



Missoula Urban Transportation District (MUTD)
1221 Shakespeare St
Missoula, MT 59802
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REQUEST FOR PROPOSALS

FOR

MUNICIPAL FINANCIAL ADVISOR

RFP 25-01

May 16, 2025

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SECTION 1: SOLICITATION NOTICE

1.1 Notice

Notice is hereby given that Missoula Urban Transportation District (MUTD) has released a Request for Proposals RFP 25-01 for a municipal financial advisor. Proposals are due at **5:00 p.m. MDT on Monday, June 16, 2025.**

1.2 Communications with MUTD

Upon release of this solicitation document, all communications concerning this procurement must be directed to:

Frank Kuhl
Procurement and Contracts Specialist
Missoula Urban Transportation District
1221 Shakespeare St, Missoula, MT 59802
fkuhl@mountainline.com
(406) 215-2468

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 (RFP).

1.3 Submission of Proposals

Proposals shall be prepared as described in Section 3 of this RFP.

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

1.4 Schedule

<u>RFP Issued:</u>	May 16, 2025
<u>Clarifications/Questions Due:</u>	June 9, 2025
<u>MUTD Responses to Clarifications/Questions:</u>	June 11, 2025
<u>Proposals Due:</u>	June 16, 2025, 5PM MDT
<u>Interviews:</u>	June 17 & 18, 2025

<u>Notification of Selected Supplier:</u>	June 19, 2025
<u>Board Approval:</u>	June 26, 2025
<u>Notice to Proceed:</u>	June 27, 2025

1.5 Nonresponsive Submittals

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

1.6 Late Submittals, Modifications of Submittals, and Withdrawals of Submittals

A modification of a submittal already received will be considered only if the proposed modification is received prior to the established deadline. Any submittal or modification received at the office designated in the solicitation after the exact time specified for receipt will be considered non-responsive and will be returned to the Offeror not opened.

The time of receipt at MUTD is the time-date stamped on the email or submittal envelope, or other documentary evidence of receipt maintained by MUTD.

Submittals may be officially withdrawn from consideration only by a written request to MUTD's point of contact as identified in Section 1.2 prior to the response deadline.

No Offeror 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.

1.7 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.

1.8 Requests for Clarification or Approved Equals

All requests for clarifications, explanations, changes, substitutions, or approval of items equal to items with specified brand names must be submitted via email to the officer listed in Section 1.2 no later than the date listed in Section 1.4.

MUTD will provide a single written response to all properly submitted requests for clarification or approved equals as addendum on or before **Wednesday, June 11, 2025**. All addenda will be posted on the MUTD website at <http://www.mountainline.com/> under the “Current Solicitations” tab.

1.9 Acknowledgement of Addenda

Please send an email to fkuhl@mountainline.com to state your interest in submitting a proposal and to receiving any issued addenda.

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

A completed Addendum Acknowledgement Form (Exhibit A) shall be included with all proposals.

1.10 Protest Procedures

Grounds for Protest

A protest may be filed by any interested party on the grounds that MUTD has:

- Failed to comply with its procurement procedures;
- Failed to comply with the terms of the solicitation in question, including the failure to adhere to the evaluation criteria set forth in the solicitation, if applicable;
- Issued restrictive or discriminatory specifications; or,
- Made an award to other than the lowest responsive and responsible bidders on formally advertised procurements.

Protest Contents

Written protests should be concise, logical, and clearly state the grounds for the protest. They must include the following information:

- Name, address, and telephone number of protestor
- Identification of the solicitation or contract number
- A detailed statement of the legal and factual grounds of the protest including copies of relevant documents
- A statement as to what relief is requested.

All protest documents received by the General Manager shall be stamped with date and time received and logged into a file folder with a copy to the Master File.

Pre-Bid and Pre-Award Protests

Protests addressing the solicitation process or the solicitation documents, including the specifications, must be received by the General Manager within seven (7) calendar days of

the decision to award a contract. Thereafter, any protest based on such grounds will not be considered.

Post-Award Protests

Protests addressing the approval or award, including the evaluation of bids or proposals, must be received by the General Manager within five (5) days after the decision to award a contract. Thereafter, any protest based on such grounds will not be considered. MUTD will notify all unsuccessful bidders or proposers of its intent to award a contract at the same time it notifies the successful bidder or proposer.

Protest Response

MUTD will notify the protestor within 3 days of receipt that the protest is being considered. Upon receipt of a timely protest regarding the solicitation process, MUTD will postpone the opening of bids until resolution of the protest. The filing of the protest will not, however, change the date on which bids are due, unless otherwise noticed.

Upon receipt of a timely protest regarding the evaluation or award, MUTD will suspend contract approval or other pending action until resolution of the protest, unless the General Manager determines in writing that:

- The items to be procured are urgently required; or
- Delivery or performance will be unduly delayed by failure to make the award promptly; or
- Failure to make prompt award will otherwise cause undue harm to MUTD or the State or the Federal Government.

Protest Decision

The decision of the General Manager shall be issued in writing within fourteen (14) days of receipt of the protest and shall be the final binding agency action. If the protest is upheld, MUTD will take appropriate action to correct the procurement process, such as a re-solicitation, revised evaluation, or termination of contract. If the protest is denied, MUTD will proceed with its procurement process.

The Federal Transit Administration will only entertain a protest that alleges the District failed to follow their protest procedures and such a protest must be filed in accordance with FTA Circular 4220.1F.

1.11 Public Disclosure of Information

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

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 Offeror to protect the confidentiality of any information submitted in the submittal, and the Offeror 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.

1.12 Federal Clauses and Requirements

MUTD receives funding from the Federal Transit Administration to assist with transit operations and capital expenses. As such, third party contracts involving the use of federal funds are subject to applicable federal requirements. A full listing of these requirements can be found at <https://mountainline.com/business-policies/>

SECTION 2: SCOPE OF WORK

2.1 Overview

2.1.1 General

MUTD is soliciting Proposals from qualified consultants for financial advisory services for the period July 1, 2025, through June 30, 2028, in connection with the issuance of debt obligations and debt management for a new Maintenance Operations and Administrative Building Base (MOAB). In addition to debt obligations, the financial advisory services will include ongoing financial transactions, economic initiatives, policies, financial procedures, and controls that would benefit MUTD on an as-needed basis.

MUTD is an urban transportation district of the State of Montana and per MCA 7-14-235 may borrow money by the issuance of general obligation or revenue bonds or a combination thereof to provide funds for the district. MUTD currently carries no debt but possible future debt issuances may occur within the next year. MUTD is soliciting proposals from interested firms/contractors for municipal financial advisor services, where the basis of payment is a not to exceed price.

The firm selected to serve must be a “municipal advisor” within the meaning of the Securities Exchange Act of 1934 Rule 15Ba1-1(d)(3)(vi) and be currently registered with both the U.S. Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB). The firm selected to provide financial advisory services to MUTD pursuant to this RFP will be prohibited from engaging in activities on behalf of MUTD that produce a direct or indirect financial gain for the municipal advisor, other than the agreed-upon compensation, without MUTD’s informed consent.

2.1.2. Background

MUTD is Missoula’s community transit service and was established by voters in June of 1976 with operations beginning in December of 1977. MUTD is governed by a seven-member board of directors and the direct recipient of Federal Transit Administration (FTA) funding. MUTD’s service area population does not exceed 100,000 people. The agency provides hourly fixed-route service, seven

days per week, on twelve routes as well as paratransit ADA services. MUTD’s fixed-route fleet consists of thirty (30) vehicles.

MUTD was awarded a \$39.1M 5539c Low or No Emissions competitive grant for the construction of a new MOAB. Local reserves and Transportation Infrastructure Finance and Innovation Act (TIFIA) funds will be needed to supplement the grant. Land for the project has been secured at West Broadway/Whippoorwill Drive, just east of Missoula Montana Airport. The facility will be constructed on an 18-acre parcel and will replace MUTD’s current facility—an aging building with insufficient vehicle parking located on 2.2 acres. The MOAB will consist of a new 10,994 square foot administration building, 35,350 square feet of indoor bus parking, and 12,401 square feet of vehicle maintenance space. This facility will immediately accommodate up to 28 fixed route buses and can be expanded in phases to meet the area’s transit needs for the next several decades.

The MOAB project is part of an 80-acre parcel that is proposed for a mixed-use development. As a separate and distinct capital project, MUTD is obligated to install shared utility and road network infrastructure that serves both the MOAB parcel as well as a portion of the broader subdivision. A separate debt issuance will be needed for the shared infrastructure.

Please see Exhibit D – Sources and Uses

THIS PROJECT IS BEING FUNDED BY THE FEDERAL TRANSIT ADMINISTRATION (49 CFR 5339) AND MOUNTAIN LINE RESERVE FUNDS. TIFIA FUNDING MAY BE UTILIZED.

2.1.3. Project Schedule (Subject to Change)

Project Schedule

- | | |
|---|----------------------------|
| • Concept Design: | March 2024 – August 2024 |
| • Schematic Design: | August 2024 – March 2025 |
| • Design Development: | March 2025 – August 2025 |
| • Final Construction Documents: | August 2025 – January 2026 |
| • 5339c Low or No Emissions Grant Obligation: | April 2026 |
| • Construction Start: | April 2026 |
| • Project Completion: | April 2028 |

2.2 Specifications of Services Needed

Debt Issuance and Management

1. Assist and make recommendations on all aspects of the debt issuance, including the method of sale, structure, terms, redemption provisions, timing, marketing, pricing, and working group required.
2. Prepare affordability models as applicable for issuances backed by specific revenues.
3. Examine, evaluate and recommend an overall financing plan that is expected to result in the lowest cost of borrowing to MUTD over the life of the debt, including the ability to estimate and compare the financial impact of tax-exempt vs. taxable issuances and various call option and coupon combinations.
4. Assist in the preparation of the preliminary and final official statements, schedule, distribution list, meeting agendas, and other documents related to the marketing and issuance of the bonds.

5. Assist with the preparation for, and participate in, meetings and conference calls with the working group, investors, credit rating agencies, credit facility providers, and MUTD staff.
6. In negotiated transactions:
 - a. Create a transaction term sheet for the underwriting team detailing priority of orders, retail definition, liability allocations, designation rules, and takedown levels;
 - b. Recommend pricing levels based on historical pricing and the pricing of comparable credits in the then current market;
 - c. Provide a written opinion that the initial offering price of the bonds reflected fair market pricing on the date of sale
 - d. Review and coordinate the allocation of bonds among the members of the underwriting syndicate; and
 - e. Summarize the allocation of bonds across the different types of investors.
7. In competitive transactions:
 - a. Assist in the preparation of the notices of sale and bid specifications;
 - b. Inform underwriting firms of the structure and timing of the transaction;
 - c. Independently evaluate bids, verify the true interest cost calculation, and recommend award; and
 - d. Certify yield, weighted average maturity and other matters relating to the transaction.
8. Assist in the evaluation and selection of underwriters/investment bankers, legal counsel, trustees, verification agents, and other professional service providers, including preparation of requests for qualifications (RFQs), requests for proposals (RFPs) or bids and the evaluation of statements of qualifications, proposals or bids submitted in response thereto.
9. Provide a transaction summary outlining pricing performance, investor participation, orders and allocations, market dynamics, and other relevant data.
10. Provide advice and guidance on post-issuance compliance, including but not limited to continuing disclosure, investment of proceeds, GASB, or any other state or Federal regulations affecting MUTD's debt, as requested.

Provide ongoing Municipal Advisory services, including but not limited to:

1. Review current pro forma and projected cash flow for overall project viability and capital capacity.
2. Assist with the drafting and review of debt management policies and procedures.
3. Assist in the preparation of MUTD's first credit rating and periodically review financial issues with the rating agencies, including arranging support calls and meetings, relating to specific debt issues, and updates.
4. Monitor and evaluate refunding opportunities with respect to outstanding obligations once debt is issued.
5. As requested, review, draft, prepare, and/or provide testimony on the debt capacity, debt affordability, and rating issues raised by prospective purchasers, agencies, or public officials.
6. Keep MUTD apprised of and provide advice regarding the development and implementation of new and existing financing techniques, programs, and statutory and regulatory changes imposed by Congress, the US Treasury and other regulatory agencies, including, but not limited to, IRS rules and policies.
7. Review and assist in the development of new or alternative programs such as but not limited to short-term financing programs, commercial paper programs, securitizations, public private partnerships, and in conjunction with bond/disclosure counsel, provide recommendations for legislative and other operational modifications and/or financings, as requested.

SECTION 3: SUBMITTAL REQUIREMENTS

3.1 Submittal Requirements

3.1.1 Proposal Contents

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

1. Letter of Transmittal (Section 3.1.2)
2. Technical Proposal (Section 3.1.3)
3. Required Forms and Certifications (Exhibit A)

3.1.2 Letter of Transmittal

A brief introductory letter to introduce the proposal shall be addressed to the procurement officer identified in Section 1.2 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.

3.1.3 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. Firms must be registered with the Securities and Exchange Commission as a Municipal Advisor. Please provide a copy of your firm's SEC registration in the Appendix to your proposal.
 - c. Describe the key personnel involved in the completion of the project requirements, including professional background and experience, licenses, certificates, and specific responsibilities for all individuals who will be assigned to this engagement. Please include copies of all professional resumes.
 - d. 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.
 - 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, federal, SEC, FINRA, MSRB, and other 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 your firm's overall work during the last three (3) years as a municipal advisor in various aspects both negotiated and competitive bond sales. Specify the role your firm played, including the sizing of debt, the date, call features, discount rates, maturity schedules, jurisdiction type of security, legal authority, the types of items financed, preparation of the financing documents, and the capacity the individual members of the proposing team played in the financing, if any. Discuss any significant benefits that accrued to the issuer from the transaction. Include a description of any special problems or challenges encounters and solutions you provided.
 - b. Provide at least three (3) client references for which similar services have been performed. Where possible, include references involving transactions for clients in the transportation environment or those within a special district. 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. Include which member or members of the proposed project team were involved in each client reference.
 - c. Describe the experience and capabilities that your team has in working with rating agencies. Provide a narrative discussing a possible rating agency strategy for MUTD, taking into consideration MUTD's financial profile, (Exhibit C).
 - d. Discuss your firm's experience with policy formulation and implementation of best practices for a client during the last three years.
 - e. Discuss the amounts and types of insurance carried, including the deductible amount, to cover errors and omissions, improper judgments, or negligence.
3. Response to scope of work
 - a. Address the scope of work requirements listed in Section 2 of this RFP and how you will meet or exceed those requirements.

3.1.4 Required forms and certifications

Each of the forms in Exhibit A

3.2 Pricing

Offerors shall provide a breakdown of fees proposed on a not-to-exceed basis. Proposed fees shall be included in the offeror's response. Additionally, offers shall also complete the Fee Proposal Form in Exhibit B. All task amounts must include associated meetings, progress reports and direct costs (travel, mileage, per diem, communications, etc.).

All costs for travel to and from project sites, food, telephone, postage, data transfer, photographs, and printing for MUTD use (up to 6 copies of all documents) shall be included as part of basic services fee and will not be reimbursed by the MUTD.

The fee proposal shall also include specific written exceptions to the RFP at the time of submission. MUTD will not entertain any exception after submission nor additional exceptions that may have been omitted. Failure to submit such exceptions at the time of the proposal will constitute full acceptance of the information as written.

In the offer's fee proposal, please provide the following:

1. **Not-to-Exceed Fees – MOAB**
Identify all fees proposed on a not-to-exceed for the MOAB debt issuance. Clearly state the maximum amount the proposer will charge for the services described in this RFP and specify the scope of work covered by these not-to-exceed fees.
2. **Not-to-Exceed Fees – Shared Infrastructure**
Identify all fees proposed on a not-to-exceed for the Shared Infrastructure debt issuance. Clearly state the maximum amount the proposer will charge for the services described in this RFP and specify the scope of work covered by these not-to-exceed fees.
3. **Annual Municipal Advisory Services**
Identify all fees proposed on a not-to-exceed for Municipal Advisory Services. Clearly state the maximum amount the proposer will charge for the services described in this RFP, and specify the scope of work covered by these not-to-exceed fees.
4. **Conditions Attached to Fee Proposal**
Describe any conditions, assumptions, or contingencies that apply to the fee proposal. This includes—but is not limited to—assumptions related to project duration, number of financings, number of meetings or work sessions, market conditions, or scope of services.
5. **Hourly Rate**
Please provide an hourly rate for each team member for any work that may exceed the scope.

Offers shall include a fee proposal as part of their response to this RFP, and complete the Fee Proposal Form in Exhibit B.

SECTION 4: EVALUATION PROCESS AND AWARD

4.1 Evaluation Committee

Evaluations will be performed by a committee composed of MUTD staff. The evaluation committee will evaluate and select the proposal(s) that best address the requirements of the project, in accordance with the criteria stated herein. MUTD reserves the right to reject any or all submittals.

4.2 Evaluation Criteria

Each proposal will be evaluated based on the following factors:

Factor	Relative Weight
Overall quality of the proposal, including work plan approach	25%
The qualifications of professional personnel assigned to the project	25%
Related experience on similar projects	20%
Present and projected workloads and capacity to meet project requirements	10%
Price	20%

4.3 Selection Process

The responses to this solicitation will be evaluated based on their ability to meet MUTD's needs. The responses will be evaluated according to the criteria above by the selection committee, and the selection committee will make a recommendation to the MUTD Board of Directors to authorize the General Manager to execute a contract with the selected firm(s).

If an agreement cannot be reached with a selected firm, MUTD will terminate negotiations with that firm and open negotiations with the next ranked firm. The compensation discussed with one firm will not be disclosed or discussed with another firm.

SECTION 5: Federal Clauses and Certifications



Municipal Financial Advisor

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/offeree 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

a) Disputes arising in the performance of this contract which are not resolved by agreement of the parties shall be decided in writing by the recipient’s authorized representative. This decision shall be final and conclusive unless within ten (10) days from the date of receipt of its copy, contractor mails or otherwise furnishes a written appeal to the recipient’s CEO. In connection with such appeal, contractor shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of the recipient’s CEO shall be binding upon contractor and contractor shall abide by the decision. FTA has a vested interest in the settlement of any violation of Federal law including the the False Claims Act, 31 U.S.C. § 3729.

b) Performance During Dispute. Unless otherwise directed by the recipient, contractor shall continue performance under this contract while matters in dispute are being resolved. Claims for Damages - Should either party to the contract suffer injury or damage to person or property because of any act or omission of the party or of any of his employees, agents or others for whose acts he is legally liable, a claim for damages therefore shall be made in writing to such other party within ten days after the first observance of such injury or damage.

c) Remedies. Unless this contract provides otherwise, all claims, counterclaims, disputes and other matters in question between the recipient and contractor arising out of or relating to this agreement or its breach will be decided by arbitration if the parties mutually agree, or in a court of competent jurisdiction within the residing State. Rights and Remedies - Duties and obligations imposed by the contract documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act by the recipient or contractor shall constitute a waiver of any right or duty afforded any of them under the contract, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

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

1) Contractor shall comply with all applicable standards, orders or regulations pursuant to Section 306 of the Clean Air Act, as amended, 42 U.S.C. § 7606, and other requirements of the Clean Air Act, as amended, 42 U.S.C. §§ 7401 – 7671q. Contractor shall report each violation to the recipient and understands and agrees that the recipient will, in turn, report each violation as required to FTA and the appropriate EPA Regional Office.

2) Contractor shall include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with FTA assistance.

Clean Water

All Contracts and Subcontracts over \$100,000

Contractor shall comply with all applicable standards, orders or regulations issued pursuant to Section 508 of the Clean Water Act, as amended, 33 U.S.C. § 1368, and other requirements of the Clean Water Act, as amended, 33 U.S.C. §§ 1251 – 1377. Contractor shall report each violation to the recipient and understands and agrees that the recipient shall, in turn, report each violation as required to FTA and the appropriate EPA Regional Office. Contractor shall include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with FTA assistance.

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 et seq., January 8, 2001, and any other implementing directives FTA may issue at a later date, except to the extent FTA determines otherwise in writing.

Access Requirements for Persons with Disabilities

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

Notification of Federal Participation

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

Interest of Members or Delegates to Congress

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

Ineligible Contractors and Subcontractors

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

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.

Exhibit A

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

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** _____

Exhibit A

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

PROPOSAL BID FORM

PROPOSER’S FULL LEGAL NAME: _____

COMBINED NOT-TO-EXCEED PRICE PROPOSAL

Pursuant to and in full compliance with the RFP, the undersigned proposer, having thoroughly examined each and every document comprising the RFP, including any addenda, hereby offers and agrees as follows:

To provide the products and/or services specified in, and upon the terms and conditions of, the RFP for the total sum of _____
_____/100 Dollars (write out in words) (\$_____).

ACKNOWLEDGEMENT

In submitting this Proposal Form, the undersigned proposer acknowledges that the price(s) include all labor, materials, transportation, hauling, overhead, fees and insurances, bonds or letters of credit, profit, security, permits and licenses, and all other costs to cover the completed products and/or services called for in the RFP. Except as otherwise expressly stated in the RFP, no additional payment of any kind will be made for the products and/or services called for in the RFP.

Authorized Signature

_____	_____	_____
Printed name	Signature	Date

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

**MISSOULA URBAN
TRANSPORTATION DISTRICT**

JUNE 30, 2024 AND 2023



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 Sam Oliver
Director Josephine Hazelton-Boyle

Officials

General Manager (7/1/2023 - 4/13/2024) Corey Aldridge
Interim General Manager (4/14/2024 - 6/30/2024) Jennifer Sweten
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, 2024 and 2023, 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, 2024 and 2023, 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 22 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 November 29, 2024, 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 effectiveness of Missoula Urban Transportation District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Missoula Urban Transportation District's internal control over financial reporting and compliance.

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

Kalispell, Montana
November 29, 2024

**MISSOULA URBAN TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2024**

This report is intended to provide a recap of accomplishments and challenges that occurred during fiscal year 2024 (FY2024) and to provide insight into events that will impact the fiscal year 2025 (FY2025) budget. Additional discussion is provided regarding factors that will influence planning decisions for the FY2025 budget and help recognize economic trends that will impact Missoula Urban Transportation District's (MUTD) financial condition beyond FY2025.

Financial Highlights

The following tables summarize the financial condition and operating results for FY2024 compared to FY2023 and FY2023 compared to FY2022:

Statement of Net Position

	2024	2023	Increase (Decrease)	2023	2022	Increase (Decrease)
Current & other assets	34,210,685	30,351,037	3,859,648	30,351,037	27,342,289	3,008,748
Capital assets	14,483,978	14,632,148	(148,170)	14,632,148	15,296,267	(664,119)
Total assets	<u>48,694,663</u>	<u>44,983,185</u>	<u>3,711,478</u>	<u>44,983,185</u>	<u>42,638,556</u>	<u>2,344,629</u>
Current liabilities	1,579,560	1,249,416	330,144	1,249,416	706,556	541,860
Noncurrent liabilities	837,082	823,663	13,419	823,663	736,412	87,251
Total liabilities	<u>2,416,642</u>	<u>2,073,079</u>	<u>343,563</u>	<u>2,073,079</u>	<u>1,442,968</u>	<u>630,111</u>
Net Position:						
Net investment in capital assets	14,483,978	14,632,148	(148,170)	14,632,148	15,296,267	(664,119)
Unrestricted	31,794,043	28,277,958	3,516,085	28,277,958	25,899,321	2,378,637
Total net position	<u>46,278,021</u>	<u>42,910,106</u>	<u>3,367,915</u>	<u>42,910,106</u>	<u>41,195,588</u>	<u>1,714,518</u>

**MISSOULA URBAN TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2024**

FY2024 compared to FY2023:

The current and other assets include cash of \$32,430,301 which will fund fleet replacement capital purchases (local match) through FY2029, facilities capital purchases (local match) through FY2026 and a portion of future operating expenses and liabilities. The remaining current and other assets of \$1,780,384 are receivables for capital and planning reimbursement and property taxes as well as supplies inventory, prepaid expenses, and lease right-to-use assets. The capital assets are \$148,170 less than FY2023.

The net position of \$46,278,021 has increased by \$3,367,915. The unrestricted net position of \$31,794,043 includes facilities capital projects reserve of \$13,000,000, fleet replacement reserve of \$6,500,000, and a five-month operating reserve of \$6,850,000.

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 \$1,353,829 are receivables for capital and planning reimbursement and property taxes as well as supplies inventory, prepaid expenses, and lease right-to-use assets. 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 \$28,277,958 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.

**MISSOULA URBAN TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2024**

Statement of Revenues, Expenses and Changes in Net Position

	2024	2023	Increase (Decrease)	2023	2022	Increase (Decrease)
Revenues:						
Operating revenues	65,594	92,800	(27,206)	92,800	295,563	(202,763)
Non-operating revenues	18,714,746	15,289,240	3,425,506	15,289,240	16,539,109	(1,249,869)
Pass-through grants	(462,296)	(112,913)	(349,383)	(112,913)	-	(112,913)
Total revenues	<u>18,318,044</u>	<u>15,269,127</u>	<u>3,048,917</u>	<u>15,269,127</u>	<u>16,834,672</u>	<u>(1,565,545)</u>
Expenses:						
Operating	13,140,962	11,805,947	1,335,015	11,805,947	9,357,592	2,448,355
General and administrative	2,958,008	2,376,828	581,180	2,376,828	2,292,398	84,430
Total expenses	<u>16,098,970</u>	<u>14,182,775</u>	<u>1,916,195</u>	<u>14,182,775</u>	<u>11,649,990</u>	<u>2,532,785</u>
Income before capital contributions	2,219,074	1,086,352	1,132,722	1,086,352	5,184,682	(4,098,330)
Capital contributions	1,148,841	669,516	479,325	669,516	6,927,550	(6,258,034)
Pass-through grants	<u>-</u>	<u>(41,350)</u>	<u>41,350</u>	<u>(41,350)</u>	<u>(1,458,650)</u>	<u>1,417,300</u>
Change in net position	3,367,915	1,714,518	1,653,397	1,714,518	10,653,582	(8,939,064)
Net Position, Beginning of Year	<u>42,910,106</u>	<u>41,195,588</u>	<u>1,714,518</u>	<u>41,195,588</u>	<u>30,542,006</u>	<u>10,653,582</u>
Net Position, End of Year	<u><u>46,278,021</u></u>	<u><u>42,910,106</u></u>	<u><u>3,367,915</u></u>	<u><u>42,910,106</u></u>	<u><u>41,195,588</u></u>	<u><u>1,714,518</u></u>

**MISSOULA URBAN TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2024**

Revenues:

Operating revenues include Missoula County financial assistance and advertising.

In FY2024, non-operating revenue increased by \$3,076,123 due to property tax revenue and interest income being greater than FY2023.

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

The non-operating revenues include the following sources:

	2024	2023	Increase (Decrease)	2023	2022	Increase (Decrease)
Property and other taxes	12,806,108	10,535,569	2,270,539	10,535,569	10,106,253	429,316
Federal operating assistance	3,624,131	3,554,671	69,460	3,554,671	5,983,559	(2,428,888)
Federal planning assistance	227,011	181,505	45,506	181,505	179,641	1,864
Interest income	1,169,746	751,431	418,315	751,431	52,993	698,438
Other revenues	425,454	153,151	272,303	153,151	216,663	(63,512)
Total non-operating revenues	<u>18,252,450</u>	<u>15,176,327</u>	<u>3,076,123</u>	<u>15,176,327</u>	<u>16,539,109</u>	<u>(1,362,782)</u>

In FY2024, operating expenses increased by \$1,335,015, which includes a combination of increases in departments.

In FY2023, operating expenses increased by \$2,448,355, which includes a combination of increases in departments.

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, 2024**

	2024	2023	Increase (Decrease)	2023	2022	Increase (Decrease)
Operations	10,827,829	9,772,156	1,055,673	9,772,156	7,885,969	1,886,187
Maintenance	2,313,133	2,033,791	279,342	2,033,791	1,537,500	496,291
General and administrative	2,958,008	2,376,828	581,180	2,376,828	2,226,521	150,307
Total expenses	<u>16,098,970</u>	<u>14,182,775</u>	<u>1,916,195</u>	<u>14,182,775</u>	<u>11,649,990</u>	<u>2,532,785</u>

Capital contributions are purchases that are funded by federal grants for approximately 80% - 85% of the total cost. The FY2024 capital contribution is \$1,148,141, the FY2023 capital contribution is \$669,516, and the FY2022 capital contribution is \$6,927,550.

	Federal, State and Local Funds		Increase (Decrease)	Federal, State, and Local Funds		Increase (Decrease)
	2023	2023		2023	2022	
Buildings and improvements	367,783	247,200	120,583	247,200	448,878	(201,678)
Transportation equipment	662,892	138,833	524,059	138,833	4,992,904	(4,854,071)
Furniture and fixtures and planning	117,466	242,133	(124,667)	242,133	27,118	215,015
Pass-through grant	-	41,350	(41,350)	41,350	1,458,650	(1,417,300)
Total	<u>1,148,141</u>	<u>669,516</u>	<u>478,625</u>	<u>669,516</u>	<u>6,927,550</u>	<u>(6,258,034)</u>

Budget Comparisons

The FY2024 expenses are 9% less than budget due to multiple capital projects being delayed another fiscal year. Operations expenses are 10% less than budget, maintenance expenses are 14% less than budget, and general & administrative expenses are 1% less than budget.

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

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

FY2024 Ridership and Service Levels

FY2024 saw ridership and service increase steadily. Fixed-route ridership was over 1,200,000, a 12% increase over FY2023. Paratransit ridership continued to rapidly increase, with over 75,000 rides in FY2024, a 22% increase over FY2023.

Enhancements / Planning / Capital Projects

MUTD was a finalist for the CTAA Small Urban System of the Year given our progress in electrification and zero fare.

MUTD successfully negotiated the purchase of the parcel we identified in FY23. The purchase agreement was finalized and executed at the start of FY25. The purchase agreement is contingent on the land coming out of a floodplain which will happen as a result of a Letter of Map Revision made possible by the Grant Creek Realignment project which the City is managing and matching ARPA funds to complete that construction in early FY26. MUTD procured A&E and selected CMAR as our delivery method. The remodel of the current MOAB was finally completed in FY2023. All furniture was purchased and installed.

In coordination with the Missoula Metropolitan Planning Organization, MUTD commenced a strategic planning process in FY24. The strategic plan establishes goals, timelines, and preliminary financial elements in accordance with values and vision of MUTD and responds to the context defined by background analyses. As part of the process, MUTD will gather data on current practices, policies, and community context to create a strategy that is tailored to the unique characteristics of MUTD operating environment. Strategic plans are considered best practices for institutions, helping guide growth and decision-making.

Montana Department of Transportation (MDT) and Other Partnerships

The Bus Stop Master Plan was completed in the spring of 2024.

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.

Shortages of paratransit vehicles continue to plague the transit industry, but it is improving slightly. A bigger barrier now is the cost escalations of these vehicles.

Supply chain issues continued to be problematic, as well as skyrocketed prices for necessary products. This is causing higher vehicle down time.

We now have three bus manufacturers, Gillig, New Flyer, and Phoenix. Cost escalations and lead times of 18-36 months are the new normal now for these companies.

MISSOULA URBAN TRANSPORTATION DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,080,301	\$ 5,497,208
Capital cash reserves	19,500,000	18,500,000
Operating reserves	6,850,000	5,000,000
Receivables, net	1,093,191	730,058
Supplies inventory	382,194	325,129
Prepaid expenses	256,782	231,760
Total current assets	<u>34,162,468</u>	<u>30,284,155</u>
CAPITAL ASSETS AT COST		
Land	80,909	80,909
Buildings and improvements	7,703,145	7,335,361
Transportation equipment	23,032,316	21,952,223
Shop equipment	203,818	219,418
Furniture and fixtures	437,129	430,919
Construction in progress	<u>1,018,288</u>	<u>647,841</u>
	32,475,605	30,666,671
Less: Accumulated depreciation	<u>(17,991,627)</u>	<u>(16,034,523)</u>
Net capital assets	<u>14,483,978</u>	<u>14,632,148</u>
OTHER ASSETS		
Right-to-use leased asset, net	<u>48,217</u>	<u>66,882</u>
TOTAL ASSETS	<u><u>\$ 48,694,663</u></u>	<u><u>\$ 44,983,185</u></u>
<u>LIABILITIES AND NET POSITION</u>		
CURRENT LIABILITIES		
Accounts and warrants payable	\$ 1,159,068	\$ 1,079,701
Accrued liabilities	339,136	151,835
Unearned revenue	62,197	-
Short-term lease liabilities	19,159	17,880
Total current liabilities	<u>1,579,560</u>	<u>1,249,416</u>
NONCURRENT LIABILITIES		
Compensated absences	478,143	467,766
Other postemployment benefits	326,073	303,873
Long-term lease liabilities	<u>32,866</u>	<u>52,024</u>
Total noncurrent liabilities	<u>837,082</u>	<u>823,663</u>
TOTAL LIABILITIES	<u>2,416,642</u>	<u>2,073,079</u>
NET POSITION		
Net investment in capital assets	14,483,978	14,632,148
Unrestricted	<u>31,794,043</u>	<u>28,277,958</u>
Total net position	<u>46,278,021</u>	<u>42,910,106</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 48,694,663</u></u>	<u><u>\$ 44,983,185</u></u>

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, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Missoula County financial assistance	\$ 40,000	\$ 40,000
Advertising	<u>25,594</u>	<u>52,800</u>
Total operating revenues	<u>65,594</u>	<u>92,800</u>
OPERATING EXPENSES		
Operations	10,827,829	9,772,156
Maintenance	2,313,133	2,033,791
General and administrative	<u>2,958,008</u>	<u>2,376,828</u>
Total operating expenses	<u>16,098,970</u>	<u>14,182,775</u>
 Loss from operations	 <u>(16,033,376)</u>	 <u>(14,089,975)</u>
NON-OPERATING REVENUES		
Property and other taxes	12,806,108	10,535,569
Federal operating assistance	3,624,131	3,554,671
Federal planning assistance	689,307	294,418
Pass-through grants	(462,296)	(112,913)
State operating assistance	264,145	130,638
Interest income	1,169,746	751,431
Other revenues	<u>161,309</u>	<u>22,513</u>
Total non-operating revenues	<u>18,252,450</u>	<u>15,176,327</u>
 Income before capital contributions	 2,219,074	 1,086,352
Capital contributions	1,148,841	669,516
Pass-through grants	<u>-</u>	<u>(41,350)</u>
 Change in net position	 3,367,915	 1,714,518
Net position, beginning of year	<u>42,910,106</u>	<u>41,195,588</u>
Net position, end of year	<u><u>\$ 46,278,021</u></u>	<u><u>\$ 42,910,106</u></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, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Missoula County financial assistance	\$ 40,000	\$ 40,000
Receipts from contract services	25,594	52,800
Payments to suppliers	(3,127,299)	(2,235,177)
Payments to employees	(10,750,678)	(9,361,726)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(13,812,383)</u>	<u>(11,504,103)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from property and other taxes	12,817,736	10,438,257
Receipts from Federal and State operating grants	4,666,413	6,966,917
Pass-through grants disbursed	(462,296)	(112,913)
Other receipts	161,309	22,513
NET CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	<u>17,183,162</u>	<u>17,314,774</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(1,854,879)	(1,429,578)
Receipts from Federal capital grants	747,447	891,207
Pass-through grants disbursed	-	(41,350)
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,107,432)</u>	<u>(579,721)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,169,746	751,431
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,433,093	5,982,381
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>28,997,208</u>	<u>23,014,827</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 32,430,301</u></u>	<u><u>\$ 28,997,208</u></u>
CASH AND CASH EQUIVALENTS ARE PRESENTED IN THE ACCOMPANYING STATEMENT OF NET POSITION AS:		
Cash and cash equivalents	\$ 6,080,301	\$ 5,497,208
Capital cash reserves	19,500,000	18,500,000
Operating reserves	6,850,000	5,000,000
	<u><u>\$ 32,430,301</u></u>	<u><u>\$ 28,997,208</u></u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES:		
Loss from operations	\$ (16,033,376)	\$ (14,089,975)
Adjustments to reconcile loss from operations to cash flows from operating activities:		
Depreciation	2,003,049	2,093,697
(Increase) decrease in operating assets:		
Receivables, net	-	-
Supplies inventory	(57,065)	(21,482)
Prepaid expenses	(25,022)	(135,119)
Right-to-use leased asset	18,665	18,665
Increase (decrease) in operating liabilities:		
Accounts and warrants payable	79,367	700,448
Accrued liabilities	187,301	(158,845)
Compensated absences	10,377	46,787
Other postemployment benefits	22,200	58,344
Lease liabilities	(17,879)	(16,623)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u><u>\$ (13,812,383)</u></u>	<u><u>\$ (11,504,103)</u></u>

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

MISSOULA URBAN TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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.

MISSOULA URBAN TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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, 2024 and 2023 was \$244,785,437 and \$190,775,047, respectively. The District levied 17.07 and 20.64 mills, with the value of one mill within the District's boundaries equating to \$216,404 and \$169,761 as of June 30, 2024 and 2023, 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, 2024 and 2023. 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 \$19,500,000 and \$6,850,000 at June 30, 2024, respectively. 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. 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, 2024 and 2023, 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, 2024 AND 2023

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 expended when incurred and betterments, which are expected to extend an asset's useful life, are capitalized in excess of \$5,000. 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.

Unearned Revenue

At June 30, 2024, unearned revenue consists of grant revenue received in advance of the related expenditures.

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, 2024 AND 2023

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, 2024 and 2023, 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.

Reclassification

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported net position or change in net position.

NOTE 2. Receivables

Receivables at June 30 consist of the following:

	<u>2024</u>	<u>2023</u>
Grant reimbursements	\$ 712,769	338,008
Property taxes, net	380,422	392,050
Total receivables	<u>\$ 1,093,191</u>	<u>\$ 730,058</u>

MISSOULA URBAN TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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, 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	728,750	7,335,361	21,952,223	219,418	430,919
Additions	1,077,618	367,784	1,084,501	-	33,386
Deletions	(707,171)	-	(4,408)	(15,600)	(27,176)
Balance, June 30, 2024	<u>\$ 1,099,197</u>	<u>\$ 7,703,145</u>	<u>\$ 23,032,316</u>	<u>\$ 203,818</u>	<u>\$ 437,129</u>
Accumulated Depreciation					
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	-	4,872,976	10,758,573	192,991	209,983
Depreciation	-	305,721	1,620,117	16,270	60,941
Deletions	-	-	(4,408)	(15,473)	(26,064)
Balance, June 30, 2024	<u>\$ -</u>	<u>\$ 5,178,697</u>	<u>\$ 12,374,282</u>	<u>\$ 193,788</u>	<u>\$ 244,860</u>
Total Net Capital Assets					
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>
June 30, 2024	<u>\$ 1,099,197</u>	<u>\$ 2,524,448</u>	<u>\$ 10,658,034</u>	<u>\$ 10,030</u>	<u>\$ 192,269</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, 2024 AND 2023

NOTE 5. Pension Plans

The District has a defined contribution retirement plan, which covers essentially all union personnel. The District contributed \$5.20 per hour for operators/paratransit and \$5.61 per hour for the maintenance department for the year ended June 30, 2024, for union employees under the Teamsters Union retirement plan. For the year ended June 30, 2023, the District contributed \$4.90 per hour for operators/paratransit and \$5.11 per hour for the maintenance department for union employees under the Teamsters Union retirement plan. The District's contributions totaled \$913,636 for the year ended June 30, 2024, and \$869,061 for the year ended June 30, 2023. Covered union payroll was \$4,941,986 in 2024 and \$4,560,012 in 2023.

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, 2024 and 2023. The District's contributions totaled \$221,483 for the year ended June 30, 2024, and \$185,837 for the year ended June 30, 2023. Covered non-union payroll was \$2,509,095 in 2024 and \$1,984,487 in 2023.

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, 2024 and 2023. 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, 2024 and 2023.

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 2024 and 2023 were \$449,955 and \$437,230, respectively. As of June 30, 2024 and 2023, 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 2024 and 2023, the District paid \$936,168 and \$744,424 for the coverage while employees contributed \$141,544 and \$126,842, respectively.

MISSOULA URBAN TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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, 2024, the number of active and inactive employees covered by the MCEBP plan was as follows:

	Medical
Active employees	1,188
Retirees	52
Total	<u>1,240</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, 2024.

MISSOULA URBAN TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 7. Other Postemployment Benefits (continued)

As of June 30, 2024, the District's portion of the plan's net OPEB liability was \$326,073. 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, 2024 and 2023, the District recognized OPEB expense of \$22,200 and \$58,344, 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, 2024. For the actuarial valuation dated June 30, 2024 on which the total OPEB liability is based, the health care trend rate was 6.50% and the assumed discount rate was 3.97%.

Payroll growth was 2.5%, and general inflation was 2.4% per year. Mortality rates were based on the MTPERS and MTSRS 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 (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB Liability	\$ 376,493	\$ 328,891	\$ 289,747

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 (5.50%)	Medical Trend Rate (6.50%)	1% Increase (7.50%)
Total OPEB Liability	\$ 281,678	\$ 328,891	\$ 388,061

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, 2023 and 2024 is as follows:

	2023	2024
Net OPEB liability - beginning of year	\$ 245,529	\$ 303,873
Service cost	7,117	17,199
Interest	10,262	13,377
Difference between expected and actual experience	(65,837)	(14,579)
Changes in assumptions	110,311	6,203
Benefit payments	(3,509)	-
Net OPEB liability - end of year	<u>\$ 303,873</u>	<u>\$ 326,073</u>

MISSOULA URBAN TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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, 2024 and 2023 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, 2024 and 2023 were \$5,718 and \$7,317, 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:

	2024	2023
Right-of-use assets	\$ 93,324	\$ 93,324
Less: accumulated amortization	(45,107)	(26,442)
Net right-of-use assets	<u>\$ 48,217</u>	<u>\$ 66,882</u>

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

Year Ending June 30	Principal	Interest
2025	\$ 19,158	\$ 608
2026	20,453	331
2027	12,414	58
	<u>\$ 52,025</u>	<u>\$ 997</u>

NOTE 9. Subsequent Events

Subsequent to yearend on August 26, 2024, the District executed a purchase and sale agreement for a land parcel in the amount of \$4,500,000. This land will be utilized to build a new Maintenance, Operations, and Administration Building. The purchase is contingent upon a conditional letter of map revision to remove the property from the floodplain as a result of the realignment of Grant Creek.

Management has evaluated subsequent events through November 29, 2024, 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 2024**

	2017	2018	2019	2020	2021	2022	2023	2024
Service cost	\$ 15,149	\$ 11,755	\$ 9,339	\$ 8,141	\$ 10,323	\$ 12,916	\$ 7,117	\$ 17,199
Interest	5,254	5,928	3,909	3,331	3,446	7,431	10,262	13,377
Difference between expected and actual experience	(14,125)	(9,874)	(8,535)	(23,920)	(8,249)	121,335	(65,837)	(14,579)
Changes in assumptions	(2,307)	(14,912)	(46,116)	30,401	18,067	(61,015)	110,311	6,203
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	22,200
Net OPEB liability - beginning of year	167,856	171,828	164,725	123,322	141,275	164,862	245,529	303,873
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>	<u>\$ 326,073</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	\$ 3,064,959
Total OPEB liability as a percentage of covered employee payroll	5.81 %	5.43 %	3.66 %	4.70 %	5.35 %	6.22 %	5.77 %	10.64 %
Notes to Schedule:								
<u>Major Assumptions</u>								
Discount rate	3.13 %	3.45 %	3.36 %	2.66 %	2.18 %	4.09 %	4.13 %	3.97 %
Medical trend	6.80 %	6.20 %	6.20 %	6.10 %	6.10 %	6.02 %	7.00 %	6.50 %

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, 2024**

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-2024-002	20.507	\$ 3,332,131	\$ 3,332,131
Urbanized Area Formula Grants	MT-2024-006	20.507	292,000	292,000
Subtotal by ALN Number			<u>3,624,131</u>	<u>3,624,131</u>
Urbanized Area Formula Grants	MT-2019-008-003	20.526	2,726,888	323,825
Urbanized Area Formula Grants	MT-2022-027-001	20.526	4,333,083	314,960
Urbanized Area Formula Grants	MT-2024-019	20.526	1,931,223	229,331
Subtotal by ALN Number			<u>8,991,194</u>	<u>868,116</u>
Subtotal Federal Transit Cluster			<u>12,615,325</u>	<u>4,492,247</u>
Formula Grants for Rural Areas	MT-2022-012-001	20.509	<u>1,381,183</u>	<u>63,664</u>
Transit Services Programs Cluster				
<i>Passed Through State of Montana</i>				
Enhanced Mobility of Seniors & Individuals with Disabilities	MT-2022-019	20.513	94,524	94,524
Enhanced Mobility of Seniors & Individuals with Disabilities	MT-2022-028	20.513	71,651	71,651
Enhanced Mobility of Seniors & Individuals with Disabilities	1144-2024-1	20.513	<u>50,886</u>	<u>50,886</u>
Subtotal Transit Services Programs Cluster			<u>217,061</u>	<u>217,061</u>
<i>Passed Through Missoula County, Montana</i>				
Transit Technical Studies Grants FY23	112676	20.505	190,760	31,268
Transit Technical Studies Grants FY24	113182	20.505	209,102	135,783
Metropolitan Transportation Planning	111629	20.505	<u>60,000</u>	<u>59,960</u>
Subtotal by ALN Number			<u>459,862</u>	<u>227,011</u>
National Infrastructure Investments				
RAISE Grants	MT-2023-002-001	20.933	<u>847,000</u>	<u>462,296</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u><u>\$ 5,462,279</u></u>

MISSOULA URBAN TRANSPORTATION DISTRICT
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

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

Missoula Redevelopment Association was a subrecipient for National Infrastructure RAISE Grant MT-2023-002-001 and received \$462,296 in subrecipient funds. No other subrecipients were used.

**MISSOULA URBAN TRANSPORTATION DISTRICT
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024**

	Fixed Route	ADA Comparable Paratransit	General and Administrative	Total
Wages and fringe:				
Operations	\$ 5,638,070	\$ 2,127,914	\$ -	\$ 7,765,984
Maintenance	1,150,452	387,640	-	1,538,092
Administration	-	-	1,644,280	1,644,280
Other postemployment benefit	14,629	4,237	3,334	22,200
Training	5,718	-	55,348	61,066
Professional/technical	1,056	-	217,276	218,332
Maintenance	294,053	56,897	80,409	431,359
Fuel/tires/lubricants	554,386	159,885	-	714,271
Materials/supplies	318,028	51,601	31,655	401,284
Utilities	305,057	10,627	18,672	334,356
Insurance	455,060	27,906	10,297	493,263
Promotion	-	-	192,703	192,703
Travel	8,840	-	140,494	149,334
Taxes/dues/subscriptions	-	-	65,771	65,771
Amortization	18,665	-	-	18,665
Depreciation	1,346,170	166,182	490,697	2,003,049
Miscellaneous	37,889	-	7,072	44,961
	<u>\$ 10,148,073</u>	<u>\$ 2,992,889</u>	<u>\$ 2,958,008</u>	<u>\$ 16,098,970</u>
	63.04 %	18.59 %	18.37 %	-

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

	Fixed Route	ADA Comparable Paratransit	General and Administrative	Total
Wages and fringe:				
Operations	\$ 5,033,793	\$ 1,663,657	\$ -	\$ 6,697,450
Maintenance	987,793	341,000	-	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	327,241	10,748	142,414	480,403
Fuel/tires/lubricants	559,118	142,135	-	701,253
Materials/supplies	326,481	37,422	38,689	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>\$ 9,442,154</u>	<u>\$ 2,363,793</u>	<u>\$ 2,376,828</u>	<u>\$ 14,182,775</u>
	66.57 %	16.67 %	16.75 %	



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, 2024, 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 November 29, 2024.

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
November 29, 2024



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, 2024. 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, 2024.

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
November 29, 2024

**MISSOULA URBAN TRANSPORTATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

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, ALNs 20.507 and 20.526.
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.

Exhibit D

Sources of Funds	Total Amount
Facility Reserve	\$ 282,000
Facility Reserve	\$ 1,849,733
5339 Allocated Funds	\$ 1,931,223
Facility Reserve	\$ 125,396
Facility Reserve	\$ 4,500,000
Facility Reserve	\$ 1,200,000
Facility Reserve	\$ 1,100,000
5339 Competitive Award	\$ 39,142,000
Facility Reserve	\$ 3,200,000
TIFIA Loan	\$ 867,440
TIFIA Loan	\$ 1,209,864
TIFIA Loan	\$ 3,024,661
TIFIA Loan	\$ 3,000,000
Facility Reserve	\$ 950,000
TIFIA Loan	\$ 500,000
TIFIA Loan	\$ 432,094
TIFIA Loan	\$ 50,000
TIFIA Loan	\$ 1,200,000
Facility Reserve	\$ 180,000
5339 Allocated Funds (estimated future allocation)	\$ 720,000
Total Facility Reserve	\$ 13,387,129
Total Federal Support	\$ 41,793,223
Total Debt Funding	\$ 10,284,060
Total Sources	\$ 65,464,412

Sources of Funds	Total Amount
Debt Funding	
Near-Term Debt	\$ 9,308,025
Total Sources	\$ 9,308,025

Uses of Funds	Total Amount
Capital Investment	
PRE-AWARD EXPENDITURES	
Land Acquisition Assistance, Facility Plan, etc. (as of 2.2025)	\$ 282,000
Architecture & Engineering	\$ 3,780,956
Grant Creek Soil Fill	\$ 125,396
MOAB PROJECT	
Land	\$ 4,500,000
Vehicle Charging Infrastructure	\$ 1,200,000
Electricity to Property	\$ 1,100,000
MOAB FACILITY	
Construction	\$ 43,209,440
Construction Manager at Risk	\$ 1,209,864
MUTD Contingency (out of scope work on Construction cost)	\$ 3,024,661
Solar	\$ 3,000,000
Administrative	
Financing Fees (loan origination, legal, bond rating)	\$ 950,000
Permits and Impact Fees	\$ 500,000
All Risk Insurance	\$ 432,094
Materials Testing / Commissioning	\$ 50,000
Construction Administration	\$ 1,200,000
Furniture, Fixtures, and Equipment	\$ 900,000
Total Uses	\$ 65,464,412

Uses of Funds	Total Amount
Shared Infrastructure	
Architecture & Engineering	\$ 1,035,017
Construction	\$ 8,273,008
Total Uses	\$ 9,308,025