



THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



Sam 15

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
January 10, 2018

REQUESTED ACTION

Authorize the Department of Transportation to enter into transportation vehicle agreements with the two sub-grantees, Grafton County Senior Citizens Council (Vendor 177675), Lebanon, NH and Granite State Independent Living (Vendor 155330), Concord, NH, for the total amount of \$205,000 effective upon Governor and Executive Council approval through the date the vehicles are disposed. 85% Federal funds, 7.5% Capital General Funds, 7.5% Private/Local Funds.

Funding is available as follows:

FY 2018

04-96-96-964010-2916

Public Transportation

072-500575-0000 Grants to Non-Profits Federal

\$174,250

073-500581-0000 Grants to Non-Profits-State

\$ 15,375

04-96-96-960030-7977

Public Transit Bus Match

034-500160 Major Equipment

\$ 15,375

EXPLANATION

Federal Transit Administration (FTA) Section 5310 authorizes grants to States to purchase capital equipment for local non-profit sub-grantees that provide transportation services to seniors and individuals with disabilities. The Department of Transportation has been administering this program since its inception, as authorized by RSA 228:71, X, and has available FTA Section 5310 funds that will be utilized for this capital equipment purchase. The total purchase price of the capital equipment is estimated to be \$205,000, of which 85% is FTA funds (\$174,250), 7.5% state capital matching funds (\$15,375), and 7.5% local matching funds (\$15,375). The Department will be a listed lienholder and will hold title to the buses until their disposition. The funds are budgeted in the Department's State fiscal year 2018 budget, including prior year funds which are non-lapsing per the provisions of RSA 228:74-a.

The State purchases vehicles using budgeted FTA, state, and local funds, and invoices the receiving non-profit sub-grantees for their 7.5% match. Vehicles will be purchased in accordance with State and Federal requirements through a statewide bus contract administered by the Department of Administrative Services' Bureau of Purchase and Property. The funds for vehicle purchases will be encumbered upon issuance of a purchase order.

The Department is seeking Governor and Council approval to enter into a vehicle agreement with each vehicle's recipient, which will bind them to Federal and State requirements for use and operation of the vehicle equipment. A copy of the agreement that each recipient sub-grantee has signed prior to receiving its vehicle is attached.

AGENCY	QTY	ACCESSIBLE BUS	TOTAL COST	FEDERAL FUNDS	STATE FUNDS	LOCAL MATCH
Grafton County Senior Citizens Council, Inc. (Upper Valley)	1	8 passenger bus	\$65,000	\$55,250	\$4,875	\$4,875
Granite State Independent Living	2	12 passenger bus	\$140,000	\$119,000	\$10,500	\$10,500
	3		\$205,000	\$174,250	\$15,375	\$15,375

The Department uses project selection criteria based on its state management plan for FTA programs to screen and select applicants, as follows:

1	The applicant's request has been identified in a locally developed, coordinated public transit - human services transportation plan.	Y/N
2	Seniors and persons with disabilities have full access to the applicant's services.	Y/N
3	The applicant has indicated it will utilize the vehicle for a minimum of 10,000 miles per year.	Y/N
4	The applicant has successful experience in providing transportation services or the applicant has outlined how the new service will be successful.	15%
5	The applicant shows a willingness to utilize vehicle(s) for coordination in the service area and is involved with Regional Coordinating Council(s) and their activities.	15%
6	The applicant successfully demonstrates service efficiency and effectiveness, measured in ridership, service miles and hours and costs. New applicants must demonstrate the ability to measure performance and achieve goals.	10%
7	The applicant has the technical capacity to carry out the project and has the financial capacity to provide required match for the project and on-going expenses associated with the project.	15%
8	The applicant identified how the project effectively meets the needs and strategies addressed in the locally developed Coordinated Public Transit-Human Services Transportation Plan.	15%
9	The applicant demonstrates involvement in and support for the project, financial and otherwise, on the part of citizens and government	10%
10	The applicant complies with relevant Federal and State regulations, and has a history of compliance with regulations, reporting requirements, and other contract requirements (e.g., maintaining vehicles per OEM guidelines, meeting minimum mileage requirements, timely submission of required reports).	20%

100%

A competitive capital solicitation was issued on May 12, 2017 with an application deadline of July 12, 2017. All applications submitted were evaluated for funding by NHDOT Bureau of Rail & Transit staff.

Scores and awards from the SFY 2018 solicitation are as follows:

SFY 2018 Applicants	Average Score
City of Nashua (Nashua Transit)	86.8%
Grafton County Senior Citizens Council, Inc.	80.7%
Granite State Independent Living	78.0%

The Department, through the Department of Administrative Services Purchase & Property, has a three-year statewide bus procurement contract for small accessible cutaway vehicles, which will allow the aforementioned vehicles for Grafton County Senior Citizens Council and Granite State Independent Living to be purchased upon Governor and Council approval and subsequent vehicle awards to be exercised expeditiously. The bus procurement contract provides a base cost for three separate classes of vehicle types and bus prices vary based upon selected options, pre-approved by the Department, by each vehicle recipient. The Federal funds awarded to the City of Nashua (\$109,620.25) will be transferred to FTA so they can apply and manage the project directly and the 7.5% state match (\$9,672.38) will be requested as a separate Governor and Executive Council item.

The vehicle agreements for Grafton County Senior Citizens Council and Granite State Independent Living have been reviewed and approved by the Attorney General as to form and execution and the Department has verified that the necessary funds are available. Copies of the fully executed agreements will be on file at the Department of Transportation.

Sincerely,



for

Victoria F. Sheehan
Commissioner

Attachment

EXHIBITS TO CONTRACT

TRANSPORTATION VEHICLE AGREEMENT

EXHIBIT A Project Equipment

EXHIBIT B Project Description

Certificate of Good Standing

Certificate of Corporate Vote

Certificate of Insurance

Federally Required Clauses

2 CFR Part 200

The New Hampshire Department of Justice and Department of Transportation approved this template for use in the FTA Section 5310 program.

TRANSPORTATION VEHICLE AGREEMENT

THIS AGREEMENT by and between the State of New Hampshire (hereinafter referred to as "State") acting by and through the New Hampshire Department of Transportation (hereinafter referred to as "Department"), and Grafton County Senior Citizens Council, Inc., a private not-for-profit organization, (hereinafter referred to as "Contractor"), whose office is located at 10 Campbell Street, PO Box 433, Lebanon, NH 03766.

WHEREAS, The Federal Transit Act of 1964, as amended, 49 U.S.C. 5310, provides for capital grants to private nonprofit corporations and associations for the purpose of assisting them in providing transportation services meeting the special needs of seniors and individuals with disabilities for whom mass transportation services are unavailable, insufficient, or inappropriate; and

WHEREAS, the Governor of the State of New Hampshire, in accordance with a request by the Federal Transit Administration (hereinafter referred to as "FTA"), has designated the Department to evaluate and select projects proposed by eligible subrecipients and to coordinate the grant applications; and

WHEREAS, the State and the Contractor desire to utilize grant funds for the transportation needs of seniors and individuals with disabilities of the State.

NOW THEREFORE, in consideration of the mutual covenants herein set forth, the State and the Contractor agree as follows:

Section 1

1.1 The Department shall purchase and deliver to the Contractor the equipment identified in Exhibit A, attached hereto and incorporated herein by reference, (referred to as the "project equipment"). The Department and the Contractor agree that the Vehicle Identification Number of the project equipment will be inserted in Exhibit A following delivery of the project equipment. The estimated cost of the project equipment is identified in Exhibit A, actual cost to be determined following award of bids for the project equipment.

1.2 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 vehicle pursuant to this Agreement, the Contractor shall give the State a security interest in the motor vehicle at the time of purchase and shall take all steps necessary

to perfect the State's security interest, including taking steps to identify the State as a lien holder of such motor vehicle on the motor vehicle title.

1.3 In the event of termination of this agreement prior to the expiration of the useful life as defined by the Department of any project equipment purchased under this agreement, it is understood and agreed that legal title to such equipment shall be immediately transferred to the State.

Section 2

2.1 No more than 30 days after receiving notification of the cost of the project equipment, the Contractor shall pay to the Department the local share of the cost of the project equipment as identified in Exhibit A. Failure to do so may result in termination of this Agreement and reassignment of the project equipment to another agency.

2.2 Upon receipt by the Contractor of the project equipment, the Contractor shall provide transportation services (hereinafter referred to as the "project") to seniors and individuals with disabilities as more specifically described in its Application to the Department and in compliance with FTA Section 5310 Program Guidelines, FTA Circular C9070.1G and subsequent revisions.

2.3 The Contractor shall coordinate its project with similar transportation services in its region, with coordination to include vehicle sharing, time-sharing, joint purchase, or consolidation of services, where feasible.

2.4 The Contractor further agrees to provide sufficient funds to operate, maintain, and insure the project equipment throughout its useful life for transportation to seniors and individuals with disabilities.

2.5 The Contractor agrees that the project equipment's use and disposition shall conform in every respect to the requirements of the State Management Plan, which are hereby incorporated by reference, and the contractor must submit an updated equipment inventory form that includes equipment listed in Exhibit A. If during the term of this Agreement any project equipment is not used in this manner, the Contractor shall immediately notify the Department and take all steps necessary to immediately transfer title of the project equipment to the Department or the Department's written designee.

2.5.1. The Contractor agrees to pay to the Department the fair market value of the Federal interest of project equipment prematurely withdrawn from appropriate use. The amount of Federal interest in the equipment shall be determined on the basis of the ratio of the Federal assistance awarded to the actual cost of the equipment. The Contractor may provide equivalent replacement equipment in the event of a casualty loss, with the prior written approval of the Department.

2.6 During the full period of this Agreement the Contractor shall maintain the project equipment at a high level of cleanliness, safety, and mechanical soundness. The Contractor shall certify that a proper maintenance plan, as outlined by the original equipment manufacturer's preventive maintenance guidelines, is followed.

2.7 The Contractor shall secure automobile liability insurance for a minimum of \$1,000,000 combined single limit coverage to protect itself and the State of New Hampshire from claims arising from property damage and personal injury. A copy of the insurance certificate shall be forwarded to the Department within 30 days of vehicle delivery. Insurance hereunder shall be affected under standard form valid and enforceable policies issued by insurers authorized to write insurance in the State of New Hampshire. The State of New Hampshire, Department of Transportation, must be listed as additional insured and Certificate Holder.

2.8 The Contractor shall implement and carry out a driver training program to include defensive driving, passenger assistance, emergency evacuation procedures, and any other training programs the Department deems necessary.

2.9 The Contractor shall not change, add, or remove seating within the vehicle without prior State approval. The Contractor will not change use of the vehicle or location of vehicle except in an emergency situation without prior approval by the State of New Hampshire. In case of an emergency, the Contractor shall notify the State no later than the next working day following the day of such change. Such change shall be valid for five days; thereafter, the written approval of the State shall be required.

Section 3

3.1 The term of this Agreement shall commence on the date it is signed by both parties (hereinafter referred to as the "Effective Date") and shall terminate on the date determined by the Department to be the end of the useful life of the project equipment.

Section 4

4.1 The Contractor shall comply with all terms and conditions set forth in the Department's FTA Section 5310 Capital Grant, entered into between the Department and FTA and the attachments thereto, hereinafter referred to as the "Grant." The Contractor shall assume all obligations of the Grantee identified in said Grant.

4.2 In connection with the performance of the services hereunder, the Contractor shall comply with all laws, regulations, and statutes of federal, state, county, or municipal authorities, which shall impose any obligations or duty upon the Contractor.

Section 5

5.1 The Contractor shall submit to the Department a Quarterly Productivity Report on the form and according to the schedule required by the Department.

Section 6

6.1 To the extent necessary in carrying out the project, the contractor shall conform its cost accounting practices and standards to those required by 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Super Circular"), which is incorporated herein by reference.

6.2 The Contractor shall permit the Department, the Comptroller General of the United States and the Secretary of the United States Department of Transportation, or their authorized representatives, to inspect all project equipment, all transportation services rendered by the Contractor, and all relevant project data records, as determined by the Department, the Comptroller General, and the Secretary of Transportation or their authorized representatives. The Contractor shall also permit the above named persons to audit the books, records, contracts, and accounts of the Contractor pertaining to the project.

Section 7

7.1 The Department may, by written notice to the Contractor, cancel this agreement for any of the following reasons:

7.1.1 The Contractor uses the vehicle in service for seniors and individuals with disabilities for less than 10,000 miles per year;

7.1.2 The Contractor takes any action pertaining to this Agreement without the approval of the Department and which under the procedures of this Agreement, would have required the approval of the Department;

7.1.3 The commencement, prosecution or timely completion of the project by the Contractor, is for any reason, rendered improbable, impossible or illegal;

7.1.4 The Contractor shall be found to be in default under any provision of this Agreement.

Section 8

8.1 The Contractor hereby covenants and agrees to defend, indemnify and hold harmless the Department from and against any and all losses suffered by the Department and from and against all claims, demands, causes of action, losses and damages asserted by or on behalf of any person or loss of, or damage to any property, sustained or occurring (or which may be claimed to have been sustained or to have occurred) in connection with, as a result of, or pertaining to operation of the project hereunder, on account of or based upon the acts, omission, fault, negligence, or misconduct of the Contractor or of any person other than the Department or its agents, servants, and employees.

8.2 The Contractor hereby covenants and agrees that at all times during the grant term, it will maintain or will ensure that there is in effect statutory workers' compensation and employers' liability insurance for all employees of the Contractor engaged in operation of the project hereunder, and in case any such work is sublet, the Contractor shall require the subcontractor similarly to provide such insurance for all employees of the subcontractor.

8.3 Notwithstanding anything to the contrary contained herein, nothing in this Agreement is intended to act as a waiver of the sovereign immunity of the Department or of the State.

Section 9

9.1 The Director of Aeronautics, Rail and Transit of the Department shall be the representative of the Department hereunder, hereinafter referred to as the Contracting Officer. In the event of any dispute hereunder, the interpretation of this Agreement by the Contracting Officer, and his/her decisions on any dispute, shall be final.

9.2 This Agreement may be amended, waived, or discharged only by an instrument in writing signed by the parties hereto.

9.3 No member of or delegate to the Congress of the United States shall be admitted to any share or part of this contract to any benefit arising there from.

9.4 No member, officer, or employee of the Contractor during his/her tenure or one year thereafter shall have any interest, direct or indirect, in this contract or the proceeds thereof.

9.5 Notwithstanding anything in this agreement to the contrary, all obligations of the State hereunder, including without limitation on continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds for this purpose, 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 these funds, the State shall have the right to terminate this agreement, effective immediately, by giving the Contractor fifteen (15) days written notice of such termination.

9.6 IN WITNESS WHEREOF the parties hereto have executed this AGREEMENT on the day and year first above written.

12/2015

Contractor

Grafton County Senior Citizens Council

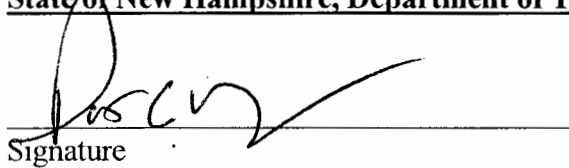
Roberta J. Berner
Signature

Date: 11-21-17

Roberta J. Berner
Type or Print Name

Executive Director
Title

State of New Hampshire, Department of Transportation


Signature

Date: 12/18/2017

Patrick C. Herlihy
Director
Type or Print Name
Aeronautics, Rail and Transit

Title

Attorney General This is to certify that the above Agreement has been reviewed by this office, and is approved as to form and execution.

Allison B. Greenstein
Signature

Date: 12/28/2017

Allison B. Greenstein
Type or Print Name

Attorney
Title

EXHIBIT A

PROJECT EQUIPMENT

GRAFTON COUNTY SENIOR CITIZENS COUNCIL, INC.

QTY	PROJECT EQUIPMENT	VEHICLE NUMBER	TOTAL COST	FEDERAL AMOUNT	STATE MATCH	AGENCY MATCH
1	Replacement 8&2 Small accessible cutaway gas bus Upper Valley Senior Center SFY 2018 5310 purchase VIN	1801	\$65,000	\$55,250	\$4,875	\$4,875

EXHIBIT B

PROJECT DESCRIPTION

B.1 Replacement 8 & 2 accessible small gasoline bus to provide demand response transportation services for seniors and individuals with disabilities in the Upper Valley area. The bus will be based out of the Upper Valley Senior Center, serving the towns of Lebanon, Hanover, Enfield and Plainfield . Transportation services will provide access to: Medical appointments, prescriptions, shopping, meals and other goods and services.

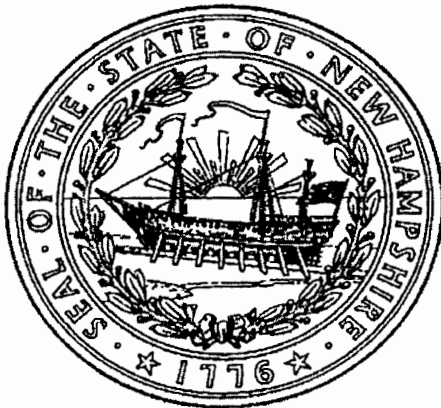
State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that GRAFTON COUNTY SENIOR CITIZENS COUNCIL, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on July 13, 1972. 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: 65677



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire.

this 14th day of April A.D. 2017.

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

Grafton County Senior Citizens Council, Inc.

ABSTRACT OF CORPORATE MINUTES

By action taken in accordance with the by-laws, the Board of Directors of Grafton County Senior Citizens Council, Inc. adopted the following resolution effective April 28, 2014.

Resolved, that any one of the President, Vice President, Treasurer, or Executive Director is authorized on behalf of GCSCC, Inc. to accept grants and awards from, and to enter into contracts and contract amendments with, the State of New Hampshire, and to sign and otherwise fully execute such acceptances and contracts, and contract amendments or modifications thereto, and any related documents requested by the State of New Hampshire. This authorization shall continue until revoked by vote of this governing board.

I certify the foregoing vote is still in effect and has not been revoked, rescinded or modified.

I further certify that Roberta Berner is the duly elected President/Vice President/Treasurer/ **Executive Director** of this corporation and is still qualified and serving in such capacity.

11/21/17 (Date) Patricia A. Brady, President Officer-Title

“No corporate seal.”

STATE OF NEW HAMPSHIRE

COUNTY OF GRAFTON

On November 21st, 2017, before the undersigned officer personally appeared the person identified in the foregoing certificate, known to me (or satisfactorily proven) to be the Clerk/Secretary of the corporation identified in the foregoing certificate, and acknowledged that he/she executed the foregoing certificate.

In witness whereof I hereunto set my hand and official seal.

Betsy L. Cheney
Notary Public/Justice of the Peace

Date of expiration:

BETSEY L. CHENEY
NOTARY PUBLIC
STATE OF NEW HAMPSHIRE
My commission expires June 19, 2018

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.

Cargo Preference

Contracts involving equipment, materials or commodities which may be transported by ocean vessels. These requirements do not apply to micro-purchases (\$3,500 or less, except for construction contracts over \$2,000). Contractor shall: a. use privately owned US-Flag commercial vessels to ship at least 50% of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners and tankers) involved, whenever shipping any equipment, material or commodities pursuant to the underlying contract to the extent such vessels are available at fair and reasonable rates for US flag commercial vessels; b. furnish within 20 working days following the loading date of shipments originating within the US or within 30 working days following the loading date of shipments originating outside the US, a legible copy of a rated, "on-board" commercial bill-of-lading in English for each shipment of cargo described herein to the Division of National Cargo, Office of Market Development, Maritime Administration, Washington, DC 20590 and to the recipient (through contractor in the case of a subcontractor's bill-of-lading.); c. include these requirements in all subcontracts issued pursuant to this contract when the subcontract involves the transport of equipment, material or commodities by ocean vessel.

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.

Bus Testing

Contractor [manufacturer] shall comply with 49 USC A5323(c) and FTA's implementing regulation 49 CFR 665, to the extent they are consistent with 49 U.S.C. § 5318(e), as amended; and shall perform the following:

- 1) A manufacturer of a new bus model or a bus produced with a major change in components or configuration shall provide a copy of the final test report to the recipient prior to the recipient's final acceptance of the first vehicle.
- 2) A manufacturer who releases a report under para. 1 above shall provide notice to the operator of the testing facility that the report is available to the public.
- 3) If the manufacturer represents that the vehicle was previously tested, the vehicle being sold should have the identical configuration and major components as the vehicle in the test report, which must be provided to the recipient prior to the recipient's final acceptance of the first vehicle. If configuration or components are not identical, the manufacturer shall provide a description of the change and the manufacturer's basis for concluding that it is not a major change requiring additional testing.
- 4) If the manufacturer represents that the vehicle is "grandfathered" (has been used in mass transit service in the

US before Oct. 1, 1988, and is currently being produced without a major change in configuration or components), the manufacturer shall provide the name and address of the recipient of such a vehicle and the details of that vehicle's configuration and major components.

Pre-Award & Post Delivery Audit Requirements

Pre-Award & Post-Delivery Audit Requirements - Applicability – Rolling Stock/Turnkey

Contractor shall comply with 49 USC 5323(l) and FTA's implementing regulation 49 CFR 663 and submit the following certifications:

1) Buy America Requirements: Contractor shall complete and submit a declaration certifying either compliance or noncompliance with Buy America. If contractor certifies compliance with Buy America, it shall submit documentation listing:

A. Component and subcomponent parts of the rolling stock to be purchased identified by manufacturer of the parts, their country of origin and costs; and

B. The location of the final assembly point for the rolling stock, including a description of the activities that will take place at the final assembly point and the cost of final assembly.

C. Solicitation Specification Requirements: Contractor shall submit evidence that it will be capable of meeting the bid specifications.

D. Federal Motor Vehicle Safety Standards (FMVSS): Contractor shall submit 1) manufacturer's FMVSS self-certification sticker information that the vehicle complies with relevant FMVSS or 2) manufacturer's certified statement that the buses will not be subject to FMVSS regulations.

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(j), 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 18.39(i)(11).

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.

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.

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.

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: 11-21-17

Company Name: Grafton County Senior Citizens Council, Inc.

Authorized Name: Roberta J. Berner

Signature: Roberta J. Berner

Title: Executive Director

**Transportation vehicle agreement between the NH Department of Transportation
and Grafton County Senior Citizens Council**

The subrecipient, Grafton County Senior Citizens Council, 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: **Grafton County Senior Citizens Council**

Subrecipient DUNS number: **028411510**

Federal Award Identification Number (FAIN): **NH-2017-012, NH-16-X047**

Federal Award Date: **2017**

Period of Performance for FFY 2017 award. **Start is 7/1/2017 and End Date is 12/31/19**

Federal Funds obligated by this action: **\$1,214,467**

Total amount of Federal Funds obligated to subrecipient: **\$55,250 for SFY 2018 bus procurement**

Total amount of Federal award: **\$55,250 for SFY 2018 bus procurement**

Federal Award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA): **Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities program.**

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 award. CFDA 20.513, Enhanced Mobility of Seniors and Individuals with Disabilities formula grant, \$1,214,467**

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

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

GRAFTON COUNTY SENIOR
CITIZENS COUNCIL, INC.

FINANCIAL STATEMENTS
September 30, 2016 and 2015

SINGLE AUDIT REPORTS
September 30, 2016

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ROWLEY & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
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CERTIFIED PUBLIC ACCOUNTANTS

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CONCORD, NEW HAMPSHIRE 03301
TELEPHONE (603) 228-5400
FAX # (603) 226-3532

MEMBER OF THE PRIVATE
COMPANIES PRACTICE SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Grafton County Senior Citizens Council, Inc.
Lebanon, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements Grafton County Senior Citizens Council, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2016 and the related statement of activities and changes in net assets, statement of functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Grafton County Senior Citizens Council, Inc. as of September 30, 2016 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Grafton County Senior Citizens Council, Inc's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 14, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

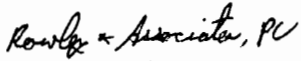
Other Matters

Other information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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 February 10, 2017, on our consideration of Grafton County Senior Citizens Council, 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 Grafton County Senior Citizens Council, Inc.'s internal control over financial reporting and compliance.



Rowley & Associates, P.C.
Concord, New Hampshire
February 10, 2017

GRAFTON COUNTY SENIOR CITIZENS COUNCIL, INC.
STATEMENTS OF FINANCIAL POSITION
September 30, 2016 and 2015
See Independent Auditor's Report

ASSETS	2016	2015
CURRENT ASSETS		
Cash, unrestricted	\$ 32,957	\$ 17,670
Cash, board designated	12,721	47,249
Cash, temporarily restricted	11,431	14,586
Investments	292,848	324,889
Investments, Endowment	229,602	237,609
Accounts receivable	20,665	20,741
Grants receivable	229,144	361,398
Inventories	20,296	22,154
Deposits	18,734	-
Prepaid expenses	24,529	89,993
	<u>892,927</u>	<u>1,136,289</u>
 LAND, BUILDING AND EQUIPMENT, at cost		
Land, buildings and improvements	2,920,481	2,497,855
Equipment	287,422	277,640
Vehicles	451,970	451,971
Construction in progress	-	131,293
Accumulated depreciation	(1,781,540)	(1,661,168)
	<u>1,878,333</u>	<u>1,697,591</u>
 Total Assets	 <u>2,771,260</u>	 <u>2,833,880</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	45,284	91,384
Accrued expenses	111,297	136,648
Deferred revenue	-	35,738
Line of credit	75,000	119,985
Security deposits	325	325
	<u>231,906</u>	<u>384,080</u>
 NET ASSETS		
Unrestricted		
Operating	93,237	13,814
Board designated	396,342	471,088
Investment in fixed assets	1,878,333	1,697,591
	<u>2,367,912</u>	<u>2,182,493</u>
Temporarily restricted	32,613	128,648
Permanently restricted	138,829	138,659
	<u>2,539,354</u>	<u>2,449,800</u>
 Total Liabilities and Net Assets	 <u>\$ 2,771,260</u>	 <u>\$ 2,833,880</u>

The notes to consolidated financial statements are an integral part of this statement

GRAFTON COUNTY SENIOR CITIZENS COUNCIL, INC.
 STATEMENT OF ACTIVITIES
 Year Ended September 30, 2016
 With Comparative Totals For Year Ended September 30, 2015
 See Independent Auditor's Report

	2016			2015	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Memorandum Total	Memorandum Total
SUPPORT, REVENUES AND GAINS					
SUPPORT					
Contributions:					
Local government agencies	\$ 359,407	\$ -	\$ -	\$ 359,407	\$ 366,070
Senior center activities	85,478	-	-	85,478	71,323
Program participant	253,616	-	-	253,616	268,650
General contributions and other	485,508	38,006	-	523,514	339,408
Contributions, non-cash	327,836	-	-	327,836	491,943
Special events	44,221	-	-	44,221	32,086
Bequests	37,064	-	-	37,064	38,328
United Way agencies	35,050	8,826	-	43,876	39,026
Governmental programs and fees for contract services	2,081,138	-	-	2,081,138	2,140,351
	<u>3,709,318</u>	<u>46,832</u>	<u>-</u>	<u>3,756,150</u>	<u>3,787,185</u>
REVENUES AND GAINS					
Rental	25,407	-	-	25,407	23,370
Interest and dividends	18,433	-	2,787	21,220	20,765
Net realized and unrealized gain (loss) on investments	28,113	-	2,883	30,996	(39,547)
	<u>71,953</u>	<u>-</u>	<u>5,670</u>	<u>77,623</u>	<u>4,588</u>
TOTAL SUPPORT, REVENUES AND GAINS	<u>3,781,271</u>	<u>46,832</u>	<u>5,670</u>	<u>3,833,773</u>	<u>3,791,773</u>
Net Assets Released From Donor Imposed Restrictions	148,367	(142,867)	(5,500)	-	-
EXPENSES					
PROGRAM SERVICES					
Senior transportation	615,006	-	-	615,006	639,230
Nutrition programs	2,045,473	-	-	2,045,473	2,086,373
Social services programs	109,912	-	-	109,912	118,042
Service Link	449,479	-	-	449,479	458,129
RSVP programs	116,756	-	-	116,756	110,893
Senior center activities	47,672	-	-	47,672	29,971
	<u>3,384,298</u>	<u>-</u>	<u>-</u>	<u>3,384,298</u>	<u>3,442,638</u>
SUPPORTING SERVICES					
Management and general	329,684	-	-	329,684	302,522
Fundraising	30,237	-	-	30,237	32,563
	<u>359,921</u>	<u>-</u>	<u>-</u>	<u>359,921</u>	<u>335,085</u>
TOTAL EXPENSES	<u>3,744,219</u>	<u>-</u>	<u>-</u>	<u>3,744,219</u>	<u>3,777,723</u>
NET INCREASE (DECREASE) IN NET ASSETS	185,419	(96,035)	170	89,554	14,050
NET ASSETS, BEGINNING OF YEAR	<u>2,182,493</u>	<u>128,648</u>	<u>138,659</u>	<u>2,449,800</u>	<u>2,435,750</u>
NET ASSETS, END OF YEAR	<u>\$ 2,367,912</u>	<u>\$ 32,613</u>	<u>\$ 138,829</u>	<u>\$ 2,539,354</u>	<u>\$ 2,449,800</u>

The notes to consolidated financial statements are an integral part of this statement

GRAFTON COUNTY SENIOR CITIZENS COUNCIL, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ending September 30, 2016
(With Comparative Totals for the Year Ended September 30, 2015)
See Independent Auditor's Report

	PROGRAM SERVICES					SUPPORT			MEMORANDUM TOTALS	
	Senior Transportation	Nutrition	Social Services	Service Link	RSVP	Senior Activity	Management and General	Fund Raising	2016	2015
Salaries and wages	\$ 285,441	\$ 728,635	\$ 80,119	\$ 273,361	\$ 70,089	\$ -	\$ 125,753	\$ 13,973	\$ 1,577,371	\$ 1,550,393
Payroll taxes	21,429	53,329	5,852	20,067	5,480	-	12,911	1,434	120,502	117,146
Fringe benefits	19,040	105,121	10,019	46,188	9,198	-	19,439	2,160	211,165	208,148
Travel	7,979	45,316	2,051	27,494	9,470	1,179	5,156	573	99,218	110,710
Supplies	3,722	104,243	300	10,429	3,949	571	39,940	1,724	164,878	143,923
Food and beverages	-	341,924	-	-	-	-	-	-	341,924	380,547
Donated food and beverage	-	302,321	-	-	-	-	-	-	302,321	319,423
Rent and utilities	25,206	113,169	1,595	16,709	951	-	2,486	276	160,392	180,435
Vehicle expense	114,573	6	-	-	-	-	-	-	114,579	110,829
Postage	1,179	6,110	79	1,498	820	832	2,867	319	13,704	14,802
Repairs and maintenance	18,462	106,279	1,647	5,085	1,535	959	11,324	1,174	146,465	123,727
Telephone and internet	3,906	15,428	327	5,130	836	-	380	42	26,049	25,932
Professional Fees	-	1,005	-	1,595	-	300	33,343	2,008	38,251	50,834
Bank and investment fees	-	-	-	-	-	35	5,429	52	5,516	8,583
Interest expense	-	-	-	-	-	-	2,076	-	2,076	3,508
Dues and subscriptions	398	-	-	218	69	25	2,298	255	3,263	4,599
Insurance	37,349	80,443	7,139	25,902	7,333	-	22,258	2,473	182,897	207,930
Marketing/public relations	185	652	33	2,045	850	-	4,026	447	8,238	6,245
Staff development	2,507	2,780	151	842	3,685	30	2,202	244	12,441	10,429
Printing and copying	421	489	11	571	159	13	702	77	2,443	4,393
Volunteer recognition	21	130	2	-	390	1,236	1,462	162	3,403	943
Miscellaneous expenses	238	1,277	1	556	173	1,091	9,040	1,005	13,381	2,117
Depreciation	72,950	36,541	586	250	-	-	10,046	-	120,373	144,325
Fundraising	-	269	-	38	-	1,232	4,114	457	6,110	3,541
Website costs	-	-	-	-	275	-	9,900	1,100	11,275	7,971
Other program expenses	-	-	-	11,501	1,494	20	60	7	13,082	10,937
Senior activity expense	-	6	-	-	-	40,149	2,472	275	42,902	25,353
Total Expenses	\$ 615,006	\$ 2,045,473	\$ 109,912	\$ 449,479	\$ 116,756	\$ 47,672	\$ 329,684	\$ 30,237	\$ 3,744,219	\$ 3,777,723

The notes to consolidated financial statements are an integral part of this statement

GRAFTON COUNTY SENIOR CITIZENS COUNCIL, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended September 30, 2016 and 2015
See Independent Auditor's Report

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 89,554	\$ 14,050
Adjustments to reconcile change in net assets to net unrestricted cash provided by operating activities:		
Depreciation	120,373	144,325
(Gain) loss on sale of investments	18,002	(1,082)
Unrealized (gain) loss on investments	(48,998)	40,629
Contributions of fixed assets	(805)	(104,378)
Change in cash restricted	3,155	5,103
(Increase) decrease in operating assets		
Accounts receivable	76	102
Grants receivable	132,254	(187,754)
Inventories	1,858	872
Deposits	(18,734)	-
Prepaid expenses	65,464	(59,003)
Increase (decrease) in operating liabilities		
Accounts payable - trade	(46,100)	40,781
Accrued expenses	(25,351)	22,426
Deferred revenue	(35,738)	3,330
Net cash provided (used) by operating activities	<u>255,010</u>	<u>(80,599)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from sales on investments and Endowment	248,455	624,888
Purchases of investments and Endowment	(177,411)	(550,784)
Cash paid for purchases of fixed assets	(300,310)	(29,526)
Net cash provided (used) by investing activities	<u>(229,266)</u>	<u>44,578</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds (payments) on line of credit	<u>(44,985)</u>	49,985
Net increase (decrease) in unrestricted cash	(19,241)	13,964
Unrestricted cash, beginning of year	<u>64,919</u>	<u>50,955</u>
Unrestricted cash, end of year	<u>\$ 45,678</u>	<u>\$ 64,919</u>
SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ 2,076</u>	<u>\$ 3,508</u>
Non cash contributions	<u>\$ 327,836</u>	<u>\$ 491,943</u>
Cost of fixed assets acquired	301,115	133,904
Donation of fixed assets	805	104,378
Net cash paid for fixed assets	<u>\$ 300,310</u>	<u>\$ 29,526</u>

The notes to consolidated financial statements are an integral part of this statement

GRAFTON COUNTY SENIOR CITIZENS COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2016 and 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Grafton County Senior Citizens Council, Inc. (hereinafter referred to as the "Organization" or the "Council") have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to not-for-profits. The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for establishing accounting and financial reporting principles for not-for-profits. The more significant of the FASB's generally accepted accounting principles applicable to the Council, and the Council's conformity with such principles, are described below. These disclosures are an integral part of the Council's financial statements.

A. NATURE OF ACTIVITIES, PURPOSE AND CONCENTRATIONS

The Grafton County Senior Citizens Council, Inc. is a "not-for-profit" organization, which provides community-based services to older individuals in Grafton County, New Hampshire. These services include transportation, nutrition, and physical and social activities. The Council's program support is derived primarily from federally funded fee for service contracts and grants through the State of New Hampshire, and is supplemented by participant program related contributions. The Council also receives mission critical program support from area towns, agencies, United Way and Grafton County. The Council also allows the area Senior Centers to generate program support for activities specific to the area centers.

B. PROMISE TO GIVE

The Organization has adopted FASB ASC 958-605-20, "Accounting for Contributions Received and Contributions Made." In accordance with FASB ASC 958-605-20, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Time-restricted contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of time restriction. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The organization uses the allowance method for recognition of uncollectable amounts. There were no uncollectable amounts at September 30, 2016 and 2015, respectively.

C. USE OF ESTIMATES

The preparation 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 disclosures. Accordingly, actual results could differ from those estimates.

D. BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared in the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Consequently, revenues are recognized when earned and expenses are recognized when incurred.

E. FINANCIAL STATEMENT PRESENTATION

The Council 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. In addition, the Council is required to present a statement of cash flows. The Council additionally maintains a classification of land, building and equipment within its unrestricted net asset statements of activity, which is combined into total unrestricted net assets.

GRAFTON COUNTY SENIOR CITIZENS COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2016 and 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. IN-KIND CONTRIBUTIONS

Contributed Services

The Council receives donated services from a substantial number of unpaid volunteers who have made significant contributions of their time to the general operations of the Council. No amounts have been recognized in the accompanying statement of activities because the criterion for recognition of such volunteer effort is that services must be specialized skills, which would be purchased if not donated. Service contributed for the year ended September 30, 2016 and 2015 amounted to 70,877 and 63,072 hours, respectively and are valued at \$7.25 per hour for a total of \$513,858 and \$457,272, respectively.

Contributed goods

The Council receives donated goods throughout the year. Contributed goods can include food supplies and equipment. For financial reporting purposes the items contributed have been recorded at their fair market value at the date of the contribution. Any equipment contributed is capitalized and depreciated over its estimated useful life.

For the year ended September 30, 2016 contributed food, supplies, and fixed assets were \$302,321, \$24,711 and \$804, respectively. For the year ended September 30, 2015 contributed food, supplies, and fixed assets were \$319,423, \$6,842 and \$165,678, respectively.

G. INCOME TAXES

The exempt status of the Council is based upon the terms of an original Internal Revenue Service determination letter, dated July 1972, in which the Council maintained that it is an organization that operates exclusively for religious, charitable and educational purposes (as more fully defined in Internal Revenue Code Section 501(c)(3)). The Council has maintained that it is not a "private foundation" under Section 509(a)(2). The Council is required to file annual information returns for tax-exempt organizations with the Internal Revenue Service as well as the Department of Charitable Trusts of the New Hampshire Attorney General's Office. The council qualifies for the charitable contribution deduction under Section 170(b)(1)(A).

H. INVESTMENTS

The Council has adopted FASB ASC 958-320, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under FASB ASC 958-320, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increase in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

I. CASH, CASH EQUIVALENTS AND INVESTMENTS

For purposes of the Statements of Cash Flows, the Council considers all highly liquid investments (short-term investments such as certificates of deposits and money market accounts) with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents as of September 30, 2016 and 2015.

GRAFTON COUNTY SENIOR CITIZENS COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
 Years Ended September 30, 2016 and 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. ACCOUNTS RECEIVABLE

Accounts receivable are comprised of amounts due from customers for services provided. The Council considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If accounts become uncollectible, they will be charged to operations when that determination is made. Collections on accounts previously written off are included in revenue as received.

K. GRANTS RECEIVABLE

The grants receivable consist of amounts to be received by the Council from Federal and State governments. The amounts to be received include receivables for program services already rendered under contract agreements with the government. No allowance for doubtful accounts has been established for accounts receivable.

L. LAND, BUILDINGS, AND EQUIPMENT

Land, buildings and equipment are recorded at cost at the date of acquisition or fair market value at the date of the gift. The Council's policy is to capitalize all land, buildings and equipment in excess of \$1,000 (lesser individual item amounts are generally expensed) and to depreciate these assets using the straight-line method of depreciation over their estimated useful lives as follows:

	<u>Years</u>
Buildings and improvements	7-50
Equipment	5-20
Vehicles	5-7

Depreciation expense recorded by the Council for the years ended September 30, 2016 and 2015 was \$120,373 and \$144,325, respectively.

M. ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Council provides, when necessary, for an allowance for doubtful accounts when accounts or pledges receivable are not deemed fully collectible. At September 30, 2016 and 2015, there was no allowance for doubtful accounts.

N. INVENTORY

Inventory is stated at the lower of cost (specific identification method) or market and is comprised of food items.

2. SUBSEQUENT EVENT

The Organization's management has evaluated subsequent events through February 10, 2017, which is the date the financial statements were available to be issued. It has been determined that no subsequent events matching this criterion occurred during this period.

3. FUNCTIONAL EXPENSES

Expenses by function have been allocated between program and supporting services classifications on the basis of time records, units of service and estimates made by the Council's management.

GRAFTON COUNTY SENIOR CITIZENS COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
 Years Ended September 30, 2016 and 2015

4. INVESTMENTS AND INVESTMENTS, ENDOWMENT

The Council maintains individual and pooled investments containing both restricted and unrestricted funds. Investment income, gains, losses, and management fees of any pool are allocated to activities based on each activity's pro-rata share (on dollar and time basis) in the pool. Investments in marketable equity securities and marketable debt securities are carried at fair market value determined by "quoted market prices" per unit (share) as of the balance sheet date. All other investments are stated at cost. Donated investments are recorded at the "fair market value" as of the date of receipt. Investment income, realized and unrealized gains, losses, dividends and interest unrestricted activities are recorded as operating activities. Investment interest and dividend income on restricted activities is added to, or deducted from, the appropriate activity.

All investments are unrestricted, board designated. Investments were comprised of the following:

	<u>2016</u>	<u>2015</u>
Investments:		
Money Markets	\$ 6,338	\$ 31,305
Bond Mutual Funds	118,230	192,020
Equity Mutual Funds	54,859	-
ETFs	<u>119,759</u>	<u>132,869</u>
	299,186	356,194
Less amounts included in cash	<u>(6,338)</u>	<u>(31,305)</u>
Total	<u>\$292,848</u>	<u>\$324,889</u>

FASB Accounting Standards Codification Topic 820-10 *Fair Value Measurements* defines fair value, requires expanded disclosures about fair value measurements, and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurement).

Under Topic 820-10, the three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are either directly or indirectly observable for the assets or liabilities.

Level 3 inputs are unobservable inputs for the assets or liabilities.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

All investments are measured at Level 1. Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets. None of the investments are Level 2 or Level 3 investments.

GRAFTON COUNTY SENIOR CITIZENS COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
 Years Ended September 30, 2016 and 2015

4. INVESTMENTS AND INVESTMENTS, ENDOWMENT (Continued)

The Investment, Endowment was comprised of the following:

	<u>2016</u>	<u>2015</u>
Investment , Endowment		
Money Markets	\$ 6,383	\$ 15,944
Bond Mutual Funds	109,153	114,699
ETFs	<u>120,449</u>	<u>122,910</u>
	235,985	253,553
Less amounts included in cash	<u>(6,383)</u>	<u>(15,944)</u>
Total	<u>\$229,602</u>	<u>\$237,609</u>

Endowment Funds and Net Assets

In August 2008, the Financial Accounting Standards Board issued FASB Accounting Standards Codification Topic 958-205 “*Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds*” (FASB ASC Topic 958-205).

Topic 958-205 provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Topic 958-205 also requires additional disclosures about an organization’s endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

The State of New Hampshire enacted UPMIFA effective July 1, 2008, the provisions of which apply to endowment funds existing on or established after that date. The Organization has adopted Topic 958-205. The Organization’s endowment consists of donated common stocks and purchased mutual funds established for a variety of purposes that support the Organization’s mission. Its endowment includes both donor-restricted and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulation to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the various funds
- 2) The purposes of the donor-restricted endowment funds
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Organization
- 7) The investment policies of the Organization

GRAFTON COUNTY SENIOR CITIZENS COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2016 and 2015

4. INVESTMENTS AND INVESTMENTS, ENDOWMENT (Continued)

Investment Return Objectives, Risk Parameters and Strategies

The Endowment Fund was established to provide a source of continued support for the service provided by the Council. The finance committee has the authority to invest in mutual funds, cash or cash equivalents or Electronically Traded Funds (ETF) in proportions at their discretion. The Endowment Fund is invested with a recommended mix of approximately 50% equities, 45% fixed income and 5% cash and cash equivalents.

Spending Policy

The spending policy is to take distributions of annual amounts of 5% of the trailing eight quarter average value of the fund assets. However, 83% of the balance of the fund may be spent if authorized by a majority vote of the Board of Directors. The remainder of the fund is made up of permanently restricted funds. These permanently restricted funds allow for the earnings to be released for spending each year.

The composition of endowment net assets and the changes in endowment net assets as of September 30, 2016 and 2015 are as follows:

	<u>Board Designated</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, September 30, 2014	\$148,227	\$144,623	\$292,850
Net, contributions/withdrawals	(37,273)	-	(37,273)
Investment income	3,699	2,645	6,344
Net depreciation	(7,690)	(8,013)	(15,703)
Withdrawals in accordance with spending policy	<u>(8,013)</u>	<u>(596)</u>	<u>(8,609)</u>
Endowment net assets, September 30, 2015	<u>\$ 98,950</u>	<u>\$138,659</u>	<u>\$237,609</u>
Net, contributions/withdrawals	(17,881)	-	(17,881)
Investment income	4,061	2,787	6,848
Net depreciation	9,921	2,883	12,804
Withdrawals in accordance with spending policy	<u>(4,278)</u>	<u>(5,500)</u>	<u>(9,778)</u>
Endowment net assets, September 30, 2016	<u>\$ 90,773</u>	<u>\$138,829</u>	<u>\$229,602</u>

5. CONCENTRATION OF CREDIT RISK

At September 30, 2016 and 2015, the carrying amounts and bank balances with financial institutions of the Council's cash deposits are categorized by "credit risk" as follows:

Category 1 Deposits that are insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by securities held by the Council (or its agent) in the Council's name.

Category 2 Deposits that are uninsured and collateralized by securities that are held by the pledging institution's trust department (or agent) in the Council's name.

Category 3 Deposits that are uninsured and uncollateralized or collateralized by securities that are held by the pledging institution's trust department (or agent) but not in the Council's name.

At September 30, 2016 and 2015, the Organization had no uninsured cash balances, respectively

GRAFTON COUNTY SENIOR CITIZENS COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
 Years Ended September 30, 2016 and 2015

6. LINE OF CREDIT

The Council has a \$200,000 line of credit at an area bank, unsecured, with a variable interest rate equal to the Wall Street Journal Prime Index. The line of credit expires September 15, 2017. The interest rate at September 30, 2016 and 2015 was 3.50% and 3.25%, respectively. Interest payments are required monthly. The outstanding balance as of September 30, 2016 and 2015 was \$75,000 and \$119,985, respectively.

7. LEASE OBLIGATION

In May 2011, the Council entered into an agreement to lease property in Littleton over twenty years in an amount equal to the tax assessment of the property, payable in monthly installments. During the years ended September 30, 2016 and 2015, respectively, the Council expensed rent in the amount of \$4,200 related to the lease.

In July 2014 the Council renewed its lease of property in Littleton for three years. The lease expires in June 2017. During the years ended September 30, 2016 and 2015, respectively, the Council expensed rent in the amount of \$14,962 and \$13,271 related to the lease, respectively.

In January 2014 the Council signed a four-year lease of property in Lincoln, New Hampshire. The lease agreement expires in December 2018. During the years ended September 30, 2016 and 2015, respectively, the Council expensed rent in the amount of \$12,035 related to this lease.

In October 2016 the Council renewed a one-year lease of property in Bristol, New Hampshire. The agreement expires in October 2017. During the years ended September 30, 2016 and 2015, respectively, the Council expensed rent in the amount of \$10,800 related to this lease.

In January 2016 the Council renewed a one-year agreement to lease property in Orford, New Hampshire. The agreement expires in January 2017. During the years ended September 30, 2016 and 2015, respectively, the Council expensed rent in the amount of \$4,980 related to the lease.

In January 2016 the Council entered a ten-year agreement with the town of Canaan to mutually maintain the Indian River Grange Hall. In lieu of rent the Council maintains the utility and custodial costs of operating the Grange Hall.

Future minimum lease payments on the above leases as of September 30 are:

2017	\$ 35,783
2018	16,235
2019	4,200
2020	4,200
2021	4,200
Thereafter	<u>61,600</u>
	<u>\$126,218</u>

The Council also leases office equipment under short-term operating lease agreements.

8. CONTINGENT LIABILITIES

Grants often require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. Although the return of the funds is a possibility, the Board of Directors deems the contingency unlikely, since by accepting the grants and their terms, it has made a commitment to fulfill the provisions of the grant.

GRAFTON COUNTY SENIOR CITIZENS COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
 Years Ended September 30, 2016 and 2015

9. ECONOMIC DEPENDENCY

The Council receives a substantial amount of its revenues and support under federal and state funded fee for service contracts, grants and programs (primarily passed through the State of New Hampshire). If a significant reduction or delay in the level of support were to occur, it may have an effect on the Council's programs and activities.

The following reflects activity for the year ended September 30, 2016:

Federal and State Funded Contracts, Grants and Programs	\$2,081,138
Percentage of Total Support and Revenues	55%

10. TEMPORARILY RESTRICTED, PERMANENTLY RESTRICTED & BOARD-DESIGNATED NET ASSETS

Board designated net assets consist of the following at September 30:

	<u>2016</u>	<u>2015</u>
Investment reserve	\$ 115,677	\$ 126,092
Mascoma area reserve	18,287	19,551
Plymouth reserve	7,816	8,371
Littleton reserve	125,538	147,321
Horse Meadow reserve	31,868	54,859
GCSCC Endowment fund	<u>97,156</u>	<u>114,894</u>
Total board designated net assets	<u>\$ 396,342</u>	<u>\$ 471,088</u>

Temporarily restricted net assets consist of the following at September 30:

	<u>2016</u>	<u>2015</u>
Plymouth deck fund	\$ -	\$ 3,335
Plymouth refrigerator	1,604	1,604
Service Corps	-	2,777
NHCF Strategic Planning	5,000	-
Lebanon transportation	-	300
Tree harp	-	5,120
Kitchen	-	85
Basket Raffle	1,365	1,365
United Way receivable	8,826	8,584
DHMC Dental Clinic	3,462	-
DHMC Light Program	9,356	-
CDFR Grant receivable	3,000	-
GC Emergency Food & Shelter receivable	-	4,178
Grafton County CDBG receivable	-	61,300
USDA Grant receivable	<u>-</u>	<u>40,000</u>
Total temporarily restricted net assets	<u>\$ 32,613</u>	<u>\$ 128,648</u>

Permanently restricted net assets consist of the following at September 30:

	<u>2016</u>	<u>2015</u>
Clapper Memorial Fund	\$ 30,457	\$ 29,419
Jean Clay fund	<u>108,372</u>	<u>109,240</u>
Total temporarily restricted net assets	<u>\$ 138,829</u>	<u>\$ 138,659</u>

GRAFTON COUNTY SENIOR CITIZENS COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
 Years Ended September 30, 2016 and 2015

11. FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, the Council is required to disclose certain information about its financial assets and liabilities. Fair values of assets measured on a recurring basis at September 30 were as follows:

		Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant other Observable Inputs (Level 2)
<u>2016</u>	<u>Fair Value</u>		
Investments	\$ 522,450	\$ 522,450	\$ -
Accounts receivable	20,665	-	20,665
Grants receivable	229,144	-	229,144
	<u>\$ 772,259</u>	<u>\$ 522,450</u>	<u>\$ 249,809</u>
<u>2015</u>	<u>Fair Value</u>	<u>Assets (Level 1)</u>	<u>(Level 2)</u>
Investments	\$ 562,498	\$ 562,498	\$ -
Accounts receivable	20,741	-	20,741
Grants receivable	361,398	-	361,398
	<u>\$ 944,637</u>	<u>\$ 562,498</u>	<u>\$ 382,139</u>

Fair values for investments were determined by reference to quoted market prices and other relevant information generated by market transactions. The fair value of accounts and grants receivable are estimated at the present value of expected future cash flows.

12. TAX EXEMPT STATUS

The Organization is a public charity exempt from Federal income tax under Section 501 (c) (3) of the Internal Revenue Code. The Organization does not believe it has done anything during the past year that would jeopardize its tax exempt status at either the state or Federal level. The Organization reports its activities to the IRS in an annual information return. These filings are subject to review by the taxing authorities and the federal income tax returns for 2015, 2014, and 2013 are subject to examination by the IRS, generally for three years after they were filed.

In accordance with FASB ASC 740-10, Accounting for Uncertainty in Income Taxes, the Organization is under the opinion that there are no unsustainable positions that have been taken in regards to federal or state income tax reporting requirements. Accordingly, management is not aware of any unrecognized tax benefits or liabilities that should be recognized in the accompanying statements.

13. COMPENSATED ABSENCES

Employees of the Organization are entitled to paid vacation depending on job classification, length of service, and other factors. The statement of financial position reflects accrued vacation earned, but unpaid as of September 30, 2016 and 2015 in the amounts of \$76,991 and \$87,051, respectively.

GRAFTON COUNTY SENIOR CITIZENS COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended September 30, 2016 and 2015

14. COMMUNITY DEVELOPMENT INVESTMENT TAX CREDIT PROGRAM CONTRACT

The Organization entered into a community development investment tax credit program contract with the Community Development Finance Authority (CDFA). The contract is for a revitalization project that began in July 2014 and will end in July 2019. The contract was awarded to the Organization to provide funding toward senior citizen facility improvements at six of the Organization's sites. The total funds awarded for the project, net of a 20% program fee to CDFFA are \$414,874.

CDFFA is funding the award by providing NH tax credits to third-party donors. Donors who contribute to this project receive NH tax credits for future use. CDFFA holds the funds on behalf of the Organization.

CDFFA is making this grant contingent on the project's ability to obtain firm commitments in the amounts necessary to complete the project and will not release any tax credit funds held by CDFFA until firm commitments are documented and provided to CDFFA from the sources, or from acceptable substitute sources. All tax credit funds must be raised by Grafton County Senior Citizens Council, Inc. prior to release of funds to ensure project completion. Because of the contingent nature of this project, no amount has been included in the financial statements.

As of September 30, 2015 the Organization had met the first fundraising goal of \$187,500 of which \$150,000 of those funds were available for use when all contingent circumstances were met. As of September 30, 2016 all of the fundraising goals had been met and the all funds are available for use when all contingent circumstances are met.

ROWLEY & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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MEMBER OF THE PRIVATE
COMPANIES PRACTICE SECTION

INDEPENDENT AUDITOR'S 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
Grafton County Senior Citizens Council, Inc.
Lebanon, 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 financial statements of Grafton County Senior Citizens Council, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2016, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 10, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Grafton County Senior Citizens Council, 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Grafton County Senior Citizens Council, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Grafton County Senior Citizens Council, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's 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 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 Grafton County Senior Citizens Council, Inc.'s financial statements are free from 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 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.

Rowley & Associates, PC

Rowley & Associates, P.C.
Concord, New Hampshire
February 10, 2017

ROWLEY & ASSOCIATES, P.C.

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MEMBER OF THE PRIVATE
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Grafton County Senior Citizens Council, Inc.
Lebanon, New Hampshire

Report on Compliance for Each Major Federal Program

We have audited Grafton County Senior Citizens Council, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Grafton County Senior Citizens Council, Inc.'s major federal programs for the year ended September 30, 2016. Grafton County Senior Citizens Council, Inc.'s major federal programs are identified in the summary of auditor's 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Grafton County Senior Citizens Council, 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 the audit 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). 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 Grafton County Senior Citizens Council, 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 Grafton County Senior Citizens Council, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Grafton County Senior Citizens Council, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

Report on Internal Control over Compliance

Management of Grafton County Senior Citizens Council, 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 New Hampshire Coalition Against Domestic and Sexual Violence'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 Grafton County Senior Citizens Council, 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



Rowley & Associates, P.C.
Concord, New Hampshire
February 10, 2017

GRAFTON COUNTY SENIOR CITIZENS COUNCIL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2016

SECTION I – SUMMARY OF AUDITOR’S RESULTS

1. The auditor’s report expresses an unqualified opinion on the financial statements of Grafton County Senior Citizens Council, Inc.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor’s Report.
3. No instances of noncompliance material to the financial statements of Grafton County Senior Citizens Council, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance. No Material weaknesses are reported.
5. The auditor’s report on compliance for the major federal award programs for Grafton County Senior Citizens Council, Inc. expresses an unqualified 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 was: None.
8. The threshold used for distinguishing between Type A and B programs was: \$750,000.
9. Grafton County Senior Citizens Council, Inc. qualified as a low-risk auditee.

SECTION II – FINANCIAL STATEMENT FINDINGS

No Matters Were Reported

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No Matters Were Reported

GRAFTON COUNTY SENIOR CITIZENS COUNCIL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2016

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA #</u>	<u>Federal Expenditures</u>
AGING-CLUSTER		
US DEPARTMENT OF HEALTH AND HUMAN SERVICES		
<i>Passed through the NH Department of Health and Human Services</i>		
Title IIIB, Supportive Services and Senior Centers	93.044	\$ 119,456
Title IIIC, Nutrition Services Incentive Program	93.045	375,684
Nutrition Services Incentive Program - Food Distribution	93.053	<u>139,560</u>
TOTAL AGING-CLUSTER		<u>634,700</u>
OTHER PROGRAMS		
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		
<i>Direct Program</i>		
Title IIA, Retired and Senior Volunteer Program (RSVP)	94.002	93,867
US DEPARTMENT OF HEALTH AND HUMAN SERVICES		
<i>Passed through the Lakes Region Partnership for Public Health, Inc.</i>		
State Planning & Establishment Grants for the Affordable Care Act's Exchanges	93.525	16,867
<i>Passed through the NH Department of Health and Human Services</i>		
Title XX, Social Services Block Grant	93.667	<u>139,581</u>
TOTAL OTHER PROGRAMS		<u>250,315</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$ 885,015</u>

The accompanying notes are an integral part of this schedule

GRAFTON COUNTY SENIOR CITIZENS COUNCIL, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2016

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Grafton County Senior Citizens Council, Inc. under programs of the federal government for the year ended June 30, 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 Grafton County Senior Citizens Council, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Grafton County Senior Citizens Council, Inc.

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, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

Grafton County Senior Citizens Council, Inc. has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

GRAFTON COUNTY SENIOR CITIZENS COUNCIL, INC.
BOARD OF DIRECTORS
2017/2020

Year/ Committee	Term	Board Member	Year/ Committee	Term	Board Member
		↓			↓
2016-2018 President	2 nd 2018	Patricia Brady Woodsville, NH 03785	Program Planning & Evaluation	1 st 2018 (filling unexpired term)	Ellen Flaherty, Co-Director Dartmouth Centers for Health & Aging One Medical Center Drive Lebanon, NH 03756 603-653-3475 ellen.flaherty@hitchcock.org
2016-2018 Vice President Governance (chair) Facilities	2 nd 2018	Larry Kelly West Lebanon, NH 03784	Personnel (co-chair)	1 st 2019	Carol Govoni Lincoln, NH 03251
2017-2019 Treasurer Finance (chair)	3 rd 2020	Flora Meyer Lebanon, NH 03766	Finance Facilities (co-chair) Marketing & Development	3 rd 2018	Clark Griffiths Lebanon, NH 03766
2016-2018 Secretary Personnel (co-chair)	1 st 2020	Bob Muh Littleton, NH 03561	Facilities (co-chair) Past President (2006-2010)	2 nd 2018	Richard G. Jaeger Orange, NH 03741
Facilities	2 nd 2019	Ralph Akins Lebanon, NH 03766	Program Planning & Evaluation (chair)	1 st 2018	Craig Labore, Administrator Grafton County Nursing Home 3855 Dartmouth College Highway North Haverhill, NH 03774 603-787-6971 x4000 clabore@co.grafton.nh.us
Strategic Planning (chair)	1 st 2019	Neil Castaldo Hanover, NH 03755	Executive Committee (member-at- large) Strategic Planning	1 st 2019	Steve Marion Hanover, NH 03755

Marketing & Development (chair)	1 st 2019	Rick Peck Vice President, Development & Philanthropy Services NH Charitable Foundation 37 Pleasant St. Concord, NH 03301-4005 603-225-6641 x20265 603-263-8365 (direct) rp@nhcf.org	Finance Facilities	2 nd 2018	Frank Thibodeau Canaan, NH 03741
Strategic Planning	1 st 2020	Martha Richards Holderness, NH 03245	Strategic Planning	1 st 2020	Ellen Thompson Lyme, NH 03768
Roberta J. Berner, Executive Director Grafton County Senior Citizens Council, Inc. 10 Campbell St., PO Box 433 Lebanon, NH 03766 603-448-4897 (work); rberner@gcsc.org					

**Grafton County Senior Citizens Council, Inc.
Transportation Vehicle Agreement
New Hampshire Department of Transportation**

KEY PERSONNEL

Roberta Berner, Executive Director (2003-)
Michael King, Associate Director-Operations (2016-)
Carole Zangla, Associate Director-Program (2015-)

Roberta J. Berner

603-448-4897 (work)

rberner@gcsc.org

Summary of Background: Professional positions

- * Executive Director, Grafton County Senior Citizens Council, Inc. (GCSCC), Lebanon, NH (2003-); Director of Marketing and Development, GCSCC (1999-2003)
- * Director of Fund Development and Public Relations, Middle Mississippi Girl Scout Council, Jackson, MS
- * Fund Development Officer, Foundation for the Mid South, Jackson, MS
- * Director of Communications, Mississippi Forestry Association, Jackson, MS
- * Grants Development Coordinator, City of Jackson, MS
- * Instructor, history department, Hinds Community College, Jackson, MS
- * Arts Education Coordinator, ArtsAlliance of Jackson & Hinds County
- * Executive Director, Ohio Regional Association of Concert and Lecture Enterprises (now Ohio Arts Presenters Network), Columbus, OH
- * Program Associate, Public Programs, MN Council on Foundations, Minneapolis, MN
- * Director of Public Relations, Minneapolis Federation for Jewish Service
- * Editor, Sea Grant Program, University of Minnesota, St. Paul, MN
- * Reporter, *Gainesville Sun* (Florida)

Contracts

Dartmouth Alumni Magazine, Tougaloo College, Miss. Fdn. for Public Broadcasting, Jackson State University, Columbus (OH) Jewish Foundation, Columbus Museum of Art

Education

M.A. American Studies, University of Minnesota, 1977 (admitted to doctoral program)

B.A. History (high honors, departmental honors), University of Florida, 1974

Professional Awards, Honors, Memberships (summary)

Alumnus of Notable Achievement, CLA, University of Minnesota (2011)

Faculty, Aging in America conference (2010, 2011); Institute for Life-long Learning at Dartmouth (2010)

Leadership New Hampshire, Class of 2006

NH Coalition of Aging Services (2003-), President (2005-10), Vice President (2004)

Governor's Commission on Medicaid Care Management (2013-); NH Long-Term Care

Commission (2008); NH Dept. of Health and Human Service Commissioner's Long-Term Care Work Group (2008-)

NH Transit Association (2003-), NH Governor's Commission on Transportation (2004-2007),

State Coordinating Council for Community Transportation (2007-)

Lebanon Public Library Board of Trustees, 1998-2006, Secretary (2002-2006)

CATV Board of Directors, 2002-2004

Upper Valley Planned Giving Council, secretary and board member, 2001-2002

National Society of Fund-Raising Executives, officer and board member, Miss. chapter

International Association of Business Communicators, board member, Miss. chapter

awards for best total communications program and best magazine, 1989, 1993

Women in Communications, Inc., President, Twin Cities (Minn.) chapter, 1982-83,

officer & board member, 1979-83; Award for best public relations program, 1984

National Council of Jewish Federations Outstanding newspaper award, 1979

MICHAEL J. KING

Resume

QUALIFICATIONS: A community leader in the North Country of New Hampshire managing the largest planning district in the state. A senior executive with extensive national and global experience including – manufacturing management, economic development management, government relations, financial management, economic development project funding, fund accounting, grants management, and administration. Including:

- 40 years senior management experience
- 16 years manufacturing management experience
- 18 years senior nonprofit management experience
- Extensive corporate/government relation experience
- Full responsibility for organizational profit and loss

EXPERIENCE:

1993 – 2013 North Country Council, Bethlehem, NH

North Country Council is a private non-profit regional planning agency working with over 51 towns in the North Country of New Hampshire in the fields of community and land use planning, economic development, environmental planning, transportation planning and municipal services. This is a non-profit organization funded by local, state and federal funds.

1999 – 2013 Executive Director

Total responsibility for the operations of North Country Council, managing a staff of 12, a budget of \$1,300,000 and the facility in Bethlehem, New Hampshire. Full P/L responsibility for the organization including project development, fund raising and public relations. Reports to the Board of directors and is responsible for board development.

Accomplishments:

- Dartmouth Regional Technology Center - This included the planning, funding, construction and operation management of 60,000 square foot technology incubator in partnership with Dartmouth College and the State of New Hampshire.
- Mountain View Grand Hotel – Funding and project support for the revitalization of this historic Grand Hotel.

1993 – 1999 Chief Financial Officer/Operations Manager

Directs all aspects of the administrative and financial management for the council managing the planning and engineering staff as well as overseeing all local and regional projects. Full budgetary and profit and loss responsibility.

Accomplishments:

- Created a financial and cash management system for the council that enabled the council to retire all of its operational debt.
- Successfully created a self-managed work team environment for the agency.

Michael King..... (resume-continued)

- 1976 - 1993** **DIGITAL EQUIPMENT CORP., Maynard, MA**
The leading worldwide supplier of networked computer systems, software and services with 1993 sales of \$14 billion, serving 200,000 customers in 95 countries and employing 110,000 staff.
- 1989 - 1993** **Group Manufacturing Manager**
Computer Special Systems Division, Merrimack, NH
Directed all aspects of the worldwide manufacturing organization for a \$1.2 billion division with \$300 million manufacturing output at cost, and 1200 employees worldwide. The **mission** was to provide low cost, high quality, custom design products to our customers in a timely professional manner.
- Accomplishments**
- Exceeded output budget and met expense budget for three years in a row.
 - Certified ISO9000 in all 7 international manufacturing sites.
 - Introduced TQM management practices in all manufacturing sites.
 - Consolidated manufacturing operations from 9 to 7 sites, reducing cost by \$40 Million
- 1986 - 1989** **Group Materials Manager**
Computer Special Systems Division, Merrimack, NH
- 1984 - 1986** **Group Planning Manager**
Computer Special Systems Division, Merrimack, NH
- 1980 - 1984** **Inventory Planning Manager**
VAX Manufacturing, Salem, NH
- 1978 - 1980** **Plant Materials Manager**
Power Supply Manufacturing, San German, PR
- 1976 - 1978** **Production Control Supervisor**
Printer Manufacturing, Westfield, MA

EDUCATION: **Boston College**
School of Management BSBA 1970
 Boston University
Management Development Program 1981

AFFILIATIONS: **New Hampshire Business Finance Authority**
Board of Directors 2000 - 2013
(Governor appointed position)

New Hampshire Rail Transit Authority
Board of Directors 2010 - Present
(Governor appointed position)

National Association of Development Organizations
Board of Directors 2004 - Present

Grafton County Economic Development Corporation
Board of Directors 2001 - 2010

Carole Zangla

DEGREES AND CERTIFICATES

- B.A. Professional Studies/Psychology – Summa Cum Laude
- A.S. Human Services
- A.S. Criminal Justice
- Certified Health Information Specialist inclusive of HIPAA and confidentiality regulation
- Current CPR certification

TRAININGS/ SEMINARS ATTENDED

- Springfield College –Leadership Seminars
- Springfield College – Seminars Dealing with Difficult People
- NH Adult Protective Services – Reporting
- NH Bureau of Elderly and Adult Service – Elder Abuse
- NH Division of Community Based Care – Indications of Abuse
- Implementing Evidence-Based Policies and Practices in Community
- Evidence-Based Policies and Practices
- Trained in Word, Excel, PowerPoint, and Access
- Communication
- Ongoing Nutrition Classes

PROFESSIONAL AFFILIATIONS

- Reparative board member for the Community Justice Center
- COSA volunteer for the Community Justice Center
- Community council member for the Offender Reentry Program
- Certified volunteer for the Vermont Department of Corrections, including onsite facilities' access
- Advocate for the Equal Exchange TimeBank
- Member of the Benevolent Protective Order of the Elks
- Member of the Women's Aux of the American Legion

WORK HISTORY

- 2013-Present – Director, Littleton Area Senior Center, Grafton County Senior Citizens Council, Inc. (GCSCC)
- 2011- 2013 – Home Delivered Meals Program Coordinator –Littleton Area Senior Center of GCSCC

- 2010-2012- Volunteer coordinator for the Equal Exchange TimeBank
 - * Responsible for volunteer coordination, marketing, recruiting, outreach, and training
- 2009-2011 - Caledonian-Record
 - *Position ended due to restructuring
- 2010 - Internship with Area Agency On Aging
 - *Worked with the elderly, completed intake, and conducted outreach
- 2008-2012- full-time student–Johnson State College
- 2006-2008 ADA (assistant district administrator) of Challenger Sports Program (A city-wide recreational program for handicapped youth) – FL
 - * Implemented and organized recreational programs for mentally and physically disabled children. Facilitated placements and referrals regarding handicapped youth within the community. Responsible for intake, scheduling, and volunteers.
- 2004-2006 President Cape Coral Softball and ADA of Challenger Sports-Program– FL
 - *Responsible for upper level management of a citywide recreational program as well as the Challenger Program, which served physically and mentally handicapped youth. Authored unique waivers for established organizations gaining programs for the handicapped. Facilitated board meetings subject to Robert's Rules of Order and public disclosure.
- 2000-2004 Vice-President of Cape Coral Softball – FL
 - *Responsible for various clerical duties, public relations, program development, community interaction, and employee relations.

EXHIBITS TO CONTRACT

TRANSPORTATION VEHICLE AGREEMENT

EXHIBIT A Project Equipment

EXHIBIT B Project Description

Certificate of Good Standing

Certificate of Corporate Vote

Certificate of Insurance

Federally Required Clauses

2 CFR Part 200

The New Hampshire Department of Justice and Department of Transportation, approved this template for use in the FTA Section 5310 program.

TRANSPORTATION VEHICLE AGREEMENT

THIS AGREEMENT by and between the State of New Hampshire (hereinafter referred to as "State") acting by and through the New Hampshire Department of Transportation (hereinafter referred to as "Department"), and Granite State Independent Living, a private not-for-profit organization, (hereinafter referred to as "Contractor"), whose office is located at 21 Chenell Drive, Concord, NH 03301.

WHEREAS, The Federal Transit Act of 1964, as amended, 49 U.S.C. 5310, provides for capital grants to private nonprofit corporations and associations for the purpose of assisting them in providing transportation services meeting the special needs of seniors and individuals with disabilities for whom mass transportation services are unavailable, insufficient, or inappropriate; and

WHEREAS, the Governor of the State of New Hampshire, in accordance with a request by the Federal Transit Administration (hereinafter referred to as "FTA"), has designated the Department to evaluate and select projects proposed by eligible subrecipients and to coordinate the grant applications; and

WHEREAS, the State and the Contractor desire to utilize grant funds for the transportation needs of seniors and individuals with disabilities of the State.

NOW THEREFORE, in consideration of the mutual covenants herein set forth, the State and the Contractor agree as follows:

Section 1

1.1 The Department shall purchase and deliver to the Contractor the equipment identified in Exhibit A, attached hereto and incorporated herein by reference, (referred to as the "project equipment"). The Department and the Contractor agree that the Vehicle Identification Number of the project equipment will be inserted in Exhibit A following delivery of the project equipment. The estimated cost of the project equipment is identified in Exhibit A, actual cost to be determined following award of bids for the project equipment.

1.2 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 vehicle pursuant to this Agreement, the Contractor shall give the State a security interest in the motor vehicle at the time of purchase and shall take all steps necessary

to perfect the State's security interest, including taking steps to identify the State as a lien holder of such motor vehicle on the motor vehicle title.

1.3 In the event of termination of this agreement prior to the expiration of the useful life as defined by the Department of any project equipment purchased under this agreement, it is understood and agreed that legal title to such equipment shall be immediately transferred to the State.

Section 2

2.1 No more than 30 days after receiving notification of the cost of the project equipment, the Contractor shall pay to the Department the local share of the cost of the project equipment as identified in Exhibit A. Failure to do so may result in termination of this Agreement and reassignment of the project equipment to another agency.

2.2 Upon receipt by the Contractor of the project equipment, the Contractor shall provide transportation services (hereinafter referred to as the "project") to seniors and individuals with disabilities as more specifically described in its Application to the Department and in compliance with FTA Section 5310 Program Guidelines, FTA Circular C9070.1G and subsequent revisions.

2.3 The Contractor shall coordinate its project with similar transportation services in its region, with coordination to include vehicle sharing, time-sharing, joint purchase, or consolidation of services, where feasible.

2.4 The Contractor further agrees to provide sufficient funds to operate, maintain, and insure the project equipment throughout its useful life for transportation to seniors and individuals with disabilities.

2.5 The Contractor agrees that the project equipment's use and disposition shall conform in every respect to the requirements of the State Management Plan, which are hereby incorporated by reference, and the contractor must submit an updated equipment inventory form that includes equipment listed in Exhibit A. If during the term of this Agreement any project equipment is not used in this manner, the Contractor shall immediately notify the Department and take all steps necessary to immediately transfer title of the project equipment to the Department or the Department's written designee.

2.5.1. The Contractor agrees to pay to the Department the fair market value of the Federal interest of project equipment prematurely withdrawn from appropriate use. The amount of Federal interest in the equipment shall be determined on the basis of the ratio of the Federal assistance awarded to the actual cost of the equipment. The Contractor may provide equivalent replacement equipment in the event of a casualty loss, with the prior written approval of the Department.

2.6 During the full period of this Agreement the Contractor shall maintain the project equipment at a high level of cleanliness, safety, and mechanical soundness. The Contractor shall certify that a proper maintenance plan, as outlined by the original equipment manufacturer's preventive maintenance guidelines, is followed.

2.7 The Contractor shall secure automobile liability insurance for a minimum of \$1,000,000 combined single limit coverage to protect itself and the State of New Hampshire from claims arising from property damage and personal injury. A copy of the insurance certificate shall be forwarded to the Department within 30 days of vehicle delivery. Insurance hereunder shall be affected under standard form valid and enforceable policies issued by insurers authorized to write insurance in the State of New Hampshire. The State of New Hampshire, Department of Transportation, must be listed as additional insured and Certificate Holder.

2.8 The Contractor shall implement and carry out a driver training program to include defensive driving, passenger assistance, emergency evacuation procedures, and any other training programs the Department deems necessary.

2.9 The Contractor shall not change, add, or remove seating within the vehicle without prior State approval. The Contractor will not change use of the vehicle or location of vehicle except in an emergency situation without prior approval by the State of New Hampshire. In case of an emergency, the Contractor shall notify the State no later than the next working day following the day of such change. Such change shall be valid for five days; thereafter, the written approval of the State shall be required.

Section 3

3.1 The term of this Agreement shall commence on the date it is signed by both parties (hereinafter referred to as the "Effective Date") and shall terminate on the date determined by the Department to be the end of the useful life of the project equipment.

Section 4

4.1 The Contractor shall comply with all terms and conditions set forth in the Department's FTA Section 5310 Capital Grant, entered into between the Department and FTA and the attachments thereto, hereinafter referred to as the "Grant." The Contractor shall assume all obligations of the Grantee identified in said Grant.

4.2 In connection with the performance of the services hereunder, the Contractor shall comply with all laws, regulations, and statutes of federal, state, county, or municipal authorities, which shall impose any obligations or duty upon the Contractor.

Section 5

5.1 The Contractor shall submit to the Department a Quarterly Productivity Report on the form and according to the schedule required by the Department.

Section 6

6.1 To the extent necessary in carrying out the project, the contractor shall conform its cost accounting practices and standards to those required by 2 CFR Part 200, Uniform Administrative

Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Super Circular"), which is incorporated herein by reference.

6.2 The Contractor shall permit the Department, the Comptroller General of the United States and the Secretary of the United States Department of Transportation, or their authorized representatives, to inspect all project equipment, all transportation services rendered by the Contractor, and all relevant project data records, as determined by the Department, the Comptroller General, and the Secretary of Transportation or their authorized representatives. The Contractor shall also permit the above named persons to audit the books, records, contracts, and accounts of the Contractor pertaining to the project.

Section 7

7.1 The Department may, by written notice to the Contractor, cancel this agreement for any of the following reasons:

7.1.1 The Contractor uses the vehicle in service for seniors and individuals with disabilities for less than 10,000 miles per year;

7.1.2 The Contractor takes any action pertaining to this Agreement without the approval of the Department and which under the procedures of this Agreement, would have required the approval of the Department;

7.1.3 The commencement, prosecution or timely completion of the project by the Contractor, is for any reason, rendered improbable, impossible or illegal;

7.1.4 The Contractor shall be found to be in default under any provision of this Agreement.

Section 8

8.1 The Contractor hereby covenants and agrees to defend, indemnify and hold harmless the Department from and against any and all losses suffered by the Department and from and against all claims, demands, causes of action, losses and damages asserted by or on behalf of any person or loss of, or damage to any property, sustained or occurring (or which may be claimed to have been sustained or to have occurred) in connection with, as a result of, or pertaining to operation of the project hereunder, on account of or based upon the acts, omission, fault, negligence, or misconduct of the Contractor or of any person other than the Department or its agents, servants, and employees.

8.2 The Contractor hereby covenants and agrees that at all times during the grant term, it will maintain or will ensure that there is in effect statutory workers' compensation and employers' liability insurance for all employees of the Contractor engaged in operation of the project hereunder, and in case any such work is sublet, the Contractor shall require the subcontractor similarly to provide such insurance for all employees of the subcontractor.

8.3 Notwithstanding anything to the contrary contained herein, nothing in this Agreement is intended to act as a waiver of the sovereign immunity of the Department or of the State.

Section 9

9.1 The Director of Aeronautics, Rail and Transit of the Department shall be the representative of the Department hereunder, hereinafter referred to as the Contracting Officer. In the event of any dispute hereunder, the interpretation of this Agreement by the Contracting Officer, and his/her decisions on any dispute, shall be final.

9.2 This Agreement may be amended, waived, or discharged only by an instrument in writing signed by the parties hereto.

9.3 No member of or delegate to the Congress of the United States shall be admitted to any share or part of this contract to any benefit arising there from.

9.4 No member, officer, or employee of the Contractor during his/her tenure or one year thereafter shall have any interest, direct or indirect, in this contract or the proceeds thereof.

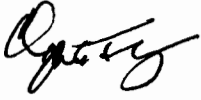
9.5 Notwithstanding anything in this agreement to the contrary, all obligations of the State hereunder, including without limitation on continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds for this purpose, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of these funds, the State shall have the right to terminate this agreement, effective immediately, by giving the Contractor fifteen (15) days written notice of such termination.

9.6 IN WITNESS WHEREOF the parties hereto have executed this AGREEMENT on the day and year first above written.

12/2015

Contractor

Granite State Independent Living



Signature

Date: Nov 16, 2017

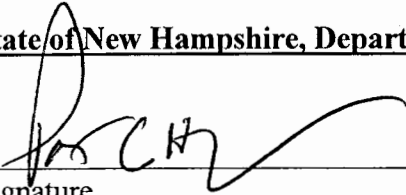
Clyde Terry

Type or Print Name

CEO

Title

State of New Hampshire, Department of Transportation



Signature

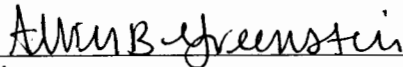
Date: 12/18/17

Patrick C. Herlihy
Director

Type or Print Name
Aeronautics, Rail and Transit

Title

Attorney General This is to certify that the above Agreement has been reviewed by this office, and is approved as to form and execution.



Signature

Date: 12/28/2017

Allison B. Greenstein

Type or Print Name

Attorney

Title

EXHIBIT A

PROJECT EQUIPMENT

GRANITE STATE INDEPENDENT LIVING

QTY	PROJECT EQUIPMENT	VEHICLE NUMBER	TOTAL COST	FEDERAL AMOUNT	STATE MATCH	AGENCY MATCH
2	Non-CDL Replacement gasoline engine Transit Bus	1802	\$70,000	\$59,500	\$5,250	\$5,250
	SFY 2018 5310 purchase	1803	\$70,000	\$59,500	\$5,250	\$5,250

EXHIBIT B

PROJECT DESCRIPTION

B.1 Two each non-CDL replacement gasoline engine transit bus. Buses will be used to provide demand response transportation services for seniors and individuals with disabilities for non-emergency appointments within the State of New Hampshire.

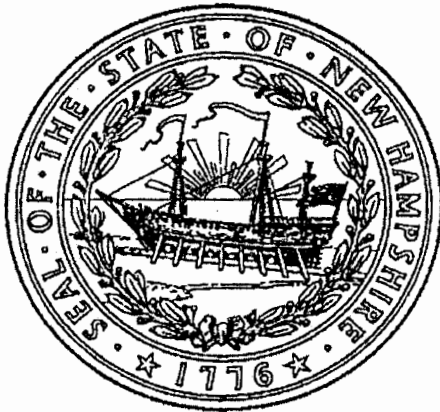
State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that GRANITE STATE INDEPENDENT LIVING is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on January 29, 1980. 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: 63257



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire.
this 17th day of July A.D. 2017.

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

William M. Gardner
Secretary of State



Granite State Independent Living

Resolutions of the Board of Directors

Whereas: Granite State Independent Living, (herein after GSIL,) is interested in obtaining funds through contracts, grants or other means to promote its mission of supporting persons with disabilities to obtain independent living services and

Whereas: the New Hampshire Department of Transportation has acquired grant funds to purchase vehicles to enhance the lives of the elderly and persons with disabilities.

Now therefore be it RESOLVED: The Board of Directors of GSIL accepts Two (2) Non-CDL Replacement gasoline engine Transit buses awarded through the SFY 2018 Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Grant to provide transportation services to seniors and persons living with a disability in New Hampshire.

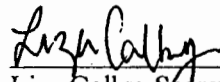
Be it further RESOLVED: Clyde E. Terry, as Chief Executive Officer, is hereby authorized on behalf of Granite State Independent Living, to enter into said contracts with the State and to execute any and all documents, agreements, and other instruments, and any amendments, revisions, or modifications thereto, as may be deemed necessary, desirable or appropriate.

The foregoing resolutions have not been revoked, annulled or amended in any manner whatsoever, and remain in full force and effect as of the date hereof; and the following person has been duly elected and now occupy the office indicated below.


Certificate of Vote

The undersigned, being the Secretary of Granite State Independent Living., a New Hampshire voluntary corporation ("Corporation"), does hereby certify that the Board of Directors of the Corporation did approve the resolutions set forth above, at a duly called vote of said Board of Directors held on November 16, 2017

DATED: Nov 16, 2017


Liza Colby, Secretary

My Commission Expires:


Notary Public

(SEAL)

CASEY N. STRICKULIS, Notary Public
State of New Hampshire
My Commission Expires November 4, 2020

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.

Cargo Preference

Contracts involving equipment, materials or commodities which may be transported by ocean vessels. These requirements do not apply to micro-purchases (\$3,500 or less, except for construction contracts over \$2,000). Contractor shall: a. use privately owned US-Flag commercial vessels to ship at least 50% of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners and tankers) involved, whenever shipping any equipment, material or commodities pursuant to the underlying contract to the extent such vessels are available at fair and reasonable rates for US flag commercial vessels; b. furnish within 20 working days following the loading date of shipments originating within the US or within 30 working days following the loading date of shipments originating outside the US, a legible copy of a rated, "on-board" commercial bill-of-lading in English for each shipment of cargo described herein to the Division of National Cargo, Office of Market Development, Maritime Administration, Washington, DC 20590 and to the recipient (through contractor in the case of a subcontractor's bill-of-lading.); c. include these requirements in all subcontracts issued pursuant to this contract when the subcontract involves the transport of equipment, material or commodities by ocean vessel.

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.

Bus Testing

Contractor [manufacturer] shall comply with 49 USC A5323(c) and FTA's implementing regulation 49 CFR 665, to the extent they are consistent with 49 U.S.C. § 5318(e), as amended; and shall perform the following:

- 1) A manufacturer of a new bus model or a bus produced with a major change in components or configuration shall provide a copy of the final test report to the recipient prior to the recipient's final acceptance of the first vehicle.
- 2) A manufacturer who releases a report under para. 1 above shall provide notice to the operator of the testing facility that the report is available to the public.
- 3) If the manufacturer represents that the vehicle was previously tested, the vehicle being sold should have the identical configuration and major components as the vehicle in the test report, which must be provided to the recipient prior to the recipient's final acceptance of the first vehicle. If configuration or components are not identical, the manufacturer shall provide a description of the change and the manufacturer's basis for concluding that it is not a major change requiring additional testing.
- 4) If the manufacturer represents that the vehicle is "grandfathered" (has been used in mass transit service in the

US before Oct. 1, 1988, and is currently being produced without a major change in configuration or components), the manufacturer shall provide the name and address of the recipient of such a vehicle and the details of that vehicle's configuration and major components.

Pre-Award & Post Delivery Audit Requirements

Pre-Award & Post-Delivery Audit Requirements - Applicability – Rolling Stock/Turnkey

Contractor shall comply with 49 USC 5323(l) and FTA's implementing regulation 49 CFR 663 and submit the following certifications:

1) Buy America Requirements: Contractor shall complete and submit a declaration certifying either compliance or noncompliance with Buy America. If contractor certifies compliance with Buy America, it shall submit documentation listing:

A. Component and subcomponent parts of the rolling stock to be purchased identified by manufacturer of the parts, their country of origin and costs; and

B. The location of the final assembly point for the rolling stock, including a description of the activities that will take place at the final assembly point and the cost of final assembly.

C. Solicitation Specification Requirements: Contractor shall submit evidence that it will be capable of meeting the bid specifications.

D. Federal Motor Vehicle Safety Standards (FMVSS): Contractor shall submit 1) manufacturer's FMVSS self-certification sticker information that the vehicle complies with relevant FMVSS or 2) manufacturer's certified statement that the buses will not be subject to FMVSS regulations.

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 18.39(i)(11).

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.

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, debar, 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.

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.

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 proposed 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: November 16, 2017

Company Name: Granite State Independent Living

Authorized Name: Clyde Terry

Signature: 

Title: CEO

**Transportation vehicle agreement between the NH Department of Transportation
and Granite State Independent Living**

The subrecipient, Granite State Independent Living, 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: **Granite State Independent Living**

Subrecipient DUNS number: **118084276**

Federal Award Identification Number (FAIN): **NH-2017-012, NH-16-X047**

Federal Award Date: **2017**

Period of Performance for FFY 2017 award. **Start is 7/1/2017 and End Date is 12/31/19**

Federal Funds obligated by this action: **\$1,214,467**

Total amount of Federal Funds obligated to subrecipient: **\$119,000 for SFY 2018 bus procurement**

Total amount of Federal award: **\$119,000 for SFY 2018 bus procurement**

Federal Award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA): **Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities program.**

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 award. CFDA 20.513, Enhanced Mobility of Seniors and Individuals with Disabilities formula grant, \$1,214,467**

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

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

Granite State Independent Living
Financial Statements
For the Year Ended September 30, 2016
(With Independent Auditors' Report Thereon)

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Additional Offices:

Nashua, NH
Andover, MA
Greenfield, MA
Ellsworth, ME

Independent Auditors' Report

To the Board of Directors
Granite State Independent Living

Report on the Financial Statements

We have audited the accompanying financial statements of Granite State Independent Living, which comprise the statement of financial position as of September 30, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Granite State Independent Living as of September 30, 2016, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The prior year summarized comparative information has been derived from the financial statements of Granite State Independent Living for the year ended September 30, 2015, which were audited by another auditor who expressed an unmodified opinion on those statements in their report dated January 21, 2016.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2017 on our consideration of the Granite State Independent Living'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 Granite State Independent Living's internal control over financial reporting and compliance.

Melanson Heath

February 1, 2017

GRANITE STATE INDEPENDENT LIVING

Statement of Financial Position

September 30, 2016

(with comparative totals as of September 30, 2015)

<u>ASSETS</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
Current Assets:					
Cash and cash equivalents	\$ 4,321,529	\$ 32,666	\$ -	\$ 4,354,195	\$ 3,745,652
Restricted cash	32,320	-	-	32,320	-
Accounts receivable:					
Medicaid, net of allowance of \$54,063	1,134,985	-	-	1,134,985	832,641
Title VII, net of allowance of \$483	15,610	-	-	15,610	16,948
Other, net of allowance of \$12,423	372,973	-	-	372,973	830,199
Prepaid expenses	499,941	-	-	499,941	371,938
Workers' compensation collateral	243,459	-	-	243,459	2,610
Total Current Assets	<u>6,620,817</u>	<u>32,666</u>	<u>-</u>	<u>6,653,483</u>	<u>5,799,988</u>
Investments	505,023	-	164,228	669,251	-
Property and equipment, net	<u>1,082,688</u>	<u>-</u>	<u>-</u>	<u>1,082,688</u>	<u>964,830</u>
TOTAL ASSETS	<u>\$ 8,208,528</u>	<u>\$ 32,666</u>	<u>\$ 164,228</u>	<u>\$ 8,405,422</u>	<u>\$ 6,764,818</u>
 <u>LIABILITIES AND NET ASSETS</u>					
Current Liabilities:					
Accounts payable	\$ 141,094	\$ -	\$ -	\$ 141,094	\$ 98,801
Accrued payroll and related liabilities	937,663	-	-	937,663	842,813
Accrued expenses	174,694	-	-	174,694	241,927
Deferred revenue	818,413	-	-	818,413	28,085
Due to State	-	-	-	-	25,000
Current portion of contracts payable	7,950	-	-	7,950	-
Total Current Liabilities	<u>2,079,814</u>	<u>-</u>	<u>-</u>	<u>2,079,814</u>	<u>1,236,626</u>
Long Term Liabilities:					
Contracts payable, net of current portion	<u>31,138</u>	<u>-</u>	<u>-</u>	<u>31,138</u>	<u>-</u>
Total Liabilities	<u>2,110,952</u>	<u>-</u>	<u>-</u>	<u>2,110,952</u>	<u>1,236,626</u>
Net Assets:					
Unrestricted	6,097,576	-	-	6,097,576	5,360,767
Temporarily restricted	-	32,666	-	32,666	78,443
Permanently restricted	<u>-</u>	<u>-</u>	<u>164,228</u>	<u>164,228</u>	<u>88,982</u>
Total Net Assets	<u>6,097,576</u>	<u>32,666</u>	<u>164,228</u>	<u>6,294,470</u>	<u>5,528,192</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,208,528</u>	<u>\$ 32,666</u>	<u>\$ 164,228</u>	<u>\$ 8,405,422</u>	<u>\$ 6,764,818</u>

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

GRANITE STATE INDEPENDENT LIVING

Statement of Activities

For the Year Ended September 30, 2016

(with comparative totals for the year ended September 30, 2015)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
Support and Revenue:					
Support:					
Grants	\$ 1,845,315	\$ 69,561	\$ -	\$ 1,914,876	\$ 1,515,547
Public support	85,707	-	75,100	160,807	58,266
Special events, net	67,342	-	-	67,342	39,633
Revenue:					
Program fees, net	16,545,736	-	-	16,545,736	15,577,540
Interest	2,471	-	-	2,471	6,624
Miscellaneous	3,174	-	-	3,174	43,396
Investment income:					
Interest and dividends	1,569	-	558	2,127	-
Unrealized gains (losses)	4,769	-	316	5,085	-
Net assets released from restriction	<u>115,338</u>	<u>(115,338)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	18,671,421	(45,777)	75,974	18,701,618	17,241,006
Expenses:					
Long-term care	13,296,255	-	-	13,296,255	12,619,471
Community economic development	2,784,436	-	-	2,784,436	2,422,184
General and administrative	1,609,410	-	728	1,610,138	1,498,828
Fundraising	<u>244,511</u>	<u>-</u>	<u>-</u>	<u>244,511</u>	<u>146,352</u>
Total Expenses	<u>17,934,612</u>	<u>-</u>	<u>728</u>	<u>17,935,340</u>	<u>16,686,835</u>
Change in net assets	736,809	(45,777)	75,246	766,278	554,171
Net Assets, Beginning of Year	<u>5,360,767</u>	<u>78,443</u>	<u>88,982</u>	<u>5,528,192</u>	<u>4,974,021</u>
Net Assets, End of Year	<u>\$ 6,097,576</u>	<u>\$ 32,666</u>	<u>\$ 164,228</u>	<u>\$ 6,294,470</u>	<u>\$ 5,528,192</u>

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

GRANITE STATE INDEPENDENT LIVING

Statement of Functional Expenses

For the Year Ended September 30, 2016

(with comparative totals for the year ended September 30, 2015)

	Long-Term Care	Community Economic Development	Total Program	General and Administrative	Fundraising	2016 Total	2015 Total
Personnel expense:							
Salaries and wages	\$ 10,199,057	\$ 1,613,240	\$ 11,812,297	\$ 1,041,151	\$ 150,098	\$ 13,003,546	\$ 12,138,924
Employee benefits	1,439,676	379,261	1,818,937	166,275	47,771	2,032,983	1,023,053
Payroll taxes	861,019	127,592	988,611	83,943	11,563	1,084,117	1,879,451
Advertising	45,754	7,036	52,790	32,837	4,592	90,219	59,213
Provision for bad debts	79,639	383	80,022	-	-	80,022	41,132
Board of Directors	-	-	-	14,725	-	14,725	33,598
Building occupancy	113,279	118,770	232,049	57,219	-	289,268	282,854
Computer	100,347	26,866	127,213	14,640	1,654	143,507	105,960
Consultants	-	31,921	31,921	21,395	-	53,316	11,900
Depreciation	77,407	40,291	117,698	11,773	-	129,471	130,912
Dues and subscriptions	12,013	1,989	14,002	4,453	793	19,248	9,162
Equipment lease and maintenance	26,986	11,996	38,982	3,897	-	42,879	39,586
Grants	1,704	141,718	143,422	-	-	143,422	172,292
Insurance	54,860	11,346	66,206	7,875	-	74,081	65,318
Interpreter	330	9,411	9,741	-	-	9,741	4,650
Meals and entertainment	86	1,103	1,189	76	-	1,265	1,223
Miscellaneous	55,356	5,150	60,506	27,573	9,135	97,214	89,032
Posting and shipping	30,452	3,662	34,114	13,406	6,517	54,037	52,655
Printing	11,060	4,753	15,813	6,972	9,589	32,374	38,353
Professional development	5,166	9,502	14,668	8,447	110	23,225	24,222
Professional fees	-	2,690	2,690	53,429	-	56,119	138,302
Supplies	27,069	20,348	47,417	29,960	637	78,014	38,118
Telephone	53,669	20,339	74,008	3,876	653	78,537	67,638
Transportation	5,706	100,079	105,785	47	394	106,226	81,408
Travel	95,620	94,990	190,610	6,169	1,005	197,784	158,879
Total Functional Expenses	\$ 13,296,255	\$ 2,784,436	\$ 16,080,691	\$ 1,610,138	\$ 244,511	\$ 17,935,340	\$ 16,686,835

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

GRANITE STATE INDEPENDENT LIVING

Statement of Cash Flows

For the Year Ended September 30, 2016

(with comparative totals for the year ended September 30, 2015)

	<u>2016</u>	<u>2015</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 766,278	\$ 554,171
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	129,471	130,912
Gain on disposal of asset	(59)	-
Unrealized (gain) loss	(5,085)	-
Provision for bad debt	80,022	41,132
Donated equipment	(12,000)	-
Restricted contributions	(75,100)	-
Changes in operating assets and liabilities:		
Accounts receivable	76,198	(280,788)
Prepaid expenses	(128,003)	(248,596)
Workers' compensation collateral	(240,849)	219,090
Accounts payable	42,293	9,932
Accrued payroll and related liabilities	94,850	113,593
Accrued expenses	(67,233)	75,905
Deferred revenue	790,328	20,679
Due to State	<u>(25,000)</u>	<u>(7,085)</u>
Net Cash Provided By Operating Activities	1,426,111	628,945
Cash Flows From Investing Activities:		
Purchases of investments	(664,106)	-
Purchase of property and equipment	<u>(235,330)</u>	<u>(75,806)</u>
Net Cash Used By Investing Activities	(899,436)	(75,806)
Cash Flows From Financing Activities:		
Proceeds from restricted contributions	75,100	-
Proceeds of contracts payable	39,750	-
Payments of contracts payable	<u>(662)</u>	<u>-</u>
Net Cash Provided By Financing Activities	<u>114,188</u>	<u>-</u>
Net Change in Cash, Cash Equivalents, and Restricted Cash	640,863	553,139
Cash, Cash Equivalents, and Restricted Cash, Beginning of Year	<u>3,745,652</u>	<u>3,192,513</u>
Cash, Cash Equivalents, and Restricted Cash, End of Year	<u>\$ 4,386,515</u>	<u>\$ 3,745,652</u>

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

GRANITE STATE INDEPENDENT LIVING

Notes to Financial Statements For the Year Ended September 30, 2016

1. Description of Organization

Granite State Independent Living (the Organization), is a New Hampshire nonprofit corporation providing a wide range of services to improve the quality of life for individuals with disabilities in New Hampshire. This is accomplished through ensuring the availability of a broad range of services, advocacy efforts, and the establishment of social support. The Organization impacts lives through two primary service areas:

- *Long-Term Care Program.* The Organization offers a variety of personal care service programs based on eligibility. Personal care attendants provide non-medical, hands-on assistance with activities of daily living for seniors and adults living with disabilities. A personal care worker helps individuals bathe, dress, eat, and navigate a range of other daily tasks. In addition to providing assistance with activities of daily living, personal care workers can assist with housekeeping chores, meal preparation, and medication management. Personal care services can be delivered in either a private home, residential care setting, or an individual's place of employment. The Organization also provides nursing facility transition services.
- *Community Economic Development Program.* The Organization is committed to assisting seniors and consumers with disabilities so they can function well within their community and pursue personal goals, whether through employment or earning academic credit through youth transition programs. Options are discussed through a call to the Information & Referral Program Service Coordinators, who help individuals set their goals. Services provided can include benefit planning, transportation, ASL referral, peer support, and access modification. Additional services offered may include placement, job coaching, and employment through the Ticket to Work Program.

General and administrative activities include the functions necessary to provide support the Organization's program activities. General and administrative activities include those that provide governance (Board of Directors), oversight, business management, financial recordkeeping, budgeting, human resource management, information technology, and similar activities that ensure an adequate working environment and an equitable employment program.

Fundraising activities include publicizing and conducting fundraising campaigns; maintaining donor lists; conducting special fundraising events; and other activities involved with soliciting contributions from corporations, foundations, individuals, and others.

2. Significant Accounting Policies

Comparative Financial Information

The accompanying 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 Accounting Principles Generally Accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the audited financial statements for the year ended September 30, 2015, from which the summarized information was derived.

Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, permanent endowment, or other long-term purposes are excluded from this definition.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

Receivables

Accounts receivable consist primarily of noninterest-bearing amounts due for services and programs. The allowance for uncollectable accounts receivable is based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable.

Property and Equipment

Property and equipment is reported in the Statement of Financial Position at cost, if purchased, and at fair value at the date of donation, if donated. Property and equipment is capitalized if it has a cost of \$1,000 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Buildings and improvements	40 years
Furniture, fixtures, and equipment	3 – 5 years
Vehicles	3 – 6 years

Property and equipment is reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Endowment Investments

Endowment investments consist of investments purchased with the following resources:

- Donor-restricted permanent endowments, which are contributions restricted by donors to investment in perpetuity with only investment income and appreciation being used to support the Organization's activities.
- Donor-restricted term endowments, which are contributions restricted by donors to investment for the term specified by the donor. During that term, the donor may either require investment income and appreciation to be reinvested in the fund, or may permit the Organization to spend those amounts in accordance with the donor's restrictions on use.
- Board-designated endowments, which are resources set aside by the Board of Directors for an indeterminate period to operate in a manner similar to a donor-restricted permanent endowment. Because a board-designated endowment results from an internal designation, it can be spent upon action of the Board of Directors.

Endowment investments also include investments purchased with unspent investment income and net gains on these resources. Endowment investments are reported at fair value.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets available for use in general operations. Unrestricted board-designated net assets consist of net assets designated by the Board of Directors for operating reserve and board-designated endowment.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or actions and/or the passage of time. Contributions are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed. The restrictions stipulate that resources be maintained permanently, but permit expending of the income generated in accordance with the provisions of the agreements.

Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

Accounting for Contributions

Contributions are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due and, therefore, are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they

become unconditional, that is, until all conditions on which they depend are substantially met.

Gifts-in-Kind Contributions

The Organization periodically receives contributions in a form other than cash or investments. Contributed property and equipment is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Organization's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use. Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed.

The Organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Organization's program operations and in its fund-raising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in financial statements. Generally Accepted Accounting Principles allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

Grant Revenue

Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget's, *Uniform Grant Guidance*, and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the Organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Organization.

Advertising Costs

Advertising costs are expensed as incurred and are reported in the Statement of Activities and Statement of Functional Expenses.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years.

Income Taxes

Granite State Independent Living is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions.

The Organization follows FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes and prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. FASB ASC 740-10 did not have a material impact on the Organization's financial statements.

The Organization's Federal Form 990 (Return of Organization Exempt From Income Tax) is subject to examination by the IRS, generally for three years after filing.

The Organization recognizes interest related to unrecognized tax benefits in interest expense and penalties that are included within reported expenses. During the year ended September 30, 2016, the Organization had no interest or penalties accrued related to unrecognized tax benefits.

Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash and money market accounts with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with receivables is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies supportive of the Organization's mission. Investments are made by diversified investment managers whose performance is monitored by the Fiscal Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Fiscal Committee believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Fair Value Measurements

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. However, Level 1 inputs are not available for many of the assets and liabilities that the Organization is required to measure at fair value (for example, unconditional contributions receivable and in-kind contributions).

The primary uses of fair value measures in the Organization's financial statements are:

- initial measurement of noncash gifts, including gifts of investment assets and unconditional contributions receivable.
- recurring measurement of endowment investments (note 5).
- recurring measurement of contracts payable (note 9).

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and other liabilities, deferred revenue, and line of credit payable approximate fair value due to the short-term nature of the items, and are considered to fall within Level 1 of the fair value hierarchy. The carrying amount of contributions receivable due in more than one year is based on the discounted net present value of the expected future cash receipts, and approximates fair value.

3. Restricted Cash

In fiscal year 2016, the Organization became the fiscal sponsor for Transport NH, an advocacy organization currently seeking exempt status as an organization described in Section 501(c)(3).

4. Workers' Compensation Collateral

The Organization self-funds its workers' compensation benefits. At September 30, 2016 and 2015, the Organization had accrued estimated losses on incurred but not reported claims of \$132,930 and \$206,229, respectively, included in accrued expenses in the Statement of Financial Position. At September 30, 2016 and 2015, the Organization reported \$243,459 and \$2,610, respectively, as workers' compensation collateral related to cash held by an insurance company on behalf of the Organization.

5. Investments

Investments consist of the following at September 30, 2016:

<u>Investment Type</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
Mutual funds	\$ 98,503	\$ 100,586	\$ -	\$ 100,586
U.S. Treasury obligations	160,059	159,729	-	159,729
U.S. Corporate bonds	289,371	289,398	-	289,398
U.S. Common stocks	<u>116,579</u>	<u>119,538</u>	<u>119,538</u>	<u>-</u>
Total investments	<u>\$ 664,512</u>	<u>\$ 669,251</u>	<u>\$ 119,538</u>	<u>\$ 549,713</u>

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of the investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Organization's investments to interest rate fluctuations is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>				<u>N/A</u>
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>	
Mutual funds	\$ 100,586	\$ -	\$ -	\$ -	\$ -	\$ 100,586
U.S. Treasury obligations	159,729	-	75,045	84,684	-	-
U.S. Corporate bonds	289,398	25,136	170,443	93,819	-	-
U.S. Common stocks	<u>119,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,538</u>
Total	<u>\$ 669,251</u>	<u>\$ 25,136</u>	<u>\$ 245,488</u>	<u>\$ 178,503</u>	<u>\$ -</u>	<u>\$ 220,124</u>

The Organization's policy states that not more than 10% (at cost) of the investment portfolio may be invested in the securities of any one issue, with the exception of the U.S. Government or its agencies. The maximum amount invested in the securities of issuers in the same industry shall not be more than 25% (at cost) of the portfolio. At September 30, 2016, the Organization invested \$134,680 in Freddie Mac U.S. Treasury obligations, which accounted for 20% of total investments.

As discussed in Note 2 to these financial statements, the Organization is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the Organization's valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of the September 30, 2016. Level 2 is for investments measured using inputs such as quoted prices for similar assets, quoted prices for the identical asset in inactive markets, and for investments measured at net asset value that can be redeemed in the near term. Level 3

is for investments measured using inputs that are unobservable, and is used in situations for which there is little, if any, market activity for the investment.

6. Property, Equipment and Depreciation

A summary of the major components of property and equipment is presented below:

	<u>2016</u>	<u>2015</u>
Land	\$ 69,198	\$ 69,198
Buildings and improvements	1,352,868	1,311,071
Furniture, fixtures, and equipment	994,277	788,745
Vehicles	<u>410,157</u>	<u>410,157</u>
Subtotal	2,826,500	2,579,171
Less: accumulated depreciation	<u>(1,743,812)</u>	<u>(1,614,341)</u>
Total	<u>\$ 1,082,688</u>	<u>\$ 964,830</u>

7. Deferred Revenue

Deferred revenue consists of grant funds received in advance, primarily related to the IMPACCT program. IMPACCT is a partnership of the Organization, New Hampshire Vocational Rehabilitation, community colleges, and high schools throughout New Hampshire. The program is dedicated to helping students with disabilities become part of the local workforce as they navigate from high school to employment, post-secondary education, or training that leads towards a career.

8. Line of Credit

At September 30, 2016, the Organization had a \$1,000,000 revolving line of credit with a bank, secured by all assets. Borrowings under the line bear interest at the bank's LIBOR Advantage rate plus 3.50%, or a floor of 5.00%, adjusted monthly. Interest only payments are required monthly with the principal payable on demand. At September 30, 2016, the entire amount was available.

9. Contracts Payable

In fiscal year 2016, the Organization entered into a lease agreement for a new Nashua office location. The Organization was required to make leasehold improvements which were paid in full by the lessor. As part of the terms of the agreement, the Organization is required to pay the lessor \$663 monthly, in addition to the base rent, for the improvements performed by the

lessor. At September 30, 2016, the outstanding balance was \$39,088. The following is a summary of future payments:

<u>Fiscal Year</u>	<u>Amount</u>
2017	\$ 7,950
2018	7,950
2019	7,950
2020	7,950
2021	<u>7,288</u>
Total	\$ <u>39,088</u>

As discussed in Note 2 to these financial statements, the Organization is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the Organization's valuation techniques. Level 3 is for liabilities measured using inputs that are unobservable, and is used in situations for which there is little, if any, market activity for the liability. The estimated fair value of contracts payable at September 30, 2016 was \$39,088. The following is a summary of the contracts payable Level 3 activity:

	<u>Fair Value Measurements Using Significant Unobservable Inputs Level 3</u>
	<u>Contracts Payable</u>
Beginning Balance, October 1, 2015	\$ -
Additions	39,750
Reductions	(662)
Transfers in to Level 3	<u>-</u>
Ending Balance, September 30, 2016	\$ <u>39,088</u>

10. Endowments

The Organization's endowment (the Endowment) consists of several individual funds established by donors to provide annual funding for specific activities and general operations. Its Endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors has interpreted the New Hampshire Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At September 30, 2016, there were no such donor stipulations. As a result of this interpretation, permanently restricted net assets are classified as (a) the original value of gifts donated to the Endowment, (b) the original value of subsequent gifts donated to the Endowment (including contributions receivable net of discount and allowance for doubtful accounts, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. The remaining portion of the donor-restricted endowment is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. The following factors were considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

As of September 30, 2016, endowment net asset composition by type of fund was as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Donor-restricted endowment funds	\$ -	\$ -	\$ 164,228	\$ 164,228
Unrestricted investment funds	<u>505,023</u>	<u>-</u>	<u>-</u>	<u>505,023</u>
Total funds	<u>\$ 505,023</u>	<u>\$ -</u>	<u>\$ 164,228</u>	<u>\$ 669,251</u>

Investment and Spending Policies

The Organization has adopted investment and spending policies for the investment funds that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the investment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the investment assets, to

provide the necessary capital to fund the spending policy, and to cover the costs of managing the investment funds. The target minimum rate of return is the Consumer Price Index plus 5% on an annual basis. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time or unless the Organization needs to access for immediate need, with Board approval.

The investment fund spending-rate formula is used to determine the maximum amount to spend from the investment fund each year. The rate, determined and adjusted from time to time by the Board of Directors, is applied to the average fair value of the investment fund investments for the prior 12 quarters at December 31 of each year to determine the spending amount for the upcoming year. During fiscal year 2016, the spending rate maximum was 4.5%. In establishing this policy, the long-term expected return on the investment fund was considered, the rate set with the objective of maintaining the purchasing power of the investment fund over time.

Changes in the investment fund net assets for the year ended September 30, 2016 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
Endowment net assets, beginning of year	\$ -	\$ -	\$ 88,982	\$ 88,982
Contributions	500,000	-	75,100	575,100
Investment income	1,569	-	558	2,127
Net appreciation (depreciation)	4,769	-	316	5,085
Investment fees	<u>(1,315)</u>	<u>-</u>	<u>(728)</u>	<u>(2,043)</u>
Endowment net assets, end of year	<u>\$ 505,023</u>	<u>\$ -</u>	<u>\$ 164,228</u>	<u>\$ 669,251</u>

11. Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at September 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Access modification program	\$ 25,876	\$ 55,746
Community economic development program	6,790	21,622
Long-term care program	<u>-</u>	<u>1,075</u>
Temporarily restricted net assets	<u>\$ 32,666</u>	<u>\$ 78,443</u>

Net assets are released from program restrictions by incurring expenses satisfying the restricted purpose or by the passage of time for net assets with time restrictions.

Permanently restricted net assets consist of endowment funds restricted by donors for investment in perpetuity.

12. Retirement Plan

The Organization provides a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. All salaried employees working 30 or more hours a week and are 21 years of age or older may participate in the plan. The Organization matches up to 100% of employee contributions to the plan, to a maximum of 6% of salaries, depending on the years of service. The Organization contributed \$79,375 and \$41,073 for the years ended September 30, 2016 and 2015, respectively.

13. Operating Leases

The Organization leases office space under the terms of non-cancellable lease agreements that are scheduled to expire at various times through 2022. The Organization also rents additional facilities on a month to month basis. Rent expense under these agreements totaled \$159,777 and \$139,506 for the years ended September 30, 2016 and 2015, respectively.

Estimated future minimum lease payments are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2017	\$ 258,492
2018	112,009
2019	102,124
2020	51,132
2021	50,465
Thereafter	<u>9,017</u>
Total future minimum rental payments	<u>\$ 583,239</u>

The Organization also leases office equipment under non-cancellable lease agreements that are scheduled to expire at various times through 2016. Equipment rental expense totaled \$34,627 and \$35,118 for the years ended September 30, 2016 and 2015, respectively.

14. Concentrations of Risk

A material part of the Organization's revenue is dependent upon government sources, the loss of which would have a materially adverse effect on the Organization. During the years ended September 30, 2016 and 2015, Medicaid accounted for 46% and 80%, respectively, of total revenues and 74% and 88%, respectively, of total accounts receivable. The State of New Hampshire contracts with managed care organizations to reimburse the Organization as a provider of services rendered.

15. Supplemental Disclosures of Cash Flow Information

In fiscal year 2016, the Organization early adopted Accounting Standard Update (ASU) No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The amendments in this update require that a Statement of Cash Flows explain the change during the fiscal year to include restricted cash as part of the total of cash and cash equivalents.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the Statement of Financial Position that sum to the total of the same such amounts shown in the Statement of Cash Flows.

	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 4,354,195	\$ 3,745,652
Restricted cash	<u>32,320</u>	<u>-</u>
Total cash, cash equivalents, and restricted cash shown in the Statement of Cash Flows	<u>\$ 4,386,515</u>	<u>\$ 3,745,652</u>

16. Related Party Transactions

On September 30, 2016, the Organization entered into an agreement with a company, where a Board member is an employee, to lease with the option to purchase six modified vans with wheelchair access for its disabled consumers in the amount of \$365,498. In accordance with the contractual agreement, the delivery of the vans and first lease payment occurred in October 2016. The transaction was reviewed and approved by the Board and performed in accordance with conflict of interest guidelines established by the New Hampshire Attorney General's Office.

17. Subsequent Events

Subsequent events have been evaluated through February 1, 2017, the date the financial statements were available to be issued.

18. Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.



2017-2018 BOARD OF DIRECTORS

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Board members receive no salaries

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Granite State
Independent Living



*Tools for Living
Life Independently*

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Berlin
Claremont
Dover
Keene
Littleton
Manchester
Nashua

Granite State Independent Living Transportation Vehicle Agreement

Key Personnel
Clyde Terry, CEO

CLYDE E. TERRY, JD
clyde.terry@gsil.org

EXPERIENCE:

2002-Present

Chief Executive Officer (CEO)
Granite State Independent Living, Concord, NH

- Responsible for oversight of an award winning organization's mission of advocacy and service delivery on behalf of persons with disabilities and Seniors.
- Manages a \$19 million budget, human resources, operations, technology, policy and practices, as well as board, governmental and public relations.
- Secured new sources of funding for a variety of fee-for-service and grant based programs including the Veteran's Administration, U.S. Department of Housing and Urban Development and NH Secretary of State.

2015-Present

Chair of National Council on Disability

2011-2015

Member of National Council on Disability

Nominated by President Barack Obama and confirmed by U.S. Senate, to advise president and Congress on disability issues. As Policy committee chair, led national project to reform Section 14(c) Fair Labor Stands Act to phase out payment of sub minimum wage to persons with disabilities. Also team member for councils Medicaid Managed Care initiatives.

2001-2002

Executive Director
New Hampshire Developmental Disabilities Council

- Responsible for agency's administrative, budgetary, staffing, board and public relations.
- Spokesperson before government officials.
- Supervised the preparation of \$2.5 million budget and operations plan, including the annual \$100,000 small grants program.
- Recognized as a national expert on election reform and voter accessibility. One of the principle architects of the "Help America Vote Act 2002."

1994 – 2001

Director of Policy and Planning
New Hampshire Developmental Disabilities Council, Concord, NH

- Coordinated the Council's governmental relations including drafting state and federal legislation, devised strategies, shepherding initiatives through legislatures and coordinating constituent involvement.
- Prepared agency multi-year plan.
- Prepared and monitored contract compliance.

COMMITTEES AND CIVIC ACTIVITIES

- National Task Force on Accessible Elections- Washington, DC
- Member Legislative Committee on Medicaid Managed Care
- Citizen's Commission on Supreme Court
- Medical Ethics Committee Concord Hospital
- Medical Care Advisory Committee – 1996 - 2006
- Governor's Commission on Disability
- Help America Vote Act Task Force
- UNH Institute on Disabilities / University Center for Excellence in Developmental Disabilities Executive Committee member – 2014 to Present

PUBLICATIONS/AWARDS

Gubernatorial Public Service Award_2004

Voters Denied Equal Access to the Polls: Status Report on the Accessibility of Polling Places in the United State

CERTIFICATIONS

Eligible for the Massachusetts and Federal Bars
Justice of the Peace, New Hampshire

EDUCATION

Franklin Pierce Law Center
Concord, NH
J.D., May 1985

Emerson College
Boston, Ma.
B.S. Speech, 1974

OTHER

Solo 4,000 mile bicycle trip; Summer 1982