keene Eastside). The amount paid for each partnership interest was \$1 and at the time of acquisition SCS became the general partner in each partnership.

The following is a summary of the assets and liabilities of each partnership at the date of acquisition:

Date of transfer	<u>09/09/2015</u>	<u>12/31/2015</u>	
	<u>Keene Eastside</u>	<u>Troy Senior</u>	<u>Total</u>
Cash	\$ 18,722	\$ 7,368	\$ 26,090
Cash-escrow	280,837	19,347	300,184
Property – net	996,031	982,959	1,978,990
Other assets	<u>38,090</u>	<u>22,557</u>	<u>60,647</u>
Total assets	<u>1,333,680</u>	<u>1,032,231</u>	<u>2,365,911</u>
Notes payable	1,128,934	780,210	1,909,144
Other liabilities	<u>19,778</u>	<u>27,065</u>	<u>46,843</u>
Total liabilities	<u>1,148,712</u>	<u>807,275</u>	<u>1,955,987</u>
Partners' capital	<u>\$ 184,968</u>	<u>\$ 224,956</u>	<u>\$ 409,924</u>

During 2015, SCS acquired partnership interests in three low income housing limited partnerships: Hinsdale Main Street Associates, LP (Hinsdale), Jaffrey Housing Associates (Jaffrey) and Peterborough/Finlay, LLC (Peterborough). The amount paid for each partnership interest was \$1 and at the time of acquisition SCS became the general partner in each partnership.

The following is a summary of the assets and liabilities of each partnership at the date of acquisition:

Date of transfer	<u>12/31/2014</u>	<u>12/31/2014</u>	<u>04/30/2015</u>	
	<u>Jaffrey</u>	<u>Hinsdale</u>	<u>Peterborough</u>	<u>Total</u>
Cash	\$ 2,393	\$ 3,284	\$ 1,121	\$ 6,798
Cash-escrow	-	31,079	93,971	125,050
Property -- net	328,095	645,620	1,928,533	2,902,248
Other assets	<u>12,097</u>	<u>10,746</u>	<u>54,121</u>	<u>76,964</u>
Total assets	<u>342,585</u>	<u>690,729</u>	<u>2,077,746</u>	<u>3,111,060</u>
Notes payable	345,342	590,654	2,757,234	3,693,230
Other liabilities	<u>178,907</u>	<u>402,037</u>	<u>821,274</u>	<u>1,402,218</u>
Total liabilities	<u>524,249</u>	<u>992,691</u>	<u>3,578,508</u>	<u>5,095,448</u>
Partners' (deficit)	<u>\$ (181,664)</u>	<u>\$ (301,962)</u>	<u>\$ (1,500,762)</u>	<u>\$ (1,984,388)</u>

NOTE 14 RECLASSIFICATION

Certain amounts and accounts from the prior year's financial statements were reclassified to enhance comparability with the current year's financial statements.

NOTE 15 SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the statement of financial position date, but arose after that date. Management has evaluated subsequent events through December 9, 2016, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION
(SEE INDEPENDENT AUDITORS' REPORT)

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES
CONSOLIDATED SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES
FOR THE YEAR ENDED MAY 31, 2016
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION

	Home Energy Programs	Education and Nutrition	Homework Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2016 Total	2015 Total (restated)
REVENUES										
Government contracts	\$ 3,820,956	\$ 2,800,009	\$ 1,763,082	\$ 83,747	\$ 451,713	\$ 18,534	\$ 8,513,041	\$ 547,069	\$ 9,080,110	\$ 9,154,522
Program service fees	152,878	7,923	57,647	1,044,955	-	765,243	2,028,848	2,128	2,030,772	1,991,293
Rental income	-	-	103,521	906,879	-	-	1,007,200	-	1,007,200	533,766
Developer income	-	-	-	254,004	-	-	254,004	-	254,004	347,615
Support	71,870	35,480	127,248	112,000	-	171,049	517,627	175	517,802	381,297
Fundraising	-	50	-	-	-	67,715	67,765	-	67,765	92,864
Interest income	3	-	10	157	-	12	182	4,528	4,710	4,549
Forgiveness of debt	-	-	61,209	-	-	-	61,209	-	61,209	122,439
Miscellaneous	5,226	1,453	81	127,155	-	60	133,875	130,820	264,795	585,457
In-kind contributions	-	215,867	-	-	-	-	215,867	-	215,867	161,575
Total revenues and other support	3,850,933	2,860,762	2,106,798	2,508,697	451,713	1,020,613	12,799,516	684,718	13,484,234	13,375,387
EXPENSES										
Payroll	\$ 367,452	\$ 1,020,131	\$ 560,784	\$ 780,508	\$ 205,470	\$ 382,202	\$ 3,316,547	\$ 754,218	\$ 4,070,765	\$ 3,884,753
Payroll taxes	37,424	114,436	55,998	75,987	19,773	43,778	347,286	66,039	413,335	419,912
Employee benefits	125,137	298,025	168,712	217,328	54,272	119,434	970,908	149,859	1,120,567	1,241,803
Retirement	24,223	70,374	38,061	59,160	13,817	17,028	220,683	83,302	283,965	264,701
Advertising	150	26,290	1,698	2,908	1,990	-	33,036	388	33,432	24,335
Bank charges	240	-	104	5,370	-	-	5,714	8,123	13,837	878
Bad debt expense	-	-	-	27,660	-	-	27,660	-	27,660	10,143
Commercial subsidy	1,800	-	11,074	-	-	1,888	14,742	-	14,742	13,373
Computer cost	-	3,133	3,189	-	1,310	-	7,680	129,074	136,764	159,166
Contractual	219,826	22,618	144,801	35,717	2,386	80,035	505,183	16,144	521,327	785,333
Depreciation	-	21,870	91,203	321,803	-	11,557	448,433	150,884	597,297	505,694
Dues/regulation	-	8,815	625	235	-	7,914	15,589	3,030	18,619	28,125
Printing	1,588	9,460	207	135	-	726	12,118	5,407	17,523	14,354
Insurance	8,038	15,578	22,655	98,104	1,198	8,211	148,984	39,840	189,824	141,667
Interest	-	8,774	10,863	103,871	-	2,190	125,598	128,128	253,726	186,420
Meeting & conference	7,374	896	11,846	8,762	-	26,274	55,152	36,430	91,582	56,293
Miscellaneous expense	9,386	6,715	2,875	136,707	355	5,702	183,850	31,465	195,315	77,678
Miscellaneous taxes	-	-	-	89,068	-	-	89,068	-	89,068	49,243
Equipment purchases	232	1,832	659	4,744	-	-	7,377	5,770	13,147	17,982
Office expense	11,381	16,083	12,256	7,857	3,888	430	53,773	16,483	70,256	62,621
Postage	45	377	100	598	294	-	1,404	23,999	25,403	23,144
Professional fees	-	-	-	48,030	-	-	48,030	92,589	140,599	66,297
Staff development and training	3,300	5,335	17,882	6,227	12,592	-	45,336	20,609	65,945	93,425
Subscriptions	-	-	-	458	234	-	1,050	551	2,293	979
Telephone	1,821	15,497	23,826	9,860	4,347	1,133	58,084	5,078	81,160	85,550
Fax	-	-	-	-	-	-	-	-	-	46
Travel	5,778	16,032	20,648	7,572	5,171	764	57,965	3,429	61,394	52,997
Vehicle	1,666	3,362	2,713	28,122	-	5,607	41,472	36,084	77,538	76,974
Rent	-	28,550	-	-	-	-	28,550	-	28,550	25,560
Specs costs	-	148,288	258,468	391,556	-	510	798,853	91,117	889,970	897,407
Direct client assistance	2,799,710	191,127	675,640	52,996	3,519	18,731	3,741,723	3,741,723	4,187,069	4,187,069
In-kind expenses	-	215,867	-	-	-	-	215,867	-	215,867	161,575
TOTAL FUNCTIONAL EXPENSES BEFORE GENERAL AND MANAGEMENT ALLOCATION	3,624,241	2,271,455	2,122,818	2,521,333	317,822	745,738	11,803,406	1,887,761	13,491,168	13,418,222
Allocation of management and general expenses	569,029	369,544	345,382	410,198	51,707	121,323	1,887,281	(1,887,281)	\$ 13,491,168	\$ 13,418,222
TOTAL FUNCTIONAL EXPENSES	\$ 4,213,870	\$ 2,840,999	\$ 2,468,180	\$ 2,931,529	\$ 389,529	\$ 867,059	\$ 13,491,166	\$ -	\$ 13,491,166	\$ 13,418,222

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2016**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NAME</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>FEDERAL EXPENDITURE</u>
<u>U.S. Department of Agriculture</u>				
Rural Housing Preservation Grants	10.433	N/A	N/A	\$ 25,000
Child and Adult Care Food Program	10.558	State of NH, Dept of Education	Unknown	127,220
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	State of NH Dept. of Health & Human Services	010-090-5260000-102-500734	362,975
Commodity Supplemental Food Program	10.565	State of NH Dept. of Health & Human Services	010-090-5260000-102-500734	142,070
Total U.S. Department of Agriculture				<u>\$ 657,265</u>
<u>U.S. Department of Housing and Urban Development</u>				
Emergency Solutions Grant Program	14.231	State of NH, DHHS, Bureau of Homeless & Housing	05-95-95-958310-717600000-102-50731	\$ 212,077
Supportive Housing Program	14.235	State of NH, DHHS, Bureau of Homeless & Housing	05-95-95-958310-717600000-102-50731	403,269
Continuum of Care Program	14.267	State of NH, DHHS, Bureau of Homeless & Housing	05-95-95-958310-717600000-102-50731	85,666
Shelter Plus Care	14.238	State of NH, DHHS, Bureau of Homeless & Housing	05-95-95-958310-717600000-102-50731	272,324
Total U.S. Department of Housing and Urban Development				<u>\$ 973,336</u>
<u>U.S. Department of Labor</u>				
<u>WIA Cluster</u>				
WIA Adult Program	17.258	Southern NH Services	Unknown	\$ 47,297
WIA Dislocated Worker Formula Grants	17.278	Southern NH Services	Unknown	61,661
Total U.S. Department of Labor/WIA Cluster				<u>\$ 88,958</u>
<u>U.S. Department of Energy</u>				
Weatherization Assistance for Low-Income Persons	81.042	State of NH, Office of Energy & Planning	01-02-024010-7708-074-500587	\$ 157,776
Total U.S. Department of Energy				<u>\$ 157,776</u>
<u>U.S. Department of Veterans Affairs</u>				
VA Supportive Services for Veteran Families Program	64.033	N/A	N/A	\$ 250,910
Total U.S. Department of Veterans Affairs				<u>\$ 250,910</u>
<u>U.S. Department of Health & Human Services</u>				
<u>Special Programs for the Aging, Title III, Part B,</u>				
Grants for Supportive Services and Senior Centers	93.044	State of NH, Office of Energy & Planning	1047055	\$ 5,400
Drug-Free Communities Support Program Grants	93.276	N/A	N/A	131,397
Temporary Assistance for Needy Families	93.658	Southern NH Services	Unknown	362,755
Low Income Home Energy Assistance	93.508	State of NH, Office of Energy & Planning	1045002	3,280,457
Community Services Block Grant	93.569	State of NH, DHHS, Div. of Family Assistance	500731	525,394
CSBG - Discretionary	93.570	State of NH, DHHS, Div. of Family Assistance	500731	21,675
Head Start	93.600	N/A	N/A	1,961,961
Total U.S. Department of Health & Human Services				<u>\$ 6,279,039</u>
<u>U.S. Department of Homeland Security</u>				
Emergency Food and Shelter National Board Program	97.024	State of NH, DHHS, Office of Human Services	Unknown	\$ 3,622
Total U.S. Department of Homeland Security				<u>\$ 3,622</u>
TOTAL				<u>\$ 8,420,906</u>

See Notes to Schedule of Expenditures of Federal Awards

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2016**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal award activity of Southwestern Community Services, Inc. under programs of the federal government for the year ended May 31, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Southwestern Community Services, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 INDIRECT COST RATE

Southwestern Community Services, Inc. has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 FOOD DONATION

Nonmonetary assistance is reported in the Schedule at the fair value of the commodities received and disbursed.

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Southwestern Community Services, Inc.
Keene, New Hampshire

We have audited, in accordance with the 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, the consolidated financial statements of Southwestern Community Services, Inc. (a New Hampshire nonprofit corporation) and related companies, which comprise the consolidated statement of financial position as of May 31, 2016, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related consolidated notes to the financial statements, and have issued our report thereon dated November 11, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Southwestern Community Services, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southwestern Community Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Southwestern Community Services, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during

our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Southwestern Community Services, Inc.'s consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Leone McDonnell & Roberts
Professional Association

December 9, 2016
Wolfeboro, New Hampshire

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Southwestern Community Services, Inc.
Keene, New Hampshire

Report on Compliance for Each Major Federal Program

We have audited Southwestern Community Services, Inc. (a New Hampshire nonprofit corporation) and related companies' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Southwestern Community Services, Inc.'s major federal programs for the year ended May 31, 2016. Southwestern Community Services, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Southwestern Community Services, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Southwestern Community Services, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Southwestern Community Services, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Southwestern Community Services, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2016.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2016-001. Our opinion on each major federal program is not modified with respect to these matters.

Southwestern Community Services, Inc.'s response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Southwestern Community Services, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Southwestern Community Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Southwestern Community Services, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Southwestern Community Services, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. And therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-001, that we consider to be a material weakness.

Southwestern Community Services, Inc.'s response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Southwestern Community Services, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Seane McDonnell & Roberts
Professional Association

December 9, 2016
Wolfeboro, New Hampshire

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MAY 31, 2016

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the consolidated financial statements of Southwestern Community Services, Inc. were prepared in accordance with GAAP.
2. No significant deficiencies disclosed during the audit of the consolidated financial statements are reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. No instances of noncompliance material to the consolidated financial statements of Southwestern Community Services, Inc. which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. One material weakness in internal control over major federal award programs disclosed during the audit is reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance*.
5. The auditors' report on compliance for the major federal award programs for Southwestern Community Services, Inc. expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.
7. The programs tested as major programs were: U.S. Department of Health and Human Services; Low-Income Home Energy Assistance, 93.568, Head Start, 93.600, and Community Services Block Grant, 93.569.
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Southwestern Community Services, Inc. was determined to not be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

Department of Health and Human Services

2016-001 Head Start - CFDA No. 93.600 (material weakness)

Condition: In testing drawdowns for the Head Start program, it was noted that eight drawdowns lacked supporting documentation of the Head Start expenditures for which the drawdown was requested.

Criteria: All drawdowns must be for current expenditures incurred for the Head Start program and must be accompanied by supporting documentation.

Effect: Failure to maintain supporting documentation for each drawdown could result in advanced drawdowns of Head Start funds for purposes other than those allowed by Head Start.

Cause: Lack of internal control surrounding the documentation and approval of Head Start drawdowns.

Context: All twenty four drawdowns during the year were selected for testing. The test found that eight of the drawdowns lacked supporting documentation.

Auditors' Recommendation: The Organization needs to strengthen controls over its cash management processes to ensure compliance with federal requirements. We recommend that procedures be implemented so that each Head Start drawdown requires approval of either a member of the finance committee or the Head Start Program Director. Each drawdown must be accompanied by supporting documentation of the expenditures for which the drawdown is being made.

Views of Responsible Officials and Planned Corrective Action:

Effective December 2015, the Organization, in an effort to strengthen controls over its cash management process, ensuring compliance with federal requirements; has put into place a policy with regards to Cash Advances of Federal Grants.

Cash advances shall be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the recipient organization in carrying out the purpose of the approved program or project. The timing and amount of cash advances shall be as close as is administratively feasible to the actual disbursements by the recipient organization for direct program or project costs and the proportionate share of any allowable indirect costs [CFR Part 74.22(b)(2)].

Cash advances under this section shall require submission of satisfactory documentation of the expenses for which the cash is being drawn down, for the approval of both CEO (or designee) and a member of the Executive Committee of the Agency Board of Directors. Documentation and approvals are maintained by the CEO (or designee) in accordance with the agencies file retention policy.

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED MAY 31, 2015**

Department of Health and Human Services

2015-001 Head Start - CFDA No. 93.600 (material weakness)

Condition: In testing drawdowns for the Head Start program, it was noted that all but three drawdowns lacked supporting documentation of the Head Start expenditures for which the drawdown was requested.

Auditors' Recommendation: It was recommended that the Organization needed to strengthen controls over its cash management processes to ensure compliance with federal requirements. It was recommended that procedures be implemented so that each Head Start drawdown requires approval of either a member of the finance committee or the Head Start Program Director. Each drawdown must be accompanied by supporting documentation of the expenditures for which the drawdown is being made.

Current Status: The recommendation was adopted in December 2015. There were similar audit findings in the 2016 audit until the recommendation was adopted in December 2015.

Southwestern Community Services, Inc. Board of Directors - Composition - 2017 -

CHESHIRE COUNTY

SULLIVAN COUNTY

**CONSTITUENT
SECTOR**

Beth Fox
Asst. City Manager/HR Director
City of Keene

Mary Lou Huffling
Fall Mountain Emergency Food Shelf
Alstead Friendly Meals

Jessi Parent
Chair, Head Start Policy Council
Parent Representative

Penny Despres
New Hope New Horizons
Program Representative

**PRIVATE
SECTOR**

Elaine Amer, Clerk/Treasurer
Amer Electric Company (*retired*)

Anne Beattie
Newport Service Organization

Kevin Watterson, Chair
Clarke Companies

Scott Croteau, Vice Chairperson
VP Savings Bank of Walpole (*retired*)

**PUBLIC
SECTOR**

Leroy Austin
Building Inspector
Town of Winchester

David Edkins
Administrator, Planning & Zoning
Town of Charlestown

Molly Kelly
State Senator, District 10 (*retired*)

Raymond Gagnon
State Representative, District 5

Jessie Levine
Sullivan County Manager

KEY ADMINISTRATIVE PERSONNEL

NH Department of Transportation

Agency Name: Southwestern Community Services, Inc.

Program Name: SCS Transportation

Name & Title Key Administrative Personnel	Annual Salary Of Key Administrative Personnel	Portion of Salary Paid By Contract?	
John Manning, Chief Executive Officer	\$107,016	No	
Keith Thibault, Chief Development Officer	\$83,574	No	
Margaret Freeman, Chief Financial Officer	\$89,503	No	
Beth Daniels, Chief Operating Officer	\$58,989	No	
Theresa Paige, Transit Director	\$56,888	Yes	
Terri Daignault, Dispatcher/Volunteer Driver Coordinator	\$39,520	Yes	

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John A. Manning

Summary Over 30 years of experience with non-profit organizations, as both an outside auditor and presently Chief Financial Officer of a large community action agency.

Experience

2014 - Present Southwestern Community Services Inc.
Keene, NH

Chief Executive Officer
Responsible for overall supervision, management, monitoring and fiscal review of Community Action Agency social service programs providing services to low-income, elderly, and handicapped residents of Sullivan and Cheshire Counties, New Hampshire.

1990–2014 Southwestern Community Services Inc.
Keene, NH

Chief Financial Officer
Oversees all fiscal functions for a community action agency providing services to low and moderate income individuals. Programs include Head Start, Fuel Assistance, and multiple affordable housing projects. Supervises a staff of 7, with an agency budget of over \$ 13,000,000. Also oversees agency property management department, which manages over 300 units of affordable housing.

1985-1995 Keene State College Keene, NH

Adjunct Professor
Taught evening accounting classes for their continuing education program.

1978-1990 John A. Manning, Keene, NH

Certified Public Accountant
Provided public accounting services to small and medium sized clients, including multiple non-profit organizations. Performed certified audits on several clients, including Head Start and other non-profit clients.

1975-1978 Kostin and Co. CPA's West Hartford, Ct.

Staff Accountant
Performed all aspects of public accounting for medium sized accounting firm. Audited large number of privately held and non-profit clients.

1971–1975 University of Mass. Amherst, Ma.
B.S. Business Administration in Accounting

Education American Institute of Certified Public Accountants

Organizations NH Society of Certified Public Accountants

Keith F. Thibault

Skills Summary

- Effective “hands-on” manager with proven supervisory experience.
- Honest, dependable and self-motivated.
- Strong written and oral communicator with PC skills & experience.
- Detail oriented, highly organized, flexible and hard-working.
- Able to effectively coordinate multiple projects and tasks.

Experience

Southwestern Community Services, Inc., Keene, New Hampshire

Housing Director – October, 1993 to December 1998

Director of Housing & Economic Development – January 1999 to June 2001

Development Director – July 2001 to August 2007

chief development officer – September 2007 - Present

Primarily responsible for the acquisition, development and financing of over 450 units of affordable housing, five Head Start pre-school facilities and 100,000 square feet of commercial space in fourteen communities in southwestern New Hampshire. Member of the agency’s Senior Staff. The chief development officer position has grown to include all economic, program and philanthropic development activities within this very dynamic Community Action Agency. The position also includes the responsibility to represent the organization at numerous community events and on local, state and regional boards. Highlights as Housing Director included the development of a comprehensive Property Management component that currently maintains and manages all agency owned real estate; successful administration of a federal HOPE 3 first time home buyer program in Sullivan County as well as being the recipient of many awards for the development of historically significant properties.

Rural Housing Improvement, Winchendon, Massachusetts

Director of Home Ownership and Housing Counseling - June 1993 to October, 1993

This Program Director position consists primarily of the administration of a \$500,000 HOPE III Implementation grant, HOME funding for First-time Home Buyers of \$250,000, coordination of a State Finance Authority approved Home Buyer Education course, management of several government property disposition programs (FDIC, RTC and Fannie Mae), several rehabilitation programs, as well as all housing counseling activities for the component. Staff supervised include two Housing Developers, one or more Rehabilitation Specialists, one or more Housing Counselors as well as support staff.

Assistant Director for Administration/Leased Housing - April 1998 to May 1993

Administration of a nearly two thousand household Section 8 Rental Assistance program comprised the overall scope of this position. Primary responsibilities included the disbursement of nearly nine million dollars annually in Housing Assistance Payments to more than eleven hundred landlords, direct day-to-day supervision of eight staff, liaison work with all other Agency components as well as accurate record keeping per HUD regulations. Highlights included the creation of Agency Family Self-Sufficiency Program (FSS) and serving on a statewide Project Coordinating Committee for FSS. I also represented RHI on several committees of our State Housing Association as well as serving on several in-house committees focusing on employee benefits, performance evaluations and the rewriting of Agency job descriptions to conform to the American Disabilities Act.

Program Representative/Leased Housing - September 1986 to April 1998

Responsible for the administration and management of a two hundred-plus household caseload. Duties included initial and annual inspections of all units, rent negotiation and general file maintenance. Position required an unusually high degree of organizational, interpersonal and technical skills. Thorough knowledge of market area, Federal Housing Quality Standards and HUD Section 8 regulations were required.

Education

University of Massachusetts at Amherst Bachelor of Arts cum laude - 1983

- Major: Economics with emphasis on Labor Economics
- Minor: Political Science with emphasis on local government
- Served a one-year paid internship with the University's Housing Administration, which led to becoming the Assistant Director of the program during my junior year.
- Completed a full semester academic internship serving as an assistant to the Town Manager of Action, Massachusetts.
- Took advanced courses in Economics and Latin through the Liberal Arts Honors Program

Civic and Other Activities

- Former Big Brother volunteer, Keene
- Current Co-Chair of Heading for Home, our Regional Housing Coalition
- Current co-chair of the Southwestern Region Planning Commission's Economic Development Advisory Committee
- Former volunteer at McKerley Health Care Center, Keene
- Former Chair of the Board of Directors for the Keene Day Care Center
- Current elected Vice Chairman of the Swanzey Zoning Board of Adjustment.
- Current founding board member and Chairperson of the Monadnock Collaborative, a 501(c) (3) organization formed to provide regional information and supported referral services.
- Dedicated husband and involved father of three children ages twenty-two, twenty and eight.

References available upon request.

Margaret Freeman



Experience

2000 – Present

Southwestern Community Services Inc.
Keene, NH

Chief Financial Officer (2014 – present)

Supervising the quality of accounting and financial reporting of SCS; a Community Action Agency. Total funding of \$18 million; federal, state and local funding sources. Primary responsibilities include overseeing the accounting functions, implementation and monitoring of internal controls, reporting financial position to the Board of Directors, preparation of the annual A-133 audit, member of agencies Senior Staff.

Fiscal Director (2000-2014)

Responsible to lead and manage the daily operations of the Fiscal Department of SCS. Primary duties include budget preparation and analysis, financial statement preparation and audit coordination.

1993 –2000

Emile J. Legere Management Corp
Keene, NH

Accountant

Provided bookkeeping for real estate management/development corp. Managed 16 affordable housing properties. Responsible for cash management, general ledger, A/P, A/R, financial statement prep, and audit prep. Leasing Manager of large commercial/retail property responsible for lease management and marketing of over 30 retail spaces.

Education

Leadership New Hampshire, Graduate 2011

Plymouth State University, Plymouth, NH
M.B.A., 1999

Keene State College, Keene, NH
B.S., Management, 1991; concentration Mathematics and Computer Science

Beth Daniels

Experience

Southwestern Community Services, Inc., Keene, NH

Chief Operating Officer

03/2016-Present

- Responsible for all day-to-day operations of the agency
- Supervise Program Directors, including WIC, Energy, and Housing Stabilization
- Ensure that all state and federal regulations are followed while those in need receive a smooth delivery of service

Director of Energy and Employment Programs

10/2008 – 03/2016

- Oversee all daily operations for Fuel Assistance, Electric Assistance, Neighbor Helping Neighbor, Senior Energy Assistance, Weatherization, HRRP, CORE, and Assurance 16 as well as the employment programs Workplace Success, Work Experience Program, and WIA.

Workforce Development Director

11/2006 – 10/2008

- Supervise, direct, coach, and encourage staff of six within four programs
- Collaborate with agency staff, community members and state contract holders to achieve common goals, including agency name recognition and program success
- Perform all SCS Program Director tasks including PPRs and budget management

Families @ Work Employment Specialist

03/2006 - 11/2006

- Managed a caseload of fifty (50) clients throughout the Keene, Claremont, Concord, and Nashua areas
- Worked closely with staff from Southwestern Community Services, Inc. and Southern New Hampshire Services
- Gained a strong working knowledge of all SCS programs for referral purposes

Second Start, Concord, NH

Career Development Specialist

11/2004 – 03/2006

- Facilitated daily job-readiness classes and skill-building exercises
- Assisted participants with barrier resolution and the job search process
- Maintained participant records and completed reporting requirements
- Received ongoing training in teaching techniques and learning styles

Nina's Family Daycare, Swanzey, NH

10/2003 – 11/2004

Daycare Provider

- Responsible for meal planning, payment records, supplies, and activities
- Acquired CPR & First Aid certification

Southwestern Community Services, Inc., Keene, NH

Case Manager, Homeless Services

09/2002 – 10/2003

- Responsible for all daily operations of housing program, rules, and regulations
- Completed weekly and monthly progress reports
- Coordinated house meetings, workshops, case conferences, and life skills classes

Case Manager, Welfare-to-Work

05/2000 – 09/2002

- Provided job placement and retention services for caseload of forty (40) clients
- Gained working knowledge of Department of Health & Human Services, Immigration & Naturalization Services, community agencies, and SCS

Education and Training

Results Oriented Management & Accountability (ROMA)	2016-2017
Grant Writing Workshop Cheshire County	05/2012
Nonviolent Crisis Intervention Crisis Prevention Institute, Inc.	2012
Leadership Training Tad Dwyer Consulting	2010-2011
Criticism & Discipline Skills for Managers CareerTrack	11/2007
How to Supervise People CareerTrack	11/2007
Career Development Facilitator Training National Career Development Association <i>120-hour NCDA training</i>	09/2005
Certified Workforce Development Specialist National Association of Workforce Development Professionals	06/2005
Infection Control & Bloodborne Pathogens Home Health Care	01/2003
Bachelor of Arts in Human Services Franklin Pierce College <i>Graduated cum laude</i>	05/2002

References Available

THERESA C. PAIGE

PROFESSIONAL EXPERIENCE

Transit Director
Southwestern Community Services

February 1, 2017 – Present

I am currently responsible for the supervision and management of all day to day activities for a FTA 5311 & 5310 grant funded rural transportation system.

Associate and RTAP Liaison
RLS & Associates, Inc.

November 2013 – January 2017

Ms. Paige was the in-state Program Liaison and lead trainer for the New Hampshire and Massachusetts RTAP Programs. As lead trainer she instructed in a variety of topics including Passenger Assistance and Refresher, Emergency Procedures, Defensive Driving, Pre-Trip Inspections, Drug & Alcohol Reasonable Suspicion Referral and several Customer Service based topics. Ms. Paige scheduled all trainings and coordinated with the RLS contracted trainers to ensure required trainings were available at regional training sites throughout New Hampshire and Massachusetts. Ms. Paige also served as interim director for a public transportation service that transitioned from one social service provider to another in a neighboring community. In this transitional position she provided all of the traditional management activities of a transit manager, and the additional responsibilities of repairing community relationships and improving the service image.

Regional Transportation Coordinator
Community Action Program Belknap-Merrimack Counties, Inc.

September 2013 – November 2013

- ◆ Responsible for assisting the Mid-State Regional Coordinating Council with collaborative initiatives that enhance transportation options in the Mid-State region.
- ◆ Perform outreach activities to engage stakeholders and educate the public.
- ◆ Serve as the liaison to state and local transit groups.
- ◆ Facilitates transportation coordination among public, private, and volunteer transit providers and stakeholders to enhance options for consumers.
- ◆ Markets transportation services available to the Mid-State Region residents.
- ◆ Organizes and completes local and regional needs assessments to identify unmet transportation needs.
- ◆ Reviews barriers to transportation in the Mid-State Region and makes recommendations to resolve issues.
- ◆ Assists with organizing and carrying out the activities of the Mid-State RCC sub-committees. Assists with the facilitation of meetings as assigned.

Independent Contractor – Training Instructor
RLS & Associates, Inc.

July 2013 – Present

- ◆ Provides training on miscellaneous transit-relating topics, including Passenger Assistance and Refresher, Emergency Procedures, and Defensive Driving.

Mobility Manager

September 2010 – September 2013

Community Action Program Belknap-Merrimack Counties, Inc.

- ◆ Promoted, enhanced and facilitated access to transportation services, including integration and coordination of services for individuals with disabilities, older adults, individuals with low English proficiency, low income individuals and the general public.
- ◆ Provided coordinated services to human service organizations, including individualized travel training and trip planning activities for customers.
- ◆ Community transportation advocate promoted the use of the WTS, CAT, and RTS transit system with the general public business community, and human service organization.
- ◆ Researched, secured, and managed grant funding and donations to support services.
- ◆ Maintained close working relationship with all passenger transit providers in the region to improve ride referrals and collaboration of existing resources.
- ◆ Developed new ways to remove barriers for transportation to and from jobs and employment support services for individuals with disabilities, older adults, individuals with low English proficiency, low income individuals, and the general public.
- ◆ Assists in the development of transportation resources information including, but not limited to, bus schedules, resource manuals, brochures, Web pages, and signage improvements.
- ◆ Presented transportation resource information at community events and conferences.
- ◆ Conducted outreach to community organizations to identify unmet needs.
- ◆ Provided monthly training on topics including customer service, disability awareness, and dealing with difficult passengers to transportation staff.

Independent Living Services Director

January 2002 – August 2010

Granite State Independent Living

- ◆ Responsible for the overall management of GSIL services provided by program staff including Independent Living services such as peer support and counseling, skills training, and advocacy.
- ◆ Responsible for the overall management of the Home Access/Modifications, Adaptive Equipment program, funded by grants and individual donations.
- ◆ Developed and was responsible for the overall management of a travel training initiative to assist individuals gain better access to public transportation.
- ◆ Provided disability awareness, people first language, and customer service trainings to staff, community groups and transit providers accessing the travel training program.
- ◆ Secured funding for new and on-going programs, including grant writing and reporting.
- ◆ Supervised, coached, and evaluated a service delivery staff comprised of diverse personalities with several different ways of learning, assuring the quality and consistency of services which were provided including staff located off-site.

- ◆ Promoted the use of GSIL services through outreach, presented several different outreach programs to the general public, other service providers and professionals, using PowerPoint and other presentation tools. Supervised the development of brochures, presentation materials and other tools to assist with outreach efforts.
- ◆ Developed new services in response to needs evidenced in the market place. Assessed the needs of the community, and conducted an annual evaluation of consumer satisfaction with services.
- ◆ Responsible for the preparation of quarterly and annual reports and budgets.

Financial Case Manager

MIMS/Community and Vocational Outreach Worker

1996 -2001

White Mountain Mental Health and DD Services

- ◆ Assessed financial needs of individuals and assisted them in enhancing, securing, and maintaining State and Federal benefits.
- ◆ Served as a resource for program staff handling benefits for persons served.
- ◆ Maintained personally supportive relationships with individuals and their families, without encouraging unnecessary dependence.
- ◆ Maintained a filing system for all financial information pertaining to persons served.
- ◆ Interfaced effectively with the agency and community supports on behalf of the client.
- ◆ Coordinated and implemented treatment plans for mental health consumers and their families.
- ◆ Resolved routine client needs and problems in the community independently.

EDUCATION

Course work in Human Services Springfield College, Manchester, NH (2002-04) and New Hampshire Community Technical College (1997-2001)

Certified in Advanced Mobility Device Securement through the National Transit Institute

Certified in Comprehensive ADA Paratransit Eligibility through the National Transit Institute

Certified in Advanced Practices in Paratransit Service through Easter Seals Project Action

Certified as Lead Trainer through Q'Staint

Certified Master Gardener through the UNH Cooperative Extension and active presenter for the Master Gardener Speakers Bureau

TERRI L. DAIGNAULT

OBJECTIVE:

Looking for a challenging role where my skills and knowledge can be utilized to the fullest.

SKILLS:

- Proficient in computer applications like MS Word, Excel, FrontPage and others.
- Excellent in communication, interpersonal and organizational skills.
- Exceptionally good communication skills with both verbally and written.
- Excellent interpersonal and demonstration skills.
- Experienced in designing presentations, strategies and marketing campaigns.
- Very enthusiastic and hardworking.

Education

Sunapee High School, Sunapee, NH
Newport High School, Newport, NH

Professional Profile

- **Accounting** – Strong accounting ability with Accounts Payable/Accounts Receivable, Payroll, Human Resources, G/L journal entries, balancing accounts as well as financial reporting.
- **Computer** – Experienced with numerous accounting software packages, spreadsheet development. Proficient in Word, Excel, Front Page and several data programs. Very familiar with computer terminology and troubleshooting hardware and software problems.
- **Multitasking** – Able to perform several functions accurately and in a timely manner to meet various deadlines. Able to tackle and task and provide optimal productivity in a wide variety of situations.

Work Experience

at 2016 - Present	Southwestern Community Services Transportation 6 Kinney Pl. Claremont, NH 03743
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Job Description:

The Volunteer Driver Coordinator is responsible for developing and implementing a program for volunteer drivers within the Agency's transportation program. Reports directly to the Transportation Services Director this individual will recruit, train, schedule, and oversee volunteer drivers while working collaborating with other agencies that provide volunteer transportation for Sullivan County residents.

- Maintains a positive professional attitude within the Agency and in the community, supporting the Agency's mission statement as well as all policies and procedures. Maintains confidentiality as outlined in Agency policy.
- Working with the Transportation Services Director, establishes a volunteer driver program component for the Agency's transportation program.
- Recruits, screens, trains, supervises, schedules, and evaluates volunteer drivers
- Identifies and implements resources for training and motivating volunteers
- Maintains a roster of volunteers willing to provide services.
- Maintains accurate records, producing monthly and quarterly reports of volunteer activities as requested.
- Partners with area agencies to coordinate volunteer efforts in the region for optimum efficiency
- Plans and implements an annual volunteer recognition event.
- Coordinates the evaluation of the volunteer program including volunteer satisfaction surveys.
- Handles incoming contacts to the program and makes home visits as appropriate.
- Attends meetings and interfaces with other community groups and agencies as appropriate.
- Participates in the public relations efforts by making presentations to community groups.
- Other related duties as assigned.

at 2016 – present	Southwestern Community Services Transportation 6 Kinney Pl. Claremont, NH 03743
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I directly support SWCS transportation programs. I am responsible for a variety of activities including collecting, compiling, and distributing transportation reports on both public and volunteer transportation services; managing the Volunteer Driver Program: managing the bus drivers work schedule; coordinating the maintenance and repairs schedule for all buses. Provide Drug and Alcohol Reasonable Suspicion referral for testing, accidents response and documentation. Also provide all dispatching and scheduling for bus transportation.

Feb 2012 – Sept 2016 Community Alliance
940 John Stark Hwy
Newport, NH 03743

I directly supported CAHS' transportation programs. I was responsible for a variety of activities including collecting, compiling, and distributing transportation reports on both public and volunteer transportation services; managing the Volunteer Driver Program: managing the bus drivers work schedule; coordinating the maintenance and repairs schedule for all buses and serve as a Drug & Alcohol Safety Officer.

July 2007 – April 2012 Twin State Speedway
282 Thrasher Road
Claremont, NH 03743
603-543-3160

Sales, all aspects from dealing with customers, taking payments to selling cars, sales/ticket booths, training, overseeing of all ticket takers, deposits, record keeping of all deposits and weekly intake, dealing with employees and customers, registrations, and creating and maintaining websites.

Aug 2010 – Feb 2012 Fleury's Sales
880 John Stark Highway
Newport, NH 03773
603-863-3694

Sales, all aspects from dealing with customers, taking payments to selling cars, deposits, record keeping of all deposits and weekly intake, dealing with employees and customers, registrations, and creating and maintaining websites

Aug 2007 – Jan 2010 Jiffy Mart
102 Elm Street
Claremont, NH 03743

Worked as Assistant Manager, cashier, stocking, daily paperwork, invoices, ordering and receiving of stock. Training of new employees, opening and closing of store. Was responsible for daily deposits. Worked and training in all areas of store, food preparations.

Aug 1988 – Sept 1996 Hodgdon Sales
101 Mulberry Street
Claremont, NH 03743

Worked as cashier, stocking, ordering, and receiving of stock. Trained new employees, payroll, invoicing, billing, answering phones, dealing with the public. Set up new store fronts. Helped with auctions, scribing and any other duties as needed.

QUARTERLY MONITORING REPORT

REPORTING QUARTER:
 AGENCY:
 STATE FISCAL YEAR:

Reports Under:
 Vehicle Number:

	JULY	AUGUST	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE	TOTAL
MAXIMUM SERVICE DAYS													0
VEHICLE HOURS													0
REVENUE VEHICLE HOURS													0
VEHICLE MILES													0
REVENUE VEHICLE MILES													0
# RIDES													0
COSTS MEASURES													
TOTAL COST													\$0
COST PER MILE													
COST PER HOUR													
COST PER PASSENGER													
RIDERSHIP MEASURES													
# RIDES	0	0	0	0	0	0	0	0	0	0	0	0	0
RIDERS PER VEHICLE HOUR													
RIDERS PER VEHICLE MILE													
RIDERS PER SERVICE DAY													
FARES COLLECTED													
FARE BOX/TOTAL COST													\$0
FARE PER PASSENGER													
MILES/SERVICE DAY													
MILES/SERVICE DAY													
PERCENT REVENUE HOURS													
PERCENT REVENUE HOURS													
PERCENT REVENUE MILES													
PERCENT REVENUE MILES													
CUMULATIVE SERVICE DAYS													
CUMULATIVE SERVICE DAYS													0

NOTE: Estimates shown in Italics

Other Directly Generated Funds

Total Directly Generated Funds

Non-Federal Funds

Donations

Contract revenues

Local funds

State funds

Other Funds

Total Non-Federal Funding

Federal Assistance

FTA Capital Program funds (\$5309)

ARRA major Capital Investment (New Starts) Funds (\$5309)

FTA Special Needs of Elderly Individuals and Individuals with Disabilities Formula Program funds (\$5310)

\$5310 - capital assistance spent on operations

FTA Rural Area Formula funds (\$5311)

\$5311 - capital assistance spent on operations

ARRA Rural Area Formula funds (\$5311)

FTA/ARRA Rural Area Program funds (\$5311) capital assistance spent on

FTA Tribal Transit funds (\$5311)

ARRA Tribal Transit funds (\$5311)

FTA Job Access and Reverse Commute Formula Program funds (\$5318)

FTA New Freedom Program funds (\$5317)

FTA Transit in the Park (\$5320)

FTA Transit in the Park (\$5320)

ARRA TIGER (Greenhouse Gas and Energy Reduction)

Other FTA funds

Other FTA funds - capital assistance spent on operations

Other USDOT Funds

Other Federal Funds

Total Federal Assistance

Total Annual Revenues Expanded

This amount should equal the Total Operating Expenses report above

Other Resources*

Reduced Reporting RR-26 Form

Number of volunteer drivers

Number of personal vehicles in service

Service Data*

Reduced Reporting RR-26 Form

Enter zeros in fields if you do not have data to report

Annual Vehicle Revenue Miles

Annual Vehicle Revenue Hours

Annual Total Unlinked Passenger Trips

Sponsored Unlinked Passenger Trips

Demand Response and Text Only

VOMS

Total

If you select other, enter a description and spell out all acronyms.

Describe*

30

If you select other, enter a description and spell out all acronyms.

Describe*

40

If you select other, enter a description and spell out all acronyms.

Describe*

30

If you select other, enter a description and spell out all acronyms.

Describe*

40

Enter zeros in fields if you do not have data to report

Annual Vehicle Revenue Miles

Annual Vehicle Revenue Hours

Annual Total Unlinked Passenger Trips

Sponsored Unlinked Passenger Trips

Demand Response and Text Only

VOMS

Total

Safety Case

Reduced Reporting RR 20 P

ER

Reportable Events

Fatalities

Injuries

1 field if you do not have data to report

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Public Transit Schedule Claremont

Call (603) 542.9609 to schedule pickup
and to make route deviation request.

Departure times subject to weather, traffic, and route deviation delays.

CLAREMONT BUS SCHEDULE				
Departure	AM	AM	PM	PM
Opera House Square	8:00	8:51	9:55	10:51
Rite Aid			10:00	10:55
Marion Phillips	8:02	9:02	10:02	11:02
Bourdon Center	8:07	9:07	10:04	11:05
Claremont Manor	8:10	9:10	10:07	11:07
Claremont Sr. Center			10:10	11:10
Opera House Square	8:30	9:20	10:20	11:15
Sugar River Mills	8:32	9:25	10:25	11:25
Valley Regional Hospital		9:40	10:35	11:40
Market Basket	8:42	9:45	10:42	11:50
Hannaford's	8:44	9:47	10:44	11:52
Walmart	8:46	9:52	10:46	11:55
Opera House Square	8:51	9:55	10:51	*11:59

CLAREMONT BUS SCHEDULE				
Departure	PM	PM	PM	PM
Opera House Square	12:05	1:00	2:00	2:55
Rite Aid	12:07		2:02	2:57
Marion Phillips	12:08	1:05	2:05	3:00
Bourdon Center	12:17	1:07	2:07	3:04
Claremont Manor	12:20	1:08		
Claremont Sr. Center	12:23	1:10	2:10	
Opera House Square	12:24	1:20	2:20	3:20
Sugar River Mills	12:32	1:25	2:25	3:25
Valley Regional Hospital	12:34	1:40	2:40	3:40
Market Basket	12:46	1:50	2:50	4:00
Hannaford's	12:50	1:52	2:52	4:02
Walmart	12:55	1:53	2:53	4:03
Opera House Square	1:00	2:00	2:55	4:05



Public Transit Schedule Newport and Charlestown

Call (603) 542.9609 to schedule pickup
and to make route deviation request.

Departure times subject to weather, traffic, and route deviation delays.

NEWPORT BUS SCHEDULE				
Departure	AM	AM	PM	PM
Clmt. Opera House Sq.	6:25	7:20		3:00
Irving		7:00		4:10
Shaw's		7:45		
DMV		8:20		
Newport Health Ctr.		8:22		4:12
Hannaford's		8:40		
Clmt. Opera House Sq.		8:45		*4:45
Sugar River Mills		8:53		
Shaw's		9:25	11:40	1:15
Newport Senior Ctr		9:30	11:50	1:18
Maple Manor		9:45	11:52	1:22
Summer Crest		10:12		1:26
DMV		10:20	12:00	1:30
Irving		10:22		
Newport Health Ctr.		10:25	12:02	1:55
Market Basket		10:40		2:15
Hannaford's		10:42	12:25	2:17
Walmart		10:45	12:27	2:22
Clmt. Opera House Sq.		10:53	12:30	3:00
Sugar River Mills		*11:08	12:36	

CHARLESTOWN BUS SCHEDULE				
Departure	AM	AM	PM	PM
Opera House Square		7:15	12:07	
Mascoma Savings Bank		7:40		
222 Lovers Lane		7:50		
Rite Aid		8:20		
Hannaford's		8:30		
Market Basket		10:30	2:40	
Hannaford's		10:32	2:45	
Walmart		10:35	2:50	
Opera House Square		10:40	2:55	
Rite Aid		10:50	3:00	
Mascoma Savings Bank		11:25	3:50	
Crown Point Park		11:33		
Twin Maple Park		11:34		
222 Lovers Lane		11:38		
Mayflower & Lovers Lane		11:38	3:25	
Erma's Market		11:50	3:40	
Opera House Square		12:07		



All vehicles are ADA accessible

*Drop off only

TTY Relay: 711

Effective 04/05/2016

*Drop off only