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New Hampshire DOT
Department of Transportation

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
June 7, 2021

REQUESTED ACTION

Authorize the Department of Transportation to enter into an agreement with Southwestern Community Services, Inc. (Vendor 177511), Keene, NH, for an amount not to exceed $1,113,892.00 for public transportation services within the Sullivan County region, for the period of July 1, 2021 through June 30, 2023, effective upon Governor and Executive Council approval. 98% Federal Funds and 2% General Funds.

Funding for this agreement is contingent upon the availability of funds in Fiscal Year 2022 and Fiscal Year 2023, with the ability to adjust encumbrances through the Budget Office between State Fiscal Years if needed and justified.

	FY 2022	FY 2023
04-96-96-964010-2916 Public Transportation 072-500575 Grants to Non-Profits-Federal	$581,500.00	$515,000.00
04-96-96-964010-2916 Public Transportation 073-509074 Grants Non-Federal	$8,696.00	$8,696.00

EXPLANATION

The Department has approved a request for Federal Transit Administration (FTA) funding from Southwestern Community Services, Inc. (SCS) to assist in the provision of public transit service. This agreement includes Federal COVID relief funding including the Coronavirus Aid, Relief, and Economic Security (CARES) Act enacted March 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) enacted December 27, 2020, and the American Rescue Plan (ARP) Act enacted March 11, 2021. The FTA apportioned funding to all states to support operating, capital, and other expenses generally eligible under the FTA Section 5311 Rural Area Formula Program and Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program. This request includes formula and relief funds from each of the aforementioned funding programs as well as State general funds to assist in meeting the non-federal match requirements.

SCS is a private, non-profit organization that provides rural public transportation, including transportation for seniors and individuals with disabilities, in Sullivan County. The Department has allocated federal funding for the SFY 2022-2023 biennium based on prior funding levels, applications received, and available FTA funds. For the FY 2022-2023 biennium, SCS will receive $831,900.00 of

FTA Section 5311 funds, $264,600.00 of FTA Section 5310 funds, and $17,392.00 of State general funds. Details relative to each funding program and TCCAP's award of these funds are outlined below. The Department's proposed FY 2022 and 2023 operating budget includes funds from the FTA Section 5311 Formula Grants for Rural Areas Program (Section 5311) that provides funds for capital, planning, and operating assistance for public transportation in rural areas with populations of less than 50,000.

The Department released a public notice on January 14, 2021 announcing the availability of FTA Section 5311 funds. Applications for requested funding were due on March 01, 2021. The Department received applications for six (6) rural public transit systems and awarded funds to each transportation system. The systems and their respective application scores are as follows:

Transit System	Applicant	Average Score
Advance Transit	Advance Transit, Inc.	89.30%
Sullivan County Transportation	Southwestern Community Services	86.30%
Concord Area Transit	Community Action Program Belknap-Merrimack Counties, Inc.	82.20%
Carroll County Transit	Tri-County Community Action Program	78.80%
City Express	VNA at Home Healthcare, Hospice & Community Services	78.70%
North Country Transit	Tri-County Community Action Program	78.30%

An evaluation committee that consisted of the Public Transportation Administrator, Transit Grants Coordinator, and the Transportation Specialist reviewed, evaluated, and scored FTA Section 5311 applications based on criteria as indicated in the application materials and the Department's State Management Plan for FTA programs. The evaluation matrix is provided below for reference:

	Evaluation Criteria	Weight
1	The proposed service effectively addresses a demonstrated community need, and/or the proposed service is a continuation or expansion of existing services.	15%
2	The applicant has the fiscal and technical capacity and adequate budget to operate its service.	15%
3	The applicant has successful experience in providing transportation services.	15%
4	The application shows coordination with other transportation providers in the service area: public, nonprofit, and for-profit.	10%
5	The applicant demonstrates involvement in and support for the project, financial and otherwise, on the part of citizens and local government.	10%
6	The applicant demonstrates effort to involve the private sector in the delivery of transportation services.	10%
7	The applicant successfully demonstrates service efficiency and effectiveness, measured in ridership, service miles and hours, costs, and fare recovery. New applicants must demonstrate the ability to measure performance and achieve goals.	15%
8	The applicant complies with relevant federal and state regulations, and has a history of compliance with regulations and reporting requirements.	10%
		100%

Note: Every application met the Department's criteria for inclusion in its SFY 2022-2023 public transit funding plan and will be awarded separate amounts for the aforementioned transit systems.

SCS has also been awarded FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities formula program (Section 5310) funds in the amount of $264,600.00 for FY 2022 and FY 2023. These funds will be used to provide expanded transportation services in the Region 4 Sullivan County Regional Coordinating Council (RCC) service area. SCS 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 4 RCC.

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 Sullivan County RCC representing Region 4 designated SCS as the lead agency for Region 4 and tasked SCS with applying for Section 5310 RCC funds on behalf of the Region. As required by FTA, this project is identified in a locally developed coordinated public transit–human services transportation plan.

The Department's proposed SFY 2022 and 2023 operating budget includes $200,000.00 of State Funds per year to assist 10 public transit systems with matching FTA Section 5311 (Rural) or 5307 (Urban) operating funds. The State Funds will be distributed to transit systems based on three ridership tiers and will be distributed as follows:

Category	Agency	Ridership	SFY 2022	SFY 2023
Tier 1: Less than 50,000 Rides				
	TCCAP- North Country Transit	26,319	$8,696.00	$8,696.00
	TCCAP- Carroll County Transit	1,720	$8,696.00	$8,696.00
	Southwestern Community Services	18,007	$8,696.00	$8,696.00
	VNA @ HCS (Keene City Express)	23,014	$8,696.00	$8,696.00
	CART (an MTA service)	11,607	$8,696.00	$8,696.00
		Subtotal	**$43,480.00**	**$43,480.00**
Tier 2: 50,000 to 200,000 Rides				
	BMCAP- Concord Area Transit	71,177	$17,392.00	$17,392.00
		Subtotal	**$17,392.00**	**$17,392.00**
Tier 3: Over 200,000 Rides				
	Advance Transit	630,023	$34,782.00	$34,782.00
	Manchester Transit Authority (MTA)	309,983	$34,782.00	$34,782.00
	City of Nashua (Nashua Transit)	340,677	$34,782.00	$34,782.00
	COAST	330,800	$34,782.00	$34,782.00
		Subtotal	**$139,128.00**	**$139,128.00**
Total Ridership Distribution			**$200,000.00**	**$200,000.00**

Eight agencies that operate 10 public transit systems will receive state operating funds in the amounts listed above. The state funds will assist public transit systems in meeting the non-federal match requirements and will provide financial support for NH's public transit services. Non-federal matching funds of at least 50% are required for transit operations. Southwestern Community Services is included

in the Tier 1 ridership category and will receive $8,696.00 per year and a total of $17,392.00 for the biennium.

SCS, in conjunction with its regional partners as applicable, will provide the remaining required non-federal matching funds. Stimulus funding supported by FTA at 100% in the form of CARES, CRRSAA, and ARP will be utilized by drawing against the CARES balance first and then CRRSAA and ARP funds. In the event that Federal Funds become unavailable, additional general funds will not be requested to support this program.

The agreement has been approved by the Attorney General as to form and execution. Copies of the fully executed agreement are on file at the Secretary of State's Office and the Department of Administrative Services' Office; and subsequent to Governor and Council approval will be on file at the Department of Transportation.

Your approval of this resolution is respectfully requested.

Sincerely,

Victoria F. Sheehan
Commissioner

Attachments

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 NH Department of Transportation		1.2 State Agency Address PO Box 483, 7 Hazen Dr., Concord, NH 03302-0483	
1.3 Contractor Name Southwestern Community Services, Inc.		1.4 Contractor Address 6 Kinney Place Claremont, NH 03743-3748	
1.5 Contractor Phone Number 603-542-9609	1.6 Account Number 04-96-96-964010-2916-072-500575	1.7 Completion Date June 30, 2023	1.8 Price Limitation $1,113,892.00
1.9 Contracting Officer for State Agency Michelle Winters, Administrator, Bureau of Rail & Transit		1.10 State Agency Telephone Number 603-271-2468	
1.11 Contractor Signature John A Manning Date: 5/11/21		1.12 Name and Title of Contractor Signatory John A. Manning, CEO	
1.13 State Agency Signature Date: 6/14/2021		1.14 Name and Title of State Agency Signatory Patrick C. Herlihy Director Aeronautics, Rail and Transit	
1.15 Approval by the N.H. Department of Administration, Division of Personnel *(if applicable)* By: Director, On:			
1.16 Approval by the Attorney General (Form, Substance and Execution) *(if applicable)* By: Allen B Greenstein On: 6/2/21			
1.17 Approval by the Governor and Executive Council *(if applicable)* G&C Item number: G&C Meeting Date:			

Contractor Initials JM
Date 5/11/21

2. 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 B 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.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds affected by any state or federal legislative or executive action that reduces, eliminates or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope for Services provide in EXHIBIT B, in whole or in part. 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 reduce or terminate the Services under this Agreement immediately upon giving the Contractor notice of such reduction or termination. The State shall not be required to transfer funds from any other account or source 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 C 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 applicable 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 employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property 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. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

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

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

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

Contractor Initials JM
Date 5/11/21

7. EVENT OF DEFAULT/REMEDIES.

.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 cured, 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 give the Contractor a written notice specifying the Event of Default and 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

.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

8.3. 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.

9. TERMINATION.

9.1 Notwithstanding paragraph 8, the State may, at its sole discretion, terminate the Agreement for any reason, in whole or in part, by thirty (30) days written notice to the Contractor that the State is exercising its option to terminate the Agreement.

9.2 In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall, at the State's discretion, 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 B. In addition, at the State's discretion, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement.

10. 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.

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.

12.1 The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written notice, which shall be provided to the State at least fifteen (15) days prior to the assignment, and a written consent of the State. For purposes of this paragraph, a Change of Control shall constitute assignment. "Change of Control" means (a) merger, consolidation, or a transaction or series of related transactions in which a third party, together with its affiliates, becomes the direct or indirect owner of fifty percent (50%) or more of the voting shares or similar equity interests, or combined voting power of the Contractor, or (b) the sale of all or substantially all of the assets of the Contractor.

12.2 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State. The State is entitled to copies of all subcontracts and assignment agreements and shall not be bound by any provisions contained in a subcontract or an assignment agreement to which it is not a party.

13. INDEMNIFICATION. Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, its officers and employees, from and against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement, or other claims asserted against the State, its officers or employees, which arise

Contractor Initials JM
Date 6/11/21

out of (or which may be claimed to arise out of) the acts or omission of the Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. 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 continuously maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 commercial 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 or excess; 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 ten (10) days prior to the expiration date of each insurance policy. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference.

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. The 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. 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.

17. 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.

18. CHOICE OF LAW AND FORUM. This Agreement shall be governed, interpreted and 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. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

19. CONFLICTING TERMS. In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and/or attachments and amendment thereof, the terms of the P-37 (as modified in EXHIBIT A) shall control.

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 or modifying provisions set forth in the attached EXHIBIT A 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 with respect to the subject matter hereof.

Contractor Initials JM
Date 5/11/21

Contractor Initials JM
Date 5/11/21

SOUTHWESTERN COMMUNITY SERVICES, INC.
EXHIBITS TO CONTRACT

EXHIBIT A	Special Provisions
EXHIBIT B	Scope of Services
EXHIBIT C	Budget
EXHIBIT D	Vehicle List

Certificate of Good Standing

Certificate of Corporate Vote

Certificate of Insurance

FTA Certifications and Assurances

FTA Master Agreement

DOL Special Warranty – Unified Protective Arrangement

2 CFR Part 200
FTA Section 5310
FTA Section 5311

Social Service Documents to Include:
501 (c)
Financial Report
Board of Directors
Key Personnel and Salaries
Resumes

SOUTHWESTERN COMMUNITY SERVICES, INC.
EXHIBIT A
SPECIAL PROVISIONS

A.1. Amend P-37 Section 2. "EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED" by adding the following:

2.1 The Contractor may change services only with the prior written agreement of the State and in accordance with applicable Federal Transit Administration (FTA) requirements.

A.2. Amend P-37 Section 5. "CONTRACT PRICE/PRICE LIMITATION/PAYMENT" by adding the following:

5.5 As applicable based on Federal participation ratios, the amount paid by the State to the Contractor shall not exceed 50% of allowable operating costs less fare revenues plus 80% of allowable administrative and capital costs. Operating, administrative and capital costs are identified in Exhibit B. The Contractor shall provide and document the availability of local funds sufficient to meet the project cost in excess of the Contract Price Limitation.

5.6 In the event that revenues exceed the total allowable costs, said revenues in excess of total allowable costs shall be placed in an interest-bearing account within 30 days of the Completion Date and made available to the State upon demand.

5.7 The Contractor shall submit a request for payment to the State on a form specified by the State on a monthly or quarterly basis, together with all information to support the request. Such requests for payment shall be properly completed and signed. Requests for payments must be for allowable costs only as defined in 2 CFR Part 200. No requests for advance payment will be accepted by the State.

5.8 Upon receipt of the request for payment, the State shall review the request to determine the allowability of costs. In connection with this review, the State may demand production of (and the Contractor shall produce) and inspect any documents and records described in Section 5.

5.9 Within 30 days of receipt of the request for payment and other documents and records required by the State, the State shall determine the allowability of costs and the amount due and owing to the Contractor and shall pay said amount, subject to other provisions of this Agreement. Contract reimbursements shall not exceed 50% of the total contract amount in any given quarter.

5.10 Final Payment. Satisfactory acceptance by the State and FTA of all reports required by this Agreement is a condition precedent to final payment (i.e., payment for the last month or portion thereof of this Agreement). All reports will be prepared to the satisfaction of the State and Federal Transit Administration (FTA). The final payment may be retained and withheld pending receipt and satisfactory acceptance of all reports required by this Agreement and resolution of all pending matters.

A.3. Amend P-37 Section 6. "COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/EQUAL EMPLOYMENT OPPORTUNITY" by adding the following:

6.4 The Contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

6.5 The Contractor shall state, in all solicitations or advertisements for employees, that all qualified applicants will receive consideration for employment without regard to race, color, age, creed, sex or national origin.

6.6 The provisions of 2 CFR 200 shall apply to local administration of this agreement and any subcontracts under this agreement.

A.4. Amend P-37 Section 9. "DATA/ACCESS/CONFIDENTIALITY/PRESERVATION" by adding the following:

9.4 The following restrictions apply to all subject data first produced in the performance of this agreement:

a) Except for its own internal use, the Contractor may not publish or reproduce such data in whole or in part, or in any manner or form, nor may the Contractor authorize others to do so, without the written consent of the State, until such time as the FTA may have either released or approved the release of such data to the public.

b) As authorized by 2 CFR 200, the FTA reserves a royalty-free, non-exclusive and irrevocable license to reproduce, publish and otherwise use, and to authorize others to use, for Federal purposes, any work developed under a grant, cooperative agreement, sub-grant, or third party contract, irrespective of whether a copyright has been obtained; and any rights of copyright to which a recipient, sub-recipient, or third party contractor purchases ownership with Federal assistance.

9.5 It is FTA's intent to increase the body of mass transportation knowledge. Therefore, the Contractor understands and agrees that in addition to the rights set forth in 9.4 (b) above, FTA may make available to any recipient, subgrantee, contractor or subcontractor its license in the copyright to the date derived under this Agreement or a copy of the data first produced under this Agreement.

9.6 The Contractor shall indemnify, save and hold harmless the State and United States, their officers, agents and employees acting within the scope of their official duties against any liability, including costs and expenses, resulting from any willful or intentional violation of the proprietary rights, copyrights, or right of privacy, arising out of the publication, translation, reproduction, delivery, use, or disposition of any data furnished under this Agreement.

9.7 Nothing contained in this clause shall imply a license to the United States under any patent or be construed as affecting the scope of any license or other right otherwise granted to the United States under any patent.

9.8 Sections 9.4, 9.5, and 9.6 above are not applicable to material furnished to the Contractor by the State or United States and incorporated in the work furnished under the agreement; provided that such incorporated material is identified by the Contractor at the time of

delivery of such work.

9.9 In the event that the project is not completed for any reason, all data developed under that project shall become subject Data as defined in Section 9.1 and shall be delivered as the State or FTA may direct.

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

10.1 The termination report must be accepted by the State and the Federal Transit Administration (FTA) prior to final payment.

10.2 Termination; Liability. In the event of termination under Section 4 or 10.4 of this Agreement, the acceptance of a Termination Report by the State shall in no event relieve the Contractor from any and all liability for damages sustained or incurred by the State as a result of the Contractor's breach of its obligations hereunder, including refund of any federal funds required by FTA.

10.3 Completion of Services; Payment of Price. Excepting those obligations of the Contractor which, by the terms of this Agreement, do not expire on the Completion Date, upon the completion of the Services and upon payment of the Contract Price, this Agreement, and all obligations of the parties hereunder, shall cease and shall be without recourse to the parties hereto.

10.4 Termination for Convenience. Notwithstanding anything in this Agreement to the contrary, either the State or, except where notice of default has been given to the Contractor hereunder, the Contractor may terminate this Agreement without cause upon thirty (30) days written notice.

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

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

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

14.1.1.a. The State of New Hampshire, Department of Transportation has accepted the General Liability insurance of $1,000,000 per occurrence, $3,000,000 General Aggregate for Tri-County Community Action Program, Inc. in fulfillment of the requirements of Section 14.1.1 General Liability Insurance of the P-37 form.

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

25. DEFINITIONS

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

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

PROJECT APPLICATION: The narrative, charts, figures and/or maps submitted to the State detailing the scope of the public transportation program of the Contract as modified and approved by the State.

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

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

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

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

.1. **Ledgers.** Contractor and/or subcontractor shall establish and maintain ledger sheets for each budget category. Entries shall be made and shall reflect the financial activities of the Contractor. The ledger sheet must be in a form approved by the State. The ledger will indicate the funds remaining in each line item of the Contract Budget at the beginning of each month. Entries shall be made on a running basis and carried over to the following month; that is, figures will be brought forward cumulatively. Contractor shall also prepare and submit to the State a profit and loss statement quarterly if such information is not provided with invoices.

.2. **Accounts Receivable.** Contractor and/or subcontractor shall deposit all revenue in an interest-bearing account with a banking institution in this State. Contractor shall prepare and maintain receipt vouchers for all revenue. Immediately upon receipt, Contractor and/or subcontractor shall credit all revenue to the appropriate receipt account. Contractor and/or subcontractor shall establish and maintain an Accounts Receivable Ledger. The receipt number appearing in the Ledger shall correspond to the receipt voucher number. A receipt voucher must be completed on a form approved by the State and shall identify each component of every deposit. All appropriate supporting documents for each deposit should be attached to the receipt voucher.

.3. **Payables.** Contractor and/or subcontractor shall prepare vouchers to document all expenditures of funds. The voucher shall include the following information and shall be prepared on a form approved by the State: The Division and account numbers from which the funds will be drawn, the date of expenditure, a voucher number running in sequence, and any appropriate comments supporting the expenditure of funds (e.g., invoices and payroll vouchers). All invoices received by the Contractor shall be checked for accuracy and allowability. Each invoice must be approved for payment by the Contract Manager or

designee. Immediately upon payment, Contractor and/or subcontractor shall make entries to the appropriate ledger sheets documenting payment. (Each subcontractor shall identify a Contract Manager).

.4. **Voucher and Receipt Register.** Contractor and/or subcontractor shall establish and maintain two registers that will contain a running total of all payable receipt vouchers. The registers will provide a summary of voucher or receipt numbers, amount and purpose of action. No self-designated abbreviations are to be used.

.5. **Check Register.** Contractor and/or subcontractor shall maintain a check register. This register is also considered a book of original entry, and is posted to the ledger immediately.

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

.7. **Reimbursements.** On a monthly basis, the Contractor shall submit a description of Contract activities, in a format as required by the State. Should the Contractor show a profit for any month, the Contractor shall apply the amount of profit against subsequent reimbursement requests. The Contractor shall agree to provide information in addition to the monthly narrative at such times and in such manner as the State may require, and to prepare any reports which may be requested by the State including but not limited to a final or termination report if operations cease.

.8. **Maintenance of Records.** The Contractor shall keep and maintain the records, documents, and accounts described herein for a period of three years after the FTA grant is closed. The Contractor shall maintain, and make available to the State and FTA, records relating to complaints and comments received from the public. In the event the State disputes the Contractor's operations or records as submitted for payment or otherwise, final resolution shall rest with the State.

.9. **Audits and Inspections.** Between the Effective Date and the Completion Date, and for a period of three (3) years after the FTA grant is closed or the date of resolution of all matters relating to this Agreement, whichever is later, at any time during the Contractor's normal business hours, and as often as the State or FTA may demand, the Contractor shall make available to the State and FTA or their designees all records pertaining to matters covered by this Agreement. The Contractor shall permit the State and FTA to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, Data (as defined in P-37 section 9.1) and other information relating to all matters covered by this Agreement. As used in this paragraph, "Contractor" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Contractor in 1.3 of P-37.

.10. **Independent Audit**. The Contractor shall submit one audit done by one Certified Public Accountant (CPA) for the entire project, or, as the State may require, for any part of the project upon demand. Monies required for payment of the audit shall be set aside in the Contract Budget for that specific purpose.

.10.1. In the event the audit reveals that monies are due and owing to the State from the Contractor, for whatever reasons, the Contractor shall pay to the State such sums within thirty (30) days of the audit date.

.11. The Contractor shall submit quarterly performance, drug and alcohol, and charter activity reports within 30 days of the end of each quarter and shall submit any forms, information or reports required by the State to complete the FTA's National Transit Database (NTD) reporting.

A.10. Amend P-37 by adding "PROJECT EQUIPMENT AND REAL PROPERTY" as Section 27:

27. PROJECT EQUIPMENT AND REAL PROPERTY. The following terms and conditions apply to all equipment and real property purchased in whole or in part with funds provided through this or other Agreements between the State and the Contractor:

a. All procurements shall be made in accordance with 2 CFR 200 and FTA Circular 4220.1F and future amendments, and with Buy America requirements, 49 CFR Parts 661 and 663.

b. All vehicles shall be purchased by the State, unless the Contractor has received prior approval from the State to procure vehicles.

c. All other equipment with a cost in excess of five hundred ($500) per unit shall be purchased by the Contractor subject to the prior approval of the State.

d. Title to all project equipment shall be in the name of the Contractor; provided, however, that in order to secure the complete performance of this Agreement, the Contractor shall give the State a security interest in all such equipment at the time of purchase and shall execute financing statements and do all other acts necessary or useful to the perfection of that interest and the renewal thereof. In connection with the purchase of any motor vehicles pursuant to this Agreement, the Contractor shall give the State a security interest in the motor vehicles at the time of purchase and shall take all steps necessary to protect the State's security interest, including taking steps to identify the State as a lien holder of such motor vehicles on the motor vehicle titles.

e. In the event that this agreement is terminated, all project equipment and property becomes the property of the State and it is understood and agreed that legal title to such equipment shall be transferred to the State as soon as feasible. Project equipment will be disposed of in accordance with FTA Circular 9040.1G, and the State Management Plan.

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

28. **EQUIPMENT CERTIFICATION.** The Contractor shall maintain a current inventory listing of all nonexpendable property involved in this Agreement. The Contract shall submit to the State a certification that the equipment is still being used in accordance with the terms of the Agreement. The inventory listing and equipment certification shall be supplied to the State by each year, generally by June 30th.

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

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

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

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

A.14. Amend P-37 by adding "VEHICLE STORAGE" as section 31:

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

A.15. Amend P-37 by adding "TRAINING AND DRIVER REVIEW" as section 32:

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

A.16. Amend P-37 by adding "SAFETY REQUIREMENTS" as section 33:

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

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

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

    The Contractor shall submit any data/documentation related to FTA's Transit Asset Management or Public Transportation Agency Safety Plan purposes as required by NHDOT for compliance purposes.

A.17. Amend P-37 by adding "SERVICE LIMITATIONS" as section 34:

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

A.18. Amend P-37 by adding "CONTRACTOR REPRESENTATIONS" as section 35:

35. **CONTRACTOR REPRESENTATIONS.** Contractor warrants that with respect to the Services to be performed, it has obtained all licenses, permits, or approvals which are required by any law, order or regulation of any authority, state or federal, or which may be necessary for the performance of the Services hereunder. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform such Services, and shall be properly licensed and authorized to perform such Services under all applicable laws.

A.19. Amend P-37 by adding "LABOR PROVISIONS" as section 36:

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

A.20. Amend P-37 by adding "PATENT RIGHTS" as section 37:

37. **PATENT RIGHTS.** If any invention, improvement, or discovery of the Contractor is conceived or first actually reduced to practice in the course of or under this Contract,

which invention, improvement or discovery may be patentable under the laws of the United States or any foreign country, the Contractor shall immediately notify the State and provide a detailed report. The rights and responsibilities of the Contractor and the State with respect to such invention, improvement, or discovery will be determined in accordance with applicable Federal laws, regulations, policies and any waiver thereof.

A.21. Amend P-37 by adding "BROKERAGE REPRESENTATION" as section 38:

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

Rev 4/26/21

SOUTHWESTERN COMMUNITY SERVICES, INC.
EXHIBIT B
SCOPE OF SERVICES

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

    a. Fixed route, demand-responsive, and/or route deviation public transit services in Sullivan County as detailed in the "Project Description" of the Contractor's application to the New Hampshire Department of Transportation, Bureau of Rail and Transit (hereinafter "NHDOT") for Section 5311 funding. The Contractor's application is hereby incorporated by reference and made part of this agreement.

    b. Serve as the lead agency for Region 4 Sullivan for FTA Section 5310 RCC funds to provide accessible transportation services to seniors and individuals with disabilities in cooperation with the Region 4 Sullivan RCC. The Contractor's 5310 RCC 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 FTA Section 5311-funded public transit services provided by Contractor pursuant to this agreement:

    a. The Commissioner of the Department of Transportation or the Commissioner's designee (hereinafter the "Commissioner") may require the Contractor to provide additional transportation services or to reduce transportation services provided under this contract. Any alterations to such transportation services shall be submitted in writing by the Commissioner to the Contractor. The Contractor shall implement the alterations within thirty (30) days unless a different timeframe is agreed to by the Commissioner and the Contractor.

    b. The Contractor may request to revise transportation services, as submitted in the Contractor's grant application to the NHDOT, to add, reduce, or adjust transportation services provided under this contract. Any alterations to such transportation services, including alterations for the provision of service to special events, shall be requested in writing by the Contractor to the Commissioner for approval at least 30 days in advance. Revisions subject to a public comment period shall be requested at least 60 days in advance. Upon approval of the Commissioner, the Contractor shall implement any alterations within thirty (30) days unless a different timeframe is agreed to by the Commissioner and the Contractor.

    c. The Contractor shall not change, add, or delete any route or make any fare, service or operating schedule adjustments without the prior written agreement of the Commissioner, except in an emergency situation. In such an emergency, the Contractor shall notify the Commissioner no later than the next working day following the day of such changes. Such emergency changes will be valid for a maximum of five days; thereafter, the written approval of the Commissioner shall be required to continue such emergency changes.

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

3. The following terms and conditions apply to all of the FTA Section 5310-funded services for seniors and individuals with disabilities provided by 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 Regional Coordinating Council (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.

   b. Eligible Regional Mobility Manager expenses shall be limited to those directly related to the position's role as described within the 2016 New Hampshire Statewide Coordination of Community Transportation Services Plan, hereby incorporated by reference. Roles may be further modified based on those recommended by the Statewide Coordinating Council (SCC) and approved in writing by the Commissioner.

   c. 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.

   d. The Contractor shall ensure the provision of ADA-accessible services within the RCC region. Any marketing materials, brochures, and other service information shall describe it as ADA-accessible. It is acceptable for a subcontractor/lower-tier subrecipient that does not utilize accessible vehicles to contract with an accessible provider in order to meet this requirement.

   e. 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.

   f. 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.

   g. Services shall last the entire contract period. As necessary, the Contractor shall establish trip priorities to ensure funds are not expended prematurely.

4. The following terms and conditions apply to State Operating funds:

a. State operating matching funds shall be used to provide a portion of the non-Federal Funds required to match Federal Transit Administration (FTA) operating funds for public transportation services provided by the Contractor and as further detailed on the Contractor's website.

SOUTHWESTERN COMMUNITY SERVICES INC.
EXHIBIT B
BUDGET

I. The Contract price, as defined in Section 1.8 of the General Provisions, are FTA Section 5311 and Section 5310 portions of the eligible project costs as well as State Operating funds. Federal (FTA) and State funds are granted as follows:

FTA Section 5311	**SFY 2022**	**SFY 2023**
Sullivan County		
Administration	$191,300.00	$177,300.00
Capital Preventive Maintenance	$29,600.00	$27,500.00
Capital ADA	$0.00	$0.00
Operating	$228,300.00	$177,900.00
Total FTA Section 5311	**$449,200.00**	**$382,700.00**
State Operating Match	**$8,696.00**	**$8,696.00**
Section 5310 RCC	**SFY 2022**	**SFY 2023**
Contracted Services	$54,800.00	$54,800.00
Mobility Management	$27,500.00	$27,500.00
Regional Mobility Manager Position	$50,000.00	$50,000.00
Total 5310 RCC Funding	**$132,300.00**	**$132,300.00**
Total Federal Funds	**$581,500.00**	**$515,000.00**
Total State Operating Funds	**$8,696.00**	**$8,696.00**
Total Contract Funds	**$590,196.00**	**$523,696.00**
Total Contract Funds Requested	**$1,113,892.00**	

a. Funds are contingent upon Federal and State appropriations.

II. Not less than fourteen days prior to the submission of the Contractor's first request for reimbursement, the Contractor shall submit to the Commissioner a budget incorporating all funds to be expended in the provision of services pursuant to this contract. Budget revisions may be made with written approval of the Commissioner. Unless otherwise advised by NHDOT, budget revisions may only request the transfer of funds within a category or between categories with the same matching ratio.

III. The Contractor may seek reimbursement for these funds by submitting a monthly or quarterly invoice for the total eligible expenses, less agency match as applicable, to NHDOT. The invoice must include verification of source(s) of matching funds and statements from service providers, as applicable, to support the request for matching funds.

IV. Reimbursement of state operating funds shall be requested via monthly invoices until

operating funds are fully expended.

V. The Contractor's submitted invoices shall indicate the month(s) for which the state operating matching funds are being applied, the amount of FTA funds the state operating matching funds are leveraging, and the FTA grant program from which the Contractor will draw down the FTA funds.

VI. Mobility management costs shall be itemized and include such information as required to support the request.

VII. The Contractor will verify that trip reimbursement is for non-Medicaid-eligible trips only.

VIII. For expenses other than contracted services, the Contractor may seek reimbursement only for eligible expenses listed in the budget and detail-of-cost form provided by the State, with the exception of funds specifically reserved, if any, and identified in "Specifically Programmed Funds," at the end of this Exhibit.

IX. At the sole discretion of the Commissioner, the Contractor may carry forward any unexpended portion of the federal funds included in the Contract Price to a subsequent contract, if any, between the State and the Contractor.

SOUTHWESTERN COMMUNITY SERVICES, INC.
EXHIBIT D
VEHICLE LIST

Transit Vehicles: 6

2019 Ford E-450	1FDFE4FS2KDC71435
2013 Ford Eldorado Advantage	1FDFE4FS0DDB2888
2016 (Model Yr. 2017) Ford E450 10&2 Passenger Bus	1FDEE3FS2HDC01149
2016 Ford E350 8 & 2 Passenger Bus	1FDEE3FSXGDC57859
2017 #450 Ford 12 & 2 Passenger	1FDFE4FS4HDC49297
2018 Ford E-450	1FDFE4FS9KDC07327

CERTIFICATE OF AUTHORITY

I, Kevin Watterson, hereby certify that:
(Name of the elected Officer of the Corporation/LLC: cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of Southwestern Community Services Inc..
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on February 18, 2016, at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That John A. Manning (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of Southwestern Community Services Inc. to enter into contracts or agreements with
(Name of Corporation/ LLC)

the State of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority **remains valid for thirty (30)** days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 5-11-21

Kevin Watterson
Signature of Elected Officer
Name: Kevin Watterson
Title: Chairman of the Board

State of New Hampshire

Department of State

CERTIFICATE

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

Business ID: 65514

Certificate Number: 0005339790

IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 5th day of April A.D. 2021.

William M. Gardner
Secretary of State

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 03/01/2021

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	CONTACT NAME: Ana O'Donnell, CPIW, CIC	
Clark Mortenson Insurance PO Box 606 Keene NH 03431	PHONE (A/C, No, Ext): (603) 352-2121	FAX (A/C, No): (603) 357-8491
	E-MAIL ADDRESS: aodonnell@clark-mortenson.com	
	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: Philadelphia Indemnity Insurance Co.	18058
INSURED Southwestern Comm Services Inc PO Box 603 Keene NH 03431	INSURER B: Maine Employers Mut Ins Co	11149
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES CERTIFICATE NUMBER: 20/21 all lines 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	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	[X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [X] POLICY [ ] PRO-JECT [ ] LOC OTHER:			PHPK2147853	06/30/2020	06/30/2021	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 2,000,000
							PRODUCTS - COMP/OP AGG	$ 2,000,000
								$
A	AUTOMOBILE LIABILITY [X] ANY AUTO [ ] OWNED AUTOS ONLY [ ] HIRED AUTOS ONLY [ ] SCHEDULED AUTOS [ ] NON-OWNED AUTOS ONLY			PHPK2147851	06/30/2020	06/30/2021	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
A	[X] UMBRELLA LIAB [X] OCCUR [ ] EXCESS LIAB [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $			PHUB727327	06/30/2020	06/30/2021	EACH OCCURRENCE	$ 2,000,000
							AGGREGATE	$ 2,000,000
								$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N [N] If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		3102800768	04/01/2021	04/01/2022	[X] PER STATUTE [ ] 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)

3a state: NH
All officers included

CERTIFICATE HOLDER

State of New Hampshire Department of Transportation Bureau of Rail & Transit
John O.Morton Bldg, 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

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FEDERAL FISCAL YEAR 2021 CERTIFICATIONS AND ASSURANCES FOR FTA ASSISTANCE PROGRAMS

(Signature pages alternate to providing Certifications and Assurances in TrAMS.)

Name of Applicant: Southwestern Community Services, Inc.

The Applicant certifies to the applicable provisions of categories 01-21. X

Or,

The Applicant certifies to the applicable provisions of the categories it has selected:

Category		Certification
01	Certifications and Assurances Required of Every Applicant	
02	Public Transportation Agency Safety Plans	
03	Tax Liability and Felony Convictions	
04	Lobbying	
05	Private Sector Protections	
06	Transit Asset Management Plan	
07	Rolling Stock Buy America Reviews and Bus Testing	
08	Urbanized Area Formula Grants Program	
09	Formula Grants for Rural Areas	
10	Fixed Guideway Capital Investment Grants and the Expedited Project Delivery for Capital Investment Grants Pilot Program	
11	Grants for Buses and Bus Facilities and Low or No Emission Vehicle Deployment Grant Programs	

12	Enhanced Mobility of Seniors and Individuals with Disabilities Programs	_____
13	State of Good Repair Grants	_____
14	Infrastructure Finance Programs	_____
15	Alcohol and Controlled Substances Testing	_____
16	Rail Safety Training and Oversight	_____
17	Demand Responsive Service	_____
18	Interest and Financing Costs	_____
19	Construction Hiring Preferences	_____
20	Cybersecurity Certification for Rail Rolling Stock and Operations	_____
21	Tribal Transit Programs	_____

FEDERAL FISCAL YEAR 2021 FTA CERTIFICATIONS AND ASSURANCES SIGNATURE PAGE

(Required of all Applicants for federal assistance to be awarded by FTA in FY 2021)

AFFIRMATION OF APPLICANT

Name of the Applicant: Southwestern Community Services, Inc.

BY SIGNING BELOW, on behalf of the Applicant, I declare that it has duly authorized me to make these Certifications and Assurances and bind its compliance. Thus, it agrees to comply with all federal laws, regulations, and requirements, follow applicable federal guidance, and comply with the Certifications and Assurances as indicated on the foregoing page applicable to each application its Authorized Representative makes to the Federal Transit Administration (FTA) in federal fiscal year 2021, irrespective of whether the individual that acted on his or her Applicant's behalf continues to represent it.

FTA intends that the Certifications and Assurances the Applicant selects on the other side of this document should apply to each Award for which it now seeks, or may later seek federal assistance to be awarded during federal fiscal year 2021.

The Applicant affirms the truthfulness and accuracy of the Certifications and Assurances it has selected in the statements submitted with this document and any other submission made to FTA, and acknowledges that the Program Fraud Civil Remedies Act of 1986, 31 U.S.C. § 3801 *et seq.*, and implementing U.S. DOT regulations, "Program Fraud Civil Remedies," 49 CFR part 31, apply to any certification, assurance or submission made to

FTA. The criminal provisions of 18 U.S.C. § 1001 apply to any certification, assurance, or submission made in connection with a federal public transportation program authorized by 49 U.S.C. chapter 53 or any other statute

In signing this document, I declare under penalties of perjury that the foregoing Certifications and Assurances, and any other statements made by me on behalf of the Applicant are true and accurate.

Signature: JA Manning Date: 1/28/21

Name: John A. Manning Authorized Representative of Applicant 657

FFY 2021 MASTER AGREEMENT

ACKNOWLEDGEMENT OF RECEIPT

The Federal Transit Administration (FTA) Federal Fiscal Year 2021 Master Agreement requires recipients and subrecipients to comply with the requirements contained in the agreement in order to receive Federal funds. The language contained in the Master Agreement must be incorporated into the administration of the agreement my agency has with the New Hampshire Department of Transportation (NHDOT).

I acknowledge receipt of the FFY 2021 Federal Transit Administration (FTA) Master Agreement and understand this agreement is referred to in my agency's agreement with NHDOT by reference. The Master Agreement remains in force for the term of the agreement.

Southwestern Community Services, Inc.	January 27, 2021
Name of Agency	Date
John A. Manning	
Name of Authorized Official	Signature

FTA and 2 CFR 200 Agreement

Name of Awarding Agency: Federal Transit Administration (FTA)

Name of Recipient Agency: New Hampshire Department of Transportation (NHDOT)

Name of Subrecipient Agency: **Southwestern Community Services, Inc.**

Southwestern Community Services, Inc., shall comply with all applicable federal laws, regulations, and requirements as outlined in the most recent Federal Transit Administration (FTA) Master Agreement and Federal Certifications and Assurances. This award includes information required by 2 CFR Part 200 as follows:

FTA award project description: *(As required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA)*

Amount: $1,677,379.00
Catalog of Federal Domestic Assistance (CDFA) number: 20.513
FTA Award Name: FTA SECTION 5310 (COMBINED) RCC PROGRAM APPLICATIONS
Federal Award Identification Number (FAIN): **1385-2021-4**
Federal Award Date: **TBD**

Contact information for sub-awarding official:
Name: Patrick C. Herlihy Title: Director of Aeronautics, Rail & Transit
Email: Patrick.Herlihy@dot.nh.gov Phone: 603-271-2449
Is this award for research and development? No
NHDOT's cost rate for the federal award: N/A

Subrecipient Information:
Subrecipient Name: **Southwestern Community Services, Inc.**
Subrecipient DUNS number: **81251381**
Subrecipient SAM.GOV registration: 38NX9
Name of authorizing subrecipient official: John A. Manning
Title of authorizing subrecipient official: Chief Executive Officer
Federal Clauses: N/A
Master Agreement/Certifications and Assurances: Yes
Subrecipient Federal indirect cost rate: 12%
(An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with this part), or a De Minimis indirect cost rate as defined in §200.414 Indirect. (F&A) costs, paragraph (f)).

Subaward Period of performance:
Start Date: 7/1/21 End Date: 6/30/23

Total amount of FTA sub-award obligated by this action *(contract/amendment)*:
For FFY: 2021 Section: 5310 RCC Amount: $264.600.00

Total amount of FTA sub-award committed to the *subrecipient* *(original contract & amendments)*:
For FFY: 2021 Section: 5310 RCC Amount: $264.600.00

Pass-through requirements:

The subrecipient, Southwestern Community Services. Inc.. agrees to meet all requirement imposed by the pass-through entity (NHDOT) on the subrecipient so that the Federal award is used in accordance with Federal statutes. regulations. and the terms and conditions of the Federal award.

The subrecipient. Southwestern Community Services. Inc.. agrees to any additional requirements that the pass-through entity (NHDOT) imposes on the subrecipient in order for the pass-through entity (NHDOT) in order for the pass-through entity (NHDOT) to meet its own responsibility to the Federal awarding agency (FTA) including identification of any required financial and performance reports.

The subrecipient. Southwestern Community Services. Inc.. agrees to permit the pass-through entity (NHDOT) and auditors to have access to the subrecipients records and financial statements as necessary for the pass-through entity to meet the requirements of this part: and appropriate terms and conditions concerning closeout of the subaward.

Date: 05/11/21

Name of authorizing subrecipient official: John A. Manning

Title of authorizing subrecipient official: Chief Executive Officer

Signature of authorizing subrecipient official: John A Manning

FTA and 2 CFR 200 Agreement

Name of Awarding Agency: Federal Transit Administration (FTA)

Name of Recipient Agency: New Hampshire Department of Transportation (NHDOT)

Name of Subrecipient Agency: **Southwestern Community Services, Inc.**

Southwestern Community Services, Inc., shall comply with all applicable federal laws, regulations, and requirements as outlined in the most recent Federal Transit Administration (FTA) Master Agreement and Federal Certifications and Assurances. This award includes information required by 2 CFR Part 200 as follows:

FTA award project description: *(As required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA)*

Amount: $8,643,178.00
Catalog of Federal Domestic Assistance (CDFA) number: 20.509
FTA Award Name: FTA SECTION 5311 (RURAL) PUBLIC TRANSPORTATION PROJECT SOLICITATION
Federal Award Identification Number (FAIN):**1385-2021-5**
Federal Award Date: **TBD**

Contact information for sub-awarding official:
Name: Patrick C. Herlihy Title: Director of Aeronautics, Rail & Transit
Email: Patrick.Herlihy@dot.nh.gov Phone: 603-271-2449
Is this award for research and development? No
NHDOT's cost rate for the federal award: N/A

Subrecipient Information:
Subrecipient Name: **Southwestern Community Services, Inc.**
Subrecipient DUNS number: **81251381**
Subrecipient SAM.GOV registration: 38NX9
Name of authorizing subrecipient official: John A. Manning
Title of authorizing subrecipient official: : Chief Executive Officer
Federal Clauses: N/A
Master Agreement/Certifications and Assurances: Yes
Subrecipient Federal indirect cost rate: 12%
(An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with this part), or a De Minimis indirect cost rate as defined in §200.414 Indirect. (F&A) costs, paragraph (f)).

Subaward Period of performance:
Start Date: 7/1/21 End Date: 6/30/23

Total amount of FTA sub-award obligated by this action *(contract/amendment)*:
For FFY: 2021 Section: 5311 Amount: $831,900.00

Total amount of FTA sub-award committed to the *subrecipient* *(original contract & amendments)*:
For FFY: 2021 Section: 5311 Amount: $831,900.00

Pass-through requirements:

The subrecipient, Southwestern Community Services, Inc., agrees to meet all requirement imposed by the pass-through entity (NHDOT) on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award.

The subrecipient, Southwestern Community Services, Inc., agrees to any additional requirements that the pass-through entity (NHDOT) imposes on the subrecipient in order for the pass-through entity (NHDOT) in order for the pass-through entity (NHDOT) to meet its own responsibility to the Federal awarding agency (FTA) including identification of any required financial and performance reports.

The subrecipient, Southwestern Community Services, Inc., agrees to permit the pass-through entity (NHDOT) and auditors to have access to the subrecipients records and financial statements as necessary for the pass-through entity to meet the requirements of this part; and appropriate terms and conditions concerning closeout of the subaward.

Date: 05/11/21

Name of authorizing subrecipient official: John A. Manning

Title of authorizing subrecipient official: : Chief Executive Officer

Signature of authorizing subrecipient official: JA Manning

Office of Labor-Management Standards

Special Warranty Arrangement

For Application to Other Than Urbanized and Over-the-Road Bus Accessibility Projects
PURSUANT TO SECTION 5333(b) OF
TITLE 49 OF THE U.S. CODE, CHAPTER 53
January 3, 2011

The following language shall be made part of the contract of assistance by reference in the Federal Transit Administration's Master Agreement as signed by the grantee:

The terms and conditions set forth below shall apply for the protection of the transportation-related employees in the transportation service area of the Project. As a precondition of the release of assistance by the Grantee/State Agency to any Recipient under the grant, the Grantee shall bind the Recipient to these obligations by incorporating this arrangement into the contract of assistance between the Grantee and the Recipient(s), by reference. If a Grantee fails to comply with the terms of the Warranty and fails to bind a Recipient as a precondition to the release of funds, the Grantee will be a guarantor of the required protections and the Grantee will be required to act as if it were the Recipient of funds unless and until the Grantee is able to secure the retroactive agreement of the Recipient to be bound by the terms of the Warranty.

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

The term "service area," as used herein, includes the geographic area over which the Project is operated and the area whose population is served by the Project, including adjacent areas affected by the Project. The term "Union," as used herein, shall refer to any labor organization representing employees providing public transportation services in the service area of a Project assisted under the grant. The term "employee," as used herein, shall include individuals who may or may not be represented by a Union. The term "Recipient," as used herein, shall refer to any employer(s) receiving transportation assistance under the grant. The term "Grantee," as used herein, shall refer to the applicant for assistance; a Grantee which receives assistance is also a Recipient.

Where the Department of Labor (the Department) deems it necessary to modify the requirements of this Special Warranty Arrangement so that a particular Grantee or Recipient can continue to satisfy the requirements of the statute, the Department will issue a supplementary certification letter setting forth the alternative provisions to be included in the contract of assistance between the Grantee and FTA, by reference. These terms will be made binding upon the particular Grantee or Recipient, along with these terms and conditions, for each subsequent grant of assistance until withdrawn in writing by the Department.

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

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

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

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

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

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

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

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

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

submitted by the American Arbitration Association Service shall be five (5) days, the notice of hearing may be given orally or by facsimile, the hearing will be held promptly, the award of the arbitrator shall be rendered promptly and, unless otherwise agreed to by the parties, no later than fourteen (14) days from the date of closing the hearings, with five (5) additional days for mailing if posthearing briefs are requested by either party. The intended change shall not be instituted during the pendency of any arbitration proceedings under this subparagraph (c).

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

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

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

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

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

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

Employee's length of service prior to adverse effect	Period of protection
1 day to 6 years	equivalent period
6 years or more	6 years

The monthly dismissal allowance shall be equivalent to one-twelfth (1/12th) of the total compensation received by the employee in the last twelve (12) months of his/her employment in which the employee performed compensation service more than fifty per centum of each such month based on the employee's normal work schedule to the date on which the employee was first deprived

of employment as a result of the Project. Such allowance shall be adjusted to reflect subsequent general wage adjustments, including cost of living adjustments where provided for.

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

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

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

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

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

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

(7)(h) The dismissal allowance shall cease prior to the expiration of the protective period in the event of the failure of the employee without good cause to return to service in accordance with the applicable labor agreement, or to accept employment as provided under subparagraph (e) above, or in the event of the employee's resignation, death, retirement, or dismissal for cause in accordance with any labor agreement applicable to his/her employment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

considered within the purview of this paragraph.

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

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

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

In the case of an employee with less than one year's service, five days' pay, computed by multiplying by 5 the normal daily earnings (including regularly scheduled overtime, but excluding other overtime payments) received by the employee in the position last occupied, for each month in which the employee performed service, will be paid as the lump sum.

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

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

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

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

(15)(a) In the event that employee(s) are represented by a Union, any dispute, claim, or grievance arising from or relating to the interpretation, application or enforcement of the provisions of this arrangement, not otherwise governed by paragraph 12(c), the Labor-Management Relations Act, as amended, the Railway Labor Act, as amended, or by impasse resolution provisions in a collective bargaining or protective arrangement involving the Recipient and the Union, which cannot be settled by the parties thereto within thirty (30) days after the dispute or controversy arises, may be referred by any such party to any final and binding disputes settlement procedure acceptable to the parties. In the event they cannot agree upon such procedure, the dispute, claim, or grievance may be submitted at the written request of the Recipient or the Union to final and binding arbitration. Should the parties be unable to agree upon the selection of a neutral arbitrator within ten (10) days, any party may request the American Arbitration Association to furnish, from among arbitrators who are then available to serve, five (5) arbitrators from which a neutral arbitrator shall be selected. The parties shall, within five (5) days after the receipt of such list, determine by lot the order of elimination and thereafter each shall, in that order, alternately eliminate one name until only one name remains. The remaining person on the list shall be the neutral arbitrator. Unless otherwise provided, in the case of arbitration proceedings, under paragraph (5) of this arrangement, the arbitration shall commence within fifteen (15) days after selection or appointment of the neutral arbitrator, and the decision shall be rendered within forty-five (45) days after the hearing of the dispute has been concluded and the record closed. The decision shall be final and binding. All the conditions of the arrangement shall continue to be effective during the arbitration proceedings.

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

(15)(c) In the event that employee(s) are not represented by a Union, any dispute, claim, or grievance arising from or relating to the interpretation, application or enforcement of the provisions of this arrangement which cannot be settled by the Recipient and the employee(s) within thirty (30) days after the dispute or controversy arises, may be referred by any such party to any final and binding dispute settlement procedure acceptable to the parties, or in the event the parties cannot agree upon such a procedure, the dispute or controversy may be referred to the Secretary of Labor for a final and binding determination.

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

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

The Recipient will fully honor the claim, making appropriate payments, or will give notice to the claimant or his/her representative of the basis for denying or modifying such claim, giving reasons therefore. If the Recipient fails to honor such claim, the Union or non-bargaining unit employee may invoke the following procedures for further joint investigation of the claim by giving notice in writing. Within ten (10) days from the receipt of such notice, the parties shall exchange such factual material as may be requested of them relevant to the disposition of the claim and shall jointly take such steps as may be necessary or desirable to obtain from any third party such additional factual materials as may be relevant. In the event the Recipient rejects the claim, the claim may be processed to arbitration as hereinabove provided by paragraph (15).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Last Updated: 02-07-18

Office of Labor-Management Standards

An agency within the U.S. Department of Labor

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Washington, DC 20210
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Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

FOR THE YEARS ENDED
MAY 31, 2020 AND 2019
AND
INDEPENDENT AUDITORS' REPORTS

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2020 AND 2019

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

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Southwestern Community Services, Inc. (a New Hampshire nonprofit corporation) and related companies, which comprise the consolidated statements of financial position as of May 31, 2020 and 2019, and the related consolidated statements of cash flows, functional expenses, and notes to the consolidated financial statements for the years then ended, and the related consolidated statement of activities for the year ended May 31, 2020.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Southwestern Community Services, Inc. and related companies as of May 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Southwestern Community Services, Inc. and related companies' 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 5, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended May 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2020, on our consideration of Southwestern Community Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southwestern Community Services, Inc.'s internal control over financial reporting and compliance.

Leone McDonnell + Roberts Professional Association

October 5, 2020
Wolfeboro, New Hampshire

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MAY 31, 2020 AND 2019

ASSETS

	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	$ 1,400,153	$ 882,187
Accounts receivable	1,203,489	1,245,826
Prepaid expenses	57,168	51,722
Notes receivable	-	112,000
Interest receivable	-	45,547
Total current assets	2,660,810	2,337,282
PROPERTY		
Land and buildings	19,243,210	19,188,791
Vehicles and equipment	541,236	554,976
Furniture and fixtures	271,753	220,291
Total property	20,056,199	19,964,058
Less accumulated depreciation	8,557,576	7,938,217
Property, net	11,498,623	12,025,841
OTHER ASSETS		
Investment in related parties	198,492	198,728
Due from related parties	59,067	59,102
Cash escrow and reserve funds	809,897	849,334
Security deposits	69,767	62,996
Other assets	384	384
Total other assets	1,137,607	1,170,544
Total assets	$ 15,297,040	$ 15,533,667

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	$ 160,672	$ 391,613
Accrued expenses	87,023	119,620
Accrued payroll and payroll taxes	228,394	233,900
Other current liabilities	149,154	138,740
Refundable advances	290,437	180,994
Interest payable	-	49,547
Current portion of long term debt	125,324	227,221
Total current liabilities	1,041,004	1,341,635
NONCURRENT LIABILITIES		
Long term debt, less current portion shown above	8,905,857	9,086,445
Paycheck Protection Program	439,070	-
Total noncurrent liabilities	9,344,927	9,086,445
Total liabilities	10,385,931	10,428,080
NET ASSETS		
Without donor restrictions	4,766,637	4,922,671
With donor restrictions	144,472	182,916
Total net assets	4,911,109	5,105,587
Total liabilities and net assets	$ 15,297,040	$ 15,533,667

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2020
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
REVENUES AND OTHER SUPPORT				
Government contracts	$ 10,619,721	$ -	$ 10,619,721	$ 10,672,702
Program service fees	2,605,816	-	2,605,816	2,485,405
Rental income	1,165,032	-	1,165,032	995,380
Developer fee income	1,508	-	1,508	-
Support	516,375	77,235	593,610	452,391
Sponsorship	26,546	-	26,546	70,893
Interest income	9,224	-	9,224	7,153
Forgiveness of debt	79,338	-	79,338	388,849
Miscellaneous	148,113	-	148,113	120,697
In-kind contributions	167,553	-	167,553	241,499
Total revenues and other support	15,339,226	77,235	15,416,461	15,434,969
NET ASSETS RELEASED FROM RESTRICTIONS	115,679	(115,679)	-	-
Total revenues, other support, and net assets released from restrictions	15,454,905	(38,444)	15,416,461	15,434,969
EXPENSES				
Program services				
Home energy programs	5,153,989	-	5,153,989	5,238,483
Education and nutrition	2,687,612	-	2,687,612	2,659,830
Homeless programs	2,060,655	-	2,060,655	1,994,872
Housing services	2,433,660	-	2,433,660	2,319,865
Economic development services	737,663	-	737,663	721,370
Other programs	775,342	-	775,342	894,986
Total program services	13,848,921	-	13,848,921	13,829,406
Supporting activities				
Management and general	1,761,642	-	1,761,642	1,880,406
Total expenses	15,610,563	-	15,610,563	15,709,812
CHANGES IN NET ASSETS BEFORE LOSS ON SALE OF PROPERTY	(155,658)	(38,444)	(194,102)	(274,843)
LOSS ON SALE OF PROPERTY	(140)	-	(140)	(6,481)
(LOSS) GAIN ON INVESTMENT IN LIMITED PARTNERSHIPS	(236)	-	(236)	18,116
CHANGE IN NET ASSETS	(156,034)	(38,444)	(194,478)	(263,208)
NET ASSETS, BEGINNING OF YEAR	4,922,671	182,916	5,105,587	3,932,113
NET ASSETS TRANSFERRED FROM LIMITED PARTNERSHIP	-	-	-	1,436,682
NET ASSETS, END OF YEAR	$ 4,766,637	$ 144,472	$ 4,911,109	$ 5,105,587

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MAY 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (194,478)	$ (263,208)
Adjustments to reconcile changes in net assets to net cash from operating activities:		
Depreciation and amortization	663,252	580,115
Loss on disposal of property	140	6,481
Loss (gain) on investment in limited partnerships	236	(18,116)
Forgiveness of debt	(79,338)	(388,849)
Decrease (increase) in assets:		
Accounts receivable	42,337	(185,904)
Prepaid expenses	(5,446)	5,509
Interest receivable	45,547	-
Due from related parties	35	44,240
Security deposits	(6,771)	5,151
(Decrease) increase in liabilities:		
Accounts payable	(230,941)	145,829
Accrued expenses	(32,597)	(106,905)
Accrued payroll and payroll taxes	(5,506)	(16,792)
Other current liabilities	10,414	3,167
Refundable advances	109,443	(12,937)
Interest payable	(49,547)	49,547
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	266,780	(152,672)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property	-	215,000
Purchase of property	(136,174)	(139,717)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(136,174)	75,283
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term debt	36,679	40,048
Repayment of long term debt	(127,826)	(160,029)
Paycheck Protection Program funds received	439,070	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	347,923	(119,981)
NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH	478,529	(197,370)
CASH AND RESTRICTED CASH, BEGINNING OF YEAR	1,731,521	1,604,748
CASH TRANSFERRED FROM LIMITED PARTNERSHIP	-	324,143
CASH AND RESTRICTED CASH, END OF YEAR	$ 2,210,050	$ 1,731,521

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED MAY 31, 2020 AND 2019

	2020	2019
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for interest	$ 165,929	$ 203,408
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Transfer of assets from newly consolidated LP:		
Prepaid expenses	$ -	$ (22,212)
Land and buildings	-	(2,373,335)
Furniture and fixtures	-	(168,237)
Security deposits	-	(16,151)
Total transfer of assets from newly consolidated LP	$ -	$ (2,579,935)
Transfer of liabilities from newly consolidated LP:		
Accounts payable	$ -	$ 121,699
Accrued expenses	-	20,347
Due to related parties	-	85,181
Long term debt	-	1,332,075
Total transfer of liabilities from newly consolidated LP	$ -	$ 1,559,302
Total partners' capital from newly consolidated LP	$ -	$ 1,344,776
Partners' capital previously recorded as investment in related parties	-	91,906
Total transfer of partners' capital from newly consolidated LP	$ -	$ 1,436,682

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MAY 31, 2020

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2020 Total
Payroll	$ 467,456	$ 1,374,787	$ 335,905	$ 735,214	$ 435,177	$ 424,014	$ 3,772,553	$ 731,826	$ 4,504,379
Payroll taxes	38,287	107,590	25,588	56,083	35,147	32,738	293,411	55,964	349,375
Employee benefits	135,770	412,407	121,495	271,770	85,902	193,929	1,221,273	45,011	1,266,284
Retirement	29,265	71,941	19,791	58,108	21,016	13,973	214,094	64,115	278,209
Advertising	728	3,084	83	2,632	3,999	2,100	12,626	591	13,217
Bank charges	4	-	17	4,117	-	54	4,192	7,456	11,648
Bad debt expense	-	45	195	-	-	-	240	4,000	4,240
Computer cost	-	28,124	5,538	8,120	15,541	-	57,323	166,243	223,566
Contractual	778,055	18,582	13,624	27,752	2,719	74,250	912,982	41,190	954,172
Depreciation	-	27,369	108,291	366,399	-	10,913	512,972	150,280	663,252
Dues/registration	-	977	-	495	468	-	1,940	9,720	11,660
Duplicating	-	7,480	-	-	-	-	7,480	5,684	13,164
Insurance	6,667	13,010	24,560	56,680	14,271	5,968	121,156	36,841	157,997
Interest	-	7,198	7,527	36,985	-	-	51,710	114,881	166,591
Meeting and conference	457	1,042	282	4,913	1,118	2,029	9,821	13,879	23,700
Miscellaneous expense	3,543	1,597	60	44,189	4,722	163	54,274	18,105	72,379
Miscellaneous taxes	-	-	-	61,942	-	-	61,942	200	62,142
Equipment purchases	24,948	1,646	-	6,426	-	-	33,020	30	33,050
Office expense	20,017	8,744	6,002	9,148	10,480	33	54,424	24,136	78,560
Postage	240	261	123	189	252	-	1,065	24,447	25,512
Professional fees	2,045	-	3,200	28,718	-	706	34,669	89,175	123,844
Staff development and training	-	2,135	648	1,208	415	3,068	7,494	2,787	10,281
Subscriptions	-	-	-	95	-	-	95	1,801	1,896
Telephone	2,283	1,968	17,624	17,959	3,179	1,166	44,179	41,601	85,780
Travel	6,792	16,310	12,602	7,545	30,585	15	73,849	3,031	76,880
Vehicle	3,902	5,121	5,574	30,678	36,849	9,696	91,820	8,202	100,022
Rent	-	25,570	-	-	-	-	25,570	-	25,570
Space costs	-	174,312	352,469	583,375	2,699	89	1,112,944	100,446	1,213,390
Direct client assistance	3,637,530	208,759	999,499	12,920	33,124	418	4,892,250	-	4,892,250
In-kind expenses	-	167,553	-	-	-	-	167,553	-	167,553
TOTAL FUNCTIONAL EXPENSES BEFORE MANAGEMENT AND GENERAL ALLOCATION	5,153,989	2,687,612	2,060,655	2,433,660	737,663	775,342	13,848,921	1,761,642	15,610,563
Allocation of management and general expenses	655,609	341,876	262,124	309,572	93,834	98,627	1,761,642	(1,761,642)	-
TOTAL FUNCTIONAL EXPENSES	$ 5,809,598	$ 3,029,488	$ 2,322,779	$ 2,743,232	$ 831,497	$ 873,969	$ 15,610,563	$ -	$ 15,610,563

See Notes to Consolidated Financial Statements

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MAY 31, 2019

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and and General	2019 Total
Payroll	$ 432,968	$ 1,224,986	$ 377,595	$ 775,425	$ 414,730	$ 432,826	$ 3,658,530	$ 753,068	$ 4,411,598
Payroll taxes	33,521	97,919	29,527	59,738	33,519	34,195	288,419	58,304	346,723
Employee benefits	106,054	415,890	142,654	289,965	97,771	180,294	1,232,648	111,111	1,343,759
Retirement	29,200	70,406	18,908	61,936	27,831	16,181	224,462	71,547	296,009
Advertising	-	500	1,912	4,013	818	9,487	16,730	-	16,730
Bank charges	-	-	-	4,444	-	1	4,445	7,329	11,774
Bad debt expense	-	10	-	90	-	-	100	-	100
Computer cost	-	24,540	4,759	3,027	14,926	750	48,002	116,846	164,848
Contractual	629,045	32,930	230,984	38,696	2,719	116,585	1,050,959	39,743	1,090,702
Depreciation	-	28,300	108,291	281,950	-	14,207	432,748	147,367	580,115
Dues/registration	-	5,277	-	488	868	1,312	7,945	11,679	19,624
Duplicating	-	8,852	-	-	-	-	8,852	4,155	13,007
Insurance	6,714	14,798	23,590	60,672	14,130	7,164	127,068	33,892	160,960
Interest	-	7,775	8,022	21,956	-	1,610	39,363	164,045	203,408
Meeting and conference	8,673	813	2,567	6,104	565	22,569	43,291	24,957	68,248
Miscellaneous expense	181	1,695	637	34,793	3,651	2,931	43,888	19,278	63,166
Miscellaneous taxes	-	-	-	34,900	-	-	34,900	389	35,289
Equipment purchases	1,292	15,274	-	7,287	-	-	23,853	1,180	25,033
Office expense	24,820	8,499	6,695	11,475	6,458	807	58,754	11,656	70,410
Postage	97	268	138	53	214	-	770	24,238	25,008
Professional fees	4,300	-	1,301	36,095	-	-	41,696	90,968	132,664
Staff development and training	2,128	1,580	1,878	72	1,904	21,677	29,239	10,590	39,829
Subscriptions	-	-	-	655	354	-	1,009	399	1,408
Telephone	2,087	2,356	18,479	17,817	2,336	1,589	44,664	52,308	96,972
Travel	7,951	16,256	15,412	5,183	29,531	808	74,941	4,855	79,796
Vehicle	2,300	5,225	1,088	37,795	44,426	8,568	99,402	13,436	112,838
Rent	-	24,800	-	150	-	-	24,950	-	24,950
Space costs	-	194,948	332,351	512,392	1,000	376	1,041,065	106,866	1,147,931
Direct client assistance	3,947,152	214,436	668,284	10,674	23,619	21,049	4,885,214	-	4,885,214
In-kind expenses	-	241,499	-	-	-	-	241,499	-	241,499
TOTAL FUNCTIONAL EXPENSES BEFORE GENERAL AND MANAGEMENT ALLOCATION	5,238,483	2,659,830	1,994,872	2,319,865	721,370	894,988	13,829,406	1,880,406	15,709,812
Allocation of management and general expenses	712,284	361,661	271,246	315,436	98,086	121,693	1,880,406	(1,880,406)	-
TOTAL FUNCTIONAL EXPENSES	$ 5,950,767	$ 3,021,491	$ 2,266,118	$ 2,635,301	$ 819,456	$ 1,016,679	$ 15,709,812	$ -	$ 15,709,812

See Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MAY 31, 2020 AND 2019

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Southwestern Community Services, Inc. (the Organization) is a New Hampshire nonprofit corporation formed as an umbrella corporation that offers an array of services to the elderly, disabled, and low-income households in the Cheshire and Sullivan counties of New Hampshire. Various programs provide assistance in the areas of education, child development, employment, energy and its conservation, housing, and homelessness prevention. Services are provided through Southwestern Community Services, Inc., and its related corporations, SCS Management Corporation, SCS Housing, Inc., SCS Development Corporation, SCS Housing Development, Inc., and various limited partnerships, as described below. The Organization is committed to providing respectful support service and assisting individuals and families in achieving self-sufficiency by helping them overcome the causes of poverty. The primary source of revenues is derived from governmental contracts.

Principles of Consolidation

The consolidated financial statements include the accounts of Southwestern Community Services, Inc. and the following entities as Southwestern Community Services, Inc. has both an economic interest and control of the entities through a majority voting interest in their governing board. All significant intercompany items and transactions have been eliminated from the basic consolidated financial statements.

- SCS Management Corporation
- SCS Housing, Inc.
- SCS Development Corporation
- SCS Housing Development, Inc.
- Drewsville Carriage House Associates, Limited Partnership (Drewsville)
- Jaffrey Housing Associates, Limited Partnership (Jaffrey) – Sold 2/1/19
- Troy Senior Housing Associates, Limited Partnership (Troy Senior)
- Keene East Side Senior Housing Associates, Limited Partnership (Keene East Side)
- Winchester Senior Housing Associates, Limited Partnership (Winchester)
- Swanzey Township Housing Associates, Limited Partnership (Swanzey)
- Snow Brook Meadow Village Housing Associates, Limited Partnership (Snow Brook)

Basis of Accounting
The consolidated financial statements of Southwestern Community Services, Inc. and related companies have been prepared utilizing the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation
The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications. The classes of net assets are determined by the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

As of May 31, 2020 and 2019, the Organization had net assets without donor restrictions and with donor restrictions.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended May 31, 2019 from which the summarized information was derived.

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

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

Estimates
The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

The following table provides a reconciliation of cash and restricted cash reported within the statements of financial position that sum to the total in the statements of cash flows as of May 31:

	2020	2019
Cash, operations	$ 1,400,153	$ 882,187
Cash escrow and reserve funds	809,897	849,334
Total cash and restricted cash	$ 2,210,050	$ 1,731,521

Accounts Receivable
Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for uncollectible accounts was estimated to be zero at May 31, 2020 and 2019. The Organization has no policy for charging interest on overdue accounts.

Notes Receivable
The Organization had two notes receivable from Monadnock Economic Development Corporation (MEDC), an unrelated third party. The notes receivables were stated at the amount that was expected to be collected at year end. Interest was accrued at a rate of 4% annually. The balance of the notes receivable and related interest receivable was $112,000 and $45,547, respectively, at May 31, 2019. Payment on the notes receivable and accrued interest was realized during the year ended May 31, 2020.

Current Vulnerability Due to Certain Concentrations
The Organization is operated in a heavily regulated environment. The operations of the Organization are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies. Such administrative directives, rules and regulations are subject to change by an act of Congress or Legislature. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change. For the years ended May 31, 2020 and 2019, approximately 69% of the Organization's total revenue was received from government agencies. The future nature of the Organization is dependent upon continued support from the government.

Concentration of Credit Risk
The Organization maintains its cash accounts in several financial institutions, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk with respect to these accounts.

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

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

The use of certain assets is specified under the terms of grants received from agencies of the federal government. These grants also place liens on certain assets and impose restrictions on the use of funds received from the disposition of the property. Depreciation expense for the years ended May 31, 2020 and 2019 totaled $663,252 and $580,115, respectively.

Advertising
The Organization expenses advertising costs as incurred.

Revenue Recognition
Amounts received from conditional grants and contracts received for specific purposes are generally recognized as income to the extent that related expenses and conditions are incurred or met. Conditional grants received prior to the conditions being met are reported as refundable advances. Contributions of cash and other assets are reported as with donor restrictions if they are received with donor imposed stipulations that limit the use of the donated assets. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as without donor restrictions.

Income Taxes

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

SCS Housing, Inc., SCS Development Corporation and SCS Housing Development, Inc. are taxed as corporations. SCS Housing Inc. has federal net operating loss carryforwards totaling $1,230,191 and $1,012,604 at May 31, 2020 and 2019, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2027. SCS Development Corporation has federal net operating loss carryforwards totaling $555 and $579 at May 31, 2020 and 2019, respectively. These loss carryforwards may be offset against future taxable income and, if not used, will begin to expire in 2022.

The tax effects of the carryforwards as related to deferred tax assets is as follows as of May 31, 2020 and 2019:

	2020	2019
Tax benefit from loss carryforwards	$258,457	$212,768
Valuation allowance	(258,457)	(212,768)
Deferred tax asset	$ -	$ -

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

Accounting Standard Codification No. 740, "Accounting for Income Taxes," established the minimum threshold for recognizing, and a system for measuring, the benefits of tax return positions in financial statements. Management has analyzed the Organization's tax position taken on its income tax returns for all open years (tax years ending May 31, 2018 – 2020), and has concluded that no additional provision for income taxes is necessary in the Organization's financial statements.

Fair Value of Financial Instruments

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

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

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

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

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

New Accounting Pronouncement

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (230): Restricted Cash (ASU 2016-18). The amendments address diversity in practice that exists in the classification and presentation of changes in restricted cash on the statement of cash flows. The amendments require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. As a result, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling beginning-of-period and end-of-period total amounts shown on the statement of cash flows. ASU 2016-18 is effective for the Organization's fiscal year ending May 31, 2020 and has been applied retrospectively to all periods presented.

During the year, the Organization adopted the provisions of FASB ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958). This accounting standard is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional. ASU 2018-08 clarifies how an organization determines whether a resource provider is receiving commensurate value in return for a grant. If the resource provider does receive commensurate value from the grant recipient, the transaction is an exchange transaction and would follow the guidance under ASU 2014-09 (FASB ASC Topic 606). If no commensurate value is received by the grant maker, the transfer is a contribution. ASU 2018-08 stresses that the value received by the general public as a result of the grant is not considered to be commensurate value received by the provider of the grant. Results for reporting the years ending May 31, 2020 and 2019 are presented under FASB ASU 2018-08. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. There was no material impact to the financial statements as a result of adoption. Accordingly, no adjustment to opening net assets was recorded.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Natural expenses are defined by their nature, such as salaries, rent, supplies, etc. Functional expenses are classified by the type of activity for which expenses are incurred, such as management and general and direct program costs. Expenses are allocated by function using a reasonable and consistent approach that is primarily based on function and use. The costs of providing certain program and supporting services have been directly charged.

The Organization submits an indirect cost rate proposal for the paid leave, fringe benefits and other indirect costs to the U.S. Department of Health and Human services. The indirect cost rate is 11.96% effective from June 1, 2017 through May 31, 2020.

NOTE 2 BANK LINE OF CREDIT

The Organization has a $250,000 revolving line of credit agreement with a bank. Interest is due monthly and is stated at the Wall Street Journal Prime Rate. The line is secured by all the Organization's assets. As of May 31, 2020 and 2019, the interest rate was 3.25% and 5.50%, respectively. There was no outstanding balance at May 31, 2020 and 2019.

NOTE 3 **LONG TERM DEBT**

The long term debt at May 31, 2020 and 2019 consisted of the following:

	2020	2019
1% mortgage payable to New Hampshire Housing in monthly installments for principal and interest of $891 through August 2032. The note is secured by real estate of the Organization (NHHFA, 96 Main Street).	$ 136,370	$ 145,647
Non-interest bearing mortgage payable to Community Development Finance Authority, in quarterly principal payments based on an operating income formula applied to affordable housing portion of the specified real estate. The note is secured by real estate of the Organization (CDFA, 96 Main Street).	29,589	31,589
5.25% note payable to a bank in monthly installments for principal and interest of $988 through March 2021. The note is secured by real estate of the Organization (People's United Bank, Ashuelot).	9,652	20,672
Non-interest bearing mortgage payable to New Hampshire Housing. Payment is deferred for 30 years, through September 2031, or until project is sold or refinanced. The note is secured by real estate of the Organization (NHHFA, 17 Pearl).	244,505	244,505
Non-interest bearing mortgage payable to New Hampshire Housing. Payment is deferred for 30 years, through July 2032, unless there is surplus cash from which to make a payment, or until project is sold or refinanced. The note is secured by real estate of the Organization (NHHFA, 41-43 Central).	376,363	376,363
4.25% mortgage payable to a bank in monthly installments for principal and interest of $1,875 through December 2016, with a balloon payment that was due January 2017. The note was amended during the year ended May 31, 2019, and is now due December 2026. Under the amendment, interest rate is 4.94% and monthly installments for principal and interest are $1,957 The note is secured by real estate of the Organization (People's United Bank, Milestones).	130,230	146,515

	2020	2019
4.375% note payable to Rural Housing Service in monthly installments for principal and interest of $11,050 through May 2049. The note is secured by real estate of the Organization (TD Bank, Keene Office).	2,175,749	2,212,288
Non-interest bearing note payable to Cheshire County in New Hampshire. Payment is not necessary unless Organization defaults on contract. The note is secured by real estate of the Organization (CDBG, Keene Office).	460,000	460,000
4% note payable to a development company, in annual interest installments only through March 2015, at which time a final balloon payment of the entire principal balance was due. The remaining balance was still outstanding at May 31, 2019. The note was satisfied during the year ended May 31, 2020. The note was secured by real estate of the Organization (MEDC, Keene Office/Community Way).	-	63,000
4% note payable to a development company, in annual interest installments only through March 2015 at which time a final balloon payment of the entire principal balance was due. The remaining balance was still outstanding at May 31, 2019. The note was satisfied during the year ended May 31, 2020. The note was secured by real estate of the Organization (MEDC, Keene Office/Community Way).	-	45,000
Note payable to a bank in monthly installments for principal and interest of $2,463 including interest through May 2039. Interest is adjusted every five years based on remaining principal balance and "Classic Advantage Rate" provided by Federal Home Loan Bank of Boston which resulted in an interest rate of 4.67% at May 31, 2020 and 2019. The note is secured by real estate of the Organization (TD Bank, Keene Office/Community Way).	389,578	401,891

	2020	2019
5.19% note payable to a bank in monthly installments for principal and interest of $889 through May 2021. The note is secured by real estate of the Organization (TD Bank, 45 Central Street).	88,433	94,733
Non-interest bearing note payable to the United States Department of Housing and Urban Development. No payment is due and beginning in January 2015 10% of the note is forgiven each year providing the property is used for low income housing through January 2025. The note is secured by real estate of the Organization (HUD, Ashuelot).	100,000	125,000
Non-interest bearing note payable to the United States Department of Housing and Urban Development. No payment is due and beginning in January 2015 10% of the note is forgiven each year providing the property is used for low income housing through January 2025. The note is secured by real estate of the Organization (HUD, 112 Charlestown Road).	60,000	75,000
Non-interest bearing note payable to New Hampshire Housing in annual payments in the amount of 50% of annual surplus cash through July 2042 at which time the remaining balance is due. The note is secured by real estate of the Organization (NHHFA, Second Chance).	794,189	794,189
Non-interest bearing note payable to a county in New Hampshire. No payment is due and 5% of the balance is forgiven each year through 2032 when the remaining balance becomes due. The note is secured by real estate of the Organization (CDBG, Second Chance).	328,219	344,536
Non-interest bearing note payable to a county in New Hampshire, relating to an agreement between the City of Keene and SCS for the purpose of renovating Keene shelters. In total, SCS will receive $472,000 from CDBG. SCS will receive the funds as progress is made. The note is secured by real estate of the Organization and will be fully forgiven providing the facility serves low- and moderate-income individuals for 20 years (CDBG, Keene Shelter).	9,500	-

	2020	2019
6.99% note payable to a finance company in monthly installments for principal and interest of $652 through June 2019. The note was secured by a vehicle (TCF, Econoline Van) and paid in full during 2020.	-	1,293
5.54% note payable to a finance company in monthly installments for principal and interest of $543 through August 2022. The note is secured by a vehicle (Ally, Econoline Van).	12,637	19,287
6.54% note payable to a finance company in monthly installments for principal and interest of $442 through November 2023. The note is secured by a vehicle (Ally, GMC Acadia).	15,903	-
Troy Senior - Non-interest bearing note payable to a county in New Hampshire. Payments are deferred until the note matures in June 2029. The note is secured by real estate of the Organization (CDBG).	640,000	640,000
Troy Senior - Non-interest bearing note payable to New Hampshire Housing Finance Authority to fund energy efficient improvements through the Authority's Greener Homes Program. Payment is deferred for 30 years, through August 2042. The note is secured by real estate of the Organization (NHHFA).	140,210	140,210
Keene East Side - Non-interest bearing note payable to a county in New Hampshire. Payments are deferred until the note matures in December 2028. The note is secured by real estate of the Organization (CDBG).	900,000	900,000
Keene East Side - Non-interest bearing note payable to New Hampshire Community Development Finance Authority (CDFA) to fund energy upgrades and capital improvements. Beginning in 2016, 10% of the note is forgiven each year based on the rolling balance. The mortgage may be released after ten years in January 2026. The note is secured by real estate of the Organization (CDFA).	162,880	185,899

	2020	2019
Keene East Side - Non-interest bearing note payable to New Hampshire Housing to fund energy efficient improvements through the Authority's Greener Homes Program. Payment is deferred for 30 years, through August 2042. The note is secured by real estate of the Organization (NHHFA).	228,934	228,934
Swanzey - Non-recourse, 4.90% simple interest mortgage note payable to the New Hampshire Housing (HOME), due September, 2033, principal and interest payable at the sole discretion of the lender from the excess cash of the borrower determined by formula, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage.	289,996	282,720
Swanzey - Non-recourse mortgage note payable to New Hampshire Housing (AHF), due September 2043, payable in monthly installments of $1,698, including interest at 2.35% secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 40 year term of the mortgage.	365,474	377,110
Snow Brook - Non-recourse, mortgage note payable to New Hampshire Housing, due July 2057, payable in monthly installments of $2,002 including interest at 4.35% secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage.	441,872	446,561
Snow Brook - Non-recourse, zero interest mortgage note payable to New Hampshire Housing (AHF), due June 2034, principal and interest payable at the sole discretion of the lender from the excess cash of the borrower determined by formula, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage.	237,173	237,173

	2020	2019
Winchester - Non-recourse mortgage note payable to New Hampshire Housing (AHF), due May 2032, payable in monthly installments of $370, including interest at 2.00%, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30 year term of the mortgage note (NHHFA).	46,978	50,436
Winchester - Non-recourse, zero interest bearing mortgage note payable to New Hampshire Housing (FAF), due May 2032, payable at the sole discretion of the lender from the excess cash of the borrower determined by formula, secured by the Partnership's land and buildings, subject to low income housing use restrictions for the 30-year term of the mortgage note (NHHFA).	85,028	92,058
Winchester - Non-recourse, zero interest bearing, direct subsidy AHP loan secured by the Partnership's land and buildings, subject to low-income housing restrictions under the terms of the AHP agreement. In the event of a default under the aforementioned agreement, the loan is due upon demand with interest accrued at a rate of 11.67% for the period the funds were outstanding (Federal Home Loan Bank).	150,000	150,000
Total long-term debt before unamortized deferred financing costs	9,049,462	9,332,609
Unamortized deferred financing costs	(18,281)	(18,943)
	9,031,181	9,313,666
Less current portion due within one year	125,324	227,221
	$ 8,905,857	$ 9,086,445

The schedule of maturities of long term debt at May 31, 2020 is as follows:

Year Ending May 31	Amount
2021	$ 125,324
2022	120,502
2023	119,477
2024	120,573
2025	123,395
Thereafter	8,440,191
Total	$ 9,049,462

NOTE 4 **OPERATING LEASES**

The Organization leases facilities, equipment and vehicles under non-cancelable lease agreements at various financial institutions. Lease periods range from month to month to 2025. Monthly lease payments range from $60 to $3,625. Lease expense for the years ended May 31, 2020 and 2019 totaled $140,758 and $144,880, respectively.

Future minimum payments as of May 31, 2020 on the above leases are as follows:

Year Ending May 31	Amount
2021	$ 84,318
2022	18,318
2023	1,050
2024	720
2025	120
Total	$ 104,526

NOTE 5 **ACCRUED COMPENSATED BALANCES**

At May 31, 2020 and 2019, the Organization accrued a liability for future annual leave time that its employees had earned and vested in the amount of $141,970 and $131,864, respectively.

NOTE 6 **CONTINGENCIES**

Southwestern Community Services, Inc. is the 100% owner of SCS Housing, Inc. and SCS Housing Development, Inc. SCS Housing, Inc. and SCS Housing Development, Inc. are the general partners of ten limited partnerships formed to develop low-income housing projects through the use of Low Income Housing Tax Credits. Southwestern Community Services, Inc., SCS Housing, Inc. and SCS Housing Development, Inc. have guaranteed repayment of liabilities of various partnerships totaling approximately $13,988,000 and $14,151,000 at May 31, 2020 and 2019, respectively.

Partnership real estate with a cost basis of approximately $35,896,000 and $35,831,000 at May 31, 2020 and 2019, respectively, provides collateral on these loans.

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

No provisions have been made for this contingency because specific amounts, if any, have not been determined or assessed by government audits as of May 31, 2020 and 2019.

NOTE 7 RELATED PARTY TRANSACTIONS

During the years ended May 31, 2020 and 2019, SCS Housing, Inc. managed eight and ten limited partnerships, respectively. Management fees charged by SCS Housing, Inc. totaled $295,814 and $313,466, for the years ended May 31, 2020 and 2019, respectively. Additionally, SCS Housing, Inc. has advanced the limited partnerships funds for cash flow purposes over several years.

The Organization has also advanced funds to a related entity for Department of Housing and Urban Development (HUD) sponsorship purposes.

The total amounts due and expected to be collected from the limited partnerships and related entities totaled $59,067 and $59,102 at May 31, 2020 and 2019, respectively.

NOTE 8 EQUITY INVESTMENT

Southwestern Community Services, Inc. and related companies use the equity method to account for their financial interests in the following companies:

	2020	2019
Cityside Housing Associates, LP	$ (9,505)	$ (9,500)
Marlborough Homes, LP	(27)	(11)
Payson Village Senior Housing Associates, LP	(12,514)	(12,503)
Railroad Square Senior Housing Associates, LP	(2,071)	(1,897)
Warwick Meadows Housing Associates, LP	(28)	(21)
Woodcrest Drive Housing Associates, LP	222,842	222,842
Westmill Senior Housing, LP	64	78
Keene Highland Housing Associates, LP	(269)	(260)
	$ 198,492	$ 198,728

SCS Housing Development, Inc. is a 0.01% partner of Cityside Housing Associates, LP, Marlborough Homes, LP, Payson Village Senior Housing Associates, LP, Warwick Meadows Housing Associates, LP, and Woodcrest Drive Housing Associates, LP, a 0.10% partner of Railroad Square Senior Housing Associates, LP, and a 1% partner of Westmill Senior Housing, LP during the years ended May 31, 2020 and 2019.

SCS Housing, Inc. is a 0.01% partner of Winchester Senior Housing Associates, LP, Swanzey Township Housing Associates, LP, Snow Brook Meadow Village Housing Associates, LP, and Keene Highland Housing Associates, LP during the years ended May 31, 2020 and 2019.

The remaining 99.99% ownership interest in Swanzey Township Housing Associates, LP and Snow Brook Meadow Village Housing Associates, LP were acquired by Southwestern Community Services, Inc. during the year ending May 31, 2019 (see Note 13), and therefore the limited partnership is included in the consolidated financial statements for the years ended May 31, 2020 and 2019.

Southwestern Community Services, Inc. was a 14.3% member of Pilot Health, LLC during the year ended May 31, 2018. Pilot Health was terminated during the year ended May 31, 2019.

Summarized financial information for entities accounted for under the equity method, as of May 31, 2020 and 2019, consists of the following:

	2020	2019
Total assets	$ 5,510	$ 5,745
Total liabilities	2,448	2,454
Capital/Member's equity	3,062	3,291
	$ 5,510	$ 5,745
Income	$ 440	$ 426
Expenses	648	661
Net income (loss)	$ (208)	$ (235)

NOTE 9 **RETIREMENT PLAN**

The Organization maintains a tax sheltered annuity plan under the provisions of Section 403(b) of the internal Revenue Code. All employees who have had at least 30 days of service to the Organization are eligible to contribute to the plan. The Organization begins matching contributions after the employee has reached one year of service. Employer contributions are at the Organization's discretion and totaled $278,209 and $296,009 for the years ended May 31, 2020 and 2019, respectively.

NOTE 10 RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions are available for the following purposes:

	2020	2019
NNECAC – Annual Conference Fund	$ 4,814	$ 5,973
GAPS/Warm Fund	91,725	91,908
Transport	40,000	47,260
HS Parents Association	7,933	6,575
EHS	-	31,200
Total net assets with donor restrictions	$ 144,472	$ 182,916

NOTE 11 BOARD DESIGNATED NET ASSETS

The board designates a portion of the unrestricted net assets for WM Marcello GAPS funds. There was $14,888 and $12,784 designated by the board at May 31, 2020 and 2019, respectively.

NOTE 12 FORGIVENESS OF DEBT

During the years ended May 31, 2020 and 2019, the Organization realized forgiveness of debt income in connection with notes payable to Community Development Block Grant, HUD and Community Development Finance Authority. Forgiveness of debt income totaled $79,338 and $388,849 for the years ended May 31, 2020 and 2019, respectively.

NOTE 13 TRANSFER OF PARTNERSHIP INTEREST

During the year ended May 31, 2019, Southwestern Community Services, Inc. acquired a partnership interest in two low-income housing limited partnerships: Swanzey and Snow Brook. The amount paid for the partnership interest in Swanzey and Snow Brook was $1 each, and at the time of acquisition, Southwestern Community Services, Inc. became the general partner. The following is a summary of the assets and liabilities of the partnership at the date of acquisition:

	Swanzey	Snow Brook
Date of Transfer	06/30/2018	05/01/2019
Cash	$ 12,856	$ 13,374
Security deposits	7,330	8,821
Cash reserves	119,061	178,852
Property, net	1,330,231	1,211,341
Other assets	6,436	15,776
Total assets	1,475,914	1,428,164

Notes payable	666,902	665,173
Other Liabilities	87,108	140,119
Total liabilities	754,010	805,292
Partners' capital	721,904	622,872
Partners' capital previously recorded as an investment in related parties	31,190	60,716
Partners' capital transferred	$ 753,094	$ 683,588

NOTE 14 **AVAILABILITY AND LIQUIDITY**

The following represents Southwestern Community Services, Inc. and related companies' financial assets as of May 31, 2020 and 2019:

	2020	2019
Financial assets at year end:		
Cash and cash equivalents	$ 1,400,153	$ 882,187
Accounts receivable	1,203,489	1,245,826
Due from related party	59,067	59,102
Notes receivable	-	112,000
Interest receivable	-	45,547
Cash escrow and reserve funds	809,897	849,334
Total financial assets	3,472,606	3,193,996
Less amounts not available to be used within one year:		
Due from related party	(59,067)	(59,102)
Notes receivable	-	(112,000)
Interest receivable	-	(45,547)
Reserve funds	(809,897)	(849,334)
Total amounts not available within one year	(868,964)	(1,065,983)
Financial assets available to meet general expenditures over the next twelve months	$ 2,603,642	$ 2,128,013

The Organization has a goal to maintain unrestricted cash on hand to meet 30 days of normal operating expenditures, which are, on average, approximately $1,215,000 and $1,224,000 at May 31, 2020 and 2019, respectively. The Organization has a $250,000 line of credit available to meet cash flow needs.

NOTE 15 PAYCHECK PROTECTION PROGRAM

In April 2020, the Organization received loan proceeds in the amount of $439,070 under the Paycheck Protection Program ("PPP"). The PPP, is established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES ACT"). If the Organization does not meet the loan criteria, the unforgiven portion of the PPP loan is payable over five years at an interest rate of 1%, with a deferral of payments for the first six months. As of the date of the audit report, the Organization has been using the proceeds for purposes consistent with the PPP. The Organization has 24 weeks beginning the date the proceeds were received to use up all the PPP proceeds. Through the date of this report, the Organization is on track to have the entire loan balance forgiven; however, the final determination of this has not occurred.

NOTE 16 RECLASSIFICATION

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

NOTE 17 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 October 5, 2020, the date the financial statements were available to be issued.

Subsequent to year end, the Organization obtained approval from the Small Business Administration for an Economic Injury Disaster Loan (EIDL). The terms of the agreement allow the Organization to draw up to $150,000. Interest will accrue at the rate of 2.75% per annum and will accrue only on funds actually advanced from the date(s) of each advance. Installments, including principal and interest, of $641 monthly will begin in June 2021. The balance of principal and interest will be payable in June 2050. The loan is secured by the Small Business Administration. The schedule of maturities on this loan at May 31, 2020 is as follows:

Year Ending May 31	Amount
2021	$ -
2022	3,201
2023	3,585
2024	3,685
2025	3,788
Thereafter	135,741
Total	$ 150,000

The impact of the novel coronavirus (COVID-19) and measures to prevent its spread are affecting the Organization's operations. The significance of the impact of these disruptions, including the extent of their adverse impact on the Organization's financial operational results, will be dictated by the length of time that such disruptions continue and, in turn, will depend on the currently unknowable duration of the COVID-19 pandemic and the impact of governmental regulations that might be imposed in response to the pandemic. The Organization's business could also be impacted should the disruptions from COVID-19 lead to changes in consumer behavior. COVID-19 also makes it more challenging for management to estimate future performance of the businesses, particularly over the near to medium term.

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES
FOR THE YEAR ENDED MAY 31, 2020

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2020 Total
REVENUES									
Government contracts	$ 4,518,118	$ 3,020,857	$ 1,759,258	$ 21,581	$ 797,710	$ 33,809	$ 10,151,333	$ 468,388	$ 10,619,721
Program service fees	832,454	-	66,804	985,951	3,496	707,147	2,595,852	9,964	2,605,816
Rental income	-	-	97,328	1,067,704	-	-	1,165,032	-	1,165,032
Developer fee income	-	-	-	1,508	-	-	1,508	-	1,508
Support	81,387	38,421	219,105	-	114,117	114,844	565,874	27,736	593,610
Sponsorship	-	6,809	-	-	-	19,737	26,546	-	26,546
Interest income	12	17	1,382	2,559	35	11	4,016	5,208	9,224
Forgiveness of debt	-	-	56,318	23,020	-	-	79,338	-	79,338
Miscellaneous	2,860	3,381	21,160	77,326	19,460	-	124,187	23,926	148,113
In-kind contributions	-	167,553	-	-	-	-	167,553	-	167,553
Total revenues and other support	$ 5,434,831	$ 3,235,038	$ 2,221,355	$ 2,179,649	$ 934,818	$ 875,548	$ 14,881,239	$ 535,222	$ 15,416,461
EXPENSES									
Payroll	$ 487,456	$ 1,374,787	$ 335,905	$ 735,214	$ 435,177	$ 424,014	$ 3,772,553	$ 731,826	$ 4,504,379
Payroll taxes	36,287	107,590	25,566	56,083	35,147	32,738	293,411	55,964	349,375
Employee benefits	135,770	412,407	121,495	271,770	85,902	193,929	1,221,273	45,011	1,266,284
Retirement	29,265	71,941	19,791	58,108	21,016	13,973	214,094	64,115	278,209
Advertising	728	3,084	83	2,632	3,999	2,100	12,626	591	13,217
Bank charges	4	-	17	4,117	-	54	4,192	7,456	11,648
Bad debt	-	45	195	-	-	-	240	4,000	4,240
Computer cost	-	28,124	6,638	8,120	16,641	-	57,323	166,243	223,566
Contractual	776,055	18,582	13,624	27,752	2,719	74,250	912,982	41,190	954,172
Depreciation	-	27,369	106,291	366,399	-	10,913	512,972	150,280	663,252
Dues/registration	-	977	-	495	468	-	1,940	9,720	11,660
Duplicating	-	7,480	-	-	-	-	7,480	5,684	13,164
Insurance	6,667	13,010	24,560	56,680	14,271	5,968	121,156	36,841	157,997
Interest	-	7,198	7,527	36,985	-	-	51,710	114,881	166,591
Meeting and conference	457	1,042	262	4,913	1,118	2,029	9,821	13,879	23,700
Miscellaneous expense	3,543	1,597	60	44,189	4,722	163	54,274	18,105	72,379
Miscellaneous taxes	-	-	-	61,942	-	-	61,942	200	62,142
Equipment purchases	24,948	1,646	-	6,426	-	-	33,020	30	33,050
Office expense	20,017	8,744	6,002	9,148	10,480	33	54,424	24,136	78,560
Postage	240	261	123	189	252	-	1,065	24,447	25,512
Professional fees	2,045	-	3,200	28,718	-	706	34,669	89,175	123,844
Staff development and training	-	2,135	648	1,208	415	3,088	7,494	2,787	10,281
Subscriptions	-	-	-	95	-	-	95	1,601	1,696
Telephone	2,283	1,968	17,624	17,959	3,179	1,166	44,179	41,601	85,780
Travel	6,792	16,310	12,602	7,545	30,585	15	73,849	3,031	76,880
Vehicle	3,902	5,121	5,574	30,678	36,849	9,696	91,820	8,202	100,022
Rent	-	25,570	-	-	-	-	25,570	-	25,570
Space costs	-	174,312	352,469	583,375	2,899	89	1,112,944	100,446	1,213,390
Direct client assistance	3,637,530	208,759	999,499	12,920	33,124	418	4,892,250	-	4,892,250
In-kind expenses	-	167,553	-	-	-	-	167,553	-	167,553
TOTAL FUNCTIONAL EXPENSES BEFORE MANAGEMENT AND GENERAL ALLOCATION	5,153,989	2,687,612	2,060,655	2,433,660	737,663	775,342	13,848,921	1,761,642	15,610,563
Allocation of management and general expenses	655,609	341,876	262,124	309,572	93,834	98,627	1,761,642	(1,761,642)	-
TOTAL FUNCTIONAL EXPENSES	$ 5,809,598	$ 3,029,488	$ 2,322,779	$ 2,743,232	$ 831,497	$ 873,969	$ 15,610,563	$ -	$ 15,610,563

See Independent Auditors' Report

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

CONSOLIDATED SCHEDULE OF FUNCTIONAL REVENUES AND EXPENSES
FOR THE YEAR ENDED MAY 31, 2019

	Home Energy Programs	Education and Nutrition	Homeless Programs	Housing Services	Economic Development Services	Other Programs	Total Program	Management and General	2019 Total
REVENUES									
Government contracts	$ 4,846,587	$ 2,853,470	$ 1,607,684	$ 53,038	$ 734,568	$ 148,424	$ 10,243,769	$ 428,933	$ 10,672,702
Program service fee	572,421	-	74,144	997,150	24,700	772,976	2,441,391	44,014	2,485,405
Rental income	-	-	84,704	909,276	-	1,400	995,380	-	995,380
Support	12,761	16,848	123,635	-	168,704	130,453	452,391	-	452,391
Sponsorship	-	2,713	1,104	-	-	66,814	70,631	262	70,893
Interest income	12	-	2,183	3,211	13	21	5,440	1,713	7,153
Forgiveness of debt	-	-	59,141	329,708	-	-	388,849	-	388,849
Miscellaneous	2,770	10,389	4,844	69,893	25,146	-	113,042	7,855	120,897
In-kind contributions	-	241,499	-	-	-	-	241,499	-	241,499
Total revenues	$ 5,434,541	$ 3,124,919	$ 1,957,439	$ 2,362,276	$ 953,129	$ 1,120,088	$ 14,952,392	$ 482,577	$ 15,434,969
EXPENSES									
Payroll	$ 432,968	$ 1,224,986	$ 377,595	$ 775,425	$ 414,730	$ 432,826	$ 3,658,530	$ 753,068	$ 4,411,598
Payroll taxes	33,521	97,919	29,527	59,738	33,519	34,195	288,419	58,304	346,723
Employee benefits	106,054	415,890	142,654	289,985	97,771	180,294	1,232,648	111,111	1,343,759
Retirement	29,200	70,406	18,906	61,936	27,631	16,181	224,462	71,547	296,009
Advertising	-	500	1,912	4,013	818	9,487	16,730	-	16,730
Bank Charges	-	-	-	4,444	-	1	4,445	7,329	11,774
Bad debt	-	10	-	90	-	-	100	-	100
Computer cost	-	24,540	4,759	3,027	14,926	750	48,002	116,846	164,848
Contractual	629,045	32,930	230,984	36,696	2,719	116,585	1,050,959	39,743	1,090,702
Depreciation	-	28,300	108,291	281,950	-	14,207	432,748	147,367	580,115
Dues/registration	-	5,277	-	488	868	1,312	7,945	11,879	19,824
Duplicating	-	8,852	-	-	-	-	8,852	4,155	13,007
Insurance	6,714	14,798	23,590	60,672	14,130	7,164	127,068	33,892	160,960
Interest	-	7,775	8,022	21,956	-	1,610	39,363	164,045	203,408
Meeting and conference	8,673	613	2,667	8,104	565	22,569	43,291	24,957	68,248
Miscellaneous expense	181	1,695	637	34,793	3,651	2,931	43,888	19,278	63,166
Miscellaneous taxes	-	-	-	34,900	-	-	34,900	389	35,289
Equipment purchases	1,292	15,274	-	7,287	-	-	23,853	1,180	25,033
Office expense	24,820	8,499	6,695	11,475	6,458	807	58,754	11,656	70,410
Postage	97	268	138	53	214	-	770	24,238	25,008
Professional	4,300	-	1,301	36,095	-	-	41,696	90,968	132,664
Staff development and training	2,128	1,580	1,678	72	1,904	21,877	29,239	10,590	39,829
Subscriptions	-	-	-	655	354	-	1,009	399	1,408
Telephone	2,087	2,356	18,479	17,817	2,336	1,589	44,664	52,308	96,972
Travel	7,951	18,256	15,412	5,183	29,531	606	74,941	4,855	79,796
Vehicle	2,300	5,225	1,088	37,795	44,426	8,568	99,402	13,436	112,838
Rent	-	24,800	-	150	-	-	24,950	-	24,950
Specs costs	-	194,946	332,351	512,392	1,000	376	1,041,065	106,866	1,147,931
Direct client assistance	3,947,152	214,436	668,284	10,874	23,619	21,049	4,885,214		4,885,214
In-kind expenses	-	241,499	-	-	-	-	241,499	-	241,499
TOTAL FUNCTIONAL EXPENSES BEFORE GENERAL AND MANAGEMENT ALLOCATION	5,238,483	2,659,630	1,994,872	2,319,865	721,370	894,986	13,829,406	1,880,406	15,709,812
Allocation of management and general expenses	712,284	361,861	271,246	315,436	98,088	121,693	1,880,406	(1,880,406)	-
TOTAL FUNCTIONAL EXPENSES	$ 5,950,767	$ 3,021,491	$ 2,266,118	$ 2,635,301	$ 819,458	$ 1,016,679	$ 15,709,812	$ -	$ 15,709,812

See Independent Auditors' Report

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2020

FEDERAL GRANTOR / PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NAME	GRANTOR'S NUMBER		FEDERAL EXPENDITURE
U.S. Department of Agriculture					
Rural Housing Preservation Grant	10.433	Direct Funding	3403-02801-808		$ 10,835
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	State of NH, Department of Health & Human Services	010-090-52800000-102-500734		310,998
Child and Adult Care Food Program	10.558	State of NH, Department of Education	Unknown		102,321
Food Distribution Cluster					
Commodity Supplemental Food Program	10.565	State of NH, Department of Health & Human Services	010-090-52800000-102-500734	2,329	
Emergency Food Assistance Program (Admin)	10.568	Community Action Program Belknap-Merrimack Counties	Unknown	219	
Commodity Supplemental Food Program (Food Commodities)	10.565	Community Action Program Belknap-Merrimack Counties	Unknown	80,626	83,174
Total U.S. Department of Agriculture					$ 507,328
U.S. Department of Housing and Urban Development					
Emergency Solutions Grant Program	14.231	State of NH, DHHS, Bureau of Homeless & Housing	05-95-95-958310-717800000-102-50731	$ 175,983	
Emergency Solutions Grant Program	14.231	State of NH, DHHS, Office of Human Services	010-042-7927-102-0731	126,201	302,184
Supportive Housing Program	14.235	State of NH, DHHS, Bureau of Homeless & Housing	05-95-95-958310-717800000-102-50731		296,182
Shelter Plus Care	14.236	State of NH, DHHS, Bureau of Homeless & Housing	05-95-95-958310-717800000-102-50731		247,808
Continuum of Care Program	14.267	State of NH, DHHS, Bureau of Homeless & Housing	05-95-95-958310-717800000-102-50731		174,902
Total U.S. Department of Housing and Urban Development					$ 1,023,077
U.S. Department of Labor					
WIOA Cluster					
WIOA Adult Program	17.259	Southern NH Services	Unknown	$ 43,833	
WIOA Dislocated Worker Formula Grants	17.278	Southern NH Services	Unknown	31,112	$ 74,945
Total U.S. Department of Labor/WIOA Cluster					$ 74,945
U.S. Department of Transportation Federal Transit Administration (FTA)					
Formula Grants for Rural Areas	20.509	State of NH, Department of Transportation	04-96-96-964010-2916		$ 282,669
Transit Services Programs Cluster					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	State of NH, Department of Transportation	04-96-96-964010-2916		23,043
Total U.S. Department of Transportation Federal Transit Administration (FTA)					$ 305,712
U.S. Department of Energy					
Weatherization Assistance for Low-Income Persons	81.042	State of NH, Office of Energy & Planning	01-02-024010-7708-074-500587		$ 267,894
Total U.S. Department of Energy					$ 267,894
U.S. Department of Health & Human Services					
Aging Cluster					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	State of NH, Office of Energy & Planning	01-02-024010-7708-074-500587	$ 5,298	
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	State of NH, DHHS, Bureau of Elderly & Adult Services	05-95-48-481010-7872	84,170	89,468
Grants to States to Support Oral Health Workforce Activities	93.236	State of NH, DHHS, Division of Family Assistance	Unknown		6,929
Drug-Free Communities Support Program Grants	93.276	Direct Funding	SH79SP018877-08		31,000
TANF Cluster					
Temporary Assistance for Needy Families	93.558	Southern NH Services	Unknown		297,962
Low Income Home Energy Assistance (Fuel Assistance)	93.568	State of NH, Office of Energy & Planning	01-02-02-024010-77050000-500587	3,988,576	
Low Income Home Energy Assistance (SWP)	93.568	State of NH, Office of Energy & Planning	01-02-02-024010-77050000-500587	256,351	4,244,927
Community Services Block Grant	93.569	State of NH, DHHS, Div. of Family Assistance	500731		342,401
Community Services Block Grant - Discretionary	93.570	State of NH, DHHS, Div. of Family Assistance			22,306
Head Start	93.600	Direct Funding	01CH8958		2,588,280
Medicaid Cluster					
Medical Assistance Program	93.778	State of NH, DHHS, Office of Human Services	05-95-47-470010-52010000		2,541
Total U.S. Department of Health & Human Services					$ 7,615,914
U.S. Department of Homeland Security					
Emergency Food and Shelter National Board Program	97.024	State of NH, DHHS, Office of Human Services	Unknown		$ 8,670
Total U.S. Department of Homeland Security					$ 8,670
TOTAL					$ 9,999,546
NON-FEDERAL					
State of New Hampshire Public Utilities Company		Home Energy Assistance			$ 525,181
State of New Hampshire Public Utilities Company		Electrical Assistance Program			$ 346,427

See Notes to Schedule of Expenditures of Federal Awards

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MAY 31, 2020

NOTE 1 **BASIS OF PRESENTATION**

The accompanying schedule of expenditures of Federal Awards (the Schedule) includes the federal award activity of Southwestern Community Services, Inc. under programs of the federal government for the year ended May 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Southwestern Community Services, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 **INDIRECT COST RATE**

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

NOTE 4 **FOOD DONATION**

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

NOTE 5 **SUBRECIPIENTS**

Southwestern Community Services, Inc. had no subrecipients for the year ended May 31, 2020.

Leone, McDonnell & Roberts
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SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Southwestern Community Services, Inc. (a New Hampshire nonprofit corporation) and related companies, which comprise the consolidated statement of financial position as of May 31, 2020, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related consolidated notes to the financial statements, and have issued our report thereon dated October 5, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Leone McDonnell & Roberts Professional Association

October 5, 2020
Wolfeboro, New Hampshire

Leone, McDonnell & Roberts
Professional Association
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WOLFEBORO • NORTH CONWAY
DOVER • CONCORD
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SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

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

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

Report on Compliance for Each Major Federal Program
We have audited Southwestern Community Services, Inc.'s (a New Hampshire nonprofit corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Southwestern Community Services, Inc.'s major federal programs for the year ended May 31, 2020. Southwestern Community Services, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

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

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

Opinion on Each Major Federal Program
In our opinion, Southwestern Community Services, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended May 31, 2020.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not 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

October 5, 2020
Wolfeboro, New Hampshire

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MAY 31, 2020

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the consolidated financial statements of Southwestern Community Services, Inc. and related companies were prepared in accordance with GAAP.

2. No significant deficiencies disclosed during the audit of the consolidated financial statements are reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.

3. No instances of noncompliance material to the consolidated financial statements of Southwestern Community Services, Inc. and related companies, which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.

4. No significant deficiencies in internal control over major federal award programs are reported in the *Independent 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 Southwestern Community Services, Inc. expresses an unmodified opinion on all major federal programs.

6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a).

7. The programs tested as major programs were: U.S. Department of Health and Human Services; Low-Income Home Energy Assistance, 93.568, and U.S. Department of Energy; Weatherization Assistance for Low Income Individuals, 81.042. **NON-FEDERAL**: New Hampshire Public Utilities Company, Home Energy Assistance and Electrical Assistance Program.

8. The threshold for distinguishing Type A and B programs was $750,000.

9. Southwestern Community Services, Inc. was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

SOUTHWESTERN COMMUNITY SERVICES, INC. AND RELATED COMPANIES

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED MAY 31, 2020

There were no findings or questioned costs that were required to be reported in the Schedule of Findings and Questioned Costs for the year ended May 31, 2019.

SCS Transportation

Key Personnel – NHDOT 5310

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Meg Freeman	Chief Financial Officer	95,929.60	0	0
Keith Thibault	Chief Development Officer	87,796.80	0	0
Beth Daniels	Chief Operating Officer	71,000.00	5%	$3,550
Teri Palmer	Transportation Director	49,920.00	10%	$4,992
Terri Curtis	VDP Coordinator/Dispatcher	40,123.00	90%	$36,111

Beth Daniels

Experience

Southwestern Community Services, Inc., Keene, NH

Chief Operating Officer 03/2016-Present

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

Director of Energy and Employment Programs 10/2008 – 12/2016

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

Workforce Development Director 11/2006 – 10/2008

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

Families @ Work Employment Specialist 03/2006 - 11/2006

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

Second Start, Concord, NH

Career Development Specialist 11/2004 – 03/2006

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

Nina's Family Daycare, Swanzey, NH 10/2003 – 11/2004

Daycare Provider

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

Southwestern Community Services, Inc., Keene, NH

Case Manager, Homeless Services 09/2002 – 10/2003

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

Case Manager, Welfare-to-Work 05/2000 – 09/2002

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

Education and Training

Results Oriented Management & Accountability (ROMA) 2016-2017

Grant Writing Workshop 05/2012
Cheshire County

Nonviolent Crisis Intervention 2012
Crisis Prevention Institute, Inc.

Leadership Training 2010-2011
Tad Dwyer Consulting

Criticism & Discipline Skills for Managers 11/2007
CareerTrack

How to Supervise People 11/2007
CareerTrack

Career Development Facilitator Training 09/2005
National Career Development Association
120-hour NCDA training

Certified Workforce Development Specialist 06/2005
National Association of Workforce Development Professionals

Infection Control & Bloodborne Pathogens 01/2003
Home Health Care

Bachelor of Arts in Human Services 05/2002
Franklin Pierce College
Graduated cum laude

References Available

Margaret Freeman

Experience

2000 – Present
Southwestern Community Services Inc.
Keene, NH

Chief Financial Officer (2014 – present)
Supervising the quality of accounting and financial reporting of SCS; a Community Action Agency. Total funding of $18 million; federal, state and local funding sources. Primary responsibilities include overseeing the accounting functions, implementation and monitoring of internal controls, reporting financial position to the Board of Directors, preparation of the annual A-133 audit, member of agencies Senior Staff.

Fiscal Director (2000-2014)
Responsible to lead and manage the daily operations of the Fiscal Department of SCS. Primary duties include budget preparation and analysis, financial statement preparation and audit coordination.

1993 –2000
Emile J. Legere Management Corp
Keene, NH

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

Education

Leadership New Hampshire, Graduate 2011

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

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

TERRI L. DAIGNAULT, VDP COORDINATOR/DISPATCHER

PROFESSIONAL EXPERIENCE

VDP Coordinator and Morning Dispatcher
Southwestern Community Services Transportation — Sept 2016 - Current

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

- Recruits, screens, trains, supervises, schedules, and evaluates volunteer drivers
- Identifies and implements resources for training and motivating volunteers
- Maintains a roster of volunteers willing to provide services.
- Maintains accurate records, producing monthly and quarterly reports of volunteer activities as requested.
- Partners with area agencies to coordinate volunteer efforts in the region for optimum efficiency
- Plans and implements an annual volunteer recognition event.
- Coordinates the evaluation of the volunteer program including volunteer satisfaction surveys.
- Handles incoming contacts to the program and makes home visits as appropriate.
- Attends meetings and interfaces with other community groups and agencies as appropriate.
- Participates in the public relations efforts by making presentations to community groups.
- Other related duties as assigned.

The morning dispatcher directly supports SCS transportation programs. Responsible for a variety of activities including collecting, compiling, and distributing transportation reports on both public and volunteer transportation services; managing the Volunteer Driver Program: managing the bus drivers work schedule; coordinating the maintenance and repairs schedule for all buses. Provide Drug and Alcohol Reasonable Suspicion referral for testing, accidents response and documentation. Also provide I dispatching and scheduling for bus transportation.

VDP Coordinator and Morning Dispatcher — Feb 2012 – Sept 2016
Community Alliance of Human Services

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

Twin State Speedway — July 2007 – April 2012

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

Fleury's Sales — Aug 2010 – Feb 2012

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

Jiffy Mart — Aug 2007 – Jan 2010

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

Hodgdon Sales — Aug 1988 – Sept 1996

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

Teri Anne Palmer

Charlestown, NH
[redacted]

Authorized to work in the US for any employer

Work Experience

Branch Manager
TD Bank - Chester, VT
July 2017 to Present

Supervise Tellers, Promote customer experience culture, Open new accounts, to include business accounts. Working with customers to find the right banking product for their need.

Dispatcher
Charlestown Police Department - Charlestown, NH
February 2016 to Present

Answer emergency and non emergency phone calls and connect people in need of fire, police or medical emergency services via phone, computer and radio. Also coordinate the proper services during fire and serious car accidents.
I am also a member of the Police Association for the town of Charlestown which raises money to assist in equipment for the police department and donates to the community.

Store Manager
Dollar General - Chester, VT
August 2016 to July 2017

Maintained the daily operations of a 9200 sq ft retail store with an average of 1.5 million in sales for the year. Recruited, Hired and trained staff for a new store. Continued training and education to current employees. Completed schedules based on customer needs and assigned tasks based on companies direction to maintain goals. Tracked and implemented financial and inventory quotas based on the companies goals. Reset inventory based on seasons.

Correctional Officer
Sullivan County Department of Corrections - Unity, NH
December 2010 to July 2016

Monitored inmate behavior to ensure safety and security. Escorted inmates to other facilities and court. De-escalated confrontations when they arose. Trained new officers of their duties. Was the instructor for inter personal communications. Was also a member of the corrections emergency response team.

Co Manager
Walmart - Hinsdale, NH
April 1998 to December 2010

Was a Fashion Merchandiser, overseeing 12 stores with the everyday operations in the apparel and home areas. Maintaining inventory levels, working with vendors to buy product for stores. Also assisted in opening new stores from the ground up. building fixtures, recruiting, hiring and training managers,

and associates for new stores. Worked in supercenters and maintained daily operations with payroll, training, inventory to include outside vendors, and other aspects of a big box store.

Education

High school or equivalent in College Prep
West Rutland School - West Rutland, VT
September 1984 to June 1986

Military Service

Branch: Army
Service Country: United States
Rank: E-5
March 1992 to October 1999

Heavy Wheel Vehicle Mechanic/Assistant Truck Master
Worked on many types of diesel trucks, trailers, Cranes
Maintained and Dispatched 200 pieces of equipment and nearly 70 soldiers for a transportation company

Keith F. Thibault **(603) 719-4208 (work)**
kthibault@scshelps.org (e-mail)

Skills Summary

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

Experience

Southwestern Community Services, Inc., Keene, New Hampshire
Housing Director – October, 1993 to December 1998
Director of Housing & Economic Development – January 1999 to June 2001
Development Director - July 2001 to August 2007
chief development officer – September 2007 - Present

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

Rural Housing Improvement, Winchendon, Massachusetts
Director of Home Ownership and Housing Counseling - June 1993 to October, 1993

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

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

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

Program Representative/Leased Housing - **September 1986 to April 1998**

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

Education

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

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

Civic and Other Activities

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

References available upon request.

Southwestern Community Services, Inc. Board of Directors - Composition – 2021

	CHESHIRE COUNTY	SULLIVAN COUNTY
CONSTITUENT SECTOR	**Beth Fox** Assistant City Manager/ Human Resources Director City of Keene	**Mary Lou Huffling** Fall Mountain Emergency Food Shelf Alstead Friendly Meals
	Brianna Trombi Head Start Policy Council Parent Representative	
PRIVATE SECTOR	**Kevin Watterson,** ***Chair/Secretary*** Clarke Companies *(retired)*	**Anne Beattie** Newport Service Organization
PUBLIC SECTOR	**Jay Kahn** State Senator, District 10	**Kerry Belknap Morris, M.Ed.** Early Childhood Education River Valley Community College
	David Edkins Walpole, NH	**Derek Ferland** Sullivan County Manager