



THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



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William Cass, P.E.
Commissioner

David Rodrigue, P.E.
Assistant Commissioner
Andre Briere, Colonel, USAF (RET)
Deputy Commissioner

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

Bureau of Rail & Transit
November 7, 2024

REQUESTED ACTION

Authorize the Department of Transportation to amend an agreement with Advance Transit, Inc. (Vendor 166573), Wilder, Vermont, Project 68033A, by increasing the price limitation by \$330,200, from \$6,404,000 to \$6,734,200, effective upon Governor and Council approval, with no change to the end date of June 30, 2025. The original agreement was approved by Governor and Council on June 14, 2023, Item #73. 100% Federal Funds.

Funding for this amendment is available in the Fiscal year 2025 budget:

04-96-96-964010-2916	<u>FY 2025</u>
Public Transportation	
072-500575 Grants to Non-Profits-Federal	\$330,200

EXPLANATION

NHDOT has approved a request to amend funding from Federal Transit Administration (FTA) Section 5311 Rural Formula Program (Section 5311) by \$330,200 from \$6,404,000 to \$6,734,200. Advance Transit, Inc. provides public transit service in the Hanover-Lebanon area utilizing Section 5311 to support eligible operating, and capital expenses.

The Department's SFY 2025 operating budget includes funds from Section 5311 that provides funds for capital, planning, and operating assistance for public transportation in rural areas with populations of less than 50,000.

Advance Transit, Inc. will provide the remaining required non-federal matching funds. In the event that Federal Funds become unavailable, general funds will not be requested to support this program.

The Amendment has been approved by the Attorney General as to form and execution and the Department has verified the necessary funds are available in the Fiscal Year 2025 budget. Copies of the fully executed Agreement are on file at the Secretary of State's Office and the Department of Administrative Services, and subsequent to Governor and Council approval will be on file at the Department of Transportation.

Your approval of this resolution is respectfully requested.

Sincerely,

A handwritten signature in cursive script that reads "William Cass".

William J. Cass, P.E.
Commissioner

Attachments

AMENDMENT TO AGREEMENT

This Grant Amendment ("Amendment") is entered into this 1 day of October, 2024, by and between the State of New Hampshire, acting by and through the New Hampshire Department of Transportation, 7 Hazen Drive, Concord NH 03302-0483. (hereinafter referred to as "State") and Advance Transit, Inc. (hereinafter referred to as "the Grantee"), collectively referred to as ("the Parties").

WHEREAS, the Parties have entered into a Grant Agreement, approved by the Governor and Executive Council on June 14, 2023, Item 73. (hereinafter referred to as "the Grant");

WHEREAS, the Parties desire to amend the Grant as provided in this Amendment; and

WHEREAS, the Grant allows for amendments by an instrument in writing executed by both Parties;

NOW THEREFORE, in consideration of the foregoing, and the covenants and conditions contained in the Grant, and set forth herein, the Parties hereto do hereby agree as follows:

1. Section 1.8, "Grant Limitation" of the G-1 form is amended to read (\$6,734,200)
2. Amended Exhibit C, Budget, C.1 be amended to include an additional \$330,200 of Federal FTA 5311 Rural Area Formula Program Funds, for a revised contract price of \$6,734,200;
 - a. Table below
3. This Amendment hereunder shall become effective upon approval by the New Hampshire Governor and Executive Council.
4. Except as specifically amended and modified by the terms and conditions of this Amendment, the Grant, and the obligations of the Parties hereunder, shall remain in full force and effect with the terms and conditions set forth herein.

**EXHIBIT C
BUDGET (REVISED)**

Program Funding	SFY 2024	SFY 2025	Amendment	Revised Total
FTA Section 5311				
Administration	\$917,000	\$917,000	\$0	\$1,834,000
Capital Preventive Maintenance	\$650,000	\$650,000	\$0	\$1,300,000
Capital ADA	\$325,000	\$325,000	\$0	\$650,000
Operating	\$1,310,000	\$1,310,000	\$320,200	\$2,940,200
Rural Transit Assistance Program (RTAP) - eligible training & technical assistance	\$0	\$0	\$10,000	\$10,000
Total FTA Section 5311 Funds	\$3,202,000	\$3,202,000	\$330,200	\$6,734,200
Amended Total Grant Funding				\$6,734,200

b. Funds are contingent upon Federal appropriations.

IN WITNESS WHEREOF, the Parties hereto have set their hands to the date first-written above.

Advance Transit, Inc.

By: [Signature] ADAMS CARROLL EXECUTIVE DIRECTOR Date: 10/11/2024
Print Name and Title

NH Department of Transportation

By: [Signature] Date: 11/19/24
Print Name and Title Michelle L. Winters Director, Bureau of Motor Vehicles, Rail & Transportation

Approved by Attorney General

By: [Signature] Date: November 25, 2024
Print Name and Title Robert Pearce, Attorney

Approved by Governor and Council

G & C Item number: _____ G & C Meeting Date: _____

State of New Hampshire
Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that ADVANCE TRANSIT, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on January 12, 1984. 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: 52688

Certificate Number: 000665553



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 2nd day of April A.D. 2024.

A handwritten signature in black ink, appearing to read "D. Scanlan", is written over a faint circular stamp.

David M. Scanlan
Secretary of State



ADVANCE TRANSIT

P.O. Box 1027, Wilder, VT 05088 • 802-295-1824 • advancetransit.com

Certificate of Authority

I, Matt Osborn, hereby certify that I am the duly elected Secretary of Advance Transit, Incorporated. I hereby certify that the following is a true copy of the current Bylaws of the Corporation and that the Bylaws authorize the Executive Director to bind the Corporation for contractual obligations.

I further certify that Adams Carroll currently holds the position of Executive Director and is thereby authorized to bind the Corporation for contractual obligations.

I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person listed above currently occupies the position indicated and that they have the full authority to bind the corporation. This authority shall remain valid for thirty (30) days from the date of this certificate.

DATED: 10/1/24

ATTEST: Matt Osborn, Secretary
(Name & Title)

BYLAWS OF
ADVANCE TRANSIT, INC.

Adopted June 19, 2015

Revised June 21, 2018

Revised May 16, 2019

ARTICLE I

Name, Purpose and Offices

Section 1. **Name and Type.** The name of this corporation shall be Advance Transit, Incorporated, and may hereinafter be referred to as the Corporation, "AT" or "Advance Transit". The principal office of the Corporation shall be in Wilder, Vermont, or such other location as the Board of Directors may determine from time to time. The Corporation's business shall be conducted in New Hampshire and Vermont.

Section 2. **Form and Purpose.** The form of the corporation shall be a voluntary, not-for-profit corporation, incorporated under the laws of the State of New Hampshire (R.S.A. 292), and registered to do business in the State of Vermont. The purpose of the Corporation shall be to provide a comprehensive transportation network for the several towns of the Upper Valley of New Hampshire and Vermont.

Section 3. **Limitations.** The Corporation is organized and shall be operated exclusively for charitable, religious, educational, or scientific purposes, including for such purposes, the making of distributions to organizations under Section 501 (c)(3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future Internal Revenue law). No part of the net earnings of the Corporation shall be to the benefit of or be distributed to its Directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth above. No substantial part of the activities of the Corporation shall be for the carrying out of propaganda or otherwise attempting to influence legislation, and AT shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office.

ARTICLE II

Members

Membership in the Corporation having been abolished effective July 1, 2015, the Corporation shall have no Members.

ARTICLE III

Board of Directors

Section 1. **General Powers.** All corporate powers of the Corporation shall be exercised by or under the authority of, and the affairs of the Corporation shall be managed under the direction of, the Board of Directors.

Section 2. **Number, Tenure, Qualification, and Manner of Election of Directors.**

A. The number of Directors (members of the Board) shall be not more than nineteen (19) nor less than nine (9), chosen as provided in III.2.B., C., and F. The Board shall have at least five (5) voting members who are not of the same immediate family or related by blood or marriage.

B. Up to nine (9) "Municipal" Directors shall be elected by the Directors upon nomination of the Executive Committee. Municipal Directors shall be recommended for nomination by those Municipalities providing funding to, and served by, the Corporation.

C. For each Municipal Director serving at any time, the Board shall have one (1) At-Large Director, elected by the Board upon nomination by the Executive Committee with due regard for assembling on the Board a diversity of talents and backgrounds.

D. Unless otherwise determined by the Board, a Director shall serve for the longer of: a) three (3) years, or b) until the election and qualification of his or her successor.

E. A Director shall be eligible to serve no more than three (3) consecutive three-year terms (a partial term shall not be counted for purposes of this provision). A Director

who has served three consecutive 3-year terms shall be eligible for re-election after having been off the Board for at least one (1) year. The Board terms shall be staggered as much as possible so that approximately one-third (1/3) of the directors shall be elected annually. This rule shall take effect from and after the effective date of these Bylaws. No term of a Director that commenced prior to the effective date of these Bylaws shall be counted against the 3-term limit for that Director.

F. In addition to Municipal and At-Large Directors, the Executive Director of AT shall serve as a Director Ex Officio, but shall not be entitled to vote.

Section 3. **Annual Meeting.** The Annual Meeting of the Board shall be held in June or on such a date and at such a time and place as the Board of Directors shall determine. The business of the annual meeting may include, but not be limited to, the election of Directors, the election of officers, and the presentation of reports.

Section 4. **Regular Meetings.** Regular meetings of the Board shall be held at least two (2) times a year, in addition to the annual meeting, at a place and time to be decided upon by the Board during the Annual meeting. The Board may provide, by resolution, for a different time and place for regular meetings without further notice than by such resolution. Attendance at regular board meetings is imperative to conduct business related to the oversight of the Corporation. Any Director who misses two (2) regularly scheduled board meetings including annual meeting, over the course of one (1) year may be subject to removal following the process outlined in Section 11, Removal of Director. By prior arrangement with the President, a Director may participate in a regular meeting by telephone or other electronic means allowing all participants to hear each other.

Section 5. **Special Meetings.** Special meetings of the Board may be called by or at the request of the President or any two (2) Directors, and shall be held at such place and time as the President or Directors may determine. The person or persons calling a Special Meeting may call for the meeting to be conducted by telephone. By prior arrangement with the President, a Director may participate by telephone in a special meeting that is to be conducted in person, provided the Director so arranges with the person or persons calling the meeting.

Section 6. **Notice.** Notice of any meeting, regular or special, of the Board shall be given at least two (2) days previously thereto by telephone, email, or delivered personally to each director at his or her address as shown by the records of the Corporation.

Section 7. **Quorum.** A majority of the then-sitting Directors entitled to vote shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than a majority of the Directors is present at any meeting, a majority of the directors present may adjourn the meeting without further notice

Section 8. **Board Decisions**. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by law or by these Bylaws.

Section 9. **Action Without a Meeting**. Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting if the action is taken by unanimous consent of all Directors evidenced by one or more written consents describing the action taken, signed by each Director, and included with the minutes or filed with the records of the Corporation. Action taken by consents is effective when the last Director signs the consent, unless the consent specifies a different effective date. A signed consent has the effect of a meeting vote and may be described as such in any document. Consents may be transmitted electronically by email or other means, provided they bear sufficient evidence of the Director's signature.

Section 10. **Proxies**. At any regular, annual or special meeting of the Board, a Director entitled to vote may vote by telephone, or by proxy executed in writing, including email, by that director. The proxy must be limited to a specific issue, not general, and must be signed and delivered to the Secretary one (1) day before the meeting. The proxy shall not count toward a quorum.

Section 11. **Removal of Director**. Any Director may be removed from the Board by an affirmative vote of two-thirds (2/3) of all of its members entitled to vote. Such action may be taken at any regular meeting or any special meeting at which due notice of the proposed removal shall have been given to the Board members together with or as part of the notice of the meeting.

Such removal may be accomplished with or without cause, but the Director involved shall be given an opportunity to be present and to be heard at the meeting at which his or her removal is considered.

The removal of a Director may be initiated at a regular meeting of the Board members by a motion made at the meeting, at a special meeting, or by petition signed and submitted to the Secretary by not less than twenty-five percent (25%) of the voting Directors. More than one Director may be considered for removal under a single motion or by a single petition for removal, but vote on the motion of petition for removal shall be separate as to each Director.

Section 12. **Vacancies and New Directorships**. The Board may elect Directors to fill any vacancies on the Board, by majority vote of the Directors present and voting at a duly called meeting of the Board at which a quorum is present. The Board shall set a term of office for each Director at the time of his/her election, which may in no event exceed three (3) years.

Section 13. **Compensation**. No member of the Board (with the exception of the Ex Officio member) shall receive a salary or other compensation for his/her services

except for allowable expenses incurred in connection with official duties of a Director as defined in Board policy.

Section 14. **Responsibilities.** Each Director is expected to support the Corporation as follows:

1. be fully acquainted with AT's purpose, objectives, programs, and finances;
2. comply with all AT policies including the AT conflict of interest policy;
3. serve on at least one (1) standing committee; and
4. fulfill those additional duties and requirements as set out in these Bylaws.

ARTICLE IV

Officers

Section 1. **Officers.** The Officers of the Board shall be a President, Vice President, a Secretary, a Treasurer, Assistant Secretary, and such other Officers as may be elected or appointed by the Board, all of whom shall be Directors at all times they serve as officers except for the Assistant Secretary who may be the Executive Director.

Section 2. **Election and Term of Office.** The Officers of the Board are nominated by the Executive Committee and elected by an affirmative vote of a majority of members of the Board entitled to vote, and shall hold office for the longer of two (2) years or until their successors are elected or appointed and qualified. An officer may succeed himself/herself in the same office for two (2) additional terms. After being out of that office for at least one (1) term, a person may again be elected to that office. The same person may simultaneously occupy more than one office except for the President, who shall not hold either the office of Treasurer or Secretary.

Section 3. **Removal.** Any Officer elected or appointed by the Board may be removed by the Board by affirmative vote of two-thirds (2/3) of all of Directors entitled to vote whenever in its judgment the best interests of AT would be served thereby. The Officer involved shall be given an opportunity to be present and heard at the meeting at which his or her removal is considered.

Section 4. **Vacancies**. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the Board for the unexpired portion of the term.

Section 5. **Powers and Duties**.

A. **President**. The President of the Board shall be the Corporation's principal executive officer and shall have the following specific powers and duties:

1. To preside at all meetings of the Board and the Executive committees.
2. To appoint all committee chairs, except as otherwise provided in these Bylaws.
3. To see that all orders and resolutions of the Board are carried into effect.
4. To meet regularly with the Executive Director
5. From time to time to report to the Board of Directors all matters within his or her knowledge that in the best interest of AT should be brought to their attention.
6. In addition to the foregoing, the President shall have such other powers, duties and authority as may be set forth elsewhere in these Bylaws or as may be prescribed by the Board from time to time.

B. **Vice President**. The Board Vice President shall exercise the powers and perform the functions that from time to time are assigned by the President or the Board. The Vice President shall have the powers and shall exercise the duties of the President assigned to him or her by the Board whenever the President, by reason of illness or other disability or absence, is unable to act, and at other times when specifically directed by the President or the Board.

C. **Secretary**. The Board Secretary shall be the custodian of and shall maintain the AT books and records and shall be the recorder of all AT formal actions and transactions. The Secretary shall have the following specific powers and duties:

1. To record or supervise the proper recording of the minutes and transactions of all meetings of the Directors, and to maintain separate books at the principal office of AT, or such other place as the Board may order of all such meetings in the form and manner required by law.
2. To keep at the principal office, open to inspection by Directors at all reasonable times, the original or a certified copy of the Bylaws of the Corporation as amended or otherwise altered.
4. To attend to the giving and serving of all notices of the Corporation required by law or these Bylaws.

5. To attend to such correspondence and make such reports as may be assigned to him/her.

6. In addition to the foregoing, the Secretary shall have such other powers, duties, and authority as may be set forth elsewhere in these Bylaws and as may be prescribed from time to time by the President or the Board.

D. **Assistant Secretary**. The Assistant Secretary shall assist the Secretary and other Officers as requested.

E. **Treasurer**. The Treasurer shall oversee the financial affairs of the corporation, and shall perform all other duties incidental to the office or assigned by the Chair, by these Bylaws or by Board resolution. The Treasurer will serve as the Chair of the Finance Committee, and have the following specific powers and duties:

1. To keep and maintain, open to inspection by the President and any Director, at all reasonable times, adequate and correct accounts of the properties and business transactions of AT, which shall include all matters required by law and which shall be in form as required by law.

2. To ensure that the Corporation adopts, implements, and follows appropriate financial controls.

3. To render to the President and Secretary or to the Board whenever they may require it, an account of all transactions as Treasurer and a financial statement in form satisfactory to them, showing the condition of AT.

4. Working with AT staff, to prepare and present to the Board an annual budget.

5. In addition to the foregoing, the Treasurer shall have such other powers, duties and authority as may be set forth elsewhere in these Bylaws, and as may be prescribed from time to time by the President or the Board.

ARTICLE V

Executive Director

Section 1. The Board shall appoint an Executive Director (ED) who shall be responsible for the day-to-day operation of the corporation. The ED shall be an ex-officio member without vote of the Board and all Board committees and shall act as the duly

authorized representative of the Board in all matters except those which the Board has formally designated some other person or group to act. The duties of the ED shall include, but not be limited to, those outlined in the current ED job description.

ARTICLE VI

Committees and Policies

Section 1. Committees. The Board shall have the following Standing Committees. In addition, the Board, at its discretion, may constitute and appoint additional committees for such purpose and duration as the Board shall determine. Except for the Executive Committee, Committees may have, in addition to a majority of Director members, such other members as the Board shall designate, who shall serve for such terms as the Board shall specify. All committees shall have a Board member as chair. Committee members shall be appointed by the committee chair in collaboration with the Board President.

A. Executive Committee. The President, Vice President, Secretary, Treasurer, the Chairs of Standing Committees, immediate past President, and Executive Director shall constitute an Executive Committee, which shall be authorized to exercise the powers of the full Board between regular meetings of the Board when it is impractical, in the view of the President (or in the absence or unavailability of the President, a Vice-President), to call a special meeting of the Board. The immediate past President and Executive Director positions on the Executive Committee shall be non-voting. Any action taken by the Executive Committee shall be presented to the Board at its next regular or special meeting and shall be included in the minutes or other records of Board actions. The Executive Committee shall also function as the Board Compensation Committee and Governance Committee, with responsibility, for nominating board members and board officers, for maintaining the Corporate Bylaws and for evaluating and setting the compensation and benefits for the Executive Director.

B. Finance Committee. The Finance Committee, working with AT's staff, is responsible for development of AT's budget, and monitoring and adjustment of the budget during each year and from year to year. The Finance Committee interviews prospective audit firms and makes recommendations to the Board.

C. Personnel Committee. The Personnel Committee is responsible for policies and procedures related to employees, employee benefits and staff levels. The Committee makes recommendations to the Board.

D. **Program Planning and Evaluation Committee.** The Program Planning and Evaluation Committee establishes the strategic direction of the organization including the drafting and adoption of Advance Transit's Five-Year Transit Development Plan and its associated service designs. The Committee makes recommendations to the Board.

E. **Public Relations and Marketing Committee.** The Public Relations and Marketing Committee assists AT in meeting its goals and priorities through effective strategic communication, marketing and philanthropic initiatives. The Committee makes recommendations to the Board.

Section 2. **Policies.** The Board, in its discretion, may implement and adopt policies to further define the goals and operations of the Corporation including policies related to charitable giving, financial management, conflicts of interest, employee conduct and other policies related to matters pertinent to AT. Policies may be implemented, revoked or amended by the Board at any time in its sole discretion.

ARTICLE VII

Certificates of Shares

The Corporation has no shares and shall not issue share certificates.

ARTICLE VIII

Contracts, Checks, Deposits, Gifts and Expenditures

Section 1. **Contracts.** The Board may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of AT, and such authority may be general or may be confined to specific instances.

Section 2. **Checks, Drafts or Orders.** All checks, drafts or orders for the payment of money, notes or other evidence of indebtedness issued in the name of AT shall be signed by such officer or officers, agent or agents of AT and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such

determination by the Board, such instruments shall be signed by the Executive Director and countersigned by the President of the Board or Treasurer.

Section 3. **Deposits.** All AT funds shall be deposited from time to time to the credit of AT, in such banks, trust companies, or other depositories as the Board may select.

Section 4. **Gifts.** The Board may accept on behalf of AT any contribution, gift, bequest, or devise.

Section 5. **Approval of Expenditures.** Any proposed expenditure of \$100,000 or more, not included in the approved capital and/or operating budget, requires an affirmative vote of two-thirds (2/3) of the members of the Board entitled to vote, the notice of which has specified the details regarding the proposed expenditure.

ARTICLE IX

Books and Records

AT shall keep: (i) correct and complete books and records of accounts; (ii) minutes of the proceedings of its Board and committees; and (iii) at its principal office, a record giving the names and addresses of the Directors entitled to vote. All books and records of AT are open to inspection by a Director or his/her agent or attorney upon reasonable written request to the Executive Director or Board President.

ARTICLE X

Fiscal Year

The fiscal year of AT shall be from July 1 through June 30.

ARTICLE XI

Amendment of Bylaws

These Bylaws may be altered, amended or repealed, and new Bylaws may be adopted by: (1) a majority of the directors of the Board present at any regular meeting or at a special meeting, if at least seven (7) days' written notice is given to all directors of intention to alter, repeal, or adopt new Bylaws at such meeting, or (2) an affirmative vote at any regular meeting of two-thirds (2/3) of all of the directors of all of the Board entitled to vote.

ARTICLE XII

Conflicts of Interest and Pecuniary Benefit Transactions

The Directors, officers, members of standing and ad hoc committees and employees of AT have a responsibility to avoid conflicts of interest and the appearance of such conflicts, and to transact the affairs of AT honestly and economically in accordance with applicable laws and regulations and in a manner which promotes the best interests of AT. The Board has adopted a written conflicts of interest policy, which is appended to these Bylaws as Attachment A.

ARTICLE XIII

Waiver of Notice

Whenever any notice is required to be given under the provisions of Chapter 292 of the New Hampshire Revised Statutes Annotated or these Bylaws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIV

Dissolution

Upon the dissolution of the Corporation, the Board shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all the assets of the Corporation exclusively for the purposes of AT, in such manner or to such organization or organizations organized and operated exclusively for charitable, education, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law). Any such assets not so disposed of shall be disposed of by the Superior Court of the county in which the principal office of AT is then located, exclusively for such purposes or to such organization or organizations as said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE XV

Indemnification of Officers and Directors

Each officer, Director of the Corporation and member of a Board standing or ad hoc committee now or hereafter serving as such shall be indemnified by the Corporation against any and all claims and liabilities to which he or she has or shall become, by reason of serving or having served as such officer, Director or committee member, or by reason of any action alleged to have been taken, omitted, or neglected by him or her as such officer, Director or committee member; and the Corporation shall reimburse each such person for all legal expenses reasonably incurred by him or her in connection with any such claim or liability; provided, however, that no such person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of his or her own willful misconduct or gross negligence. The amount paid or reimbursed to any officer, Director or committee member by way of indemnification shall not exceed his or her actual, reasonable, and necessary expenses incurred in connection with the matter involved. The right of indemnification hereinabove provided for shall not be exclusive of any rights to which any officer, Director of the Corporation or committee member may otherwise be entitled by law.

ATTACHMENT A

Policy on Conflict of Interest and Pecuniary Benefit Transactions

Conflict of Interest and Pecuniary Benefit Transactions.

A. **General.** It shall be against the policy of the Corporation to have conflicts of interest with its directors, officers, members of standing or ad hoc committees, staff or members of their immediate families. A conflict of interest exists when there is a potential that an individual may obtain a direct or indirect pecuniary benefit, or any other improper gain or advantage, as a result of activities conducted on behalf of AT, or when actions advance a person's interests or those of another rather than the interests of AT, or when actions are adverse to the best interest of AT.

There exists between Advance Transit and its Board, officers, members of standing and ad hoc committees, and management employees a fiduciary duty. The Board, officers, committee members, and management employees have the responsibility of administering the affairs of Advance Transit honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of Advance Transit. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with Advance Transit or knowledge gained from their position for their personal benefit. The interests of the organization must have the first priority in all decisions and actions.

B. **Annual Questionnaire.** Each Director, Board committee member, the Executive Director, and all employees of AT designated by the President, shall annually complete a questionnaire to provide information on their related entities and persons and business activities and those of their immediate families as defined by statute, and such questionnaire shall be reviewed by the President and Secretary and kept on file at the office of the Corporation.

C. **Pecuniary Benefit Transactions.** In the event of a pecuniary benefit transaction as defined by New Hampshire law in RSA 7:19-a, it shall be the policy of the corporation to follow the statute. In the event the corporation or any director becomes aware of any potential pecuniary benefit transaction as defined by law, the corporation shall follow the procedures prescribed by law and give notice of the transaction to the full board with notice of its next meeting. At the meeting, the board shall vote on whether the pecuniary benefit transaction is in the best interest of the corporation, after full explanation thereof and without the director being present and without any director who has had a pecuniary benefit transaction within the fiscal year being present. If two-thirds of the entire board shall vote that the pecuniary benefit transaction is in the best interest of the corporation, the transaction shall be allowed. Notice of any such pecuniary benefit transaction the value of which is \$5000 or more shall be published according to statute. Notice of all pecuniary benefit transactions shall be given to the Director of

Charitable Trusts of the State of New Hampshire annually, and individually for those transactions exceeding \$5000.

D. Disclosure of Conflicts of Interest.

1. Individuals covered by this policy have a duty to voluntarily disclose any potential conflict of interest prior to assuming their responsibilities or at the time the potential conflict arises. Further, those individuals have a duty to annually disclose potential or actual conflicts to the Board. Immediate family members are also included for disclosure purposes. Immediate family members are defined as: spouse, child, parent, sibling, and any person living in the same household as persons with responsibilities to transact the affairs of AT. Any possible conflict of interest on the part of any director, officer, Board committee member, employee or selected volunteer of AT shall be disclosed in writing to the Board and made a matter of record through the annual procedure set out in the conflicts of interest policy and also when the interest involves a specific issue or transaction before the Board.

2. The Board will comply with all the requirements of New Hampshire law with respect to conflicts of interest, including but not limited to:

(i) the requirement of a two-thirds (2/3) vote of disinterested directors when the financial benefit to the director or officer is \$500 or more in a fiscal year,

(ii) the advance notice requirements when the benefit exceeds \$5,000 in a fiscal year,

(iii) the limitations on participation by the affected director, officer, Board committee member, employee or selected volunteer of AT in the decision of the Board,

and

(iv) the requirement to create a record of the action in the minutes.

D. Role of the Executive Committee. The Executive Committee shall review the conflicts of interest policy at least annually and oversee the Conflict of Interest disclosure process assuring that individuals covered by this policy are informed of its disclosure requirements consistent with applicable laws. The Executive Committee shall annually conduct a comprehensive survey of the individuals covered by this policy and analyze other relevant information which may provide information that a potential or actual conflict of interest exists. The Executive Committee will then report the results of this process to the Board.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
7/8/2024

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
Hickok & Boardman Insurance Group
346 Shelburne Rd
Burlington, VT 05401

CONTACT NAME: Melissa Kavanagh
PHONE (A/C, No, Ext): (802) 383-1621 **FAX (A/C, No):** (802) 658-0541
E-MAIL ADDRESS: mkavanagh@acrisure.com

INSURED
Advance Transit, Inc.
PO Box 1027
Wilder, VT 05088

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Continental Western Insurance	10804
INSURER B : Acadia Insurance Company	31325
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDITIONAL INSURED	SUBROGATION	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC OTHER:	X		CPA 5153286 - 20	7/1/2024	7/1/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Per occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			CAA 5474531 - 13	7/1/2024	7/1/2025	COMBINED SINGLE LIMIT (Per accident) \$ 5,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			CUA 5474532 - 13	7/1/2024	7/1/2025	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	WCA 5153288 - 20	7/1/2024	7/1/2025	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Additional Insured status applies for The New Hampshire Department of Transportation on the General Liability policy per terms and conditions of attached form CG 2010 04/13.

CERTIFICATE HOLDER
New Hampshire Department of Transportation
Bureau of Rail and Transit
PO Box 483
Concord, NH 03302

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
J. Dan Smith

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
ON FILE WITH THE COMPANY	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – SCHEDULED PERSON OR
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
ON FILE WITH THE COMPANY	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

FEDERAL FISCAL YEAR 2024 CERTIFICATIONS AND ASSURANCES FOR FTA ASSISTANCE PROGRAMS

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

Name of Applicant: ADVANCE TRANSIT, INC.

The Applicant certifies to the applicable provisions of all categories: (check here)

Or.

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

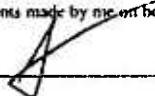
Category	Certification
01 Certifications and Assurances Required of Every Applicant	_____
02 Public Transportation Agency Safety Plans	_____
03 Tax Liability and Felony Convictions	_____
04 Lobbying	_____
05 Private Sector Protections	_____
06 Transit Asset Management Plan	_____
07 Rolling Stock Buy 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	_____

Certifications and Assurances

Fiscal Year 2024

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



Date:

3-17-2024

Name

ADAMS CARROLL

Authorized Representative of Applicant

FFY 2024 MASTER AGREEMENT

ACKNOWLEDGEMENT OF RECEIPT

The Federal Transit Administration (FTA) Federal Fiscal Year 2024 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 2024 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.

ADVANCE TRANSIT, INC.

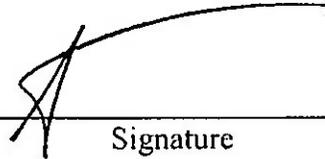
Name of Agency

JUNE 12, 2024

Date

ADAMS CARROLL

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: Advance Transit, Inc.

Advance Transit, 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: \$330,200

Catalog of Federal Domestic Assistance (CFDA) number: 20.509

FTA Award Name: **FTA SECTION 5311 (RURAL) PUBLIC TRANSPORTATION PROJECT SOLICITATION**

Federal Award Identification Number (FAIN): NH-2021-017

Federal Award Date: 9/8/22

Contact information for sub-awarding official:

Name: Fred J. Butler Title: Public Transportation Administrator

Email: Frederick.J.Butler@dot.nh.gov Phone: 603-271-2565

Is this award for research and development? No

NHDOT's cost rate for the federal award: N/A

Subrecipient Information:

Subrecipient Name: *Advance Transit, Inc.*

Subrecipient SAM.GOV I.D.: XRDYJ3TWITZ5

Name of authorizing subrecipient official: Adams Carroll

Title of authorizing subrecipient official: Executive Director

Federal Clauses: N/A

Master Agreement/Certifications and Assurances: Yes

Subrecipient Federal indirect cost rate: N/A

(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: 6/14/23 End Date: 6/30/25

edon

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THE STATE OF NEW HAMPSHIRE DEPARTMENT OF TRANSPORTATION



G&C #73 Date 6/14/23

73

William Cass, P.E. Commissioner

David Rodrigue, P.E. Assistant Commissioner Andre Briere, Colonel, USAF (RET) Deputy Commissioner

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

Bureau of Rail & Transit April 28, 2023

REQUESTED ACTION

Authorize the Department of Transportation to enter into an agreement with Advance Transit, Inc. (Vendor 166573), Wilder, Vermont, for an amount not to exceed \$6,404,000 for public transportation services for the period July 1, 2023 through June 30, 2025, effective upon Governor and Council approval. 100% Federal Funds.

Funding for this agreement is contingent upon the availability of funds in Fiscal Year 2024 and Fiscal Year 2025, with the ability to adjust encumbrances through the Budget Office between State Fiscal Years if needed and justified.

	<u>FY 2024</u>	<u>FY 2025</u>
04-96-96-964010-2916 Public Transportation 072-500575 Grants to Non-Profits-Federal	\$3,202,000	\$3,202,000

EXPLANATION

Advance Transit, Inc. has been awarded Federal Transit Administration (FTA) Section 5311 Rural Area Formula Program funds (Section 5311) in the amount of \$6,404,000 to provide public transit service in the Hanover-Lebanon area. FTA Section 5311 support eligible operating and capital expenses.

Advance Transit, Inc. is a private, non-profit organization that provides rural public transportation in the Upper Valley region of New Hampshire and Vermont. Each state's share of Advance Transit's funding is based on a Memorandum of Understanding (MOU) signed by the transit system and the two states and has been in effect since September 30, 1993. For the FY 2024-2025 biennium, Advance Transit will receive \$6,404,000 of Section 5311 funds. Details relative to the 5311-funding program and Advance Transit's award of these funds are outlined below.

The Department's proposed SFY 2024 and 2025 operating budget includes funds from 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 February 16, 2023, announcing the availability of Section 5311 funds. Applications for requested funding were due on March 21, 2023. The Department received

applications for six (6) rural public transit systems and awarded funding to each transportation system. The systems and their respective application scores are as follows:

Transit System	Applicant	Average Score
Concord Area Transit	Community Action Program Belknap-Merrimack Counties, Inc. (existing services)	83%
Advance Transit	Advance Transit, Inc. (existing services)	81%
City Express	VNA at Home Healthcare, Hospice & Community Services (existing services)	76%
Sullivan County Transportation	Southwestern Community Services (existing services)	76%
North Country Transit	Tri-County Community Action Program (existing services)	74%
Advance Transit	Advance Transit, Inc. (expansion – evening services)	73%
Advance Transit	Advance Transit, Inc. (expansion – Saturday services)	73%
Carroll County Transit	Tri-County Community Action Program (existing services)	72%

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

Evaluation Criteria		Weight
1	The proposed service effectively addresses an NHDOT policy goal (per statewide transit study) and/or the proposed service is a continuation of existing services.	15%
2	The applicant has the fiscal and technical capacity and adequate budget to operate its service and demonstrates successful experience in providing transportation services.	30%
3	The application demonstrates an effort to involve the private sector in the delivery of transportation services as well as involvement in and support for the project, financial and otherwise, on the part of citizens and local government.	20%
4	The applicant successfully demonstrates service efficiency and effectiveness, measured in ridership, service miles and hours, costs, and fare recovery as applicable. New applicants must demonstrate the ability to measure performance and achieve goals.	15%
5	The application shows coordination with other transportation providers in the service area: public, nonprofit, and for-profit.	10%
6	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 2024-2025 public transit funding plan and will be awarded separate amounts for the aforementioned transit systems.

Advance Transit, Inc. will provide the remaining required non-federal matching funds. In the event that Federal Funds become unavailable, general funds will not be requested to support this program.

The Agreement has been approved by the Attorney General as to form and execution and the Department will verify the necessary funds are available pending enactment of the Fiscal Year 2024 and 2025 budget. Copies of the fully executed Agreement are on file at the Secretary of State's Office and the Department of Administrative Services, and subsequent to Governor and Council approval will be on file at the Department of Transportation.

Your approval of this resolution is respectfully requested.

Sincerely,

A handwritten signature in cursive script that reads "William Cass".

William Cass, P.E.
Commissioner

Attachments

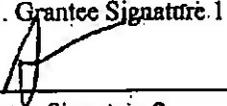
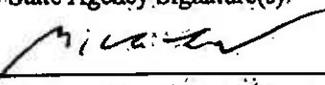
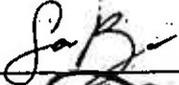
Subject: SFY 2024 - 2025 FTA Section 5311

GRANT AGREEMENT

The State of New Hampshire and the Grantee hereby Mutually agree as follows:

GENERAL PROVISIONS

1. Identification and Definitions.

1.1. State Agency Name NH Department of Transportation		1.2. State Agency Address PO Box 483 & Hazen Dr. Concord, NH 03302-0483	
1.3. Grantee Name Advance Translt, Inc.		1.4. Grantee Address 120 Billings Farm Road, PO Box 1027 Wilder, VT 05088-1027	
1.5. Grantee Phone # 802-295-1824 x 201	1.6. Account Number 04-96-96-964010-2916-0 72-500575	1.7. Completion Date June 30, 2025	1.8. Grant Limitation \$6,404,000
1.9. Grant Officer for State Agency Frederick Butler, Public Transportation Administrator, Bureau of Rail & Transit		1.10. State Agency Telephone Number 603-271-2565	
If Grantee is a municipality or village district: "By signing this form we certify that we have complied with any public meeting requirement for acceptance of this grant, including if applicable RSA 31:95-b."			
1.11. Grantee Signature 1 		1.12. Name & Title of Grantee Signor 1 ADAMS CARROLL, EXECUTIVE DIRECTOR	
Grantee Signature 2 N/A		Name & Title of Grantee Signor 2 N/A	
Grantee Signature 3 N/A		Name & Title of Grantee Signor 3 N/A	
1.13. State Agency Signature(s) 		1.14. Name & Title of State Agency Signor(s) Michael C. Winters Director of Aeronautics, Rail & Transit	
1.15. Approval by Attorney General (Form, Substance and Execution) (if G & C approval required) By:  Assistant Attorney General, On: 5/17/23			
1.16. Approval by Governor and Council (if applicable) By:  SECRETARY OF STATE On: JUN 14 2023			

2. SCOPE OF WORK: In exchange for grant funds provided by the State of New Hampshire, acting through the Agency identified in block 1.1 (hereinafter referred to as "the State"), the Grantee identified in block 1.3 (hereinafter referred to as "the Grantee"), shall perform that work identified and more particularly described in the scope of work attached hereto as EXHIBIT B (the scope of work being hereinafter referred to as "the Project").

3. **AREA COVERED.** Except as otherwise specifically provided for herein, the Grantee shall perform the Project in, and with respect to, the State of New Hampshire.
4. **EFFECTIVE DATE; COMPLETION OF PROJECT.**
- 4.1. This Agreement, and all obligations of the parties hereunder, shall become effective on the date of approval of this Agreement by the Governor and Council of the State of New Hampshire if required (block 1.16), or upon signature by the State Agency as shown in block 1.14 ("the Effective Date").
- 4.2. Except as otherwise specifically provided herein, the Project, including all reports required by this Agreement, shall be completed in ITS entirety prior to the date in block 1.7 (hereinafter referred to as "the Completion Date").
5. **GRANT AMOUNT; LIMITATION ON AMOUNT; VOUCHERS; PAYMENT.**
- 5.1. The Grant Amount is identified and more particularly described in EXHIBIT C, attached hereto.
- 5.2. The manner of, and schedule of payment shall be as set forth in EXHIBIT C.
- 5.3. In accordance with the provisions set forth in EXHIBIT C, and in consideration of the satisfactory performance of the Project, as determined by the State, and as limited by subparagraph 5.5 of these general provisions, the State shall pay the Grantee the Grant Amount. The State shall withhold from the amount otherwise payable to the Grantee under this subparagraph 5.3 those sums required, or permitted, to be withheld pursuant to N.H. RSA 80:7 through 7-c.
- 5.4. The payment by the State of the Grant amount shall be the only, and the complete, payment to the Grantee for all expenses, of whatever nature, incurred by the Grantee in the performance hereof, and shall be the only, and the complete, compensation to the Grantee for the Project. The State shall have no liabilities to the Grantee other than the Grant Amount.
- 5.5. Notwithstanding anything 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 Grant limitation set forth in block 1.8 of these general provisions.
6. **COMPLIANCE BY GRANTEE WITH LAWS AND REGULATIONS.** In connection with the performance of the Project, the Grantee shall comply with all statutes, laws regulations, and orders of federal, state, county, or municipal authorities which shall impose any obligations or duty upon the Grantee, including the acquisition of any and all necessary permits and RSA 31-95-b.
7. **RECORDS and ACCOUNTS.**
- 7.1. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency, the Grantee shall keep detailed accounts of all expenses incurred in connection with the Project, including, but not limited to, costs of administration, transportation, insurance, telephone calls, and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents.
- 7.2. Between the Effective Date and the date seven (7) years after the Completion Date, unless otherwise required by the grant terms or the Agency pursuant to subparagraph 7.1, at any time during the Grantee's normal business hours, and as often as the State shall demand, the Grantee shall make available to the State all records pertaining to matters covered by this Agreement. The Grantee shall permit the State to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, data (as that term is hereinafter defined), and other information relating to all matters covered by this Agreement. All persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Grantee in block 1.3 of these provisions
8. **PERSONNEL.**
- 8.1. The Grantee shall, at its own expense, provide all personnel necessary to perform the Project. The Grantee warrants that all personnel engaged in the Project shall be qualified to perform such Project, and shall be properly licensed and authorized to perform such Project under all applicable laws.
- 8.2. The Grantee shall not hire, and it shall not permit any subcontractor, subgrantee, or other person, firm or corporation with whom it is engaged in a combined effort to perform the Project, to hire any person who has a contractual relationship with the State; or who is a State officer or employee, elected or appointed.
- 8.3. The Grant Officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement by the Grant Officer, and his/her decision on any dispute, shall be final.
9. **DATA; RETENTION OF DATA; ACCESS.**
- 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, paper, and documents, all whether finished or unfinished.
- 9.2. Between the Effective Date and the Completion Date the Grantee shall grant to the State, or any person designated by it, unrestricted access to all data for examination, duplication, publication, translation, sale, disposal, or for any other purpose whatsoever.
- 9.3. No data shall be subject to copyright in the United States or any other country by anyone other than the State.
- 9.4. On and after the Effective Date 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, whichever shall first occur.
- 9.5. The State, and anyone it shall designate, shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, all data.
10. **CONDITIONAL NATURE OF AGREEMENT.** Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability or continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available or appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Grantee notice of such termination.
11. **EVENT OF DEFAULT; REMEDIES.**
- 11.1. Any one or more of the following acts or omissions of the Grantee shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):
- 11.1.1 Failure to perform the Project satisfactorily or on schedule; or
- 11.1.2 Failure to submit any report required hereunder; or
- 11.1.3 Failure to maintain, or permit access to, the records required hereunder; or
- 11.1.4 Failure to perform any of the other covenants and conditions of this Agreement.
- 11.2. Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
- 11.2.1 Give the Grantee a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Grantee notice of termination; and
- 11.2.2 Give the Grantee 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 Grant Amount which would otherwise accrue to the Grantee during the period from the date of such notice until such time as the State determines that the Grantee has cured the Event of Default shall never be paid to the Grantee; and
- 11.2.3 Set off against any other obligation the State may owe to the Grantee any damages the State suffers by reason of any Event of Default; and
- 11.2.4 Treat the agreement as breached and pursue any of its remedies at law or in equity, or both.
12. **TERMINATION.**
- 12.1. In the event of any early termination of this Agreement for any reason other than the completion of the Project, the Grantee shall deliver to the Grant Officer, not later than fifteen (15) days after the date of termination, a report (hereinafter referred to as the "Termination Report") describing in detail all Project Work performed, and the Grant Amount earned, to and including the date of termination. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall entitle the Grantee to receive that portion of the Grant amount earned to and including the date of termination.
- 12.2. In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall in no event relieve the Grantee from any and all liability for damages sustained or incurred by the State as a result of the Grantee's breach of its obligations hereunder.
- 12.3. Notwithstanding anything in this Agreement to the contrary, either the State or, except where notice of default has been given to the Grantee hereunder, the Grantee, may terminate this Agreement without cause upon thirty (30) days written notice.
13. **CONFLICT OF INTEREST.** No officer, member of day of the Grantee, and no representative, officer or employee of the State of New Hampshire or of the governing body of the locality or localities in which the Project is to be performed, who exercises any functions or responsibilities in the review or

- approval of the undertaking or carrying out of such Project, shall participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested, nor shall he or she have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.
14. **GRANTEE'S RELATION TO THE STATE.** In the performance of this Agreement the Grantee, its employees, and any subcontractor or subgrantee of the Grantee are in all respects independent contractors, and are neither agents nor employees of the State. Neither the Grantee nor any of its officers, employees, agents, members, subcontractors or subgrantees, shall have authority to bind the State, nor are they entitled to any of the benefits, workmen's compensation or emoluments provided by the State to its employees.
15. **ASSIGNMENT AND SUBCONTRACTS.** The Grantee shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State. None of the Project Work shall be subcontracted or subgranted by the Grantee other than as set forth in Exhibit B without the prior written consent of the State.
16. **INDEMNIFICATION.** The Grantee shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based on, resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Grantee or subcontractor, or subgrantee or other agent of the Grantee. 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 shall survive the termination of this agreement.
17. **INSURANCE.**
- 17.1 The Grantee shall, at its own expense, obtain and maintain in force, or shall require any subcontractor, subgrantee or assignee performing Project work to obtain and maintain in force, both for the benefit of the State, the following insurance:
- 17.1.1 Statutory workers' compensation and employees liability insurance for all employees engaged in the performance of the Project, and
- 17.1.2 General liability insurance against all claims of bodily injuries, death or property damage, in amounts not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury or death any one incident, and \$500,000 for property damage in any one incident; and
- 17.2. The policies described in subparagraph 17.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Grantee shall furnish to the State, certificates 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.
18. **WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event, or any subsequent Event. No express waiver of any Event of Default shall be deemed a waiver of any provisions hereof. No such failure of waiver 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 default on the part of the Grantee.
19. **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 first above given.
20. **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 Council of the State of New Hampshire, if required or by the signing State Agency.
21. **CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the law 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 captions and contents of the "subject" blank are used only as a matter of convenience, and are not to be considered a part of this Agreement or to be used in determining the intent of the parties hereto.
22. **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.
23. **ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings relating hereto.
24. **SPECIAL PROVISIONS.** The additional or modifying provisions set forth in Exhibit A hereto are incorporated as part of this agreement.

**ADVANCE TRANSIT, 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 5311

Social Service Documents to Include:

501 (c)

Financial Report

Board of Directors

Key Personnel and Salaries

Resumes

ADVANCE TRANSIT, INC.
EXHIBIT A
SPECIAL PROVISIONS

4-28-2023

- A.1. Amend G-1 Section 2. "SCOPE OF WORK" by adding the following:
- 2.1. The Grantee may change services as described in Exhibit B, Scope of Services (hereinafter the "Services") only with the prior written agreement of the State and in accordance with applicable Federal Transit Administration (FTA) requirements.
- A.2. Amend G-1 Section 3. "AREA COVERED" by adding the following:
- 3.1. Services may extend to adjacent states with prior written approval from the State. The State reserves the right to require formal cost allocation measures.
- A.3. Amend G-1 Section 5. "GRANT AMOUNT: LIMITATION ON AMOUNT: VOUCHERS: PAYMENT" by adding the following:
- 5.6. As applicable based on Federal participation ratios, the amount paid by the State to the Grantee 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 C. The Grantee shall provide and document the availability of local funds sufficient to meet the project cost in excess of the Grant Price Limitation.
 - 5.7. 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.
 - 5.8. The Grantee 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.
 - 5.9. 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 Grantee shall produce) and inspect any documents and records described in Section 7.
 - 5.10. 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 Grantee and shall pay said amount, subject to other provisions of this Agreement.
 - 5.11. Final Payment. The Grantee's provision of all reports required under this Agreement is a condition precedent to final payment.
- A.4. Amend G-1 Section 6. "COMPLIANCE BY GRANTEE WITH LAWS AND REGULATIONS" by adding the following:
- 6.1. The Grantee shall post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of the Federal Title VI non-discrimination requirements.
 - 6.2. The Grantee 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,

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sex, or national origin.

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

A.5. Amend G-1 Section 12. "TERMINATION" by adding the following:

12.5. The Termination Report must be approved by the State and the Federal Transit Administration (FTA) prior to final payment.

12.6. Completion of Services; Payment of Price. Excepting those obligations of the Grantee 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 Grant Price, this Agreement, and all obligations of the parties hereunder, shall cease and neither party shall have further recourse under the Agreement.

A.6. Amend G-1 Section 9. "DATA; RETENTION OF DATA; ACCESS" by adding the following:

9.6. The following restrictions apply to all subject data first produced in the performance of this Agreement:

9.6.1 Except for its own internal use, the Grantee may not publish or reproduce such data in whole or in part, or in any manner or form, nor may the Grantee 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.

9.6.2 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 grant, 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.

9.7. It is the FTA's intent to increase the body of mass transportation knowledge. Therefore, the Grantee understands and agrees that in addition to the rights set forth in 9.6 (b) above, the FTA may make available to any recipient, subgrantee, grantee or subgrantee its license in the copyright to the date derived under this Agreement or a copy of the data first produced under this Agreement.

9.8. The Grantee 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.

9.9. 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.

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

9.11. In the event that the project is not completed for any reason, all data developed under the project

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shall become subject Data as defined in Section 9.1 and shall be delivered as the State or the FTA may direct.

A.7. Amend G-1 Section 15. "ASSIGNMENTS/AND/SUBGRANTEES" by adding the following:

15.1 The Grantee shall cause the provisions of this grant to be inserted in all subgrants for any work covered by this Agreement so that the provisions will be binding on each subgrantee; provided, however, that the foregoing provisions shall not apply to subgrantees for standard commercial supplies or raw materials. The Grantee shall take such action with respect to any subgrant as the State may direct as a means of enforcing such provisions, including sanctions for noncompliance. The Grantee shall ensure that any subgrantee has obtained all licenses, permits or approvals required for the performance of grant Services.

A.8. Amend G-1 by adding "DEFINITIONS" as Section 25:

25. DEFINITIONS

ALLOWABLE COSTS: Costs that are incurred in the performance of the Services 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 Grant as modified and approved by the State.

REVENUE: Fares from individuals or other direct income for the public transportation services being provided by the Grantee. Revenues also include funds from subgrants, contracts, purchase of service agreements, 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 G-1 by adding "ACCOUNTING, BOOKKEEPING AND REPORTING REQUIREMENTS" as Section 26:

26. ACCOUNTING, BOOKKEEPING AND REPORTING REQUIREMENTS

26.1. **Ledgers.** Grantee and/or subgrantee shall establish and maintain ledger sheets for each budget category. Entries shall be made and shall reflect the financial activities of the Grantee. 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 Grant 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. Grantee shall also prepare and submit to the State a profit and loss statement quarterly if such information is not provided with invoices.

26.2. **Accounts Receivable.** The Grantee and/or subgrantee shall deposit all revenue in an interest-bearing account with a banking institution in this State. Grantee shall prepare and maintain receipt vouchers for all revenue. Immediately upon receipt, Grantee and/or subgrantee shall credit all revenue to the appropriate receipt account. Grantee and/or subgrantee 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.

- 26.3. **Payables.** Grantee and/or subgrantee 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 Grantee shall be checked for accuracy and allowability. Each invoice must be approved for payment by the Grant Manager or designee. Immediately upon payment, Grantee and/or subgrantee shall make entries to the appropriate ledger sheets documenting payment. (Each subgrantee shall identify a Grant Manager).
- 26.4. **Voucher and Receipt Register.** Grantee and/or subgrantee 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.
- 26.5. **Check Register.** Grantee and/or subgrantee shall maintain a check register. This register is also considered a book of original entry and is posted to the ledger immediately.
- 26.6. **Time Sheet, Taxes, and Benefits.** Grantee and/or subgrantee 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 Grantee shall summarize time reports by task and apply employee's rates of pay to the hours worked. The Grant Manager shall review completed and signed time reports and cause them to be posted to the appropriate category in the general ledger. The Grantee shall maintain records of employee payroll and benefits and shall post this information to the appropriate category in the general ledger. The Grant Manager shall ensure that all payments are on a timely basis.
- 26.7. **Reimbursements.** On a monthly basis, the Grantee shall submit a description of Grant activities, in a format as required by the State. Should the Grantee show a profit for any month, the Grantee shall apply the amount of profit against subsequent reimbursement requests. The Grantee 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.
- 26.8. **Maintenance of Records.** The Grantee shall keep and maintain the records, documents, and accounts described herein for a period of three years after the FTA grant is closed. The Grantee shall maintain, and make available to the State and the FTA, records relating to complaints and comments received from the public. In the event the State disputes the Grantee's operations or records as submitted for payment or otherwise, final resolution shall rest with the State.
- 26.9. **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 Grantee's normal business hours, and as often as the State or the FTA may demand, the Grantee shall make available to the State and the FTA or their designees all records pertaining to matters covered by this Agreement. The Grantee shall permit the State and the FTA to audit, examine, and reproduce such records, and to make audits of all contracts, grants, invoices, materials, payrolls, records of personnel, Data (as defined in G-1 section 9.1) and other information relating to all matters covered by this Agreement. As used in this paragraph, "Grantee" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Grantee in 1.3 of G-1.
- 26.10. **Independent Audit.** The Grantee 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.

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Monies required for payment of the audit shall be set aside in the Grant Budget for that specific purpose.

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

26.11. The Grantee 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.

26.12. **General Transit Feed Specification (GTFS).** The Grantee shall generate and keep updated General Transit Feed Specification (GTFS) data and submit related data for reporting to the National Transit Database (NTD) as required. The Grantee shall submit related data to the State upon request.

A.10. Amend G-1 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 Grantee:

27.1. 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.

27.2. All vehicles shall be purchased by the State unless the Grantee has received prior approval from the State to procure vehicles.

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

27.4. Title to all project equipment funded or otherwise provided by the Grantee shall be in the name of the Grantee; provided, however, that the Grantee 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 Grantee 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.

27.5. In the event that this Agreement is terminated, all project equipment and property become 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 unless written approval is received from the State.

A.11. Amend G-1 by adding "EQUIPMENT CERTIFICATION" as section 28:

28. **EQUIPMENT CERTIFICATION.** The Grantee shall maintain a current inventory listing of all Project Equipment and Real Property involved in this Agreement. The Grantee shall submit to the State a certification that the Project Equipment and Real Property as referenced in Section 27, is still being used in accordance with the terms of the Agreement. The inventory listing and equipment certification shall be supplied to the State on an annual basis beginning June 30, 2024.

A.12. Amend G-1 by adding "EQUIPMENT MAINTENANCE" as section 29:

29. **EQUIPMENT MAINTENANCE.** The Grantee shall be responsible for the maintenance

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and repair of all equipment used in the Services described in Exhibit D. The Grantee shall maintain all such equipment at a high level of cleanliness, safety, and mechanical soundness. The Grantee 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 Grantee's Board of Directors. All maintenance, repair and physical improvement activities on equipment shall be conducted by the Grantee and at a location specified by the Grantee. The Grantee shall notify the State of any changes in this location. The Grantee further agrees to maintain, repair, or make any physical improvement to equipment as requested by the State. The State, the 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 G-1 by adding "REPAIR RECORDS AND REPORTS" as section 30:

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

A.14. Amend G-1 by adding "VEHICLE STORAGE" as section 31:

31. **VEHICLE STORAGE** As applicable, with respect to any motor vehicles purchased in whole or part under this Agreement, or maintained under this Agreement, the Grantee shall park or garage each vehicle so as to ensure maximum available protection and safety for each vehicle. The Grantee 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 Grantee shall notify the State of the location of the parking or garaging site and any relocation.

A.15. Amend G-1 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 grant 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 Grantee 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 G-1 by adding "SAFETY REQUIREMENTS" as section 33:

33. **SAFETY REQUIREMENTS.** As applicable, 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.
- 33.1. As applicable, the Grantee shall provide the State with full, and prompt written notification of any accident involving any vehicle used in its Services. In addition, the Grantee shall be responsible to report any accident in compliance with State law.
- 33.2. The Grantee 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.

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Revised 04/18/2023

33.3. The Grantee 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 G-1 by adding "SERVICE LIMITATIONS" as section 34:

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

A.18. Amend G-1 by adding "GRANTEE REPRESENTATIONS" as section 35:

35. GRANTEE REPRESENTATIONS. The Grantee 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 Grantee 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 G-1 by adding "LABOR PROVISIONS" as section 36:

36. LABOR PROVISIONS. The Grantee agrees to adhere to the terms and conditions of the Unified Protective Arrangement; Section 5333(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 B.

A.20. Amend G-1 by adding "PATENT RIGHTS" as section 37:

37. PATENT RIGHTS. If any invention, improvement, or discovery of the Grantee is conceived or first actually reduced to practice in the course of or under this grant, which invention, improvement or discovery may be patentable under the laws of the United States or any foreign country, the Grantee shall immediately notify the State and provide a detailed report. The rights and responsibilities of the Grantee 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 G-1 by adding "BROKERAGE REPRESENTATION" as section 38:

38. BROKERAGE REPRESENTATION. The Grantee warrants that it has not employed or retained any company or person, other than a bona-fide employee working solely for the Grantee, 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 Grantee, 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.

ADVANCE TRANSIT, INC.
EXHIBIT B
SCOPE OF SERVICES

1. The Grantee, Advance Transit Inc., (hereinafter the "Grantee") shall provide the following public transit service(s):
 - a. Fixed route, demand-responsive, and/or route deviation public transit services in the Greater Hanover-Lebanon area as detailed in the "Project Description" of the Grantee's application to the New Hampshire Department of Transportation, Bureau of Rail and Transit (hereinafter "the State") for Federal Transit Administration (FTA) Section 5311 funding. The Grantee's application is hereby incorporated by reference and made part of this agreement.
2. The following terms and conditions apply to all of the public transit services provided by Grantee pursuant to this agreement:
 - a. The State may require the Grantee to provide additional transportation services or to reduce transportation services provided under this Grant. Any alterations to such transportation services shall be submitted in writing by the State to the Grantee. The Grantee shall implement the alterations within thirty (30) days unless a different timeframe is agreed to by the State and the Grantee.
 - b. The Grantee may request to revise transportation services, as submitted in the Grantee's grant application to the State, to add, reduce, or adjust transportation services provided under this Grant. Any alterations to such transportation services, including alterations for the provision of service to special events, shall be requested in writing by the Grantee to the State 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 State, the Grantee shall implement any alterations within thirty (30) days unless a different timeframe is agreed to by the State and the Grantee.
 - c. The Grantee shall not change, add, or delete any route or make any fare, service, or operating schedule adjustments without the prior written agreement of the State, except in an emergency situation. In such an emergency, the Grantee shall notify the State 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 State 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 State requirements.

**ADVANCE TRANSIT, INC.
EXHIBIT C
BUDGET**

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

	SFY 2024	SFY 2025
FTA Section 5311		
Administration	\$917,000	\$917,000
Capital Preventive Maintenance	\$650,000	\$650,000
Capital ADA	\$325,000	\$325,000
Operating	\$1,310,000	\$1,310,000
Total FTA Section 5311 Funds	\$3,202,000	\$3,202,000
Total Two-Year Contract Funds	\$6,404,000	

- a. Funds are contingent upon Federal and State appropriations.
- II. Not less than fourteen days prior to the submission of the Grantee's first request for FTA reimbursement, the Grantee shall submit to the State a budget incorporating all funds to be expended in the provision of services pursuant to this Grant. Budget revisions may be made with written approval of the State.
- III. The Grantee may seek reimbursement only for eligible expenses listed in the budget and detail-of-cost form provided by the State, with the exception of funds specifically reserved, if any, and identified in "Specifically Programmed Funds," at the end of this Exhibit.
- IV. The Grantee shall submit appropriate procurement documentation to the State for review and approval prior to any capital procurement. Upon approval, the Grantee may proceed with the procurement and submit an invoice to the State for reimbursement of project expenses in compliance with Federal guidance, including FTA Third Party Procurement guidelines and FTA Circular 4220.1F or most recent.
- V. At the sole discretion of the State, the Grantee may carry forward any unexpended portion of the federal funds included in the Grant Price to a subsequent Grant, if any, between the State and the Grantee.

**ADVANCE TRANSIT, INC.
EXHIBIT D
VEHICLE LIST**

Transit Vehicles: 25

2019 LOW FLOOR DIESEL	15GGE2714K3093514
2011 Gillig Hybrid LLC Bus	15GGB3016B1176561
2011 Gillig Hybrid LLC Bus	15GGB3014B1176560
2012 Gillig 35' Low Floor Hybrid Bus	15GGB3012C1180088
2014 Eldorado National Aerotech 240	1GB6G6BL7E1128919
2016 Gillig 35' Low Floor Hybrid Bus	15GGB2716G1187034
2016 Gillig 35' Low Floor Hybrid Bus	15GGB2718G1187035
2016 Gillig 35' Low Floor Hybrid Bus	15GGB271XG1187036
2017 Freightliner FXCC76	WDPPF4CC6H9724205
2018 35 ft Gillig Diesel Bus	15GGB2710J3188756
2018 35' Gillig Diesel Bus	15GGB2715J3188753
2018 35' Gillig Diesel Bus	15GGB2717J3188754
2018 35' Gillig Diesel Bus	15GGB2719J3188755
2018 Ford Eldorado Aero Elite Bus	1FDAF5GT8HBE36704
2018 Ford Eldorado Elite Bus	1FDAF5GT6HBE36703
2018 Ford Escape 4 cyl	1FMCU9HD2JUC87893
2018 Ford F350 Diesel Pickup	1FDRF3BT5JEB73897
2018 Gillig 35' Diesel Bus	15GGB2713J3188752
2019 Gillig 29' LOW FLOOR	15GGE2712K3093513
2019 Gillig 29' LOW FLOOR	15GGE2710K3093512
2019 Gillig Low floor diesel	15GGE2716K3093515
2020 Gillig Bus Diesel G27E Low floor bus	15GGE271XL3093891
2020 Gillig, G27E Low Floor Heavy Duty Bus, 26 pas	15GGE2711L3093892
2022 FORD E450 Cutaway Turtle Top Terra Transit	1FDFE4FN1NDC25951
2022 Ford Turtle Top Terra Transit Super Duty Cutaway	1FDE4FN6NDC25945

State of New Hampshire
Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that ADVANCE TRANSIT, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on January 12, 1984. 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: 52688

Certificate Number: 0006197380



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. 2023.

A handwritten signature in black ink, appearing to read "David M. Scanlan".

David M. Scanlan

Secretary of State

Certificate of Authority # 2

(Corporation, Non-Profit Corporation)

Corporate Bylaws

I, REBECCA OWENS, hereby certify that I am duly elected Clerk/Secretary/Officer of
(Name)
ADVANCE TRANSIT, INC. I hereby certify the following is a true copy of the
(Name of Corporation)

current Bylaws or Articles of Incorporation of the Corporation and that the Bylaws or
Articles of Incorporation authorize the following officers or positions to bind the
Corporation for contractual obligations EXECUTIVE DIRECTOR
(list officer titles or position)

I further certify that the following individuals currently hold the office or positions
authorized: ADAMS CARROLL
(list individuals holding positions authorized)

I further certify that it is understood that the State of New Hampshire will rely on this
certificate as evidence that the person listed above currently occupies the position indicated
and that they have full authority to bind the corporation. This authority shall remain valid
for thirty (30) days from the date of this certificate.

DATED: 4/28/23

ATTEST: 
(Name & Title)

Rebecca Owens
Senior Planner, City of Lebanon
Secretary, Advance Transit, Inc.

BYLAWS OF
ADVANCE TRANSIT, INC.

Adopted June 19, 2015

Revised June 21, 2018

Revised May 16, 2019

ARTICLE I

Name, Purpose and Offices

Section 1. **Name and Type.** The name of this corporation shall be Advance Transit, Incorporated, and may hereinafter be referred to as the Corporation, "AT" or "Advance Transit". The principal office of the Corporation shall be in Wilder, Vermont, or such other location as the Board of Directors may determine from time to time. The Corporation's business shall be conducted in New Hampshire and Vermont.

Section 2. **Form and Purpose.** The form of the corporation shall be a voluntary, not-for-profit corporation, incorporated under the laws of the State of New Hampshire (R.S.A. 292), and registered to do business in the State of Vermont. The purpose of the Corporation shall be to provide a comprehensive transportation network for the several towns of the Upper Valley of New Hampshire and Vermont.

Section 3. **Limitations.** The Corporation is organized and shall be operated exclusively for charitable, religious, educational, or scientific purposes, including for such purposes, the making of distributions to organizations under Section 501 (c)(3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future Internal Revenue law). No part of the net earnings of the Corporation shall be to the benefit of or be distributed to its Directors, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth above. No substantial part of the activities of the Corporation shall be for the carrying out of propaganda or otherwise attempting to influence legislation, and AT shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office.

ARTICLE II

Members

Membership in the Corporation having been abolished effective July 1, 2015, the Corporation shall have no Members.

ARTICLE III

Board of Directors

Section 1. General Powers. All corporate powers of the Corporation shall be exercised by or under the authority of, and the affairs of the Corporation shall be managed under the direction of, the Board of Directors.

Section 2. Number, Tenure, Qualification, and Manner of Election of Directors.

A. The number of Directors (members of the Board) shall be not more than nineteen (19) nor less than nine (9), chosen as provided in III.2.B., C., and F. The Board shall have at least five (5) voting members who are not of the same immediate family or related by blood or marriage.

B. Up to nine (9) "Municipal" Directors shall be elected by the Directors upon nomination of the Executive Committee. Municipal Directors shall be recommended for nomination by those Municipalities providing funding to, and served by, the Corporation.

C. For each Municipal Director serving at any time, the Board shall have one (1) At-Large Director, elected by the Board upon nomination by the Executive Committee with due regard for assembling on the Board a diversity of talents and backgrounds.

D. Unless otherwise determined by the Board, a Director shall serve for the longer of: a) three (3) years, or b) until the election and qualification of his or her successor.

E. A Director shall be eligible to serve no more than three (3) consecutive three-year terms (a partial term shall not be counted for purposes of this provision). A Director

who has served three consecutive 3-year terms shall be eligible for re-election after having been off the Board for at least one (1) year. The Board terms shall be staggered as much as possible so that approximately one-third (1/3) of the directors shall be elected annually. This rule shall take effect from and after the effective date of these Bylaws. No term of a Director that commenced prior to the effective date of these Bylaws shall be counted against the 3-term limit for that Director.

F. In addition to Municipal and At-Large Directors, the Executive Director of AT shall serve as a Director Ex Officio, but shall not be entitled to vote.

Section 3. **Annual Meeting.** The Annual Meeting of the Board shall be held in June or on such a date and at such a time and place as the Board of Directors shall determine. The business of the annual meeting may include, but not be limited to, the election of Directors, the election of officers, and the presentation of reports.

Section 4. **Regular Meetings.** Regular meetings of the Board shall be held at least two (2) times a year, in addition to the annual meeting, at a place and time to be decided upon by the Board during the Annual meeting. The Board may provide, by resolution, for a different time and place for regular meetings without further notice than by such resolution. Attendance at regular board meetings is imperative to conduct business related to the oversight of the Corporation. Any Director who misses two (2) regularly scheduled board meetings including annual meeting, over the course of one (1) year may be subject to removal following the process outlined in **Section 11, Removal of Director.** By prior arrangement with the President, a Director may participate in a regular meeting by telephone or other electronic means allowing all participants to hear each other.

Section 5. **Special Meetings.** Special meetings of the Board may be called by or at the request of the President or any two (2) Directors, and shall be held at such place and time as the President or Directors may determine. The person or persons calling a Special Meeting may call for the meeting to be conducted by telephone. By prior arrangement with the President, a Director may participate by telephone in a special meeting that is to be conducted in person, provided the Director so arranges with the person or persons calling the meeting.

Section 6. **Notice.** Notice of any meeting, regular or special, of the Board shall be given at least two (2) days previously thereto by telephone, email, or delivered personally to each director at his or her address as shown by the records of the Corporation.

Section 7. **Quorum.** A majority of the then-sitting Directors entitled to vote shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than a majority of the Directors is present at any meeting, a majority of the directors present may adjourn the meeting without further notice

Section 8. **Board Decisions**. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by law or by these Bylaws.

Section 9. **Action Without a Meeting**. Any action required or permitted to be taken by the Board at a meeting may be taken without a meeting if the action is taken by unanimous consent of all Directors evidenced by one or more written consents describing the action taken, signed by each Director, and included with the minutes or filed with the records of the Corporation. Action taken by consents is effective when the last Director signs the consent, unless the consent specifies a different effective date. A signed consent has the effect of a meeting vote and may be described as such in any document. Consents may be transmitted electronically by email or other means, provided they bear sufficient evidence of the Director's signature.

Section 10. **Proxies**. At any regular, annual or special meeting of the Board, a Director entitled to vote may vote by telephone, or by proxy executed in writing, including email, by that director. The proxy must be limited to a specific issue, not general, and must be signed and delivered to the Secretary one (1) day before the meeting. The proxy shall not count toward a quorum.

Section 11. **Removal of Director**. Any Director may be removed from the Board by an affirmative vote of two-thirds (2/3) of all of its members entitled to vote. Such action may be taken at any regular meeting or any special meeting at which due notice of the proposed removal shall have been given to the Board members together with or as part of the notice of the meeting.

Such removal may be accomplished with or without cause, but the Director involved shall be given an opportunity to be present and to be heard at the meeting at which his or her removal is considered.

The removal of a Director may be initiated at a regular meeting of the Board members by a motion made at the meeting, at a special meeting, or by petition signed and submitted to the Secretary by not less than twenty-five percent (25%) of the voting Directors. More than one Director may be considered for removal under a single motion or by a single petition for removal, but vote on the motion of petition for removal shall be separate as to each Director.

Section 12. **Vacancies and New Directorships**. The Board may elect Directors to fill any vacancies on the Board, by majority vote of the Directors present and voting at a duly called meeting of the Board at which a quorum is present. The Board shall set a term of office for each Director at the time of his/her election, which may in no event exceed three (3) years.

Section 13. **Compensation**. No member of the Board (with the exception of the Ex Officio member) shall receive a salary or other compensation for his/her services

except for allowable expenses incurred in connection with official duties of a Director as defined in Board policy.

Section 14. **Responsibilities.** Each Director is expected to support the Corporation as follows:

1. be fully acquainted with AT's purpose, objectives, programs, and finances;
2. comply with all AT policies including the AT conflict of interest policy;
3. serve on at least one (1) standing committee; and
4. fulfill those additional duties and requirements as set out in these Bylaws.

ARTICLE IV

Officers

Section 1. **Officers.** The Officers of the Board shall be a President, Vice President, a Secretary, a Treasurer, Assistant Secretary, and such other Officers as may be elected or appointed by the Board, all of whom shall be Directors at all times they serve as officers except for the Assistant Secretary who may be the Executive Director.

Section 2. **Election and Term of Office.** The Officers of the Board are nominated by the Executive Committee and elected by an affirmative vote of a majority of members of the Board entitled to vote, and shall hold office for the longer of two (2) years or until their successors are elected or appointed and qualified. An officer may succeed himself/herself in the same office for two (2) additional terms. After being out of that office for at least one (1) term, a person may again be elected to that office. The same person may simultaneously occupy more than one office except for the President, who shall not hold either the office of Treasurer or Secretary.

Section 3. **Removal.** Any Officer elected or appointed by the Board may be removed by the Board by affirmative vote of two-thirds (2/3) of all of Directors entitled to vote whenever in its judgment the best interests of AT would be served thereby. The Officer involved shall be given an opportunity to be present and heard at the meeting at which his or her removal is considered.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the Board for the unexpired portion of the term.

Section 5. Powers and Duties.

A. President. The President of the Board shall be the Corporation's principal executive officer and shall have the following specific powers and duties:

1. To preside at all meetings of the Board and the Executive committees.
2. To appoint all committee chairs, except as otherwise provided in these Bylaws.
3. To see that all orders and resolutions of the Board are carried into effect.
4. To meet regularly with the Executive Director
5. From time to time to report to the Board of Directors all matters within his or her knowledge that in the best interest of AT should be brought to their attention.
6. In addition to the foregoing, the President shall have such other powers, duties and authority as may be set forth elsewhere in these Bylaws or as may be prescribed by the Board from time to time.

B. Vice President. The Board Vice President shall exercise the powers and perform the functions that from time to time are assigned by the President or the Board. The Vice President shall have the powers and shall exercise the duties of the President assigned to him or her by the Board whenever the President, by reason of illness or other disability or absence, is unable to act, and at other times when specifically directed by the President or the Board.

C. Secretary. The Board Secretary shall be the custodian of and shall maintain the AT books and records and shall be the recorder of all AT formal actions and transactions. The Secretary shall have the following specific powers and duties:

1. To record or supervise the proper recording of the minutes and transactions of all meetings of the Directors, and to maintain separate books at the principal office of AT, or such other place as the Board may order of all such meetings in the form and manner required by law.
2. To keep at the principal office, open to inspection by Directors at all reasonable times, the original or a certified copy of the Bylaws of the Corporation as amended or otherwise altered.
4. To attend to the giving and serving of all notices of the Corporation required by law or these Bylaws.

5. To attend to such correspondence and make such reports as may be assigned to him/her.

6. In addition to the foregoing, the Secretary shall have such other powers, duties, and authority as may be set forth elsewhere in these Bylaws and as may be prescribed from time to time by the President or the Board.

D. Assistant Secretary. The Assistant Secretary shall assist the Secretary and other Officers as requested.

E. Treasurer. The Treasurer shall oversee the financial affairs of the corporation, and shall perform all other duties incidental to the office or assigned by the Chair, by these Bylaws or by Board resolution. The Treasurer will serve as the Chair of the Finance Committee, and have the following specific powers and duties:

1. To keep and maintain, open to inspection by the President and any Director, at all reasonable times, adequate and correct accounts of the properties and business transactions of AT, which shall include all matters required by law and which shall be in form as required by law.

2. To ensure that the Corporation adopts, implements, and follows appropriate financial controls.

3. To render to the President and Secretary or to the Board whenever they may require it, an account of all transactions as Treasurer and a financial statement in form satisfactory to them; showing the condition of AT.

4. Working with AT staff, to prepare and present to the Board an annual budget.

5. In addition to the foregoing, the Treasurer shall have such other powers, duties and authority as may be set forth elsewhere in these Bylaws, and as may be prescribed from time to time by the President or the Board.

ARTICLE V

Executive Director

Section 1. The Board shall appoint an Executive Director (ED) who shall be responsible for the day-to-day operation of the corporation. The ED shall be an ex-officio member without vote of the Board and all Board committees and shall act as the duly

~~authorized representative of the Board in all matters except those which the Board has formally designated some other person or group to act. The duties of the ED shall include, but not be limited to, those outlined in the current ED job description.~~

ARTICLE VI

Committees and Policies

Section 1. Committees. The Board shall have the following Standing Committees. In addition, the Board, at its discretion, may constitute and appoint additional committees for such purpose and duration as the Board shall determine. Except for the Executive Committee, Committees may have, in addition to a majority of Director members, such other members as the Board shall designate, who shall serve for such terms as the Board shall specify. All committees shall have a Board member as chair. Committee members shall be appointed by the committee chair in collaboration with the Board President.

A. Executive Committee. The President, Vice President, Secretary, Treasurer, the Chairs of Standing Committees, immediate past President, and Executive Director shall constitute an Executive Committee, which shall be authorized to exercise the powers of the full Board between regular meetings of the Board when it is impractical, in the view of the President (or in the absence or unavailability of the President, a Vice-President), to call a special meeting of the Board. The immediate past President and Executive Director positions on the Executive Committee shall be non-voting. Any action taken by the Executive Committee shall be presented to the Board at its next regular or special meeting and shall be included in the minutes or other records of Board actions. The Executive Committee shall also function as the Board Compensation Committee and Governance Committee, with responsibility for nominating board members and board officers, for maintaining the Corporate Bylaws and for evaluating and setting the compensation and benefits for the Executive Director.

B. Finance Committee. The Finance Committee, working with AT's staff, is responsible for development of AT's budget, and monitoring and adjustment of the budget during each year and from year to year. The Finance Committee interviews prospective audit firms and makes recommendations to the Board.

C. Personnel Committee. The Personnel Committee is responsible for policies and procedures related to employees, employee benefits and staff levels. The Committee makes recommendations to the Board.

D. Program Planning and Evaluation Committee. The Program Planning and Evaluation Committee establishes the strategic direction of the organization including the drafting and adoption of Advance Transit's Five-Year Transit Development Plan and its associated service designs. The Committee makes recommendations to the Board.

E. Public Relations and Marketing Committee. The Public Relations and Marketing Committee assists AT in meeting its goals and priorities through effective strategic communication, marketing and philanthropic initiatives. The Committee makes recommendations to the Board.

Section 2. Policies. The Board, in its discretion, may implement and adopt policies to further define the goals and operations of the Corporation including policies related to charitable giving, financial management, conflicts of interest, employee conduct and other policies related to matters pertinent to AT. Policies may be implemented, revoked or amended by the Board at any time in its sole discretion.

ARTICLE VII

Certificates of Shares

The Corporation has no shares and shall not issue share certificates.

ARTICLE VIII

Contracts, Checks, Deposits, Gifts and Expenditures

Section 1. Contracts. The Board may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of AT, and such authority may be general or may be confined to specific instances.

Section 2. Checks, Drafts or Orders. All checks, drafts or orders for the payment of money, notes or other evidence of indebtedness issued in the name of AT shall be signed by such officer or officers, agent or agents of AT and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such

determination by the Board, such instruments shall be signed by the Executive Director and countersigned by the President of the Board or Treasurer.

Section 3. Deposits. All AT funds shall be deposited from time to time to the credit of AT, in such banks, trust companies, or other depositories as the Board may select.

Section 4. Gifts. The Board may accept on behalf of AT any contribution, gift, bequest, or devise.

Section 5. Approval of Expenditures. Any proposed expenditure of \$100,000 or more, not included in the approved capital and/or operating budget, requires an affirmative vote of two-thirds (2/3) of the members of the Board entitled to vote, the notice of which has specified the details regarding the proposed expenditure.

ARTICLE IX

Books and Records

AT shall keep: (i) correct and complete books and records of accounts; (ii) minutes of the proceedings of its Board and committees; and (iii) at its principal office, a record giving the names and addresses of the Directors entitled to vote. All books and records of AT are open to inspection by a Director or his/her agent or attorney upon reasonable written request to the Executive Director or Board President.

ARTICLE X

Fiscal Year

The fiscal year of AT shall be from July 1 through June 30.

ARTICLE XI

Amendment of Bylaws

These Bylaws may be altered, amended or repealed, and new Bylaws may be adopted by: (1) a majority of the directors of the Board present at any regular meeting or at a special meeting, if at least seven (7) days' written notice is given to all directors of intention to alter, repeal, or adopt new Bylaws at such meeting, or (2) an affirmative vote at any regular meeting of two-thirds (2/3) of all of the directors of all of the Board entitled to vote.

ARTICLE XII

Conflicts of Interest and Pecuniary Benefit Transactions

The Directors, officers, members of standing and ad hoc committees and employees of AT have a responsibility to avoid conflicts of interest and the appearance of such conflicts, and to transact the affairs of AT honestly and economically in accordance with applicable laws and regulations and in a manner which promotes the best interests of AT. The Board has adopted a written conflicts of interest policy, which is appended to these Bylaws as Attachment A.

ARTICLE XIII

Waiver of Notice

Whenever any notice is required to be given under the provisions of Chapter 292 of the New Hampshire Revised Statutes Annotated or these Bylaws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XIV

Dissolution

Upon the dissolution of the Corporation, the Board shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all the assets of the Corporation exclusively for the purposes of AT, in such manner or to such organization or organizations organized and operated exclusively for charitable, education, religious or scientific purposes as shall at the time qualify as an exempt organization or organizations under 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law). Any such assets not so disposed of shall be disposed of by the Superior Court of the county in which the principal office of AT is then located, exclusively for such purposes or to such organization or organizations as said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE XV

Indemnification of Officers and Directors

Each officer, Director of the Corporation and member of a Board standing or ad hoc committee now or hereafter serving as such shall be indemnified by the Corporation against any and all claims and liabilities to which he or she has or shall become, by reason of serving or having served as such officer, Director or committee member, or by reason of any action alleged to have been taken, omitted, or neglected by him or her as such officer, Director or committee member; and the Corporation shall reimburse each such person for all legal expenses reasonably incurred by him or her in connection with any such claim or liability; provided, however, that no such person shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of his or her own willful misconduct or gross negligence. The amount paid or reimbursed to any officer, Director or committee member by way of indemnification shall not exceed his or her actual, reasonable, and necessary expenses incurred in connection with the matter involved. The right of indemnification hereinabove provided for shall not be exclusive of any rights to which any officer, Director of the Corporation or committee member may otherwise be entitled by law.

ATTACHMENT A

Policy on Conflict of Interest and Pecuniary Benefit Transactions

Conflict of Interest and Pecuniary Benefit Transactions.

A. **General.** It shall be against the policy of the Corporation to have conflicts of interest with its directors, officers, members of standing or ad hoc committees, staff or members of their immediate families. A conflict of interest exists when there is a potential that an individual may obtain a direct or indirect pecuniary benefit, or any other improper gain or advantage, as a result of activities conducted on behalf of AT, or when actions advance a person's interests or those of another rather than the interests of AT, or when actions are adverse to the best interest of AT.

There exists between Advance Transit and its Board, officers, members of standing and ad hoc committees, and management employees a fiduciary duty. The Board, officers, committee members, and management employees have the responsibility of administering the affairs of Advance Transit honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of Advance Transit. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with Advance Transit or knowledge gained from their position for their personal benefit. The interests of the organization must have the first priority in all decisions and actions.

B. **Annual Questionnaire.** Each Director, Board committee member, the Executive Director, and all employees of AT designated by the President, shall annually complete a questionnaire to provide information on their related entities and persons and business activities and those of their immediate families as defined by statute, and such questionnaire shall be reviewed by the President and Secretary and kept on file at the office of the Corporation.

C. **Pecuniary Benefit Transactions.** In the event of a pecuniary benefit transaction as defined by New Hampshire law in RSA 7:19-a, it shall be the policy of the corporation to follow the statute. In the event the corporation or any director becomes aware of any potential pecuniary benefit transaction as defined by law, the corporation shall follow the procedures prescribed by law and give notice of the transaction to the full board with notice of its next meeting. At the meeting, the board shall vote on whether the pecuniary benefit transaction is in the best interest of the corporation, after full explanation thereof and without the director being present and without any director who has had a pecuniary benefit transaction within the fiscal year being present. If two-thirds of the entire board shall vote that the pecuniary benefit transaction is in the best interest of the corporation, the transaction shall be allowed. Notice of any such pecuniary benefit transaction the value of which is \$5000 or more shall be published according to statute. Notice of all pecuniary benefit transactions shall be given to the Director of

Charitable Trusts of the State of New Hampshire annually, and individually for those transactions exceeding \$5000.

D. Disclosure of Conflicts of Interest.

1. Individuals covered by this policy have a duty to voluntarily disclose any potential conflict of interest prior to assuming their responsibilities or at the time the potential conflict arises. Further, those individuals have a duty to annually disclose potential or actual conflicts to the Board. Immediate family members are also included for disclosure purposes. Immediate family members are defined as: spouse, child, parent, sibling, and any person living in the same household as persons with responsibilities to transact the affairs of AT. Any possible conflict of interest on the part of any director, officer, Board committee member, employee or selected volunteer of AT shall be disclosed in writing to the Board and made a matter of record through the annual procedure set out in the conflicts of interest policy and also when the interest involves a specific issue or transaction before the Board.

2. The Board will comply with all the requirements of New Hampshire law with respect to conflicts of interest, including but not limited to:

(i) the requirement of a two-thirds (2/3) vote of disinterested directors when the financial benefit to the director or officer is \$500 or more in a fiscal year,

(ii) the advance notice requirements when the benefit exceeds \$5,000 in a fiscal year,

(iii) the limitations on participation by the affected director, officer, Board committee member, employee or selected volunteer of AT in the decision of the Board,

and

(iv) the requirement to create a record of the action in the minutes.

D. Role of the Executive Committee. The Executive Committee shall review the conflicts of interest policy at least annually and oversee the Conflict of Interest disclosure process assuring that individuals covered by this policy are informed of its disclosure requirements consistent with applicable laws. The Executive Committee shall annually conduct a comprehensive survey of the individuals covered by this policy and analyze other relevant information which may provide information that a potential or actual conflict of interest exists. The Executive Committee will then report the results of this process to the Board.



ADVATRA-01

JVANDYK

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
7/19/2022

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 Hickok & Boardman Insurance Group 346 Shelburne Rd Burlington, VT 05401	CONTACT NAME: Melissa Kavanagh
	PHONE: (802) 383-1621 FAX: (802) 658-0641 EMAIL: mkavanagh@hbinsurance.com
INSURED Advance Transit, Inc. PO Box 1027 Wilder, VT 05088	INSURER(S) AFFORDING COVERAGE
	INSURER A: Acadia Insurance Company NAIC # 31325
	INSURER B: Union Insurance Company 25844
	INSURER C: Continental Western Insurance 10804
	INSURER D: INSURER E: INSURER F:

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

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

INSTR.	TYPE OF INSURANCE	ADDL. SUBR. (INSR.)	POLICY NUMBER	POLICY EFF. (MM/DD/YYYY)	POLICY EXP. (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIED PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PER-SITE <input checked="" type="checkbox"/> LOC OTHER:	X	CPA-5163286-18	7/1/2022	7/1/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Per occurrence) \$ 300,000 MED. EXP. (Per one person) \$ 10,000 PERSONAL & ADY. INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGO \$ 2,000,000 COMBINED SINGLE LIMIT (Per occurrence) \$ 6,000,000
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> UNINSURED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY		CAA5474531-11	7/1/2022	7/1/2023	BODILY INJURY (Per accident) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED. RETENTION \$		CUA5474532-11	7/1/2022	7/1/2023	EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ 4,000,000
C	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY EMPLOYER OR PARTNER/EXECUTIVE OFFICER MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	WCA6163288-18	7/1/2022	7/1/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER P.L. EACH ACCIDENT \$ 1,000,000 P.L. DISEASE - EA EMPLOYEE \$ 1,000,000 P.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Additional insured status applies for The New Hampshire Department of Transportation on the General Liability policy per terms and conditions of attached form CG 2010 04/13.

CERTIFICATE HOLDER New Hampshire Department of Transportation Bureau of Rail and Transit PO Box 483 Concord, NH 03302	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>J. de Sutter</i>
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies Insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
ON FILE WITH THE COMPANY	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to Section III - Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

FEDERAL FISCAL YEAR 2023 CERTIFICATIONS AND ASSURANCES FOR FTA ASSISTANCE PROGRAMS

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

Name of Applicant: ADVANCE TRANSIT, INC.

The Applicant certifies to the applicable provisions of all categories: (check here)

Or,

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

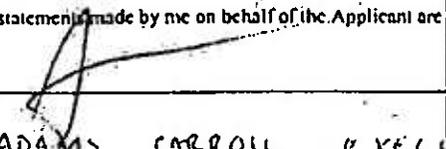
Category	Certification
01 Certifications and Assurances Required of Every Applicant	_____
02 Public Transportation Agency Safety Plans	_____
03 Tax Liability and Felony Convictions	_____
04 Lobbying	_____
05 Private Sector Protections	_____
06 Transit Asset Management Plan	_____
07 Rolling Stock Buy 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	_____

Certifications and Assurances

Fiscal Year 2023

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



Date:

1-31-2023

Name

ADAMS CARROLL, EXECUTIVE DIRECTOR

Authorized Representative of Applicant

FFY 2022 MASTER AGREEMENT

ACKNOWLEDGEMENT OF RECEIPT

The Federal Transit Administration (FTA) Federal Fiscal Year 2022 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 2022 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.

ADVANCE TRANSIT, INC.
Name of Agency

MAY 5, 2022
Date

VAN CHESNUT, EXECUTIVE
Name of Authorized Official DIRECTOR

[Signature]
Signature

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 reference in the grant contract between the U.S. Department of Transportation and the Grantee, and the parties to the contract so signify by executing that contract. Transit employees are also third party beneficiaries to the protective arrangements incorporated in subsequent contracts of assistance 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 interfere with 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 month, 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 follows:

Employee's length of service
prior to adverse effect Period of protection
1 day to 5 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 compensated 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

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**Office of Labor-Management
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FTA and 2 CFR 200 Agreement

Name of Awarding Agency: Federal Transit Administration (FTA)

Name of Recipient Agency: New Hampshire Department of Transportation (NH DOT)

Name of Subrecipient/Contracting Agency: Advance Transit, Inc.

Advance Transit, 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: \$6,404,000

Catalog of Federal Domestic Assistance (CFDA) number: 20.509

FTA Award Name: FTA SECTION 5311 (RURAL) PUBLIC TRANSPORTATION PROJECT SOLICITATION

Federal Award Identification Number (FAIN): NH-2021-017

Federal Award Date: 9/8/22

Contact information for sub-awarding official:

Name: Michelle L. Winters Title: Director of Aeronautics, Rail & Transit

Email: Michelle.L.Winters@dot.nh.gov Phone: 603-271-2449 - Director

Is this award for research and development? No.

NH DOT's cost rate for the federal award: N/A.

Subrecipient/Contractor Information:

Subrecipient/Contractor Name: *Advance Transit, Inc.*

Subrecipient/Contractor SAM.GOV I.D.: XRDYJ3TWHTZ5

Name of authorizing subrecipient/contracting official: Matthew Osborn

Title of authorizing subrecipient/contracting official: President

Federal Clauses: N/A

Master Agreement/Certifications and Assurances: Yes

Subrecipient/Contractor Federal indirect cost rate: N/A

(An approved federally recognized indirect cost rate negotiated between the subrecipient/contractor 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: 7/1/23 End Date: 6/30/25



FTA and 2 CFR 200 Agreement

Revised 07/18/2022

Total amount of FTA sub-award obligated by this action (contract/amendment):

For FFY: 2024 Section: 5311 Amount: \$6,404,000

Total amount of FTA sub-award committed to the subrecipient (original contract & amendments):

For FFY: 2024 Section: 5311 Amount: \$6,404,000

Pass-through requirements:

The Subrecipient/Contractor, Advance Transit, 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 statues, regulations and the terms and conditions of the Federal award.

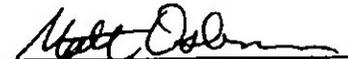
The Subrecipient/Contractor, Advance Transit, Inc. agrees to any additional requirements that the pass-through entity (NHDOT) imposes on the subrecipient in order for the pass-through entity (NHDOT) in order for the pass-through entity (NHDOT) to meet its own responsibility to the Federal awarding agency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

The Subrecipient/Contractor, Advance Transit, 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: 4/28/23

Name of authorizing subrecipient/contracting official: Matthew Osborn

Title of authorizing subrecipient/contracting official: President

Signature of authorizing subrecipient/contracting official: 

Internal Revenue Service

District
Director

Advance Transit, Inc.
Billings Commerce Park
Post Office Box 835
Wilder, VT 05088-0835

Dear Sir or Madam:

Reference is made to your request for verification of the tax exempt status of Advance Transit, Inc.

A determination or ruling letter issued to an organization granting exemption under the Internal Revenue Code remains in effect until the tax exempt status has been terminated, revoked or modified.

Our records indicate that exemption was granted as shown below.

Sincerely yours,


Patricia Holub
Manager, Customer
Service Unit

Name of Organization: Advance Transit, Inc.

Date of Exemption Letter: February 1985

Exemption granted pursuant to section 501(c)(3) of the Internal Revenue Code.

Foundation Classification (if applicable): Not a private foundation as you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

Department of the Treasury

P.O. Box 1680, GPO Brooklyn, NY 11202

Date: MAY 13 1996

Person to Contact:
Patricia Holub
Contact Telephone Number:
(718) 488-2333
EIN: 22-2558708

ADVANCE TRANSIT, INC.

**Audited Financial Statements,
Supplemental Financial Information, and
Reports on Compliance and Internal Control**

· June 30, 2022 and 2021

ADVANCE TRANSIT, INC.

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Veroff & Austin

Certified Public Accountants
Business Advisors & Management Consultants

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Independent Auditors' Report

To the Board of Directors of
Advance Transit, Inc.
Wilder, Vermont

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Advance Transit, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Advance Transit, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Advance Transit, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Advance Transit, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

PO Box 886, 368 River Street, Springfield, VT 05156 802-885-5340 Fax 802-885-4999

174 Court Street, Laconia, NH 03246 603-527-8721 Fax 603-527-8187

Website: www.veroff-austin.com

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Certified Public Accountants
Business Advisors & Management Consultants

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In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Advance Transit, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Advance Transit, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2022, on our consideration of Advance Transit, 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 solely 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 the effectiveness of Advance Transit, Inc.'s 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 Advance Transit, Inc.'s internal control over financial reporting and compliance.

Veroff & Austin

Veroff & Austin PLLC
Laconia, New Hampshire
August 29, 2022
VT Reg. #092.013574

PO Box 886, 368 River Street, Springfield, VT 05156 802-885-5340 Fax 802-885-4999
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ADVANCE TRANSIT, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,965,379	\$ 3,451,227
Accounts receivable	802,599	494,183
Restricted municipal and contract pledges receivable	1,691,364	926,066
Prepaid expenses	253,007	261,016
Security deposits	27,715	-
Total current assets	<u>6,740,064</u>	<u>5,132,492</u>
PROPERTY AND EQUIPMENT, net	<u>10,341,035</u>	<u>10,956,634</u>
TOTAL ASSETS	\$ <u>17,081,099</u>	\$ <u>16,089,126</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 71,835	\$ 159,212
Accrued payroll expenses	182,828	212,013
Deferred revenue	-	743
Total current liabilities	<u>254,663</u>	<u>371,968</u>
LONG-TERM LIABILITIES		
Payroll protection program note payable	-	673,300
Total liabilities	<u>254,663</u>	<u>1,045,268</u>
NET ASSETS		
Without donor restrictions		
Designated		
Capital reserve	500,000	459,190
Operating reserve	2,000,000	1,900,000
Strategic reserve	442,700	500,000
Undesignated	1,896,773	344,294
With donor restrictions	11,986,963	11,840,374
Total net assets	<u>16,826,436</u>	<u>15,043,858</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>17,081,099</u>	\$ <u>16,089,126</u>

See Accompanying Notes to Financial Statements

ADVANCE TRANSIT, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year ending June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Federal government: section 5311, operating	\$ 3,913,887	\$ -	\$ 3,913,887
Federal and state government: section 5339/5311, capital	-	505,953	505,953
Federal government: CMAQ, operating	241,499	-	241,499
Contract	289,811	1,310,065	1,599,876
Municipal	265,645	381,299	646,944
State of New Hampshire	34,782	-	34,782
Donations	92,569	51,806	144,375
Sponsorships	68,976	-	68,976
PPP Loan Forgiven	682,172	-	682,172
Gain on Sale of Fixed Assets	13,550	-	13,550
Other	10,529	-	10,529
Net assets released from restrictions	2,147,967	(2,147,967)	-
Total revenue and support	<u>7,761,387</u>	<u>101,156</u>	<u>7,862,543</u>
EXPENSES			
Program services			
Public and other transportation	5,178,666	-	5,178,666
Total program services	<u>5,178,666</u>	<u>-</u>	<u>5,178,666</u>
Support services			
General and administrative	829,455	-	829,455
Fundraising	71,844	-	71,844
Total support services	<u>901,299</u>	<u>-</u>	<u>901,299</u>
Total expenses	<u>6,079,965</u>	<u>-</u>	<u>6,079,965</u>
Change in net assets before transfers	1,681,422	101,156	1,782,578
Transfers of local share to restricted	(45,433)	45,433	-
Net assets, beginning of year	<u>3,203,484</u>	<u>11,840,374</u>	<u>15,043,858</u>
Net assets, end of year	<u>\$ 4,839,473</u>	<u>\$ 11,986,963</u>	<u>\$ 16,826,436</u>

See Accompanying Notes to Financial Statements

ADVANCE TRANSIT, INC.
 STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
 For the year ending June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Federal government: section 5311, operating	\$ 4,347,595	\$ -	\$ 4,347,595
Federal and state government: section 5339/5311 capital	-	951,359	951,359
Federal government: CMAQ, operating	170,000	-	170,000
Federal government: RTAP	1,704	-	1,704
Contract	335,897	691,000	1,026,897
Municipal	128,850	235,066	363,916
State of Vermont	110,000	-	110,000
Other	49,704	-	49,704
Donations	175,787	-	175,787
Net assets released from restrictions	2,189,583	(2,189,583)	-
Total revenue and support	7,509,120	(312,158)	7,196,962
EXPENSES			
Program services			
Public and other transportation	5,488,952	-	5,488,952
Total program services	5,488,952	-	5,488,952
Support services			
General and administrative	779,213	-	779,213
Fundraising	87,981	-	87,981
Total support services	867,194	-	867,194
Total expenses	6,356,146	-	6,356,146
Change in net assets before transfers	1,152,974	(312,158)	840,816
Transfers of local share to restricted	(117,179)	117,179	-
Net assets, beginning of year	2,167,689	12,035,353	14,203,042
Net assets, end of year	\$ 3,203,484	\$ 11,840,374	\$ 15,043,858

See Accompanying Notes to Financial Statements

ADVANCE TRANSIT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ending June 30, 2022

	Program Services		Support Services			Total
	Public and Other Transportation	General and Administrative	Fundraising	Total Support Services	Total	
Expenses:						
Salaries	\$ 2,469,508	\$ 279,544	\$ -	\$ 279,544	\$ 2,749,052	
Payroll taxes	177,020	33,038	-	33,038	210,058	
Benefits	562,102	80,929	-	80,929	643,031	
Fuel	205,790	1,428	-	1,428	207,218	
Repairs	221,623	1,676	-	1,676	223,299	
Consulting	-	265,064	44,038	309,102	309,102	
Office	43,142	62,362	27,806	90,168	133,310	
Insurance	277,106	10,688	-	10,688	287,794	
Travel	1,767	215	-	215	1,982	
Uniforms	19,642	-	-	-	19,642	
COVID-19 supplies and equipment	3,895	1,278	-	1,278	5,173	
Building	132,878	-	-	-	132,878	
Parts inventory	6,113	-	-	-	6,113	
Interest	-	8,873	-	8,873	8,873	
Depreciation	1,058,080	84,360	-	84,360	1,142,440	
Total expenses	\$ 5,178,666	\$ 829,455	\$ 71,844	\$ 901,299	\$ 6,079,965	

See Accompanying Notes to Financial Statements

ADVANCE TRANSIT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ending June 30, 2021

	Program Services		Support Services		Total
	Public and Other Transportation	General and Administrative	Fundraising	Total Support Services	
Expenses:					
Salaries	\$ 2,566,112	\$ 394,914	\$ -	\$ 394,914	\$ 2,961,026
Payroll taxes	189,477	39,714	-	39,714	229,191
Benefits	711,195	104,335	-	104,335	815,530
Fuel	165,393	973	-	973	166,366
Repairs	215,572	2,569	-	2,569	218,141
RTAP grant	1,704	-	-	-	1,704
Consulting	0	87,320	49,945	137,265	137,265
Office	40,967	60,094	38,036	98,130	139,097
Insurance	307,080	9,274	-	9,274	316,354
Travel	1,840	151	-	151	1,991
Uniforms	19,669	-	-	-	19,669
COVID 19 supplies and equipment	75,271	2,105	-	2,105	77,376
Building	151,180	-	-	-	151,180
Parts inventory	27,032	-	-	-	27,032
Depreciation	1,016,460	77,764	-	77,764	1,094,224
Total expenses	\$ 5,488,952	\$ 779,213	\$ 87,981	\$ 867,194	\$ 6,356,146

See Accompanying Notes to Financial Statements

ADVANCE TRANSIT, INC.
STATEMENTS OF CASH FLOWS
Year ending June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,782,578	\$ 840,816
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,141,996	1,094,224
Gain (loss) on disposal of equipment	(13,550)	4,500
PPP Loan forgiven	(673,300)	-
(Increase) decrease in accounts receivable	(308,417)	306,570
(Increase) decrease in municipal and contract pledges receivable	(765,298)	60,625
(Increase) decrease in prepaid expenses	(4,674)	54,723
(Increase) decrease in inventory	(15,032)	-
Increase (decrease) in accounts payable	(87,381)	90,615
Increase (decrease) in accrued payroll expenses	(29,186)	(23,506)
Increase (decrease) in deferred revenue	(743)	(40,071)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,026,993</u>	<u>2,388,496</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(535,890)	(1,062,442)
Proceeds from the sale of equipment	23,050	-
NET CASH USED IN INVESTING ACTIVITIES	<u>(512,840)</u>	<u>(1,062,442)</u>
NET INCREASE IN CASH	514,153	1,326,054
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,451,226</u>	<u>2,125,172</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 3,965,379</u>	<u>\$ 3,451,226</u>

See Accompanying Notes to Financial Statements

ADVANCE TRANSIT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 – NATURE OF ACTIVITIES

Advance Transit, Inc. (the "Organization") is a voluntary, not-for-profit corporation incorporated under the laws of the State of New Hampshire and is organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Its mission is to provide a comprehensive transportation network for the several towns of the Upper Connecticut River Valley Region of New Hampshire and Vermont.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization are prepared on the accrual basis. Under the accrual basis, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred. The significant accounting policies followed by the Organization are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

The Organization adheres to the Presentation of Financial Statements for not-for-profit organizations topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification (FASB ASC 958-205). Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets. Descriptions of the two net asset categories are as follows:

Without donor restrictions – Those resources not subject to donor-imposed restrictions. The Board of Directors has discretionary control over these resources. Designated amounts represent those net assets that the board has set aside for a particular purpose.

With donor restrictions – Those resources subject to donor-imposed restrictions that will be satisfied by action of the Organization or by the passage of time.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Organization's bank deposit account balances are Federal Deposit Insurance Corporation ("FDIC") insured up to \$250,000, and any excess amounts are fully collateralized by the depository bank through use of a variety of sweep accounts designed to maintain Organization deposit balances at levels below the FDIC coverage limit.

ADVANCE TRANSIT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

A substantial portion of the Organization's revenue and support is derived from cost reimbursement contracts with the States of New Hampshire and Vermont. Revenue and support is recognized when reimbursable expenditures are incurred. Payments are received, up to each of the contracts' respective cost limitations upon the Organization's submittal of written requests for reimbursement of allowable expenditures.

Contributions

Contributions received are recorded as unrestricted (without donor restrictions) or restricted (with donor restrictions) support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in restricted net assets, depending on the nature of the restriction. When a restriction expires, (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Pledges

Unconditional promises to give, including capital campaign pledges, are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to an allowance based on its assessment of the amounts deemed collectible. It is the Organization's policy to charge off uncollectible receivables when management determines that the receivable will not be collected.

In order to ensure observance of limitations and restrictions placed on the use of resources available to Advance Transit, Inc., separate accounts are maintained for each activity. They are as follows:

Public and Other Transportation – accounts for revenue and expenses involved with operating fixed public transportation routes as well as other non-fixed routes open to the public and expenses for administration and direct trip reimbursement subcontracted by other agencies or programs.

Rural Transit Assistance Program ("RTAP") – accounts for revenue and expenses associated with training in non-urbanized areas.

ADVANCE TRANSIT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

Advance Transit, Inc. is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Organization has adopted the provisions of FASB ASC 740, *Accounting for Income Taxes*. Accordingly, management has evaluated the Organization's tax positions and concluded that the Organization had maintained its tax-exempt status, has properly reported any significant unrelated business income and had taken no uncertain tax positions that require adjustment or disclosure in the financial statements.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending June 30, 2021, 2020, and 2019 are subject to examination by the IRS, generally for three years after they were filed.

Property and Equipment

The Organization records purchases of equipment at cost. Expenditures for property, plant and equipment with a cost greater than \$5,000 are capitalized. Depreciation and amortization are computed on the straight-line method based on the following useful lives. Expenditures for maintenance, repairs and improvements, which do not materially extend the useful lives of the assets, are expensed.

	<u>Years</u>
Land improvements	15
Buildings and improvements	10 - 50
Transportation, office, shop, communication and radio equipment	5 - 12

The Organization's facility and certain transportation equipment are subject to liens held by the States of New Hampshire and/or Vermont as agents for the Federal Transit Administration or other Federal agencies to provide for compliance with grant requirements. New Hampshire and/or Vermont also hold the title to any equipment while subject to a lien. Substantially all of the Organization's property and equipment, including related financing of these assets, are subject to these requirements. Therefore, the net assets related to property and equipment acquired through grants is reported as restricted.

Deferred revenue

The Organization records deferred revenue, which represents sponsorship, local grant match pledges, and advertising income covering periods beyond June 30, 2022 and unearned sponsorship and municipal assistance received in advance of the period to which the revenue relates.

Compensated Absences

Employees of the Organization are entitled to paid vacation and paid sick days, depending on length of service. Employees are allowed to accumulate unused vacation time up to a maximum of 125% of annual hours earned and based on the number of years employed by the Organization.

**ADVANCE TRANSIT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences (continued)

Employees that present a COVID-19 vaccination card are also awarded 8 additional vacation hours for each vaccination shot received. Twice annually employees may request a payout of up to 32 hours of vacation time and must be paid out in 8-hour increments. Employees are entitled to a payout of all unused vacation time upon separation of employment from the Organization.

Unused sick leave may accrue indefinitely without limit. Employees may also request a pay out of sick leave accrued in excess of 200 hours at a rate of 3 hours of sick leave for each one hour of pay. Employees are not entitled to any payout of unused sick leave upon separation of employment from the Organization.

Designation of Unrestricted Net Assets

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

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable include funds due the Organization under various grant award agreements. Accounts receivable as of June 30, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
New Hampshire Department of Transportation	\$ 400,032	\$ 191,718
Vermont Agency of Transportation	384,128	267,645
Contracts	-	7,323
Federal and state excise tax	18,430	23,963
Federal employment credits	-	2,611
Other	9	923
Total accounts receivable	<u>\$ 802,599</u>	<u>\$ 494,183</u>

NOTE 4 - RESTRICTED MUNICIPAL AND CONTRACT PLEDGES RECEIVABLE

	<u>2022</u>	<u>2021</u>
Donor restricted contributions:		
Town of Hanover	\$ 150,783	\$ -
Town of Hartford	81,747	81,747
Town of Norwich	13,514	13,514
City of Lebanon	124,855	124,855
Town of Enfield	5,400	5,400
Town of Canaan	5,000	9,550
Michaels Student Living LLC	540,036	-
Dartmouth Hitchcock Medical Center	128,100	122,000
Dartmouth College	641,929	569,000
Total	<u>\$ 1,691,364</u>	<u>\$ 926,066</u>

ADVANCE TRANSIT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 4 – RESTRICTED MUNICIPAL AND CONTRACT PLEDGES RECEIVABLE (continued)

All contributions will be received and recognized in FY2023 except for Michaels Student Living LLC, which will be received as follows:

FY2023	\$	150,000
FY2024		100,000
FY2025		100,000
FY2026		100,000
FY2027		100,000
FY2028		25,000
Less unamortized discount		<u>(34,964)</u>
Total	\$	<u>540,036.</u>

The discount rate on the Michael's pledge is calculated at the 5-year Daily Treasury Par Yield Curve Rate, 2.88% at June 30, 2022.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of June 30, 2022 and 2021:

	2022		2021
Land	\$ 263,358	\$	263,358
Land improvements	47,804		47,804
Buildings and improvements	4,376,456		4,357,300
Transportation equipment	11,521,017		11,429,226
Communication and radio equipment	130,244		99,411
Office and shop equipment	938,341		833,124
	<u>17,277,220</u>		<u>17,030,223</u>
Less accumulated depreciation and amortization	6,936,185		6,073,589
Property and equipment, net	<u>\$ 10,341,035</u>	\$	<u>10,956,634</u>

NOTE 6 – LINE OF CREDIT

The Organization has available a bank line of credit for up to \$200,000 at June 30, 2022 and 2021. The line of credit is due on demand and secured by the business assets of the Organization. Draws on the line of credit bear interest based on the Wall Street Journal Prime rate (currently indexed to 3.25%) for the year ended June 30, 2022 and 2021. There were no outstanding balances on this line of credit as of June 30, 2022 and 2021.

NOTE 7 – PAYROLL PROTECTION PROGRAM GRANT

On April 3, 2020 the Organization applied for and was granted a loan from a bank in the aggregate amount of \$673,300 pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The loan was forgiven in full by the lender and has therefore been reported on the Statement of Activities for the year ended June 30, 2022 as grant income.

ADVANCE TRANSIT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 8 – NET ASSETS

Board Designated Net Assets

In June 2016, the Board approved the establishment of a Board designated capital reserve fund. In November of 2018 the Board approved a change that modified the purpose to include funds committed for the coming fiscal year as part of the budget process and amounts that are beyond that period but reasonably certain to be incurred. This figure will be adjusted as capital match requirements change. Effective with fiscal year 2021, the capital match reserve was set at \$500,000.

In January 2016 the Board approved the establishment of a Board designated operating reserve fund. The purpose of the operating reserve fund is to set aside approximately four months of operating expenses for the organization. As of June 30, 2022 the minimum operating reserve calculated and set aside by the Board amounted to \$2 million. The amount of the operating reserve target minimum will be reassessed annually.

During FY2021 the Organization's Board of Directors established a strategic reserve fund. The Strategic Reserve is intended to provide a ready source of funds for strategic initiatives necessary for the effective operation of the organization and programs. The target amount of the Strategic Reserve will be determined by reference to the forecasted needs of the organization, with the minimum established in an amount deemed sufficient to cover needs identified in the current strategic plan. The initial target Strategic Reserve is equal to \$500,000. The amount of the Strategic Reserve target minimum will be reassessed at least annually.

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of equipment and vehicles purchased with restricted resources, thereby limiting the assets use to specified purposes throughout the useful life of the assets, town appropriations approved in June 30, 2022 but to be paid in 2023 and capital campaign pledges.

Net assets with donor restrictions are comprised of the following:

	<u>2022</u>	<u>2021</u>
Net property, plant and equipment funded with restricted resources	\$ 10,245,362	\$ 10,887,606
Orange/yellow line local match contribution	50,237	40,640
Municipal and contract pledges	<u>1,691,364</u>	<u>922,128</u>
Total net assets with donor restrictions	<u>\$ 11,986,963</u>	<u>\$ 11,840,374</u>

Net assets released from restrictions are as follows:

	<u>2022</u>	<u>2021</u>
Purpose restrictions accomplished:		
Depreciation on restricted assets	\$ 1,138,681	\$ 1,092,241
Expiration of purpose restrictions on capital campaign funds	-	100,000
Expiration of purpose restrictions on orange/yellow line (CMAQ)	42,209	-
Expiration of purpose restrictions on capital purchases not depreciated	31,511	6,151
Expiration of time restrictions on contributions receivable	926,066	986,691
Expiration of purpose restrictions on bus disposals	<u>9,500</u>	<u>4,500</u>
Total net assets released from restrictions	<u>\$ 2,147,967</u>	<u>\$ 2,189,583</u>

ADVANCE TRANSIT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 9 – RETIREMENT PLAN

The Organization sponsors a salary reduction contribution plan pursuant to Section 403(b) of the Internal Revenue Code, covering substantially all employees. Under the plan, employees contribute a specified percentage of their salary, or a fixed dollar amount, to the plan. The Organization may agree to make “non-elective” contributions or a matching contribution to their employees’ 403(b) plans. The Organization currently matches 50% on the first 5% of employee deferrals. For the years ended June 30, 2022 and 2021 employer contributions to the plan amounted to \$36,192 and \$23,829, respectively.

NOTE 10 – ECONOMIC DEPENDENCE

The Organization receives substantial grant/contract funds from the New Hampshire Department of Transportation and Vermont Agency of Transportation and is dependent upon this funding to support most of its activities and operations. Funding from the States of Vermont and New Hampshire is renegotiated each year and is not guaranteed for future years beyond June 30, 2022 and 2023, respectively. Loss of these funds could jeopardize the Organization’s ability to continue its activities and operations.

NOTE 11 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	2022	2021
Financial assets consist of:		
Cash and cash equivalents	\$ 3,965,378	\$ 3,451,227
Accounts, municipal and pledges receivable	2,493,963	1,420,249
Total financial assets	6,459,341	4,871,476
Less those unavailable for general expenditures within one year, due to:		
Donor restrictions	50,237	40,640
Financial assets available to meet cash needs for general expenditure within one year	\$ 6,409,104	\$ 4,830,836

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in short-term investments through a sweep account arrangement with its primary bank.

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 29, 2022, which is the date the financial statements were available to be issued and has determined that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

ADVANCE TRANSIT, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor Agency and Program Title	CFDA Number	Pass-Through Identifying Number	Program or Award Amount	Awards Expended
U.S. Department of Transportation				
Major Programs:				
<u>State of New Hampshire Department of Transportation:</u>				
Formula Grants for Rural Areas	20.509	NH-2021-17	\$ 3,570,000	\$ 2,979,610
<u>State of Vermont Agency of Transportation:</u>				
Formula Grants for Rural Areas	20.509	ARPA22-901	560,000	560,000
Formula Grants for Rural Areas	20.509	ARPA22-401	287,500	225,198
Formula Grants for Rural Areas	20.509	ARPA22-501	162,500	149,078
Formula Grants for Rural Areas	20.509	ARPA22-801	48,673	48,573
Formula Grants for Rural Areas	20.509	CRRSAA22-801	192,927	192,927
Formula Grants for Rural Areas	20.509	FT201904-061	4,454	1,601
Formula Grants for Rural Areas	20.509	FT202201-061	70,400	10,328
Formula Grants for Rural Areas	20.509	FT202101-061	135,840	19,557
Subtotal CFDA 20.509				<u>1,207,262</u>
Total Major Programs				<u>4,186,872</u>
Federal Transit Cluster				
<u>State of Vermont Agency of Transportation:</u>				
Bus and Bus Facilities Formula Program	20.526	FT202207-061	80,000	76,421
Bus and Bus Facilities Formula Program	20.526	FT202205-081	80,000	76,421
Bus and Bus Facilities Formula Program	20.526	FT202205-071	832,500	90,126
Federal Transit Capital Investment Grants	20.500	FT040021-061	10,818	10,818
<u>State of New Hampshire Department of Transportation:</u>				
Bus and Bus Facilities Formula Program	20.526	NH-2021-010	177,056	177,056
Total Federal Transit Cluster				<u>430,842</u>
Total Expenditures of Federal Awards				<u>\$ 4,617,714</u>

ADVANCE TRANSIT, INC.

**Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

NOTE 1 – REPORTING ENTITY

Advance Transit, Inc. (the "Organization") is a voluntary, not-for-profit organization incorporated under the laws of the State of New Hampshire (RSA 292) and is engaged to provide a comprehensive transportation network for the several towns in the Upper Connecticut River Valley Region of New Hampshire and Vermont. The Organization was founded in January 1984 and is headquartered in Wilder, Vermont.

NOTE 2 – SCOPE OF THE AUDIT PURSUANT TO THE UNIFORM GUIDANCE

The Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all Federal award programs of Advance Transit, Inc. All Federal awards are received directly from Federal agencies as well as Federal awards passed through other government agencies or other entities are included in the schedule.

NOTE 3 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards has been prepared in the format as set forth in *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The Schedule is presented using the accrual basis of accounting. It includes all Federal awards to the Organization which had expenditure activity during the year ended June 30, 2022. Several programs are jointly funded by the State of Vermont and State of New Hampshire appropriations in addition to Federal Awards. The Schedule reflects only that part of the grant activity funded by Federal Awards. The Organization has elected not to use the 10 percent de minimis indirect cost rate allowed under the *Uniform Guidance*.

NOTE 4 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the 2021 Catalog of Federal Domestic Assistance.

Veroff & Austin

Certified Public Accountants
Business Advisors & Management Consultants

The Solution Group

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
Advance Transit, Inc.
Wilder, Vermont

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard*, issued by the Comptroller General of the United States, the financial statements of Advance Transit, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 29, 2022.

Internal Control over Financial Reporting

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

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

Our consideration of internal control over financial reporting 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.

Veroff & Austin

Certified Public Accountants
Business Advisors & Management Consultants

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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* (Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's 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 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.

Veroff & Austin

Veroff & Austin, PLLC

Springfield, Vermont

August 29, 2022

VT Registration #092.013574

NH Registration #07774D

Veroff & Austin

Certified Public Accountants
Business Advisors & Management Consultants

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Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Board of Directors
Advance Transit, Inc.
Wilder, Vermont

Report on Compliance for Each Major Federal Program

We have audited Advance Transit, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2022. The Organization'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.

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, Advance Transit, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Veroff & Austin
Certified Public Accountants
Business Advisors & Management Consultants
The Solution Group

Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance (Continued)

Report on Internal Control over Compliance

Management of the Organization 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 the Organization'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 *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 the Organization's internal control over compliance:

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

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

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 *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.

Veroff & Austin

Veroff & Austin, PLLC
Springfield, Vermont
August 29, 2022
VT Registration #092.013574
NH Registration #07774D

ADVANCE TRANSIT, INC.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section I – Summary of Auditors' Report

Financial Statements

Type of auditors' report issued: **Unqualified**

Internal control over financial reporting:

- Material Weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses. No

Non-compliance material to the financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? No

Type of auditors' report issued on compliance for major programs: **Unqualified**

Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the *Uniform Guidance*? No

Identification of Major Programs

Name of program or cluster	CFDA number
U.S. Department of Transportation – Formula Grants for Rural Areas	20.509

Dollar threshold used to distinguish between Type A and Type B programs: **\$ 750,000**

Auditee qualified as a low-risk auditee under Section 200.520 of the *Uniform Guidance*: **Yes**

Section II – Financial Statement Findings

No current year findings.

Section III – Federal Award Findings and Questioned Costs

No current or prior year findings

Advance Transit Officers and Directors

President	Vice President	Treasurer
Matt Osborn (Term ends 6/22)	Nathan Miller (Term ends 6/24)	Robert Starkey (Term ends 6/24)
Member At-Large	Member At-Large	Member At Large
Secretary		
Rebecca Owens (Term ends 6/24)	Mark Beliveau (Term ends 6/22)	Bethany Fleishman (Term ends 6/22)
Lebanon Member	Hanover Member	Hartford Member
David Stewart (Term end 6/23)	Demo Sofronas (Term ends 6/22)	Patrick O'Neill (Term ends 6/23)
Member At-Large	Norwich Member	Member At-Large
James L. Taylor (Term ends 6/23)	Robert Houseman (Term ends 6/23)	Kathie Nolet (Term ends 6/23)
Enfield Member	Hanover Member	Member At-Large
Joe Major (Term ends - 6/24)	Devin Wilkie (Term ends - 6/24)	
Hartford Representative	Lebanon Representative	

Adams Carroll

[linkedin.com/in/adamscarroll](https://www.linkedin.com/in/adamscarroll)

Experience

Contact

120 Billings Farm Rd
White River Junction, VT 03766

acarroll@advancetransit.com
+1 (802) 295-1824

Advance Transit / Executive Director
JUNE 2022 - PRESENT; WILDER, VT

numo llc / Director of Operations - indi
DECEMBER 2018 - MAY 2022; PITTSBURGH, PA

Pittsburgh Bikeshare Inc. / Director of Operations and Planning
SEPTEMBER 2016 - DECEMBER 2018; PITTSBURGH, PA

**Metropolitan Government of Nashville and Davidson County /
Active Mobility Planner**
JANUARY 2015 - SEPTEMBER 2016; NASHVILLE, TN

Walk Bike Nashville / Program Manager
JANUARY 2012 - AUGUST 2014; NASHVILLE, TN

Hands On Nashville / Program Coordinator
NOVEMBER 2011 - FEBRUARY 2013; NASHVILLE, TN

**St. Petersburg State University & Bard College / International
Program Manager**
DECEMBER 2009 - JUNE 2011; ST. PETERSBURG, RUSSIA

Education

University of Pittsburgh - Katz School Of Business / M.B.A.
2019-2022, BUSINESS ADMINISTRATION

Vanderbilt University - Peabody College / M.Ed.
2013-2015, COMMUNITY DEVELOPMENT AND ACTION

Reed College / B.A.
2005-2009, RUSSIAN LITERATURE AND LANGUAGE