



**Missoula Urban Transportation District
dba Mountain Line**

Request for Proposals

RFP #24-02

Financial Auditing Services

October 28, 2024

MUTD
1221 Shakespeare Street
Missoula, Montana 59802

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LEGAL NOTICE OF REQUEST FOR PROPOSALS

**Request for Proposals # 24-02
Financial Auditing Services**

Notice is hereby given by the Missoula Urban Transportation District (MUTD), that it will receive proposals from qualified firms for the procurement of independent financial auditing services. The periods to be audited are the fiscal years ending June 30, 2025, 2026 and 2027, with an additional two (2) one-year renewal options at MUTD's sole discretion.

Copies of the RFP document can be obtained by contacting Frank Kuhl, Procurement and Contracts Specialist at (406) 543-8386 Ext. 5845 or fkuhl@mountainline.com, or by visiting <https://mountainline.com/current-solicitations>.

Proposals are due via email on Monday, December 2, 2024. MUTD reserves the right to reject any and all proposals.

Timeline for RFP #24-02

Financial Auditing Services

Date Issued:	October 28, 2024
Written Questions Due:	November 18, 2024
Response to questions:	November 22, 2024
Proposal Due Date:	December 2, 2024
Interviews (if any):	December 10 & 11, 2024
Anticipated Award:	December 19, 2024

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SECTION 1: INTRODUCTION

1.1 Statement of Intent

The Missoula Urban Transportation District (MUTD) is seeking proposals for the independent audit of its financial records for the fiscal years ending June 30, 2025, 2026 and 2027, with two (2) additional one-year renewal options at MUTD's sole discretion.

MUTD is an Urban Transportation District that was established in 1977 to provide transportation services in the Missoula area, under the Montana Code Annotated Section 7-14-201. The organization is guided by a seven-member board of directors appointed by elected officials in the City and County government. Staff at MUTD consists of approximately 64 operators, 15 maintenance/service employees, and 33 office and management staff.

MUTD has a FY 2025 operating budget of \$17.4 million which is funded primarily by property taxes and grants from the federal, state and local governments. In addition to the operating expenditures, MUTD incurs expenses for capital improvements. The MUTD currently has four active federal grants and one active state grant in FY 2025. The operating, capital, and planning grants shall be audited as part of the overall audit of financial records.

The Missoula Urban Transportation District and Mountain Line are essential components of Missoula's integrated, multi-modal transportation system. We are committed to the community goal of reducing vehicle miles traveled in Missoula. We believe that our community can meet this goal by:

- Significantly increasing the use of transit.
- Improving transportation options, thus reducing single occupancy vehicle dependence.
- Creating strong incentives for using modes of transportation that reduce traffic congestion and improve community health.
- Building a network of partnerships dedicated to reducing vehicle miles traveled.

The Missoula Urban Transportation District envisions Mountain Line as a safe, pleasant, productive, efficient, and satisfying environment for the employees of MUTD and promotes working relationships that are characterized by common respect, shared responsibilities and involvement, open, honest, communication and acceptance of the benefit of each other and MUTD.

SECTION 2: INSTRUCTIONS

2.0 Term of Contract

The Missoula Urban Transportation District (MUTD) is seeking proposals for the independent audit of its financial records for the fiscal years ending June 30, 2025, 2026 and 2027, with two (2) additional one-year renewal options at MUTD's sole discretion.

2.2 Disadvantaged Business Enterprise Participation

The Disadvantaged Business Enterprise (DBE) requirements of 49 CFR Part 26 applies to this contract. The requirements of this contract are to encourage DBE participation and to report race neutral accomplishments semi-annually. No preference will be included in the submission evaluation, no minimum level of DBE participation shall be required as condition for receiving an award and submissions will not be rejected or considered non-responsive on that basis.

2.3 Public Disclosure of Information

All the information contained in the submittal is subject to the State of Montana public disclosure laws. Information which is not subject to public disclosure shall be submitted under separate cover marked "Exempt from Public Disclosure." MUTD assumes no responsibility or liability for any losses or damages which may result from the information contained in the submittal. Furthermore, it will be the responsibility of the Vendor to protect the confidentiality of any information submitted in the submittal, and the Vendor will assume all liability and responsibility for any information declared confidential and shall defend and hold MUTD harmless for any cost, penalties, and/or fees (including attorney fees) incurred in any action regarding the disclosure of said information.

2.4 Public Disclosure and Proprietary Information

Information contained in the submittal, including price, will not be released by MUTD prior to contract award in order to protect the integrity of the procurement process unless otherwise required by law. Vendors are further advised that MUTD may be required to release submittal information after contract award.

If a Vendor feels that any information is confidential or proprietary in nature, the Vendor must submit all such information in a separate sealed envelope prominently marked with the Vendor's name and "Exempt from Public Disclosure." MUTD shall not release or divulge such information to third parties without the consent of the Vendor unless required to do so by applicable law or order of a court of competent jurisdiction.

2.5 Communications with MUTD

Upon release of this solicitation document, all Vendor communications concerning this

procurement must be directed to:

Frank Kuhl, Procurement and Contracts Specialist
Missoula Urban Transportation District
1221 Shakespeare Street
Missoula, MT 59802
(406) 543-8386 Ext. 5845
fkuhl@mountainline.com

Unless authorized by the General Manager in writing, no other MUTD official or employee is empowered to speak for MUTD with respect to this Request for Proposals.

2.6 Preparation of Submittals

- A. Vendors shall examine this Request for Proposal's Instructions and Requirements, Scope of Work, Required Forms and Certifications, and all Exhibits and Attachments. Failure to do so will be at the Vendor's risk.
- B. Each Vendor shall furnish information required by the solicitation. Erasures or other changes shall be initialed by the person signing the proposal. Submittals signed by an agent (other than an officer or a partner) are to be accompanied by evidence of that person's authority unless such evidence has been previously furnished to MUTD.
- C. Submittals for services other than those specified will not be considered unless authorized by the solicitation.
- D. The Vendor shall state a definite time for performance of services unless otherwise specified in the solicitation.
- E. Time, if stated as number of days, will include Saturdays, Sundays and holidays.

2.7 Submission of Proposals

Submissions shall be delivered via email in PDF format to Frank Kuhl, Procurement and Contracts Specialist, fkuhl@mountainline.com.

2.8 Late Submittals, Modifications of Submittals, and Withdrawals of Submittals

- A. Any submittal or modification received at the office designated in the solicitation after the exact time specified for receipt will not be considered and will be returned to the Vendor not opened.
- B. The time of receipt at MUTD is the time-date stamped on the submittal envelope, or other documentary evidence of receipt maintained by MUTD.
- C. Submittals may be officially withdrawn from consideration only by a written request

to MUTD's point of contact as identified in Section 2.5 prior to response deadline.

2.9 Conditional/Nonresponsive Submittals

MUTD reserves the right to reject as non-responsive any submittal accompanied by insufficient or irregular required security; any submittal from Vendors who have previously failed to perform properly, or to complete on time contracts of any nature; and any submittal which is incomplete, obscure or irregular. MUTD reserves the right to reject any or all submittals, based on its discretion alone.

It will be assumed by MUTD that the Vendor has accepted without reservation or amendment the whole of the general requirements and legal requirements and contract provisions contained in this solicitation document.

A Vendor may note any exceptions or additional provisions that it wishes MUTD to consider. Exceptions must be submitted on a separate sheet of paper and be cross-referenced in the RFP submission

NOTE: MUTD reserves the right to reject any or all Vendor-proposed exceptions, or additional provisions to terms and conditions, and other requirements without comment. An excessive number of exceptions may cause the Submission to be viewed as non-responsive.

2.10 Single Submittal

In the event that only one submittal is received, MUTD will conduct a price or cost analysis of the proposal (if pricing is one of the criteria), or both, and the Vendor hereby agrees to such analysis. A price analysis is the process of examining the submittal and evaluating the separate cost elements. A price analysis through comparison to other similar awards must be based on an established or competitive price of the elements used in the comparison. The comparison is to be made to the procurement of similar services and involving a similar scope of work. Where a difference exists, a detailed analysis must be made of this difference and costs attached hereto.

Where it is impossible to obtain a valid price analysis, it may be necessary for MUTD to conduct a cost analysis of the proposed price. The price or cost analysis shall be made by competent and experienced auditors or price analysts or engineer's estimate.

Any such analysis and the results therefrom shall not obligate MUTD to accept such a single submittal, and MUTD may reject such submittal at its sole discretion. In the event of such price or cost analysis, MUTD shall have the right to extend the effective date of the submittal for more than 90 days.

2.11 Ineligible Vendors

In the event that a Vendor is on the Comptroller General's list of ineligible for federally financed or assisted work, its submittal may be rejected and any contract resulting from its submittal may be canceled, terminated or suspended by MUTD. The US Comptroller

General's list of ineligible contractors is available from the GAO Publications Branch, Room 6427, 441 G Street, Washington DC, 20548.

MUTD reserves the right to reject any or all submittals and to waive informalities and irregularities.

No Vendor may withdraw its submittal after the time announced for submitting or before the award and execution of the contract, unless the award is delayed for a period exceeding ninety (90) days.

2.12 Addenda

Oral explanations or instructions given before the award of the contract shall not be binding. In order for information to reach Vendors before submission of their offers, any explanation desired by a Vendor regarding the meaning or interpretation of the solicitation document must be requested in writing no later than the date listed in Section 2.17. Such information requests received by e-mail to the Procurement representative listed above will be considered as a written request.

Any answers to questions given to prospective Contractors concerning the clarification of, or any changes to the RFP solicitation document shall be provided in writing to all prospective Contractors as an Addendum of the solicitation. All Addenda will be posted on the MUTD website at www.mountainline.com.

All proposed modifications found acceptable to MUTD will be issued as an Addendum and mailed or e-mailed to all potential Contractors who have requested copies of the RFP. Only the Addendum issued by MUTD modifies the solicitation document. No other oral or written communication modifies the solicitation document.

2.13 Acknowledgement of Addenda

While MUTD will make efforts to provide Addenda to all interested parties, it is the Vendor's responsibility to ensure that they have received and understand any and all addenda issued.

A completed Addendum Acknowledgement form (Section 7) shall be included with all proposals. In addition, Vendors must acknowledge receipt of the Addenda in their Letter of Transmittal (Section 3.2).

2.14 Modification of Submittals

A modification of a submittal already received will be considered only if the proposed modification is received prior to the time announced as the deadline for the submittal intended to be modified. All modifications shall be made in writing, executed and submitted in the same form and manner as the original submittal.

2.15 Pre-contractual Expenses

MUTD will not be responsible for any expenses incurred in preparing, submitting, or negotiating this proposal, and such costs should not be included in the proposal.

2.15 Joint Venture

Joint venture submittals will not be accepted by MUTD. Vendors shall structure their submittals so that one Vendor is the Primary Submitter.

Firms associated with the Primary Submitter, providing goods and/or service to MUTD under this contract, shall be as a subcontractor to the primary contract awardee, not MUTD.

2.16 Request for Extension

The Vendor agrees to supply, as soon as such data is available any reasonable proofs that are required by MUTD to make a decision on any request for extension. MUTD shall examine the request, and any documents supplied by the Vendor, and shall determine if the Vendor is entitled to an extension and the duration of such extension. MUTD shall notify the vendor of its decision in writing.

It is expressly understood and agreed that the Vendor shall not be entitled to damages or compensation, and shall not be reimbursed for losses on account of delays resulting from any clause under this provision.

2.17 Timeline for RFP #24-02, Financial Auditing Services

Date Issued:	October 28, 2024
Written Questions Due:	November 18, 2024
Response to questions:	November 22, 2024
Proposal Due Date:	December 2, 2024
Interviews (if any):	December 10-11, 2024
Anticipated Award:	December 19, 2024

Each submittal shall remain open for a period of ninety (90) days beginning October 28, 2024. MUTD reserves the right to request extension of submittal effective period.

2.18 Pre-Submittal Conference

There will be no pre-submittal conference.

SECTION 3: PROPOSAL REQUIREMENTS

3.1 Proposal Contents

To be considered responsive, each proposal shall contain the following:

1. Letter of Transmittal (Section 3.2)
2. Technical Proposal (Section 3.3)
3. Required Forms and Certifications (Section 7)

3.2 Letter of Transmittal

A brief introductory letter to introduce the proposal shall be addressed to the procurement officer identified in Section 2.5 of this RFP, and must, at a minimum, contain the following:

1. Identification of the Vendor, including name and mailing address.
2. Acknowledgement of receipt of all RFP addenda, if any.
3. Name, title, address, and telephone number of contact person during period of proposal evaluation.
4. A statement to the effect that the proposal shall remain valid for a period of not less than 90 days from the date of submittal.
5. Signature of a person authorized to commit the Vendor to the terms of the proposal.

3.3 Technical Proposal

The technical proposal shall fully address the following areas:

1. Qualifications of firm
 - a. Provide a description of your firm, including the year founded, the types of services offered, the number of employees, and the size and location of offices.
 - b. Describe the key personnel involved in the completion of the project requirements, including information on the government and transit agency auditing experience of each person. Please include copies of all professional resumes.
 - c. If your submittal represents a joint effort on a prime/subcontracted submittal, provide the above for all members of the submittal team and the specific responsibilities of each project team firm.
 - d. Submit a copy of the firm's most recent external quality control review (Peer Review) and indicate whether that quality control review included a review of specific government engagements.
 - e. Provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

- f. Required certifications and business licenses allowing the firm to do business in the city of Missoula and the state of Montana.

2. Past performance and quality of services

- a. Describe the firm's overall experience and past performance in providing services similar to those solicited in this RFP.
- b. Provide at least three (3) references for which similar services have been performed. Indicate the scope of work, dates of the engagement, and the name, email and phone number of a contact person who is willing to briefly discuss the Vendor's work with MUTD.

3. Response to scope of work

- a. Address the scope of work requirements listed in Section 4 of this RFP and how you will meet or exceed those requirements.

4. Cost

- a. Provide a fully developed cost for services required by the Scope of Work in Section 4 of this RFP.
- b. For each of years 1 through 3, provide a complete listing of project personnel, the number of hours billed to the project, and the hourly rate.
- c. Indicate any additional direct and indirect costs relative to the project, including all out-of-pocket expenses.

3.3 Required forms and certifications

Each of the forms in Section 6 of this document should be completed by the proposer and included in the submittal.

SECTION 4: SCOPE OF WORK

4.1 Introduction

The Missoula Urban Transportation District (MUTD) is seeking proposals for the independent audit of its financial records for the fiscal years ending June 30, 2025, 2026 and 2027, with two (2) additional one-year renewal options at MUTD's sole discretion.

4.2 Auditing Standards

The audit must be performed in accordance with the following standards:

1. Generally accepted auditing standards
2. General Accounting Office's (GAO) Government Auditing Standards, the Single Audit Act of 1996
3. U.S. Office of Management and Budget (OMB) Circular A-133
4. Governmental Accounting Standards Board
5. Any other standards and/or best practices established by the American Institute of Certified Public Accountants and the Montana Society of Certified Public Accountants

4.3 Annual Pre-Audit Meeting

Each year, meet with MUTD staff to confirm what revenue will be included in the prior years audit, determine a plan for calculating depreciation, and cover any other topics necessary to begin work on the audited financial statements for the prior fiscal year. The annual pre-audit meeting can occur virtually or in person and should occur in August or September following the end of the fiscal year to be audited.

4.3 Reports to be Issued

Each audit will include tests of the accounting records of MUTD and other procedures necessary to produce the following:

1. A management letter on internal controls and compliance
2. A report on the fair presentation of MUTD's financial statements in conformity with generally accepted accounting principles (GAAP).
3. Current year depreciation calculation for current year for all assets.
4. A Single Audit Report, in accordance with OMB Circular A-133, that includes the following reports:
 - i. Report on internal control over financial reporting based on an audit of financial statements.
 - ii. A report on compliance, and internal control over compliance, with the general requirements of federal financial assistance,

For each audit, the Vendor will provide two (2) bound copies of the above reports in accordance with applicable standards, as well as electronic files for each report.

4.4 Instances of Non-compliance

The reports on compliance and internal controls shall include all instances on non-compliance. In addition, the Vendor shall be required to make an immediate, written report of all irregularities and/or illegal acts of which they become aware of to the MUTD Board of Directors.

4.5 Access to MUTD Records

MUTD shall make available all financial records and related information requested by the Vendor prior to the start of the audit, and any additional information that is reasonably possible to provide during the course of an audit.

4.6 Retention Period

All working papers and reports must be retained, and be made available to MUTD on request, for at least five years following the issuance of the reports, unless the firm is notified in writing by MUTD of the need to extend the retention period.

4.7 Management's Responsibility

MUTD acknowledges management's responsibility for the reliability, accuracy and completeness of all financial presentations. The independent auditor has provided and is expected to provide invaluable assistance in interpreting financial reporting requirements.

4.8 Unspecified Accounting Services

No services are contemplated outside of those set forth in Section 4 of this RFP; however, MUTD may require the Vendor's availability throughout the year to provide general accounting or financially-related consulting services on an as-needed basis. MUTD shall provide the Vendor with reasonable advance notice of the need for such services and provide reimbursement according to the billing rates quoted in their proposal.

SECTION 5: EVALUATION PROCESS AND AWARD

5.1 Evaluation Committee

Evaluation of proposals will be performed by a committee comprised of MUTD staff. The evaluation committee will evaluate and select the proposal that best addresses the requirements of the project, in accordance with the criteria stated herein. MUTD reserves the right to reject any or all submittals.

5.2 Evaluation Criteria

Each technical proposal will be evaluated on the basis of the following factors and corresponding weights:

<u>Criteria</u>	<u>Value</u>
Qualifications of firm	30%
Past performance and quality of services	20%
Response to Scope of Work	25%
Price	25%

5.3 General Approach

- A. This contract will be awarded in accordance with the regulations for a competitive sealed proposals process set forth in FTA Circular 4220.1F.
- B. MUTD may hold interviews with all Vendors judged reasonably susceptible of being selected for an award (competitive range). However, MUTD also reserves the right to make an award without holding any discussions or interviews. In either case, MUTD may determine a Vendor to be not responsible and/or a Vendor's proposal to be not reasonably susceptible of being selected for an award (outside the competitive range) at any time after the proposal due date and MUTD initial review of the proposals submitted.

5.4 Evaluation Process

The evaluation process will occur in the following manner and sequence:

1. The MUTD procurement officer (Section 2.5) will conduct an evaluation of each proposal to determine whether the basic procurement requirements listed in Section 1 were met.
2. All remaining proposals will be evaluated and ranked by the evaluation committee based on the criteria in Section 5.2.
3. MUTD may hold interviews with all Vendors whose proposals are within the competitive range. The purpose of such interviews will be to assure a full

understanding of MUTD's requirements and the Vendor's ability to perform and deliver those requirements.

4. Vendors must confirm in writing any substantive oral clarification of, or change in, their proposals made in the course of an interview or discussion. Any such written clarification will then become part of the Vendor's proposal.
5. MUTD reserves the right, if it has determined to be in its best interest, to permit all Vendors who have submitted acceptable proposals to revise their initial proposals and submit, in writing, best and final offers (BAFOs). There can be more than one round of BAFO submissions.

5.5 Award of Contract

- A. Upon completion of all interviews, reference checks, and scoring of technical proposals, the evaluation committee will recommend award of the Contract to the responsible Vendor whose proposal is determined to be the most advantageous to MUTD, considering the evaluation factors listed in the solicitation.
- B. MUTD may not necessarily make an award to the Vendor with the highest technical ranking, or to the Vendor with the lowest price proposal, if doing so would not be in the overall best interest of MUTD.
- C. MUTD reserves the right to make an award without holding any discussions or interviews.
- D. MUTD may reject all proposals if such action is determined to be in the best interest of MUTD.
- E. Within 90 days after the deadline for submittals, MUTD will either decide to award a contract or reject all submittals, unless extension is made as stated in Section 2.16.
- F. Prior to issuance of a Notice to Proceed, MUTD may issue a notice of intent to issue an award.
- G. Upon execution and submission of all required documentation, MUTD will issue a Notice to Proceed evidencing its formal acceptance and award of the contract.

5.6 Billing and Payment

Payment for services rendered under the contract may be billed annually following the completion of the financial audit for the prior fiscal year.

SECTION 6: REQUIRED FORMS AND CERTIFICATIONS

For a proposal to be considered responsive, the following forms, certifications, and/or statements are to be executed and enclosed with each proposal. Proposals received without these forms/certifications completed will not be considered. Compliance with these requirements is mandatory for a contract award.



Federal Contract Clauses

No Government Obligations to Third Parties

All Contracts except micro-purchases (\$10,000 or less, except for construction contracts over \$2,000)

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

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

Program fraud and false or fraudulent statements and related acts

All Contracts except micro-purchases (\$10,000 or less, except for construction contracts over \$2,000)

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

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

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

Access to Records and Reports



As shown below. These requirements do not apply to micro-purchases (\$10,000 or less, except for construction contracts over \$2,000)

The following access to records requirements apply to this Contract:

- 1) Where the purchaser is not a State but a local government and is an FTA recipient or a subgrantee of FTA recipient in accordance with 49 CFR 18.36(i), contractor shall provide the purchaser, the FTA, the US Comptroller General or their authorized representatives access to any books, documents, papers and contractor records which are pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions. Contractor shall also, pursuant to 49 CFR 633.17, provide authorized FTA representatives, including any PMO contractor, access to contractor's records and construction sites pertaining to a capital project, defined at 49 USC 5302(a)1, which is receiving FTA assistance through the programs described at 49 USC 5307, 5309 or 5311.
- 2) Where the purchaser is a State and is an FTA recipient or a subgrantee of FTA recipient in accordance with 49 CFR 633.17, contractor shall provide the purchaser, authorized FTA representatives, including any PMO Contractor, access to contractor's records and construction sites pertaining to a capital project, defined at 49 USC 5302(a)1, which receives FTA assistance through the programs described at 49 USC 5307, 5309 or 5311. By definition, a capital project excludes contracts of less than the simplified acquisition threshold currently set at \$100,000.
- 3) Where the purchaser enters into a negotiated contract for other than a small purchase or under the simplified acquisition threshold and is an institution of higher education, a hospital or other non-profit organization and is an FTA recipient or a subgrantee of FTA recipient in accordance with 49 CFR 19.48, contractor shall provide the purchaser, the FTA, the US Comptroller General or their authorized representatives, access to any books, documents, papers and record of the contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions.
- 4) Where a purchaser which is an FTA recipient or a subgrantee of FTA recipient in accordance with 49 USC 5325(a) enters into a contract for a capital project or improvement (defined at 49 USC 5302(a)1) through other than competitive bidding, contractor shall make available records related to the contract to the purchaser, the Secretary of USDOT and the US Comptroller General or any authorized officer or employee of any of them for the purposes of conducting an audit and inspection.
- 5) Contractor shall permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
- 6) Contractor shall maintain all books, records, accounts and reports required under this contract for a period of not less than three (3) years after the date of termination or expiration of this contract, except in the event of litigation or settlement of claims arising from the performance of this contract, in which case contractor agrees to maintain same until the recipient, FTA Administrator, US Comptroller General, or any of their authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. Re: 49 CFR 18.39(i)(11).

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



Federal Changes

All Contracts except micro-purchases (\$10,000 or less, except for construction contracts over \$2,000)

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

Civil Rights (Title VI, EEO, ADA)

All Contracts except micro-purchases (\$10,000 or less, except for construction contracts over \$2,000)

The following requirements apply to the underlying contract:

- a) The Recipient agrees that it must comply with applicable federal civil rights laws, regulations, requirements, and guidance, and follow applicable federal guidance, except as the Federal Government determines otherwise in writing. Therefore, unless a Recipient or a federal program, including the Tribal Transit Program or the Indian Tribe Recipient, is specifically exempted from a civil rights statute, FTA requires compliance with that civil rights statute, including compliance with equity in service.
- b) Nondiscrimination in Federal Public Transportation Programs. The Recipient agrees to, and assures that it and each Third Party Participant, will: (1) Prohibit discrimination based on the basis of race, color, religion, national origin, sex, disability, or age. (2) Prohibit the: (a) Exclusion from participation in employment or a business opportunity for reasons identified in 49 U.S.C. § 5332, (b) Denial of program benefits in employment or a business opportunity identified in 49 U.S.C. § 5332, or (c) Discrimination, including discrimination in employment or a business opportunity identified in 49 U.S.C. § 5332. (3) Follow: (a) The most recent edition of FTA Circular 4702.1, "Title VI Requirements and Guidelines for Federal Transit Administration Recipients," to the extent consistent with applicable federal laws, regulations, requirements, and guidance, and other applicable federal guidance that may be issued, but (b) FTA does not require an Indian Tribe to comply with FTA program-specific guidelines for Title VI when administering its Underlying Agreement supported with federal assistance under the Tribal Transit Program.
- c) Nondiscrimination – Title VI of the Civil Rights Act. The Recipient agrees to, and assures that each Third Party Participant, will: (1) Prohibit discrimination based on race, color, or national origin, (2) Comply with: (a) Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000d et seq., (b) U.S. DOT regulations, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964," 49 C.F.R. part 21, and (c) Federal transit law, specifically 49 U.S.C. § 5332, and (3) Follow: (a) The most recent edition of FTA Circular 4702.1, "Title VI Requirements and Guidelines for Federal Transit Administration Recipients," to the extent consistent with applicable federal laws, regulations, requirements, and guidance, (b) U.S. DOJ, "Guidelines for the enforcement of Title VI, Civil Rights Act of 1964," 28 C.F.R. § 50.3, and (c) All other applicable federal guidance that may be issued.



d) Equal Employment Opportunity. (1) Federal Requirements and Guidance. The Recipient agrees to, and assures that each Third Party Participant will, prohibit, discrimination on the basis of race, color, religion, sex, sexual orientation, gender identity, or national origin, and: (a) Comply with Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e et seq., (b) Facilitate compliance with Executive Order No. 11246, “Equal Employment Opportunity” September 24, 1965, 42 U.S.C. § 2000e note, as amended by any later Executive Order that amends or supersedes it in part and is applicable to federal assistance programs, (c) Comply with federal transit law, specifically 49 U.S.C. § 5332, as provided in section 12.a of this Master Agreement, (d) FTA Circular 4704.1, “Equal Employment Opportunity Program Guidelines for Grant Recipients,” July 26, 1988, and (e) Follow other federal guidance pertaining to Equal Employment Opportunity laws, regulations, and requirements, and prohibitions against discrimination on the basis of disability, (2) Specifics. The Recipient agrees to, and assures that each Third Party Participant will: (a) Prohibited Discrimination. As provided by Executive Order No. 11246, as amended by any later Executive Order that amends or supersedes it, and as specified by U.S. Department of Labor regulations, ensure that applicants for employment are employed and employees are treated during employment without discrimination on the basis of their race, color, religion, national origin, disability, age, sexual orientation, gender identity, or status as a parent, (b) Affirmative Action. Take affirmative action that includes, but is not limited to: 1 Recruitment advertising, recruitment, and employment, 2 Rates of pay and other forms of compensation, 3 Selection for training, including apprenticeship, and upgrading, and 4 Transfers, demotions, layoffs, and terminations, but (c) Indian Tribe. Recognize that Title VII of the Civil Rights Act of 1964, as amended, exempts Indian Tribes under the definition of “Employer,” and (3) Equal Employment Opportunity Requirements for Construction Activities. Comply, when undertaking “construction” as recognized by the U.S. Department of Labor (U.S. DOL), with: (a) U.S. DOL regulations, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor,” 41 C.F.R. chapter 60, and (b) Executive Order No. 11246, “Equal Employment Opportunity in Federal Employment,” September 24, 1965, 42 U.S.C. § 2000e note, as amended by any later Executive Order that amends or supersedes it, referenced in 42 U.S.C. § 2000e note.

e) Disadvantaged Business Enterprise. To the extent authorized by applicable federal laws and regulations, the Recipient agrees to facilitate, and assures that each Third Party Participant will facilitate, participation by small business concerns owned and controlled by socially and economically disadvantaged individuals, also referred to as “Disadvantaged Business Enterprises” (DBEs), in the Underlying Agreement as follows: (1) Statutory and Regulatory Requirements. The Recipient agrees to comply with: (a) Section 1101(b) of the FAST Act, 23 U.S.C. §101 note, (b) U.S. DOT regulations, “Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs,” 49 C.F.R. part 26, and (c) Federal transit law, specifically 49 U.S.C. § 5332, as provided in section 12.a of this Master Agreement. (2) DBE Program Requirements. A Recipient that receives planning, capital and/or operating assistance and that will award prime third party contracts exceeding \$250,000 in a federal fiscal year must have a DBE program meeting the requirements of 49 C.F.R. part 26, that is approved by FTA, and establish an annual DBE participation goal. (3) Special Requirements for a Transit Vehicle Manufacturer (TVM). The Recipient agrees that: (a) TVM Certification. Each TVM, as a condition of being authorized to bid or propose on FTA-assisted transit vehicle procurements, must certify that it has complied with the requirements of 49 C.F.R. part 26, and (b) Reporting TVM Awards. Within 30 days of any third party contract award for a vehicle purchase, the Recipient must submit to FTA the name of the TVM contractor and the total dollar value of the third party contract, and notify FTA that this information has been attached to FTA’s electronic



award and management system, the Recipient must also submit subsequent notifications if options are exercised in subsequent years to ensure the TVM is still in good standing. (4) Assurance. As required by 49 C.F.R. § 26.13(a): (a) Recipient Assurance. The Recipient agrees and assures that: 1 It must not discriminate on the basis of race, color, national origin, or sex in the award and performance of any FTA or U.S. DOT-assisted contract, or in the administration of its DBE program or the requirements of 49 C.F.R. part 26, 2 It must take all necessary and reasonable steps under 49 C.F.R. part 26 to ensure nondiscrimination in the award and administration of U.S. DOT-assisted contracts, 3 Its DBE program, as required under 49 C.F.R. part 26 and as approved by U.S. DOT, is incorporated by reference and made part of the Underlying Agreement, and 4 Implementation of its DBE program approved by U.S. DOT is a legal obligation and failure to carry out its terms shall be treated as a violation of this Master Agreement. (b) Subrecipient/Third Party Contractor/Third Party Subcontractor Assurance. The Recipient agrees and assures that it will include the following assurance in each subagreement and third party contract it signs with a Subrecipient or Third Party Contractor and agrees to obtain the agreement of each of its Subrecipients, Third Party Contractors, and Third Party Subcontractors to include the following assurance in every subagreement and third party contract it signs: 1 The Subrecipient, each Third Party Contractor, and each Third Party Subcontractor must not discriminate on the basis of race, color, national origin, or sex in the award and performance of any FTA or U.S. DOT-assisted subagreement, third party contract, and third party subcontract, as applicable, and the administration of its DBE program or the requirements of 49 C.F.R. part 26, 2 The Subrecipient, each Third Party Contractor, and each Third Party Subcontractor must take all necessary and reasonable steps under 49 C.F.R. part 26 to ensure nondiscrimination in the award and administration of U.S. DOT-assisted subagreements, third party contracts, and third party subcontracts, as applicable, 3 Failure by the Subrecipient and any of its Third Party Contractors or Third Party Subcontractors to carry out the requirements of this subparagraph 13.d(4)(b) is a material breach of this subagreement, third party contract, or third party subcontract, as applicable, and 4 The following remedies, or such other remedy as the Recipient deems appropriate, include, but are not limited to, withholding monthly progress payments; assessing sanctions; liquidated damages; and/or disqualifying the Subrecipient, Third Party Contractor, or Third Party Subcontractor from future bidding as non-responsible. (5) Remedies. Upon notification to the Recipient of its failure to carry out its approved program, FTA or U.S. DOT may impose sanctions as provided for under 49 C.F.R. part 26, and, in appropriate cases, refer the matter for enforcement under either or both 18 U.S.C. § 1001, and/or the Program Fraud Civil Remedies Act of 1986, 31 U.S.C. § 3801 et seq.

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

g) Nondiscrimination on the Basis of Age. The Recipient agrees to comply with federal prohibitions against discrimination on the basis of age, including: (1) The Age Discrimination in Employment Act, 29 U.S.C. §§ 621 – 634, which prohibits discrimination on the basis of age, (2) U.S. Equal Employment Opportunity Commission (U.S. EEOC) regulations, “Age Discrimination in Employment Act,” 29 C.F.R. part 1625, (3) The Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6101 et seq., which prohibits discrimination against individuals on the basis of age in the administration of Programs, Projects, and related activities receiving federal assistance, (4) U.S. Health and Human Services



regulations, “Nondiscrimination on the Basis of Age in Programs or Activities Receiving Federal Financial Assistance,” 45 C.F.R. part 90, and (5) Federal transit law, specifically 49 U.S.C. § 5332.

h) Nondiscrimination on the Basis of Disability. The Recipient agrees to comply with the following federal prohibitions against discrimination on the basis of disability: (1) Federal laws, including: (a) section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794, which prohibits discrimination on the basis of disability in the administration of federally assisted Programs, Projects, or activities, (b) The Americans with Disabilities Act of 1990 (ADA), as amended, 42 U.S.C. § 12101 et seq., which requires that accessible facilities and services be made available to individuals with disabilities: 1 For FTA Recipients generally, Titles I, II, and III of the ADA apply, but 2 For Indian Tribes, Titles II and III of the ADA apply, but Title I of the ADA does not apply because it exempts Indian Tribes from the definition of “employer,” (c) The Architectural Barriers Act of 1968, as amended, 42 U.S.C. § 4151 et seq., which requires that buildings and public accommodations be accessible to individuals with disabilities, (d) Federal transit law, specifically 49 U.S.C. § 5332, which now includes disability as a prohibited basis for discrimination, and (e) Other applicable federal laws, regulations and requirements pertaining to access for seniors or individuals with disabilities. (2) Federal regulations, including: (a) U.S. DOT regulations, “Transportation Services for Individuals with Disabilities (ADA),” 49 C.F.R. part 37, (b) U.S. DOT regulations, “Nondiscrimination on the Basis of Disability in Programs and Activities Receiving or Benefiting from Federal Financial Assistance,” 49 C.F.R. part 27, (c) Joint U.S. Architectural and Transportation Barriers Compliance Board (U.S. ATBCB) and U.S. DOT regulations, “Americans With Disabilities (ADA) Accessibility Specifications for Transportation Vehicles,” 36 C.F.R. part 1192 and 49 C.F.R. part 38, (d) U.S. DOT regulations, “Transportation for Individuals with Disabilities: Passenger Vessels,” 49 C.F.R. part 39, (e) U.S. DOJ regulations, “Nondiscrimination on the Basis of Disability in State and Local Government Services,” 28 C.F.R. part 35, (f) U.S. DOJ regulations, “Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities,” 28 C.F.R. part 36, (g) U.S. EEOC, “Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act,” 29 C.F.R. part 1630, (h) U.S. Federal Communications Commission regulations, “Telecommunications Relay Services and Related Customer Premises Equipment for Persons with Disabilities,” 47 C.F.R. part 64, Subpart F, (i) U.S. ATBCB regulations, “Electronic and Information Technology Accessibility Standards,” 36 C.F.R. part 1194, and (j) FTA regulations, “Transportation for Elderly and Handicapped Persons,” 49 C.F.R. part 609, and (k) Other applicable federal civil rights and nondiscrimination guidance.

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

j) Access to Services for Persons with Limited English Proficiency. The Recipient agrees to promote accessibility of public transportation services to persons with limited understanding of English by following: (1) Executive Order No. 13166, “Improving Access to Services for Persons with Limited English Proficiency,” August 11, 2000, 42 U.S.C. § 2000d-1 note, and (2) U.S. DOT Notice, “DOT Policy Guidance Concerning Recipients’ Responsibilities to Limited English Proficiency (LEP) Persons,” 70 Fed. Reg. 74087, December 14, 2005.



k) Other Nondiscrimination Laws, Regulations, Requirements, and Guidance. The Recipient agrees to comply with other applicable federal nondiscrimination laws, regulations, and requirements, and follow federal guidance prohibiting discrimination. l. Remedies. Remedies for failure to comply with applicable federal Civil Rights laws, regulations, requirements, and guidance may be enforced as provided in those federal laws, regulations, or requirements.

Incorporation of FTA Terms

All Contracts except micro-purchases (\$10,000 or less, except for construction contracts over \$2,000)

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

Energy Conservation

All Contracts except micro-purchases (\$10,000 or less, except for construction contracts over \$2,000)

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

Disadvantaged Business Enterprises (DBEs)

Contracts over \$10,000 awarded on the basis of a bid or proposal offering to use DBEs

This contract is subject to the requirements of Title 49, Code of Federal Regulations, Part 26, Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs and with section 1101(b) of SAFETEA LU, 23 U.S.C. § 101.

The contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of this FTA-assisted contract. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as MUTD deems appropriate. Each subcontract the contractor signs with a subcontractor must include the assurance in this paragraph. The successful proposer/offeror will be required to report its DBE participation obtained through race-neutral means throughout the period of performance.

Prompt Payment

All contracts except micro-purchases (\$10,000 or less, except for construction contracts over \$2,000)

The contractor is required to pay its subcontractors performing work related to this contract for satisfactory performance of that work no later than 30 days after the contractor's receipt of payment



for that work from MUTD. In addition, the contractor may not hold retainage from its subcontractors. The contractor must promptly notify MUTD whenever a DBE subcontractor performing work related to this contract is terminated or fails to complete its work, and must make good faith efforts to engage another DBE subcontractor to perform at least the same amount of work. The contractor may not terminate any DBE subcontractor and perform that work through its own forces or those of an affiliate without prior written consent of MUTD.

Contracts Involving Federal Privacy Act Requirements

When a grantee maintains files on drug and alcohol enforcement activities for FTA, and those files are organized so that information could be retrieved by personal identifier, the Privacy Act requirements apply to all contracts except micro-purchases (\$10,000 or less, except for construction contracts over \$2,000)

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

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

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

Patent and Rights in Data

Research projects in which FTA finances the purpose of the grant is to finance the development of a product or information. These patent and data rights requirements do not apply to capital projects or operating projects, even though a small portion of the sales price may cover the cost of product development or writing the user's manual or to micro-purchases (less than \$10,000)

a) General. The Recipient agrees that: (1) Depending on the nature of the Project, the Federal Government may acquire patent rights when the Recipient or Third Party Participant produces a patented or patentable: (a) Invention, (b) Improvement, or (c) Discovery, (2) The Federal Government's rights arise when the patent or patentable information is: (a) Conceived under the Project, or (b) Reduced to practice under the Project, and (3) When a patent is issued or patented information becomes available as described in Patent Rights section A(2), the Recipient agrees to: (a) Notify FTA immediately, and (b) Provide a detailed report satisfactory to FTA,

b) Federal Rights. The Recipient agrees that: (1) Its rights and responsibilities, and the rights and responsibilities of each Third Party Participant, in that federally funded invention, improvement, or discovery will be determined as provided by applicable Federal laws, regulations, and guidance,



including any waiver thereof, and (2) Unless the Federal Government determines otherwise in writing, irrespective of the Recipient's status or the status of any Third Party Participant as a large business, a small business, a State government, a State instrumentality, a local government, an Indian tribe, a nonprofit organization, an institution of higher education, or an individual, the Recipient agrees to transmit the Federal Government's patent rights to FTA as specified in: (a) 35 U.S.C. § 200 et seq., and (b) U.S. Department of Commerce regulations, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," 37 C.F.R. part 401, and

c) C. License Fees and Royalties. As permitted by 49 C.F.R. parts 18 and 19: (1) License fees and royalties for patents, patent applications, and inventions derived from the Project are program income, and (2) The Recipient has no obligation to the Federal Government with respect to those license fees or royalties, except: (a) For compliance with 35 U.S.C. § 200 et seq., which applies to patent rights developed under a federally funded research-type project, and (b) As FTA determines otherwise in writing.

Rights in Data and Copyrights

a) Definition of "Subject Data" means recorded information: (1) Copyright. Whether or not copyrighted, and (2) Delivery. That is delivered or specified to be delivered under the Underlying Agreement,

b) Examples of "Subject Data." Examples of "subject data": (1) Include, but are not limited to: (a) Computer software, (b) Standards, (c) Specifications, (d) Engineering drawings and associated lists, (e) Process sheets, (f) Manuals, (g) Technical reports, (h) Catalog item identifications, and (i) Related information, but (2) Do not include: (a) Financial reports, (b) Cost analyses, or (c) Other similar information used for Project administration,

c) General Federal Restrictions. The following restrictions apply to all subject data first produced in the performance of the Recipient's Project supported by the Underlying Agreement: (1) Prohibitions. The Recipient may not: (a) Publish or reproduce any subject data in whole or in part, or in any manner or form, or (b) Permit others to do so, but (2) Exceptions. The prohibitions of Rights in Data and Copyrights C(1) do not apply to: (a) Publications or reproductions for the Recipient's own internal use, (b) An institution of higher learning, (c) The portion of subject data that the Federal Government has previously released or approved for release to the public, or (d) The portion of data that has the Federal Government's prior written consent for release,

d) Federal Rights in Data and Copyrights. The Recipient agrees that: (1) License Rights. The Recipient must provide a license to its "subject data" to the Federal Government, which license is: (a) Royalty-free, (b) Nonexclusive, and (c) Irrevocable, (2) Uses. The Federal Government's license must permit the Federal Government to take the following actions provided those actions are taken for Federal Government purposes: (a) Reproduce the subject data, (b) Publish the subject data, (c) Otherwise use the subject data, and (d) Permit other entities or individuals to use the subject data, and

e) Special Federal Rights in Data for Research, Development, Demonstration, Deployment, and Special Studies Projects. In general, FTA's purpose in providing Federal funds for a research, development,



demonstration, deployment, or special studies Project is to increase transportation knowledge, rather than limit the benefits of the Project to the Recipient and its Third Party Participants, therefore, the Recipient agrees that: (1) Publicly Available Report. When the Project is completed, it must provide a Project report that FTA may publish or make available for publication on the Internet, (2) Other Reports. It must provide other reports pertaining to the Project that FTA may request, (3) Availability of Subject Data. FTA may make available to any FTA Recipient or any of its Third Party Participants at any tier of the Project, either FTA's copyright license to the subject data or a copy of the subject data, except as the Federal Government determines otherwise in writing, (4) Identification of Information. It must identify clearly any specific confidential, privileged, or proprietary information submitted to FTA, (5) Incomplete Project. If the Project is not completed for any reason whatsoever, all data developed under the Project becomes "subject data" and must be delivered as the Federal Government may direct, but (6) Exception Rights in Data and Copyrights Section E does not apply to an adaptation of automatic data processing equipment or program that is both: (a) For the Recipient's use, and (b) Acquired with FTA capital program funding,

f) License Fees and Royalties. As permitted by 49 C.F.R. parts 18 and 19: (1) License fees and royalties for copyrighted material or trademarks derived from Project are program income, and (2) The Recipient has no obligation to the Federal Government with respect to those license fees or royalties, except: (a) For compliance with 35 U.S.C. § 200 et seq., which applies to patent rights developed under a federally funded research-type project, and (b) As FTA determines otherwise in writing,

g) Hold Harmless. Upon request by the Federal Government, the Recipient agrees that: (1) Violation by Recipient. (a) If it willfully or intentionally violates any: 1 Proprietary rights, 2 Copyrights, or 3 Right of privacy, and (b) Its violation occurs from any of the following uses of Project data: 1 Publication, 2 Translation, 3 Reproduction, 4 Delivery, 5 Use, or 6 Disposition, then (c) It will indemnify, save, and hold harmless against any liability, including costs and expenses of: 1 The Federal Government's officers acting within the scope of their official duties, 2 The Federal Government's employees acting within the scope of their official duties, and 3 Federal Government's agents acting within the scope of their official duties, but (2) Exceptions. The Recipient will not be required to indemnify the Federal Government for any liability described in Rights in Data and Copyrights section G(1) if: (a) Violation by Federal Officers, Employees or Agents. The violation is caused by the wrongful acts of Federal employees or agents, or (b) State law. If indemnification is prohibited or limited by applicable State law,

h) Restrictions on Access to Patent Rights. Nothing in this Rights in Data and Copyrights section pertaining to rights in data either: (1) Implies a license to the Federal Government under any patent, or (2) May be construed to affect the scope of any license or other right otherwise granted to the Federal Government under any patent,

i) Data Developed Without Federal Funding or Support. The Recipient understands and agrees that in certain circumstances it may need to provide data developed without any Federal funding or support to FTA. Nevertheless: (1) Protections. Rights in Data and Copyrights Sections A, B, C, and D generally do not apply to data developed without Federal funding, even though that data may have been used in connection with the Project, and (2) Identification of Information. The Recipient understands and agrees that the Federal Government will not be able to protect data developed without Federal



funding from unauthorized disclosure unless that data is clearly marked “Proprietary” or “Confidential,” and

j) Requirements to Release Data. The Recipient understands and agrees that the Federal Government may be required to release Project data and information the Recipient submits to the Federal Government as required by: (1) The Freedom of Information Act, 5 U.S.C. § 552, (2) Another applicable Federal law requiring access to Project records, (3) U.S. DOT regulations, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations,” specifically 49 C.F.R. § 19.36(d), or (4) Other applicable Federal regulations and guidance pertaining to access to Project records.

Bus Testing

Rolling stock, except minivans

NOT APPLICABLE

Pre-Award and Post-Delivery Audit Requirements

Rolling stock

NOT APPLICABLE

Cargo Preference

Contracts involving equipment, materials or commodities which may be transported by ocean vessels. These requirements do not apply to micro-purchases (\$10,000 or less, except for construction contracts over \$2,000).

NOT APPLICABLE

Fly America

All contracts involving transportation of persons or property, by air between the U.S. and/or places outside the U.S. These requirements do not apply to micro-purchases (\$10,000 or less, except for construction contracts over \$2,000).

Contractor shall comply with 49 USC 40118 (the “Fly America” Act) in accordance with General Services

Administration regulations 41 CFR 301-10, stating that recipients and subrecipients of Federal funds and their

contractors are required to use US Flag air carriers for US Government-financed international air travel and

transportation of their personal effects or property, to the extent such service is available, unless travel by foreign air carrier is a matter of necessity, as defined by the Fly America Act. Contractor shall submit, if a foreign air carrier was used, an appropriate certification or memorandum adequately explaining why service by a US flag air carrier was not available or why it was necessary to use a foreign air carrier and shall, in any event, provide a certificate of compliance with the Fly America



requirements. Contractor shall include the requirements of this section in all subcontracts that may involve international air transportation.

Seismic Safety

Construction of new buildings or additions to existing buildings. These requirements do not apply to micropurchases (\$10,000 or less, except for construction contracts over \$2,000).

NOT APPLICABLE

Davis-Bacon and Copeland Anti-Kickback Act

Construction contracts and subcontracts, including actual construction, alteration and/or repair, including decorating and painting, over \$2,000

NOT APPLICABLE

Bonding

For those construction or facility improvement contracts or subcontracts exceeding \$100,000, FTA may accept the bonding policy and requirements of the recipient, provided that they meet the minimum requirements for construction contracts as follows:

NOT APPLICABLE

Termination Provisions

All Contracts over \$10,000, except contracts with nonprofit organizations and institutions of higher learning, where the threshold is \$250,000

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

b) Termination for Default [Breach or Cause] (General Provision). If contractor does not deliver items in accordance with the contract delivery schedule, or, if the contract is for services, and contractor fails to perform in the manner called for in the contract, or if contractor fails to comply with any other provisions of the contract, the recipient may terminate this contract for default. Termination shall be effected by serving a notice of termination to contractor setting forth the manner in which contractor is in default. Contractor shall only be paid the contract price for supplies delivered and accepted, or for services performed in accordance with the manner of performance set forth in the contract. If it is later determined by the recipient that contractor had an excusable reason for not performing, such as a strike, fire, or flood, events which are not the fault of or are beyond the control of contractor, the recipient, after setting up a new delivery or performance schedule, may allow contractor to continue work, or treat the termination as a termination for convenience.



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

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

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

Recycled Products

All contracts over \$10,000 for items designated by the EPA

The contractor agrees to comply with all the requirements of Section 6002 of the Resource Conservation and Recovery Act (RCRA), as amended (42 U.S.C. 6962), including but not limited to the regulatory provisions of 40 CFR Part 247, and Executive Order 12873, as they apply to the procurement of the items designated in Subpart B of 40 CFR Part 247.

Gov't-wide Debarment and Suspension

All Contracts over \$25,000

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



“System for Award Management” at <https://www.sam.gov>, if necessary to comply with U.S. DOT regulations, 2 C.F.R. part 1200, and (2) If the Recipient suspends, debars, or takes any similar action against a Third Party Participant or individual, the Recipient will provide immediate written notice to the: (a) FTA Regional Counsel for the Region in which the Recipient is located or implements the Project, (b) FTA Project Manager if the Project is administered by an FTA Headquarters Office, or (c) FTA Chief Counsel.

Buy America

Construction Contracts and Acquisition of Goods or Rolling Stock valued at more than \$150,000

NOT APPLICABLE

Breaches and Dispute Resolution

All contracts over \$250,000

NOT APPLICABLE

Lobbying

All contracts over \$100,000

Byrd Anti-Lobbying Amendment, 31 U.S.C. 1352, as amended by the Lobbying Disclosure Act of 1995, P.L. 104-65 [to be codified at 2 U.S.C. § 1601, et seq.] - Contractors who apply or bid for an award of \$100,000 or more shall file the certification required by 49 CFR part 20, "New Restrictions on Lobbying." Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose the name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying contacts on its behalf with non- Federal funds with respect to that Federal contract, grant or award covered by 31 U.S.C. 1352. Such disclosures are forwarded from tier to tier up to the recipient.

Clean Air

All contracts over \$250,000

NOT APPLICABLE

Clean Water

All Contracts and Subcontracts over \$100,000

NOT APPLICABLE

Contract Work Hours and Safety Standards Act



Contracts over \$100,000

NOT APPLICABLE

Other Federal Requirements

The following requirements are not federal clauses, but apply to all contracts except micro-purchases (\$3,500 or less)

Full and Open Competition

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

Prohibition Against Exclusionary or Discriminatory Specifications

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

Conformance with ITS National Architecture

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

Access Requirements for Persons with Disabilities

Contractor shall comply with 49 USC 5301(d), stating Federal policy that the elderly and persons with disabilities have the same rights as other persons to use mass transportation services and facilities and that special efforts shall be made in planning and designing those services and facilities to implement that policy. Contractor shall also comply with all applicable requirements of Sec. 504 of the Rehabilitation Act (1973), as amended, 29 USC 794, which prohibits discrimination on the basis of handicaps, and the Americans with Disabilities Act of 1990 (ADA), as amended, 42 USC 12101 et seq., which requires that accessible facilities and services be made available to persons with disabilities, including any subsequent amendments thereto.

Notification of Federal Participation

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

Interest of Members or Delegates to Congress



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

Ineligible Contractors and Subcontractors

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

Compliance with Federal Regulations

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

Real Property

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

Access to Services for Persons with Limited English Proficiency

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

Environmental Justice

Except as the Federal Government determines otherwise in writing, the Recipient agrees to promote environmental justice by following: (1) Executive Order No. 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low- Income Populations," February 11, 1994, 42 U.S.C. § 4321 note, as well as facilitating compliance with that Executive Order, and (2) DOT Order 5610.2, "Department of Transportation Actions To Address Environmental Justice in Minority Populations and Low-Income Populations," 62 Fed. Reg. 18377, April 15, 1997, and (3) The most recent and applicable edition of FTA Circular 4703.1, "Environmental Justice Policy Guidance for



Federal Transit Administration Recipients,” August 15, 2012, to the extent consistent with applicable Federal laws, regulations, and guidance.

Environmental Protections

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

Geographic Information and Related Spatial Data

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

Geographic Restrictions

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

Organizational Conflicts of Interest

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

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

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



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

Veterans Preference

Veterans Preference. As provided by 49 U.S.C. § 5325(k), to the extent practicable, the Recipient agrees and assures that each of its Subrecipients: (1) Will give a hiring preference to veterans, as defined in 5 U.S.C. § 2108, who have the skills and abilities required to perform construction work required under a third party contract in connection with a Capital Project supported with federal assistance appropriated or made available for 49 U.S.C. chapter 53, and (2) Will not require an employer to give a preference to any veteran over any equally qualified applicant who is a member of any racial or ethnic minority, female, an individual with a disability, or a former employee.

Safe Operation of Motor Vehicles

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

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

Catalog of Federal Domestic Assistance (CFDA) Identification Number

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

CFDA number for the Federal Transportation Administration

Nonurbanized Area Formula (Section 5311) is 20.509. A Recipient covered by the Single Audit Act Amendments of 1996 and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," (replaced with 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles,



and Audit Requirements for Federal Awards” effective December 26, 2014 as applicable) agrees to separately identify the expenditures for Federal awards under the Recovery Act on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by OMB Circular A-133. The Recipient agrees to accomplish this by identifying expenditures for Federal awards made under Recovery Act separately on the SEFA, and as separate rows under Item 9 of Part III on the SF-SAC by CFDA number, and inclusion of the prefix “ARRA” in identifying the name of the Federal program on the SEFA and as the first characters in Item 9d of Part III on the SF-SAC.

Other Contract Requirements

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

MISSOULA URBAN TRANSPORTATION DISTRICT

ADDENDUM ACKNOWLEDGEMENT

Proposer/Bidder acknowledges receipt of the following addenda which are attached to the proposal/bid:

Addendum No. _____ Date _____

Addendum No. _____ Date _____

Addendum No. _____ Date _____

Addendum No. _____ Date _____

Addendum No. _____ Date _____

Failure to acknowledge receipt of all addenda may cause the proposal to be considered non-responsive and omitted from consideration.

MISSOULA URBAN TRANSPORTATION DISTRICT

Debarment and Suspension Certification

All Contracts over \$25,000

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

(1) It will comply and facilitate compliance with U.S. DOT regulations, "Nonprocurement Suspension and Debarment," 2 CFR part 1200, which adopts and supplements the U.S. Office of Management and Budget (U.S. OMB) "Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," 2 CFR part 180,

(2) To the best of its knowledge and belief, that its Principals and Subrecipients at the first tier:

- a. Are eligible to participate in covered transactions of any Federal department or agency and are not presently: (1) Debarred, (2) Suspended, (3) Proposed for debarment, (4) Declared ineligible, (5) Voluntarily excluded, or (6) Disqualified,
- b. Its management has not within a three-year period preceding its latest application or proposal been convicted of or had a civil judgment rendered against any of them for: (1) Commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction, or contract under a public transaction, (2) Violation of any Federal or State antitrust statute, or (3) Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making any false statement, or receiving stolen property,
- c. It is not presently indicted for, or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses listed in the preceding subsection 2.b of this Certification,
- d. It has not had one or more public transactions (Federal, State, or local) terminated for cause or default within a three-year period preceding this Certification,
- e. If, at a later time, it receives any information that contradicts the statements of subsections 2.a – 2.d above, it will promptly provide that information to FTA,
- f. It will treat each lower tier contract or lower tier subcontract under its Project as a covered lower tier contract for purposes of 2 CFR part 1200 and 2 CFR part 180 if it: (1) Equals or exceeds \$25,000, (2) Is for audit services, or (3) Requires the consent of a Federal official, and
- g. It will require that each covered lower tier contractor and subcontractor: (1) Comply and facilitate compliance with the Federal requirements of 2 CFR parts 180 and 1200, and (2) Assure that each lower tier participant in its Project is not presently declared by any Federal department or agency to be: (a) Debarred from participation in its federally funded Project, (b) Suspended from participation in its federally funded Project, (c) Proposed for debarment from participation in its federally funded Project, (d) Declared ineligible to participate in its federally funded Project, (e) Voluntarily excluded from participation in its federally funded Project, or (f) Disqualified from participation in its federally funded Project, and

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

Certification

Company _____

Signature of Authorized Official: _____ **Date:** / /

Name and Title of Authorized Official _____

MISSOULA URBAN TRANSPORTATION DISTRICT

Certification and Restrictions on Lobbying

All Contracts over \$100,000

I, _____, hereby certify
(Name and title of official)

on behalf of _____ that:
(Name of Bidder/Company Name)

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

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

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

Name of Bidder/Company Name _____

Type or Print Name _____

Signature of authorized representative _____ **Date** _____

MISSOULA URBAN TRANSPORTATION DISTRICT

PRICE PROPOSAL
Financial Auditing Services, RFP #24-02

Audit Year	Price
FY25	
FY26	
FY27	
FY28 (Optional renewal at MUTD's discretion)	
FY29 (Optional renewal at MUTD's discretion)	
Total 5-year price	

SECTION 7: ATTACHMENTS

Attachment A: MUTD FY23 Financial Audit Report

Attachment B: Communication Letter

FY23 Fixed Asset Listing for Depreciation available upon request.

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

**MISSOULA URBAN
TRANSPORTATION DISTRICT**

JUNE 30, 2023 AND 2022



MISSOULA URBAN TRANSPORTATION DISTRICT

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**MISSOULA URBAN TRANSPORTATION DISTRICT
MISSOULA, MONTANA**

ORGANIZATION

Board of Directors

Chair Don MacArthur
Vice-Chair Jesse Dodson
Treasurer Sebastian Strauss
Secretary Amy Cilimburg
Director Jason Wiener
Director Andrea Davis
Director Josephine Hazelton-Boyle

Officials

General Manager Corey Aldridge
Director of Operations Jennifer Sweten
Finance Manager Allison Segal



INDEPENDENT AUDITORS' REPORT

Board of Directors
Missoula Urban Transportation District
Missoula, Montana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Missoula Urban Transportation District, which comprise the statements of net position as of June 30, 2023 and 2022, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Missoula Urban Transportation District, as of June 30, 2023 and 2022, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Missoula Urban Transportation District 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 these 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 the Missoula Urban Transportation District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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.

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 Missoula Urban Transportation District'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 the Missoula Urban Transportation District'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 - 9 and the schedule of changes in net OPEB liability and related ratios on page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2023, on our consideration of Missoula Urban Transportation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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 Missoula Urban Transportation District's internal control over financial reporting and compliance.

Junkermier, Clark, Campanella, Stevens, P.C.

Kalispell, Montana
December 6, 2023

**MISSOULA URBAN TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2023**

This report is intended to provide a recap of accomplishments and challenges that occurred during fiscal year 2023 (FY2023) and to provide insight into events that will impact the fiscal year 2024 (FY2024) budget. Additional discussion is provided regarding factors that will influence planning decisions for the FY2024 budget and help recognize economic trends that will impact Missoula Urban Transportation District's (MUTD) financial condition beyond FY2024.

Financial Highlights

The following tables summarize the financial condition and operating results for FY2023 compared to FY2022 and FY2022 compared to FY2021:

Statement of Net Position

	2023	2022	Increase (Decrease)	2022	2021	Increase (Decrease)
Current & other assets	30,351,037	27,342,289	3,008,748	27,342,289	22,256,687	5,085,602
Capital assets	14,632,148	15,296,267	(664,119)	15,296,267	11,233,242	4,063,025
Total assets	<u>44,983,185</u>	<u>42,638,556</u>	<u>2,344,629</u>	<u>42,638,556</u>	<u>33,489,929</u>	<u>9,148,627</u>
Current liabilities	1,249,416	706,556	542,860	706,556	2,482,637	(1,776,081)
Noncurrent liabilities	823,663	736,412	87,251	736,412	465,286	271,126
Total liabilities	<u>2,073,079</u>	<u>1,442,968</u>	<u>630,111</u>	<u>1,442,968</u>	<u>2,947,923</u>	<u>(1,504,956)</u>
Net Position:						
Net investment in capital assets	14,632,148	15,296,267	(664,119)	15,296,267	11,233,242	4,063,025
Unrestricted	28,277,958	25,899,321	2,378,637	25,899,321	19,308,764	6,590,557
Total net position	<u><u>42,910,106</u></u>	<u><u>41,195,588</u></u>	<u><u>1,714,518</u></u>	<u><u>41,195,588</u></u>	<u><u>30,542,006</u></u>	<u><u>10,653,582</u></u>

**MISSOULA URBAN TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2023**

FY2023 compared to FY2022:

The current and other assets include cash of \$28,997,208 which will fund fleet replacement capital purchases (local match) through FY2026, facilities capital purchases (local match) through FY2026 and a portion of future operating expenses and liabilities. The remaining current and other assets of \$1,286,947 are receivables for capital and planning reimbursement and property taxes as well as supplies inventory and prepaid expenses. The capital assets are \$664,119 less than FY2022.

The net position of \$42,910,106 has increased by \$1,714,518. The unrestricted net position of \$28,424,413 includes facilities capital projects reserve of \$12,000,000, fleet replacement reserve of \$6,500,000, and a four-month operating reserve of \$5,000,000.

FY2022 compared to FY2021:

The current and other assets include cash of \$23,014,827 which will fund fleet replacement capital purchases (local match) through FY2026, facilities capital purchases (local match) through FY2026 and a portion of future operating expenses and liabilities. The remaining current and other assets of \$4,241,915 are receivables for capital and planning reimbursement, operating assistance, and property taxes as well as supplies inventory and prepaid expenses. The capital assets are \$4,063,025 greater than FY2021 due to purchase of four electric fixed route buses.

The net position of \$41,195,588 has increased by \$10,653,582. The unrestricted net position of \$25,899,321 includes facilities capital projects reserve of \$10,000,000, fleet replacement reserve of \$5,000,000, and a four-month operating reserve of \$4,946,343.

**MISSOULA URBAN TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2023**

Statement of Revenues, Expenses and Changes in Net Position

	2023	2022	Increase (Decrease)	2022	2021	Increase (Decrease)
Revenues:						
Operating revenues	92,800	295,563	(202,763)	295,563	291,990	3,573
Non-operating revenues	15,289,240	16,539,109	(1,249,869)	16,539,109	13,666,614	2,872,495
Pass-through grants	(112,913)	-	(112,913)	-	-	-
Total revenues	<u>15,269,127</u>	<u>16,834,672</u>	<u>(1,565,545)</u>	<u>16,834,672</u>	<u>13,958,604</u>	<u>2,876,068</u>
Expenses:						
Operating	11,686,016	9,357,592	2,328,424	9,357,592	7,183,333	2,174,259
General and administrative	2,496,759	2,292,398	204,361	2,292,398	1,896,413	395,985
Total expenses	<u>14,182,775</u>	<u>11,649,990</u>	<u>2,532,785</u>	<u>11,649,990</u>	<u>9,079,746</u>	<u>2,570,244</u>
Income before capital contributions	1,086,352	5,184,682	(4,098,330)	5,184,682	4,878,858	305,824
Capital contributions	669,516	6,927,550	(6,258,034)	6,927,550	2,327,179	4,600,371
Pass-through grants	<u>(41,350)</u>	<u>(1,458,650)</u>	<u>1,417,300</u>	<u>(1,458,650)</u>	-	<u>(1,458,650)</u>
Change in net position	1,714,518	10,653,582	(8,939,064)	10,653,582	7,206,037	3,447,545
Net Position, Beginning of Year	<u>41,195,588</u>	<u>30,542,006</u>	<u>10,653,582</u>	<u>30,542,006</u>	<u>23,335,969</u>	<u>7,206,037</u>
Net Position, End of Year	<u><u>42,910,106</u></u>	<u><u>41,195,588</u></u>	<u><u>1,714,518</u></u>	<u><u>41,195,588</u></u>	<u><u>30,542,006</u></u>	<u><u>10,653,582</u></u>

**MISSOULA URBAN TRANSPORTATION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2023**

Revenues:

Operating revenues include Missoula County financial assistance and advertising.

In FY2023, the non-operating revenue decreased by \$1,362,782 largely due to an ARPA grant received in FY2022.

In FY2022, the non-operating revenue increased by \$2,872,495 largely due to an ARPA grant received and an increase in property tax revenues.

The non-operating revenues include the following sources:

	2023	2022	Increase (Decrease)	2022	2021	Increase (Decrease)
Property and other taxes	10,535,569	10,106,253	429,316	10,106,253	6,409,098	3,697,155
Federal operating assistance	3,554,671	5,983,559	(2,428,888)	5,983,559	6,970,758	(987,199)
Federal planning assistance	181,505	179,641	1,864	179,641	136,739	42,902
Interest income	751,431	52,993	698,438	52,993	50,175	2,818
Other revenues	153,151	216,663	(63,512)	216,663	99,844	116,819
Total non-operating revenues	<u>15,176,327</u>	<u>16,539,109</u>	<u>(1,362,782)</u>	<u>16,539,109</u>	<u>13,666,614</u>	<u>2,872,495</u>

In FY2023, operating expenses increased by \$2,532,785, which includes a combination of increases in departments.

In FY2022, operating expenses increased by \$2,570,244, which includes increases in wages and depreciation expenses.

See the Schedule of Functional Expenses later in this report for more details.

**MISSOULA URBAN TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2023**

	2023	2022	Increase (Decrease)	2022	2021	Increase (Decrease)
Operations	9,762,226	7,885,969	1,876,257	7,885,969	5,836,828	2,049,141
Maintenance	2,033,606	1,537,500	496,106	1,537,500	1,346,505	190,995
General and administrative	2,386,943	2,226,521	160,422	2,226,521	1,896,413	330,108
Total expenses	<u>14,182,775</u>	<u>11,649,990</u>	<u>2,532,785</u>	<u>11,649,990</u>	<u>9,079,746</u>	<u>2,570,244</u>

Capital contributions are purchases that are funded by federal grants for approximately 80% - 85% of the total cost. The FY2023 capital contribution is \$669,516, the FY2022 capital contribution is \$6,927,550, and the FY2021 capital contribution is \$2,327,179.

	Federal, State and Local Funds		Increase (Decrease)	Federal, State, and Local Funds		Increase (Decrease)
	2023	2022		2022	2021	
Buildings and improvements	247,200	448,878	(201,678)	448,878	-	448,878
Transportation equipment	138,833	4,992,904	(4,854,071)	4,992,904	2,327,179	2,665,725
Furniture and fixtures and planning	242,133	27,118	215,015	27,118	-	27,118
Pass-through grant	41,350	1,458,650	(1,417,300)	1,458,650	-	1,458,650
Total	<u>669,516</u>	<u>6,927,550</u>	<u>(6,258,034)</u>	<u>6,927,550</u>	<u>2,327,179</u>	<u>4,600,371</u>

Budget Comparisons

The FY2023 expenses are 11% under budget due to a labor shortage and reduced service for part of the fiscal year. Operations are 9% less than budget. Maintenance expenses are 9% under budget. General and administrative is 23% under budget.

The FY2022 expenses are 20% less than budget due to the inability to hire operators and provide seven-day service in January and delayed capital procurements. Operations are 17% less than budget. Maintenance expenses are 36% under budget. General and administrative are 11% under budget.

**MISSOULA URBAN TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2023**

FY2023 Ridership and Service Levels

FY2023 was the first complete year of MUTD's 30% service increase. Fixed-route ridership was over 1,000,000 for the first time since FY2019. Paratransit ridership continued to rapidly increase, with over 60,000 rides in FY2023, which greatly increased MUTD's operational expenses. In June 2023, the board of directors approved a new collective bargaining agreement with MUTD's operators and paratransit scheduling, giving them a 9% wage increase. Due to labor shortages, MUTD had to reduce service for part of FY2023.

Enhancements / Planning / Capital Projects

MUTD was awarded Transit System of the Year by the Montana Transit Association. MUTD continues to be a leader in the transit industry continually moving forward with new projects and initiatives to improve services for all Missoulians.

The search for property to build a new Maintenance, Operations, and Administration Building (MOAB) continued in FY2023. MUTD did a full NEPA analysis and appraisal of a parcel of land in the Dougherty Ranch development area. MUTD received full clearance from the Federal Transit Administration (FTA) to proceed with purchasing the property. In June, MUTD was awarded over \$39,000,000 to build a new MOAB. This award comes from the federal Section 5339, Low or No Emission discretionary grant program.

The remodel of the current MOAB was finally completed in FY2023. All furniture was purchased and installed.

The City of Missoula and MUTD received \$847,000 from a RAISE grant to study transit-oriented development along the Brooks Street corridor. FTA has asked MUTD to manage the grant since MUTD is the direct recipient.

Montana Department of Transportation (MDT) and Other Partnerships

The Bus Stop Improvement Project re-started in FY2023, with an expected completion date by the end of calendar year 2023.

MUTD did a full audit of U-Dash, the University of Montana's bus system, to ensure compliance with FTA regulations.

Key Economic Factors Impacting MUTD Future Budgets

MUTD continues to face a labor shortage and high attrition for bus operators and maintenance technicians. This is the same issue facing transit agencies across the country.

An additional employee was added to Human Resources to assist with the increasing workload.

Shortages of paratransit vehicles continues to plague the transit industry with no end in sight.

Supply chain issues continued to be problematic, as well as skyrocketed prices for necessary products.

Two large bus manufacturers have exited. Nova Bus stopped doing business in the United States. Proterra, which built six of MUTD's battery electric buses, filed for bankruptcy and will sell off all of its assets. This leaves very few options for transit agencies.

**MISSOULA URBAN TRANSPORTATION DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2023 AND 2022**

	2023	2022
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,497,208	\$ 3,068,484
Capital cash reserves	18,500,000	15,000,000
Operating reserves	5,000,000	4,946,343
Receivables, net	730,058	3,841,627
Supplies inventory	325,129	303,647
Prepaid expenses	231,760	96,641
Total current assets	30,284,155	27,256,742
CAPITAL ASSETS AT COST		
Land	80,909	80,909
Buildings and improvements	7,335,361	7,006,654
Transportation equipment	21,952,223	22,537,040
Shop equipment	219,418	219,754
Furniture and fixtures	430,919	779,189
Construction in progress	647,841	35,762
	30,666,671	30,659,308
Less: Accumulated depreciation	(16,034,523)	(15,363,041)
Net capital assets	14,632,148	15,296,267
OTHER ASSETS		
Right-to-use leased asset, net	66,882	85,547
TOTAL ASSETS	\$ 44,983,185	\$ 42,638,556
<u>LIABILITIES AND NET POSITION</u>		
CURRENT LIABILITIES		
Accounts and warrants payable	\$ 1,079,701	\$ 379,253
Accrued liabilities	151,835	310,680
Short-term lease liabilities	17,880	16,623
Total current liabilities	1,249,416	706,556
NONCURRENT LIABILITIES		
Compensated absences	467,766	420,979
Other postemployment benefits	303,873	245,529
Long-term lease liabilities	52,024	69,904
Total noncurrent liabilities	823,663	736,412
TOTAL LIABILITIES	2,073,079	1,442,968
NET POSITION		
Net investment in capital assets	14,632,148	15,296,267
Unrestricted	28,277,958	25,899,321
Total net position	42,910,106	41,195,588
TOTAL LIABILITIES AND NET POSITION	\$ 44,983,185	\$ 42,638,556

See accompanying independent auditors' report and notes to audited financial statements

**MISSOULA URBAN TRANSPORTATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Missoula County financial assistance	\$ 40,000	\$ 221,650
Advertising	52,800	73,913
Total operating revenues	<u>92,800</u>	<u>295,563</u>
OPERATING EXPENSES		
Operations	9,762,226	7,885,969
Maintenance	2,033,606	1,537,500
General and administrative	2,386,943	2,226,521
Total operating expenses	<u>14,182,775</u>	<u>11,649,990</u>
Loss from operations	<u>(14,089,975)</u>	<u>(11,354,427)</u>
NON-OPERATING REVENUES		
Property and other taxes	10,535,569	10,106,253
Federal operating assistance	3,554,671	5,983,559
Federal planning assistance	294,418	179,641
Pass-through grants	(112,913)	-
State operating assistance	130,638	64,554
Interest income	751,431	52,993
Other revenues	22,513	152,109
Total non-operating revenues	<u>15,176,327</u>	<u>16,539,109</u>
Income before capital contributions	1,086,352	5,184,682
Capital contributions	669,516	6,927,550
Pass-through grants	<u>(41,350)</u>	<u>(1,458,650)</u>
Change in net position	1,714,518	10,653,582
Net position, beginning of year	<u>41,195,588</u>	<u>30,542,006</u>
Net position, end of year	<u>\$ 42,910,106</u>	<u>\$ 41,195,588</u>

See accompanying independent auditors' report and notes to audited financial statements

**MISSOULA URBAN TRANSPORTATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Missoula County financial assistance	\$ 40,000	\$ 221,650
Receipts from contract services	52,800	73,913
Payments to suppliers	(2,235,177)	(4,223,736)
Payments to employees	(9,361,726)	(7,018,146)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(11,504,103)	(10,946,319)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from property and other taxes	10,438,257	10,089,690
Receipts from Federal and State operating grants	6,966,917	5,245,514
Pass-through grants disbursed	(112,913)	-
Other receipts	22,513	152,109
NET CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	17,314,774	15,487,313
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(1,429,578)	(6,100,288)
Receipts from Federal capital grants	891,207	8,430,887
Pass-through grant disbursed	(41,350)	(1,458,650)
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(579,721)	871,949
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	751,431	52,993
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,982,381	5,465,936
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	23,014,827	17,548,891
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 28,997,208	\$ 23,014,827
CASH AND CASH EQUIVALENTS ARE PRESENTED IN THE ACCOMPANYING STATEMENT OF NET POSITION AS:		
Cash and cash equivalents	\$ 5,497,208	\$ 3,068,484
Capital cash reserves	18,500,000	15,000,000
Operating reserves	5,000,000	4,946,343
	\$ 28,997,208	\$ 23,014,827
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES:		
Loss from operations	\$ (14,089,975)	\$ (11,354,427)
Adjustments to reconcile loss from operations to cash flows from operating activities:		
Depreciation	2,093,697	2,037,263
(Increase) decrease in operating assets:		
Receivables, net	-	22,215
Supplies inventory	(21,482)	(34,464)
Prepaid expenses	(135,119)	(66,104)
Right-to-use leased asset	18,665	(85,547)
Increase (decrease) in operating liabilities:		
Accounts and warrants payable	700,448	(1,883,271)
Accrued liabilities	(158,845)	130,267
Compensated absences	46,787	120,555
Other postemployment benefits	58,344	80,667
Lease liabilities	(16,623)	86,527
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ (11,504,103)	\$ (10,946,319)

See accompanying independent auditors' report and notes to audited financial statements

MISSOULA URBAN TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1. Summary of Significant Accounting Policies

Organization

The Missoula Urban Transportation District (the District) was organized under the laws of the state of Montana in 1976 to provide public transportation to the Missoula area. The District operates under the name “Mountain Line” and is authorized to levy taxes and charge fares to pay for the operations of the District.

The District is governed by a seven-member Board of Directors appointed by Missoula County (the County) and the City of Missoula (the City). The Board of Directors sets District policy, levies taxes, appropriates funds, adopts budgets, and performs other duties required by state and federal law.

Financial Reporting Entity

The District is considered a separate legal entity since neither the County nor the City appoints a controlling majority of the governing board, and the District is not financially accountable or fiscally dependent on either the County or the City. Furthermore, the District is not considered a component unit of either the City or the County.

Basis of Accounting

The District’s financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units, and follow proprietary fund reporting. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The District’s financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. The District’s financial statements are presented using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized when incurred.

Operating revenues consist primarily of contracted services and transit advertising revenue. Operating expenses comprise the costs of operating the District, including depreciation on capital assets. Capital contributions include grant revenue and other contributions related to capital acquisitions or construction. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

New Accounting Pronouncement

As of July 1, 2021, the District adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain right-of-use leased assets and liabilities for leases that previously were classified as operating leases and recognized as expenses based on the payment provisions of the contract. As a result of implementing this standard, there was no restatement of net position as of July 1, 2021. The additional disclosures required by this standard are included in Notes 8 and 9.

MISSOULA URBAN TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1. Summary of Significant Accounting Policies (continued)

Restricted Assets

Restricted assets are assets set aside to meet externally imposed legal and contractual obligations. Restricted assets are used in accordance with their requirements. Where both restricted and unrestricted resources are available for use, restricted resources are used first, and then unrestricted resources as they are needed.

Budgets and Property Taxes

The District is required to submit an annual budget to the Board of County Commissioners for the purpose of certifying the amount of taxes to be levied for the subsequent fiscal year. Property tax levies are set on the second Monday in August in connection with the budget process and are assessed and collected by the County Treasurer on behalf of the District. Real property taxes are billed in October, and are payable in two equal installments on November 30 and May 31. Personal property taxes, which are based on prior year levies, are billed in July and due thirty days after billing. After these dates, they become delinquent and a lien is placed upon the property. Uncollected property taxes are shown on the statement of net position as receivables.

The taxable value of property in the District's taxing jurisdiction as of June 30, 2023 and 2022 was \$190,775,047 and \$187,497,730, respectively. The District levied 20.64 and 20.22 mills, with the value of one mill within the District's boundaries equating to \$169,761 and \$166,123 as of June 30, 2023 and 2022, respectively.

Legal Debt Margin

The District is authorized by law to incur bonded indebtedness of up to 28% of the District's taxable valuation. The District does not intend to issue bonded debt.

Cash and Cash Equivalents

Cash and cash equivalents consist principally of funds on deposit with the Missoula County Treasurer. Such funds consist of demand and time deposits that are commingled with funds of other taxing districts. Information regarding credit risk, insurance, and collateral relating to cash equivalents can be found in Missoula County's annual financial reports for the years ended June 30, 2023 and 2022. For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash funds designated by the board for capital improvements and operating reserves amounted to \$18,500,000 and \$5,000,000 at June 30, 2023, respectively. Cash funds designated by the board for capital improvements and operating reserves amounted to \$15,000,000 and \$4,946,343 at June 30, 2022, respectively. Interest revenue consists of allocations of income on funds held by the Missoula County Treasurer and bank account interest.

Receivables

Receivables consist mainly of amounts due for federal grant reimbursements and property taxes owed to the District. At June 30, 2023 and 2022, the District did not record an allowance for doubtful accounts. The allowance is based on historical trends, emphasizing collection history at Missoula County.

Prepaid Expenses

Prepaid expenses include amounts paid to vendors for services to be received in future months.

MISSOULA URBAN TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1. Summary of Significant Accounting Policies (continued)

Capital Assets

Property and equipment are recorded at cost and depreciated on a straight-line basis over the following estimated useful lives:

Buildings and Improvements	40 years
Transportation Equipment	4-14 years
Shop Equipment	5 years
Furniture and Fixtures	5 years

Repairs and maintenance are expensed when incurred and betterments, which are expected to extend an asset's useful life, are capitalized in excess of \$1,000. Upon retirement or other disposition of property and equipment, the cost and related accumulated depreciation are removed from the respective accounts and any gains or losses are included in non-operating revenue and expenses. Projects in progress are not depreciated until placed in service.

Compensated Absences

All employees of the District receive compensation for vacations, holidays, illness and certain other qualifying absences. The number of days compensated in the various categories of absence is based generally on length of service. Upon termination, all employees are paid 100 percent of any unused vacation benefits and 25 to 50 percent of their accrued sick leave. At the beginning of each fiscal year, employees are allowed to cash out up to 25% of accrued vacation, provided eighty (80) hours remain after all commitments and the cash out. Upon termination, non-union employees are entitled to additional severance pay equal to 25 percent of the value of unused sick leave. Vacation leave that has been earned but not yet paid has been accrued in the accompanying financial statements.

Supplies Inventory

Supplies inventory consists of maintenance parts and supplies, including fuel, used in the ordinary course of operations. Materials and supplies are stated at the lower of average cost or market.

Other Postemployment Benefits

The District recognizes and reports its postemployment healthcare benefits in accordance with GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.

**MISSOULA URBAN TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1. Summary of Significant Accounting Policies (continued)

Classification of Net Position

The District classifies its net position as follows:

Net Investment In Capital Assets reflects the net position of the District that are invested in capital assets, including restricted capital assets, net of accumulated depreciation and related debt.

Restricted Net Position represents resources that are not accessible for general use because their use is subject to restrictions enforceable by creditors, grantors, contributors, laws and regulations, or enabling legislation. As of June 30, 2023 and 2022, the District had no restricted net position.

Unrestricted Net Position represents resources that do not meet the definition of restricted or invested in capital assets, and are available for general use.

Estimates

The preparation of financial statements in conformity with GAAP involves the use of management's estimates. These estimates are based upon management's judgments after considering past and current events and assumptions about future events. Actual results may differ from estimates.

NOTE 2. Receivables

Receivables at June 30 consist of the following:

	<u>2023</u>	<u>2022</u>
Grant reimbursements	\$ 338,008	3,546,889
Property taxes, net	<u>392,050</u>	<u>294,738</u>
Total receivables	<u>\$ 730,058</u>	<u>\$ 3,841,627</u>

MISSOULA URBAN TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 3. Capital Assets

Substantially all property and equipment has been acquired under capital assistance grants administered by the U.S. Department of Transportation, Federal Transit Administration, whereby a percentage (usually 80 percent) of the cost of capital additions is reimbursed by the grantor, and the remaining portion is funded by the District. Under the terms of the grants, title to the assets rests with the District; however, the District is prohibited from disposing of grant-related assets without prior approval of the grantor prior to the end of its useful life, and a portion of the proceeds from such disposition may be payable to the grantor in proportion to the grantor's original contribution under certain conditions. A schedule of capital asset activity follows:

	Capital Assets Not Being Depreciated	Capital Assets Being Depreciated			
	Land and CIP	Buildings and Improvements	Transportation Equipment	Shop Equipment	Furniture and Fixtures
Balance, June 30, 2021	\$ 80,909	\$ 6,353,482	\$ 17,686,827	\$ 210,796	\$ 786,947
Additions	35,762	662,710	5,279,869	10,483	139,481
Deletions	-	(9,538)	(429,656)	(1,525)	(147,239)
Balance, June 30, 2022	116,671	7,006,654	22,537,040	219,754	779,189
Additions	647,841	328,707	384,295	-	116,362
Deletions	(35,762)	-	(969,112)	(336)	(464,632)
Balance, June 30, 2023	<u>\$ 728,750</u>	<u>\$ 7,335,361</u>	<u>\$ 21,952,223</u>	<u>\$ 219,418</u>	<u>\$ 430,919</u>
Accumulated Depreciation					
Balance, June 30, 2021	\$ -	\$ 4,310,727	\$ 8,678,144	\$ 150,844	\$ 746,004
Depreciation	-	279,897	1,707,583	21,682	28,101
Deletions	-	(3,945)	(408,672)	(1,526)	(145,798)
Balance, June 30, 2022	-	4,586,679	9,977,055	171,000	628,307
Depreciation	-	286,297	1,739,703	22,327	45,370
Deletions	-	-	(958,185)	(336)	(463,694)
Balance, June 30, 2023	<u>\$ -</u>	<u>\$ 4,872,976</u>	<u>\$ 10,758,573</u>	<u>\$ 192,991</u>	<u>\$ 209,983</u>
Total Net Capital Assets					
June 30, 2022	<u>\$ 116,671</u>	<u>\$ 2,419,975</u>	<u>\$ 12,559,985</u>	<u>\$ 48,754</u>	<u>\$ 150,882</u>
June 30, 2023	<u>\$ 728,750</u>	<u>\$ 2,462,385</u>	<u>\$ 11,193,650</u>	<u>\$ 26,427</u>	<u>\$ 220,936</u>

NOTE 4. Commitments

The Urban Mass Transportation Act of 1964 provides for the funding of a portion of the District's operating costs and capital needs based upon a defined formula grant program. Generally, funds may be utilized for 80 to 86 percent of project costs for capital assistance or 50 to 80 percent for operating assistance depending on the funding source. Funds are apportioned to the District annually and generally are available until expended.

MISSOULA URBAN TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 5. Pension Plans

The District has a defined contribution retirement plan, which covers essentially all union personnel. The District contributed \$4.90 per hour for operators/paratransit and \$5.11 per hour for the maintenance department for the year ended June 30, 2023, for union employees under the Teamsters Union retirement plan. For the year ended June 30, 2022, the District contributed \$4.60 per hour for operators/paratransit and \$4.61 per hour for the maintenance department for union employees under the Teamsters Union retirement plan. The District's contributions totaled \$869,061 for the year ended June 30, 2023, and \$634,320 for the year ended June 30, 2022. Covered union payroll was \$4,560,012 in 2023 and \$3,233,494 in 2022.

The District has an Internal Revenue Code (IRC) Section 401(a) pension plan arrangement for non-union employees. The District contributed 10.0 percent of non-union employees' gross salary under the 401(a) plan for the years ended June 30, 2023 and 2022. The District's contributions totaled \$185,837 for the year ended June 30, 2023, and \$126,245 for the year ended June 30, 2022. Covered non-union payroll was \$1,984,487 in 2023 and \$1,537,048 in 2022.

All employees may participate in elective salary deferrals under an IRC Section 457 plan up to the maximum amount allowed by law. Union and non-union employees are eligible to participate in the plan from the date of employment.

NOTE 6. Uncertainties, Contingencies, and Risks

The District faces a number of risks including (a) loss or damage to property, (b) general liability, (c) workers' compensation, and (d) employee medical insurance. Commercial insurance policies are purchased for loss or damage to property and general liability.

The District is a member of the Missoula County Workers' Compensation Plan (Plan). The Plan self-insures for workers' compensation coverage. Workers' compensation is covered up to \$250,000 per individual occurrence. Losses in excess of the self-insured limit are covered by reinsurance with a commercial carrier. Settled claims did not exceed the commercial coverage for the years ended June 30, 2023 and 2022. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. No liability accrual was required at June 30, 2023 and 2022.

The District's workers' compensation rates are based upon state rates, currently ranging from \$4.26 to \$11.88 per \$100 of covered payroll. Contributions for 2023 and 2022 were \$437,230 and \$350,050, respectively. As of June 30, 2023 and 2022, there were no claims in excess of insured coverage under the Plan.

The District participates in the County's employee benefit plan which is a self-insured health plan providing medical and dental benefits to all employees electing to be covered. The Plan is self-insured up to \$450,000 per individual. Losses in excess of the individual self-insured limit are covered by reinsurance with a commercial carrier. During 2023 and 2022, the District paid \$744,424 and \$642,768 for the coverage while employees contributed \$126,842 and \$92,442, respectively.

**MISSOULA URBAN TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 7. Other Postemployment Benefits

The District has adopted the provisions of GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions. GASB 75 requires employers to calculate the actuarial liability for future retiree benefits. Information on the District's health benefit plan for retirees is included below.

The District participates in the Missoula County Employee Benefits Plan (MCEBP) – a Defined Benefit Multiple Employer Plan that provides for varying amounts of health insurance for eligible retired employees. The benefit is offered to all employees who, (1) retire on or after attaining age 65, (2) retire at age 60 with at least five years of service, or (3) employees who have completed at least thirty years of service. An employee may qualify for early retirement upon completion of five years of service and attained the age of 50 or completed at least 25 years of service. These benefits are established and may be amended by Missoula County. The plan issues stand-alone financial statements, which can be obtained, from Missoula County Risk & Benefits, 200 West Broadway, Missoula, Montana 59802.

Retirees are able to purchase health benefits for themselves and their family at two different rates: the Medical Standard Plan or the Medical High Deductible Plan. Both Plans are self-funded through MCEBP, and the trust pays claim costs plus administrative expenses. Retirees may also elect optional dental or vision coverage.

Retirees pay a monthly premium based on their plan election and level of dependent coverage. The premiums effective for the year ending June 30, 2023, are shown below.

Level of Coverage	Medical (Standard Plan)	Medical (High Deductible Plan)
Single	\$ 719.00	\$ 504.00
EE + Child	1,205.00	844.00
EE + Spouse	1,350.00	909.00
Family	1,837.00	1,287.00

As of June 30, 2023, the number of active and inactive employees covered by the MCEBP plan was as follows:

	<u>Medical</u>
Active employees	1,161
Retirees	<u>52</u>
Total	<u><u>1,213</u></u>

The District's annual other postemployment benefit (OPEB) expense is calculated based on the annual change in the employer's net OPEB liability with deferred recognition for certain items, which is an amount actuarially determined in accordance with the parameters of GASB Statement 75. The net OPEB liability is the total OPEB liability, net of the OPEB plan's fiduciary net position. And the total OPEB liability represents the portion of the actuarial present value of projected benefits payments that is attributed to past periods of employee service. A schedule of changes in the plan's net OPEB liability is presented as required supplementary information. Since the District participates in the MCEBP Plan, its share of the total OPEB liability was calculated by multiplying the collective total OPEB liability by the District's proportionate share, which is 3.70% as of June 30, 2023.

MISSOULA URBAN TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 7. Other Postemployment Benefits (continued)

As of June 30, 2023, the District's portion of the plan's net OPEB liability was \$303,873. This liability is not funded under GASB 75 since there are no assets allocated to an irrevocable trust for the plan and as such the funded status of the plan is 0%. In the year ended June 30, 2023 and 2022, the District recognized OPEB expense of \$58,344 and \$80,667, respectively, in which deferred inflows and outflows of resources are not applicable.

The measurement date of the total OPEB liability is as of June 30, 2023. For the actuarial valuation dated June 30, 2023 on which the total OPEB liability is based, the health care trend rate was 7.00% and the assumed discount rate was 4.13%.

Payroll growth was 2.5%, and general inflation was 2.4% per year. Mortality rates were based on the PUB-2010 General and Safety Amount Weighted Mortality Tables.

The following table presents the total OPEB liability of the plan at the selected discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or higher than the selected discount rate.

	1% Decrease (3.13%)	Discount Rate (4.13%)	1% Increase (5.13%)
Total OPEB Liability	\$ 347,391	\$ 303,873	\$ 268,093

The following table presents the total OPEB liability of the plan at the selected medical trend rate, as well as what the total OPEB liability would be if it were calculated using a medical trend rate that is 1-percentage point lower or higher than the selected medical trend rate.

	1% Decrease (6.00%)	Medical Trend Rate (7.00%)	1% Increase (8.00%)
Total OPEB Liability	\$ 263,222	\$ 303,873	\$ 354,520

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results compare to the past expectations and new estimates are made about the future. Projections of benefits for the plan are based on types of benefits provided under the substantive plan members to that point. Actuarial calculations reflect a long-term perspective and, consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities.

A schedule of changes in total OPEB liability for the years ended June 30, 2022 and 2023 is as follows:

	2022	2023
Net OPEB liability - beginning of year	\$ 164,862	\$ 245,529
Service cost	12,916	7,117
Interest	7,431	10,262
Difference between expected and actual experience	121,335	(65,837)
Changes in assumptions	(61,015)	110,311
Benefit payments	-	(3,509)
Net OPEB liability - end of year	\$ 245,529	\$ 303,873

MISSOULA URBAN TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 8. Lease Agreements

On January 27, 2022, the District signed a five-year agreement to lease property located at 2291 West Broadway in Missoula to be used as a training center. The lease ends January 31, 2027 with the option to renew on a yearly basis for five additional years, which the District is not reasonably certain to renew. Monthly base lease payments range from \$1,442 to \$1,781 over the term of the lease. Base lease payments for the years ended June 30, 2023 and 2022 were \$17,730 and \$7,211, respectively. The District also paid operating expenses that are not included in the measurement of the lease liability as they are variable in nature. Variable lease costs for the years ended June 30, 2023 and 2022 were \$7,317 and \$3,229, respectively. The interest rate was not specified in the contract and as such the mid-term applicable federal rate has been used.

Details for the assets and liabilities are as follows for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Right-of-use assets	\$ 93,324	\$ 93,324
Less: accumulated amortization	<u>(26,442)</u>	<u>(7,777)</u>
Net right-of-use assets	<u>\$ 66,882</u>	<u>\$ 85,547</u>

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 17,880	\$ 868
2025	19,158	608
2026	20,452	331
2027	<u>12,414</u>	<u>58</u>
	<u>\$ 69,904</u>	<u>\$ 1,865</u>

NOTE 9. Change in Accounting Principles and Restatement

The District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the District's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right-to-use leased asset, and a lessor is required to recognize a lease receivable and a deferred lease revenue liability. These changes were incorporated in the District's financial statements and had an effect on beginning net position. The District recognized \$85,547 in net book value for the intangible right to use and a lease liability of \$86,527 for a building leased in January 2022.

The implementation of GASB Statement No. 87 had the following effect on net position as reported June 30, 2022:

Net position, June 30, 2022	\$ 41,196,568
Adjustments	<u>(980)</u>
Restated net position, June 30, 2022	<u>\$ 41,195,588</u>

**MISSOULA URBAN TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 10. Subsequent Events

Management has evaluated subsequent events through December 6, 2023, the date through which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**MISSOULA URBAN TRANSPORTATION DISTRICT
SCHEDULE OF CHANGES IN NET OPEB
LIABILITY AND RELATED RATIOS
JUNE 30, 2017 THROUGH 2023**

	2017	2018	2019	2020	2021	2022	2023
Service cost	\$ 15,149	\$ 11,755	\$ 9,339	\$ 8,141	\$ 10,323	\$ 12,916	\$ 7,117
Interest	5,254	5,928	3,909	3,331	3,446	7,431	10,262
Difference between expected and actual experience	(14,125)	(9,874)	(8,535)	(23,920)	(8,249)	121,335	(65,837)
Changes in assumptions	(2,307)	(14,912)	(46,116)	30,401	18,067	(61,015)	110,311
Employer contributions	(7,598)	(10,166)	-	-	-	-	-
Employee contributions	(28,945)	(25,943)	-	-	-	-	-
Benefit payments	32,049	32,418	-	-	-	-	(3,509)
Administrative expense	4,495	3,691	-	-	-	-	-
Net change	3,972	(7,103)	(41,403)	17,953	23,587	80,667	58,344
Net OPEB liability - beginning of year	<u>167,856</u>	<u>171,828</u>	<u>164,725</u>	<u>123,322</u>	<u>141,275</u>	<u>164,862</u>	<u>245,529</u>
Net OPEB liability - end of year	<u>\$ 171,828</u>	<u>\$ 164,725</u>	<u>\$ 123,322</u>	<u>\$ 141,275</u>	<u>\$ 164,862</u>	<u>\$ 245,529</u>	<u>\$ 303,873</u>
Plan fiduciary net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position as a percentage of the total OPEB liability	- %	- %	- %	- %	- %	- %	- %
Covered employee payroll	\$ 2,959,453	\$ 3,035,372	\$ 3,368,295	\$ 3,003,699	\$ 3,078,792	\$ 3,950,315	\$ 5,263,025
Total OPEB liability as a percentage of covered employee payroll	5.81 %	5.43 %	3.66 %	4.70 %	5.35 %	6.22 %	5.77 %
Notes to Schedule:							
<u>Major Assumptions</u>							
Discount rate	3.13 %	3.45 %	3.36 %	2.66 %	2.18 %	4.09 %	4.13 %
Medical trend	6.80 %	6.20 %	6.20 %	6.10 %	6.10 %	6.02 %	7.00 %

This schedule will be presented for 10-years, as information becomes available.

**MISSOULA URBAN TRANSPORTATION DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

FEDERAL SOURCE PASS-THROUGH SOURCE PROGRAM TITLE Type of Assistance	GRANTOR CONTRACT NUMBER	ALN NUMBER	GRANT AWARD AMOUNT	FUNDS EXPENDED CURRENT YEAR
U.S. DEPARTMENT OF TRANSPORTATION				
Federal Transit Cluster				
Urbanized Area Formula Grants	MT-2019-008-002	20.507	\$ 734,097	\$ 72,956
Urbanized Area Formula Grants	MT-2019-008-003	20.507	2,726,888	50,575
Urbanized Area Formula Grants	MT-2020-035-001	20.507	1,384,200	100,348
Urbanized Area Formula Grants	MT-2021-021-001	20.507	1,500,000	41,350
Urbanized Area Formula Grants	MT-2022-012-001	20.507	1,381,183	200,000
Urbanized Area Formula Grants	MT-2022-018-001	20.507	3,262,671	3,262,671
Urbanized Area Formula Grants	MT-2022-020-001	20.507	250,000	172,287
Urbanized Area Formula Grants	MT-2022-027-001	20.507	4,333,083	32,000
Urbanized Area Formula Grants	MT-2023-001	20.507	<u>292,000</u>	<u>292,000</u>
Subtotal Federal Transit Cluster			<u>15,864,122</u>	<u>4,224,187</u>
<i>Passed Through Missoula County, Montana</i>				
Transit Technical Studies Grants FY22	112069	20.505	146,607	47,605
Transit Technical Studies Grants FY23	112676	20.505	<u>190,760</u>	<u>133,900</u>
Subtotal by ALN Number			<u>337,367</u>	<u>181,505</u>
National Infrastructure Investments RAISE Grants	MT-2023-002-001	20.933	<u>847,000</u>	<u>112,913</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u><u>\$ 4,518,605</u></u>

**MISSOULA URBAN TRANSPORTATION DISTRICT
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the District and is presented on the same basis of accounting as described in Note 1 of the Notes to the Financial Statements. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C - INDIRECT COST RATE

The District has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The University of Montana was a subrecipient for Urbanized Area Formula Grant MT-2021-021-001 and received \$41,350 in subrecipient funds. Missoula Redevelopment Association was a subrecipient for National Infrastructure RAISE Grant MT-2023-002-001 and received \$112,913 in subrecipient funds. No other subrecipients were used.

**MISSOULA URBAN TRANSPORTATION DISTRICT
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Fixed Route</u>	<u>ADA Comparable Paratransit</u>	<u>General and Administrative</u>	<u>Total</u>
Wages and fringe:				
Operations	\$ 5,033,793	\$ 1,663,657	\$ -	\$ 6,697,450
Maintenance	983,834	341,000	3,959	1,328,793
Administration	-	-	1,223,425	1,223,425
Other postemployment benefit	39,867	10,102	8,375	58,344
Training	7,317	-	44,951	52,268
Professional/technical	3,912	-	155,029	158,941
Maintenance	234,957	10,748	234,698	480,403
Fuel/tires/lubricants	559,118	142,135	-	701,253
Materials/supplies	302,793	37,422	62,377	402,592
Utilities	269,510	10,518	16,986	297,014
Insurance	348,649	24,333	12,250	385,232
Promotion	-	-	143,516	143,516
Travel	185	-	60,082	60,267
Taxes/dues/subscriptions	-	7	40,934	40,941
Amortization	18,665	-	-	18,665
Depreciation	1,491,329	123,871	478,497	2,093,697
Miscellaneous	28,294	-	11,680	39,974
	<u>\$ 9,322,223</u>	<u>\$ 2,363,793</u>	<u>\$ 2,496,759</u>	<u>\$ 14,182,775</u>
	65.73 %	16.67 %	17.60 %	

**MISSOULA URBAN TRANSPORTATION DISTRICT
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Fixed Route</u>	<u>ADA Comparable Paratransit</u>	<u>General and Administrative</u>	<u>Total</u>
Wages and fringe:				
Operations	\$ 3,794,826	\$ 1,378,236	\$ -	\$ 5,173,062
Maintenance	908,586	84,777	3,768	997,131
Administration	-	-	1,098,775	1,098,775
Other postemployment benefit	52,239	15,074	13,354	80,667
Training	3,229	-	37,488	40,717
Professional/technical	10,143	-	52,150	62,293
Maintenance	116,826	-	285,410	402,236
Fuel/tires/lubricants	422,151	105,907	-	528,058
Materials/supplies	337,089	18,070	68,007	423,166
Utilities	181,322	10,953	14,056	206,331
Insurance	264,058	18,455	14,094	296,607
Promotion	-	-	163,801	163,801
Travel	-	-	75,151	75,151
Taxes/dues/subscriptions	-	-	34,401	34,401
Amortization	7,777	-	-	7,777
Depreciation	1,495,558	116,377	425,328	2,037,263
Miscellaneous	15,939	-	6,615	22,554
	<u>\$ 7,609,743</u>	<u>\$ 1,747,849</u>	<u>\$ 2,292,398</u>	<u>\$ 11,649,990</u>
	65.32 %	15.00 %	19.67 %	



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*

Board of Directors
Missoula Urban Transportation District
Missoula, Montana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Missoula Urban Transportation District, which comprise the statement of net position as of June 30, 2023, and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 6, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Missoula Urban Transportation District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Missoula Urban Transportation District's internal control. Accordingly, we do not express an opinion on the effectiveness of Missoula Urban Transportation District's internal control.

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



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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Missoula Urban Transportation District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Junkermier, Clark, Campanella, Stevens, P.C.

Kalispell, Montana
December 6, 2023



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

Board of Directors
Missoula Urban Transportation District
Missoula, Montana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Missoula Urban Transportation District'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 Missoula Urban Transportation District's major federal programs for the year ended June 30, 2023. Missoula Urban Transportation District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Missoula Urban Transportation District 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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Missoula Urban Transportation District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Missoula Urban Transportation District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Missoula Urban Transportation District's federal programs.



Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Missoula Urban Transportation District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Missoula Urban Transportation District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Missoula Urban Transportation District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Missoula Urban Transportation District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Missoula Urban Transportation District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Junkermier, Clark, Campanella, Stevens, P.C.

Kalispell, Montana
December 6, 2023

**MISSOULA URBAN TRANSPORTATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

I. Summary of Auditors' Results

1. The independent auditors' report expresses an unmodified opinion on whether the financial statements of Missoula Urban Transportation District were prepared in accordance with U.S. GAAP.
2. No material weakness or significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Missoula Urban Transportation District, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major federal award programs disclosed during the audit are reported in the Independent Auditors' Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The independent auditors' report on compliance for the major federal award programs for Missoula Urban Transportation District expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for Missoula Urban Transportation District.
7. The program tested as major programs: Federal Transit Cluster, Department of Transportation, ALN 20.507.
8. The threshold for distinguishing Type A and B Programs was \$750,000 in expenditures.
9. Missoula Urban Transportation District was not determined to be a low-risk auditee.

II. Findings - Financial Statements Audit

No matters were reported.

III. Findings and Questioned Costs - Major Federal Award Programs

No matters were reported.

IV. Status of Prior Year Findings

No matters were reported.



December 6, 2023

To the Board of Directors and Management
Missoula Urban Transportation District
Missoula, Montana

We have audited the financial statements of Missoula Urban Transportation District for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 13, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Missoula Urban Transportation District are described in Note 1 to the financial statements. As described in Note 1, the District adopted GASB Statement No. 87, *Leases*. The effects of this standard have been applied retrospectively as if the standard had always been in place. We noted no transactions entered into by Missoula Urban Transportation District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the post employment benefit liability is based on an actuarial valuation performed by Leif Associates, Inc. We evaluated the key factors and assumptions provided by Leif Associates, Inc. in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.



Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 6, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Missoula Urban Transportation District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Missoula Urban Transportation District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis and the schedule of changes in net OPEB liability and related ratios, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of federal awards and the schedule of functional expenses, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Recommendations

The intent of the following information is to communicate to you other recommendations based on our observations during the audit. Summarized below are suggestions of importance that we believe warrant your attention.

Warrants Payable

The warrants payable account acts as a listing of outstanding items to reconcile the main bank account for the District. We recommend that a complete reconciliation of this account be performed monthly to ensure a full listing of outstanding items is compiled, tracked and reviewed.

Prepaid Expenses

During the current year audit, we noted differences between the detailed schedule used to track prepaid expenses and the corresponding yearend balance in the prepaid account. We recommend management implement procedures to track, add and relieve prepaids during the year utilizing an associated schedule that is tied to the related prepaid balance on a monthly basis to identify and make adjustments.

This information is intended solely for the information and use of the Board of Directors and management of Missoula Urban Transportation District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Junkermier, Clark, Campanella, Stevens, P.C.

Certified Public Accountants and Business Advisors

Attachment

Missoula Urban Transportation District

AJE-C

Year End: June 30, 2023

Adjusting Journal Entries

Date: 7/1/2021 To 6/30/2023

Number	Date	Type	Name	Account No	Debit	Credit
1	6/30/2023	N	Cash Missoula County Treasurer	10101.000	1,504,984	
1	6/30/2023	N	Cash Missoula County Treasurer	10101.001		889
1	6/30/2023	N	Warrants Written	10103.000	294,794	
1	6/30/2023	N	Warrants Written	10103.160	5	
1	6/30/2023	N	Fleet Replacement Reserve	10104.000		12,473
1	6/30/2023	N	MFCU - Employee Benefits	10105.000	1	
1	6/30/2023	N	Operating Reserve	10106.000		1,489,905
1	6/30/2023	N	Facilities Capital Projects	10109.000		1,717
1	6/30/2023	N	Cash US Bank Savings	10121.000		6,712,163
1	6/30/2023	N	Cash US Bank Savings	10121.001	9,560,045	
1	6/30/2023	N	Contra Acct FLEX/HRA	10125.000	11	
1	6/30/2023	N	Contra Acct FLEX/HRA	10125.160		11
1	6/30/2023	N	Accounts Receivable	10228.000		87
1	6/30/2023	N	Accounts Receivable	10228.001	87	
1	6/30/2023	N	Accounts Receivable - Capital	10230.000	1,458,650	
1	6/30/2023	N	Materials & Supplies Inventory	10300.000		6,651
1	6/30/2023	N	Materials & Supplies Inventory	10300.001	4,134	
1	6/30/2023	N	Materials & Supplies Inventory	10300.041		428
1	6/30/2023	N	Work in Process-Capital Grants	10502.000	618,886	
1	6/30/2023	N	Transportation Equipment	11131.000	191	
1	6/30/2023	N	Transportation Equipment	11131.160		191
1	6/30/2023	N	Accumulated Depreciation	11193.000		14,607,121
1	6/30/2023	N	Accumulated Depreciation	11193.001	14,607,121	
1	6/30/2023	N	Prepaid	15101.000		375
1	6/30/2023	N	Prepaid	15101.001	27	
1	6/30/2023	N	Prepaid	15101.160	348	
1	6/30/2023	N	Accounts Payable - Accrued	20112.000	1,941	
1	6/30/2023	N	Accounts Payable - Accrued	20112.160		1,941
1	6/30/2023	N	Employee Fund Payable	20150.000		1
1	6/30/2023	N	Accrued Salaries and Wages	20210.000	3	
1	6/30/2023	N	Accrued Salaries and Wages	20210.001		3
1	6/30/2023	N	Federal Income Tax Withheld	20220.000	13,264	
1	6/30/2023	N	Federal Income Tax Withheld	20220.001		13,264
1	6/30/2023	N	State Income Tax Withheld	20240.000	6,358	
1	6/30/2023	N	State Income Tax Withheld	20240.001		6,358
1	6/30/2023	N	Health Insurance - Employee	20260.000	212	
1	6/30/2023	N	Health Insurance - Employee	20260.001		164
1	6/30/2023	N	Health Insurance - Employee	20260.160		48
1	6/30/2023	N	Health Insurance - Employer	20265.000		901
1	6/30/2023	N	Other Withholding	20290.000	80	
1	6/30/2023	N	Other Withholding	20290.001		80
1	6/30/2023	N	FICA Employer	20310.000	22,643	
1	6/30/2023	N	FICA Employer	20310.001		22,643
1	6/30/2023	N	Supplemental Life Insurance	20315.000		48
1	6/30/2023	N	Supplemental Life Insurance	20315.160	48	
1	6/30/2023	N	Workers Compensation	20330.000		85,109
1	6/30/2023	N	Workers Compensation	20330.001	85,109	
1	6/30/2023	N	Accrued Vacation & Sick Leave	20340.000	22,011	
1	6/30/2023	N	Accrued Vacation & Sick Leave	20340.001		22,011
1	6/30/2023	N	Deferred Revenue	24100.000		500
1	6/30/2023	N	Deferred Revenue	24100.001	500	
1	6/30/2023	N	Federal Capital Reimbursement	41302.000		137,212

Missoula Urban Transportation District

AJE-C-1

Year End: June 30, 2023

Adjusting Journal Entries

Date: 7/1/2021 To 6/30/2023

Number	Date	Type	Name	Account No	Debit	Credit
1	6/30/2023	N	Addition to Fleet Replacement	51001.160		500,004
1	6/30/2023	N	Add to Fleet Cap Res Phase II	51002.160		500,004
1	6/30/2023	N	Cash Missoula County Treasurer	10101.2019		12,473
1	6/30/2023	N	Cash Missoula County Treasurer	10101.2022		1,418,622
1	6/30/2023	N	Cash Missoula County Treasurer	10101.2023		73,000
1	6/30/2023	N	Warrants Written	10103.9999		294,799
1	6/30/2023	N	Fleet Replacement Reserve	10104.2019	12,473	
1	6/30/2023	N	MFCU - Employee Benefits	10105.9999		1
1	6/30/2023	N	Operating Reserve	10106.2022	1,416,905	
1	6/30/2023	N	Operating Reserve	10106.2023	73,000	
1	6/30/2023	N	Facilities Capital Projects	10109.2022	1,717	
1	6/30/2023	N	Cash US Bank Savings	10121.2016		18,980
1	6/30/2023	N	Cash US Bank Savings	10121.2019		121,005
1	6/30/2023	N	Cash US Bank Savings	10121.2020		2,624,582
1	6/30/2023	N	Cash US Bank Savings	10121.2022		101,512
1	6/30/2023	N	Cash US Bank Savings	10121.9999	18,197	
1	6/30/2023	N	Accounts Receivable - Capital	10230.2021		1,458,650
1	6/30/2023	N	Materials & Supplies Inventory	10300.9999	2,945	
1	6/30/2023	N	Work in Process-Capital Grants	10502.2019		150,246
1	6/30/2023	N	Work in Process-Capital Grants	10502.2020	53,218	
1	6/30/2023	N	Work in Process-Capital Grants	10502.2021		12,530
1	6/30/2023	N	Work in Process-Capital Grants	10502.2022		542,500
1	6/30/2023	N	Work in Process-Capital Grants	10502.9999	33,172	
1	6/30/2023	N	Employee Fund Payable	20150.9999	1	
1	6/30/2023	N	Health Insurance - Employer	20265.9999	901	
1	6/30/2023	N	Federal Capital Reimbursement	41302.2019	20,298	
1	6/30/2023	N	Federal Capital Reimbursement	41302.2022	8,000	
1	6/30/2023	N	Federal Capital Reimbursement	41302.2023	108,914	
1	6/30/2023	N	Addition to Fleet Replacement	51001.9999	500,004	
1	6/30/2023	N	Add to Fleet Cap Res Phase II	51002.9999	500,004	
To consolidate account balances for presentation purposes.						
2	6/30/2023	N	Accounts Receivables -Prop Tax	10209.000	97,312	
2	6/30/2023	N	Property Tax Revenue	40801.000		97,312
To adjust property tax receivable at yearend.						
3	6/30/2023	N	Federal Capital Reimbursement	41302.000	112,913	
3	6/30/2023	N	Subrecipient Grant Revenue	41399.000		225,826
3	6/30/2023	N	Subrecipient Grant Revenue	41399.000		41,350
3	6/30/2023	N	Pass Through Grants	700000.00	112,913	
3	6/30/2023	N	Pass Through Grants	700000.00	41,350	
To reclassify subrecipient grant amounts to show full amount of revenue and expense.						
4	6/30/2023	N	Work in Process-Capital Grants	10502.000		42,530
4	6/30/2023	N	Buildings	11121.000	55,637	
4	6/30/2023	N	Transportation Equipment	11131.000		80,260

Missoula Urban Transportation District

AJE-C-2

Year End: June 30, 2023

Adjusting Journal Entries

Date: 7/1/2021 To 6/30/2023

Number	Date	Type	Name	Account No	Debit	Credit
4	6/30/2023	N	Paratransit Trans. Equipment	11132.000	6,488	
4	6/30/2023	N	Furniture & Fixtures	11151.000	1,374	
4	6/30/2023	N	Planning Projects	11152.000		40
4	6/30/2023	N	Planning Projects	50304.160	42,530	
4	6/30/2023	N	Equipment Maint/Serv Contracts	50305.160	79,451	
4	6/30/2023	N	Building Maintenance	50335.042		55,637
4	6/30/2023	N	Supplies	50494.041		525
4	6/30/2023	N	Parts	50499.045		6,488

To expense items below capitalization threshold, expense prepaids from prior year, capitalize items originally expensed, and expense consulting studies.

5	6/30/2023	N	Work in Process-Capital Grants	10502.000	227,966	
5	6/30/2023	N	Work in Process-Capital Grants	10502.000	280,190	
5	6/30/2023	N	Buildings	11121.000	125,665	
5	6/30/2023	N	Transportation Equipment	11131.000		241,229
5	6/30/2023	N	Paratransit Trans. Equipment	11132.000	184,278	
5	6/30/2023	N	Furniture & Fixtures	11151.000	116,362	
5	6/30/2023	N	Planning Projects	11152.000		413,042
5	6/30/2023	N	Shop Maintenance	50330.042		280,190

To adjust CIP for items that were not placed in service by yearend and add lift and lift construction costs to CIP that were initially expensed.

6	6/30/2023	N	Work in Process-Capital Grants	10502.000		940,509
6	6/30/2023	N	Buildings	11121.000	147,405	
6	6/30/2023	N	Transportation Equipment	11131.000	380,062	
6	6/30/2023	N	Planning Projects	11152.000	413,042	

DO NOT POST - PBC ENTRY - To capitalize WIP.

7	6/30/2023	N	Cash US Bank Savings	10121.000		141,211
7	6/30/2023	N	Accounts Receivable - Planning	10225.000	112,913	
7	6/30/2023	N	Accounts Receivable - Capital	10226.000	28,298	

POST & REVERSE - To reclassify grants receivable booked to cash.

8	6/30/2023	N	Post Employment Benefit	20295.000		58,344
8	6/30/2023	N	Post Employment Benefit	50206.010	31,414	
8	6/30/2023	N	Post Employment Benefit	50206.011	10,098	
8	6/30/2023	N	Post Employment Benefit	50206.012	4	
8	6/30/2023	N	Post Employment Benefit	50206.041	8,453	
8	6/30/2023	N	Post Employment Benefit	50206.160	8,375	

PBC - To adjust yearend post employment benefit.

Missoula Urban Transportation District

AJE-C-3

Year End: June 30, 2023

Adjusting Journal Entries

Date: 7/1/2021 To 6/30/2023

Number	Date	Type	Name	Account No	Debit	Credit
9	6/30/2023	N	Accounts Receivable - Planning	10225.000	41,292	
9	6/30/2023	N	Planning Projects	41304.000		41,292
POST & REVERSE - PBC - To book receivable for UPWP funding April 23 - June 23.						
10	6/30/2023	N	Accounts Receivable - Capital	10226.000	13,671	
10	6/30/2023	N	Federal Capital Reimbursement	41302.000		13,671
POST & REVERSE - To book receivable for grant reimbursement request submitted on 7/10/23.						
11	6/30/2023	N	Federal Capital Reimbursement	41302.000		3,999
11	6/30/2023	N	Planning Projects	50304.160	3,999	
To adjust for MUTD Raise grant portion originally booked as offset to revenue.						
12	6/30/2023	N	Transportation Equipment	11131.000		969,112
12	6/30/2023	N	Shop Equipment	11141.000		336
12	6/30/2023	N	Furniture & Fixtures	11151.000		464,632
12	6/30/2023	N	Accumulated Depreciation	11193.000		671,482
12	6/30/2023	N	Gain/ (Loss) on Sale of Assets	41303.000	11,865	
12	6/30/2023	N	Depreciation - Paratransit Equip - DPR	51303.900	123,871	
12	6/30/2023	N	Depreciation - Transportation Equip	51304.900	1,469,002	
12	6/30/2023	N	Depreciation - Shop	51307.900	22,327	
12	6/30/2023	N	Depreciation - Buildings	51312.900	286,297	
12	6/30/2023	N	Depreciation - Planning	51313.900	146,830	
12	6/30/2023	N	Depreciation - Furniture & Fixtures	51322.900	45,370	
To record fixed asset disposals and depreciation.						
13	6/30/2023	N	Invest In Capital Assets Net	30401.000	1,884,703	
13	6/30/2023	N	Invest In Capital Assets Net	30401.000		146,455
13	6/30/2023	N	Unrestricted Net Assets	30501.000		1,884,703
13	6/30/2023	N	Unrestricted Net Assets	30501.000	146,455	
To adjust net investment in capital assets.						
14	6/30/2023	N	Accounts Receivable - Planning	10225.000	10,024	
14	6/30/2023	N	Accounts Receivable - Capital	10226.000	131,810	
14	6/30/2023	N	Work in Process-Capital Grants	10502.000	146,455	
14	6/30/2023	N	Accounts Payable	20111.000		146,455
14	6/30/2023	N	Federal Capital Reimbursement	41302.000		131,810
14	6/30/2023	N	Planning Projects	41304.000		10,024
POST & REVERSE - PBC - To book grant receivables for expenses incurred but for requests not yet submitted.						

Missoula Urban Transportation District

AJE-C-4

Year End: June 30, 2023

Adjusting Journal Entries

Date: 7/1/2021 To 6/30/2023

Number	Date	Type	Name	Account No	Debit	Credit
15	6/30/2022	N	Accumulated Amortization - Leases	11194.000		7,777
15	6/30/2022	N	Right-to-Use Leased Asset	18100.000	93,324	
15	6/30/2022	N	Short-Term Lease Liability	28100.000		16,623
15	6/30/2022	N	Long-Term Lease Liability	28200.000		69,904
15	6/30/2022	N	Training Center Rent	50612.010		7,211
15	6/30/2022	N	Lease Interest Expense	50915.010	414	
15	6/30/2022	N	Amortization Expense - Leases	51315.010	7,777	
To record lease liability and right of use asset for lease standard implementation.						
16	6/30/2023	R	Accumulated Amortization - Leases	11194.000		7,777
16	6/30/2023	R	Right-to-Use Leased Asset	18100.000	93,324	
16	6/30/2023	R	Short-Term Lease Liability	28100.000		16,623
16	6/30/2023	R	Long-Term Lease Liability	28200.000		69,904
16	6/30/2023	R	Unrestricted Net Assets	30501.000	980	
JCCS ONLY - DO NOT POST - To roll-forward AJE-15 for lease standard implementation.						
17	6/30/2023	N	Accumulated Amortization - Leases	11194.000		18,665
17	6/30/2023	N	Short-Term Lease Liability	28100.000		1,257
17	6/30/2023	N	Long-Term Lease Liability	28200.000	17,880	
17	6/30/2023	N	Training Center Rent	50612.010		17,730
17	6/30/2023	N	Lease Interest Expense	50915.010	1,107	
17	6/30/2023	N	Amortization Expense - Leases	51315.010	18,665	
To record lease liability and right of use asset for lease standard implementation.						
18	6/30/2023	N	Contra Acct FLEX/HRA	10125.000		31,972
18	6/30/2023	N	Prepaid	15101.000	55,329	
18	6/30/2023	N	Flexible Benefit Medical	20286.000		2,641
18	6/30/2023	N	Flexible Benefits Dependent	20287.000	3,225	
18	6/30/2023	N	Healthcare Reimb Arrangement	50205.010	4,000	
18	6/30/2023	N	Equipment Maint/Serv Contracts	50305.010		3,960
18	6/30/2023	N	Supplies	50494.042		26
18	6/30/2023	N	Dues & Subscriptions	50901.160	375	
18	6/30/2023	N	Employee Relations/Promotions	50909.160		24,330
PBC - To adjust prepaid balance.						
19	6/30/2023	N	Prepaid	15101.000	49,851	
19	6/30/2023	N	Equipment Maint/Serv Contracts	50305.010	500	
19	6/30/2023	N	Equipment Maint/Serv Contracts	50305.011		50,427
19	6/30/2023	N	Equipment Maint/Serv Contracts	50305.041		4,252
19	6/30/2023	N	Supplies	50494.042	52	
19	6/30/2023	N	Employee Relations/Promotions	50909.160	4,276	
To correct prepaid balances.						

Missoula Urban Transportation District

AJE-C-5

Year End: June 30, 2023

Adjusting Journal Entries

Date: 7/1/2021 To 6/30/2023

Number	Date	Type	Name	Account No	Debit	Credit
					38,410,745	38,410,745
			Net Income (Loss)		1,714,518	