

375 *dem*



THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



Victoria F. Sheehan
Commissioner

William Cass, P.E.
Assistant Commissioner

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

Bureau of Rail & Transit
 April 15, 2019

REQUESTED ACTION

Authorize the Department of Transportation to enter into an agreement with Mount Washington Valley Economic Council, Inc. (Vendor 166706), Conway, New Hampshire, for an amount not to exceed \$97,134.00 for coordinated transportation services for seniors and individuals with disabilities, for the period July 1, 2019 through June 30, 2020, effective upon approval by Governor and Council. 100% Federal Funds.

Funding for this agreement is contingent upon the availability of funds in Fiscal Year 2020.

	<u>FY 2020</u>
04-96-96-964010-2916	
Public Transportation	
072-500575 Grants to Non-Profits-Federal	\$97,134.00

EXPLANATION

Mount Washington Valley Economic Council, Inc. (MWVEC) has been awarded funding from the Federal Transit Administration (FTA) Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310) program to provide expanded transportation services in the Region 2 Carroll County Regional Coordinating Council (RCC) service area. MWVEC will act as the lead agency to ensure the provision of accessible demand response transportation services for seniors and individuals with disabilities within the region, and will support mobility management and strategic planning activities in cooperation with the Region 2 Carroll County Regional Coordinating Council.

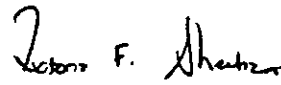
The Section 5310 RCC funds were allocated by region according to a formula based on regional populations of residents over 65 and those between the ages of 5-64 with disabilities. Each individual RCC was responsible for conducting its own project solicitation, evaluation, and prioritization and then submitting one regional application for eligible Section 5310 RCC projects through an approved lead agency. The Carroll County RCC designated MWVEC as the lead agency for Region 2 and tasked MWVEC with applying for Section 5310 RCC funds on behalf of Region 2. As required by FTA, all projects are identified in a locally developed coordinated public transit-human services transportation plan.

MWVEC, in conjunction with its regional partners as applicable, will provide the required non-federal matching funds. In the event that federal funds become unavailable, general funds will not be requested to support this program.

The Agreement has been approved by the Attorney General as to form and execution and the Department will verify the necessary funds are available pending enactment of the Fiscal Year 2020 budget. Copies of the fully executed agreement are on file at the Secretary of State's Office and the Department of Administrative Services' Office, and subsequent to Governor and Council approval will be on file at the Department of Transportation.

Your approval of this resolution is respectfully requested.

Sincerely,

A handwritten signature in black ink, appearing to read "Victoria F. Sheehan". The signature is written in a cursive style with a large initial "V".

Victoria F. Sheehan
Commissioner

Attachments

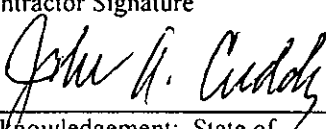
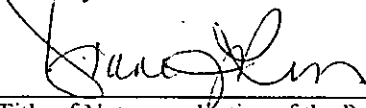

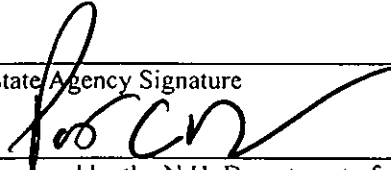

Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Department of Transportation		1.2 State Agency Address John O. Morton Building 7 Hazen Drive PO Box 483 Concord, NH 03302-0483	
1.3 Contractor Name Mount Washington Valley Economic Council, Inc.		1.4 Contractor Address 53 Technology Lane Suite 100 Conway, NH 03818	
1.5 Contractor Phone Number 603-447-6622	1.6 Account Number 04-96-96-964010-2916 072-500575	1.7 Completion Date 06/30/2020	1.8 Price Limitation \$97,134
1.9 Contracting Officer for State Agency Michelle Winters, Bureau of Rail & Transit		1.10 State Agency Telephone Number 603-271-3497	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory John A. Cuddy Ex. Director	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Carroll</u> On <u>4/3/19</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] 			
1.13.2 Name and Title of Notary or Justice of the Peace		1.14 State Agency Signature 	
Date: <u>4/22/19</u>		1.15 Name and Title of Agency Signatory Patrick C. Sterlino Director Aeronautics, Rail and Transit	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) (if applicable) By:  On: <u>5/2/19</u>			
1.18 Approval by the Governor and Executive Council (if applicable) By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.18, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.14 ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

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

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

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. This may include the requirement to utilize auxiliary aids and services to ensure that persons with communication disabilities, including vision, hearing and speech, can communicate with, receive information from, and convey information to the Contractor. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this

Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

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

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

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

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

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

14. INSURANCE.

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

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate; and

14.1.2 special cause of loss coverage form covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement.

Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than thirty (30) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each certificate(s) of insurance shall contain a clause requiring the insurer to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than thirty (30) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

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

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire unless no

such approval is required under the circumstances pursuant to State law, rule or policy.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

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

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

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

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

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

EXHIBITS TO CONTRACT

EXHIBIT A Scope of Services

EXHIBIT B Budget

Certificate of Good Standing

Certificate of Corporate Vote

Certificate of Insurance

Federal Clauses

2 CFR Part 200

Social Service Documents to Include:

501 (c)

Financial Report

Board of Directors

Key Personnel and Salaries

Resumes

Mount Washington Valley Economic Council

EXHIBIT A

SCOPE OF SERVICES

1. The Contractor, Mount Washington Valley Economic Council, (hereinafter the "Contractor") will provide transportation services as described in its Federal Transit Administration (FTA) Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Regional Coordinating Council (RCC) grant application to the New Hampshire Department of Transportation, Bureau of Rail and Transit (hereinafter "NHDOT"). The Contractor will serve as the lead agency for Region 2 Carroll County for FTA Section 5310 RCC funds to provide accessible transportation services to seniors and individuals with disabilities in cooperation with the Region 2 Carroll County RCC. This project is for the time period July 1, 2019 – June 30, 2020. The Contractor's grant application is hereby incorporated by reference and made part of this agreement. The Contractor agrees to provide all services indicated in the grant application unless modified per this agreement.
2. The following terms and conditions apply to all of the services provided by the Contractor pursuant to this agreement:
 - A. Mobility management activities, and as applicable, transportation services, subcontractors, and maximum reimbursement rates, shall consist of those submitted in the Contractor's 5310 RCC application or as subsequently modified by NHDOT through written notification to the Contractor. Further amendments to mobility management activities, transportation services, subcontractors, and/or maximum reimbursement rates require RCC approval, as documented in official minutes, as well as written approval from the Commissioner of the Department of Transportation or his/her designee (hereinafter the "Commissioner").
 - B. All services provided shall conform to FTA Section 5310 guidelines. Per FTA requirements, the Contractor shall be responsible for oversight of subrecipients and contractors relative to FTA requirements.
 - C. The Contractor shall ensure the provision of ADA accessible services within the region. Any marketing materials, brochures, and other service information shall describe it as ADA accessible. It is acceptable for a subcontractor that does not utilize accessible vehicles to contract with an accessible provider in order to meet this requirement.
 - D. The Contractor must fulfill its contractual obligations and provide its scope of services throughout the contract period regardless of mobility management expenses exceeding the maximum allowed to be reimbursed.

- E. The Commissioner may require the Contractor to provide additional transportation services or to reduce transportation services provided under this contract. Any alterations to such transportation services shall be submitted in writing by the Commissioner to the Contractor. The Contractor shall implement the alterations within thirty (30) days unless another timeframe is agreed to by the Commissioner and the Contractor.
- F. Services shall last the entire contract period. As necessary, the Contractor shall establish trip priorities to ensure funds are not expended prematurely.

EXHIBIT B

BUDGET

- I. The Contract price, as defined in Section 1.8 of the General Provisions, is the Federal Transit Administration Section 5310 portion of the eligible project. Federal Funds are granted as follows:

	SFY 2020
FTA Section 5310	
Contracted Services	\$57,359.00
Mobility Management	\$39,775.00
Total FTA Section 5310 Funds	\$97,134.00

- II. The Contractor may seek reimbursement for these funds by submitting a monthly or quarterly invoice for the total eligible expenses less a 20% agency match to the NHDOT. The invoice must include verification of source(s) of matching funds and statements from service providers to support the request for matching funds. Mobility management costs shall be itemized and include such information as required to support the request. The Contractor will verify that reimbursement is for non-Medicaid eligible trips only.
- III. NHDOT reserves the right to determine whether the expenses submitted are eligible for reimbursement based on FTA guidelines, regulations, and statutes. The Contractor shall keep all documentation related to expenses incurred in relation to this agreement for a period of three (3) years, shall make such documents available for inspection to NHDOT upon reasonable notice, and shall ensure that all subrecipients and contractors do so as well.

State of New Hampshire

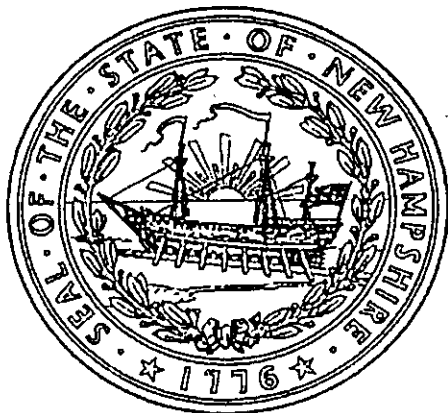
Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that MT. WASHINGTON VALLEY ECONOMIC COUNCIL is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on November 06, 1990. 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: 151479

Certificate Number: 0004481453



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 1st day of April A.D. 2019.

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

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY

I, Joshua McAllister, Chairperson of the Mt. Washington Valley Economic Council Board of Directors do hereby certify that:

1. I am the duly elected and acting Chairperson of the Mt. Washington Valley Economic Council, a regional economic development organization and established 501(c)(3);
2. The Mt. Washington Valley Economic Council has authorized Executive Director, John Cuddy, to execute any documents which may be necessary to effectuate contracts;
3. This authorization has not been evoked, annulled, or amended in any manner whatsoever, and remains in full force and effect as of the date hereof;

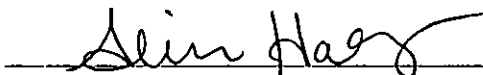
IN WITNESS WHEREOF, I hereunto set my hand as the Chairperson of the Mt. Washington Valley Economic Council on this 3rd day of April 2019.


Joshua McAllister, Chairperson

State of New Hampshire
County of Carroll

On this 3rd day of April 2019, before me Alison Harris, the undersigned officer, personally appeared Joshua McAllister, who acknowledged himself to be the Chairperson of the Mt. Washington Valley Economic Council, and that he, as such Chairperson, being so authorized to do so, executed the foregoing instrument for the purpose therein contained.

In witness whereof, I have set my hand and official seal.

 Notary Public

My Commission Expires
December 23, 2019



MWVECON-02

DMEANEY

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/2/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER M&M Assurance Group, Inc. DBA Mason & Mason Insurance of NH PO Box 750 Intervale, NH 03845	CONTACT NAME: Judy Yeary
	PHONE (A/C, No, Ext): (781) 447-5531 FAX (A/C, No): (781) 447-7230
	E-MAIL ADDRESS: jyeary@masoninsure.com
	INSURER(S) AFFORDING COVERAGE
	INSURER A: Twin City Fire Insurance Co. NAIC # 29459
INSURED Mt. Washington Valley Economic Council 53 Technology Lane Suite 100 Conway, NH 03818	INSURER B:
	INSURER C:
	INSURER D:
	INSURER E:
	INSURER F:

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADOL INSD	SUBR WVO	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	X		04SBAAC7003	4/24/2019	4/24/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/PROP AGG \$ 2,000,000 \$ COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			04SBAAC7003	4/24/2019	4/24/2020	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N N/A If yes, describe under DESCRIPTION OF OPERATIONS below			08WECNJ5048	10/26/2018	10/26/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
When required by written contract The State of New Hampshire Department of Transportation Bureau of Rail and Transit is an additional insured per the terms and conditions of Hartford Form IH 12 00 11 85.

CERTIFICATE HOLDER State of New Hampshire Dept of Transportation Bureau of Rail and Transit PO Box 483 Concord, NH 03302	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

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 (\$10,000 or less, except for construction contracts over \$2,000). Contractor shall comply with 49 USC 40118 (the "Fly America" Act) in accordance with General Services Administration regulations 41 CFR 301-10, stating that recipients and subrecipients of Federal funds and their contractors are required to use US Flag air carriers for US Government-financed international air travel and transportation of their personal effects or property, to the extent such service is available, unless travel by foreign air carrier is a matter of necessity, as defined by the Fly America Act. Contractor shall submit, if a foreign air carrier was used, an appropriate certification or memorandum adequately explaining why service by a US flag air carrier was not available or why it was necessary to use a foreign air carrier and shall, in any event, provide a certificate of compliance with the Fly America requirements. Contractor shall include the requirements of this section in all subcontracts that may involve international air transportation.

Charter Bus Requirements – Applicability – Operational Service Contracts. These requirements do not apply to micro-purchases (\$10,000 or less, except for construction contracts over \$2,000). Contractor shall comply with 49 USC 5323(d) and (g) and 49 CFR 604, which state that recipients and subrecipients of FTA assistance may provide charter service for transportation projects that uses equipment or facilities acquired with Federal assistance authorized under the Federal transit laws (except as permitted by 49 CFR 604.2), or under 23 U.S.C. 133 or 142, only in compliance with those laws and FTA regulations, "Charter Service," 49 CFR part 604, the terms and conditions of which are incorporated herein by reference.

School Bus Requirements – Applicability – Operational Service Contracts. These requirements do not apply to micro-purchases (\$10,000 or less, except for construction contracts over \$2,000). Pursuant to 69 USC 5323(f) or (g) as amended by MAP-21, 23 USC 133, 23 USC 142, and 49 CFR 605, recipients and subrecipients of FTA assistance shall not engage in school bus operations exclusively for transportation of students and school personnel in competition with private school bus operators unless qualified under specified exemptions. When operating exclusive school bus service under an allowable exemption, recipients and subrecipients shall not use federally funded equipment, vehicles, or facilities. Violations. If a Recipient or any Third Party Participant that has operated school bus service in violation of FTA's School Bus laws and regulations, FTA may: (1) Require the Recipient or Third Party Participant to take such remedial measures as FTA considers appropriate, or (2) Bar the Recipient or Third Party Participant from receiving Federal transit funds.

Energy Conservation – Applicability – All Contracts except micro-purchases (\$10,000 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.

Access to Records and Reports – Applicability – As shown below. These requirements do not apply to micro-purchases (\$10,000 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 \$250,000.
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 – Applicability – All Contracts except micro-purchases (\$10,000 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 recipient 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.

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

No Government Obligation to Third Parties – Applicability – All contracts except micropurchases (\$10,000 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 (\$10,000 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 \$250,000

- 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 compete 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 or 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 (Nonprocurement) – Applicability – Contracts over \$25,000 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," <https://www.sam.gov>, 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 <https://www.sam.gov>, 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 – Applicability – 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 (\$10,000 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 (\$10,000 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 FTA Circular 4704.1, "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 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.

Transit Employee Protective Provisions – Applicability – Contracts for transit operations except micro-purchases (\$10,000 or less, except for construction contracts over \$2,000)

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

(1) U.S. DOL Certification. When its Project involves public transportation operations and is financed with funding made available or appropriated for 49 U.S.C. §§ 5307, 5309, 5312, 5337, or 5339, as amended by Map-21, or former 49 U.S.C. §§ 5308, 5309, 5312, or other provisions of law as required by the Federal Government, U.S. DOL must provide a Certification of employee protective arrangements before FTA may provide financial assistance for the Project. Therefore, the Recipient understands and agrees, and assures that any Third Party Participant providing public transportation operations will agree, that: (a) It must carry out the Project as provided in its U.S. DOL Certification, which contains the terms and conditions that U.S. DOL has determined to be fair and equitable to protect the interests of any employees affected by the Project, (b) It must comply with 49 U.S.C. § 5333(b), and any future amendments thereto, (c) It will follow the U.S. DOL guidelines, "Guidelines, Section 5333(b), Federal Transit Law," 29 C.F.R. part 215, except as U.S. DOL determines otherwise in writing, (d) It must comply with the terms and conditions of the U.S.

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

(2) Special Warranty. When its Project involves public transportation operations, and is financed with funding made available or appropriated for 49 U.S.C. § 5311, as amended by Map-21, for former 49 U.S.C. § 5311 in effect in FY 2012, or a previous fiscal year, or for section 3038 of TEA-21, as amended by section 3039 of SAFETEA-LU, U.S. DOL will provide a Special Warranty for those projects, including projects under the Tribal Transit Program. Therefore, the Recipient understands and agrees, and assures that any Third Party Participant providing public transportation operations will agree, that: (a) It must comply with Federal transit laws, specifically 49 U.S.C. § 5333(b), (b) Follow the U.S. DOL guidelines, "Guidelines, Section 5333(b), Federal Transit Law," 29 C.F.R. part 215, except as U.S. DOL determines otherwise in writing, (c) It will comply with the U.S. DOL Special Warranty for its Project that is most current on the date when it executed the Underlying Agreement, and documents cited therein, including: 1 Any alternative comparable arrangements U.S. DOL has specified for the Project, 2 Any revisions U.S. DOL has specified for the Project, or 3 Both, and (d) It will comply with the following documents and provisions incorporated by reference in and made part of the Underlying Agreement: 1 The U.S. DOL Special Warranty for its Project, 2 Documents cited in that Special Warranty, 3 Alternative comparable arrangements U.S. DOL specifies for the Project, and 4 Any revisions that U.S. DOL has specified for the Project, and (3) Special Arrangements for 49 U.S.C. § 5310 Projects. The Recipient understands and agrees, and assures that any Third Party Participant providing public transportation operations will agree, that although pursuant to 49 U.S.C. § 5310, and former 49 U.S.C. §§ 5310 or 5317, FTA has determined that it was not "necessary or appropriate" to apply the conditions of 49 U.S.C. § 5333(b) to Subrecipients participating in the program to provide public transportation for seniors (elderly individuals) and individuals with disabilities, FTA reserves the right to make the following exceptions: (a) FTA will make case-by-case determinations of the applicability of 49 U.S.C. § 5333(b) for all transfers of funding authorized under title 23, United States Code (flex funds), and (b) FTA reserves the right to make other exceptions as it deems appropriate.

Disadvantaged Business Enterprise (DBE) – Applicability – Contracts over \$10,000 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, 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 – Applicability – All contracts except micro-purchases (\$10,000 or less, except for construction contracts over \$2,000)

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

Drug & Alcohol Abuse and Testing – Applicability – Operational service contracts except micro-purchases (\$10,000 or less, except for construction contracts over \$2,000)

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

Other Federal Requirements:

Full and Open Competition - In accordance with 49 U.S.C. § 5325(h) 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 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 standard clauses 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 Map-21, 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 - (NOT APPLICABLE TO THE TRIBAL TRANSIT PROGRAM) 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).

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. 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.

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

a. **Seat Belt Use.** The Recipient agrees to implement Executive Order No. 13043, "Increasing Seat Belt Use in the United States," April 16, 1997, 23 U.S.C. § 402 note, (62 Fed. Reg. 19217), by: (1) Adopting and promoting 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, and (2) Including a "Seat Belt Use" provision in each third party agreement related to the Award. b. **Distracted Driving, Including Text Messaging While Driving.** The Recipient agrees to comply with: (1) Executive Order No. 13513, "Federal Leadership on Reducing Text Messaging While Driving," October 1, 2009, 23 U.S.C. § 402 note, (74 Fed. Reg. 51225), (2) U.S. DOT Order 3902.10, "Text Messaging While Driving," December 30, 2009, and (3) The following U.S. DOT Special Provision pertaining to Distracted Driving: (a) **Safety.** The Recipient 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 Recipient owns, leases, or rents, or a privately-owned vehicle when on official business in connection with the Award, or when performing any work for or on behalf of the Award, (b) **Recipient Size.** The Recipient agrees to conduct workplace safety initiatives in a manner commensurate with its size, such as establishing new rules and programs to prohibit text messaging while driving, re-evaluating the existing programs to prohibit text messaging while driving, and providing education, awareness, and other outreach to employees about the safety risks associated with texting while driving, and (c) **Extension of Provision.** The Recipient agrees to include the preceding Special Provision of section 34.b(3)(a) - (b) of this Master Agreement in its third party agreements, and encourage its Third Party Participants to comply with this Special Provision, and include this Special Provision in each third party subagreement at each tier supported with federal assistance.

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.

The CFDA number for the Federal Transit 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.

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 Certifications

GOVERNMENT-WIDE DEBARMENT AND SUSPENSION (NONPROCUREMENT)

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

1. It will comply and facilitate compliance with U.S. DOT regulations, "Nonprocurement Suspension and Debarment," 2 CFR part 1200, which adopts and supplements the U.S. Office of Management and Budget (U.S. OMB) "Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," 2 CFR part 180.
2. To the best of its knowledge and belief, that its Principals and Subrecipients at the first tier:
 - a. Are eligible to participate in covered transactions of any Federal department or agency and are not presently:
 1. Debarred
 2. Suspended
 3. Proposed for debarment
 4. Declared ineligible
 5. Voluntarily excluded
 6. Disqualified
 - b. Its management has not within a three-year period preceding its latest application or proposal been convicted of or had a civil judgment rendered against any of them for:
 1. Commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction, or contract under a public transaction,
 2. Violation of any Federal or State antitrust statute, or
 3. Proposed for debarment commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making any false statement, or receiving stolen property
 - c. It is not presently indicted for, or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses listed in the preceding subsection 2.b of this Certification.
 - d. It has not had one or more public transactions (Federal, State, or local) terminated for cause or default within a three-year period preceding this Certification.
 - e. If, at a later time, it receives any information that contradicts the statements of subsections 2.a – 2.d above, it will promptly provide that information to FTA.
 - f. It will treat each lower tier contract or lower tier subcontract under its Project as a covered lower tier contract for purposes of 2 CFR part 1200 and 2 CFR part 180 if it:
 1. Equals or exceeds \$25,000,
 2. Is for audit services, or
 3. Requires the consent of a Federal official, and
 - g. It will require that each covered lower tier contractor and subcontractor:
 1. Comply and facilitate compliance with the Federal requirements of 2 CFR parts 180 and 1200, and
 2. Assure that each lower tier participant in its Project is not presently declared by any Federal department or agency to be:
 - a. Debarred from participation in its federally funded Project,
 - b. Suspended from participation in its federally funded Project,
 - c. Proposed for debarment from participation in its federally funded Project,
 - d. Declared ineligible to participate in its federally funded Project,
 - e. Voluntarily excluded from participation in its federally funded Project, or
 - f. Disqualified from participation in its federally funded Project, and
3. It will provide a written explanation as indicated on a page attached in FTA's TrAMS-Web or the Signature Page if it or any of its principals, including any of its first tier Subrecipients or its Third Party Participants at a lower tier, is unable to certify compliance with the preceding statements in this Certification Group.

Certification

Contractor _____

Signature of Authorized Official _____

Date _____

Name and Title of Contractor's Authorized Official _____

Orlando H. Cordero Date *9/21/14*
Orlando H. Cordero *VP, Director*



Contract Agreement
New Hampshire Department of Transportation
And
Mount Washington Valley Economic Council, Inc.

The Subrecipient, Mount Washington Valley Economic Council, Inc., shall comply with all applicable federal laws, regulations, and requirements as outlined in the most recent Federal Transit Administration (FTA) Master Agreement and Federal Certifications and Assurances.

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

Subrecipient Name: **Mount Washington Valley Economic Council, Inc.**

Subrecipient DUNS number: 160166583

Federal Award Identification Number (FAIN): 1385-2019-2

Type of Federal Award: **Section 5310 RCC** Federal Award Date: 7/1/19

Period of Performance:

FFY: 2018 Start Date: 7/1/19 End Date: 6/30/20

Federal Funds Obligated by the Action:

For SFY: 2020 Section: 5310 RCC Amount: \$97,129.00

Total Amount of Federal Funds Obligated to Subrecipient:

For SFY: 2020 Section: 5310 RCC Amount: \$97,129.00

Total Amount of Federal Award:

Section: 5310 RCC Amount: \$97,129.00

Catalog of Federal Domestic Assistance (CFDA) number: 20.513 FFY: 2018

Federal Award Project Description: Funding to enhance mobility for seniors and individuals with disabilities

(As required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA))

Is this award for research and development: No

Provide the indirect cost rate for the federal award: 10%

Name of Federal Awarding Agency: Federal Transit Administration

Grantee: New Hampshire Department of Transportation

Contact Information for Awarding Official:

Name: Patrick C. Herlihy Title: Director of Aeronautics, Rail & Transit

Email: Patrick.Herlihy@dot.nh.gov Phone: 603-271-2449

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
G.P.O. BOX 1880
BROOKLYN, NY 11202

DEPARTMENT OF THE TREASURY

ATTACHMENT 17: MWVEC 501(C) NON-PROFIT STATUS

Date: MAY 04 1995

Employer Identification Number:
22-3100889
Case Number:
115097008
Contact Person:
FRED HYMOWITZ
Contact Telephone Number:
(718) 488-2218
Our Letter Dated:
February 7, 1992
Addendum Applies:
NO

MT WASHINGTON VALLEY ECONOMIC
COUNCIL
RR1 BOX 6
INTERVALE, NH 03845

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

You are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. For guidance in determining whether your gross receipts are "normally" more than \$25,000, see the instructions for Form 990. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

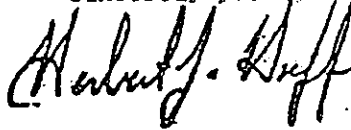
Letter 1050 (DO/CG)

MT WASHINGTON VALLEY ECONOMIC

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Herbert J. Huff".

Herbert J. Huff
District Director

Financial Statements

MT. WASHINGTON VALLEY ECONOMIC COUNCIL

**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
AND
INDEPENDENT AUDITORS' REPORTS**

MT. WASHINGTON VALLEY ECONOMIC COUNCIL

FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditors' Report	1 - 2
<u>Financial Statements:</u>	
Statements of Financial Position	3 - 4
Statements of Activities	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 22
<u>Supplementary Information:</u>	
Schedule of Expenditures	23
Intermediary Relending Programs – One, Two and Three:	
Statements of Financial Position, Activities and Cash Flows	24 - 32
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	33 - 34
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	35 - 36
Schedule of Expenditures of Federal Awards	37
Notes to Schedule of Expenditures of Federal Awards	38
Schedule of Findings and Questioned Costs	39

To the Board of Directors of
Mt. Washington Valley Economic Council
Conway, New Hampshire

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Mt. Washington Valley Economic Council (a non-profit organization) which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the years then ended and 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors consider 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 respective financial position of Mt. Washington Valley Economic Council as of December 31, 2017 and 2016, and the respective changes in its net assets, and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as well as the schedule of expenditures and the statements of financial position for the Intermediary Relending Programs, components of Mt. Washington Valley Economic Council, as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the years then ended on pages 23 through 32 are presented for purposes of additional analysis and are not a required part of the basic 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 and the schedule of expenditures of federal awards are 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 September 17, 2018, on our consideration of the Mt. Washington Valley Economic Council'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 the Mt. Washington Valley Economic Council's internal control over financial reporting and compliance.

*Leon McDonnell & Roberts
Professional Association*

North Conway, New Hampshire
September 17, 2018

MT. WASHINGTON VALLEY ECONOMIC COUNCIL

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 305,257	\$ 272,148
Investments	30,488	30,336
Accounts receivable, net of allowance of \$1,600 in 2017 and 2016	37,094	58,255
Current portion of notes receivable, net of allowance of \$45,000 in 2017 and \$0 in 2016	385,982	443,419
Prepaid expenses	<u>-</u>	<u>7,391</u>
Total current assets	<u>758,821</u>	<u>811,549</u>
 PROPERTY, PLANT AND EQUIPMENT		
Land - Technology Village	1,869,551	1,863,051
Technology Village Condominium	2,431,930	2,431,930
Building improvements	16,213	16,213
Equipment, furniture and fixtures	<u>47,167</u>	<u>47,167</u>
Total property, plant and equipment	4,364,861	4,358,361
Less accumulated depreciation	<u>1,296,432</u>	<u>1,151,453</u>
Net property, plant and equipment	<u>3,068,429</u>	<u>3,206,908</u>
 OTHER ASSETS		
Notes receivable, less current portion	<u>845,129</u>	<u>996,415</u>
Total other assets	<u>845,129</u>	<u>996,415</u>
 TOTAL ASSETS	<u>\$ 4,672,379</u>	<u>\$ 5,014,872</u>

MT. WASHINGTON VALLEY ECONOMIC COUNCIL

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

LIABILITIES AND NET ASSETS

	<u>2017</u>	<u>2016</u>
CURRENT LIABILITIES		
Demand notes payable	\$ 72,958	\$ 99,958
Current maturities of long-term debt	50,663	54,995
Accounts payable and accrued expenses	249,872	268,355
Deferred revenue	<u>15,550</u>	<u>26,885</u>
Total current liabilities	389,043	450,193
LONG-TERM DEBT, less current portion	<u>2,759,638</u>	<u>2,810,302</u>
TOTAL LIABILITIES	<u>3,148,681</u>	<u>3,260,495</u>
NET ASSETS		
Unrestricted		
Net investment in property, plant and equipment	1,982,518	1,982,518
Designated	171,351	159,351
Undesignated (deficit)	<u>(2,950,381)</u>	<u>(2,721,419)</u>
Total unrestricted net deficit	(796,512)	(579,550)
Temporarily restricted	56,703	58,679
Permanently restricted	<u>2,263,507</u>	<u>2,275,248</u>
Total net assets	<u>1,523,698</u>	<u>1,754,377</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,672,379</u>	<u>\$ 5,014,872</u>

MT. WASHINGTON VALLEY ECONOMIC COUNCIL
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CHANGES IN RESTRICTED NET ASSETS		
REVENUES AND OTHER SUPPORT		
Contributions, gifts, grants and similar amount	\$ 125,005	\$ 128,207
Membership dues	22,085	21,520
Program service revenues	10,927	5,030
Rental income	123,366	119,529
Management fees	61,870	59,258
Other income	8,100	-
Interest income	<u>82,409</u>	<u>87,139</u>
 Total unrestricted public support and revenue	 433,762	 420,683
Net assets released from restrictions	<u>47,328</u>	<u>53,714</u>
 Total revenues and other support	 <u>481,090</u>	 <u>474,397</u>
TOTAL EXPENDITURES	<u>698,052</u>	<u>625,972</u>
DECREASE IN UNRESTRICTED NET ASSETS	<u>(216,962)</u>	<u>(151,575)</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Mount Washington Valley FIRST	5,793	8,599
Mt. Washington Valley Regional Collaboration	16,133	14,667
MWV Science Fair	11,685	8,500
Net assets released from restrictions	<u>(35,587)</u>	<u>(25,966)</u>
(DECREASE) INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	<u>(1,976)</u>	<u>5,800</u>
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS		
Operating gains added back to restrictions	-	2,898
Net assets released from restrictions - net operating losses	<u>(11,741)</u>	<u>(27,748)</u>
DECREASE IN PERMANENTLY RESTRICTED NET ASSETS	<u>(11,741)</u>	<u>(24,850)</u>
CHANGE IN NET ASSETS	<u>(230,679)</u>	<u>(170,625)</u>
NET ASSETS - BEGINNING OF YEAR	<u>1,754,377</u>	<u>1,925,002</u>
NET ASSETS - END OF YEAR	<u>\$ 1,523,698</u>	<u>\$ 1,754,377</u>

MT. WASHINGTON VALLEY ECONOMIC COUNCIL

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (230,679)	\$ (170,625)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	144,977	143,196
Permanently restricted revenue	-	(2,898)
Bad debt expense, net of recoveries	45,000	16,862
Reimbursable expenses added to loan balances	(10,381)	(8,092)
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	21,161	(11,879)
Decrease (increase) in prepaid expenses	7,391	(731)
Increase (decrease) in accounts payable and accrued expenses	(18,483)	18,999
(Decrease) increase in demand notes payable	(27,000)	-
(Decrease) increase in deferred revenue	<u>(11,335)</u>	<u>10,165</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(79,349)</u>	<u>(5,003)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(152)	(151)
Purchase of property, plant and equipment	(6,500)	(10,314)
Disbursements on notes receivable	(88,320)	(185,000)
Receipts on notes receivable	<u>262,426</u>	<u>198,048</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>167,454</u>	<u>2,583</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term borrowings	(54,998)	(37,695)
Permanently restricted revenue received	<u>-</u>	<u>2,898</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(54,996)</u>	<u>(34,797)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	33,109	(37,217)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>272,148</u>	<u>309,365</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 305,257</u>	<u>\$ 272,148</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Cash payments for interest	<u>\$ 16,133</u>	<u>\$ 14,378</u>

MT. WASHINGTON VALLEY ECONOMIC COUNCIL

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Mt. Washington Valley Economic Council (MWVEC or the Organization) is a voluntary not-for-profit organization incorporated under the laws of the State of New Hampshire (RSA 292) and organized to support existing business, to foster the formation of new business and to assist with relocation to the area, with a commitment to help businesses diversify, prosper and enhance their sustainability, while preserving the region's natural beauty.

Program Services – Revolving Loan Fund

The Revolving Loan Fund has been established through a Community Development Block Grant (CDBG) to provide financial assistance for the expansion of existing industries and businesses, as well as the attraction of new businesses and industries to the Mt. Washington Valley Region, with the primary goal of creating employment opportunities for low and moderate income persons.

Basis of Accounting

The accompanying financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America which involves the application of the accrual basis of accounting. Under that method, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred:

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The classes of net assets are determined by the presence or absence of donor restrictions.

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

Temporarily Restricted: Net assets whose use is limited by donor-imposed stipulations that will either expire with the passage of time or be fulfilled or removed by actions of the Organization. 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. Absent explicit donor stipulations about how long long-lived assets must be maintained or the manner of their disposition, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. The Organization reports expirations of continuing donor restrictions regarding use or disposition of long-lived assets over the assets' expected useful lives.

Permanently Restricted: Net assets that are subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

As of December 31, 2017 and 2016, the Organization had unrestricted, temporarily restricted and permanently restricted net assets.

Revenue and Support

A substantial amount of revenue for MWVEC is derived from State of New Hampshire or Federal grant programs for its revolving loan fund and related administrative costs, for capacity building purposes, and for infrastructure costs related to construction of the Technology Village.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets or liabilities are reported as increases or decrease in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. Any grant, program service, rent or other revenues billed or collected in advance are included in deferred revenue and are recognizable within one year when the expenses to which they relate are incurred.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash includes cash on hand, funds on deposit with financial institutions, and investments with original maturities of three months or less.

Investments

Investments include certificates of deposit with a maturity of more than three months.

Accounts, Grants, and Notes Receivable

MWVEC provides loans to local businesses under customary lending terms. Notes receivable are recorded at cost. MWVEC obtains collateral it deems adequate and appropriate and as approved by its board of directors on a loan-by-loan basis.

Accounts, grants, and note receivable are stated at the amount management expects to collect from outstanding balances. MWVEC provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts, grants or notes receivable. Changes in the valuation allowance have not been material to the financial statements.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Donated property and equipment are stated at fair value at the date of receipt. It is the policy of MWVEC to capitalize costs for these items in excess of \$500. Lesser amounts are expensed. Depreciation expense is computed on the straight-line method based on the estimated useful lives of the assets as follows:

Office equipment	3 years
Land improvements	15 years
Leasehold improvements	15 years
Building	39 years

Designation of Unrestricted Net Assets

It is the policy of the Board of Directors of the Organization to review its plans from time to time for future property improvements and acquisitions, as well as other operating needs, and to designate appropriate sums of unrestricted net assets to assure adequate financing of such purposes.

Income Tax Status

MWVEC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, MWVEC qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation.

Management has evaluated the Organization's tax positions and concluded that MWVEC has maintained its tax-exempt status and has taken no uncertain tax positions that would require adjustment to the financial statements. With few exceptions, MWVEC is no longer subject to income tax examinations by the United States Federal or State tax authorities prior to 2014.

Advertising Costs

MWVEC expenses all advertising costs as incurred in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 340-20, *Accounting for Advertising Costs*.

2. CONCENTRATION OF RISK

MWVEC maintains all cash balances in four financial institutions located in Conway, New Hampshire. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 and at times balance might exceed FDIC limits. As of December 31, 2017 and 2016, balances did not exceed FDIC insured limits. MWVEC has not experienced any losses in such accounts and believes it is not exposed to any significant risk with respect to these accounts.

3. INVESTMENTS

Investments consist of a certificate of deposit and are stated at fair value. The cost and fair value at December 31, 2017 and 2016 was \$30,488 and \$30,336, respectively.

4. **PERMANENTLY RESTRICTED NET ASSETS**

The MWVEC's permanently restricted net assets represent monies available for lending from the Revolving Loan Fund established pursuant to the terms and conditions set forth in the Community Development Block Grant Program Agreement between the State of New Hampshire and the Town of Conway. The MWVEC was a sub-recipient of this Grant, and the Sub-recipient Agreement between the Town of Conway and MWVEC holds the MWVEC responsible for all terms of the Agreement between the Town and the State. During 2000, the Town of Conway contributed the net assets of its Revolving Loan Fund, in the amount of \$416,286, to the MWVEC. Terms of the agreement with the Town of Conway place certain restrictions on the management and use of the net assets for future loans to be advanced to loan businesses. Other grants and donations are included in the Organization's permanently restricted net assets, and contain similar terms and conditions for purposes of the Revolving Loan Fund. Funding for the Revolving Loan Fund as of December 31, 2017 and 2016 is comprised of cash and notes receivable resulting from loan advances made under these programs.

The MWVEC's permanently restricted net assets also include Federal and State of New Hampshire grant monies expended for land acquisition and infrastructure construction for a business facility with buildings for sale/lease, known as the Mount Washington Valley Technology Village.

These permanently restricted net assets as of December 31, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Revolving Loan Fund includes Intermediary Relending Program:		
CDBG grants	\$ 719,551	\$ 719,551
Rural Development grant	50,000	50,000
Business Development Corporation net assets	28,065	28,065
Loan fund losses and deficits	<u>(476,487)</u>	<u>(464,746)</u>
	321,129	332,870
Town of Conway RLF net assets, net of loan fund losses: 2017 - \$34,713; 2016 - \$34,713	<u>442,378</u>	<u>442,378</u>
Total Revolving Loan Fund	763,507	775,248
Technology Village:		
Infrastructure grants	<u>1,500,000</u>	<u>1,500,000</u>
Total	<u>\$ 2,263,507</u>	<u>\$ 2,275,248</u>

5. NOTES RECEIVABLE

Notes receivable at December 31, 2017 and 2016 consist of the following:

	<u>2017</u>	<u>2016</u>
Note receivable, local business, with interest at 6%; secured by all business assets; monthly payments of principal and interest in the amount of \$605 were due through March 2017, at which time the remaining balance was payable in full. This note was paid in full at December 31, 2017.	\$ -	\$ 63,501
Note receivable, local business, with interest at 8%; secured by all business assets and a real estate mortgage; monthly payments of principal and interest in the amount of \$910 through August 2012. An allonge was entered into in August 2015 to reduce the interest rate to 5.5% and the monthly payment of principal and interest to \$869 and to extend the note through August 2017. A second allonge was entered into in May 2015 reducing the monthly payment to \$450 through August 2017 at which time the remaining balance was payable in full. A third allonge was entered into in October 2017 increasing the monthly payment to \$600.	12,933	18,053
Note receivable, local business, with interest at prime (currently 3.5%); secured by all business assets; monthly payments of principal and interest in the amount of \$668 were due through September, 2017. This note was paid in full at December 31, 2017.	-	5,927
Note receivable, local business, with an interest at 5.5%; secured by all business assets; monthly payments of principal and interest in the amount of \$195 were due through June 2027. This note was paid in full at December 31, 2017.	-	18,586
Note receivable, local business, with interest at 6.5%; secured by all business assets and a real estate mortgage; monthly payments of principal and interest in the amount of \$568 are due through February 2014, at which time the remaining balance was payable in full. This note has been extended through February 2019.	5,454	14,225
Note receivable, local business, with interest at 7%; secured by all business assets and a real estate mortgage; monthly payments of principal and interest in the amount of \$194 are due through January 2015, at which time the remaining balance is payable in full. A Loan Settlement Agreement was entered into in		

<p>December 2015 adding an additional \$15,087 of expenses to the principal balance. In August 2016 an additional \$8,092 was added to the principal balance for the payment of real estate taxes. In April 2017, a principal pay down in the amount of \$8,092 was received. In August 2017, an additional \$10,381 was added to the principal balance for the payment of real estate taxes. Monthly payments of principal and interest in the amount of \$290 are due through November 2017, at which time the remaining balance was payable in full. This note is one payment behind at December 31, 2017.</p>	45,903	44,490
<p>Note receivable, local business, with interest at 6.75%; secured by all business assets and real estate mortgages; monthly payments of principal and interest in the amount of \$574 are due through June 2020.</p>	15,808	21,423
<p>Note receivable, local business, with interest at 7%; secured by all business assets and a real estate mortgage; monthly payments of principal and interest in the amount of \$775 are due through February 2015, at which time the remaining balance is payable in full. A Loan Settlement Agreement was entered into in December 2015. A principal pay down of \$30,000 was received in August 2017. Monthly payments of principal and interest in the amount of \$690 are due through November 2017, at which time the remaining balance was payable in full. This note is one payment behind at December 31, 2017.</p>	54,583	86,670
<p>Note receivable, local business, with interest 6%; secured by all business assets and a real estate mortgage; monthly payments of principal and interest in the amount of \$1,110 are due through December 2016, at which time the remaining balance was payable in full. In April 2018, an allonge was entered into to extend the maturity date of the note to January 2022. This note is one payment behind at December 31, 2017.</p>	47,533	56,817
<p>Note receivable, local business, with interest at 7.24%; secured by all business assets and a real estate mortgage; monthly payments of principal and interest in the amount of \$1,185 are due through February 2031, at which time the remaining balance is payable in full.</p>	120,444	125,731
<p>Note receivable, local business, with interest at 7.27%; secured by all business assets; monthly payments of interest only are due through February 2012, then monthly payments of principal and interest in the amount of \$996 are due through February 2017. In February</p>		

2012 an allonge was entered into extending the interest only payments through February 2013, reducing the interest rate to 7.24% and extending the maturity date to February 2018. In February 2013 a second allonge was executed to extend the period of interest only payments through February 2014, reduce the interest rate to 5.5% and extend the maturity date to February 2019. Monthly payments of principal and interest in the amount of \$955 are due through February 2019.

12,922 23,359

Note receivable, local business, with interest at 5.5%; secured by all business assets and a real estate mortgage; monthly payments of principal and interest in the amount of \$1,085 are due through December 2016, at which time the remaining balance was payable in full. In April 2018, an allonge was entered into to extend the maturity date of the note to January 2022. This note is one payment behind at December 31, 2017.

48,142 57,426

Note receivable, local business, with interest at 5.5%; secured by all business assets and personal guarantees of the two owners; monthly payments of principal and interest in the amount of \$359 are due through August 2019. This note is six payments behind at December 31, 2017.

8,786 10,670

Note receivable, local business, with interest at 5.5%; secured by all business assets and a personal guarantee of the owner; monthly payments of principal and interest in the amount of \$478 were due through February 2018. This note was paid in full at December 31, 2017.

6,743

Note receivable, local business, with interest at 5.5%; secured by all business assets, a real estate mortgage and a personal guarantee of the owner; monthly payments of principal and interest in the amount of \$206 are due through July 2018, at which time the remaining balance is payable in full.

5,936 11,739

Note receivable, local business, with interest at 5.5%; secured by all business assets and a real estate mortgage; monthly payments of principal and interest in the amount of \$447 are due through January 2023, at which time the remaining balance is payable in full.

54,918 57,195

<p>Note receivable, local business, with interest at 5.5%; secured by all business assets, a real estate mortgage, a life insurance policy and a personal guarantee of the owner; monthly payments of principal and interest in the amount of \$224 are due through April 2018, at which time the remaining balance is payable in full.</p>	27,749	28,872
<p>Note receivable, local business, with interest at 5.5%; secured by all business assets; a real estate mortgage and a personal guarantee of the owner; monthly payments of principal and interest in the amount of \$688 are due through August 2033.</p>	85,971	89,395
<p>Notes receivable, local business, with interest at 5.5%; secured by all business assets; a real estate mortgage and a personal guarantee of the owner, monthly payments of principal and interest in the amount of \$1,032 are due through August 2033.</p>	128,957	134,092
<p>Note receivable, local business, with interest at 5.5%; secured by all business assets; a real estate mortgage, a life insurance policy and a personal guarantee of the owner; monthly payments of principal and interest in the amount of \$477 are due through April 2018, at which time the remaining balances is payable in full.</p>	55,498	57,744
<p>Note receivable, local business, with interest at 5.5%; secured by all business assets; a real estate mortgage, a life insurance policy and a personal guarantee of the owner; monthly payments of principal and interest in the amount of \$224 are due through April 2018, at which time the remaining balance is payable in full.</p>	27,749	28,872
<p>Note receivable, local business, with interest at 5.5%; secured by all business assets, a real estate mortgage and a personal guarantee of the owner; monthly payments of principal and interest in the amount of \$206 are due through July 2018, at which time the remaining balance is payable in full.</p>	5,936	11,739
<p>Note receivable, local business, with interest at 6.27%; secured by all business assets, two real estate mortgages and a life insurance policy; monthly payments of interest only are due through June 2016. An allonge was entered into in June 2016 to extend the interest only payment period through 2017, then monthly payments of principal and interest in the amount of \$550 are due through December 2024, at which time the remaining balance is payable in full.</p>	68,881	70,000

Note receivable, local business, with interest at 7%; secured by all business assets and personal guarantees of the two owners; no payments due through April 2015, then monthly payments of principal and interest in the amount of \$1,251 are due through May 2024. In July 2017 an allonge was entered into to defer the February – July monthly loan payments and amortize the loan balance to capitalize \$2,981 of deferred interest. As of August 2017, the monthly principal and interest payments of \$1,367 are due through May 2024. This note is three payments behind at December 31, 2017.

87,168 86,633

Less reserve for impairment due to nonpayment

(45,000) -

Note receivable, local business, with interest at 5.87%; secured by all business assets, personal guarantee, a real estate mortgage and a life insurance policy, monthly payments of principal and interest in the amount of \$938 are due through March 2025.

65,296 74,056

Note receivable, local business, with interest at 5.83%; secured by all business assets, personal guarantees of the two owners, and a real estate mortgage, monthly payments of principal and interest in the amount of \$661 are due through May 2025. This note is one payment behind at December 31, 2017.

47,022 51,616

Note receivable, local business, with interest at 5.5%; secured by all business assets; monthly payments of principal and interest in the amount of \$362 are due through December 2018.

4,101 8,215

Note receivable, local business, with interest at 6%; secured by all business assets, personal guarantees of the two borrowers, and real estate mortgages; monthly payments of principal and interest in the amount of \$555 are due through February 2021, at which time the remaining principal is payable in full. In December 2017 an allonge was entered into to lend an additional \$50,000. The monthly payments of principal and interest in the amount of \$1,037 will begin in January 2018 and continue through November 2022 at which time the remaining principal is payable in full.

92,923 46,879

Note receivable, local business, with interest at 6%; secured by all business assets and a personal guarantee; monthly payments of principal and interest in the amount of \$761 are due through June 2019.

13,061 21,132

Note receivable, local business, with interest at 7%; secured by all business assets and a personal guarantee of the owner; monthly payments of principal and interest in the amount of \$693 are due through August 2021.	26,826	33,034
Note receivable, local business, with interest at 5.5%; secured by all business assets, a mortgage on business' property and a personal guarantee of the borrowers; monthly payments of principal and interest in the amount of \$172 are due through June 2019. This note is one payment behind at December 31, 2017.	24,414	25,000
Note receivable, local business, with interest at 5.5%; secured by all business assets, a mortgage on business' property and a personal guarantee of the borrowers; monthly payments of principal and interest in the amount of \$344 are due through June 2019. This note is one payment behind at December 31, 2017	48,709	50,000
Note receivable, local business, with interest at 6%; secured by all business assets, a mortgage on business' property and a personal guarantee of the borrowers; monthly payments of principal and interest in the amount of \$304 are due through April 2020.	7,143	-
Note receivable, local business, with interest at 5.5%; secured by a personal guarantee of the borrower; monthly payments of principal and interest are deferred for 5 years. Beginning in September 2022 monthly payments of principal and interest will be calculated to capitalize all deferred interest into the principal and will continue through September 2027 at which time the remaining principal will be due in full. This note has certain mandatory and voluntary conversion provisions.	25,345	-
Note receivable, Incubator (intra-company loan)	100,500	100,500
Eliminating entry, intra-company loan	(100,500)	(100,500)
Note receivable, Tech Village (intra-company loan)	54,097	54,097
Eliminating entry, intra-company loan	(54,097)	(54,097)
Note receivable, Real Estate Taxes (intra-company loan)	63,826	63,826
Eliminating entry, intra-company loan	(63,826)	(63,826)
Note receivable, Incubator (intra-company loan)	35,000	35,000
Eliminating entry, intra-company loan	(35,000)	(35,000)

Note receivable, Real estate taxes (intra-company loan)	50,724	-
Eliminating entry, intra-company loan	(50,724)	-
Note receivable, Line of Credit pay down (intra-company loan)	27,000	-
Eliminating entry, intra-company loan	<u>(27,000)</u>	<u>-</u>
	1,231,111	1,439,834
Less current maturities	<u>385,982</u>	<u>443,419</u>
Notes receivable, net	<u>\$ 845,129</u>	<u>\$ 996,415</u>

Scheduled maturities on long-term notes receivable as of December 31, 2017 are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2018	\$ 385,982
2019	150,853
2020	68,192
2021	237,631
2022	99,289
Thereafter	<u>283,164</u>
Total	<u>\$ 1,231,111</u>

6. **RECEIVABLES**

Accounts receivables at December 31, 2017 and 2016 consisted of rents, services and dues totaling \$37,094 and \$58,255, respectively, which is net of an allowance of \$1,600 in both years.

7. **ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

Accounts payable and accrued expenses at December 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Accounts payable – vendors	\$ 20,115	\$ 8,353
Accounts payable – Town of Conway, real estate taxes	78,133	108,194
Accrued payroll and related taxes	2,226	2,163
Accrued interest	<u>149,398</u>	<u>149,645</u>
Total accounts payable and accrued expenses	<u>\$ 249,872</u>	<u>\$ 268,355</u>

8. **DEFERRED REVENUE**

Deferred revenue at December 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Membership and dues revenue	\$ 15,550	\$ 18,885
NHBFA Live Free and Start Grant	<u> -</u>	<u> 8,000</u>
Total deferred revenue	<u>\$ 15,550</u>	<u>\$ 26,885</u>

9. **DEMAND NOTE PAYABLE**

Demand note payable at December 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Note payable, bank, with interest at the bank's base rate (at sole discretion of the bank) minus .25% (currently 4.25%) with monthly payments of interest through February 2018, at which point the balance is due unless the note is extended.	<u>\$ 72,958</u>	<u>\$ 99,958</u>

10. **LONG-TERM DEBT**

Long-term debt at December 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Note payable with U.S. Department of Agriculture (USDA); credit agreement of up to \$500,000, proceeds of which shall be used for a relending program; with interest stated at 1%; secured by the revolving loan fund itself, including cash and investments, notes receivable from the ultimate recipients and MWVEC's security interest in collateral pledged by the ultimate recipients.	\$ 347,996	\$ 365,565
Note payable with the U.S. Department of Agriculture (USDA); credit agreement of up to \$500,000, proceeds of which shall be used for a relending program; with interest at stated 1%; secured by the revolving loan fund itself, including cash and investments, notes receivable from the ultimate recipients and MWVEC's security interest in collateral pledged by the ultimate recipients.	416,901	433,788
Note payable with New Hampshire Business Finance Authority (NHBFA), with interest stated at 6.5% with monthly payments of interest due; as of April 2010, payments have been temporarily suspended until MWVEC sells more land.	679,999	679,999

Note payable with New Hampshire Business Finance Authority (NHBFA); due to a bank with interest stated at 6%; interest only for the first 24 months, thereafter monthly principal and interest payments of \$7,164 were due through November 2013, secured by a real estate mortgage. As of May 2018, the loan is in forbearance until May of 2019.

1,000,000 1,000,000

Note payable with New Hampshire Community Development Finance Authority (CDFA): credit agreement of up to \$200,000, proceeds of which shall be used for a relending program; with interest stated at 2.25%; interest only for the first three years; secured by the revolving loan fund itself, including cash and investments, notes receivable from the ultimate recipients and MWVEC's security interest in collateral pledged by the ultimate recipients.

160,284 173,945

Note payable with U.S. Department of Agriculture (USDA); credit agreement of up to \$500,000, proceeds of which shall be used for a relending program; with interest stated at 1%; secured by the revolving loan fund itself, including cash and investments, notes receivable from the ultimate recipients and MWVEC's security interest in collateral pledged by the ultimate recipients.

205,121 212,000

2,810,301 2,865,297

Less: current maturities

50,663 54,995

Total long-term debt

\$ 2,759,638 \$ 2,810,302

Scheduled maturities on long-term debt as of December 31, 2017 are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Amount</u>
2018	\$ 50,663
2019	1,731,281
2020	184,841
2021	43,013
2022	43,443
Thereafter	<u>757,060</u>
Total	<u>\$ 2,810,301</u>

11. **DESIGNATED NET ASSETS**

Designated net assets at December 31, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Revolving Loan Fund loss reserve	\$ <u>171,351</u>	\$ <u>159,351</u>

12. **TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at December 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
MWV Regional Collaborative	\$ 46,999	\$ 52,939
MWV FIRST	2,232	1,176
WMV Community Health Council	4,418	4,418
MWV Science Fair	<u>3,054</u>	<u>146</u>
Total temporarily restricted net assets	<u>\$ 56,703</u>	<u>\$ 58,679</u>

13. **FINANCIAL INTERMEDIARY DONATIONS, SUPPORT AND EXPENSES**

Mt. Washington Valley Regional Collaboration

MWVEC is acting as a financial intermediary for a group of people known as Mt. Washington Valley Regional Collaboration, whose mission is to develop a regional vision to improve economic growth, sustainable development, and quality of life in Mt. Washington Valley communities. While acting as the intermediary, MWVEC deposits the contributions received into a separate bank account and records all revenues and expenses for the project. As of December 31, 2017 and 2016, cash held for the project amounted to \$39,087 and \$49,039 respectively, and is classified as temporarily restricted.

For the years ended December 31, 2017 and 2016, total revenue amounted to \$16,133 and \$14,667, respectively, and total expenses amounted to \$22,073 and \$7,720, respectively.

Mount Washington Valley FIRST

MWVEC is acting as a financial intermediary for a group of people known as Mount Washington Valley FIRST. Mount Washington Valley FIRST is a robotics club whose mission is to create opportunities for all students through science and technology. As the intermediary, MWVEC deposits the contributions received into a separate bank account and records all revenues and expenses for the project. As of December 31, 2017 and 2016, cash held for the project amounted to \$2,232 and \$1,176, respectively, and is classified as temporarily restricted. For the years ended December 31, 2017 and 2016, total revenue amounted to \$5,793 and \$8,599, respectively, and total expenses amounted to \$4,737 and \$9,559, respectively.

White Mountain Valley Community Health Coalition

MWVEC is acting as a financial intermediary for a coalition of healthcare professionals known as White Mountain Valley Community Health Coalition whose mission is to promote and encourage optimal health and well-being in the community through education and

communication. As the intermediary, MWVEC deposits the contributions received into a separate bank account and records all revenues and expenses for the project. As of December 31, 2017 and 2016, cash held for the project amounted to \$4,418 and is classified as temporarily restricted. For the years ended December 31, 2017 and 2016, there were no revenue or expenses.

Mount Washington Valley Regional Science Fair

MWVEC is acting as a financial intermediary for a collaboration of local educators known as Mount Washington Valley Regional Science Fair whose mission is to inspire young people to explore the world around them and to think creatively to find answers to scientific questions and solutions to technical problems. As the intermediary, MWVEC deposits the contributions received into a separate bank account and records all revenues and expenses for the project. As of December 31, 2017 and 2016, cash held for the project amounted to \$3,054 and \$146, respectively, and is classified as temporarily restricted. For the years ended December 31, 2017 and 2016, total revenue amounted to \$11,685 and \$8,500, respectively, and total expenses amounted to \$8,777 and \$8,688, respectively.

14. SUBLEASE INCOME

In August 2006, the Organization occupied its newly constructed facility. Management leases excess space in this facility to other businesses to further the Organization's purpose described in Note 1. Included in rental income is \$123,366 and \$119,529 received under lease agreements for this facility for the years ended December 31, 2017 and 2016, respectively.

15. INTERMEDIARY RELENDING PROGRAM

On April 19, 2005, the Organization was awarded a participation in the U.S. Department of Agriculture (USDA) Intermediary Relending Program (IRP), the purpose of which is to establish a segregated revolving loan fund. The Organization is allowed to receive up to a \$500,000 loan at 1% repayable over 30 years to fund this program. A 25% matching requirement in the amount of \$125,000 of existing permanently restricted net assets has been provided by the Organization, and accounted for in separate general ledger accounts and its cash balances are maintained in a separate bank account in accordance with terms of the award.

On July 10, 2009, the Organization was awarded a second participation in the U.S. Department of Agriculture (USDA) Intermediary Relending Program (IRP), the purpose of which is to establish a segregated revolving loan fund. The Organization is allowed to receive up to a \$500,000 loan at 1% repayable over 30 years to fund this program. A matching requirement in the amount of \$125,000 of existing permanently restricted net assets has been provided by the Organization and is accounted for in separate general ledger accounts and its cash balances are maintained in a separate bank account in accordance with terms of the award.

On April 23, 2013, the Organization was awarded a third participation in the U.S. Department of Agriculture (USDA) Intermediary Relending Program (IRP), the purpose of which is to establish a segregated revolving loan fund. The Organization is allowed to receive up to a \$212,000 loan at 1% repayable over 30 years to fund this program. A matching amount of \$10,600 of existing permanently restricted net assets has been provided by the Organization, and is accounted for in separate general ledger accounts and its cash balances are maintained in a separate bank account in accordance with terms of the award.

16. **BAD DEBT EXPENSE**

Accounts receivable is reflected net of an allowance of \$1,600 for each of the years ended December 31, 2017 and 2016. Notes receivable is net of an allowance of \$45,000 at December 31, 2017. At December 31, 2016, there was no allowance on the notes receivable.

17. **CONSTRUCTION PROJECT COMMITMENT**

The Organization has committed to Phase II of its Technology Village project which involves the construction of a road expansion to provide utilities and access to subdivided building lots during 2014. The total project cost is approximately \$400,000 with the majority of the construction costs funded by a grant award in the amount of \$225,000. The project was completed in 2016.

18. **RECLASSIFICATION**

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

19. **SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the statement of financial position date but arose after that date. Management has evaluated subsequent events through September 17, 2018, the date the financial statements were available to be issued.

MOUNT WASHINGTON VALLEY ECONOMIC COUNCIL
SUPPLEMENTAL SCHEDULE OF EXPENDITURES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Depreciation	\$ 144,977	\$ 143,196
Salaries and wages	108,272	100,425
Rental expenses	89,394	86,216
Management fees	54,612	51,060
Transportation grant expense	50,911	44,162
Bad debt expense, net of recoveries	45,000	16,861
Real estate taxes	35,737	35,797
Interest expense	29,881	29,942
Professional fees	23,968	20,327
MWV Housing Collaboration expense	22,032	7,720
Meetings	15,875	15,132
Marketing and advertising	10,847	8,928
Program expenses	8,777	8,688
Payroll taxes	8,462	7,873
Office supplies and expense	8,114	9,901
Training and education	8,042	2,940
Employee benefits	5,499	5,289
General insurance	4,961	6,056
MWV FIRST expense	4,737	9,559
Regional collaboration	4,000	4,000
Dues and subscriptions	3,078	1,699
Postage and delivery	2,270	1,870
Telephone and internet	2,163	2,139
Payroll service fees	1,824	1,811
Repairs and maintenance	1,678	786
Travel, meals and entertainment	1,617	1,452
Bank charges and fees	1,058	1,558
Licenses and permits	115	190
Miscellaneous	151	395
	<hr/>	<hr/>
Total expenditures	\$ 698,052	\$ 625,972

MT. WASHINGTON VALLEY ECONOMIC COUNCIL

INTERMEDIARY RELENDING PROGRAM ONE

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 67,537	\$ 47,755
Investments	30,488	30,336
Accounts receivable	-	8,046
Due from revolving loan funds	-	500
Current portion of notes receivable	<u>126,310</u>	<u>148,258</u>
Total current assets	224,335	234,895
NOTES RECEIVABLE, less current portion	<u>121,262</u>	<u>149,288</u>
TOTAL ASSETS	<u>\$ 345,597</u>	<u>\$ 384,183</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 17,745	\$ 17,569
Accrued expenses	<u>2,364</u>	<u>2,782</u>
Total current liabilities	<u>20,109</u>	<u>20,351</u>
LONG-TERM DEBT, less current maturities	<u>330,251</u>	<u>347,996</u>
Total liabilities	350,360	368,347
NET ASSETS		
Permanently restricted	<u>(4,763)</u>	<u>15,836</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 345,597</u>	<u>\$ 384,183</u>

MT. WASHINGTON VALLEY ECONOMIC COUNCIL
INTERMEDIARY RELENDING PROGRAM ONE
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
REVENUE		
Interest income	\$ 17,505	\$ 16,867
Bad debt recovery	-	32,000
Program service revenue	<u>167</u>	<u>-</u>
Total revenue	<u>17,672</u>	<u>48,867</u>
 PROGRAM EXPENSES		
Management fees	30,720	17,220
Professional fees	3,965	2,569
Interest expense	3,536	3,711
Bad debt expense	-	14,115
Bank fees	<u>50</u>	<u>28</u>
Total expenses	<u>38,271</u>	<u>37,643</u>
 CHANGE IN NET ASSETS	 (20,599)	 11,224
NET ASSETS - BEGINNING OF YEAR	<u>15,836</u>	<u>4,612</u>
NET ASSETS - END OF YEAR	<u>\$ (4,763)</u>	<u>\$ 15,836</u>

MT. WASHINGTON VALLEY ECONOMIC COUNCIL

INTERMEDIARY RELENDING PROGRAM ONE

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) increase in net assets	\$ (20,599)	\$ 11,224
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Bad debt expense	-	14,115
Reimbursable expenses added to loan balances	10,381	(8,092)
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	8,046	(738)
Decrease (increase) in due from revolving loan funds	500	(500)
(Decrease) increase in accrued expenses and due to revolving loan fund	<u>(608)</u>	<u>(1,584)</u>
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(2,280)</u>	<u>14,425</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(152)	(151)
Disbursements on notes receivable	-	(50,000)
Receipts on notes receivable	<u>39,783</u>	<u>42,341</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>39,631</u>	<u>(7,810)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term borrowings	<u>(17,569)</u>	<u>(17,395)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(17,569)</u>	<u>(17,395)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	19,782	(10,780)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>47,755</u>	<u>58,535</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 67,537</u>	<u>\$ 47,755</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Cash payments for interest	<u>\$ 3,536</u>	<u>\$ 3,711</u>

MT. WASHINGTON VALLEY ECONOMIC COUNCIL

INTERMEDIARY RELENDING PROGRAM TWO

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 47,636	\$ 52,019
Current portion of notes receivable	41,782	12,935
Due from Economic Council	<u>5,000</u>	<u>5,000</u>
Total current assets	94,418	69,954
NOTES RECEIVABLE, less current portion	<u>316,181</u>	<u>358,258</u>
TOTAL ASSETS	<u>\$ 410,599</u>	<u>\$ 428,212</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 17,056	\$ 16,887
Accrued expenses	<u>1,976</u>	<u>2,057</u>
Total current liabilities	19,032	18,944
LONG-TERM DEBT, less current maturities	<u>399,845</u>	<u>416,901</u>
Total liabilities	418,877	435,845
NET ASSETS		
Permanently restricted	<u>(8,278)</u>	<u>(7,633)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 410,599</u>	<u>\$ 428,212</u>

MT. WASHINGTON VALLEY ECONOMIC COUNCIL

INTERMEDIARY RELENDING PROGRAM TWO

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
REVENUE		
Interest income	\$ 22,832	\$ 23,589
Total revenue	<u>22,832</u>	<u>23,589</u>
 PROGRAM EXPENSES		
Management fees	17,064	22,260
Professional fees	2,074	1,667
Bank fees	81	-
Interest expense	<u>4,258</u>	<u>4,426</u>
Total expenses	<u>23,477</u>	<u>28,353</u>
 CHANGE IN NET ASSETS	(645)	(4,764)
NET ASSETS - BEGINNING OF YEAR	<u>(7,633)</u>	<u>(2,869)</u>
NET ASSETS - END OF YEAR	<u>\$ (8,278)</u>	<u>\$ (7,633)</u>

MT. WASHINGTON VALLEY ECONOMIC COUNCIL

INTERMEDIARY RELENDING PROGRAM TWO

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (645)	\$ (4,764)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Changes in assets and liabilities:		
Decrease in accounts payable and accrued expenses	<u>(81)</u>	<u>(78)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(726)</u>	<u>(4,842)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts on notes receivable	<u>13,230</u>	<u>11,377</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>13,230</u>	<u>11,377</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term borrowings	(16,887)	(16,720)
Payments to other revolving loan funds	<u>-</u>	<u>(7,278)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(16,887)</u>	<u>(23,998)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,383)	(17,463)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>52,019</u>	<u>69,482</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 47,636</u>	<u>\$ 52,019</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Cash payments for interest	<u>\$ 4,258</u>	<u>\$ 4,426</u>

MT. WASHINGTON VALLEY ECONOMIC COUNCIL

INTERMEDIARY RELENDING PROGRAM THREE

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 19,796	\$ 19,697
Current portion of notes receivable	<u>60,898</u>	<u>6,942</u>
Total current assets	80,694	26,639
NOTES RECEIVABLE, less current portion	<u>123,557</u>	<u>184,894</u>
TOTAL ASSETS	<u>\$ 204,251</u>	<u>\$ 211,533</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accrued expenses	\$ <u>1,411</u>	\$ <u>1,458</u>
Total current liabilities	1,411	1,458
LONG-TERM DEBT, less current maturities	<u>205,121</u>	<u>212,000</u>
Total liabilities	206,532	213,458
NET ASSETS		
Permanently restricted	<u>(2,281)</u>	<u>(1,925)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 204,251</u>	<u>\$ 211,533</u>

MT. WASHINGTON VALLEY ECONOMIC COUNCIL

INTERMEDIARY RELENDING PROGRAM THREE

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
REVENUE		
Interest income	\$ 10,372	\$ 10,766
Total revenue	<u>10,372</u>	<u>10,766</u>
PROGRAM EXPENSES		
Management fees	6,828	11,580
Interest expense	2,073	2,120
Bank fees	31	-
Professional fees	<u>1,796</u>	<u>1,667</u>
Total expenses	<u>10,728</u>	<u>15,367</u>
CHANGE IN NET ASSETS	(356)	(4,601)
NET ASSETS - BEGINNING OF YEAR	<u>(1,925)</u>	<u>2,676</u>
NET ASSETS - END OF YEAR	<u>\$ (2,281)</u>	<u>\$ (1,925)</u>

MT. WASHINGTON VALLEY ECONOMIC COUNCIL

INTERMEDIARY RELENDING PROGRAM THREE

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ (356)	\$ (4,601)
NET CASH USED IN OPERATING ACTIVITIES	<u>(356)</u>	<u>(4,601)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts on notes receivable	<u>455</u>	<u>6,987</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>455</u>	<u>6,987</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	99	2,386
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>19,697</u>	<u>17,311</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 19,796</u>	<u>\$ 19,697</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES		
Cash payments for interest	<u>\$ 2,073</u>	<u>\$ 2,120</u>

MT. WASHINGTON VALLEY ECONOMIC COUNCIL

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

To the Board of Directors of
Mt. Washington Valley Economic Council
Conway, 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 Mt. Washington Valley Economic Council (a non-profit organization), which comprise the statements of financial position as of December 31, 2017 and 2016 and the related statements of activities and cash flows, and notes to the financial statements for the years then ended, and have issued our report thereon dated September 17, 2018.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered Mt. Washington Valley Economic Council'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 Mt. Washington Valley Economic Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Mt. Washington Valley Economic Council'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 audits 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 Mt. Washington Valley Economic Council'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 audits, 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 Mt. Washington Valley Economic Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Leone, McDonnell & Roberts
Professional Association*

North Conway, New Hampshire
September 17, 2018

MT. WASHINGTON VALLEY ECONOMIC COUNCIL

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

To the Board of Directors of
Mt. Washington Valley Economic Council
Conway, New Hampshire

Report on Compliance for Each Major Federal Program

We have audited Mt. Washington Valley Economic Council'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 Mt. Washington Valley Economic Council's major federal programs for the year ended December 31, 2017. Mt. Washington Valley Economic Council's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Mt. Washington Valley Economic Council'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 Mt. Washington Valley Economic Council'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 Mt. Washington Valley Economic Council's compliance.

Opinion on Each Major Federal Program

In our opinion, Mt. Washington Valley Economic Council 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 December 31, 2017.

Report on Internal Control Over Compliance

Management of Mt. Washington Valley Economic Council 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 Mt. Washington Valley Economic Council'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 Mt. Washington Valley Economic Council'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.

*Leone, McDonnell & Roberts
Professional Association*

North Conway, New Hampshire
September 17, 2018

MT. WASHINGTON VALLEY ECONOMIC COUNCIL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>FEDERAL GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>PASSED THROUGH TO SUBRECIPIENTS</u>	<u>TOTAL FEDERAL EXPENDITURES</u>
<u>U.S. Department of Agriculture</u>					
Rural Business - Cooperative Service Business and Industry - Intermediary Relending Program (outstanding commitments - loan balances to USDA)	10.767	State of NH Department of Agriculture	34-002-0889	\$	1,011,353
<u>U.S. Department of Housing and Urban Development</u>					
Community Development Block Grants - State's Program and Non-Entitlement Grants in Hawaii	14.228	N.H. Alliance of Regional Developments Corporations	16-405-CDCA		8,349
<u>U.S. Department of Transportation</u>					
TRANSIT SERVICES PROGRAMS CLUSTER Enhanced Mobility of Seniors and Individuals with Disabilities Section 5310 Purchase of Service Grant	20.513	State of NH Department of Transportation	NH-68-X004	\$ 50,911	53,215
 TOTAL				\$ 50,911	\$ 1,072,917

MT. WASHINGTON VALLEY ECONOMIC COUNCIL

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Mt. Washington Valley Economic Council under programs of the federal government for the year ended December 31, 2017. 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 Mt. Washington Valley Economic Council, it is not intended to and does not present the financial position, change in net assets, or cash flows of the Organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in *the Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 INDIRECT COST RATE

Mt. Washington Valley Economic Council has elected to not use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 USDA INTERMEDIARY RELENDING PROGRAM

The USDA Intermediary Relending Program listed subsequently is administered directly by Mt. Washington Valley Economic Council, and balances and transactions relating to this program are included in Mt. Washington Valley Economic Council's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at December 31, 2017, consists of:

10.767	USDA Intermediary Relending Program	\$970,017
--------	-------------------------------------	-----------

MT. WASHINGTON VALLEY ECONOMIC COUNCIL

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Mt. Washington Valley Economic Council were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *Independent Auditors' Report on Internal Controls over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of Mt. Washington Valley Economic Council were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the *Independent Auditors' 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 auditors' report on compliance for the major federal award programs for Mt. Washington Valley Economic Council expresses an unmodified opinion on all major 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 program tested as major programs was: U.S. Department of Agriculture, CFDA 10.767, Intermediary Relending Program.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Mt. Washington Valley Economic Council did not qualify as a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAM AUDIT

None

ATTACHMENT 12: MWVEC BOARD OF DIRECTORS

Mt. Washington Valley Economic Council
2019 Board of Directors

Scott Badger
Staci Colbath
Nancy Clark
Scott Cunningham
Andy Dean
Pat Farley
Linda Fox Phillips
Vicki Garland
Allen Gould
Donna Gridley
Bob Hoyt
Pat Jones
Brenda Leavitt
Sara Young Knox
Ted Kramer
Josh McAllister
Scott McKinnon
Andrew Orsini
Dan Quellerie
Gail Paine
Kevin Richard
Ron Sandstrom
Mary Seavey
Ace Tarberry
Greydon Turner

ATTACHMENT 13: MWVEC KEY PERSONNEL AND SALARIES

Key Personnel
Mt. Washington Valley Economic Council

Jac Cuddy	Executive Director	Full Time	\$60,000
Diane Ryan	Business Manager	Part Time	\$28,000

ATTACHMENT 14: MWVEC STAFF RESUMES

Resumes

Mt. Washington Valley Economic Council

Jac Cuddy Executive Director

With an extensive background in banking and business development in the Valley, Jac is a Certified Economic Developer and a SCORE counselor. He serves on the boards of the MWV Housing Coalition, the NH Housing Finance Authority, the MWV Regional Collaboration and White Mountain Community Health Center. He has also served as Chairman of the Conway Selectman and on the Conway Budget Committee. In addition to volunteering and work activities, he enjoys skiing and serves as a professional ski instructor

Diane Ryan Business Manager

Diane has an extensive background in finance and accounting, previously working as the CFO for a high tech R&D company based in Massachusetts. Diane also worked as a paralegal in the law department of a multi-billion-dollar multinational aerospace manufacturer based in Florida. At the Mt. Washington Valley Economic Council Diane manages the day to day financial activities of the Council in addition to administrative grant management, fiscal agent responsibilities and loan processing. Diane currently serves on the Conway Budget Committee.