Moscow City Council

Regular Meeting

~Agenda~

www.ci.moscow.id.us

Laurie M. Hopkins

City Clerk

208.883.7015

Monday — **March 19, 2018** — **7:00 PM** — **Council Chambers, 206 E. Third St.**

The Moscow Mayor, City Council and Staff welcome you to tonight's meeting. We appreciate and encourage public participation. For regular agenda items, an opportunity for public comment is sometimes provided after the staff report. However, the formality of procedures varies with the purpose and subject of the agenda item; therefore, the Mayor may exercise discretion in deciding when to allow public comment during the course of the proceedings and limitations may be placed on the time allowed for comments. Citizens wishing to comment on business that is not on the agenda will be provided the opportunity to do so during the public comment item on the agenda. If you plan to address the Council, you will find a list of "Tips for Addressing the Council" in the door pocket outside the City Council Chambers. Please note that Moscow City Council meetings are televised, videotaped and/or recorded. Thank you for your interest in City government.

Pledge Of Allegiance

1. Consent Agenda

A. Approval Of Moscow City Council March 5, 2018 Minutes – Laurie M. Hopkins

Documents:

CITY COUNCIL MINUTES OF 3-5-2018.PDF

B. Disbursement Report For February 2018 - Sarah Banks

Staff will present the Accounts Payable Report for the month ending February 2018. This was reviewed, signed and recommended for approval by the Public Works/Finance Committee on March 12, 2018.

ACTION: Approve the Disbursements Report for the month of February 2018.

Documents:

DISBURSEMENT REPORT FOR FEB 2018.PDF

C. Fourth Quarter Financial Report July 1, 2017 To September 30, 2017 For FY2017 - Sarah Banks

Staff will present the financial report for the fourth quarter of fiscal year 2017

(July 1, 2017 to September 30, 2017). This was reviewed and recommended for approval by the Public Works/Finance Committee on March 12, 2018.

ACTION: Approve the FY2017 Fourth Quarter report.

Documents:

4TH QUARTER FINANCIAL REPORT FY2017.PDF

D. **FTA Master Agreement And FY2018 Certifications And Assurances - Alisa Anderson**

In order to receive grant funding from the Federal Transit Administration (FTA) as a direct recipient or a sub-recipient through the Idaho Transportation Department (ITD), the City must review, acknowledge, and approve the FTA Master Agreement and the affirm and execute the FY2018 Certifications and Assurances on an annual basis. This was reviewed and recommended for approval by the Public Works/Finance Committee on March 12, 2018.

ACTION: Approve the FTA Master Agreement and affirm and execute the FY2018 Certifications and Assurances.

Documents:

FTA MASTER AGREEMENT AND FY2018 CERT AND ASSURANCES.PDF

2. **Staff Recognition Report - Gary J. Riedner**

3. **Mayors Appointments**

4. **Public Comment And Mayor's Response Period (Limit 15 Minutes)**

5. **Oath Of Office For Mia Vowels As City Attorney - Gary J. Riedner / Laurie M. Hopkins**

6. **Partnership For Economic Prosperity Report - Dan Ewart**

7. **Comprehensive Annual Financial Report Presentation - Sarah Banks**

Presnell Gage Accountants, the City's auditors, will be presenting the City's FY2017 Comprehensive Annual Financial Report (CAFR) and reporting significant changes to City Council regarding the annual audit and outlining comparative changes compared to the FY2016 CAFR. The City has received the Certificate of Achievement for Excellence in Financial Reporting for the CAFR for 14 consecutive years. After approval, staff will submit the FY2017 CAFR for consideration for the award. The accompanying final draft of the FY2017 CAFR is submitted for City Council's review.

PROPOSED ACTIONS: Accept the City of Moscow audited Comprehensive Annual Financial Report for FY2017 as presented; or take other such action as deemed appropriate.

Documents:

COMPREHENSIVE ANNUAL FINANCIAL REPORT PRESENTATION.PDF

8. **2017 Commission Survey Report - Jen Pfiffner / Trevor Memmott**

9. **Moscow Urban Renewal Agency 2017 Annual Report - Bill Belknap**

In compliance with Idaho Code, all urban renewal agencies are required to file an annual report describing the activities of the agency for the preceding year with the local governing body by March 31st of each year. Agencies are required to hold a public meeting to report the findings of the annual report and to take comments from the public prior to filing the report with the governing body. The Moscow Urban Renewal Agency held their public meeting to accept and approve the annual report on March 1, 2018 and it is now being presented to the City Council.

PROPOSED ACTIONS: Accept the MURA 2017 Annual Report; or take such other action deemed appropriate.

Documents:

MOSCOW URBAN RENEWAL AGENCY 2017 ANNUAL REPORT.PDF

10. **FY18 Local Strategic Initiatives Program - Grant Award - LHTAC/Local Agreement - Les MacDonald**

The funding for a state grant opportunity called Local Strategic Initiative (LSI) was established in 2017 as part of the Idaho State Surplus Eliminator Program. The program is designed to fund "shovel ready" maintenance projects that address safety and mobility and can be ready for bid within 90 days of the grant award acceptance. City staff submitted a grant request for the LSI program in December 2017 requesting $477,450 to fund the 2018 Pavement Preservation Project. The proposed project included the application of approximately 269,200 square yards of slurry seal on city streets at various locations throughout Moscow. On February 21, 2018, the City received a letter of award detailing project implementation instructions and a Local Agreement with the Local Highway Technical Assistance Council (LHTAC), Program Administrator. The award is for the full amount requested of $477,450 with no match requirements. This was reviewed and recommended for approval by the Public Works/Finance Committee on March 12, 2018.

PROPOSED ACTIONS: Accept the Local Strategic Initiatives grant award and execute the LHTAC/Local Agreement for $477,450 for the 2018 Pavement Preservation Program or take other action deemed appropriate.

Documents:

FY18 LOCAL STRATEGIC INITIATIVES PROGRAM.PDF

11. 2018 City Limits Ordinance Correction - Gary J. Riedner

Idaho State Code requires that all cities within the State of Idaho designate their legal corporate limits each year. In order to accomplish this, a new legal description of the corporate limits is developed at the beginning of the year that incorporates any and all changes to the City boundary that have occurred during the last calendar year. In order to maintain compliance with the law, the attached ordinance is presented to adopt the official legal description for the City of Moscow corporate limits.

There was one annexation in 2017, known as the Montgomery Annexation, located at the end of Warbonnet Drive north of West A Street. The City Council adopted Ordinance 2017-15 establishing and declaring corporate limits of the City of Moscow, Latah County, Idaho on December 4, 2017. Ordinance 2017-15 contained an error in the legal description. The proposed ordinance corrects that error.

PROPOSED ACTIONS: Approve the attached ordinance amending Ordinance 2017-15 to correct an error in the legal description and establishing the new legal description for the City of Moscow corporate limits under suspension of the rules requiring three complete and separate readings and that it be read by title and published by summary; or consider the ordinance on first reading and that it be read by title; or reject the ordinance; or take such other action deemed appropriate.

Documents:

2018 CITY LIMITS ORDINANCE CORRECTION.PDF

Reports
City Council
Mayor
Staff

Adjourn

NOTICE: Moscow City Council and committee meetings are televised, videotaped and/or recorded. Individuals attending the meeting who require special assistance to accommodate physical, hearing, or other impairments, please contact the City Clerk, at (208) 883-7015 or TDD 883-7019, as soon as possible so that arrangements may be made.

Moscow City Council

Regular Meeting
~Minutes~

www.ci.moscow.id.us

Laurie M. Hopkins
City Clerk

208.883.7015

Monday
March 5, 2018

7:00 PM

Council Chambers
206 E. Third St.

The meeting was called to order at 7:00 PM

PRESENT: Kathryn Bonzo Council President, Gina Taruscio Council Vice President, Jim Boland Councilmember, Brandy Sullivan Councilmember, Anne Zabala Councilmember, Bill Lambert Mayor

ABSENT: Art Bettge Councilmember

STAFF: Gary J. Riedner, Dwight Curtis, Ryan Cash, Daniel Stewart, Tyler Palmer, Mike Parker, Justin Kilborn, Nichole Baker, Mike Dimmick, Erik Peterson, Gary McKinney, Laurie M. Hopkins

Pledge of Allegiance
Scout Troop 345 led the Pledge of Allegiance.

Proclamation - National Athletic Training Month
Mayor Lambert read the National Athletic Training Month Proclamation and presented it Mike Smitley. Smitley, with the University of Idaho Integrated Sports Medicine and Rehabilitative Therapy Clinic, thanked the Mayor for the City's support through the proclamation. He spoke and gave details of the program.

1. Consent Agenda

A. Approval of Moscow City Council February 20, 2018 Minutes – Laurie M. Hopkins

B. Moscow Charter School Request for HIRC Rental Fee Waiver for School Year 2018-2019 – Dwight Curtis
Moscow Charter School (MCS) is requesting a rental fee waiver for use of the HIRC facility for their physical education and movement classes for the 2018-2019 school year. The request is the same as last year's request, which was approved by the City Council. The MCS would use one half-gym space approximately 398 hours during the school year. This has not negatively affected public use or City programs in the past. The Parks and Recreation Commission reviewed the request on February 22, 2018, recommending approval of the MCS request.

This item was reviewed by the Public Works/Finance Committee on February 26, 2018, and recommended for approval.

ACTION: Approve HIRC rental fee waiver request by Moscow Charter School for the 2018-19 school year.

C. Resolution Appointing New City ADA Coordinator – Gary J. Riedner
In order to remain compliant and to update ADA documents, the City is required to appoint an ADA Coordinator to replace former City Clerk Stephanie Kalasz who was previously appointed as ADA Coordinator. The City Supervisor is recommending the

appointment of Alisa J. Anderson as the new ADA Coordinator. A new Resolution is attached amending Resolution No. 2013-10 in the section regarding the designation of an ADA Coordinator and maintaining all other sections of the prior Resolution. This was reviewed and recommended for approval by the Administrative Committee on February 26, 2018.

ACTION: Approve the Resolution appointing Alisa J. Anderson as the City ADA Coordinator.

D. Idaho Unified Certification Program – Alisa Anderson

The City of Moscow, as a direct recipient and/or sub recipient of United States Department of Transportation (USDOT) funding, is required to execute a Resolution and a Statement of Agreement for the Idaho Unified Certification Program (IUPC) recognizing the Idaho Transportation Department (ITD) Office of Civil Rights as the agency authorized to manage the Disadvantaged Business Enterprise (DBE) Program for the State of Idaho. As required by 49 Code of Federal Regulations, Part 26, the attached Agreement executed by ITD establishes the required one-stop-shop in the administration of a DBE organization and a Unified Certification Program (UCP) for Idaho in managing the certification, renewal and decertification of DBE's. Attached to this report is the letter from the ITD Office of Civil Rights requesting this action with the Agreement Establishing the IUPC for the DBE Program for the State of Idaho, the State of Agreement to be completed by the City, and a corresponding Resolution authorizing the requirements described. This was reviewed and recommended for approval by the Administrative Committee on February 26, 2018.

ACTION: Approve the Statement of Agreement, Idaho Unified Certification Program and corresponding Resolution.

RESULT:	**ADOPTED BY ROLL CALL VOTE [UNANIMOUS]**
MOVER:	Kathryn Bonzo, Council President
SECONDER:	Gina Taruscio, Council Vice President
AYES:	Bonzo, Taruscio, Boland, Sullivan, Zabala
ABSENT:	Art Bettge

2. Staff Recognition Report - Gary J. Riedner

Riedner introduced Tyler Palmer to honor two of the Water Department employees. Palmer reminded everyone of the importance of safe clean water. He praised Erik Peterson and Gary McKinney for their contribution to safe water and their dedication to education. Mayor Lambert presented their certificates and said a few words.

3. Mayors Appointments

Mayor Lambert proposed the following appointments: Michael Kyte to the Transportation Commission; Michael Nelson to the Planning & Zoning Commission; Debbie Kadlec to the Tree Commission; Cindy Barnhart to the Moscow Arts Commission; Linda Pike to the Fair & Affordable Housing Commission; Amber Ziegler to the Sustainable Environment Commission. Linda Pike and Michael Kyte said a few words. The City Council approved the appointments by roll call vote.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Jim Boland, Councilmember
SECONDER:	Brandy Sullivan, Councilmember
AYES:	Bonzo, Taruscio, Boland, Sullivan, Zabala
ABSENT:	Art Bettge

4. Public Comment and Mayor's Response Period (limit 15 minutes)

Marshall Comstock, 932 Mountain View Rd Moscow, described his political career which has spanned 40 years. He highlighted accomplishments during his tenure with the City and explained how special Moscow is to him. He has filed and is now a candidate for the 5th District Senator position.

Peggy Gottschalk, 1130 Wellesley Rd Viola, said she has filed and is running for County Treasurer. She gave some background about herself growing up in Moscow and receiving an Accounting Degree at the University of Idaho.

Linda Pike, 1026 E 3rd St Moscow, said she heard some of the property owners adjacent to the Third Street bridge were contacted by the City asking for more property. She encouraged the Council members to visit the site on both sides and picture themselves living in one of those homes. Riedner responded the Engineering Department asked for construction easements from the adjacent property owners.

David Pierce, 716 E F St Moscow, has read lots of letters to the editor and comments as well as attended the special meeting regarding the Third Street bridge. He knows if Moscow is going to grow, the bridge must go through. He disturbed the way the City has approached it. The citizens of Moscow expect civil discussions, and he feels this proposal did not do this.

Mayor Lambert said the bridge has not been a surprise as it has been discussed for years.

5. Citizen Commission Report - Fair and Affordable Housing Commission - Ryan Cash / Randy Baukol

Cash praised the FAHC and what they have completed and introduced Randy Baukol. He went through the list of commissioners, Analysis of Impediments to Fair Housing and the action plan, workshops and training and promotion of fair housing.

6. Annual Heart of the Arts 1912 Center Report - Dwight Curtis / Jenny Kostroff

Curtis introduced Jenny Kostroff. Heart of the Arts Inc (HAI0 was selected in 2006 to run the 1912 Center. She went through the officers and board members for the 2018 year and the projects and events that took place in 2017.

Comstock brought up the first penny donated by Jack Hill for the 1912 Center project and Lambert presented it to Kostroff.

7. Moscow Farmers Market Handbook – Daniel Stewart

The vendor policy document for upcoming Farmers Market season is reviewed annually and updated as needed. Per the adopted Moscow Farmers Market Strategic Plan, updates to the 2018 season policies has included more robust changes in order to enhance transparency and understanding and to provide vendors with additional information for the reasoning behind policies. Specifically, the goal of the update was to increase the clarity, quality, consensus on and consistency of policies. This was reviewed and recommended for approval by the Administrative Committee on February 26, 2018.

PROPOSED ACTIONS: Approve the Moscow Farmers Market 2018 Vendor Handbook or take such other action deemed appropriate.

Stewart reviewed the major challenge areas that were identified during the Strategic Planning process and the successes to date, which included the new vendor handbook. He described the policy changes and how they were organized into the handbook. Stewart has heard positive comments on the style and accessibility of the new restrooms which benefitted not only the patrons, but vendors as well. The Market saw more interest from young entrepreneurs last year. As a result the Commission reviewed the age limit for youth vendors and increased the age to 15. At age 16, a vendor would be considered an adult. The Commission will be working to make the pass through areas more obvious to patrons. The City Council commended Stewart and the Commission on their work.

The Moscow Farmers Market 2018 Vendor Handbook was approved by roll call vote.

RESULT:	**ADOPTED [UNANIMOUS]**
MOVER:	Kathryn Bonzo, Council President
SECONDER:	Anne Zabala, Councilmember
AYES:	Bonzo, Taruscio, Boland, Sullivan, Zabala
ABSENT:	Art Bettge

Reports

City Council
Planning and Zoning Commission - Zabala said the majority of the meeting was a discussion about eliminating the Ag/Forest zoning district. Only 11 properties are zoned Ag/Forest and they could possibly be moved to Farm Ranch.

Historic Preservation Commission - Sullivan reported projects include development for the 1912 Center interpretive sign; possibility of a historic campus and how much involvement the Commission should have; upcoming orchid awards and a Fort Russell District expansion celebration.

Moscow Urban Renewal Agency - Sullivan said the audit is signed; Main Street eligibility study is approved and will come before the Council; and the annual report was presented.

Other items Council reported on was a bike share program and the stair climb in Seattle.

Mayor
The Mayor attended an Airport Board meeting where it was reported paving is beginning this year and is schedule to be completed in October 2019 with a 3 week closure of the airport in the summer for cross paving. The Board is also looking at the possibility of financing a new terminal. He also hosted another Poverty on the Palouse meeting and participated in an AIC Board conference call. For events he read to students at Lena Whitmore and MacDonald schools.

Staff
Riedner reminded the Council of the monthly breakfast meeting and who would be attending National League of Cities in Washington DC. He explained new legislation for magistrate courts.

Adjourn
The meeting was closed at 8:51 PM

Bill Lambert, Mayor

ATTEST:

Laurie M. Hopkins, City Clerk

MOSCOW CITY COUNCIL AGENDA
Meeting Date: 03/19/2018
Title: Disbursement Report for February 2018
Responsible Staff: Sarah Banks

Information

DESCRIPTION: Presentation of the Accounts Payable Report for the month ending February 28, 2018. A summary of the major expenditures has been approximated by category and represents 93% of the total expenditure of $2,020,744.57. This was reviewed, signed and recommended for approval by the Public Works/Finance Committee on March 12, 2018.

Payroll	$1,004,757.00
Professional Services	18,282.00
Sanitation	305,651.00
Supplies	11,549.00
Capital Outlay	209,905.00
Capital Outlay-Improvements	11,445.00
Utilities	95,551.00
ACH Wells Fargo	29,495.00
Contractual Payments	27,485.00
Insurance	169,138.00
Total	$1,883,258.00

STAFF RECOMMENDATION: Approve the Disbursement Report for February, 2018.

ACTION: Approve the Disbursements Report for the month of February 2018.

Necessary Resources/Impacts

$2,020744.57

Attachments

Revenue 2018
Cash & Investment Balances Feb 2018
Disbursements Report FY18

RECEIPTS REPORT FOR FEBRUARY 2018

Fund #	FUND NAME	Taxes	Franchise Fees	Licenses & Permits	Intergovernmental	Charges for Services	Fines & Penalties	Investment Income	Refunds & Reimbursements	Contributions & Donations	Other	Grand Total
101	GENERAL	157,145.60	130,079.68	122,218.28	157,687.99	125,529.75	10,196.52	16,668.78	5,391.85	0.00	3,810.20	728,728.65
105	STREETS	20,918.42	0.00	0.00	0.00	25,218.62	0.00	0.00	523.26	0.00	0.00	46,660.30
120	RECREATION AND CULTURE	0.00	0.00	125.00	0.00	8,096.34	0.00	0.00	701.94	850.00	0.00	9,773.28
121	MSD COMMUNITY PLAY FIELDS	0.00	0.00	0.00	6,631.55	0.00	0.00	0.00	0.00	0.00	0.00	6,631.55
123	1912 CENTER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
128	TRANSIT CENTER	0.00	0.00	0.00	0.00	-860.09	0.00	0.00	0.00	0.00	97.57	-762.52
220	WATER	0.00	0.00	0.00	0.00	408,171.82	0.00	29,974.46	17.56	0.00	0.00	438,163.84
230	SEWER	0.00	0.00	0.00	0.00	557,637.46	0.00	0.00	330.65	0.00	0.00	557,968.11
240	SANITATION	0.00	0.00	0.00	0.00	375,310.97	0.00	0.00	2,000.00	0.00	0.00	377,310.97
290	FLEET	0.00	0.00	0.00	0.00	72,069.02	0.00	0.00	0.00	0.00	0.00	72,069.02
295	INFORMATION SYSTEMS	0.00	0.00	0.00	0.00	97,568.34	0.00	0.00	1.62	0.00	0.00	97,569.96
320	WATER CAPITAL PROJECTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
330	SEWER CAPITAL PROJECTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
340	SANITATION CAPITAL PROJECTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
350	CAPITAL PROJECTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
355	LID CONSTRUCTION	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
380	HAMILTON P&R	0.00	0.00	0.00	0.00	0.00	0.00	3,148.90	0.00	0.00	0.00	3,148.90
590	BOND & INTEREST	5,001.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,001.49
595	LID FUNDS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.99	500.99
	TOTAL	183,065.51	130,079.68	122,343.28	164,319.54	1,668,742.23	10,196.52	49,792.14	8,966.88	850.00	4,408.76	2,342,764.54

City of Moscow
Cash and Investments
Balances as of 2/28/2018

Fund		Year to Date Balance
General Fund	$	5,888,576.84
Street Fund	$	1,663,300.06
Culture & Recreation	$	1,198,978.50
MSDCPF	$	150,228.49
1912 Fund	$	73,354.39
Art Fund	$	-
Transit Center	$	46,244.77
Water Fund	$	2,686,501.86
Sewer/WWTP	$	4,196,515.13
Sanitation Fund	$	2,276,670.17
Fleet Fund	$	3,100,556.39
Information Systems	$	1,736,568.32
Water Capital	$	6,270,762.55
Sewer Capital	$	6,479,775.82
Capital Projects	$	4,448,726.00
Sanitation Capital	$	4,487,008.79
LID construction	$	178,833.84
Hamilton	$	2,771,482.69
Bond & Interest	$	180,061.49
LID Funds	$	35,937.73
Payroll Service	$	540,658.92
Total Cash & Investments	**$**	**48,410,742.75**

DISBURSEMENTS REPORT FOR FEBRUARY 2018

	FUND NAME	ACCOUNTS PAYABLE	ACCOUNTS PAYABLE	ACCOUNTS PAYABLE	ACCOUNTS PAYABLE	ACCOUNTS PAYABLE ACH	PAYROLL	PAYROLL	GRAND TOTALS
DATE		2/1/2018	2/8/2018	2/16/2018	2/23/2018	2/7/2018 2/23/2018 2/28/2018	2/2/2018	2/16/2018	
BATCH #		00001.02.2018	00003.02.2018	00004.02.2018	00005.02.2018	00002.02.2018 00006.02.2018 00007.02.2018	00100.02.2018		
CHECK #'s		86393-86444	86445-86545	86546-86587	86588-86632	February CC ACHS	20564-20661	20662-20670	
Fund #									
101	GENERAL	11,122.02	30,779.97	22,968.30	98,621.13	14,504.00	296,196.91	314,187.05	788,379.38
105	STREETS	3,586.55	13,143.43	26,293.69	22,291.76	74.19	22,108.80	22,158.88	109,657.30
120	RECREATION AND CULTURE	2,232.34	10,616.76	9,772.69	23,676.15	4,726.39	46,911.05	48,788.60	146,723.98
121	MSD COMM. PLAY FIELDS		1,245.41		1,179.47		1,571.71	1,579.05	5,575.64
123	1912 CENTER		7,916.67						7,916.67
128	TRANSIT CENTER		317.03	1,027.31	398.09				1,742.43
220	WATER	1,623.89	11,398.79	22,971.28	20,082.35	5,415.81	46,195.24	48,253.67	155,941.03
230	SEWER	2,968.42	9,749.72	50,625.06	20,918.23	933.15	44,404.00	46,830.88	176,429.46
240	SANITATION		87,190.03	201,807.30	696.75	175.00	3,751.26	3,837.19	297,457.53
290	FLEET	4,042.65	9,795.36	3,759.88	22,555.49	397.34	11,992.30	12,142.27	64,685.29
295	INFORMATION SYSTEMS	759.48	8,399.44		2,620.56	3,269.36	16,893.07	16,955.39	48,897.30
320	WATER CAPITAL PROJECTS	9,669.60	61,868.75		63,730.85				135,269.20
330	SEWER CAPITAL PROJECTS	19,413.79	22,628.65						42,042.44
340	SANITATION CAPITAL PROJ								0.00
350	CAPITAL PROJECTS	26,815.62		6,977.50	6,233.80				40,026.92
355	LID CONSTRUCTION								0.00
380	HAMILTON - PARKS & REC								0.00
590	BONDS & INTEREST								0.00
	TOTAL	82,234.36	275,050.01	346,203.01	283,004.63	29,495.24	490,024.34	514,732.98	2,020,744.57

WIRE Transfers:

Kathryn Bonzo, Chair

Brandy Sullivan, Vice Chair

Jim Boland

Gary J. Riedner, Acting Finance Director

Attachment: Disbursements Report FY18 (1672 : Disbursement Report for February 2018)

MOSCOW CITY COUNCIL AGENDA
Meeting Date: 03/19/2018
Title: Fourth Quarter Financial Report July 1, 2017 to September 30, 2017 for FY2017
Responsible Staff: Sarah Banks

Information

Staff will present the financial report for the fourth quarter of fiscal year 2017 (July 1, 2017 to September 30, 2017). This was reviewed and recommended for approval by the Public Works/Finance Committee on March 12, 2018.

STAFF RECOMMENDATION: Approve the FY2017 Fourth Quarter report.

ACTION: Approve the FY2017 Fourth Quarter report.

Necessary Resources/Impacts

<Type your fiscal/personnel/miscellaneous impacts here or N/A>

Attachments

4th Qtr 2017 - Council
4th Qtr 2017 - Newsprint

City of Moscow

QUARTERLY FINANCIAL REPORT

Budget For Fiscal Year Ending September 30, 2017

SUMMARY FINANCIAL REPORT BY FUND - BUDGET AND ACTUAL

	Fund	Original Budget	Final Budget	September-17 YTD	Percent of Year 100% Budget to Actual To Date
101	General Fund Revenues	14,667,442	14,697,547	14,474,684	98.48%
	Salaries & Benefits	8,204,000	8,204,000	7,773,839	94.76%
	Operations	3,895,432	3,925,537	3,511,004	89.44%
	Capital Outlay	72,000	72,000	0	0.00%
	Transfers	2,496,010	2,496,010	3,191,418	127.86%
	Total General Fund Expenditures	14,667,442	14,697,547	14,476,261	98.49%
105	Street Department	3,264,365	3,457,205	3,247,290	93.93%
	Salaries & Benefits	697,750	697,750	602,477	86.35%
	Operations	1,177,915	1,240,615	974,198	78.53%
	Capital Outlay	700,000	830,140	570,900	68.77%
	Transfers	688,700	688,700	933,869	135.60%
	Total Street Fund Expenditures	3,264,365	3,457,205	3,081,444	89.13%
120	Parks & Recreation Revenues	2,433,510	2,433,510	2,360,344	96.99%
	Salaries & Benefits	1,372,215	1,372,215	1,323,781	96.47%
	Operations	945,295	945,295	779,555	82.47%
	Capital Outlay	0	0	0	0.00%
	Debt Service	0	0	0	0.00%
	Transfers	116,000	116,000	116,000	100.00%
	Total Parks & Rec Expenditures	2,433,510	2,433,510	2,219,336	91.20%
121	MSD Community Playfields	124,246	124,246	123,680	99.54%
	Salaries & Benefits	57,925	57,925	49,042	84.66%
	Operations	62,310	62,310	42,691	68.51%
	Transfers	4,011	4,011	4,011	100.00%
	Total MSD Community Playfields	124,246	124,246	95,743	77.06%
123	1912 Center Revenues	106,100	106,100	106,100	100.00%
	Operations	106,100	106,100	97,971	92.34%
	Capital Outlay	0	0	0	0.00%
	Total 1912 Center Expenditures	106,100	106,100	97,971	92.34%
125	Arts Fund Revenues	473,825	473,825	347,557	73.35%
	Salaries & Benefits	306,315	306,315	218,429	71.31%
	Operations	98,540	98,540	69,346	70.37%
	Capital Outlay	68,970	68,970	0	0.00%
	Transfers	0	0	0	0.00%
	Total Arts Fund	473,825	473,825	287,775	60.73%
128	Transit Center Revenues	42,341	42,341	16,556	39.10%
	Operations	42,341	42,341	15,903	37.56%
	Total Transit Center Fund	42,341	42,341	15,903	37.56%
220	Water Fund Revenues	5,417,776	5,417,776	5,594,139	103.26%
	Salaries & Benefits	1,198,995	1,198,995	1,221,842	101.91%
	Operations	1,674,370	1,674,370	1,220,669	72.90%
	Capital Outlay	190,000	190,000	338,505	178.16%
	Transfers	2,354,411	2,354,411	2,551,759	108.38%
	Total Water Fund Expenditures	5,417,776	5,417,776	5,332,775	98.43%
230	Sewer Fund Revenues	7,690,243	7,690,243	7,794,623	101.36%
	Salaries & Benefits	1,384,950	1,384,950	1,314,320	94.90%
	Operations	1,634,668	1,634,668	1,239,162	75.81%
	Capital Outlay	465,000	465,000	34,149	7.34%
	Debt Service	1,151,050	1,151,050	1,139,751	99.02%
	Transfers	3,054,575	3,054,575	3,388,296	110.93%
	Total Sewer Fund Expenditures	7,690,243	7,690,243	7,115,678	92.53%
240	Sanitation Fund Revenues	5,521,500	5,521,500	5,689,492	103.04%
	Salaries & Benefits	94,260	94,260	98,403	104.40%
	Operations	4,078,126	4,078,126	3,891,574	95.43%
	Capital Outlay	0	0	0	0.00%
	Transfers	1,349,114	1,349,114	1,349,114	100.00%
	Total Sanitation Fund	5,521,500	5,521,500	5,339,091	96.70%
290	Fleet Management Revenues	1,998,204	2,578,204	2,009,376	77.94%
	Salaries & Benefits	320,105	320,105	286,805	89.60%
	Operations	1,209,539	1,209,539	362,502	29.97%
	Capital Outlay	448,000	1,028,000	386,428	37.59%
	Debt Service	5,600	5,600	6,685	119.37%
	Transfers	14,960	14,960	14,960	100.00%
	Total Fleet Management Expenditures	1,998,204	2,578,204	1,057,380	41.01%
295	Information Systems	1,505,986	1,505,986	1,190,446	79.05%
	Salaries & Benefits	457,850	457,850	432,581	94.48%
	Operations	823,943	823,943	497,979	60.44%
	Capital Outlay	82,600	82,600	60,333	73.04%
	Transfers	141,593	141,593	141,593	100.00%
	Total Information Systems Expenditures	1,505,986	1,505,986	1,132,485	75.20%
	Revenue for Miscellaneous Funds				
320	Water Construction Fund	5,860,691	5,860,691	1,233,992	21.06%
330	Sewer Construction Fund	6,376,539	6,376,539	2,102,588	32.97%
340	Sanitation Construciton Fund	4,244,454	4,244,454	627,081	14.77%
116	HUD Reserve Fund Operations	0	0	0	0.00%
350	Capital Projects Fund	3,576,212	3,746,212	1,268,966	33.87%
355	LID Construction Fund	196,375	196,375	969	0.49%
380	Hamilton P & R	24,000	194,000	21,333	11.00%
590	Bond & Interest Debt Service Fund	10,309,495	10,309,495	228,911	2.22%
595	LID Bonded Debt Service Fund	42,500	42,500	30,205	71.07%
	Total Miscellaneous Fund Revenue	30,630,266	30,970,266	5,514,045	17.80%
	Expenses for Miscellaneous Funds				
320	Water Construction Fund	5,860,691	5,860,691	1,768,815	30.18%
330	Sewer Construction Fund	6,376,539	6,376,539	1,282,041	20.11%
340	Sanitation Construciton Fund	4,244,454	4,244,454	0	0.00%
116	HUD Reserve Fund Operations	0	0	0	0.00%
350	Capital Projects Fund	3,576,212	3,746,212	949,000	25.33%
355	LID Construction Fund	196,375	196,375	25,000	12.73%
380	Hamilton P & R	24,000	194,000	199,490	102.83%
590	Bond & Interest Debt Service Fund	10,309,495	10,309,495	239,100	2.32%
595	LID Bonded Debt Service Fund	42,500	42,500	30,000	70.59%
	Total Miscellaneous Fund Expenses	30,630,266	30,970,266	4,493,447	14.51%
	Total City Revenue (1)	73,875,804	75,018,749	48,468,330	64.61%
	Total City Expenses	73,875,804	75,018,749	44,745,289	59.65%

Note: Citizens are invited to inspect the detailed supporting records of the above financial statements.
(1) Revenues do not include beginning fund balance as a resource available in this report

City of Moscow
QUARTERLY FINANCIAL REPORT
Budget For Fiscal Year Ending September 30, 2017
SUMMARY FINANCIAL REPORT BY FUND - BUDGET AND ACTUAL

	Original Budget	Final Budget	September-17 YTD	Percent of Year 100% Budget to Actual To Date
General Fund				
Revenues	14,667,442	14,697,547	14,474,684	98.48%
Salaries & Benefits	8,204,000	8,204,000	7,773,839	94.76%
Operations	3,895,432	3,925,537	3,511,004	89.44%
Capital Outlay	72,000	72,000	0	0.00%
Transfers	2,496,010	2,496,010	3,191,418	127.86%
Total General Fund Expenditures	14,667,442	14,697,547	14,476,261	98.49%
Bond & Interest Debt Service Revenue	10,351,995	10,351,995	259,116	2.50%
Bond & Interest Debt Service Expenditures	10,351,995	10,351,995	269,100	2.60%
Other Governmental Funds				
Revenues	6,444,387	6,637,227	6,201,525	93.44%
Salaries & Benefits	2,434,205	2,434,205	2,193,729	90.12%
Operations	2,432,501	2,495,201	1,979,663	79.34%
Capital Outlay	768,970	899,110	570,900	63.50%
Transfers	808,711	808,711	1,053,880	130.32%
Debt Service	0	0	0	0.00%
Total Other Governmental Expenditures	6,444,387	6,637,227	5,798,172	87.36%
All Capital Projects Funds				
Revenues	20,278,271	20,618,271	5,254,929	25.49%
Capital Outlay	20,278,271	20,618,271	4,224,347	20.49%
Total Capital Projects Expenditures	20,278,271	20,618,271	4,224,347	20.49%
Enterprise Funds				
Revenues	18,629,519	18,629,519	19,078,254	102.41%
Salaries & Benefits	2,678,205	2,678,205	2,634,565	98.37%
Operations	7,387,164	7,387,164	6,351,405	85.98%
Capital Outlay	655,000	655,000	372,654	56.89%
Debt Service	1,151,050	1,151,050	1,139,751	99.02%
Transfers	6,758,100	6,758,100	7,289,169	107.86%
Total Enterprise Fund Expenditures	18,629,519	18,629,519	17,787,545	95.48%
Internal Service Funds				
Revenues	3,504,190	4,084,190	3,199,821	78.35%
Salaries & Benefits	777,955	777,955	719,385	92.47%
Operations	2,033,482	2,033,482	860,481	42.32%
Capital Outlay	530,600	1,110,600	446,760	40.23%
Debt Service	5,600	5,600	6,685	119.37%
Transfers	156,553	156,553	156,553	100.00%
Total Internal Service Funds Expenditures	3,504,190	4,084,190	2,189,865	53.62%
Total City Revenue (1)	73,875,804	75,018,749	48,468,330	64.61%
Total City Expenses	73,875,804	75,018,749	44,745,289	59.65%

Note: Citizens are invited to inspect the detailed supporting records of the above financial statements.

(1) Revenues do not include beginning fund balance as a resource available in this report

MOSCOW CITY COUNCIL AGENDA
Meeting Date: 03/19/2018
Title: FTA Master Agreement and FY2018 Certifications and Assurances
Responsible Staff: Alisa Anderson

Information

DESCRIPTION: In order to receive grant funding from the Federal Transit Administration (FTA) as a direct recipient or a sub-recipient through the Idaho Transportation Department (ITD), the City must review, acknowledge, and approve the FTA Master Agreement and the affirm and execute the FY2018 Certifications and Assurances on an annual basis. (See attached Memorandum from Grants Manager for additional information regarding this process.)

The City has had on-going FTA grant-funded projects since 2010 and has completed this review and process on an annual basis for the past eight years.

This was reviewed and recommended for approval by the Public Works/Finance Committee on March 12, 2018.

STAFF RECOMMENDATION: Approve the FTA Master Agreement and affirm and execute the FY2018 Certifications and Assurances.

ACTION: Approve the FTA Master Agreement and affirm and execute the FY2018 Certifications and Assurances.

Necessary Resources/Impacts

N/A

Attachments

FTA Master Agreement
Memo & FTA FY18 Cert & Assurances Highlighted

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION

MASTER AGREEMENT

For Federal Transit Administration Agreements authorized by 49 U.S.C. chapter 53 and Title 23, United States Code (Highways), as amended by the Fixing America's Surface Transportation (FAST) Act, the Moving Ahead for Progress in the 21st Century Act (MAP-21), the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), the SAFETEA-LU Technical Corrections Act of 2008, or other federal laws that FTA administers.

FTA MA(23)
October 1, 2016

http://www.transit.dot.gov

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APPENDIX A 1

UNITED STATES DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION

MASTER AGREEMENT

PREFACE

Statutory Authorities

This is the official Federal Transit Administration (FTA) Master Agreement that applies to each Underlying Agreement (Grant Agreement, Cooperative Agreement, Loan, Loan Guarantee, or Line of Credit) for a specific Award authorized by:

1. Federal transit laws, 49 U.S.C. chapter 53, as amended, including the following:
   a. The Fixing America's Surface Transportation (FAST) Act, Public Law No. 114-94, December 4, 2015, and other authorizing legislation that may be enacted,
   b. The Moving Ahead for Progress in the 21st Century Act (MAP-21), Public Law No. 112-141, July 6, 2012, as amended by the ''Surface Transportation and Veterans Health Care Choice Improvement Act of 2015,'' Public Law No. 114-41, July 31, 2015, and
   c. The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Public Law No. 109-59, August 10, 2005, as amended by the SAFETEA-LU Technical Corrections Act of 2008, Public Law No 110-244, June 6, 2008.

2. Continuing Resolutions or Other Appropriations Resolutions or Acts funding the Department of Transportation during Fiscal Year 2017.

3. Title 23, United States Code (Highways).

4. Other federal legislation that FTA administers, as FTA so determines.

Purpose of the Master Agreement

This FTA Master Agreement contains the standard terms and conditions that apply to the Underlying Agreement with the Recipient, which Underlying Agreement may take the form of an:

1. FTA Grant Agreement, including an FTA Grant Agreement for an award of federal assistance under the Tribal Transit Program,

2. FTA Cooperative Agreement, or

3. FTA Transportation Infrastructure Finance Innovation Act (TIFIA) Loan, Loan Guarantee, Line of Credit, Master Credit Agreement, or State Infrastructure Bank (SIB) Cooperative Agreement.

THEREFORE, in consideration of the mutual covenants, promises, and representations herein, FTA and the Recipient agree as follows:

GENERALLY APPLICABLE PROVISIONS

Section 1. Terms of the Master Agreement and Compliance

a. The Recipient must comply with all applicable federal laws, regulations, and requirements, and should follow applicable federal guidance, except as FTA determines otherwise in writing.

b. To assure compliance with federal laws, regulations, and requirements, the Recipient must take measures to assure that other participants in its Underlying Agreements (*e.g.*, Third Party Participants) comply with applicable federal laws, regulations, and requirements, and follow applicable federal guidance, except as FTA determines otherwise in writing.

c. FTA may take enforcement action if the Recipient or a Third Party Participant violates an applicable federal law, regulation, or requirement, or does not follow applicable federal guidance.

d. FTA and the Recipient agree that not every provision of this Master Agreement will apply to every Recipient or Underlying Agreement.
   (1) FTA has divided the Master Agreement into the "Preface," "Generally Applicable Provisions," and "Special Provisions for Specific Programs."
   (2) This Master Agreement has an Appendix A illustrating the specific provisions of the Master Agreement that apply to the Tribal Transit Programs.
   (3) Criteria determining which federal laws, regulations, requirements, and guidance apply include the type of Award, the federal law authorizing federal assistance for the Award, the federal law, regulations, or requirements governing how the Award must be implemented, the federal guidance pertaining to the Award, and the Recipient's legal status as a "state," "state instrumentality," a "local government," a federally recognized Indian Tribe (Indian Tribe), a "private nonprofit entity," a "private for-profit entity," or an individual.

e. As provided in federal laws, regulations, requirements, and guidance, FTA will enforce only those federal laws, regulations, requirements, and guidance that apply to the specific FTA Recipient, its Third Party Participants, or any Project and related activities encompassed in the Award, the accompanying Underlying Agreement, and any Amendments thereto.

f. Each provision of this Master Agreement must be interpreted in context with all other provisions of this Master Agreement and the Underlying Agreement. If a single provision is read apart from the rest of this Master Agreement or the Underlying Agreement, that provision might not convey the extent of the Recipient's responsibility to comply with the requirements of this Master Agreement and the Underlying Agreement.

g. This Master Agreement does not have an Expiration Date. This Master Agreement continues to apply to the Recipient and its Underlying Agreement, until modified or superseded by a more recently enacted or issued applicable federal law, regulation, requirement, or guidance, or amendment to this Master Agreement or the Underlying Agreement.

Section 2. Definitions.

a. List of Definitions. In addition to the definitions provided in 49 U.S.C. § 5302, as amended by the FAST Act, or in previous legislation if circumstances may require, the Recipient agrees that the following definitions apply:

(1) *Application* means the request for federal assistance submitted that is signed and dated by the Applicant or an official authorized to act on the behalf of the Applicant, and includes all explanatory, supporting, and supplementary documents filed with FTA by or on behalf of the Applicant, and has been reviewed by FTA staff and addresses FTA's comments and concerns. An application for federal assistance in the form of a Grant or Cooperative Agreement must be submitted in in FTA's electronic award management system.

(2) *Approval*, unless FTA determines otherwise in writing, means a written statement of an authorized federal official transmitted electronically or in typewritten hard copy expressly permitting the Recipient to take or omit an action in connection with its Underlying Agreement, and signed by a federal official authorized to permit the Recipient to take or omit an action that may not be taken or omitted without the Federal Government's permission. Approval does not mean permission to take or omit a similar action other than the specific action for which approval was given and does not include an oral permission or interpretation, which has no legal force, authority, or effect. For purposes of this Master Agreement, the definition of "approval" also applies to "concurrence" and "waiver."

(3) *Associated Transit Improvement* means, with respect to a Project or an area to be served by a Project that is designed to enhance public transportation service or use and that is physically or functionally related to transit facilities.

(4) *Award* means the Scope of Work that FTA has approved when FTA agreed to provide federal assistance. The Award also includes the requirements of all documents, terms, and conditions incorporated by reference and made part of the Underlying Agreement, which may be a Grant or Cooperative Agreement.

(5) *Award Budget [formerly, Approved Project Budget]* means the budget for all the Projects encompassed by the FTA Award. In contrast, Project Budget means the budget allocated for a single Project contained within an Award that FTA or a pass-through entity approves during the federal award process or in subsequent amendments to the

FTA Award. It may include the federal and non-federal share or only the federal share, as determined by FTA or the pass-through entity. For legal and other purposes, FTA reserves the right to consider information other than that displayed electronically or on paper in the "Award Budget" to determine the scope of the Award, eligible Project activities, and other terms used in connection with the Award.

(6) *Common Rules* means any one or more of the following:
  (a) U.S. DOT regulations, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," 2 C.F.R. part 1201, which incorporates by reference U.S. Office of Management and Budget (OMB) regulatory guidance, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," 2 C.F.R. part 200,
  (b) U.S. DOT regulations, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," former 49 C.F.R. part 18, and
  (c) U.S. DOT regulations, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-profit Organizations," former 49 C.F.R. part 19.

(7) *Concurrence* has the same meaning as the definition of Approval in this section of this Master Agreement.

(8) *Cooperative Agreement* means an instrument that the Federal Government uses to award federal assistance to the Recipient to support each specific Project and related activities described in the Underlying Agreement in which, consistent with 31 U.S.C. § 6305, the Federal Government takes an active role and retains substantial control. An FTA Cooperative Agreement consists of three parts:
  (a) The FTA Award, consisting of the amount of federal assistance FTA is providing to support each specific Project and related activities, and a description of each Project, as set forth in the Application submitted to FTA in FTA's electronic award management system;
  (b) The Terms and Conditions incorporated by reference and made part of the Cooperative Agreement, consisting of the following documents, irrespective of whether electronic or in typewritten hard copy,
    1 The most recent "Federal Transit Administration Master Agreement, which applies to this Cooperative Agreement, http://www.transit.dot.gov,
    2 The current Certifications and Assurances applicable to the FTA Award that the Recipient has selected and provided to FTA, and
    3 Any Award notification containing special conditions or requirements if issued, and
  (c) The Execution of the Cooperative Agreement by the Recipient.

(9) *Designated Recipient* means an entity designated, in accordance with the planning process under 49 U.S.C. §§ 5303 and 5304, by the governor of a state, responsible local officials, and publicly owned operators of public transportation, to receive and apportion amounts under 49 U.S.C. § 5336 to urbanized areas of 200,000 or more in

population; or a state or regional authority, if the authority is responsible under the laws of a state for a Capital Project and for financing and directly providing public transportation.

(10) *Disability* has the same meaning as in section 3(1) of the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. § 12102.

(11) *Federal Assistance* means a type of federal funding that the Recipient receives through the Underlying Agreement.

(12) *Federal Award Identification Number* has the same meaning as “Project No.” in previous Grant Agreements and Cooperative Agreements with FTA.

(13) *Federal Government* means the United States of America and any of its executive departments or agencies.

(14) *Federal Guidance* includes any federal document or publication signed by an authorized federal official providing official instructions or advice about a federal program that is not defined as a “federal requirement” and applies to entities other than the Federal Government. Federal Guidance also may apply to the Federal Government, and may take the form of a:

(a) Federal directive,
(b) Federal circular,
(c) Federal order,
(d) Federal published policy,
(e) Federal administrative practice,
(f) Federal guideline,
(g) Federal guidance document,
(h) Letter signed by an authorized federal official, or
(i) Similar document.

(15) *Federal Requirement* means:

(a) An applicable federal law, regulation, or executive order,
(b) An applicable provision of the Underlying Agreement, including any Special Condition, Requirement, Provision, or Condition of Award,
(c) This Master Agreement,
(d) A later Master Agreement after FTA and the Recipient have entered into the Underlying Agreement, or
(e) Another applicable federal mandate.

(16) *Federal Transit Administration (FTA)* is an operating administration of the Department of Transportation (U.S. DOT). Any reference to the “Urban Mass Transportation Administration” (also referred to as “UMTA”) refers to the “Federal Transit Administration” or “FTA” when appearing in any records of the United States.

(17) *Federal Transit Administrator* is the head of the Federal Transit Administration.

(18) *Federally Recognized Indian Tribe* means an Indian tribe that is federally recognized by the Bureau of Indian Affairs of the U.S. Department of the Interior in accordance with the provisions of the Federally Recognized Indian Tribe List Act of 1994, as amended, 25 U.S.C. § 5130.

(19) *Fiscal Year,* as used in this Master Agreement, means "federal fiscal year," which begins on October 1 of each calendar year and ends on September 30 of the next calendar year.

(20) *Governor* means the governor of a state, the mayor of the District of Columbia, or the chief executive officer of a territory of the United States and includes the designee thereof.

(21) *Grant Agreement* means an instrument that the Federal Government uses to award federal assistance to the Recipient to support each specific Project and related activities described in the Underlying Agreement in which, consistent with 31 U.S.C. § 6304, the Federal Government does not take an active role and does not retain substantial control. An FTA Grant Agreement consists of three parts:

(a) The FTA Award, consisting of the amount of federal assistance FTA is providing to support each specific Project and related activities, and a description of each Project, as set forth in the Application submitted to FTA in FTA's electronic award management system;

(b) The Terms and Conditions incorporated by reference and made part of the Grant Agreement, consisting of the following documents, irrespective of whether electronic or in typewritten hard copy:

1 The most recent "Federal Transit Administration Master Agreement, which applies to this Grant Agreement, http://www.transit.dot.gov,

2 The current Certifications and Assurances applicable to the FTA Award that the Recipient has selected and provided to FTA, and

3 Any Award notification containing special conditions or requirements if issued, and

(c) The Execution of the Grant Agreement by the Recipient.

(22) *Indian Tribe* means the Recipient or Subrecipient that receives "Tribal Transit Program" assistance authorized by 49 U.S.C. § 5311(c)(1) to support its Underlying Agreement.

(23) *Internal Controls* means a process, implemented by a Recipient or Subrecipient, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) effectiveness and efficiency of operations, (b) reliability of reporting for internal and external use, and (c) compliance with applicable laws, regulations, and requirements.

(24) *Local Government Authority* includes: (a) a political subdivision of a state; (b) an authority of at least one state or political subdivision of a state; (c) an Indian tribe; and (d) a public corporation, board, or commission established under the laws of a state.

(25) *Low-Income Individual*, for purposes of 49 U.S.C. § 5311(j)(1)(A)(iii), means an individual whose family income is at or below 100 percent of the poverty line, as that term is defined in section 673(2) of the Community Services Block Grant Act, 42 U.S.C. § 9902(2), including any revision required under that section, for a family of the size involved.

(26) *Master Credit Agreement* means a Loan, Loan Guarantee, or Line of Credit made available to a Recipient under the Transportation Infrastructure Finance and Innovation Act (TIFIA) of 1998, as amended, 23 U.S.C. §§ 601 – 609, the type of Underlying Agreement used for a TIFIA loan, loan, or loan guarantee.

(27) *Non-Federal Funds or Non-Federal Share* includes the following sources of funding or in-kind property or services used to match the federal assistance awarded for the Grant or Cooperative Agreement:
(a) Local funds,
(b) Local in-kind property or services,
(c) State funds,
(d) State in-kind property or services,
(e) Other federal funds for which the federal statute authorizing a program specifically provides that federal funds made available for that program can be applied to the cost sharing requirements of other federal programs.

(28) *Non-Tribal Service Provider*, for purposes of 49 U.S.C. § 5311(j)(2), means a non-tribal provider of public transportation that connects residents of tribal lands with surro9unding communities, improves access to employment or healthcare, or otherwise addresses the mobility needs of tribal members.

(29) *Project* means the public transportation improvement activities eligible for federal assistance in an application to FTA and/or in an FTA Award.

(30) *Public Transportation*, has the same meaning as “transit” or “mass transportation,” and, consistent with the definition at 49 U.S.C. § 5302, means regular, continuing shared-ride surface transportation services that are open to the general public, or open to a segment of the general public defined by age, disability, or low income, but does not include:
(a) Intercity passenger rail transportation provided by Amtrak or a successor thereof as described in 49 U.S.C. chapter 243,
(b) Intercity bus service,
(c) Charter service,
(d) School bus service.
(e) Sightseeing service,
(f) Courtesy shuttle service for patrons of one or more specific establishments, or

(g) Intra-terminal or intra-facility shuttle services.

(31) *Recipient or Direct Recipient* means a non-federal entity that receives a federal award directly from a federal awarding agency to carry out an activity under a federal program. The term “Recipient” does not include a Subrecipient.

(32) *Scope of Work* means the purpose of the Grant Agreement or Cooperative Agreement and the activities and approaches required to carry out a Project. The scope of work consists of various components, including the Award Budget, beneficiaries, locations, and other aspects identified in the approved application. FTA reserves the right to consider other information in determining the scope of the Project or the “scope of work of a Grant Agreement or Cooperative Agreement” when “scope” is used for other purposes. See the latest edition of the FTA Master Agreement.

(33) *Split Letter* (sometimes referred to as a suballocation letter or government subapportionment letter) means a letter in which a Designated Recipient of Urbanized Area Formula Grant Program funding authorized by 49 U.S.C. § 5307, agrees to a reassignment or reallocation of that federal assistance to one or more direct Recipients.

(34) *Subagreement or Subgrant* means an agreement through which the Recipient awards federal assistance to its Subrecipient(s) to support or stimulate any of the Recipient’s or Subrecipient’s Projects or related activities supported under the Award, the accompanying Underlying Agreement, or Amendments thereto, but does not include a third party contract, third party subcontract, or lease.

(35) *Subrecipient or Subgrantee* means any entity or person that receives federal assistance provided by an FTA Recipient instead of FTA directly, but does not include a Third Party Contractor, Third Party Subcontractor, or Lessee.

(36) *Third Party Agreement* includes agreements or arrangements supported in whole or in part with federal assistance awarded to a Recipient by FTA, including a subagreement with a subrecipient, a third party contract, a third party subcontract, a lease, or similar arrangement or agreement as FTA may recognize.

(37) *Third Party Contract* means a legal instrument by which a Recipient or Subrecipient purchases property or services needed to carry out the Grant Agreement or Cooperative Agreement. This does not include an instrument describing a transaction that meets the definition of a federal Award, Grant, Cooperative Agreement, Subaward, or Subagreement.

(38) *Third Party Participant* means each participant in the Recipient’s Project, except for FTA and the Recipient, whose work under the Project is supported with FTA funding, eligible non-federal share dedicated to the Project, or is dedicated as an in-kind contribution eligible for non-federal share. A Third Party Participant may be a Subrecipient, Third Party Contractor, Third Party Subcontractor, Lessee, or Similar

Participant in the Recipient's Project (for example, a partner in a joint development venture).

(39) *Third Party Subcontract* means a subcontract entered into by the Third Party Contractor with a Third Party Subcontractor, or a Third Party Subcontractor with another Third Party Subcontractor at any tier, and is supported in whole or in part with the federal assistance originally derived from FTA, or non-federal share dedicated to the Recipient's Underlying Agreement.

(40) *Underlying Agreement* means a specific Grant Agreement, Cooperative Agreement, Other Agreement, or Master Credit Agreement, including any amendments thereto, supported with federal assistance appropriated or made available under the TIFIA program.

(41) *Unique Entity Identifier* has two meanings:

(a) A Recipient's or a Subrecipient's unique entity identifier for purposes of the "System of Award Management" (SAM), which currently is the DUNs Number, but,

(b) For FTA purposes, FTA assigns a separate Recipient/Vendor ID as a "unique entity identifier," which is a four digit number and is displayed on the Grant Agreement and the Cooperative Agreement following the heading "Recipient ID."

(42) *Waiver* has the same meaning as the definition of *Approval* in this section of this Master Agreement.

b. Application of Definitions. The Recipient also agrees that the definitions in section 2.a above apply throughout this Master Agreement.

Section 3. Implementation.

a. Effective Date. The Effective Date of Recipient's Underlying Agreement is the date when the authorized FTA official signs the Underlying Agreement.

b. Description of Each Project. The "Description of Each Project" in the "FTA Award" section of the Recipient's Underlying Agreement often provides only a brief description of each Project and related activities to be undertaken by the Recipient; therefore, the Recipient agrees to perform the work described in the terms of its Underlying Agreement, including all the documents and information incorporated by reference and made part of that Underlying Agreement.

c. Prompt Implementation. After receiving notice that the FTA official signed the Underlying Agreement, the Recipient agrees to undertake promptly each Project and related activities described in the Underlying Agreement.

d. Completion Dates. The Recipient agrees to complete each Project within the time periods specified in the Underlying Agreement. Unless FTA determines otherwise in writing, the milestone dates and other completion dates applicable to the Award are good faith estimates and are not intended to be firm contractual requirements. However, FTA and the Recipient agree that milestone dates and other completion dates for Full Funding Grant Agreements, Small Starts Grant Agreements or other specific agreements in which FTA expressly states that the milestone dates or other completion dates for the Underlying Agreement are firm dates that may be enforced.

e. The Recipient's Capacity. To carry out its Underlying Agreement, the Recipient agrees to maintain:
   (1) Sufficient legal, financial, technical, and managerial capacity, and adequate functional capacity to:
      (a) Plan, manage, and complete its responsibilities outlined in the Underlying Agreement,
      (b) Use the Project property,
      (c) Carry out the safety and security aspects of the Underlying Agreement,
      (d) Comply with the terms and conditions of the Underlying Agreement, the Recipient's annual Certifications and Assurances to FTA, and applicable federal laws, regulations, and requirements, and
      (e) Follow applicable federal guidance, except as the Federal Government determines otherwise in writing.
   (2) Strong internal controls to assure that it is managing its Award in compliance with federal laws, regulations, requirements, and the terms and conditions of the Underlying Agreement including, but not limited to:
      (a) Amendments or revisions to its Award Budget,
      (b) Salaries and wages of the Recipient and Subrecipient personnel,
      (c) Protection of personally identifiable information and other sensitive information, and
      (d) Other matters that must be in compliance with federal laws, regulations, requirements, and the terms and conditions of the Underlying Agreement.

f. U.S. DOT Administrative Requirements. The Recipient agrees to comply with the following U.S. DOT requirements (Common Rules) to the extent applicable:
   (1) Requirements Applicable On or After December 26, 2014: The following requirements apply to the Award, the accompanying Underlying Agreement, and any Amendments thereto signed by an authorized FTA official on or after December 26, 2014 as follows:
      (a) U.S. DOT regulations, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," 2 C.F.R. part 1201, which incorporates by reference U.S. OMB regulatory guidance, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," 2 C.F.R. part 200, and which applies to an Award, the accompanying Underlying Agreement, and any Amendments to any Underlying Agreement with a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization, and
      (b) Except as FTA determines otherwise in writing, U.S. DOT regulations, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," 2 C.F.R. part 1201, and Subparts A through E of U.S. OMB

regulatory guidance, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," 2 C.F.R. part 200, apply to a private for-profit entity; notably, the Cost Principles of subpart 31.2 of the Federal Acquisition Regulation, which permits the payment of profits or fees for work under procurement contracts, generally will not apply to private for-profit entities.

(2) Requirements Applicable Before December 26, 2014. The following requirements apply to the Award, the accompanying Underlying Agreement, and any Amendments thereto signed by an authorized FTA official before December 26, 2014 as follows:
  (a) For a state, local government, or Indian tribal government, U.S. DOT regulations, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," former 49 C.F.R. part 18,
  (b) For an institution of higher education or a nonprofit organization, U.S. DOT regulations, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," former 49 C.F.R. part 19, or
  (c) For a private for-profit organization, U.S. DOT regulations, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-profit Organizations," former 49 C.F.R. part 19.

g. Application of Federal, State, and Local Laws, Regulations, Requirements, and Guidance. The Recipient agrees to comply with all applicable federal requirements and federal guidance. All standards or limits are minimum requirements when those standards or limits are included in the Recipient's Underlying Agreement, or this Master Agreement. At the time the FTA Authorized Official awards federal assistance to the Recipient in support of the Underlying Agreement, the federal requirements and guidance that apply then may be modified from time to time, and will apply to the Recipient or the accompanying Underlying Agreement.

h. The Recipient's Responsibility to Comply with Federal Requirements. Irrespective of involvement by any other entity in the Underlying Agreement:
  (1) General. The Recipient agrees that it must comply with all federal requirements that apply to itself and the Underlying Agreement.
  (2) Primary Responsibility for Compliance.
    (a) The Recipient, as the Direct Recipient of federal assistance, agrees that it is ultimately responsible for full compliance with federal requirements related to itself, its Award, the accompanying Underlying Agreement, and any Amendments thereto, even though:
      1 A Third Party Participant provides property or services to support a Project or related activities implementing the Award, the accompanying Underlying Agreement, any Amendments thereto, or
      2 Another entity or person is involved with the Award, the accompanying Underlying Agreement, or any Amendments thereto.
    (b) FTA and the Recipient agree that if FTA makes an Award to a Recipient other than the Designated Recipient as defined under 49 U.S.C. § 5302, the Designated Recipient is not a party to the Award or the Underlying Agreement and is not

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responsible for compliance with federal requirements related to the Underlying Agreement. However, if FTA makes an Award to a Designated Recipient, then that Designated Recipient is responsible for compliance with federal requirements related to its Underlying Agreement. FTA and the Recipient further agree to the terms of the Designated Recipient's Split Letter, Suballocation Letter, or Government Subapportionment Letter attached in FTA's Transit Award Management System (TrAMS), including the amounts allocated by the Designated Recipient to each Direct Recipient, and the commitment to comply with the associated transit improvement requirement as stated in that letter.

(c) Apart from other oversight and reviews FTA may conduct, the Recipient agrees that FTA is expressly authorized to conduct oversight of the Recipient's and its Subrecipients' compliance with federal requirements for safety and security, procurement (including Buy America requirements), management, and finance.

i. The Recipient's Responsibility to Extend Federal Requirements to Third Party Participants. In certain circumstances, the Recipient's compliance with specific federal requirements depends on compliance by its Third Party Participant(s) with those federal requirements, and therefore:

(1) General. The Recipient agrees to ensure that its Third Party Participant(s) will comply with applicable federal requirements, and follow applicable federal guidance.

(2) The Recipient as a "Pass-Through" Entity. If the Recipient is providing a subaward to a Subrecipient to carry out all or part of its Award, the Recipient agrees to obtain the agreement of each Subrecipient to comply with U.S. DOT's administrative requirements, as set forth above.

(3) Performance of the Recipient's Responsibilities. If a Third Party Participant is expected to fulfill any responsibilities typically performed by the Recipient, the Recipient agrees to ensure that the Third Party Participant will carry out the Recipient's responsibilities in compliance with federal requirements, and provide enough information to each Third Party Participant so that it understands that it will be expected to follow federal guidance.

(4) Risk. As provided in 2 C.F.R. part 1201, which incorporates by reference 2 C.F.R. part 200, the Recipient agrees to evaluate the risk involved before awarding a subagreement to any entity.

(5) Third Party Agreements. To comply with federal requirements, the Recipient agrees to enter into a written Third Party Agreement with each Third Party Participant in its Underlying Agreement and must include all appropriate provisions stating the Third Party Participant's responsibilities to assure the Recipient's capability to comply with applicable federal requirements and guidance and specifying the responsibilities that the Third Party Participant will fulfill on the Recipient's behalf.

(6) Notice to Third Party Participants. The Recipient agrees to include notice in each Third Party Agreement that:

(a) Federal requirements that apply to the Recipient or the Award, the accompanying Underlying Agreement, and any Amendments thereto may change due to changes in federal law, regulation, other requirements, or guidance, or changes in the Recipient's Underlying Agreement including any information incorporated by reference and made part of that Underlying Agreement, and

(b) Applicable changes to those federal requirements will apply to each Third Party Agreement and parties thereto at any tier.

j. Changed Circumstances. The Recipient agrees that changed circumstances may occur that may impact the Recipient's ability to comply with the terms and conditions of the Underlying Agreement.

(1) Types of Changes. Certain circumstances can cause significant changes in performance of a Project or related activities or adversely affect the Recipient's ability to carry out its Underlying Agreement, such as a:

(a) Change in federal requirements or guidance,

(b) Change in state, territorial, local, or tribal requirements,

(c) Change in the Recipient's circumstances, including:

1 Its legal, financial, technical, or managerial capacity,

2 Its continuing control of Project property, or

3 Another similar situation, and

(d) Any current or prospective legal matter with potentially serious consequences, including a major dispute, default, breach, or litigation, or credible evidence that the Recipient's principal, official, employee, agent, or a Third Party Participant, or other person has submitted a false claim under the False Claims Act, 31 U.S.C. § 3729 *et seq*., or has committed a criminal or civil violation of law pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving federal assistance; suspension, debarment, or other similar administrative or enforcement action against the Recipient or any Third Party Participant; or any matter or situation, including any other change or legal action that may adversely affect the Federal Government's interest in a Project or related activities.

(2) Notice. In the circumstances described above, the Recipient agrees to provide immediate written notice to the:

(a) FTA Regional Counsel for the Region in which the Recipient operates public transportation or implements the Underlying Agreement,

(b) FTA Headquarters Manager that administers the Underlying Agreement, or

(c) FTA Chief Counsel.

k. Conflict Between Federal Requirements and State, Territorial, Local, or Tribal Requirements. FTA and the Recipient understand that a federal requirement may conflict with a state, territorial, local, or tribal requirement, and agree that the Recipient must comply with each applicable federal requirement that pre-empts the conflicting state, territorial, local, or tribal requirement.

(1) Compliance with State, Territorial, Local or Tribal Requirements. Unless otherwise pre-empted by a federal requirement, FTA and the Recipient agree that:

(a) FTA expects the Recipient to comply with applicable state, territorial, local, and tribal requirements, and

(b) FTA does not require the Recipient to take any action involving the Underlying Agreement that would violate a state, territorial, local, or tribal requirement that is in conflict with a federal requirement.

(2) When a Conflict Arises. When a federal requirement conflicts with a state, territorial, local, or tribal requirement:

(a) The Recipient must notify FTA immediately in writing if compliance with the federal requirement would violate a state, territorial, local, or tribal requirement, or require the Recipient to violate a state, territorial, local, or tribal requirement.
(b) The Recipient must make appropriate arrangements with FTA to proceed with its responsibilities as set forth in the Underlying Agreement, or terminate the Underlying Agreement expeditiously, if necessary.

l. No Federal Government Commitment or Liability to Third Parties. Except as the Federal Government expressly consents in writing, the Recipient agrees that:
(1) The Federal Government does not and shall not have any commitment or liability related to the Underlying Agreement, to any Third Party Participant at any tier, or to any other person or entity that is not a party (FTA or the Recipient) to the Underlying Agreement, and
(2) Notwithstanding that the Federal Government may have concurred in or approved any Solicitation or Third Party Agreement at any tier that may affect the Underlying Agreement, the Federal Government does not and shall not have any commitment or liability to any Third Party Participant or other entity or person that is not a party (FTA or the Recipient) to the Underlying Agreement.

Section 4. Ethics.

a. Standards of Conduct. At a minimum, the Recipient agrees to, and assures that its Subrecipients will, establish and maintain written Standards of Conduct covering conflicts of interest that:
(1) Apply to the following individuals who have a present or potential financial interest, or other significant interest, such as a present or potential employment interest in the selection, award, or administration of a third party contract or subcontract:
(a) The Recipient or its Subrecipients' officers, employees, board members, or agents engaged in the selection, award, or administration of any third party agreement,
(b) The immediate family members or partners of those listed above in section 4.a(1)(a) of this Master Agreement, and
(c) An entity or organization that employs or is about to employ any person that has a relationship with the Recipient or its Subrecipient listed above in sections 4.a(1)(a) and (b) of this Master Agreement;
(2) Prohibit those individuals listed above in section 4.a(1) from:
(a) Engaging in any activities involving the Recipient or any of its Subrecipients' present or potential Third Party Participants at any tier, including selection, award, or administration of a third party agreement in which the individual has a present or potential financial or other significant interest, and
(b) Accepting a gratuity, favor, or anything of monetary value from a present or potential Third Party Participant in the Recipient's Underlying Agreement, unless the gift is unsolicited and has an insubstantial financial or nominal intrinsic value; and
(3) Establish penalties, sanctions, or other disciplinary actions for violations, as permitted by state or local law or regulations, that apply to those individuals listed above in section 4.a(1) and the Recipient or Subrecipient's Third Party Participants.

b. Debarment and Suspension. The Recipient agrees to the following:
   (1) It will comply with the following 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.
   (2) It will not enter into any arrangement to participate in the development or implementation of the Underlying Agreement with any Third Party Participant that is debarred or suspended except as authorized by:
      (a) U.S. DOT regulations, "Nonprocurement Suspension and Debarment," 2 C.F.R. part 1200,
      (b) U.S. OMB regulatory guidance, "Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," 2 C.F.R. part 180, including any amendments thereto,
      (c) Executive Orders No. 12549, "Uniform Suspension, Debarment or Exclusion of Participants from Procurement or Nonprocurement Activity," October 13, 1994, 31 U.S.C. § 6101 note, as amended by Executive Order No. 12689, "Debarment and Suspension," August 16, 1989, 31 U.S.C. § 6101 note, and
      (d) Other applicable federal laws, regulations, or guidance regarding participation with debarred or suspended Recipients or Third Party Participants.
   (3) It will review the U.S. GSA "System for Award Management – Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs," https://www.sam.gov, if required by U.S. DOT regulations, 2 C.F.R. part 1200.
   (4) It will include, and require each Third Party Participant to include, a similar provision in each lower tier covered transaction, ensuring that each lower tier Third Party Participant:
      (a) Complies with federal debarment and suspension requirements, and
      (b) Reviews the SAM at https://www.sam.gov, if necessary to comply with U.S. DOT regulations, 2 C.F.R. part 1200.
   (5) 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 Underlying Agreement,
      (b) FTA Headquarters Manager that administers the Grant or Cooperative Agreement, or
      (c) FTA Chief Counsel.

c. Bonus or Commission. The Recipient affirms that it has not paid, and agrees that it will not pay, any bonus or commission to obtain federal assistance for any Project or related activities supported under the Underlying Agreement.

d. Lobbying Restrictions. The Recipient agrees that neither it nor any Third Party Participant will use federal assistance to influence any officer or employee of a federal agency, member of Congress or an employee of a member of Congress, or officer or employee of Congress on matters that involve the Underlying Agreement, including any extension or modification, according to the following:
   (1) Laws, Regulations, Requirements, and Guidance. This includes:
      (a) The Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352, as amended,

(b) U.S. DOT regulations, "New Restrictions on Lobbying," 49 C.F.R. part 20, to the extent consistent with 31 U.S.C. § 1352, as amended, and

(c) Other applicable federal laws, regulations, requirements, and guidance prohibiting the use of federal assistance for any activity concerning legislation or appropriations designed to influence the U.S. Congress or a state legislature, and

(2) Exception. If permitted by applicable federal law, regulations, requirements, or guidance, such lobbying activities described above may be undertaken through the Recipient's or Subrecipient's proper official channels.

e. Political Activity. The Recipient agrees to comply with:

(1) The Hatch Act, 5 U.S.C. chapter 15, which limits the political activities of state and local government agencies supported in whole or in part with federal assistance, including the political activities of state and local government officers and employees whose principal governmental employment activities are supported in whole or in part with federal assistance,

(2) U.S. Office of Personnel Management regulations, "Political Activity of State or Local Officers or Employees," 5 C.F.R. part 151, and

(3) 49 U.S.C. § 5323(l)(2) and 23 U.S.C. § 142(g), which limits the applicability of the Hatch Act, as follows:

(a) The Hatch Act does not apply to nonsupervisory employees of a public transportation system, or any other agency or entity performing related functions, based upon the Award of federal assistance under 49 U.S.C. chapter 53 or 23 U.S.C. § 142(a)(2), but

(b) Notwithstanding the preceding section 4.g(3)(a) of this Master Agreement, the Hatch Act does apply to a nonsupervisory employee if imposed for a reason other than the Award of federal assistance to its employer under 49 U.S.C. chapter 53 or 23 U.S.C. § 142(a)(2).

f. False or Fraudulent Statements or Claims.

(1) Civil Fraud. The Recipient acknowledges and agrees that:

(a) Federal laws, regulations, and requirements apply to itself and its Underlying Agreement, including the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 *et seq*., and U.S. DOT regulations, "Program Fraud Civil Remedies," 49 C.F.R. part 31.

(b) By executing the Underlying Agreement, the Recipient certifies and affirms to the Federal Government the truthfulness and accuracy of any claim, statement, submission, certification, assurance, affirmation, or representation that the Recipient provides to the Federal Government.

(c) The Federal Government may impose the penalties of the Program Fraud Civil Remedies Act of 1986, as amended, and other applicable penalties if the Recipient presents, submits, or makes available any false, fictitious, or fraudulent information.

(2) Criminal Fraud. The Recipient acknowledges that 49 U.S.C. § 5323(l)(1) authorizes the Federal Government to impose the penalties under 18 U.S.C. § 1001 if the Recipient provides a false, fictitious, or fraudulent claim, statement, submission, certification,

assurance, or representation in connection with a federal public transportation program under 49 U.S.C. chapter 53 or any other applicable federal law.

g. Trafficking in Persons.

(1) Legal Authorities. The Recipient agrees to comply and assures the compliance of each Subrecipient, with federal requirements and guidance, including:

(a) Section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended, 22 U.S.C. § 7104(g), and

(b) The terms of this section 4.g, which have been derived from U.S. OMB regulatory guidance, "Award Term for Trafficking in Persons," 2 C.F.R. part 175, per U.S. OMB's direction.

(2) Definitions. The Recipient agrees that for purposes of this section 4.g:

(a) Employee means either: an individual who is employed by the Recipient or a Subrecipient, and is participating in a Project or related activities as set forth in the Underlying Agreement, or another person who is participating in a Project or related activities as set forth in the Underlying Agreement and is not compensated by the Recipient, including, but not limited to, a volunteer, or an individual whose services are contributed by the Recipient or Third Party Participant as an in-kind contribution toward the cost sharing requirements of the Recipient's Underlying Agreement.

(b) Forced labor means labor obtained by recruitment, harboring, transportation, provision, or other means of obtaining of a person for labor or services through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

(c) Private entity means any entity other than a state, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 C.F.R. § 175.25, and includes a for-profit organization, or a nonprofit organization, including any nonprofit organization of higher education, hospital, or tribal organization other than one included in the definition of Indian Tribe at 2 C.F.R. § 175.25(b).

(d) Severe forms of trafficking in persons has the meaning given at section 103 of the TVPA, as amended, 22 U.S.C. § 7102.

(e) Commercial sex act has the meaning given at section 103 of the TVPA, as amended, 22 U.S.C. § 7102.

(f) Coercion has the meaning given at section 103 of the TVPA, as amended, 22 U.S.C. § 7102.

(3) Provisions Applicable to All Recipients. The Recipient agrees to, and assures that its Subrecipients will:

(a) Provide Information. Inform FTA immediately of any information it receives from any source alleging a violation of the prohibitions listed in section 4.g(4) of this Master Agreement, and

(b) Subagreement Provision. Include the following provision in any subagreement it enters into with a private entity as defined above in section 4.g(2)(c) of this Master Agreement:

____________ agrees that it and its employees that participate in the Recipient's Award, may not:

1. *Engage in severe forms of trafficking in persons during the period of time that the Recipient's Award is in effect,*
2. *Procure a commercial sex act during the period of time that the Recipient's Award is in effect, or*
3. *Use forced labor in the performance of the Recipient's Award or subagreements thereunder.*

(4) Provisions Applicable to a Private Entity Recipient. If the Recipient is a private entity, it agrees that:

(a) Prohibitions. It, its employees, its Subrecipients, and its Subrecipients' employees that participate in the Underlying Agreement will not:

1 Engage in severe forms of trafficking in persons during the period of time that the Recipient's Underlying Agreement is in effect,

2 Procure a commercial sex act during the period of time that the Recipient's Underlying Agreement is in effect, or

3 Use forced labor in the performance of the Recipient's Underlying Agreement or subagreements.

(b) Termination of Federal Assistance. Section 106(g) of the TVPA, as amended, 22 U.S.C. § 7104(g), and U.S. OMB regulatory guidance, "Award Term for Trafficking in Persons," 2 C.F.R. part 175, provide FTA the right to unilaterally terminate the Underlying Agreement for a violation of that Act without penalty to the Federal Government, if FTA determines that the private entity Recipient or its Subrecipient:

1 Has violated a prohibition described above in section 4.g(4)(a) of this Master Agreement, or

2 Has an employee whose conduct is determined to have violated a prohibition described above in section 4.g(4)(a) of this Master Agreement because that employee's conduct is either:

a Associated with performance of the Recipient's Underlying Agreement, or

b Imputed to the Recipient or Subrecipient using the standards of due process for conduct of an individual to an organization provided in:

(i) U.S. DOT regulations, "Nonprocurement Suspension and Debarment," 2 C.F.R. part 1200, or

(ii) U.S. OMB regulatory guidance, "Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," 2 C.F.R. part 180.

(5) Provisions Applicable to a Recipient That is Not a Private Entity. A Recipient that is not a private entity agrees that section 106(g) of the TVPA, as amended, 22 U.S.C. § 7104(g), and U.S. OMB regulatory guidance, "Award Term for Trafficking in Persons," 2 C.F.R. part 175, provides FTA the right to unilaterally terminate the Underlying Agreement, without penalty to the Federal Government, for a violation of that Act if FTA determines that:

(a) A private entity that is the Subrecipient of the Recipient is determined to have engaged in severe forms of trafficking in persons during the period of time that the Recipient's Underlying Agreement is in effect; procured a commercial sex act during the period of time that the Recipient's Underlying Agreement is in effect;

or used forced labor in the performance of the Recipient's Underlying Agreement or subagreements thereunder, or

(b) An employee of a private entity that is the Subrecipient has engaged in severe forms of trafficking in persons during the period of time that the Recipient's Underlying Agreement is in effect; procured a commercial sex act during the period of time that the Recipient's Underlying Agreement is in effect; or used forced labor in the performance of the Recipient's Underlying Agreement or subagreements thereunder, and whose conduct described above is associated with performance in the Recipient's Underlying Agreement; or is imputed to the Subrecipient using the standards for due process to impute the conduct of an individual to an organization provided in U.S. OMB regulatory guidance, "Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," 2 C.F.R. part 180, and U.S. DOT regulations, "Nonprocurement Suspension and Debarment," 2 C.F.R. part 1200.

(6) Remedies Other Than Termination of Federal Assistance. The Recipient agrees that FTA's right to terminate federal assistance as provided in the TVPA and in sections 4.g(4)(b) and 4.g(5) are in addition to all other remedies for noncompliance available to the Federal Government under this Master Agreement.

Section 5. Federal Assistance.

a. Total Federal Assistance Awarded and Obligated. The Recipient agrees that FTA's responsibility to provide federal assistance for its Underlying Agreement is up to the amount shown in the Underlying Agreement, as modified by any Amendments thereto, which is equal to the smallest of: (1) the maximum amount permitted by federal law or regulation, or (2) the "Total FTA Amount Awarded and Obligated," as stated in the Underlying Agreement. FTA's responsibility to provide federal assistance is limited to the amounts listed in the most recent Award Budget identified in the Underlying Agreement and may not exceed the federal share of the actual eligible expenses incurred for participation in the Award.

b. Basis of Federal Assistance. The Recipient agrees that the "Total FTA Amount Awarded and Obligated" stated in the Underlying Agreement and modified by any Amendments thereto forms the basis on which FTA determines the "Total FTA Amount Awarded and Obligated."

(1) "Net Project Cost." The Recipient agrees that if federal law or regulation requires an Underlying Agreement to be financed on the basis of its "Net Project Cost," as defined in 49 U.S.C. § 5302:

(a) FTA will provide federal assistance for a percentage of the portion of the "Total Award Budget" that the Recipient cannot reasonably finance from its revenues, which is the "Net Project Cost,"

(b) FTA will use the amount of the "Total Award Budget" stated on the Underlying Agreement to calculate the "Total FTA Amount Awarded and Obligated," and

(c) In TrAMS, the amount stated as the "Total Award Budget" on the Underlying Agreement is actually the "Net Project Cost," as defined in 49 U.S.C. § 5302.

(2) Other Basis for FTA Participation. The Recipient agrees that if federal law or FTA permits an Underlying Agreement to be financed on a basis other than its "Net Project Cost," as defined in 49 U.S.C. § 5302, or under previous authorizing legislation:
   (a) FTA will provide federal assistance for all or part of the cost of the Underlying Agreement that is eligible for federal assistance,
   (b) In some instances, FTA has discretion to determine the amount of federal assistance to provide for each specific Project or related activities, and
   (c) FTA will use the amount stated in the Underlying Agreement as the "Total Award Budget" to calculate the "Total FTA Amount Awarded and Obligated."

c. Award Budget. The Recipient agrees that it will prepare an Award Budget that, after FTA has provided its approval, will be incorporated by reference and made part of the Underlying Agreement.
   (1) Restrictions. The Recipient agrees that it will not incur costs eligible for FTA participation under the Award or withdraw federal assistance for eligible costs incurred unless those costs are consistent with the Award Budget.
   (2) Amendments to the Award Budget. To the extent specified in applicable FTA program management guidance, the Recipient agrees that it must obtain prior FTA approval in writing before amending its Award Budget or transferring federal assistance for the Award if the transfer is not expressly authorized by federal law, regulation, or guidance. An Award of additional federal assistance will require an amended Award Budget.
   (3) Revisions to the Award Budget. To the extent specified in applicable FTA program management guidance, the Recipient may revise the Award Budget without prior FTA written approval. The Recipient agrees that all other Award Budget revisions will require prior FTA approval in writing.
   (4) Unexpended Federal Assistance. The Recipient agrees to inform FTA promptly if it believes it will have unexpended federal assistance after the period of performance for the Award ends.

Section 6. Non-Federal Share.

a. Amount. The Recipient agrees to provide the amount of non-federal share specified in the Underlying Agreement. Except to the extent that FTA has provided its written consent permitting the Recipient to defer payment of the non-federal share required by the Underlying Agreement, the Recipient agrees to provide its proportionate amount of the non-federal share no later than the time it draws down the federal share to pay the eligible costs.

b. Duty to Obtain. The Recipient agrees to complete all proceedings necessary to provide the non-federal share and to notify FTA of any changed circumstances adversely affecting its ability to pay the non-federal share, including a description of the actions it has taken or will take to ensure adequate resources to provide the non-federal share, and a re-affirmation of its commitment to provide the non-federal share.

c. Permissible Sources. The Recipient agrees that the following are permissible sources of the non-federal share for the Award:
   (1) Undistributed cash surpluses,

(2) A replacement or depreciation cash fund or reserve, and
(3) New capital.

d. Restricted Sources. Because sources of non-federal share differ among FTA's public transportation assistance programs, FTA will specify in an FTA circular or otherwise whether the following sources may be used as the non-federal share for a specific Award under that program:
   (1) Program income generated by a Project or related activities supported by a prior Grant or Cooperative Agreement, which is a form of undistributed cash surplus,
   (2) Advertising revenues,
   (3) Concession revenues,
   (4) Revenues from a service agreement from a state or local social service agency or a private social service organization,
   (5) Third party in-kind contributions,
   (6) Proceeds from the issuance of revenue bonds pursuant 49 U.S.C. § 5323(e),
   (7) Transportation development credits (formerly toll revenue credits) pursuant to 49 U.S.C. § 120(i),
   (8) Revenue from Value Capture pursuant to 49 U.S.C. § 5323(s),
   (9) Federal assistance made available for the Federal Lands Highway Program authorized under 23 U.S.C. § 204, or
   (10) Federal assistance derived from other federal laws that permit their funds to be used as the non-federal share.

e. Prohibited Sources. Except as permitted by federal laws, regulations, requirements, or guidance, or approved in writing by FTA, the Recipient agrees that it will not provide any non-federal share for the Underlying Agreement derived from:
   (1) Farebox revenues from providing public transportation services using facilities and equipment acquired with federal assistance for the Award,
   (2) Program income derived from the use of facilities or equipment acquired with federal assistance for the Award, except if expressly permitted by federal laws, regulations, requirements, or FTA guidance, or
   (3) Other federal funds not authorized for use as non-federal share by federal law, regulation, or guidance.

f. Reductions or Refunds.
   (1) Reductions. The Recipient agrees that if it reduces the non-federal share of eligible costs required for the Award, then, at the same time, it must reduce the proportionate amount of federal assistance for the Award.
   (2) Refunds. The Recipient agrees that if it accepts a refund of the non-federal share of eligible costs provided through the Underlying Agreement, then, at the same time, it must provide the Federal Government an amount of that refund proportionate to the federal contribution.

Section 7. Payments to the Recipient.

a. Conditions for Accessing Federal Assistance. In order to seek or obtain federal assistance for the costs of implementing the Award, the Recipient agrees that:
   (1) It must execute the Underlying Agreement and any Amendments thereto,
   (2) It must receive and file a properly signed document seeking payment for the expense, such as a voucher or other appropriate record, and a properly detailed description of the relationship of the expense to the Award,
   (3) It must identify all sources of federal assistance from which the payment is derived,
   (4) It must provide FTA with all financial and progress reports required to date, and
   (5) If the Recipient must provide a non-federal share, unless FTA has stated otherwise in writing that the Recipient may defer the non-federal share:
      (a) The Recipient will not request or obtain more federal assistance than justified by the eligible non-federal share it has provided,
      (b) The Recipient will not cause the proportion of federal assistance available for the Award at any time to exceed the percentage of federal assistance authorized and documented in the Underlying Agreement, and
      (c) When combined with federal payments, the Recipient will be able to demonstrate that the non-federal share will be adequate to cover all eligible costs incurred in support of the Award.

b. Eligible Costs. Except as the Federal Government determines otherwise in writing, the Recipient agrees, and will obtain the agreement of each Subrecipient, to seek and obtain federal assistance only for the eligible costs of the Award that are:
   (1) Consistent with the Description of Each Project, the Award Budget, this Master Agreement, and the Underlying Agreement and any Amendments thereto,
   (2) Necessary to carry out the Award,
   (3) Reasonable for the property or services acquired for use in the Project,
   (4) The actual net costs, which consists of the price paid minus reductions of the costs incurred, such as any refunds, rebates, or other items of value, but excluding program income,
   (5) Incurred for work performed after the Effective Date of the:
      (a) Award,
      (b) Pre-award authority that FTA has provided, or
      (c) Letter of No Prejudice,
   (6) Satisfactorily documented,
   (7) Consistent with federally approved accounting principles and procedures, including requirements for indirect costs, consistent with the applicable U.S. DOT common rules, and
   (8) Consistent with applicable U.S. DOT Common Rules and other applicable federal law, regulations, requirements, and guidance.

c. Ineligible Costs. The Recipient agrees that, except as the Federal Government determines otherwise in writing, FTA will exclude ineligible costs incurred in connection with the Award or otherwise, such as:
   (1) A cost the Recipient has incurred before the Effective Date of the Award as documented in the Underlying Agreement or any Amendments thereto that is not accompanied by FTA's written approval, including, but not limited to, pre-award authority or a Letter of

No Prejudice, and permitted by applicable federal law, regulation, guidance, or the Underlying Agreement or any Amendments thereto,

(2) A cost not included in the most recent Award Budget,
(3) A cost for property or services received in connection with any third party agreement lacking any FTA approval or concurrence in writing that is required,
(4) An ordinary governmental or operating cost not applicable to the Award, as prohibited by 49 U.S.C. § 5323(h),
(5) A profit or fee for services provided by the Recipient or any of its Subrecipients in implementing the Award, or
(6) A cost that is ineligible for FTA participation as provided in applicable federal law, regulation, or guidance.

d. Bond Interest and Other Financing Costs – Limited Eligibility. The Recipient agrees that bond interest and other financing costs are allowable costs to the extent permitted by applicable federal law, regulation, and guidance. FTA's share of interest and financing costs that implement the Award will be limited to an amount that does not exceed the most favorable financing terms reasonably available at the time of borrowing, except as the Federal Government determines otherwise in writing,

e. Payment Procedures Based on the Type of Federal Assistance Awarded. The Recipient agrees that:

(1) All payments in connection with the Award will be made through electronic methods.
(2) Payment procedures for a Recipient differ based upon the type of federal assistance that is awarded.
(3) FTA determines which electronic system it will use to make payments to the Recipient as follows:
   (a) For Grants and other types of federal assistance, FTA will use the Electronic Clearinghouse Operation Web System (ECHO-Web), Automated Clearing House (ACH) payment method, except as provided below in sections 7.e(3)(b) and (c) of this Master Agreement,
   (b) For Cooperative Agreements, FTA will use the DELPHI eInvoicing System or DELPHI Mark View System if the Recipient is granted a waiver (*see* the following section 7.g of this Master Agreement for more information about payments for cooperative agreements and section 7.g of this Master Agreement for information about accessing and using the DELPHI eInvoicing System), and
   (c) For Grants requiring more detailed review of supporting documentation before receiving federal assistance and as determined by the FTA Manager for the Underlying Agreement, FTA will use the DELPHI eInvoicing System (*see* the following section 7.g of this Master Agreement for more information about accessing and using the DELPHI eInvoicing System).

f. Payment Procedures Using ECHO. The Recipient agrees that if payment is made through ECHO-Web using an ECHO Control Number, it will comply with the "ECHO Web User Manual For FTA and FAA," July 2012, and it will withdraw federal assistance only to pay the eligible costs of implementing the Award.

(1) Major Withdrawals. When a single withdrawal will exceed $50,000,000, the Recipient agrees to notify the appropriate FTA Regional or Program Office at least three (3) days before the withdrawal is anticipated.

(2) Immediate Use. The Recipient agrees that it will not withdraw federal assistance until actually needed for immediate payment of those expenses and will use that federal assistance to pay for expenses that implement the Award no later than three (3) days after receipt, except as the Federal Government permits otherwise in writing.

(3) Limits. The Recipient agrees that it will not withdraw more than the sum of federal assistance the Federal Government has awarded or the current available balance for its Award, the accompanying Underlying Agreement, and any Amendments thereto, whichever is less.

(4) Control. The Recipient agrees that it will provide for the control and accountability of all federal assistance for its Award, the accompanying Underlying Agreement, and any Amendments thereto.

(5) Reporting. Unless FTA determines otherwise in writing, the Recipient agrees that it will report its cash payments and balances promptly.

(6) Penalties. If the Recipient fails to comply with this section of this Master Agreement, it agrees that it may incur or be subjected to penalties, including, but not limited to, the following:

(a) Access to ECHO-Web. The Federal Government may revoke or suspend the Recipient's ECHO Control Number and access to the ECHO-Web if the Federal Government determines that:

1 Fraud, waste, mismanagement, or abuse exists in the Recipient's use and application of federal assistance,

2 The Recipient has failed to use federal assistance it withdrew to pay costs incurred that implement the Underlying Agreement within three (3) days of withdrawing that federal assistance,

3 The Recipient has failed to return withdrawn but unspent federal assistance to the Federal Government within a reasonable time,

4 The Recipient has failed to establish procedures to minimize the time between advances of federal assistance and payments of costs incurred that implement the Underlying Agreement,

5 The Recipient has been awarded Federal assistance through a Cooperative Agreement with FTA and will use the eInvoicing or DELPHI Mark View System as its payment method instead of the ECHO-Web System (*see* sections 7.g.) or

6 For Grants requiring a more detailed review of supporting documentation before receiving federal assistance, and as determined by the FTA Manager for the Award, the Recipient will use eInvoicing (*see* section 7.g).

(b) Interest. The Recipient agrees to pay interest to the Federal Government on any federal assistance withdrawn prematurely, irrespective of whether the federal assistance has been deposited in an interest-bearing account.

1 A State or State Instrumentality. If the Recipient is a state or state instrumentality, it agrees to pay interest calculated as provided in section 5(b) of the Cash Management Improvement Act of 1990, as amended, 31 U.S.C. § 6503(b), and U.S. Department of Treasury (U.S. Treasury) regulations,

"Rules and Procedures for Efficient Federal-State Funds Transfers," 31 C.F.R. part 205.

2 Other than a State or State Instrumentality. If the Recipient is not a state or state instrumentality, it agrees to pay prejudgment common law interest determined by the Federal Government, as authorized by joint U.S. Treasury and U.S. Department of Justice (joint U.S. Treasury and U.S. DOJ) regulations, "Standards for the Administrative Collection of Claims," 31 C.F.R. § 901.9(i). The Federal Government may determine the amount of interest due, based on the amount of interest the Recipient demonstrates it earned on its premature withdrawals of federal assistance, the amount of interest based on the "Treasury tax and loan account" rate prescribed under 31 U.S.C. § 3717 for debts owed to the United States, or an amount of interest as the Federal Government otherwise determines.

(7) ECHO System. If the Recipient is authorized to receive payments provided through ECHO-Web, FTA does not generally review the drawdown when made; however, FTA may review the drawdown at a later time, and subject that drawdown to an audit under a financial oversight review, a triennial review, or another audit.

g. Payment Procedures for a Cooperative Agreement. A Recipient of federal assistance through a Cooperative Agreement must use the DELPHI eInvoicing System to obtain federal payments for costs incurred that implement the Underlying Agreement, unless a waiver is granted.

(1) Standard Procedures. To make and receive payments through the DELPHI eInvoicing System, the following procedures must be followed:

(a) Access to the DELPHI eInvoicing System. To access the DELPHI eInvoicing System, the Recipient:

1 Must have internet access to register and submit payment requests through the DELPHI eInvoicing System,

2 Should contact its FTA Manager for the Underlying Agreement to obtain the required DELPHI User access form and approval,

3 Must complete the required forms that the FAA, Enterprise Service Center's (ESC) Help Desk uses to verify the Recipient's identity, and present it to a Notary Public for verification,

4 Return that form, completed and notarized, to:
DOT Enterprise Services Center
FAA Accounts Payable, AMZ-100
PO Box 25710
Oklahoma City, OK 73125,
and,

5 Should contact its FTA Manager for the Underlying Agreement with any changes to its system profile information.

(b) Payment Requests. The Recipient must submit each payment request electronically through the DELPHI eInvoicing System, unless a waiver is granted; use of the DELPHI eInvoicing System requires the FTA Manager for the Underlying Agreement to review all supporting documentation before authorizing payment.

(c) Additional Information. The U.S. DOT DELPHI elnvoicing System website (http://www.dot.gov/cfo/delphi-einvoicing-system.html) displays additional information, including access forms and training materials a Recipient may need.

(d) Federal Responsibilities. When FTA so requests, the Federal Aviation Administration (FAA) will make payments to FTA Recipients electronically. On behalf of FTA, FAA/ESC must process payment requests to a Recipient of federal assistance documented in its Cooperative Agreement with FTA, and will deposit that federal assistance with the Recipient's financial institution (Note: FTA no longer issues paper checks).

(2) Waiver Requests. On a case-by-case basis, U.S. DOT Financial Management officials may waive the requirement for a Recipient to register and use the DELPHI eInvoicing System.

(a) The Recipient's Responsibilities. If the Recipient seeks a waiver from the requirement to use the DELPHI eInvoicing System:

1 It must notify U.S. DOT and FTA by downloading the waiver request form, which can be obtained on the U.S. DOT elnvoicing website (http://www.dot.gov/cfo/delphi-einvoicing-system.html), and notifying its FTA Manager for the Underlying Agreement that it has requested a waiver from using the DELPHI eInvoicing System,

2 It must send its waiver request to the Director of the Office of Financial Management, U.S. Department of Transportation, Office of the Secretary (OST), Office of Financial Management, B-30, 1200 New Jersey Avenue SE, Washington DC 20590-0001, DOTElectroniclnvoicing@dot.gov, and

3 If it obtains a waiver from the use of the DELPHI eInvoicing System, then payment will be made using the DELPHI Mark View System, and the Recipient should submit all invoices and any supporting documentation directly to:

a FTAinvoices@faa.gov (Note: no more than 10 MB of data can be transmitted at one time. For invoices greater than 10MB, split into multiple emails and notate in the subject Email 1 of 4; 2 of 4; *etc.*), or

b DOT/FAA (FTA Account)
6500 South MacArthur Blvd.
AMZ-150, HQ Room 272
PO Box 269041
Oklahoma City, OK 73125-69041

(b) Federal Responsibilities. FTA and U.S. DOT have the following responsibilities:

1 The Director, OST, Office of Financial Management, will confirm or deny the waiver request within approximately 30 days.

2 If the request is granted, then payments will be made after receipt of the required FTA reporting forms, provided the Recipient has complied with the U.S. DOT Common Rules and this Master Agreement.

(c) DELPHI eInvoicing System or DELPHI Mark View System. If the Recipient receives payments provided through the DELPHI eInvoicing System or DELPHI Mark View System, the Recipient must submit a request for payment with adequate supporting documentation for FTA to determine that:

1 It has complied and is complying with the Underlying Agreement,

2 It has made and is making adequate progress toward completion of the Award, and

3 It has satisfied FTA that the federal assistance requested is needed for the eligible purposes of the Award in that requisition period.

(d) Reimbursement. After it has demonstrated satisfactory compliance with this section, FTA may reimburse the federal share of the Recipient's apparent allowable costs incurred or to be incurred in the requisition period if those apparent allowable costs are consistent with the Award Budget, and those apparent allowable costs do not exceed the maximum amount of federal assistance that may be paid through the federal fiscal year of that requisition.

h. Safeguarding Federal Assistance. The Recipient agrees to deposit all federal assistance it receives in a financial institution and in an insured account whenever possible, and understands that FTA encourages it to use financial institutions owned at least fifty (50) percent by minority group members.

i. The Recipient's Duty to Pay Eligible Costs. When accompanied by appropriate documentation, the Recipient agrees to pay the eligible costs incurred that implement the Award when due, using federal assistance available provided for the Award and the non-federal share.

j. Effect of Federal Payments. The Recipient agrees that any federal payment made for a cost incurred that is supported by its Underlying Agreement does not constitute the Federal Government's final decision about the eligibility of the cost for payment with federal assistance provided through the Underlying Agreement, or a waiver of any violation of any federal law, regulation, requirement, or guidance, or the Underlying Agreement or this Master Agreement.

k. Revocation of Federal Assistance. The Federal Government may revoke the unexpended portion of federal assistance for the Award after the Award has been made and executed.

l. Final Cost Determination. The Recipient acknowledges that the Federal Government will not make a final determination about the eligibility of any cost until the audit of the Award and Underlying Agreement has been completed.

m. Closeout. The Recipient agrees that closeout of the Award will not alter:

(1) The Recipient's obligation to return any amounts it owes the Federal Government for later refunds, corrections, or other similar actions, and

(2) The Federal Government's right to disallow costs and recover federal assistance based on a later audit or other review.

n. Notification. If the Federal Government determines that the Recipient is not entitled to any portion of federal assistance paid, the Federal Government will notify the Recipient in writing.

o. Recovery of Improper Payments. Unless prohibited by federal law or regulation, the Federal Government may recover any federal assistance necessary to satisfy any outstanding monetary claims it may have against the Recipient.

p. Program Income. The Recipient agrees that it may use its program income derived from a Project receiving federal assistance through the Underlying Agreement as FTA permits. In determining the total amount of program income a Recipient has earned from its Project, those costs incident to earning program income that have not been charged to the Award may be deducted from the Recipient's gross income.

(1) During the Period of Performance. The Recipient may use program income earned during the period of performance of the Underlying Agreement as follows:

(a) The Recipient may retain the income for other capital or operating public transportation expenses. If the Recipient chooses not to use program income for current or future FTA Grants or Cooperative Agreements or for other purposes ineligible for federal participation, then the amount of program income used for purposes ineligible for federal participation will be deducted from the total allowable costs to determine the net allowable costs.

(b) For each Public Transportation Innovation, Technical Assistance or Workforce Development Project or related activities, the Recipient may add to the Award.

(c) The Recipient may use the program income for the non-federal share for a future public transportation Project that will receive federal assistance provided by FTA.

(2) After the Award Period. Except as otherwise determined in writing, the Recipient has no obligation to the Federal Government regarding the disposition of program income earned after the end of the period of performance of the Award (*i.e.*, after the ending date of the final Federal Financial Report).

q. Profits. The Recipient and Subrecipient may earn or keep the profits it may derive as a result of an Award, but the Recipient agrees that any such profits must be used in a manner consistent with the provisions of this Master Agreement or applicable federal guidance.

r. Excess Payments, Disallowed Costs, Refunds, Claims, Debts, Interest, Penalties, Administrative Charges, and Other Amounts Owed to the Federal Government.

(1) The Recipient's Responsibility to Pay. The Recipient agrees that after receiving notice of specific amounts due, it will pay the amount it owes the Federal Government for:

(a) Excess federal payments for disallowed costs,

(b) Refunds due and amounts recovered from third parties or other sources,

(c) Federal claims or debts,

(d) Interest assessed,

(e) Penalties,

(f) Administrative charges, or

(g) Other amounts it owes the Federal Government.

(2) Amount of Interest Due. The amount of interest to be assessed depends on the procedures used to pursue payment:

(a) The Debt Collection Act. When the Federal Government uses the procedures of the Debt Collection Act of 1982, as amended, 31 U.S.C. § 3701 *et seq.*, to collect claims or debts owed by the Recipient for any reason authorized under that Act (including excess payments and disallowed costs), the Recipient agrees that the amount of interest it will owe will be determined by the Joint U.S. Treasury and U.S. DOJ regulations, "Standards for the Administrative Collection of Claims," 31 C.F.R. part 900, specifically 31 C.F.R. § 901.9(a) – (g), or common law interest authorized by 31 C.F.R. § 901.9(i), as the Federal Government determines.

(b) Other Collection Processes. When the Federal Government uses methods or procedures other than those described in 31 U.S.C. § 3701 *et seq*. to recover money(ies) the Recipient owes the Federal Government, the Recipient agrees that common law interest will be due as authorized by Joint U.S. Treasury and U.S. DOJ regulations, "Standards for the Administrative Collection of Claims," 31 C.F.R. § 901.9(i), but interest for premature withdrawals of federal assistance by states or state instrumentalities will be calculated as required under Section 5(b) of the Cash Management Improvement Act of 1990, as amended, 31 U.S.C. § 6503(b), and U.S. Treasury regulations, "Rules and Procedures for Efficient Federal-State Funds Transfers," 31 C.F.R. part 205.

s. De-obligation of Federal Assistance. The Recipient agrees that the Federal Government may de-obligate federal assistance the Recipient has not spent both before and after closeout of the Award.

Section 8. Records and Reports Related to the Award and the Underlying Agreement.

a. Records. The Recipient agrees to maintain satisfactory records of each Project and activities related in whole or in part to its Award, the accompanying Underlying Agreement, and any Amendments thereto to the extent FTA requires, including, but not limited to:

(1) Financial Records. Accurate financial records in its account for its Award, the accompanying Underlying Agreement, and any Amendments thereto, including, but not limited to, records of:

(a) Assets Received that Implement the Award. The amount of all assets it receives to implement its Award, the accompanying Underlying Agreement, and any Amendments thereto including, but not limited to all federal assistance or the value of any property the Federal Government provides that implement its Award, the accompanying Underlying Agreement, and any Amendments thereto, and all other funds and the value of any property or services it has received from sources other than the Federal Government provided for, accruing to, or otherwise received on account of its Award, the accompanying Underlying Agreement, and any Amendments thereto.

(b) Costs Incurred that Implement the Award. Information about the costs incurred to implement its Award, the accompanying Underlying Agreement, and any Amendments thereto, including all costs incurred for the eligible property or services, detailed descriptions of the type of property or services acquired, including, but not limited, to properly executed payrolls, time records, invoices, contracts, vouchers, and other appropriate records, and detailed justifications for those costs.

(c) Program Income. All program income derived from the use of Project property, except income FTA determines to be exempt from federal program income record requirements.

(2) Other Records Needed for Reports Related to the Award. Sufficient records as needed to prepare adequate reports related to the Award that it must submit to the Federal Government.

(3) Formats. Formats for records must be satisfactory to FTA and include, but are not limited to, electronic records, including any e-mails related to the Award, records on paper, and records created in other formats.

(4) Availability of Records Related to the Award. Accessibility for review and separation from other records not related to the Award to the extent feasible must be maintained.

b. Reports. The Recipient agrees to provide to FTA, and others if FTA so directs, all reports related in whole or in part required by applicable federal laws, regulations, requirements, the Underlying Agreement, or at FTA's express direction in the number and format as FTA specifies.

c. National Transit Database. For each fiscal year the Recipient receives or provides to any public transportation operator federal assistance appropriated or made available for 49 U.S.C. § 5307 or any provision of 49 U.S.C. § 5311(including the Tribal Transit Program):

(1) Reporting Requirements. The Recipient agrees to and assures that it will require the public transportation operators participating in its Award, the accompanying Underlying Agreement, and any Amendments thereto:

(a) To facilitate compliance with 49 U.S.C. § 5335(a), which authorizes the National Transit Database (NTD),

(b) To conform to the NTD reporting system and the Uniform System of Accounts and Records,

(c) To comply with FTA regulations, "Uniform System of Accounts and Records and Reporting System," 49 C.F.R. part 630,

(d) To report information relating to, and the condition of, its public transportation assets, as provided in FTA regulations, "Transit Asset Management; National Transit Database," 49 C.F.R. parts 625 and 630,

(e) To comply with any other applicable reporting regulations, and requirements, and

(f) To follow FTA guidance.

(2) Voluntary Compliance. FTA encourages any Recipient that is not required to provide information for the NTD, to provide that information voluntarily.

d. U.S. OMB Special Reporting Requirements.

(1) Authority. U.S. OMB has issued regulatory guidance in 2 C.F.R. § 25.220 instructing federal agencies to include special "award terms" as authorized under federal laws, including:

(a) The Federal Funding Accountability and Transparency Act of 2006 (FFATA), Public Law No. 109-282, September 26, 2006,

(b) Section 6202 of the Department of Defense Appropriations Act for Fiscal Year 2008, Public Law No. 110-252, June 30, 2008, which amended the FFATA, and

(c) Section 872 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009, Public Law No. 110-417, October 14, 2008, which further amended the FFATA.

(2) Universal Identifier and System for Award Management (SAM). The Recipient agrees to comply with the award terms in U.S. OMB regulatory guidance, "Universal Identifier and System for Award Management (SAM)," 2 C.F.R. part 25, appendix A, which FTA has included in this Master Agreement at the direction of U.S. OMB:

(a) Requirements for the System for Award Management (SAM). Unless exempted from SAM as provided in 2 C.F.R. § 25.110, the Recipient agrees to:

1 Maintain the currency of its information in SAM until the later of the date it submits its final financial report required under this Master Agreement, or date it receives its final federal payment for the Underlying Agreement, and

2 Review and update its information in SAM at least annually after the initial registration, and more frequently if required by changes in its information, another provision of an applicable federal or federally assisted agreement, or an applicable federal law or regulation, or U.S. OMB regulatory guidance.

(b) Requirement for a Unique Entity Identifier [Currently, the Data Universal Numbering System (DUNS) Number for SAM]. If the Award includes federal assistance intended to support subawards, the Recipient agrees to notify each potential Subrecipient and other entity participating in the Award that:

1 The potential Subrecipient or entity must provide its unique entity identifier for SAM [*currently, its DUNS number*] to the Recipient,

2 The Recipient may not make any subaward to any potential Subrecipient or entity unless that Subrecipient or entity has provided its unique entity identifier for SAM [*currently, its DUNS number*] to the Recipient, and

3 No Subrecipient or entity, as defined below in section 8.d(4) of this Master Agreement, may receive a subaward provided through the Underlying Agreement, unless that entity has provided its unique entity identifier for SAM [*currently, its DUNS number*] to the Recipient.

(3) Reporting Subawards and Executive Compensation. The Recipient agrees to comply with the award terms in U.S. OMB regulatory guidance, "Reporting Subaward and Executive Compensation Information," 2 C.F.R. part 170, appendix A, which FTA has included in this Master Agreement at the direction of U.S. OMB:

(4) Reporting of First-Tier Subawards. The Recipient agrees that when it takes an action that obligates $25,000 or more in federal assistance for a subaward it must report each such action as provided below, but it need not report an obligation of $25,000 or more in federal assistance, if the Recipient is exempt from U.S. OMB's Special Reporting Requirements as provided below.

(a) Where and when to report. The Recipient agrees to report each obligating action described below to http://www.fsrs.gov, and the Recipient agrees to report subaward information no later than the end of the month after the month in which the obligation was made, *(for example, if the obligation was made on October 1, 2015, the obligation must be reported by no later than November 1, 2015).*

(b) What to report. The Recipient agrees to report the requisite information about each obligating action required by the submission instructions posted at http://www.usaspending.gov.

(c) Reporting Total Compensation of the Recipient's Executives. The Recipient agrees to report the total compensation for each of its five highest compensated executives for the preceding completed fiscal year if:

1 The total federal assistance authorized to date for the Underlying Agreement is $25,000 or more, and

2 In its preceding fiscal year, the Recipient:

a Received 80 percent or more of its annual gross revenues from federal assistance subject to the Transparency Act, as defined in 2 C.F.R. § 170.320 (and subawards) and/or federal procurement contracts (and subcontracts),

b Received $25,000,000 or more in annual gross revenues from federal assistance subject to the Transparency Act, as defined in 2 C.F.R. § 170.320 (and subawards) and/or federal procurement contracts (and subcontracts), and

c The public does not have access to information about the compensation of the Recipient's executives through periodic reports filed under Section 13(a) of the Securities Exchange Act of 1934, 15 U.S.C. § 78m(a), Section 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. § 78o(d), or Section 6104 of the Internal Revenue Code of 1986, 26 U.S.C. § 6104 *(to determine if the public has access to the compensation information, see the U.S. Securities and Exchange Commission total compensation filings at http://www.sec.gov/answers/execomp.htm).*

3 The Recipient agrees to report executive total compensation described above as part of Recipient's registration profile at http://www.sam.gov, and by the end of the month after the month in which the Underlying Agreement is executed and annually thereafter.

4 Reporting of Total Compensation of the Subrecipient's Executives. Unless exempt as provided below, the Recipient agrees to report the names and total compensation of each of its first-tier Subrecipient's five highest compensated executives for the Subrecipient's preceding completed fiscal year if:

a Received 80 percent or more of its annual gross revenues from federal assistance subject to the Transparency Act, as defined in 2 C.F.R. § 170.320 (and subawards) and/or federal procurement contracts (and subcontracts), and

b Received $25,000,000 or more in annual gross revenues from federal assistance subject to the Transparency Act as defined in 2 C.F.R. § 170.320 (and subawards) and/or federal procurement contracts (and subcontracts),

c The public does not have access to information about the compensation of the Subrecipient's executives through periodic reports filed under Section 13(a) of the Securities Exchange Act of 1934, 15 U.S.C. § 78m(a), Section 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. § 78o(d), or Section 6104 of the Internal Revenue Code of 1986, 26 U.S.C. § 6104 (to determine if the public has access to the compensation information, see the U.S. Securities and Exchange Commission total compensation filings at http://www.sec.gov/answers/execino,htm).

5 The Recipient agrees to report the Subrecipient's executives' total compensation described above to FTA and elsewhere as may be determined by the Federal Government, and by the end of the month following the month during which the Recipient makes the subaward *(for example, if a subaward is obligated on any date during the month of October of a given year, i.e., between October 1 and 31, the Recipient must report any required compensation information about the Subrecipient by November 30 of that year).*

6 Any Recipient that had gross income under $300,000 from all sources in the previous tax year is exempt from those federal requirements to report subawards, and the total compensation of the five highest compensated executives of any Subrecipient.

(5) Other Prospective U.S. OMB Reporting Guidance. U.S. OMB proposed regulatory guidance, "Recipient Integrity and Performance Matters," to be published in 2 C.F.R. part 35, contains a mandatory "award term" that would affect the Recipient's reporting requirements *(for more information, see 17 C.F.R. § 229.402(c)(2)*.

e. Closeout. The Recipient agrees that closeout of its Award does not alter the record-keeping and reporting requirements of this section of this Master Agreement.

Section 9. Record Retention and Access to Sites of Performance.

a. Types of Records. The Recipient agrees that it will retain, and will require its Third Party Participants to retain, complete and readily accessible records related in whole or in part to the Underlying Agreement, including, but not limited to, data, documents, reports, statistics, subagreements, leases, third party contracts, arrangements, other third party agreements of any type, and supporting materials related to those records.

b. Retention Period. The Recipient agrees that it will comply with the record retention requirements in the applicable U.S. DOT Common Rule. Records pertaining to its Award, the accompanying Underlying Agreement, and any Amendments thereto must be retained from the day the Underlying Agreement was signed by the authorized FTA official through the course of the Award, the accompanying Underlying Agreement, and any Amendments thereto until three years after the Recipient has submitted its last or final expenditure report, and other pending matters are closed.

c. Access to Recipient and Third Party Participant Records. The Recipient agrees and assures that each Subrecipient, if any, will agree to:

(1) Provide, and require its Third Party Participants at each tier to provide, sufficient access to inspect and audit records and information related to its Award, the accompanying Underlying Agreement, and any Amendments thereto to the U.S. Secretary of Transportation or the Secretary's duly authorized representatives, to the Comptroller General of the United States, and the Comptroller General's duly authorized representatives, and to the Recipient and each of its Subrecipients,

(2) Permit those individuals listed above to inspect all work and materials related to its Award, and to audit any information related to its Award under the control of the

Recipient or Third Party Participant within books, records, accounts, or other locations, and

(3) Otherwise comply with 49 U.S.C. § 5325(g), and federal access to records requirements as set forth in the applicable U.S. DOT Common Rules.

d. Access to the Sites of Performance. The Recipient agrees to permit, and to require its Third Party Participants to permit, FTA to have access to the sites of performance of its Award, the accompanying Underlying Agreement, and any Amendments thereto, and to make site visits as needed in compliance with the U.S. DOT Common Rules.

e. Closeout. Closeout of the Award does not alter the record retention or access requirements of this section of this Master Agreement.

Section 10. Completion, Audit, Settlement, and Closeout.

a. Completion. Within ninety (90) calendar days after completion or termination of the Award, the Recipient agrees to submit:
   (1) Its final Federal Financial Report, either electronically or on Federal Financial Report Standard Form 425 (SF-425),
   (2) A certification of expenses incurred that implement its Award, the accompanying Underlying Agreement, and any Amendments thereto, and
   (3) The necessary audit reports of its Award, the accompanying Underlying Agreement, and any Amendments thereto.

b. Audit of the Recipient. Except as the Federal Government determines otherwise in writing, the Recipient agrees that:
   (1) Audits Required. It must obtain the following audits:
      (a) Annual "Single Audit." A financial and compliance audit consistent with the requirements of the Single Audit Act Amendments of 1996, 31 U.S.C. § 7501 *et seq*., and applicable U.S. DOT "Single Audit" requirements of 2 C.F.R. part 1201, which incorporate by reference 2 C.F.R. part 200, for each Award, the accompanying Underlying Agreement, and any Amendments to any Underlying Agreement, and
      (b) Other Audits. Other audits the Federal Government may require.
   (2) Auditing Standards. It must comply with the "Audit Requirements" of 2 C.F.R. part 200, subpart F, and conform to U.S. Government Accountability Office (U.S. GAO) "Government Auditing Standards" in the conduct of audits of its Award, the accompanying Underlying Agreement, and any Amendments thereto.
   (3) Costs of Audits. The audit costs for the administration and management of the Award, the accompanying Underlying Agreement, and any Amendments to any Underlying Agreement are allowable to the extent authorized by the cost principles of 49 C.F.R. part 1201, which incorporate by reference 2 C.F.R. part 200.

c. Amounts Owed to the Federal Government. The Recipient agrees to return to the Federal Government any excess federal payments it receives for disallowed costs, and the Federal Government's proportionate part of any amounts it recovers from third parties or other sources, including refunds due and amounts recovered from third parties or other sources, interest assessed, penalties, and administrative charges.

d. Closeout. The Recipient agrees that closeout of the Award occurs when FTA notifies the Recipient that the Award is closed, and approves the final federal payment, or acknowledges receipt of the proper refund. Closeout of the Award does not alter the Recipient's audit responsibilities and does not invalidate any continuing requirements of applicable federal law, regulations, or requirements, this Master Agreement or the Underlying Agreement.

Section 11. Right of the Federal Government to Terminate.

a. Justification. After providing written notice to the Recipient, the Recipient agrees that the Federal Government may suspend, suspend then terminate, or terminate all or any part of the federal assistance for the Award if:
   (1) The Recipient has failed to make reasonable progress implementing the Award,
   (2) The Federal Government determines that continuing to provide federal assistance to support the Award does not adequately serve the purposes of the law authorizing the Award, or
   (3) The Recipient has violated the terms of the Underlying Agreement, especially if that violation would endanger substantial performance of the Underlying Agreement.

b. Financial Implications. In general, termination of federal assistance for the Award will not invalidate obligations properly incurred before the termination date to the extent that the obligations cannot be canceled. The Federal Government may recover the federal assistance it has provided for the Award, including the federal assistance for obligations properly incurred before the termination date if it determines that the Recipient has misused its federal assistance by failing to make adequate progress, failing to make appropriate use of the Project property, or failing to comply with the Underlying Agreement, and require the Recipient to refund the entire amount or a lesser amount, as the Federal Government may determine including obligations properly incurred before the termination date.

c. Expiration of the Period of Performance. Except for a Full Funding Grant Agreement, expiration of any period of performance established for the Award does not, by itself, constitute an expiration or termination of the Award; FTA may extend the period of performance to assure that each Formula Project or related activities and each Project or related activities funded with "no year" funds can receive FTA assistance to the extent FTA deems appropriate.

Section 12. Civil Rights.

a. Civil Rights Requirements. The Recipient agrees that it must comply with applicable federal civil rights laws, regulations, and requirements, 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 on the basis of race, color, religion, national origin, sex (including gender identity), 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 identified in 49 U.S.C. § 5332, including discrimination in employment or a business opportunity identified in.
   (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 on the basis of 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 of this Master Agreement,

(d) FTA Circular 4704.1 "Equal Employment Opportunity (EEO) Requirements and Guidelines for Federal Transit Administration Recipients," and

(e) Follow other federal guidance pertaining to EEO 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. 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, as provided in Executive Order No. 11246 and by any later Executive Order that amends or supersedes it, and as specified by U.S. Department of Labor regulations,

(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, regulations, or requirements, 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 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 that is approved by FTA and meets the requirements of 49 C.F.R. part 26.

(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 management system. The Recipient must also submit additional notifications if options are exercised in subsequent years to ensure that 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 12.e(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 and guidance, 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,

(j) FTA regulations, "Transportation for Elderly and Handicapped Persons," 49 C.F.R. part 609,

(k) FTA Circular 4710.1, "Americans with Disabilities Act: Guidance," and

(l) Other applicable federal civil rights and nondiscrimination regulations and 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.

Section 13. Planning.

a. Standard Planning Provisions. The Recipient agrees to the following:
   (1) Planning Requirements and Guidance. To assure that its Underlying Agreement is consistent with the Planning requirements that apply, the Recipient agrees to:
      (a) Comply with the Metropolitan planning requirements of 49 U.S.C. § 5303, and joint FHWA and FTA regulations, "Planning and Assistance Standards" (for Metropolitan Transportation Planning and Programming), 23 C.F.R. part 450 and 49 C.F.R. part 613, to the extent those regulations are consistent with the metropolitan planning requirements of 49 U.S.C. § 5303,
      (b) Comply with the statewide and nonmetropolitan planning requirements of 49 U.S.C. § 5304, and joint FHWA and FTA regulations, "Planning and Assistance Standards" (for statewide transportation planning and programming), 23 C.F.R. part 450 and 49 C.F.R. part 613, to the extent those regulations are consistent with the state planning requirements of 49 U.S.C. § 5304, and
      (c) Follow any guidance FTA issues to implement requirements of 49 U.S.C. §§ 5303 and 5304.
   (2) Participation of State or Local Governmental and Private Nonprofit Providers of Nonemergency Transportation. The Recipient agrees to comply with 49 U.S.C. § 5323(k) by assuring that it will, as feasible:
      (a) Provide the opportunity to participate and coordinate with the Recipient in the design and the delivery of federally assisted transportation services, and be included in planning for the Recipient's federally assisted transportation services, and
      (b) Make that opportunity available to federally-assisted state or local governmental agencies and nonprofit organizations that receive federal assistance for nonemergency transportation, but do not receive federal assistance for nonemergency transportation from U.S. DOT.

Attachment: FTA Master Agreement (1673 : FTA Master Agreement and FY2018 Certifications and Assurances)

b. Tribal Transit Program Planning Provisions. The Indian Tribe agrees that:
   (1) Planning Requirements. The federal assistance it receives for its Tribal Transit Program will be consistent with its documents, including any formal plan provided to FTA in support of the development and basis of its Award of federal assistance under the Tribal Transit Program, and are or will be coordinated with transportation service funded by other federal sources to the maximum extent feasible.
   (2) Participation of State or Local Governmental and Private Nonprofit Providers of Nonemergency Transportation. The Recipient agrees to comply with 49 U.S.C. § 5323(k) by assuring that it will, as feasible:
      (a) Provide the opportunity to participate and coordinate with the Recipient in the design and the delivery of federally assisted transportation services, and be included in planning for the Recipient's federally assisted transportation services, and
      (b) Make that opportunity available to federally-assisted state or local governmental agencies and nonprofit organizations that receive federal assistance for nonemergency transportation, but do not receive federal assistance for nonemergency transportation from U.S. DOT.

Section 14. Private Enterprise.

a. Protections. The Recipient agrees to protect the interests of private enterprise affected by federal public transportation programs by:
   (1) Encouraging private enterprise to participate in the planning of public transportation and programs that provide public transportation, to the extent permitted under 49 U.S.C. § 5306, and
   (2) Providing just compensation for the Project property it acquires, including the franchises of private providers of public transportation, as required under 49 U.S.C. § 5323(a)(1)(C).

b. Infrastructure Investment. The Recipient agrees to follow the infrastructure investment recommendations of:
   (1) Executive Order No. 12803, "Infrastructure Privatization," April 30, 1992, 31 U.S.C. § 501 note, and
   (2) Executive Order No. 12893, "Principles for Federal Infrastructure Investments," January 26, 1994, 31 U.S.C. § 501 note.

c. Joint Development. If joint development is involved, the Recipient agrees to follow the latest edition of FTA Circular 7050.1, "Federal Transit Administration Guidance on Joint Development."

Section 15. Preference for United States Products and Services.

Except as the Federal Government determines otherwise in writing, the Recipient agrees to comply with FTA's U.S. domestic preference requirements and follow federal guidance, including:

a. Buy America. The domestic preference procurement requirements of 49 U.S.C. § 5323(j), and FTA regulations, "Buy America Requirements," 49 C.F.R. part 661, to the extent consistent with 49 U.S.C. § 5323(j),

b. Cargo Preference. Preference – Use of United States-Flag Vessels. The shipping requirements of 46 U.S.C. § 55305, and U.S. Maritime Administration regulations, "Cargo Preference – U.S.-Flag Vessels," 46 C.F.R. part 381, and

c. Fly America. The air transportation requirements of Section 5 of the International Air Transportation Fair Competitive Practices Act of 1974, as amended, 49 U.S.C. § 40118, and U.S. General Services Administration (U.S. GSA) regulations, "Use of United States Flag Air Carriers," 41 C.F.R. §§ 301-10.131 – 301-10.143.

Section 16. Procurement.

a. Federal Laws, Regulations, Requirements, and Guidance. The Recipient agrees:
   (1) To comply with the requirements of 49 U.S.C. chapter 53 and other applicable federal laws, regulations, and requirements in effect now or later that affect its third party procurements,
   (2) To comply with the applicable U.S. DOT Common Rules, and
   (3) To follow the most recent edition and any revisions of FTA Circular 4220.1, "Third Party Contracting Guidance," to the extent consistent with applicable federal laws, regulations, requirements, and guidance.

b. Full and Open Competition. The Recipient agrees to conduct all of its third party procurements using full and open competition as provided in 49 U.S.C. § 5325(a), and as determined by FTA.

c. Exclusionary or Discriminatory Specifications. The Recipient agrees that it will not use any federal assistance under 49 U.S.C. chapter 53 for any procurement based on exclusionary or discriminatory specifications, as provided in 49 U.S.C. § 5325(h), unless authorized by other applicable federal laws, regulations, or requirements.

d. Required Clauses in Third Party Contracts. In addition to other applicable provisions of federal law, regulations, requirements, and guidance, all third party contracts made by the Recipient under the Federal award must contain provisions covering the following, as applicable:
   (1) Contracts for more than the simplified acquisition threshold currently set at $150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. § 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
   (2) All contracts in excess of $10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

(3) Equal Employment Opportunity. Except as otherwise provided under 41 C.F.R. part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 C.F.R. part 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. § 60-1.4(b), in accordance with Executive Order No. 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. part 1964-1965 Comp., p. 339), as amended by Executive Order No. 11375, "Amending Executive Order No. 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

(4) Davis-Bacon Act, as amended (40 U.S.C. §§ 3141 – 3148). When required by Federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. §§ 3141 - 3144, and 3146 – 3148) as supplemented by Department of Labor regulations (29 C.F.R. part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(5) Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 3701 – 3708). Where applicable, all contracts awarded by the non-Federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. part 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(6) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 C.F.R. part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

(7) Clean Air Act (42 U.S.C. §§ 7401 – 7671q.) and the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 – 1387), as amended—Contracts and subgrants of amounts in excess of $150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. §§ 7401 – 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. §§ 1251 – 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(8) Debarment and Suspension (Executive Orders Nos. 12549 and 12689)—A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. § 180 that implement Executive Orders Nos. 12549 (3 C F R part 1986 Comp., p. 189) and 12689 (3 C.F.R. part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order No. 12549.

(9) Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352)—Contractors that apply or bid for an award exceeding $100,000 must file the required certification. 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 must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

(10) A Recipient that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and

establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

e. Geographic Restrictions. The Recipient agrees that it will not use any state or local geographic preference, except as permitted by federal law, regulation, requirement, or guidance.

f. In-State Bus Dealer Restrictions. The Recipient agrees that any state law requiring buses to be purchased through in-state dealers will not apply to purchases of vehicles supported with federal assistance appropriated or made available for 49 U.S.C. chapter 53, as provided in 49 U.S.C. § 5325(i).

g. Organizational Conflict of Interest. The Recipient agrees that it will not enter into a procurement that involves a real or apparent organizational conflict of interest.

h. Project Labor Agreements. As a condition of third party contract award, the Recipient may require the Third Party Contractor or Subcontractor to have an affiliation with a labor organization, such as a Project Labor Agreement, consistent with Executive Order No. 13502, "Use of Project Labor Agreements for Federal Construction Projects," February 6, 2009, 41 U.S.C. chapter 39, Refs. & Annos.

i. Force Account. The Recipient agrees that FTA may determine the extent to which federal assistance may be used to participate in force account costs.

j. FTA Technical Review. The Recipient agrees that FTA may review and approve the Recipient's technical specifications and requirements to the extent FTA believes necessary to ensure proper administration of the Underlying Agreement.

k. Relationship of the Award to Third Party Contract Approval. The Recipient agrees that the terms of the Underlying Agreement do not, by themselves, constitute approval of any non-competitive third party contract associated with the Award, unless FTA indicates otherwise in writing.

l. National Intelligent Transportation Systems Architecture and Standards. The Recipient agrees to conform to the National Intelligent Transportation Systems (ITS) Architecture requirements of 23 U.S.C. § 517(d), unless it obtains an exemption from those requirements, and follow FTA Notice, "FTA National ITS Architecture Policy on Transit Projects," 66 *Fed. Reg.* 1455, January 8, 2001, and all other applicable federal guidance.

m. Rolling Stock. The Recipient agrees that any procurement for rolling stock will comply with 49 U.S.C. § 5325 (Contract Requirements), 49 U.S.C. § 5323(j) (Buy America Requirements), 49 U.S.C. § 5323(m) (Pre-Award and Post Delivery Requirements), and 49 U.S.C. § 5318(e) (Bus Testing Requirements), and their implementing regulations.

n. Bonding. The Recipient agrees to comply with the following bonding requirements and restrictions as provided in federal regulations and guidance:

(1) Construction. As provided in federal regulations and modified by FTA guidance, for each Project or related activities implementing the Underlying Agreement that involve construction, it will provide bid guarantee bonds, contract performance bonds, and payment bonds.

(2) Activities Not Involving Construction. For each Project or related activities implementing the Underlying Agreement not involving construction, the Recipient will not impose excessive bonding and will follow FTA guidance.

o. Architectural Engineering and Related Services. When procuring architectural engineering or related services supported with federal assistance appropriated or made available for 49 U.S.C. chapter 53 or provided in any other law requiring the Award to be administered under 49 U.S.C. chapter 53, the Recipient agrees that it will comply and assures that each of its Subrecipients will comply with 49 U.S.C. § 5325(b).

p. Design-Build Projects. As provided in 49 U.S.C. § 5325(d), the Recipient may use a design-build procurement to carry out its Design-Build Project, provided that it complies with applicable federal laws, regulations, and requirements, and follows federal guidance.

q. Award to Other than the Lowest Bidder. As permitted under 49 U.S.C. § 5325(c), the Recipient may award a third party contract to other than the lowest bidder, if that award furthers an objective (for example, improved long-term operating efficiency and lower long-term costs) consistent with the purposes of 49 U.S.C. chapter 53 and any implementing federal regulations, requirements, or guidance that FTA may issue.

r. Award to Responsible Third Party Contractors. The Recipient agrees that it will award third party contracts only to contractors able to carry out the procurement successfully, as provided in 49 U.S.C. § 5325(j), and before awarding a third party contract, it will consider the proposed contractor's integrity, compliance with public policy, past performance, and financial and technical resources.

s. Access to Third Party Contract Records. The Recipient agrees to require, and assures that each of its Subrecipients will require, its Third Party Contractors at each tier to provide:

(1) The U.S. Secretary of Transportation and the Comptroller General of the United States, the state, or their duly authorized representatives, access to all third party contract records (at any tier) as required under 49 U.S.C. § 5325(g), and

(2) Sufficient access to all third party contract records (at any tier) as needed for compliance with applicable federal laws, regulations, and requirements or to assure proper management of Underlying Agreement as determined by FTA.

t. Electronic and Information Technology. The Recipient agrees that reports or information it provides to or on behalf of the Federal Government will use electronic or information technology that complies with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794d, and U.S. ATBCB regulations, "Electronic and Information Technology Accessibility Standards," 36 C.F.R. part 1194.

u. Veterans Preference. As provided in 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.

v. Acquisition by Lease. The Recipient agrees that if it intends to acquire Project property through a lease it will comply, as applicable, with 49 U.S.C. chapter 53 and section 3019 of the FAST Act, and FTA regulations, "Capital Leases," 49 C.F.R. part 639 to the extent those regulations are consistent with federal laws.

Section 17. Patent Rights.

a. General. The Recipient agrees that:
   (1) Depending on the nature of the Underlying Agreement, the Federal Government may acquire patent rights when the Recipient or Third Party Participant produces a patented or patentable invention, improvement, or discovery,
   (2) The Federal Government's rights arise when the patent or patentable information is conceived or reduced to practice with federal assistance provided through the Underlying Agreement, or
   (3) When a patent is issued or patented information becomes available as described in the preceding section 17.a(2) of this Master Agreement, the Recipient will notify FTA immediately, and provide a detailed report satisfactory to FTA.

b. Federal Rights. The Recipient agrees that:
   (1) Its rights and responsibilities, and each Third Party Participant's rights and responsibilities, in that federally assisted invention, improvement, or discovery will be determined as provided in applicable federal laws, regulations, requirements, and guidance, including any waiver thereof, and
   (2) Unless the Federal Government determines otherwise in writing, irrespective of its status or the status of any Third Party Participant as a large business, small business, state government, state instrumentality, local government, Indian tribe, nonprofit organization, institution of higher education, or individual, the Recipient will transmit the Federal Government's patent rights to FTA, as specified in 35 U.S.C. § 200 *et seq*., and 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.

c. License Fees and Royalties. Consistent with the applicable U.S. DOT Common Rules, the Recipient agrees that license fees and royalties for patents, patent applications, and inventions produced with federal assistance provided through the Underlying Agreement are program income, and must be used in compliance with applicable federal requirements.

Section 18. Rights in Data and Copyrights.

a. Definition of "Subject Data." As used in this section, "subject data" means recorded information whether or not copyrighted, and that is delivered or specified to be delivered as required by the Underlying Agreement. Examples of "subject data" include, but are not limited to computer software, standards, specifications, engineering drawings and associated lists, process sheets, manuals, technical reports, catalog item identifications, and related information, but do not include financial reports, cost analyses, or other similar information used for performance or administration of the Underlying Agreement.

b. General Federal Restrictions. The following restrictions apply to all subject data first produced in the performance of the Underlying Agreement:
   (1) Prohibitions. The Recipient may not publish or reproduce any subject data, in whole, in part, or in any manner or form, or permit others to do so.
   (2) Exceptions. The prohibitions do not apply to publications or reproductions for the Recipient's own internal use, an institution of higher learning, the portion of subject data that the Federal Government has previously released or approved for release to the public, or the portion of data that has the Federal Government's prior written consent for release.

c. Federal Rights in Data and Copyrights. The Recipient agrees that:
   (1) General. It must provide a license to its "subject data" to the Federal Government that is royalty-free, non-exclusive, and irrevocable. The Federal Government's license must permit the Federal Government to reproduce, publish, or otherwise use the subject data or permit other entities or individuals to use the subject data provided those actions are taken for Federal Government purposes, and
   (2) U.S. DOT Public Access Plan – Copyright License. The Recipient grants to U.S. DOT a worldwide, non-exclusive, non-transferable, paid-up, royalty-free copyright license, including all rights under copyright, to any and all Publications and Digital Data Sets as such terms are defined in the U.S. DOT Public Access plan, resulting from scientific research funded either fully or partially by this funding agreement. The Recipient herein acknowledges that the above copyright license grant is first in time to any and all other grants of a copyright license to such Publications and/or Digital Data Sets, and that U.S. DOT shall have priority over any other claim of exclusive copyright to the same.

d. Special Federal Rights in Data for Research, Development, Demonstration, Deployment, Technical Assistance, and Special Studies Programs. In general, FTA's purpose in providing federal assistance for a research, development, demonstration, deployment, technical assistance, or special studies program is to increase transportation knowledge, rather than limit the benefits of the Award to the Recipient and its Third Party Participants. Therefore, the Recipient agrees that:
   (1) Publicly Available Report. When an Award providing federal assistance for any of the programs described above is completed, it must provide a report of the Underlying Agreement that FTA may publish or make available for publication on the Internet.

(2) Other Reports. It must provide other reports related to the Award that FTA may request.
(3) Availability of Subject Data. FTA may make available its copyright license to the subject data, and a copy of the subject data to any FTA Recipient or any Third Party Participant at any tier, 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. If the Award is not completed for any reason whatsoever, all data developed with federal assistance for the Award becomes "subject data" and must be delivered as the Federal Government may direct.
(6) Exception. This section does not apply to an adaptation of any automatic data processing equipment or program that is both for the Recipient's use, and acquired with FTA capital program assistance.

e. License Fees and Royalties. Consistent with the applicable U.S. DOT Common Rules, the Recipient agrees that license fees and royalties for patents, patent applications, and inventions produced with federal assistance provided through the Underlying Agreement are program income, and must be used in compliance with federal applicable requirements.

f. Hold Harmless. Upon request by the Federal Government, the Recipient agrees that if it intentionally violates any proprietary rights, copyrights, or right of privacy, and if its violation under the preceding section occurs from any of the publication, translation, reproduction, delivery, use or disposition of subject data, then it will indemnify, save, and hold harmless against any liability, including costs and expenses of the Federal Government's officers, employees, and agents acting within the scope of their official duties. The Recipient will not be required to indemnify the Federal Government for any liability described in the preceding sentence, if the violation is caused by the wrongful acts of federal officers, employees or agents, or if indemnification is prohibited or limited by applicable state law.

g. Restrictions on Access to Patent Rights. Nothing in this section of this Master Agreement pertaining to rights in data either implies a license to the Federal Government under any patent, or may be construed to affect the scope of any license or other right otherwise granted to the Federal Government under any patent.

h. Data Developed Without Federal Assistance or Support. The Recipient agrees that in certain circumstances it may need to provide to FTA data developed without any federal assistance or support. Nevertheless, this section generally does not apply to data developed without federal assistance, even though that data may have been used in connection with the Award. The Recipient agrees that the Federal Government will not be able to protect data developed without federal assistance from unauthorized disclosure unless that data is clearly marked "Proprietary," or "Confidential."

i. Requirements to Release Data. The Recipient understands and agrees that the Federal Government may be required to release data and information the Recipient submits to the Federal Government as required under:
   (1) The Freedom of Information Act (FOIA), 5 U.S.C. § 552,
   (2) The U.S. DOT Common Rules,
   (3) U.S. DOT Public Access Plan, which provides that the Recipient agrees to satisfy the reporting and compliance requirements as set forth in the U.S. DOT Public Access plan, including, but not limited to, the submission and approval of a Data Management Plan, the use of Open Researcher and Contributor ID (ORCID) numbers, the creation and maintenance of a Research Project record in the Transportation Research Board's (TRB) Research in Progress (RiP) database, and the timely and complete submission of all required publications and associated digital data sets as such terms are defined in the DOT Public Access plan. Additional information about how to comply with the requirements can be found at: http://ntl.bts.gov/publicaccess/howtocomply.html, or
   (4) Other federal laws, regulations, requirements, and guidance concerning access to records pertaining to the Award, the accompanying Underlying Agreement, and any Amendments thereto.

Section 19. Use of Real Property, Equipment, and Supplies.

a. Federal Interest. The Recipient agrees that the Federal Government retains a federal interest in all real property, equipment, and supplies acquired or improved for use in connection with a Project (Project property) until, and to the extent that, the Federal Government removes its federal interest.

b. FTA Requirements and Guidance for Use of Project Property. The Recipient agrees that:
   (1) Satisfactory Continuing Control. It will maintain continuing control of the use of its Project property as satisfactory to FTA, which is defined as the legal assurance that Project property will remain available to be used for its originally authorized purpose throughout its useful life or until disposition.
   (2) Appropriate Use. It will use its Project property for appropriate purposes (including joint development purposes as well as uses that provide program income to support public transportation) for the duration of the useful life of its Project property, which may extend beyond the duration of the Award, and consistent with other requirements FTA may impose.
   (3) Delay or Failure to Use Project Property. The Federal Government may require it to return the entire amount of federal assistance spent on its Project property if, during the useful life of its Project property, it has unreasonably delayed using its Project property, or failed to use its Project property.
   (4) Notification. It will notify FTA immediately when it uses any of its Project property in a manner substantially different from the representations in its Application or other documents submitted in support of the Award, or the requirements of the accompanying Underlying Agreement, or it withdraws any of its Project property from appropriate use.
   (5) FTA Guidance. It will consult FTA guidance through its circulars or other written documents for ways in which FTA property requirements should be implemented. FTA guidance will apply unless FTA determines otherwise in writing.

c. General Federal Requirements. The Recipient agrees to comply with the applicable U.S. DOT property management provisions contained in the U.S. DOT Common Rules and this Master Agreement. The Recipient also agrees that it will follow FTA's reimbursement provisions pertaining to premature dispositions of certain equipment, as provided in this Master Agreement and FTA guidance.

d. Maintenance. As provided in federal laws, regulations, and requirements, and as provided in federal guidance, the Recipient agrees to maintain its Project property in good operating order, and comply with FTA regulations, "Transit Asset Management; National Transit Database," 49 C.F.R. parts 625 and 630.

e. Property Records. The Recipient agrees that it will keep satisfactory records of its use of its project property, and, upon request, it will provide FTA the necessary information required to assure compliance with this Master Agreement.

f. Incidental Use.
   (1) The Recipient agrees that any incidental use of Project property will not exceed what is permitted under applicable federal requirements and federal guidance.
   (2) As provided in 49 U.S.C. § 5323(p), it may permit nontransit public entities and private entities to have incidental use of its federally assisted alternative fueling facilities and equipment, only if:
      (a) The incidental use does not interfere with public transportation operations or violate the provisions of the Underlying Agreement and any Amendments thereto,
      (b) It fully recaptures all the costs related to the incidental use from any nontransit public entity or private entity that uses the alternative fueling facilities or equipment,
      (c) It uses revenues it receives from the incidental use in excess of costs for planning, capital, and operating expenses that are incurred in providing public transportation, and
      (d) Private entities pay all applicable excise taxes on fuel.

g. Reasonable Access for Private Intercity or Charter Transportation Operators. The Recipient agrees that it must comply with 49 U.S.C. § 5323(r), and may not deny reasonable access for a private intercity or charter transportation operator to federally funded public transportation facilities, including intermodal facilities, park and ride lots, and bus-only highway lanes. In determining reasonable access, capacity requirements of the Recipient of assistance and the extent to which access would be detrimental to existing public transportation services must be considered.

h. Encumbrance of Project Property. Absent the express consent of the Federal Government in writing, the Recipient agrees to preserve the federal interest in its Project property, and to maintain satisfactory continuing control of its Project property as follows:
   (1) Written Transactions. The Recipient agrees that it will not execute any documents that would either adversely affect the federal interest in or impair its continuing control of the use of its Project property including, but not limited to, lease, transfer of title, lien,

pledge, mortgage, encumbrance, third party contract, subagreement, grant anticipation note, alienation, innovative finance arrangements, such as a cross-border or leveraged lease, or other types of innovative financing arrangements, or any restriction, constraint, or commitment that may apply to the Project property. Upon request, the Recipient will provide a copy of any document described above to FTA.

(2) Oral Transactions. The Recipient agrees it will not obligate itself in any way through an oral statement to any third party with respect to its Project property that would either adversely affect the federal interest in or impair its continuing control of the use of its Project property.

(3) Other Actions. The Recipient agrees that it will not take any other action that would either adversely affect the federal interest in or impair its continuing control of the use of its Project property.

i. Useful Life of Project Property. The Recipient agrees that:

(1) Determining the Useful Life. FTA may establish the useful life of Project property,

(2) Required Use. It will use its Project property continuously and appropriately throughout the useful life of that property,

(3) Expired Useful Life. When the useful life of its Project property has expired, it will comply with FTA's disposition requirements, and

(4) Premature Withdrawal. The Federal Government retains a federal interest in the fair market value of Project property or remaining useful life in Project property calculated on the basis of straight line depreciation (including Project equipment acquired by a state). Therefore, if the Recipient withdraws that property from public transportation use prematurely, it will notify FTA immediately when any of its Project property is prematurely withdrawn from appropriate use, whether by planned withdrawal, misuse, or casualty loss.

(a) Amount of Federal Interest. The federal interest in the Recipient's or any of its Subrecipients' Project property will be determined on the basis of the ratio of the federal assistance provided for that property to the actual cost of that property.

(b) Financial Commitments to the Federal Government. Except as otherwise approved in writing by the Federal Government, the Recipient agrees that if its Project property is prematurely withdrawn from appropriate use:

1 It will return an amount equal to the remaining federal interest in the withdrawn property to the Federal Government, or

2 With FTA approval, it will invest an amount equal to the remaining federal interest in the withdrawn property in other transit property eligible for federal assistance provided through the Underlying Agreement.

j. Calculating the Value of Prematurely Withdrawn Project Property. The Recipient agrees that the fair market value of Project property prematurely withdrawn from use in support of the Award (including the fair market value of project equipment acquired or improved by a state) will be calculated as follows:

(1) Equipment and Supplies. The fair market value of project equipment or supplies will be calculated by straight-line depreciation, based on the useful life of that equipment or supplies as established or approved by FTA. The fair market value of the Project equipment and supplies withdrawn from proper use will be based on the value of that

property immediately before it was withdrawn from appropriate use irrespective of whether the Project property was withdrawn from use due to fire, casualty, or natural disaster, and irrespective of the extent of insurance coverage.

(2) Real Property. The Recipient agrees that the fair market value of Project real property shall be determined by:

(a) Competent appraisal based on an appropriate date as approved by FTA, consistent with U.S. DOT regulations, "Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs," 49 C.F.R. part 24,

(b) Straight line depreciation of improvements to the Project real property coupled with the value of the land determined by FTA on the basis of appraisal, or

(c) Other applicable federal laws, regulations, and requirements.

(3) Exceptional Circumstances. The Recipient agrees that the Federal Government may require another method of valuation to be used to determine the fair market value of Project real property withdrawn from service. In unusual circumstances, the Recipient may request permission to use another reasonable valuation method including, but not limited to accelerated depreciation, comparable sales, or established market values.

k. Insurance Proceeds. The Recipient agrees to use any insurance proceeds it receives for Project property that has been damaged or destroyed (including insurance proceeds for Project equipment acquired or improved by a state) as follows:

(1) Replacement. It may apply those insurance proceeds to the cost of replacing that damaged or destroyed property,

(2) Another Purpose. It may use those insurance proceeds for another authorized purpose, provided that it has obtained FTA's consent in writing, or

(3) Return to the Federal Government. It may return to the Federal Government an amount equal to the amount of the remaining federal interest in that property that has been damaged or destroyed.

l. Misused or Damaged Project Property. If any damage to Project property results from abuse or misuse occurring with the Recipient's knowledge and consent, the Recipient agrees to restore the Project property that has been damaged to its original condition, or refund the value of the federal interest in its Project property (including the remaining federal interest in Project equipment acquired by a state), as the Federal Government may require.

m. Disposition of Project Property. The Recipient agrees that disposition of its Project property may be made as provided in FTA's enabling legislation, 49 U.S.C. § 5334(h), U.S. DOT Common Rules, and the most recent edition of FTA Circular 5010.1, to the extent consistent with applicable federal laws, regulations, requirements, and guidance. The Recipient understands and agrees that under certain circumstances, the Recipient must obtain disposition instructions from FTA before disposing of Project property, including real property, equipment including rolling stock, and supplies.

n. Responsibilities After Closeout. The Recipient agrees that closeout of the Award will not change the Recipient's property management responsibilities for its Project property as provided in federal laws, regulations, requirements, and guidance effective now or at a later date, and this section of the Master Agreement.

Section 20. Transit Asset Management.

a. Transit Asset Management Plan. The Recipient agrees to develop a Transit Asset Management Plan that complies with federal transit laws, specifically 49 U.S.C. § 5326 and 5337(a)(4), FTA regulations, "Transit Asset Management; National Transit Database," 49 C.F.R. parts 625 and 630, and other applicable federal laws, regulations, and requirements.

b. When Compliance is Required. The Recipient agrees to, and assures that each Third Party Participant will comply with FTA regulations, "Transit Asset Management; National Transit Database," 49 C.F.R. parts 625 and 630, and follow applicable federal guidance.

Section 21. Insurance.

a. Flood Insurance. The Recipient agrees and assures that its third party participants will agree to comply with flood insurance laws and guidance as follows:
   (1) It will have flood insurance as required by the Flood Disaster Protection Act of 1973, 42 U.S.C. § 4012a(a), for any building located in a special flood hazard area (100-year flood zone), before accessing federal assistance to acquire, construct, reconstruct, repair, or improve that building.
   (2) Each such building and its contents will be covered by flood insurance in an amount at least equal to the federal investment (less estimated land cost) or to the maximum limit of coverage made available with respect to the particular type of property under the National Flood Insurance Act of 1968, 42 U.S.C. § 4001 *et seq*., whichever is less.
   (3) It will follow FTA guidance, except to the extent FTA determines otherwise in writing.

b. Other Insurance Requirements. It will comply with the insurance requirements normally imposed by its state and local laws, regulations, and ordinances.

Section 22. Relocation and Real Property.

a. Relocation Protections. Irrespective of whether federal assistance is used to pay relocation costs required under federal laws, regulations, or requirements, the Recipient agrees that it will:
   (1) Provide fair and equitable treatment to displaced individuals and businesses that must be relocated as a result of any Project for which the FTA has provided federal assistance, and
   (2) Comply with federal transit laws, specifically 49 U.S.C. § 5323(b), which requires compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. § 4601 *et seq.*, and U.S. DOT regulations, "Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs," 49 C.F.R. part 24.

b. Nondiscrimination in Housing. The Recipient agrees that when it must provide housing for individuals as a result of relocation, it will comply with Title VIII of the Civil Rights Act

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of 1968, as amended, 42 U.S.C. § 3601 *et seq*., and facilitate and follow Executive Order No. 12892, "Leadership and Coordination of Fair Housing in Federal Programs: Affirmatively Furthering Fair Housing," January 17, 1994, 42 U.S.C. § 3608 note, except as the Federal Government determines otherwise in writing.

c. Prohibition Against the Use of Lead-Based Paint. The Recipient agrees that if it constructs or rehabilitates residential structures on behalf of individuals displaced by its any Project, it will not use lead-based paint, and it will comply with Section 401(b) of the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. § 4831(b), and U.S. Housing and Urban Development regulations, "Lead-based Paint Poisoning Prevention in Certain Residential Structures," 24 C.F.R. part 35.

d. Real Property Acquisition Protections. Irrespective of whether federal assistance is used to pay real property acquisition costs required to implement the Award, the Recipient agrees that it will provide fair and equitable treatment to owners of real property or interests in real property that must be acquired as a result of any Project, and comply with federal transit laws, specifically 49 U.S.C. § 5323(b), which requires compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. § 4601 *et seq*., and U.S. DOT regulations, "Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs," 49 C.F.R. part 24.

e. Covenant Against Discrimination. The Recipient agrees to include a covenant in the title of the real property acquired for use in any Project that assures nondiscrimination during the useful life of that real property.

f. Recording the Title to Real Property. The Recipient agrees to record the federal interest in the title to real property used in connection with any Project if FTA so requires.

g. FTA Approval of Changes in Real Property Ownership. Unless it receives permission or instructions from FTA, the Recipient agrees that it will not dispose of, modify the use of, or change the title to real property used in any Project, or any other interests in the site and facilities used in any Project.

Section 23. Construction.

a. Construction Plans and Specifications. The Recipient agrees to comply with all applicable statutes, regulations, and requirements, and follow FTA guidance in the development and implementation of construction plans and specifications, including drafting, review, and approval, for the Award.

b. Seismic Safety. The Recipient agrees to comply with the Earthquake Hazards Reduction Act of 1977, as amended, 42 U.S.C. § 7701 *et seq*., and U.S. DOT regulations, "Seismic Safety," 49 C.F.R. part 41, specifically, 49 C.F.R. § 41.117.

c. Supervision of Construction. The Recipient agrees to maintain competent and adequate engineering supervision at the construction site of any Project to ensure that the completed work conforms to the approved plans and specifications.

d. Construction Reports. For any Project or related activities involving construction, the Recipient agrees to provide progress reports and other relevant information or data, as required by FTA or the state in which construction takes place.

e. Major Capital Investment Projects. If the Recipient's Project involves a Major Federal Project, it agrees to comply with all applicable federal regulations, including FTA regulations, "Major Capital Investment Projects,"49 C.F.R. part 611, and "Project Management Oversight," 49 C.F.R. part 633, to the extent that they are consistent with applicable FTA enabling legislation, and follow all applicable federal guidance.

Section 24. Employee Protections.

a. Awards Involving Construction. The Recipient agrees to comply and assures that each Third Party Participant will comply with all federal laws, regulations, and requirements providing protections for construction employees involved in each Project or related activities with federal assistance provided through the Underlying Agreement, including the:
   (1) Prevailing Wage Requirements of:
      (a) Federal transit laws, specifically 49 U.S.C. § 5333(a), (FTA's "Davis-Bacon Related Act"),
      (b) The Davis-Bacon Act, 40 U.S.C. §§ 3141 – 3144, 3146, and 3147, and
      (c) U.S. DOL regulations, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act)," 29 C.F.R. part 5.
   (2) Wage and Hour Requirements of:
      (a) Section 102 of the Contract Work Hours and Safety Standards Act, as amended, 40 U.S.C. § 3702, and other relevant parts of that Act, 40 U.S.C. § 3701 *et seq*., an
      (b) U.S. DOL regulations, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act)," 29 C.F.R. part 5.
   (3) "Anti-Kickback" Prohibitions of:
      (a) Section 1 of the Copeland "Anti-Kickback" Act, as amended, 18 U.S.C. § 874,
      (b) Section 2 of the Copeland "Anti-Kickback" Act, as amended, 40 U.S.C. § 3145, and
      (c) U.S. DOL regulations, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States," 29 C.F.R. part 3.
   (4) Construction Site Safety of:
      (a) Section 107 of the Contract Work Hours and Safety Standards Act, as amended, 40 U.S.C. § 3704, and other relevant parts of that Act, 40 U.S.C. § 3701 *et seq*., and

(b) U.S. DOL regulations, "Recording and Reporting Occupational Injuries and Illnesses," 29 C.F.R. part 1904; "Occupational Safety and Health Standards," 29 C.F.R. part 1910; and "Safety and Health Regulations for Construction," 29 C.F.R. part 1926.

b. Awards Not Involving Construction. The Recipient agrees to comply and assures that each Third Party Participant will comply with all federal laws, regulations, and requirements providing wage and hour protections for nonconstruction employees, including Section 102 of the Contract Work Hours and Safety Standards Act, as amended, 40 U.S.C. § 3702, and other relevant parts of that Act, 40 U.S.C. § 3701 *et seq*., and U.S. DOL regulations, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act)," 29 C.F.R. part 5.

c. Awards Involving Commerce. The Recipient agrees to comply and assures that each Third Party Participant will comply with the Fair Labor Standards Act (FLSA), 29 U.S.C. § 201 *et seq*. to the extent that the FLSA applies to employees performing work with federal assistance provided through the Underlying Agreement involving commerce, and as the Federal Government otherwise determines applicable.

d. Public Transportation Employee Protective Arrangements. As a condition of award of federal assistance appropriated or made available for FTA programs involving public transportation operations, the Recipient agrees to comply and assures that each Third Party Participant will comply with the following employee protective arrangements of 49 U.S.C. § 5333(b):

(1) U.S. DOL Certification. When its Award, the accompanying Underlying Agreement, or any Amendments thereto involve public transportation operations and are supported with federal assistance appropriated or made available for 49 U.S.C. §§ 5307 – 5312, 5316, 5318, 5323(a)(1), 5323(b), 5323(d), 5328, 5337, 5338(b), or 5339, or former 49 U.S.C. §§ 5308, 5309, 5312, or other provisions of law as required by the Federal Government, U.S. DOL must provide a certification of employee protective arrangements before FTA may provide federal assistance for that Award. The Recipient agrees that the certification issued by U.S. DOL is a condition of the Underlying Agreement and that the Recipient must comply with its terms and conditions.

(2) Special Warranty. When its Underlying Agreement involves public transportation operations and is supported with federal assistance appropriated or made available for 49 U.S.C. § 5311, U.S. DOL will provide a Special Warranty for its Award, including its Award of federal assistance under the Tribal Transit Program. The Recipient agrees that its U.S. DOL Special Warranty is a condition of the Underlying Agreement and the Recipient must comply with its terms and conditions.

(3) Special Arrangements for Underlying Agreements for Federal Assistance Authorized under 49 U.S.C. § 5310. The Recipient agrees, and assures that any Third Party Participant providing public transportation operations will agree, that although pursuant to 49 U.S.C. § 5310, and former 49 U.S.C. §§ 5310 or 5317, FTA has determined that it was not "necessary or appropriate" to apply the conditions of 49 U.S.C. § 5333(b) to

any Subrecipient participating in the program to provide public transportation for seniors (elderly individuals) and individuals with disabilities, FTA reserves the right to make case-by-case determinations of the applicability of 49 U.S.C. § 5333(b) for all transfers of funding authorized under title 23, United States Code (flex funds), and make other exceptions as it deems appropriate.

Section 25. Early Systems Work Agreement.

a. Statutory Requirements. If FTA enters into an Early System Work Agreement (ESWA) with the Recipient to advance the implementation of the Recipient's Capital Project, the Recipient agrees that provisions of 49 U.S.C. § 5309(k)(3) will apply to that ESWA, the Recipient, and FTA.

b. ESWA Provisions. Except to the extent that the Federal Government determines otherwise in writing, the Recipient understands and agrees that the following provisions apply to its ESWA, unless the ESWA contains specific requirements to the contrary:
   (1) Recipient Representations. In view of the standards and commitments imposed on the Recipient by 49 U.S.C. § 5309(k)(3), the Recipient has provided sufficient representations and information to FTA so that FTA has reason to believe the following:
      (a) FTA and the Recipient will enter into a Full Funding Grant Agreement for the Project, and
      (b) The terms of the ESWA will promote the ultimate completion of the Project more rapidly and at less cost.
   (2) FTA Commitments. By entering into an ESWA with the Recipient, FTA has agreed to provide for reimbursement of the preliminary costs of carrying out the Project, including:
      (a) Land acquisition,
      (b) Timely procurement of system elements for which the specifications are decided, and
      (c) Other activities that FTA decides are appropriate to make efficient, long-term Project management easier.
   (3) Time Period of the ESWA. FTA reserves the right to determine the period of time in which the ESWA will remain in effect, even if that period extends beyond the time of the authorization of federal funding that will support the Project costs covered by the ESWA.
   (4) Interest and Other Financing Costs. Interest and other financing costs of carrying out the ESWA efficiently and within a reasonable time are eligible ESWA costs, provided that:
      (a) The interest and financing costs claimed do not exceed the cost of the most favorable financing terms reasonably available for the Project at the time of borrowing,
      (b) The Recipient has certified that it will show reasonable diligence in seeking the most favorable financing terms, and
      (c) The Recipient is able to show reasonable diligence in seeking the most favorable financing terms to support this ESWA.

(5) Contingent Commitment. In providing funding for the ESWA:
   (a) In its discretion, FTA may include a commitment, contingent on amounts made available under a later-enacted law, to obligate an additional amount from future available budget authority to support the costs of the Recipient's ESWA, and
   (b) If FTA does make a commitment to provide funding contingent on future amounts to be specified in law, that commitment is not an obligation of the Federal Government.

(6) Failure to Carry Out the Project. If, for reasons within its control, the Recipient does not carry out the Project for which its ESWA was made available by FTA, the Recipient must:
   (a) Repay all Federal Grant funds awarded under the ESWA from all Federal funding sources for all Project activities, facilities, and equipment, and
   (b) Pay reasonable interest and penalty charges:
      1 As established by FTA before or after FTA provided funding for the ESWA, or
      2 Allowable under law.

Section 26. Environmental Protections.

a. General. The Recipient agrees to, and assures that its Third Party Participants will, comply with all applicable environmental and resource use laws, regulations, and requirements, and follow applicable guidance, now in effect or that may become effective in the future, including state and local laws, ordinances, regulations, and requirements and follow applicable guidance.

b. National Environmental Policy Act. An Award of federal assistance requires the full compliance with applicable environmental laws, regulations, and requirements. Accordingly, the Recipient agrees to, and assures that its Third Party Participants will:

(1) Comply and facilitate compliance with federal laws, regulations, and requirements, including, but not limited to:
   (a) Federal transit laws, such as 49 U.S.C. § 5323(c)(2), and 23 U.S.C. § 139,
   (b) The National Environmental Policy Act of 1969 (NEPA), as amended, 42 U.S.C. §§ 4321 *et seq.*, as limited by 42 U.S.C. § 5159, and CEQ's implementing regulations 40 C.F.R. part 1500 – 1508,
   (c) Joint FHWA and FTA regulations, "Environmental Impact and Related Procedures," 23 C.F.R. part 771 and 49 C.F.R. part 622,
   (d) Executive Order No. 11514, as amended, "Protection and Enhancement of Environmental Quality," March 5, 1970, 42 U.S.C. § 4321 note, and
   (e) Other federal environmental protection laws, regulations, and requirements applicable to the Recipient or the Award, the accompanying Underlying Agreement, and any Amendments thereto.

(2) Follow the federal guidance identified herein to the extent that the guidance is consistent with applicable authorizing legislation:
   (a) Joint FHWA and FTA final guidance, "Interim Guidance on MAP-21 Section 1319, Accelerated Decisionmaking in Environmental Reviews," January 14, 2013,

(b) Joint FHWA and FTA final guidance, "SAFETEA-LU Environmental Review Process (Pub. L. 109-59)," 71 *Fed. Reg.* 66576, November 15, 2006, and

(c) Other federal environmental guidance applicable to the Recipient or the Award, the accompanying Underlying Agreement, and any Amendments thereto.

c. Environmental Justice. The Recipient agrees to, and assures that its Third Party Participants will, 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,

(2) U.S. 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 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, requirements, and guidance.

d. Other Environmental Federal Laws. The Recipient agrees to comply or facilitate compliance and assures that its Third Party Participants will comply or facilitate compliance with all applicable federal laws, regulations, and requirements, and will follow applicable guidance, including, but not limited to, the Clean Air Act, Clean Water Act, Wild and Scenic Rivers Act of 1968, Coastal Zone Management Act of 1972, the Endangered Species Act of 1973, Magnuson Stevens Fishery Conservation and Management Act, Resource Conservation and Recovery Act, Comprehensive Environmental Response, Compensation, and Liability Act, Executive Order No. 11990 relating to "Protection of Wetlands," and Executive Order Nos. 11988 and 13690 relating to "Floodplain Management."

e. Corridor Preservation. The Recipient agrees that:

(1) It will not develop any right-of-way acquired under 49 U.S.C. § 5323(q) in anticipation of implementing its Award until all required environmental reviews for each Project or related activities have been completed, and

(2) It will follow FTA Final Guidance on the Application of 49 U.S.C § 5323(q) to Corridor Preservation for a Transit Project, October 17, 2014.

f. Use of Certain Public Lands. The Recipient agrees to comply and assures that its Third Party Participants will comply with U.S. DOT laws, specifically 49 U.S.C. § 303 (often referred to as "section 4(f)), and joint FHWA and FTA regulations, "Parks, Recreation Areas, Wildlife and Waterfowl Refuges, and Historic Sites," 23 C.F.R. part 774, and referenced in 49 C.F.R. part 622.

g. Historic Preservation. The Recipient agrees to, and assures that its Third Party Participants will:

(1) Comply with U.S. DOT laws, including 49 U.S.C. § 303 (often referred to as "section 4(f)"), which requires certain findings be made before an Award may be undertaken if it involves the use of any land from a historic site that is on or eligible for inclusion on the National Register of Historic Places.

(2) Encourage compliance with the federal historic and archaeological preservation requirements of section 106 of the National Historic Preservation Act, as amended, 54 U.S.C. § 306108.
(3) Comply with the Archeological and Historic Preservation Act of 1974, as amended, 54 U.S.C. § 312501 *et seq*.
(4) Comply with U.S. Advisory Council on Historic Preservation regulations, "Protection of Historic Properties," 36 C.F.R. part 800.
(5) Comply with federal requirements and follow federal guidance to avoid or mitigate adverse effects on historic properties.

h. Indian Sacred Sites. The Recipient agrees to, and assures that its Third Party Participants will facilitate compliance with federal efforts to promote the preservation of places and objects of religious importance to American Indians, Eskimos, Aleuts, and Native Hawaiians, and facilitate compliance with the American Indian Religious Freedom Act, 42 U.S.C. § 1996, and Executive Order No. 13007, "Indian Sacred Sites," May 24, 1996, 42 U.S.C. § 3161 note.

i. Mitigation of Adverse Environmental Effects.
(1) The Recipient agrees that it will comply with all environmental mitigation measures that may be identified as conditions that the Federal Government might impose in finding of no significant impact or record of decision or commitments in the environmental documents that apply to the Award, such as environmental assessments, environmental impact statements, categorical exclusions, memoranda of agreement, documents required under 49 U.S.C. § 303, and other environmental documents.
(2) The Recipient agrees that:
(a) Any mitigation measures agreed on will be incorporated by reference and made part of the Underlying Agreement and any Amendments thereto,
(b) Any deferred mitigation measures will be incorporated by reference and made part of the Underlying Agreement and any Amendments thereto as soon as agreement with the Federal Government is reached, and
(c) Any mitigation measures agreed on will not be modified or withdrawn without the written approval of the Federal Government.

j. Energy Conservation. The Recipient agrees to, and assures that its Subrecipients, if any, will comply with the mandatory energy standards and policies of its state energy conservation plans under the Energy Policy and Conservation Act, as amended, 42 U.S.C. § 6321 *et seq*., and perform an energy assessment for any building constructed, reconstructed, or modified with federal assistance required under FTA regulations, "Requirements for Energy Assessments," 49 C.F.R. part 622, subpart C.

Section 27. State Management and Monitoring Systems.

The Recipient agrees to comply with joint FHWA and FTA regulations, "Management and Monitoring Systems," 23 C.F.R. part 500, and FTA regulations, "Transportation Infrastructure Management," 49 C.F.R. part 614.

Section 28. Charter Service.

a. Prohibitions. The Recipient agrees that neither it nor any Third Party Participant involved in the Award will engage in charter service, except as permitted under federal transit laws, specifically 49 U.S.C. § 5323(d), (g), and (r), FTA regulations, "Charter Service," 49 C.F.R. part 604, any other Federal Charter Service regulations, federal requirements, or federal guidance.

b. Exceptions. Apart from exceptions to the Charter Service restrictions in FTA's Charter Service regulations, FTA has established the following additional exceptions to those restrictions:
   (1) FTA's Charter Service restrictions do not apply to equipment or facilities supported with federal assistance appropriated or made available for 49 U.S.C. § 5307 to support a Job Access and Reverse Commute (JARC)-type Project or related activities that would have been eligible for assistance under repealed 49 U.S.C. § 5316 in effect in Fiscal Year 2012 or a previous fiscal year, provided that the Recipient uses that federal assistance for FTA program purposes only, and
   (2) FTA's Charter Service restrictions do not apply to equipment or facilities supported with the federal assistance appropriated or made available for 49 U.S.C. § 5310 to support a New Freedom-type Project or related activities that would have been eligible for federal assistance under repealed 49 U.S.C. § 5317 in effect in Fiscal Year 2012 or a previous fiscal year, provided the Recipient uses that federal assistance for program purposes only.

c. Violations. If it or any Third Party Participant engages in a pattern of violations of FTA's Charter Service regulations, FTA may require corrective measures and remedies, including withholding an amount of federal assistance as provided in FTA's Charter Service regulations, 49 C.F.R. part 604, appendix D, or barring it or the Third Party Participant from receiving federal assistance provided in 49 U.S.C. chapter 53, 23 U.S.C. § 133, or 23 U.S.C. § 142.

Section 29. School Bus Operations.

a. Prohibitions. The Recipient agrees that neither it nor any Third Party Participant that is participating in its Award will engage in school bus operations exclusively for the transportation of students or school personnel in competition with private school bus operators, except as permitted by federal transit laws, 49 U.S.C. § 5323(f) or (g), FTA regulations, "School Bus Operations," 49 C.F.R. part 605, and any other applicable federal "School Bus Operations" laws, regulations, federal requirements, or applicable federal guidance.

b. Violations. If a Recipient or any Third Party Participant has operated school bus service in violation of FTA's School Bus laws, regulations, or requirements, FTA may require the Recipient or Third Party Participant to take such remedial measures as FTA considers appropriate, or bar the Recipient or Third Party Participant from receiving federal transit assistance.

Section 30. Geographic Information and Related Spatial Data.

The Recipient agrees that each Project or related activity that implements the Award will conform to the Federal Geographic Data Committee's National Spatial Data Infrastructure if the Project or related activity directly or indirectly involves spatial data, or geographic information systems, and it will follow U.S. OMB Circular A-16, "Coordination of Geographic Information and Related Spatial Data Activities," August 19, 2002, and U.S. OMB Circular A-16 Supplemental Guidance, "Geospatial Line of Business," November 10, 2010.

Section 31. Federal "$1 Coin" Requirements.

The Recipient agrees that it will comply with section 104 of the Presidential $1 Coin Act of 2005, 31 U.S.C. § 5112(p), its equipment and facilities will be fully capable of accepting and dispensing $1 coins when coins or currency are required to use that equipment or those facilities, and it will display signs and notices of the $1 coin capability of its equipment and facilities on its premises, including vending machines, where coins or currency are used.

Section 32. Public Transportation Safety.

a. Public Transportation Agency Safety Program. In accordance with 49 U.S.C. § 5329, the Recipient agrees to comply with applicable laws, regulations, and requirements and follow applicable guidance that implement the Public Transportation Safety Program provisions of 49 U.S.C. § 5329(b) through (d), except as FTA determines otherwise in writing.

b. State Safety Oversight of Rail Fixed Guideway Public Transportation Systems. The Recipient agrees as follows:
   (1) Laws. It will comply with section 20030(e) of MAP-21, which amended 49 U.S.C. § 5329(e) to require states to revise their State Safety Oversight programs to comply with the new MAP-21 requirements.
   (2) Regulations. Although FTA published FTA regulations, "State Safety Oversight," 49 C.F.R. part 674, effective April 15, 2016, Congress provided states with up to three years following April 15, 2016 to come into full compliance following publication of those regulations. The Recipient agrees that depending on how far it has progressed in developing a State Safety Oversight program that is fully compliant with FTA regulations, "State Safety Oversight," 49 C.F.R. part 674, the following FTA regulations will apply:
      (a) States With a Fully Compliant Program. The Recipient agrees that FTA regulations, "State Safety Oversight," 49 C.F.R. part 674, will apply when its State Safety Oversight program is fully compliant with FTA's requirements.
      (b) States Without a Fully Compliant Program. The Recipient agrees that FTA regulations, "Rail Fixed Guideway Systems; State Safety Oversight," 49 C.F.R. part 659, will continue to apply to those states that have not yet implemented a Public Transportation Safety Program that is fully compliant with FTA's requirements.

Section 33. Motor Carrier Safety.

a. Financial Responsibility. The Recipient agrees to comply and assures that its Third Party Participants will comply with the economic and insurance registration requirements of the:
   (1) U.S. Federal Motor Carrier Safety Administration (U.S. FMCSA) regulations, "Minimum Levels of Financial Responsibility for Motor Carriers," 49 C.F.R. part 387, if it is engaged in operations requiring compliance with 49 C.F.R. part 387, it is engaged in interstate commerce, and it is not within a defined commercial zone, and
   (2) The provisions of 49 U.S.C. § 31138(e)(4), which supersede inconsistent provisions of 49 C.F.R. part 387, and also reduce the amount of insurance the Recipient must obtain to the highest amount required by any state in which the public transportation provider operates, if it operates within a public transportation service area located in more than one state, and receives federal assistance under 49 U.S.C. §§ 5307, 5310, and 5311.

b. U.S. FMCSA Requirements. The Recipient agrees to comply and assures that its Third Party Participants will comply with:
   (1) The safety requirements of U.S. FMCSA regulations, "Federal Motor Carrier Safety Regulations," 49 C.F.R. parts 390 – 397, to the extent applicable; and
   (2) The driver's license requirements of U.S. FMCSA regulations, "Commercial Driver's License Standards, Requirements, and Penalties," 49 C.F.R. part 383, and "State Compliance with Commercial Driver's License," 49 C.F.R. part 384, to the extent applicable, with the substance abuse requirements and guidance of U.S. FMCSA's regulations, "Drug and Alcohol Use and Testing Requirements," 49 C.F.R. part 382, and implementing federal guidance, to the extent applicable.

Section 34. Safe Operation of Motor Vehicles.

a. Seat Belt Use. The Recipient agrees to implement Executive Order No. 13043, "Increasing Seat Belt Use in the United States," April 16, 1997, 23 U.S.C. § 402 note, by:
   (1) Adopting and promoting on-the-job seat belt use policies and programs for its employees and other personnel that operate company-owned vehicles, company-rented vehicles, or personally operated vehicles, and
   (2) Including a "Seat Belt Use" provision in each third party agreement related to the Award.

b. Distracted Driving, Including Text Messaging While Driving. The Recipient agrees to comply with:
   (1) Executive Order No. 13513, "Federal Leadership on Reducing Text Messaging While Driving," October 1, 2009, 23 U.S.C. § 402 note,
   (2) U.S. DOT Order 3902.10, "Text Messaging While Driving," December 30, 2009,
   (3) The following U.S. DOT Special Provision pertaining to Distracted Driving:
      (a) Safety. The Recipient agrees to adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers, including policies to ban text messaging while using an electronic device supplied by an employer, and driving a vehicle the driver owns or rents, a vehicle Recipient owns, leases, or rents, or a

privately-owned vehicle when on official business in connection with the Award, or when performing any work for or on behalf of the Award,

(b) Recipient Size. The Recipient agrees to conduct workplace safety initiatives in a manner commensurate with its size, such as establishing new rules and programs to prohibit text messaging while driving, re-evaluating the existing programs to prohibit text messaging while driving, and providing education, awareness, and other outreach to employees about the safety risks associated with texting while driving, and

(c) Extension of Provision. The Recipient agrees to include the preceding Special Provision of section 34.b(3)(a) – (b) of this Master Agreement in its third party agreements, and encourage its Third Party Participants to comply with this Special Provision, and include this Special Provision in each third party subagreement at each tier supported with federal assistance.

Section 35. Substance Abuse.

a. Drug-Free Workplace. The Recipient agrees to:

(1) Comply with the Drug-Free Workplace Act of 1988, as amended, 41 U.S.C. § 8103 *et seq.*,

(2) Comply with U.S. DOT regulations, "Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)," 49 C.F.R. part 32, and

(3) Follow and facilitate compliance with U.S. OMB regulatory guidance, "Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)," 2 C.F.R. part 182, particularly where the U.S. OMB regulatory guidance supersedes comparable provisions of 49 C.F.R. part 32.

b. Alcohol Misuse and Prohibited Drug Use.

(1) Requirements. The Recipient agrees to comply and assures that its Third Party Participants will comply with:

(a) Federal transit laws, specifically 49 U.S.C. § 5331,

(b) FTA regulations, "Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations," 49 C.F.R. part 655, and

(c) Applicable provisions of U.S. DOT regulations, "Procedures for Transportation Workplace Drug and Alcohol Testing Programs," 49 C.F.R. part 40.

(2) Remedies for Non-Compliance. The Recipient agrees that if FTA determines that the Recipient or a Third Party Participant receiving federal assistance under 49 U.S.C. chapter 53 is not in compliance with 49 C.F.R. part 655, the Federal Transit Administrator may bar that Recipient or Third Party Participant from receiving all or a portion of the federal transit assistance for public transportation it would otherwise receive.

Section 36. Protection of Sensitive Security and Other Sensitive Information.

a. The Recipient agrees to comply with the following requirements for the protection of sensitive security information:

(1) The Homeland Security Act, as amended, specifically 49 U.S.C. § 40119(b), and U.S. DOT regulations, "Protection of Sensitive Security Information," 49 C.F.R. part 15,
(2) The Aviation and Transportation Security Act, as amended, 49 U.S.C. § 114(r), and U.S. Department of Homeland Security, Transportation Security Administration regulations, "Protection of Sensitive Security Information," 49 C.F.R. part 1520, and
(3) U.S. DOT Common Rules, which require the Recipient to implement, and to require its Subrecipients, if any, to implement, reasonable measures to safeguard protected personally identifiable information as well as any information that the FTA or pass-through entity designates as sensitive.

Section 37. Special Notification Requirements for States.

a. Types of Information. To the extent required under federal law, the State, as the Recipient, agrees to provide the following information about federal assistance awarded for its State Program, Project, or related activities:
   (1) The Identification of FTA as the federal agency providing the federal assistance for a State Program or Project,
   (2) The Catalog of Federal Domestic Assistance Number of the program from which the federal assistance for a State Program or Project is authorized, and
   (3) The amount of federal assistance FTA has provided for a State Program or Project.

b. Documents. The State agrees to provide the information required under this provision in the following documents: (1) applications for federal assistance, (2) requests for proposals, or solicitations, (3) forms, (4) notifications, (5) press releases, and (6) other publications.

Section 38. Freedom of Information.

a. Applicability. The Recipient agrees that the Freedom of Information Act (FOIA), 5 U.S.C. § 552, as amended, applies to most information submitted to FTA and U.S. DOT, whether electronically or in typewritten hard copy.

b. Records. The Recipient agrees that all applications and materials it submits to FTA that are related to its Award have or will become federal agency records, and are or will be subject to FOIA and to public release through individual FOIA requests, unless FTA determines that a valid exemption under FOIA or another statute applies.

c. Confidentiality. President Obama's "Memorandum for the Heads of Executive Departments and Agencies on the Freedom of Information Act," dated January 21, 2009, directs federal agencies to adopt a presumption that information should generally be disclosed when requested, and therefore the Recipient agrees that:
   (1) Unless a federal law or regulation requires that a document or other information be withheld, FTA does not consent to withhold information, irrespective of its format, merely because it is accompanied by a "routine" confidentiality statement that may appear on:

(a) Information about the Award, the accompanying Underlying Agreement, and any Amendments thereto,
(b) Information accompanying or supplementing the Award, the accompanying Underlying Agreement, and any Amendments thereto, or
(c) Any other information FTA may obtain.

(2) As provided in federal laws, regulations, requirements, and guidance, FTA will review the information and documents that are the subject of each FOIA request to determine the extent to which FTA must or should exercise its discretion to withhold that information or those documents.

(3) Any genuinely confidential or privileged information should be marked clearly and specifically, and justified as confidential or privileged under FOIA standards.

Section 39. Disputes, Breaches, Defaults, or Other Litigation.

a. FTA Interest. FTA has a vested interest in the settlement of any violation of federal law, regulation, or disagreement involving the Award, the accompanying Underlying Agreement, and any Amendments thereto including, but not limited to, a default, breach, major dispute, or litigation, and FTA reserves the right to concur in any settlement or compromise.

b. Notification to FTA. If a current or prospective legal matter that may affect the Federal Government emerges, the Recipient must promptly notify the FTA Chief Counsel, or FTA Regional Counsel for the Region in which the Recipient is located.

(1) The types of legal matters that require notification include, but are not limited to, a major dispute, breach, default, litigation, or naming the Federal Government as a party to litigation or a legal disagreement in any forum for any reason.

(2) Matters that may affect the Federal Government include, but are not limited to, the Federal Government's interests in the Award, the accompanying Underlying Agreement, and any Amendments thereto, or the Federal Government's administration or enforcement of federal laws, regulations, and requirements.

(3) If the Recipient has credible evidence that a Principal, Official, Employee, Agent, or Third Party Participant of the Recipient, or other person has submitted a false claim under the False Claims Act, 31 U.S.C. § 3729 *et seq*., or has committed a criminal or civil violation of law pertaining to such matters as fraud, conflict of interest, bribery, gratuity, or similar misconduct involving federal assistance, the Recipient must promptly notify the U.S. DOT Inspector General, in addition to the FTA Chief Counsel or Regional Counsel for the Region in which the Recipient is located.

c. Federal Interest in Recovery. The Federal Government retains the right to a proportionate share of any proceeds recovered from any third party, based on the percentage of the federal share for the Underlying Agreement. Notwithstanding the preceding sentence, the Recipient may return all liquidated damages it receives to its Award Budget for its Underlying Agreement rather than return the federal share of those liquidated damages to the Federal Government, provided that the Recipient receives FTA's prior written concurrence.

d. Enforcement. The Recipient must pursue its legal rights and remedies available under any third party agreement, or any federal, state, or local law or regulation.

Section 40. Amendments to the Underlying Agreement.

a. When Required. An Amendment to the Underlying Agreement is required under the following circumstances:
   (1) A change in the scope of work or addition of federal assistance to an existing Award (regardless of whether the source of assistance is the same or different);
   (2) Changes to the scope of work that necessitate a change in the distribution of federal assistance across scope codes or activities; or
   (3) The Award includes multiple sources of financial assistance and the action requires the addition of a new Scope to a Project.

b. Process. An amendment to the Underlying Agreement must be submitted through and approved in FTA's Electronic Award Management System, and must meet the same application requirements as a request for a new Award.

Section 41. FTA's Electronic Award Management System.

The Recipient agrees that it will submit its application for an Award, reports, documents, or other required information through FTA's electronic award management system, also known as TrAMS. To submit information, reports, and documents to FTA, any signature submitted in TrAMS must comply with the Electronic Signatures in Global and National Commerce Act (E-Sign Act), Public Law No. 106-229, June 30, 2000, 15 U.S.C. §§ 7001 *et seq*.

Section 42. Information Obtained through Internet Links.

Although this Master Agreement may include electronic links to federal laws, regulations, requirements, and guidance, FTA does not guarantee the accuracy of information accessed through such links. Accordingly, the Recipient understands and agrees that any information obtained through any electronic link within this Master Agreement does not represent an official version of a federal law, regulation, or requirement, and might be inaccurate. Thus, information obtained through such links is neither incorporated by reference nor made part of this Master Agreement. The *Federal Register* and the *Code of Federal Regulations* are the official sources for regulatory information pertaining to the Federal Government.

Section 43. Severability.

The Recipient agrees that if any provision of the Underlying Agreement or any Amendments thereto is determined invalid, then the remaining provisions thereof that conform to federal laws, regulations, requirements, and guidance will continue in effect.

SPECIAL PROVISIONS FOR SPECIFIC PROGRAMS

Section 44. Special Provisions for All Public Transportation Innovation, Technical Assistance or Workforce Development Programs.

a. Applicability. The Recipient understands and agrees that this section applies to the following programs to which FTA provides federal assistance, including the following programs:
   (1) Programs authorized under 49 U.S.C. § 5312, irrespective of the fiscal year for which the appropriations that supported the Underlying Agreement were authorized,
   (2) Programs authorized under former 49 U.S.C. § 5313, irrespective of the fiscal year for which the appropriations that supported the Underlying Agreement were authorized,
   (3) Programs authorized under 49 U.S.C. § 5314, irrespective of the fiscal year for which the appropriations that supported the Underlying Agreement were authorized,
   (4) Programs authorized by the repealed section 3045 of SAFETEA-LU,
   (5) Programs authorized under repealed section 3046 of SAFETEA-LU, and
   (6) Other similar Programs for which FTA awards federal assistance under 49 U.S.C. §§ 5312 or 5314, as amended by the FAST Act, or other authorizing legislation.

b. Provisions for Underlying Agreements for Public Transportation Innovation or Technical Assistance and Workforce Development Awards. The Recipient agrees that the following provisions will apply to the Underlying Agreement for a Public Transportation Innovation or Technical Assistance and Workforce Development Project or related activities:
   (1) Report. The Recipient agrees that in addition to any other Report FTA may require, the Recipient will prepare and submit to FTA a Report of each Project and related activities that describes the subject (or subjects) investigated, the methods used, the results, and the conclusions reached, is satisfactory, sufficiently organized, well-written, and comprehensive.
   (2) Disclaimer. The Report must contain the following disclaimer:

   This document is disseminated under the sponsorship of the United States Department of Transportation, Federal Transit Administration, in the interest of information exchange. The United States government assumes no liability for the contents or use thereof.

   The United States government does not endorse products or manufacturers. Trade or manufacturers' names appear herein solely because they are considered essential to the contents of the report.

   (3) Format. The Report must comply with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794d, and U.S. ATBCB regulations, "Electronic and Information Technology Accessibility Standards," 36 C.F.R. part 1194, and the specific publication elements and report style guide at http://www.fta.dot.gov/research/program_requirements. The Report must identify clearly and precisely any specific information or data that is confidential, privileged, or proprietary that is contained within any report or document.
   (4) Publication. Except for confidential, privileged, or proprietary information in the Report, FTA may publish the Report, and make it available for publication on the Internet or in any other venue.
   (5) Identification of Federal Assistance. The Recipient agrees that:

(a) It will display notice on any product developed with federal assistance for 49 U.S.C. § 5312 that the U.S. Department of Transportation, Federal Transit Administration provided federal assistance to support the development of the product that is tangible and is produced from, or is a result of, a Project, is a deliverable, and visible to the public, or is or will be made available to other research organizations, or public transportation providers, and consists of equipment, a prototype, hardware, construction, reports, data, software, internet pages, or any similar item.

(b) The notice will be given using an appropriate sign, designation, or notice.

c. Special Disposition Provision. In addition to other disposition provisions, FTA may vest title in tangible personal property used in the conduct of basic or applied scientific research in a nonprofit institution of higher education or in a nonprofit organization whose primary purpose is conducting scientific research, provided the requirements of 31 U.S.C. § 6306 are met.

d. Protection of Human Subjects. The Recipient agrees to comply with protections for human subjects involved in a Project or related activities supported through the Underlying Agreement as required by the National Research Act, as amended, 42 U.S.C. § 289 *et seq*., and U.S. DOT regulations, "Protection of Human Subjects," 49 C.F.R. part 11.

e. Protection of Animals. The Recipient agrees to comply with the protections for animals involved in a Project or related activities, as required by the Animal Welfare Act, as amended, 7 U.S.C. § 2131 *et seq*., and U.S. Department of Agriculture regulations, "Animal Welfare," 9 C.F.R. parts 1, 2, 3, and 4.

f. Export Control. The Recipient understands and agrees that before exporting any information that is subject to federal export requirements, it must first obtain the necessary federal license(s), and comply with the federal export control regulations of the U.S. Department of Commerce, Bureau of Industry and Security, "Export Administration Regulations," specifically, 15 C.F.R. parts 730 *et seq*., U.S. Department of State, U.S. Department of the Treasury, and U.S. Department of Defense.

Section 45. Special Provisions for the State Safety Oversight Grant Program.

a. Applicability. The Recipient agrees that this section applies to any State Safety Oversight Grant Program Award, the accompanying Underlying Agreement, and any Amendments thereto, supported with federal assistance for 49 U.S.C. § 5329(e)(6).

b. Federal Laws, Regulations, Requirements, and Guidance. In administering any State Safety Oversight Grant Program Award under 49 U.S.C. § 5329(e)(6), as amended by the FAST Act, the Recipient agrees to comply with the following:

(1) 49 U.S.C. § 5329(e)(6), as amended by the FAST Act,

(2) 49 U.S.C. § 5330, which is repealed three (3) years after the effective date of the final FTA State Safety Oversight regulations required under 49 U.S.C. § 5329(e), as amended by the FAST Act and section 20021(b) of MAP-21,

(3) 49 C.F.R. part 659, until those regulations are repealed or superseded by regulations that FTA promulgates in the future that implement 49 U.S.C. § 5329(e) as amended by the FAST Act,
(4) Other applicable federal laws, regulations, and requirements, and the Underlying Agreement and any Amendments thereto, and all other applicable provisions of this Master Agreement, and
(5) Applicable federal guidance, including the most recent FTA Notice of Availability for federal assistance made available for the State Safety Oversight Grant Program authorized by MAP-21, to the extent that its provisions are consistent with applicable requirements of 49 U.S.C. chapter 53, and other applicable federal laws, regulations, requirements, and guidance.

c. Other Special Provisions for State Safety Oversight Grant Program. The Recipient agrees that federal assistance for the State Safety Oversight Grant Program will be used to develop or carry out its State Safety Oversight Grant Program for purposes of coming into compliance with 49 U.S.C. §§ 5329(e)(3) and 5329(e)(4), including the establishment of a State Safety Oversight Agency (SSOA) that:
(1) Has an appropriate staffing level that is commensurate with the number, size, and complexity of the rail fixed guideway public transportation systems that the Recipient oversees,
(2) Requires its employees and other designated personnel of the SSOA who are responsible for rail fixed guideway public transportation safety oversight to be qualified to perform such functions through appropriate training, including successful completion of the public transportation safety certification training program when established under 49 U.S.C. § 5329(c), and
(3) Is prohibited from receiving federal assistance from any public transportation agency that the SSOA oversees pursuant to 49 U.S.C. § 5329(e)(4).

Section 46. Special Provisions for the State Infrastructure Bank (SIB) Program.

a. Federal Laws, Regulations, Requirements, and Guidance. The State. as the Recipient, agrees to administer its Underlying Agreement to support its SIB consistent with federal laws, regulations, requirements, and guidance, including, but not limited to:
(1) Title 23, U.S.C. (Highways), specifically 23 U.S.C. § 610, to the extent required under the FAST Act, and other applicable federal legislation,
(2) Federal transit laws, specifically 49 U.S.C. § 5323(o), which requires compliance with 49 U.S.C. §§ 5307, 5309, and 5337 for Underlying Agreements to which MAP-21 and the FAST Act apply,
(3) Section 350 of the National Highway System Designation Act of 1995, as amended, (NHS Act), 23 U.S.C. § 101 note, to the extent this section has not been superseded by 23 U.S.C. § 610,
(4) Any federal law enacted or federal regulation or requirements promulgated at a later date applicable to the Underlying Agreement,
(5) All other applicable federal guidance that may be issued,
(6) The terms and conditions of any U.S. DOL certification(s) of employee protective arrangements,

(7) The SIB Cooperative Agreement establishing the SIB in the state, signed by the Executive Director of the Build America Bureau, the Federal Transit Administrator, authorized state official(s) or their authorized designees, and if applicable, the administrator (or designee) for any other federal modal agency that the State wishes to include in its SIB, and

(8) The FTA Grant Agreement providing federal assistance for the Underlying Agreement in support of its SIB, except that any provision of this Master Agreement that would otherwise apply to a SIB Project does not apply to the Underlying Agreement if it conflicts with any other federal law or regulation applicable to a SIB, federal SIB Guidelines, the SIB Cooperative Agreement, or the Underlying Agreement, or the Underlying Agreement, but the conflicting provision of this Master Agreement will prevail, however, if FTA expressly determines so in writing.

b. Limitations on Accessing Federal Assistance in the Transit Account. The Recipient understands that the total amount of federal assistance awarded under the Grant Agreement to be supported with SIB deposits may not be available for immediate withdrawal. The State and the Recipient agree to restrict the amount of federal assistance it withdraws from its SIB to an amount not exceeding the limits specified in its Grant Agreement in support of the SIB or the Award Budget for that Grant Agreement.

Section 47. Special Provisions for the TIFIA Program.

a. Federal Laws, Regulations, Requirements, and Guidance. The Recipient agrees to administer any Underlying Agreement financed with federal credit assistance authorized by the Transportation Infrastructure Finance and Innovation Act (TIFIA), as amended, as required under:

(1) Title 23, U.S.C. (Highways), specifically 23 U.S.C. §§ 601 – 609, to the extent required under the FAST Act, and other applicable federal legislation,

(2) Federal transit laws, more specifically 49 U.S.C. § 5323(o), which requires compliance with 49 U.S.C. §§ 5307, 5309, and 5337 for any Underlying Agreement to which 49 U.S.C. chapter 53 apply,

(3) Section 350 of the National Highway System Designation Act of 1995, as amended,

(4) Joint U.S. DOT and FTA regulations, "Credit Assistance for Surface Transportation Projects," 49 C.F.R. parts 80 and 640 that have not been superseded by the FAST Act, or any other statute in effect and that applies to the matter at issue, and

(5) Any federal statute signed into laws and regulations promulgated at a later date that would affect the Underlying Agreement.

b. Default. The Recipient agrees that FTA may declare the Recipient in violation of the Master Agreement if it has defaulted on a TIFIA Loan, Loan Guarantee, Line of Credit, or Master Credit Agreement, and that default has not been cured within 90 days.

c. Order of Precedence. Any provision of this Master Agreement that is applicable to the Recipient's Underlying Agreement for TIFIA assistance and Recipient, but that conflicts with the laws, regulations, and requirements identified in this section, will not apply to the

Recipient's TIFIA Loan, Loan Guarantee, Line of Credit, or Master Credit Agreement, unless FTA determines otherwise in writing.

Section 48. Special Provisions for the Joint FTA – FRA Program.

a. General Legal Requirements. When both FTA and the U.S. Federal Railroad Administration (FRA) make federal assistance available for the same Underlying Agreement, the Recipient understands and agrees that it will administer the Underlying Agreement to achieve maximum compliance with FTA's statutory and regulatory requirements, FRA's statutory and regulatory requirements, and other federal statutory requirements.

b. Disadvantaged Business Enterprises.
   (1) The Recipient acknowledges and understands that the statutory and regulatory provisions relating to disadvantaged business enterprises (DBE) differ significantly between FTA and FRA, including Section 1101(b) of the FAST Act (23 U.S.C. § 101 note) and U.S. DOT regulations, "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs," 49 C.F.R. part 26, both of which apply to FTA, but not to FRA.
   (2) FRA is not authorized to use FTA's DBE regulations, and consequently the Recipient agrees to comply with the statutory and regulatory DBE provisions that apply to federal assistance provided by FTA when using that federal assistance for purchases.
   (3) The Recipient agrees to use the "contracting with small and minority firms, women's business enterprise" provisions of the applicable U.S. DOT Common Rules.

c. Buy America. The Recipient agrees that statutory and regulatory Buy America provisions that apply to federal assistance authorized for FTA differ from those that apply to federal assistance authorized for FRA. Therefore, the Recipient agrees that:
   (1) It must comply with FTA's statutory and regulatory Buy America provisions to the extent that the purchases are for a Project or related activities that implement the Underlying Agreement,
   (2) It must comply with FRA's statutory and regulatory Buy America provisions, specifically section 301(a) of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA), Pub L. 110-432, October 16, 2008, and 49 U.S.C. § 24405(a), to the extent that the purchases are required to comply with FRA Buy America requirements, and
   (3) If it uses federal assistance authorized for FTA and for FRA to finance a purchase, the Recipient agrees that it must comply with both FTA's and FRA's requirements.

d. Force Account – Procurement. The Recipient agrees that FTA deems section 16.k of this Master Agreement to be satisfied for work that is performed by the railroad's force account employees if a Project or related activities are being conducted on the property of a railroad, and under the railroad's collective bargaining agreements with its employees, certain work to be performed for the Recipient must be performed by force account employees.

e. Procurement of Rolling Stock. The Recipient agrees that if FRA requires the Recipient to acquire any rolling stock for the Underlying Agreement from the Next Generation Corridor

Equipment Pool Committee that has been established under section 305 of PRIIA, FTA deems section 15 of this Master Agreement to be satisfied.

f. Use of Real Property, Equipment, and Supplies. The Recipient agrees that application of section 19 of this Master Agreement is reserved.

g. Davis-Bacon. The Recipient agrees that, as provided in 49 U.S.C. § 24312, wages paid to railroad employees at rates provided in a collective bargaining agreement negotiated under the Railway Labor Act, 45 U.S.C. § 151 *et seq*., are deemed to comply with the requirements of the Davis-Bacon Act, 40 U.S.C. § 3141 *et seq*., and satisfy section 24 of this Master Agreement.

h. Employee Protective Arrangements. The Recipient agrees to pass down to a railroad employee subject to the Railway Labor Act, 45 U.S.C. § 151 *et seq*., protective arrangements as provided in a special Attachment to FTA's Grant Agreement or Cooperative Agreement with the Recipient, and not pass down employee protective arrangements as provided in section 24 of this Master Agreement.

i. Motor Carrier Safety. The Recipient agrees that railroad signal employees and their employers must comply with the hours of service requirements of 49 U.S.C. § 21104, *see* 49 U.S.C. § 21104(e), and FRA's hours of service regulation, specifically 49 C.F.R. part 228, and Section 31 of this Master Agreement does not apply to railroad signal employees concerning hours of service.

j. Railroad Safety. The Recipient agrees that a railroad subject to FRA's safety jurisdiction must comply with the federal railroad safety laws.

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APPENDIX A

TRIBAL TRANSIT PROGRAM – APPLICABLE PROVISIONS

FTA recognizes that several provisions of the Master Agreement generally applicable to other programs do not apply to the Tribal Transit Programs or the Indian Tribes that are the Direct Recipients of federal assistance under those Programs. The following sections of the Master Agreement are not applicable to the Tribal Transit Programs:

Section 14.a(1) & 14.b – Private Enterprise
Section 22.e – Relocation and Real Property
Section 27 – State Management and Monitoring Systems
Section 30 – Geographic Information and Related Spatial Data
Section 37 – Special Notification Requirement for States

However, this list is not intended to be comprehensive and FTA may determine that other provisions are applicable depending upon the Underlying Agreement for the Tribal Transit.

CITY OF
MOSCOW
1887
IDAHO
Heart of the Arts

Bill Lambert
Mayor

Kathryn Bonzo
Council President

Gina Taruscio
Council Vice-President

Art Bettge
Council Member

Jim Boland
Council Member

Brandy Sullivan
Council Member

Anne Zabala
Council Member

Gary J. Riedner
City Supervisor

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Hearing Impaired (208) 883-7019

MEMORANDUM

CITY OF MOSCOW ADMINISTRATION

To: Mayor Bill Lambert and Moscow City Council Members

From: Alisa J. Anderson, Grants Manager *aja*

Date: March 14, 2018

Re: Federal Transit Administration (FTA)
Fiscal Year 2018 Certification and Assurances

The City of Moscow receives grant funding from FTA as a direct recipient or a sub-recipient through the Idaho Transportation Department (ITD). FTA requires recipients review, understand and agree to the Certifications and Assurances that are released on an annual basis in order to apply for grants and/or receive continued funding. The City currently has an active grant Agreement with ITD for 5339 Bus and Bus Facilities funding for bus/bike shelters installation, sidewalk infrastructure improvements, and bike amenities which will be completed by September 30, 2018.

In past years, FTA has released their Master Agreement (see attached) and the Certifications and Assurances together requesting review and approval from grant recipients. City Council approved the current FTA Master Agreement and the FY17 Certifications and Assurances on February 21, 2017. This year, however, FTA only released updated FY18 Certifications and Assurances with minor changes from the FY17 version.

The FY18 version has 21 Certifications and Assurances and in FY17 there were 23. The changes include Category 3 "Procurement Certification" transferred to Category 1 and removal of the Certification for 22 for Paul S. Sarbanes Transit in the Parks Program which is no longer funded. All other Categories have remained the same with a few minor wording adjustments which are not applicable to City of Moscow projects. Please note that only the provisions in the Certifications and Assurances that apply to specific projects and funding sources are enforced by FTA and they recommend recipients agree to comply with applicable provisions of Categories 01 – 21 as shown on the checklist on Page 43 below "Name of Applicant".

Attached to this Memorandum and Staff Report is the current FTA Master Agreement released October 1, 2016 and the FTA FY18 Certifications and Assurances which requires signatures on Page 44 with the Mayor to sign the Affirmation of Applicant and the Affirmation of Applicant's Attorney to be signed by Gary Riedner, Acting City Attorney upon City Council approval.

FTA FISCAL YEAR 2018 CERTIFICATIONS AND ASSURANCES

PREFACE

Before the Federal Transit Administration (FTA or We) may award federal assistance for public transportation in the form of a federal grant, cooperative agreement, loan, line of credit, loan guarantee, master credit agreement, or State Infrastructure Bank (SIB) cooperative agreement, certain pre-award Certifications and Assurances are required, except as FTA determines otherwise in writing. The Applicant must authorize a representative (Authorized Representative) to select and sign its Certifications and Assurances and bind the Applicant's compliance. You, as your Applicant's Authorized Representative, must select and sign all Certifications and Assurances that your Applicant must provide to support each application it submits to FTA for federal assistance during federal fiscal year (FY) 2018.

We request that you read each Certification and Assurance and select those that will apply to any application for which your Applicant might seek FTA assistance during FY 2018. As provided by federal laws, regulations, and requirements, FTA may award federal assistance only if the Applicant's Authorized Representative selects adequate Certifications and Assurances.

We have consolidated our Certifications and Assurances into twenty-one (21) Categories.

We encourage you to make a single selection that will encompass all twenty-one (21) Categories of Certifications and Assurances that apply to our various programs. FTA, the Applicant, and the Applicant's Authorized Representative, understand and agree that not every provision of these twenty-one (21) Categories of Certifications and Assurances will apply to every Applicant or every Award or Project included in an Award, even if you make a single selection encompassing all twenty-one (21) Categories. Nor will every provision of each Certification or Assurance within a single Category apply if that provision does not apply to your Applicant or the Award it seeks. The type of Applicant and its application will determine which Certifications and Assurances apply.

In the alternative:

- *All Applicants must select the Assurances in Category 01, "Required Certifications and Assurances for each Applicant.*
- *If your Applicant requests or intends to request more than $100,000 in federal assistance during FY2018, you must select the "Lobbying" Certification in Category 02, except if your Applicant is an Indian tribe, Indian organization, or an Indian tribal organization.*
- *Depending on the nature of your Applicant and the Award it seeks, you may also need to select one or more Certifications and Assurances in Categories 03 through 21.*

Your Applicant is ultimately responsible for compliance with the Certifications and Assurances selected that apply to its Award, itself, any Subrecipient, or any other Third

FTA FISCAL YEAR 2018 CERTIFICATIONS AND ASSURANCES

Party Participant in its Award, except as FTA determines otherwise in writing. For this reason, we strongly encourage your Applicant to take appropriate measures, including, but not limited to, obtaining sufficient documentation from each Subrecipient and any other Third Party Participant as necessary to assure your Applicant's compliance with the applicable Certifications and Assurances selected on its behalf.

Except as FTA determines otherwise in writing, if your Applicant is a team, consortium, joint venture, or partnership, it understands and agrees that you must identify the activities that each member will perform and the extent to which each member will be responsible for compliance with the selected Certifications and Assurances. You also must identify each member's role in the Award, whether as a Recipient, Subrecipient, Third Party Contractor, or other Third Party Participant.

It is important that you and your Applicant also understand that these Certifications and Assurances are pre-award requirements, generally imposed by federal law or regulation, and do not include all federal requirements that may apply to it or its Award. We expect you to submit your Applicant's FY 2018 Certifications and Assurances and its applications for federal assistance in FTA's Transit Award Management System (TrAMS). You must be registered in TrAMS to submit your Applicant's FY 2018 Certifications and Assurances. TrAMS contains fields for selecting among the twenty-one (21) Categories of Certifications and Assurances and a designated field for selecting all twenty-one (21) Categories of Certifications and Assurances. If FTA agrees that you are unable to submit your Applicant's FY 2018 Certifications and Assurances electronically, you must submit the Signature Pages at the end of this document, as FTA directs, marked to show the Categories of Certifications and Assurances that you are submitting.

Be aware that these Certifications and Assurances have been prepared in light of:

- *The Fixing America's Surface Transportation (FAST) Act, Public Law No. 114-94, December 4, 2015, and other authorizing legislation to be enacted,*
- *The Moving Ahead for Progress in the 21st Century Act (MAP-21), Public Law No. 112-141, July 6, 2012, as amended by the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015, Public Law No. 114-41, July 31, 2015,*
- *Previous enabling legislation that remains in effect, and*
- *Appropriations Acts or Continuing Resolutions funding the U.S. Department of Transportation during Fiscal Year 2018.*

FTA FISCAL YEAR 2018 CERTIFICATIONS AND ASSURANCES

CATEGORY 01. REQUIRED CERTIFICATIONS AND ASSURANCES FOR EACH APPLICANT.

Before FTA may provide federal assistance for your Applicant's Award, you must select the Certifications and Assurances in Category 01 in addition to any other applicable Certifications and Assurances, except as FTA determines otherwise in writing.

Any provision of the Certifications and Assurances in Category 01 that does not apply will not be enforced.

01.A. Certifications and Assurances of Authority of the Applicant and Its Authorized Representative.

You certify and affirm that in signing these Certifications, Assurances, and Agreements, both you, as your Applicant's Authorized Representative, and your Applicant's attorney who is authorized to represent your Applicant in legal matters, may undertake the following activities on your Applicant's behalf, in compliance with applicable state, local, or Indian tribal laws, regulations, and requirements and your Applicant's by-laws or internal rules:
1. Execute and file its application for federal assistance,
2. Execute and file its Certifications, Assurances, Charter Service Agreement, and School Bus Agreement, as applicable, binding its compliance,
3. Execute its Grant Agreement, Cooperative Agreement, Loan, Loan Guarantee, Line of Credit, Master Credit Agreement, or State Infrastructure Bank (SIB) Cooperative Agreement for which the Applicant is seeking federal assistance from FTA,
4. Comply with applicable federal laws, regulations, and requirements, and
5. Follow applicable federal guidance.

01.B. Standard Assurances.

On behalf of your Applicant, you assure that it understands and agrees to the following:
1. It will comply with all applicable federal laws, regulations, and requirements in implementing its Award.
2. It is under a continuing obligation to comply with the terms and conditions of its Grant Agreement or Cooperative Agreement with FTA for each Award, including the FTA Master Agreement and other documents incorporated by reference and made part of its Grant Agreement or Cooperative Agreement, or latest amendment thereto.
3. It recognizes that federal laws, regulations, and requirements may be amended from time to time and those amendments may affect the implementation of its Award.
4. It understands that Presidential executive orders and federal guidance, including federal policies and program guidance, may be issued concerning matters affecting it or its Award.
5. It agrees that the most recent federal laws, regulations, requirements, and guidance will apply to its Award, except as FTA determines otherwise in writing.
6. Except as FTA determines otherwise in writing, it agrees that requirements for FTA programs may vary depending on the fiscal year for which the federal assistance for those programs was appropriated or made available.

FTA FISCAL YEAR 2018 CERTIFICATIONS AND ASSURANCES

01.C. Intergovernmental Review Assurance.

(This assurance in this Category 01.C does not apply to an Indian tribe, an Indian organization, or an Indian tribal organization that applies for federal assistance made available under 49 U.S.C. § 5311(c)(1), which authorizes FTA's Tribal Transit Programs.)

As required by U.S. Department of Transportation (U.S. DOT) regulations, "Intergovernmental Review of Department of Transportation Programs and Activities," 49 CFR part 17, on behalf of your Applicant, you assure that it has submitted or will submit each application for federal assistance to the appropriate state and local agencies for intergovernmental review.

01.D. Nondiscrimination Assurance.

On behalf of your Applicant, you assure that:

1. It will comply with the following laws, regulations, and requirements so that no person in the United States will be denied the benefits of, or otherwise be subjected to discrimination in, any U.S. DOT or FTA assisted program or activity (particularly in the level and quality of transportation services and transportation-related benefits) based on race, color, national origin, religion, sex, disability, or age including:
   a. Federal transit laws, specifically 49 U.S.C. § 5332 (prohibiting discrimination based on race, color, religion, national origin, sex (including gender identity), disability, age, employment, or business opportunity),
   b. Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000d,
   c. Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e *et seq.* (prohibiting discrimination based on race, color, religion, sex, (including gender identity and sexual orientation) or national origin,
   d. 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,
   e. Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. § 1681 *et seq.*,
   f. U.S. DOT regulations, "Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance," 49 CFR part 25,
   g. The Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794, *et seq.*,
   h. The Americans with Disabilities Act of 1990, as amended, 42 U.S.C. § 12101 *et seq.*,
   i. 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 CFR part 21,
   j. U.S. DOT regulations, specifically 49 CFR parts 27, 37, 38, and 39, and
   k. Any other applicable federal statutes that may be signed into law, federal regulations that may be issued, or federal requirements that may be imposed.
2. It will comply with federal guidance implementing federal nondiscrimination laws, regulations, or requirements, except as FTA determines otherwise in writing.
3. As required by 49 CFR § 21.7:

FTA FISCAL YEAR 2018 CERTIFICATIONS AND ASSURANCES

a. It will comply with 49 U.S.C. § 5332, 42 U.S.C. § 2000d, and 49 CFR part 21 in the manner that:
   (1) It implements its Award,
   (2) It undertakes property acquisitions, and
   (3) It operates all parts of its facilities, as well as its facilities operated in connection with its Award.
b. This assurance applies to its Award and to all parts of its facilities, as well as its facilities used to implement its Award.
c. It will promptly take the necessary actions to carry out this assurance, including the following:
   (1) Notifying the public that discrimination complaints about transportation-related services or benefits may be filed with U.S. DOT or FTA Headquarters Office of Civil Rights, and
   (2) Submitting information about its compliance with these provisions to U.S. DOT or FTA upon their request.
d. If it transfers U.S. DOT or FTA assisted real property, structures, or improvements to another party, any deeds and instruments recording that transfer will contain a covenant running with the land assuring nondiscrimination:
   (1) While the property is used for the purpose that the federal assistance is extended, or
   (2) While the property is used for another purpose involving the provision of similar services or benefits.
e. The United States has a right to seek judicial enforcement of any matter arising under:
   (1) Title VI of the Civil Rights Act, 42 U.S.C. § 2000d,
   (2) U.S. DOT regulations, 49 CFR part 21, or
   (3) This assurance.
f. It will make any changes in its Title VI implementing procedures, as U.S. DOT or FTA may request, to comply with:
   (1) Title VI of the Civil Rights Act, 42 U.S.C. § 2000d,
   (2) U.S. DOT regulations, 49 CFR part 21, and
   (3) Federal transit law, 49 U.S.C. § 5332.
g. It will comply with applicable federal guidance issued to implement federal nondiscrimination requirements, except as FTA determines otherwise in writing.
h. It will extend the requirements of 49 U.S.C. § 5332, 42 U.S.C. § 2000d, and 49 CFR part 21 to each Third Party Participant, including any:
   (1) Subrecipient,
   (2) Transferee,
   (3) Third Party Contractor or Subcontractor at any tier,
   (4) Successor in Interest,
   (5) Lessee, or
   (6) Other Participant in its Award, except FTA and the Applicant (and later, the Recipient).
i. It will include adequate provisions to extend the requirements of 49 U.S.C. § 5332, 42 U.S.C. § 2000d, and 49 CFR part 21 to each third party agreement, including each:
   (1) Subagreement at any tier,
   (2) Property transfer agreement,

(3) Third party contract or subcontract at any tier,
(4) Lease, or
(5) Participation agreement.

j. The assurances you have made on your Applicant's behalf remain in effect as long as FTA determines appropriate, including, for example, as long as:
(1) Federal assistance is provided for its Award,
(2) Its property acquired or improved with federal assistance is used for a purpose for which the federal assistance is extended, or for a purpose involving similar services or benefits,
(3) It retains ownership or possession of its property acquired or improved with federal assistance provided for its Award,
(4) It transfers property acquired or improved with federal assistance, for the period during which the real property is used for a purpose for which the financial assistance is extended or for another purpose involving the provision of similar services or benefits, or
(5) FTA may otherwise determine in writing.

4. As required by U.S. DOT regulations, "Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance," 49 CFR part 27, specifically 49 CFR § 27.9, and consistent with 49 U.S.C. § 5332, you assure that:
a. It will comply with the following prohibitions against discrimination based on disability listed below in subsection 4.b of this Category 01.D Assurance, of which compliance is a condition of approval or extension of any FTA assistance awarded to:
(1) Construct any facility,
(2) Obtain any rolling stock or other equipment,
(3) Undertake studies,
(4) Conduct research, or
(5) Participate in any benefit or obtain any benefit from any FTA administered program.
b. In any program or activity receiving or benefiting from federal assistance that U.S. DOT administers, no qualified individual with a disability will, because of his or her disability, be:
(1) Excluded from participation,
(2) Denied benefits, or
(3) Otherwise subjected to discrimination.

01.E Procurement Certification.

The Applicant agrees to comply with:
a. U.S. DOT regulations, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," 2 CFR part 1201, which incorporates by reference U.S. OMB regulatory guidance, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," 2 CFR part 200, particularly 2 CFR §200.317-26 "Procurement Standards;
b. Federal laws, regulations, and requirements applicable to FTA procurements; and
c. The latest edition of FTA Circular 4220.1 and other applicable federal guidance.

01.F. Suspension and Debarment, Tax Liability, and Felony Convictions Certifications.

01.F.1 Suspension and Debarment.

On behalf of your Applicant, you certify that:

a. 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.

b. To the best of its knowledge and belief, that its Principals and Subrecipients at the first tier:
   (1) Are eligible to participate in covered transactions of any federal department or agency and are not presently:
      (a) Debarred,
      (b) Suspended,
      (c) Proposed for debarment,
      (d) Declared ineligible,
      (e) Voluntarily excluded, or
      (f) Disqualified.
   (2) Within a three-year period preceding its latest application or proposal, its management has not been convicted of or had a civil judgment rendered against any of them for:
      (a) 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,
      (b) Violation of any federal or state antitrust statute, or
      (c) Commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making any false statement, or receiving stolen property.
   (3) 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 b(2) of this Certification.
   (4) 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.
   (5) If, at a later time, it receives any information that contradicts the preceding statements of subsections a or b of this Category 01.F Certification, it will promptly provide that information to FTA.
   (6) It will treat each lower tier contract or subcontract under its Award as a covered lower tier contract for purposes of 2 CFR part 1200 and 2 CFR part 180 if it:
      (a) Equals or exceeds $25,000,
      (b) Is for audit services, or
      (c) Requires the consent of a federal official.
   (7) It will require that each covered lower tier contractor and subcontractor:
      (a) Comply and facilitate compliance with the federal requirements of 2 CFR parts 180 and 1200, and
      (b) Assure that each lower tier participant in its Award is not presently declared by any federal department or agency to be:

1 Debarred from participation in any federally assisted Award,
2 Suspended from participation in any federally assisted Award,
3 Proposed for debarment from participation in any federally assisted Award,
4 Declared ineligible to participate in any federally assisted Award,
5 Voluntarily excluded from participation in any federally assisted Award, or
6 Disqualified from participation in any federally assisted Award.

c. It will provide a written explanation 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 Category 01.F.1 Certification.

01.F.2. Tax Liability.

If your Applicant is a private corporation, partnership, trust, joint-stock company, sole proprietorship, or other business association, on behalf of your Applicant, you certify that:

a. Your Applicant and its prospective Subrecipients have no unpaid federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.
b. Your Applicant and its Subrecipients will follow applicable U.S. DOT guidance when issued.

01.F.3. Felony Convictions.

If your Applicant is a private corporation, partnership, trust, joint-stock company, sole proprietorship, or other business association, on behalf of your Applicant, you certify that:

a. Your Applicant and its prospective Subrecipients have not been convicted of a felony criminal violation under any federal law within the preceding 24 months.
b. Your Applicant and its Subrecipients will follow applicable U.S. DOT guidance when it is issued.

01.G. U.S. OMB Assurances in SF-424B and SF-424D.

The assurances in this Category 01.G are consistent with the U.S. OMB assurances required in the U.S. OMB SF-424B and SF-424D, and updated as necessary to reflect changes in federal laws, regulations, and requirements.

1. *Administrative Activities.* On behalf of your Applicant, you assure that:
   a. For any application it submits for federal assistance, it has adequate resources to plan, manage, and properly complete the tasks to implement its Award, including:
      (1) The legal authority to apply for federal assistance,
      (2) The institutional capability,
      (3) The managerial capability, and
      (4) The financial capability (including funds sufficient to pay the non-federal share of the cost of incurred under its Award).
   b. As required, it will give access and the right to examine materials related to its Award to the following entities or individuals, including, but not limited to:

(1) FTA,
(2) The Comptroller General of the United States, and
(3) The State, through an appropriate authorized representative.

c. It will establish a proper accounting system in accordance with generally accepted accounting standards or FTA guidance.

d. It will establish safeguards to prohibit employees from using their positions for a purpose that results in:
(1) A personal or organizational conflict of interest or personal gain, or
(2) An appearance of a personal or organizational conflict of interest or personal gain.

2. *Specifics of the Award.* On behalf of your Applicant, you assure that:

a. It will begin and complete work within the period of performance that applies following receipt of an FTA Award.

b. For FTA assisted construction Awards:
(1) It will comply with FTA provisions concerning the drafting, review, and approval of construction plans and specifications,
(2) It will provide and maintain competent and adequate engineering supervision at the construction site to assure that the completed work conforms to the approved plans and specifications,
(3) It will include a covenant to assure nondiscrimination during the useful life of the real property financed under its Award in its title to that real property, and it will include such covenant in any transfer of such property,
(4) To the extent FTA requires, it will record the federal interest in the title to FTA assisted real property or interests in real property, and
(5) It will not alter the site of the FTA assisted construction or facilities without permission or instructions from FTA by:
(a) Disposing of the underlying real property or other interest in the site and facilities,
(b) Modifying the use of the underlying real property or other interest in the site and facilities, or
(c) Changing the terms of the underlying real property title or other interest in the site and facilities.

c. It will furnish progress reports and other information as FTA or the state may require.

3. *Statutory and Regulatory Requirements.* On behalf of your Applicant, you assure that:

a. Your Applicant will comply with all federal laws, regulations, and requirements relating to nondiscrimination that apply, including, but not limited to:
(1) The prohibitions against discrimination based on race, color, or national origin, as provided in Title VI of the Civil Rights Act, 42 U.S.C. § 2000d.
(2) The prohibitions against discrimination based on sex, as provided in:
(a) Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. §§ 1681 – 1683, and 1685 – 1687, and
(b) U.S. DOT regulations, "Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance," 49 CFR part 25.

(3) The prohibitions against discrimination based on age in federally assisted programs, as provided in the Age Discrimination Act of 1975, as amended, 42 U.S.C. §§ 6101 – 6107.
(4) The prohibitions against discrimination based on disability in federally assisted programs, as provided in section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794.
(5) The prohibitions against discrimination based on disability, as provided in the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. § 12101.
(6) The prohibitions against discrimination in the sale, rental, or financing of housing, as provided in Title VIII of the Civil Rights Act, 42 U.S.C. § 3601 *et seq*.
(7) The prohibitions against discrimination based on drug abuse, as provided in the Drug Abuse Office and Treatment Act of 1972, as amended, 21 U.S.C. § 1101 *et seq*.
(8) The prohibitions against discrimination based on alcohol abuse, as provided in the Comprehensive Alcohol Abuse and Alcoholism Prevention Act of 1970, as amended, 42 U.S.C. § 4541 *et seq*.
(9) The confidentiality requirements for records of alcohol and drug abuse patients, as provided in the Public Health Service Act, as amended, 42 U.S.C. § 290dd – 290dd-2.
(10) The prohibitions against discrimination in employment as provided in Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e *et seq*.,
(11) The nondiscrimination provisions of any other statute(s) that may apply to its Award.

b. As provided by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Relocation Act), 42 U.S.C. § 4601 *et seq*., and 49 U.S.C. § 5323(b), regardless of whether federal assistance has been provided for any real property acquired or improved for purposes of its Award:
(1) It will provide for fair and equitable treatment of any displaced persons or any persons whose property is acquired or improved as a result of federally assisted programs.
(2) It has the necessary legal authority under state and local laws, regulations, and requirements to comply with:
   (a) The Uniform Relocation Act. 42 U.S.C. § 4601 *et seq*., as specified by 42 U.S.C. §§ 4630 and 4655, and
   (b) U.S. DOT regulations, "Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs," 49 CFR part 24, specifically 49 CFR § 24.4.
(3) It has complied with or will comply with the Uniform Relocation Act and implementing U.S. DOT regulations because:
   (a) It will adequately inform each affected person of the benefits, policies, and procedures provided for in 49 CFR part 24.
   (b) As provided by 42 U.S.C. §§ 4622, 4623, and 4624, and 49 CFR part 24, if its Award results in displacement, it will provide fair and reasonable relocation payments and assistance to:
      1 Displaced families or individuals, and
      2 Displaced corporations, associations, or partnerships.

(c) As provided by 42 U.S.C. § 4625 and 49 CFR part 24, it will provide relocation assistance programs offering the services described in the U.S. DOT regulations to such:
  1 Displaced families and individuals, and
  2 Displaced corporations, associations, or partnerships.

(d) As provided by 42 U.S.C. § 4625(c)(3), within a reasonable time before displacement, it will make available comparable replacement dwellings to families and individuals.

(e) It will do the following:
  1 Carry out the relocation process to provide displaced persons with uniform and consistent services, and
  2 Make available replacement housing in the same range of choices with respect to such housing to all displaced persons regardless of race, color, religion, or national origin.

(f) It will be guided by the real property acquisition policies of 42 U.S.C. §§ 4651 and 4652.

(g) It will pay or reimburse property owners for their necessary expenses as specified in 42 U.S.C. §§ 4653 and 4654, understanding that FTA will provide federal assistance for its eligible costs of providing payments for those expenses, as required by 42 U.S.C. § 4631.

(h) It will execute the necessary implementing amendments to FTA assisted third party contracts and subagreements.

(i) It will execute, furnish, and be bound by such additional documents as FTA may determine necessary to effectuate or implement these assurances.

(j) It will incorporate these assurances by reference into and make them a part of any third party contract or subagreement, or any amendments thereto, related to its Award that involves relocation or land acquisition.

(k) It will provide in any affected document that these relocation and land acquisition provisions must supersede any conflicting provisions.

c. It will comply with the Lead-Based Paint Poisoning Prevention Act, specifically 42 U.S.C. § 4831(b), which prohibits the use of lead-based paint in the construction or rehabilitation of residence structures.

d. It will, to the extent applicable, comply with the protections for human subjects involved in research, development, and related activities supported by federal assistance of:
  (1) The National Research Act, as amended, 42 U.S.C. § 289 *et seq*., and
  (2) U.S. DOT regulations, "Protection of Human Subjects," 49 CFR part 11.

e. It will, to the extent applicable, comply with the labor standards and protections for federally assisted Awards of:
  (1) The Davis-Bacon Act, as amended, 40 U.S.C. §§ 3141 – 3144, 3146, and 3147,
  (2) Sections 1 and 2 of the Copeland "Anti-Kickback" Act, as amended, 18 U.S.C. § 874, and 40 U.S.C. § 3145, respectively, and
  (3) The Contract Work Hours and Safety Standards Act, as amended, 40 U.S.C. § 3701 *et seq*.

f. It will comply with any applicable environmental standards prescribed to implement federal laws and executive orders, including, but not limited to:

(1) Complying with the institution of environmental quality control measures under the National Environmental Policy Act of 1969, as amended, 42 U.S.C. §§ 4321 – 4335 and following Executive Order No. 11514, as amended, 42 U.S.C. § 4321 note.
(2) Following the notification of violating facilities provisions of Executive Order No. 11738, 42 U.S.C. § 7606 note.
(3) Following the protection of wetlands provisions of Executive Order No. 11990, 42 U.S.C. § 4321 note.
(4) Following the evaluation of flood hazards in the floodplains provisions of Executive Order No. 11988, May 24, 1977, as amended, 42 U.S.C. § 4321 note.
(5) Complying with the assurance of consistency with the approved state management program developed pursuant to the Coastal Zone Management Act of 1972, as amended, 16 U.S.C. §§ 1451 – 1465.
(6) Complying with the Conformity of Federal Actions to State (Clean Air) Implementation Plans requirements under section 176(c) of the Clean Air Act of 1970, as amended, 42 U.S.C. §§ 7401 – 7671q.
(7) Complying with protections for underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, 42 U.S.C. § 300f – 300j-6.
(8) Complying with the protections for endangered species under the Endangered Species Act of 1973, as amended, 16 U.S.C. §§ 1531 – 1544.
(9) Complying with the environmental protections for federal transportation programs, including, but not limited to, protections for parks, recreation areas, or wildlife or waterfowl refuges of national, state, or local significance or any land from a historic site of national, state, or local significance to be used in a transportation Award, as required by 49 U.S.C. § 303 (also known as "Section 4f").
(10) Complying with the protections for national wild and scenic rivers systems, as required under the Wild and Scenic Rivers Act of 1968, as amended, 16 U.S.C. §§ 1271 – 1287.
(11) Complying with and facilitating compliance with:
   (a) Section 106 of the National Historic Preservation Act of 1966, as amended, 54 U.S.C. § 300108,
   (b) The Archaeological and Historic Preservation Act of 1974, as amended, 54 U.S.C. § 312501 *et seq*., and
   (c) Executive Order No. 11593 (identification and protection of historic properties), 54 U.S.C. § 300101.

g. To the extent applicable, it will comply with the following federal requirements for the care, handling, and treatment of warm-blooded animals held or used for research, teaching, or other activities supported with federal assistance:
   (1) The Animal Welfare Act, as amended, 7 U.S.C. § 2131 *et seq*., and
   (2) U.S. Department of Agriculture regulations, "Animal Welfare," 9 CFR subchapter A, parts 1, 2, 3, and 4.

h. To the extent applicable, it will obtain a certificate of compliance with the seismic design and construction requirements of U.S. DOT regulations, "Seismic Safety," 49 CFR part 41, specifically 49 CFR § 41.117(d), before accepting delivery of any FTA assisted buildings.

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i. It will comply with and assure that each of its Subrecipients located in special flood hazard areas will comply with section 102(a) of the Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. § 4012a(a), by:
   (1) Participating in the federal flood insurance program, and
   (2) Purchasing flood insurance if the total cost of insurable construction and acquisition is $10,000 or more.
j. It will comply with:
   (1) The Hatch Act, 5 U.S.C. §§ 1501 – 1508, 7324 – 7326, which limits the political activities of state and local agencies and their officers and employees whose primary employment activities are financed in whole or part with federal assistance, including a federal loan, grant agreement, or cooperative agreement, and
   (2) 49 U.S.C. § 5323(l)(2) and 23 U.S.C. § 142(g), which provide an exception from Hatch Act restrictions for a nonsupervisory employee of a public transportation system (or of any other agency or entity performing related functions) receiving federal assistance appropriated or made available under 49 U.S.C. chapter 53 and 23 U.S.C. § 142(a)(2) to whom the Hatch Act does not otherwise apply.
k. It will perform the financial and compliance audits as required by the:
   (1) Single Audit Act Amendments of 1996, 31 U.S.C. § 7501 *et seq.*,
   (2) U.S. DOT regulations, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," 2 CFR part 1201, which incorporates by reference U.S. OMB regulatory guidance, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," 2 CFR part 200, and
   (3) Most recent applicable U.S. OMB Compliance Supplement, 2 CFR part 200, appendix XI (previously known as the U.S. OMB Circular A-133 Compliance Supplement).
l. It will comply with all other federal laws, regulations, and requirements that apply.
m. It will follow federal guidance governing it and its Award, except as FTA has expressly approved otherwise in writing.

CATEGORY 02. LOBBYING.

Before FTA may provide federal assistance for a grant or cooperative agreement exceeding $100,000 or a loan, line of credit, loan guarantee, or loan insurance exceeding $150,000, you must select the Lobbying Certifications in Category 02, unless your Applicant is an Indian Tribe, Indian organization, or an Indian tribal organization exempt from the requirements of 31 U.S.C. § 1352, and/or except as FTA determines otherwise in writing.

Any provision of the Certifications in Category 02 that does not apply will not be enforced.

On behalf of your Applicant, you certify that:
1. As required by 31 U.S.C. § 1352 and U.S. DOT regulations, "New Restrictions on Lobbying," specifically 49 CFR § 20.110:
   a. The lobbying restrictions of this Certification apply to its requests:
      (1) For $100,000 or more in federal assistance for a grant or cooperative agreement, and

(2) For $150,000 or more in federal assistance for a loan, line of credit, loan guarantee, or loan insurance, and

b. Your Certification on your Applicant's behalf applies to the lobbying activities of:
   (1) The Applicant,
   (2) Its Principals, and
   (3) Its Subrecipients at the first tier.

2. To the best of your knowledge and belief:
   a. No federal appropriated funds have been or will be paid by your Applicant or on its behalf to any person to influence or attempt to influence:
      (1) An officer or employee of any federal agency regarding the award of a:
         (a) Federal grant or cooperative agreement, or
         (b) Federal loan, line of credit, loan guarantee, or loan insurance, or
      (2) A Member of Congress, an employee of a member of Congress, or an officer or employee of Congress regarding the award of a:
         (a) Federal grant or cooperative agreement, or
         (b) Federal loan, line of credit, loan guarantee, or loan insurance.
   b. Your Applicant will submit a complete OMB Standard Form LLL (Rev. 7-97), "Disclosure of Lobbying Activities," consistent with the instructions on that form, if any funds other than federal appropriated funds have been or will be paid to any person to influence or attempt to influence:
      (1) An officer or employee of any federal agency regarding the award of a:
         (a) Federal grant or cooperative agreement, or
         (b) Federal loan, line of credit, loan guarantee, or loan insurance, or
      (2) A Member of Congress, an employee of a member of Congress, or an officer or employee of Congress regarding the award of a:
         (a) Federal grant or cooperative agreement, or
         (b) Federal loan, line of credit, loan guarantee, or loan insurance.
   c. Your Applicant will include the language of this Certification in its Award documents under a federal grant, cooperative agreement, loan, line of credit, or loan insurance including, but not limited to:
      (1) Each third party contract,
      (2) Each third party subcontract,
      (3) Each subagreement, and
      (4) Each third party agreement.
3. Your Applicant understands that:
   a. This Certification is a material representation of fact that the Federal Government relies on, and
   b. It must submit this Certification before the Federal Government may award federal assistance for a transaction covered by 31 U.S.C. § 1352, including a:
      (1) Federal grant or cooperative agreement, or
      (2) Federal loan, line of credit, loan guarantee, or loan insurance.
4. Your Applicant understands that any person who does not file a required Certification will incur a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

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CATEGORY 03. PRIVATE SECTOR PROTECTIONS.

Before FTA may provide federal assistance for an Award that involves the acquisition of public transportation property or the operation of public transportation facilities or equipment, you must select the Private Property Protections Assurances in Category 03.A and enter into the Agreements in Category 03.B and Category 03.C on behalf of your Applicant, except as FTA determines otherwise in writing.

Any provision of the Assurances and Agreements in Category 03 that does not apply will not be enforced.

03.A. Private Property Protections.

If your Applicant is a state, local government, or Indian tribal government and seeks federal assistance from FTA to acquire the property of a private transit operator or operate public transportation in competition with or in addition to a public transportation operator, the Private Property Protections Assurances in Category 03.A apply to your Applicant, except as FTA determines otherwise in writing.

To facilitate FTA's ability to make the findings required by 49 U.S.C. § 5323(a)(1), on behalf of your Applicant, you assure that:

1. Your Applicant has or will have:
    a. Determined that the federal assistance it has requested is essential to carrying out its Program of Projects as required by 49 U.S.C. §§ 5303, 5304, and 5306,
    b. Provided for the participation of private companies engaged in public transportation to the maximum extent feasible, and
    c. Paid just compensation under state or local laws to the company for any franchise or property acquired.
2. Your Applicant has completed the actions described in the preceding section 1 of this Category 03.A Certification before:
    a. It acquires the property or an interest in the property of a private provider of public transportation, or
    b. It operates public transportation equipment or facilities:
        (1) In competition with transportation service provided by an existing public transportation operator, or
        (2) In addition to transportation service provided by an existing public transportation operator.

03.B. Charter Service Agreement.

If your Applicant seeks federal assistance from FTA to acquire or operate transit facilities or equipment, the Charter Service Agreement in Category 03.B applies to your Applicant, except as FTA determines otherwise in writing.

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To comply with 49 U.S.C. § 5323(d) and (g) and FTA regulations, "Charter Service, 49 CFR part 604, specifically 49 CFR § 604.4, on behalf of your Applicant, you are entering into the following Charter Service Agreement:

1. FTA's "Charter Service" regulations apply as follows:
   a. FTA's Charter Service regulations restrict transportation by charter service using facilities and equipment acquired or improved under an Award derived from:
      (1) Federal transit laws, 49 U.S.C. chapter 53,
      (2) 23 U.S.C. §§ 133 or 142, or
      (3) Any other Act that provides federal public transportation assistance, unless otherwise excepted.
   b. FTA's charter service restrictions extend to:
      (1) Your Applicant, when it receives federal assistance appropriated or made available for:
         (a) Federal transit laws, 49 U.S.C. chapter 53,
         (b) 23 U.S.C. §§ 133 or 142, or
         (c) Any other Act that provides federal public transportation assistance, unless otherwise excepted.
      (2) Any Third Party Participant that receives federal assistance derived from:
         (a) Federal transit laws, 49 U.S.C. chapter 53,
         (b) 23 U.S.C. §§ 133 or 142, or
         (c) Any other Act that provides federal public transportation assistance, unless otherwise excepted.
   c. A Third Party Participant includes any:
      (1) Subrecipient at any tier,
      (2) Lessee,
      (3) Third Party Contractor or Subcontractor at any tier, and
      (4) Other Third Party Participant in its Award.
   d. You and your Applicant agree that neither it nor any governmental authority or publicly owned operator that receives federal public transportation assistance appropriated or made available for its Award will engage in charter service operations, except as permitted under:
      (1) Federal transit laws, specifically 49 U.S.C. § 5323(d) and (g),
      (2) FTA regulations, "Charter Service," 49 CFR part 604, to the extent consistent with 49 U.S.C. § 5323(d) and (g),
      (3) Any other federal Charter Service regulations, or
      (4) Federal guidance, except as FTA determines otherwise in writing.
   e. You and your Applicant agree that the latest Charter Service Agreement selected in its latest annual Certifications and Assurances is incorporated by reference and made part of the Underlying Agreement accompanying its Award of federal assistance from FTA.
   f. You and your Applicant agree that:
      (1) FTA may require corrective measures or impose remedies on it or any governmental authority or publicly owned operator that receives federal assistance from FTA that has demonstrated a pattern of violating of FTA's Charter Service regulations by:
         (a) Conducting charter operations prohibited by federal transit laws and FTA's Charter Service regulations, or

(b) Otherwise violating its Charter Service Agreement selected in its latest annual Certifications and Assurances.

(2) These corrective measures and remedies may include:

(a) Barring your Applicant or any Third Party Participant operating public transportation under its Award that has provided prohibited charter service from receiving federal assistance from FTA,

(b) Withholding an amount of federal assistance as provided by Appendix D to FTA's Charter Service regulations, or

(c) Any other appropriate remedy that may apply.

2. In addition to the exceptions to the restrictions in FTA's Charter Service regulations, FTA has established the following additional exceptions to those restrictions:
   a. FTA's Charter Service restrictions do not apply to your Applicant if it seeks federal assistance appropriated or made available under 49 U.S.C. §§ 5307 or 5311 to be used for Job Access and Reverse Commute (JARC) activities that would have been eligible for assistance under former 49 U.S.C. § 5316 in effect in FY 2012 or a previous fiscal year, provided that it uses that federal assistance from FTA for those program purposes only.
   b. FTA's Charter Service restrictions do not apply to your Applicant if it seeks federal assistance appropriated or made available under 49 U.S.C. § 5310 to be used for New Freedom activities that would have been eligible for assistance under former 49 U.S.C. § 5317 in effect in FY 2012 or a previous fiscal year, provided it uses that federal assistance from FTA for those program purposes only.
   c. An Applicant for assistance under 49 U.S.C. chapter 53 will not be determined to have violated the FTA Charter Service regulations if that Applicant provides a private intercity or charter transportation operator reasonable access to that Applicant's federally assisted public transportation facilities, including intermodal facilities, park and ride lots, and bus-only highway lanes, as provided in 49 U.S.C. § 5323(r).

03.C. School Bus Agreement.

If your Applicant seeks federal assistance from FTA to acquire or operate transit facilities or equipment, the School Bus Agreement in Category 03.C applies to your Applicant, except as FTA determines otherwise in writing.

To comply with 49 U.S.C. § 5323(f) and (g) and FTA regulations, "School Bus Operations," 49 CFR part 605, to the extent consistent with 49 U.S.C. § 5323(f) and (g), your Applicant agrees to enter into the following School Bus Agreement:

1. FTA's "School Bus Operations" regulations at 49 CFR part 605 restricts school bus operations using facilities and equipment acquired or improved with federal assistance derived from:
   a. Federal transit laws, 49 U.S.C. chapter 53,
   b. 23 U.S.C. §§ 133 or 142, or
   c. Any other Act that provides federal public transportation assistance, unless otherwise excepted.
2. FTA's school bus operations restrictions extend to:
   a. Your Applicant, when it receives federal assistance appropriated or made available for:

(1) Federal transit laws, 49 U.S.C. chapter 53,
(2) 23 U.S.C. §§ 133 or 142, or
(3) Any other Act that provides federal public transportation assistance, unless otherwise excepted.

b. Any Third Party Participant that receives federal assistance derived from:
(1) Federal transit laws, 49 U.S.C. chapter 53,
(2) 23 U.S.C. §§ 133 or 142, or
(3) Any other Act that provides federal public transportation assistance, unless otherwise excepted.

3. A Third Party Participant includes any:
   a. Subrecipient at any tier,
   b. Lessee,
   c. Third Party Contractor or Subcontractor at any tier, and
   d. Any other Third Party Participant in the Award.
4. You and your Applicant agree, and will obtain the agreement of any Third Party Participant, that it will not engage in school bus operations in competition with private operators of school buses, except as permitted under:
   a. Federal transit laws, specifically 49 U.S.C. § 5323(f) and (g),
   b. FTA regulations, "School Bus Operations," 49 CFR part 605, to the extent consistent with 49 U.S.C. § 5323(f) and (g),
   c. Any other federal School Bus regulations, or
   d. Federal guidance, except as FTA determines otherwise in writing.
5. You and your Applicant agree that the latest School Bus Agreement selected on its behalf in FTA's latest annual Certifications and Assurances is incorporated by reference and made part of the Underlying Agreement accompanying its Award of federal assistance.
6. You and your Applicant agree that after it is a Recipient, if it or any Third Party Participant has violated this School Bus Agreement, FTA may:
   a. Bar your Applicant or Third Party Participant from receiving further federal assistance for public transportation, or
   b. Require the Applicant or Third Party Participant to take such remedial measures as FTA considers appropriate.

CATEGORY 04. ROLLING STOCK REVIEWS AND BUS TESTING.

Before FTA may provide federal assistance for an Award to acquire rolling stock for use in revenue service or to acquire a new bus model, you must select the Rolling Stock Reviews and Bus Testing Certifications in Category 04, except as FTA determines otherwise in writing.

Any provision of the Certifications in Category 04 that does not apply will not be enforced.

04.A. Rolling Stock Reviews.

If your Applicant seeks federal assistance from FTA to acquire rolling stock for use in revenue service, the Rolling Stock Reviews Certifications in Category 04.A apply to your Applicant, except as FTA determines otherwise in writing.

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On behalf of your Applicant, you certify that, when procuring rolling stock for use in revenue service:

1. Your Applicant will comply with:
   a. Federal transit laws, specifically 49 U.S.C. § 5323(m), and
   b. FTA regulations, "Pre-Award and Post-Delivery Audits of Rolling Stock Purchases," 49 CFR part 663, and
2. As provided in 49 CFR § 663.7:
   a. Your Applicant will conduct or cause to be conducted the required pre-award and post-delivery reviews of that rolling stock, and
   b. It will maintain on file the Certifications required by 49 CFR part 663, subparts B, C, and D.

04.B. Bus Testing.

If your Applicant seeks federal assistance from FTA to acquire a new bus model, the Bus Testing Certifications in Category 04.B apply to your Applicant, except as FTA determines otherwise in writing.

On behalf of your Applicant, you certify that:

1. FTA's bus testing requirements apply to all acquisitions of new buses and new bus models that require bus testing as defined in FTA's Bus Testing regulations, and it will comply with:
   a. 49 U.S.C. § 5318, and
   b. FTA regulations, "Bus Testing," 49 CFR part 665.
2. As required by 49 CFR § 665.7, when acquiring the first bus of any new bus model or a bus model with a major change in components or configuration, your Applicant will not spend any federal assistance appropriated under 49 U.S.C. chapter 53 to acquire that new bus or new bus model until:
   a. That new bus or new bus model has been tested at FTA's bus testing facility, and
   b. It has received a copy of the test report prepared for that new bus or new bus model.
3. It will ensure that the new bus or new bus model that is tested has met the performance standards consistent with those regulations, including the:
   a. Performance standards for:
      (1) Maintainability,
      (2) Reliability,
      (3) Performance (including braking performance),
      (4) Structural integrity,
      (5) Fuel economy,
      (6) Emissions, and
      (7) Noise, and
   b. Minimum safety performance standards established under 49 U.S.C. § 5329, when issued.
4. It will ensure that the new bus or new bus model that is tested has received a passing aggregate test score under the "Pass/Fail" standard established by regulation.

CATEGORY 05. DEMAND RESPONSIVE SERVICE.

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Before FTA may provide federal assistance to a public entity that operates demand responsive service for an Award to acquire a non-rail vehicle that is not accessible, you must select the Demand Responsive Service Certifications in Category 05, except as FTA determines otherwise in writing.

Any provision of the Certifications in Category 05 that does not apply will not be enforced.

As required by U.S. DOT regulations, "Transportation Services for Individuals with Disabilities (ADA)," 49 CFR part 37, specifically 49 CFR § 37.77(d), on behalf of your Applicant, you certify that:

1. Your Applicant offers public transportation services equivalent in level and quality of service to:
   a. Individuals with disabilities, including individuals who use wheelchairs, and
   b. Individuals without disabilities.
2. Viewed in its entirety, your Applicant's service for individuals with disabilities is:
   a. Provided in the most integrated setting feasible, and
   b. Equivalent to the service it offers individuals without disabilities with respect to:
      (1) Response time,
      (2) Fares,
      (3) Geographic service area,
      (4) Hours and days of service,
      (5) Restrictions on priorities based on trip purpose,
      (6) Availability of information and reservation capability, and
      (7) Constraints on capacity or service availability.

CATEGORY 06. INTELLIGENT TRANSPORTATION SYSTEMS.

Before FTA may provide federal assistance for an Award in support of an Intelligent Transportation System (ITS), you must select the Intelligent Transportation Systems Assurances in Category 06, except as FTA determines otherwise in writing.

Any provision of the Assurances in Category 06 that does not apply will not be enforced.

On behalf of your Applicant, you and your Applicant:

1. Understand that, as used in this Assurance, the term Intelligent Transportation System is defined to include technologies or systems of technologies that provide or significantly contribute to the provision of one or more Intelligent Transportation System (ITS) user services as defined in the "National ITS Architecture."
2. Assure that, as provided in 23 U.S.C. § 517(d), any Award that includes an ITS or related activity financed with appropriations made available from the Highway Trust Fund, including amounts made available to deploy ITS facilities or equipment, will conform to the appropriate regional ITS architecture, applicable standards, and protocols developed under 23 U.S.C. § 517(a) or (c), unless it obtains a waiver as provided in 23 U.S.C. § 517(d)(2).

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CATEGORY 07. INTEREST AND FINANCING COSTS AND ACQUISITION OF CAPITAL ASSETS BY LEASE.

Before FTA may award federal assistance appropriated or made available under 49 U.S.C. chapter 53 to support the interest, financing, or leasing costs of any Award financed under the Urbanized Area Formula Grants Program, Fixed Guideway Capital Investment Grants Program, any program to which the requirements of 49 U.S.C. § 5307 apply, or any other program as FTA may specify, you must select the Certifications in Category 07, except as FTA may determine otherwise in writing.

Any provision of the Certifications and Assurances in Category 07 that does not apply will not be enforced.

07.A. Interest and Financing Costs.

If your Applicant intends to use federal assistance to support the interest or any other financing costs for an Award financed under the Urbanized Area Formula Grants Program, the Fixed Guideway Capital Investment Grants Program, the New Starts, Small Starts, and Core Capacity Programs, any program that must comply with the requirements of 49 U.S.C. § 5307, or any other program as FTA may specify, the Interest and Financing Costs Certifications in Category 07.A apply to your Applicant, except as FTA determines otherwise in writing.

On behalf of your Applicant, you certify that:
1. It will not seek reimbursement for interest or any other financing costs unless:
   a. It is eligible to receive federal assistance for those costs, and
   b. Its records demonstrate that it has shown reasonable diligence in seeking the most favorable financing terms, as FTA may require.
2. It will comply with the same favorable financing cost provisions for Awards financed under:
   a. The Urbanized Area Formula Grants Program,
   b. A Full Funding Grant Agreement,
   c. An Early Systems Work Agreement,
   d. The Fixed Guideway Capital Investment Program financed by previous FTA enabling legislation,
   e. Any program that must comply with the requirements of 49 U.S.C. § 5307, or
   f. Any other program as FTA may specify.

07.B. Acquisition of Capital Assets by Lease.

If your Applicant seeks federal assistance from FTA to acquire capital assets (other than rolling stock or related equipment) through a lease, the Acquisition of Capital Assets by Lease Certifications and Assurances in Category 07.B apply to your Applicant, except as FTA determines otherwise in writing.

On behalf of your Applicant, you certify and assure that, as required by FTA regulations, "Capital Leases," 49 CFR part 639, to the extent consistent with the FAST Act. If your

Applicant acquires any capital asset (other than rolling stock or related equipment) through a lease financed with federal assistance appropriated or made available under 49 U.S.C. chapter 53, it will not enter into a capital lease for which FTA can provide only incremental federal assistance unless it has adequate financial resources to meet its future lease obligations if federal assistance is not available.

CATEGORY 08. TRANSIT ASSET MANAGEMENT PLAN, PUBLIC TRANSPORTATION AGENCY SAFETY PLAN, AND STATE SAFETY OVERSIGHT REQUIREMENTS.

Before FTA may provide federal assistance appropriated or made available under 49 U.S.C. chapter 53 to support an Award, you must select the Certifications in Category 08, except as FTA determines otherwise in writing.

Any provision of the Certifications in Category 08 that does not apply will not be enforced.

08.A. Transit Asset Management Plan.

If your Applicant applies for funding appropriated or made available for 49 U.S.C. chapter 53, the Transit Asset Management Certifications in Category 08.A apply to your Applicant, except as FTA determines otherwise in writing.

On behalf of your Applicant, you certify that it and each of its Subrecipients will:
1. Comply with FTA regulations, "Transit Asset Management," 49 CFR part 625, and
2. Follow federal guidance that will implement the regulations at 49 CFR part 625.

08.B. Public Transportation Safety Program.

If your Applicant applies for funding under 49 U.S.C. chapter 53 and it is a State, local government authority, or any other operator of a public transportation system, the particular provisions under the Public Transportation Safety Program in Category 08.B apply to your Applicant, except as FTA determines otherwise in writing.

On behalf of your Applicant, you certify that it will comply with applicable regulations, and follow federal guidance, and directives that implement the Public Transportation Safety Program provisions of 49 U.S.C. § 5329(b)-(d), except as FTA determines otherwise in writing.

08.C. State Safety Oversight Requirements.

If your Applicant applies for funding under 49 U.S.C. chapter 53 and is in a state with a rail fixed guideway public transportation system, Category 08.C applies to your Applicant, except as FTA determines otherwise in writing.

On behalf of your Applicant, if it is a state and has a rail fixed guideway public transportation system, you certify that:

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1. The Applicant will comply with FTA regulations, "State Safety Oversight," 49 CFR part 659, until the Applicant has a certified State Safety Oversight Program under the regulations at 49 CFR part 674.
2. For those Applicants that do have a certified State Safety Oversight Program, the Applicant will comply with the regulations at 49 CFR part 674.
3. For those Applicants that do not have a certified State Safety Oversight Program, the Applicant will make progress towards meeting the April 15, 2019, State Safety Oversight Program certification deadline.

CATEGORY 09. ALCOHOL AND CONTROLLED SUBSTANCES TESTING.

If your Applicant must comply with the alcohol and controlled substance testing requirements of 49 U.S.C. § 5331 and its implementing regulations, before FTA may provide federal assistance for an Award, you must select the Certifications in Category 09, except as FTA may determine otherwise in writing.

Any provision of the Certifications in Category 09 that does not apply will not be enforced.

As required by 49 U.S.C. § 5331, and FTA regulations, "Prevention of Alcohol Misuse and Prohibited Drug Use in Transit Operations," 49 CFR part 655, subpart I, specifically 49 CFR § 655.83, on behalf of your Applicant, including an Applicant that is a state, and on behalf of its Subrecipients and Third Party Contractors, you certify that:

1. Your Applicant, its Subrecipients, and Third Party Contractors to which these testing requirements apply have established and implemented:
   a. An alcohol misuse testing program, and
   b. A controlled substance testing program.
2. Your Applicant, its Subrecipients, and its Third Party Contractors to which these testing requirements apply have complied or will comply with all applicable requirements of 49 CFR part 655 to the extent those regulations are consistent with 49 U.S.C. § 5331.
3. Consistent with U.S. DOT Office of Drug and Alcohol Policy and Compliance Notice, issued October 22, 2009, if your Applicant, its Subrecipients, or its Third Party Contractors to which these testing requirements apply reside in a state that permits marijuana use for medical or recreational purposes, your Applicant, its Subrecipients, and its Third Party Contractors to which these testing requirements apply have complied or will comply with the federal controlled substance testing requirements of 49 CFR part 655.

CATEGORY 10. FIXED GUIDEWAY CAPITAL INVESTMENT GRANTS PROGRAM (NEW STARTS, SMALL STARTS, AND CORE CAPACITY IMPROVEMENT).

Before FTA may provide federal assistance for an Award financed under the New Starts, Small Starts, or Core Capacity Improvement Program authorized under 49 U.S.C. § 5309, you must select the Certifications in Category 10, except as FTA may determine otherwise in writing.

Any provision of the Certifications in Category 10 that does not apply will not be enforced.

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Except as FTA determines otherwise in writing, on behalf of your Applicant, you certify that:

1. It has or will have the legal, financial, and technical capacity to carry out its Award, including the safety and security aspects of that Award,
2. It has or will have satisfactory continuing control over the use of its equipment and facilities acquired or improved under its Award.
3. It will maintain its equipment and facilities acquired or improved under its Award in accordance with its transit asset management plan and consistent with FTA regulations, "Transit Asset Management," 49 CFR part 625,
4. It will comply with:
   a. The metropolitan transportation planning requirements of 49 U.S.C. § 5303, and
   b. The statewide and nonmetropolitan transportation planning requirements of 49 U.S.C. § 5304, and
5. It will comply with FTA guidance, "Final Interim Policy Guidance, Federal Transit Administration Capital Investment Grant Program," June 2016.

CATEGORY 11. STATE OF GOOD REPAIR PROGRAM.

Before FTA may provide federal assistance for an Award financed under the State of Good Repair Program authorized under 49 U.S.C. § 5337, you must select the Certifications in Category 11, except as FTA determines otherwise in writing.

Any provision of the Assurance in Category 11 that does not apply will not be enforced.

On behalf of your Applicant, you certify that:

1. It has or will have the legal, financial, and technical capacity to carry out its Award, including the safety and security aspects of that Award,
2. It has or will have satisfactory continuing control over the use of its equipment and facilities acquired or improved under its Award,
3. It will maintain its equipment and facilities acquired or improved under its Award, in accordance with the Applicant's transit asset management plan and consistent with FTA regulations, "Transit Asset Management," 49 CFR part 625, and
4. It will comply with:
   a. The metropolitan transportation planning requirements of 49 U.S.C. § 5303, and
   b. The statewide and nonmetropolitan transportation planning requirements of 49 U.S.C. § 5304.

CATEGORY 12. GRANTS FOR BUSES AND BUS FACILITIES AND LOW OR NO EMISSION VEHICLE DEPLOYMENT GRANT PROGRAMS

Before FTA may provide federal assistance for an Award under the Buses and Bus Facilities Program authorized under 49 U.S.C. § 5339, as amended by the FAST Act, which authorizes grants for formula and competitive Bus and Bus Facilities and Low or No Emission buses or an award under the Low or No Emission Vehicle Development Program authorized under former 49 U.S.C. § 5312(d)(5), you must select the Certifications in Category 12, except as FTA determines otherwise in writing.

Any provision of the Certifications in Category 12 that does not apply will not be enforced.

12.A. Grants for Buses and Bus Facilities Program

The following Certifications for the Grants for Buses and Bus Facilities Program and Low or No Emission Buses are required by 49 U.S.C. § 5339, as amended by the FAST Act, which provides that the requirements of 49 U.S.C. § 5307 shall apply to Recipients of grants made in urbanized areas and under the Low or No Emission Bus Program, 49 U.S.C. § 5339(c) The requirements of 49 U.S.C. § 5311 shall apply to Recipients of Bus and Bus Facilities grants made in rural areas. Therefore:

1. If your Applicant is in an urbanized area, except as FTA determines otherwise in writing, on behalf of your Applicant, you certify that:
   a. It has or will have the legal, financial, and technical capacity to carry out its Award, including the safety and security aspects of that Award.
   b. It has or will have satisfactory continuing control over the use of its equipment and facilities acquired or improved under its Award.
   c. It will maintain its equipment and facilities acquired or improved under its Award, in accordance with its transit asset management plan and consistent with FTA regulations, "Transit Asset Management," 49 CFR part 625.
   d. When using or involving a facility or equipment acquired or improved with federal assistance under 49 U.S.C. § 5339 during non-peak hours for transportation, Applicants in an urbanized area will charge a fare not exceeding fifty (50) percent of the peak hour fare to the following individuals:
      (1) Any senior,
      (2) Any individual who, because of illness, injury, age, congenital malfunction, or any other incapacity or temporary or permanent disability (including an individual who is a wheelchair user or has semi-ambulatory capability), is unable to use a public transportation service or a public transportation facility effectively without special facilities, planning, or design,
      (3) Any individual presenting a Medicare card issued to that individual under title II of the Social Security Act, 42 U.S.C. § 401 *et seq*., and
      (4) Any individual presenting a Medicare card issued to that individual under title XVIII of the Social Security Act, 42 U.S.C. § 1395 *et seq*..
   e. When carrying out a procurement under 49 U.S.C. § 5339, it will comply with:
      (1) The applicable general provisions of 49 U.S.C. § 5323, and
      (2) The applicable third party contract provisions of 49 U.S.C. § 5325.
   f. It has complied with or will comply with 49 U.S.C. § 5307(b).
   g. As required by 49 U.S.C. § 5307(d):
      (1) It has or will have the amount of funds required for the non-federal share,
      (2) It will provide the non-federal share from sources approved by FTA, and
      (3) It will provide the non-federal share when needed.
   h. It will comply with:
      (1) The metropolitan transportation planning requirements of 49 U.S.C. § 5303, and

(2) The statewide and nonmetropolitan transportation planning requirements of 49 U.S.C. § 5304.

i. It has a locally developed process to solicit and consider public comment before:
   (1) Raising a fare, or
   (2) Implementing a major reduction of public transportation service.

j. It will comply with applicable regulations, guidance, and directives that implement the Public Transportation Safety Program provisions of 49 U.S.C. § 5329(b)-(d), except as FTA determines otherwise in writing.

2. Except as FTA determines otherwise in writing, if your Applicant is in a rural area, you certify, on behalf of your Applicant, that:
   a. It has or will have and require each Subrecipient to have the legal, financial, and technical capacity to carry out its Award, including the safety and security aspects of that Award.
   b. It has or will have and require each Subrecipient to have satisfactory continuing control over the use of its equipment and facilities acquired or improved under its Award.
   c. It will maintain and require each Subrecipient to maintain its equipment and facilities acquired or improved under its Award, in accordance with its transit asset management plan and consistent with FTA regulations, "Transit Asset Management," 49 CFR part 625.
   d. Its state program has provided for a fair distribution of federal assistance appropriated or made available under 49 U.S.C. § 5311(b) within the state to eligible entities, including Indian reservations.
   e. Its program provides or will provide the maximum feasible coordination of federal assistance for public transportation service with transportation service financed by other federal sources.
   f. Its Awards and Subawards in its Formula Grants for the Rural Areas Program are included in:
      (1) The statewide transportation improvement program, and
      (2) To the extent applicable, a metropolitan transportation improvement program.
   g. With respect to the non-federal share:
      (1) It has or will have and, as necessary, will require each Subrecipient to have the amount of funds required for the non-federal share, as required by 49 U.S.C. § 5311(g),
      (2) It will provide and, as necessary, will require each Subrecipient to provide the non-federal share from sources approved by FTA, and
      (3) It will provide and, as necessary, will require each Subrecipient to provide the non-federal share when needed.
   h. It may transfer a facility or equipment acquired or improved under its Award to any other entity eligible to receive assistance under 49 U.S.C. chapter 53, if:
      (1) The Recipient possessing the facility or equipment consents to the transfer, and
      (2) The facility or equipment will continue to be used as required under 49 U.S.C. § 5311.

12.B. Low or No Emission Vehicle Deployment.

FTA FISCAL YEAR 2018 CERTIFICATIONS AND ASSURANCES

If your Applicant seeks federal assistance from FTA for an Award financed under the Low or No Emission Vehicle Development Program authorized under former 49 U.S.C. § 5312(d)(5), the Certifications and Assurances in Category 12.B apply to your Applicant, except as FTA determines otherwise in writing.

Former section 5312(d)(5)(C)(i) of title 49, United States Code, requires the following Certifications for Low or No Emission Vehicle Deployment Program before awarding federal assistance appropriated or made available under MAP-21. Therefore, except as FTA determines otherwise in writing, on behalf of your Applicant, you certify and assure that:

1. It has or will have the legal, financial, and technical capacity to carry out its Award, including the safety and security aspects of that Award.
2. It has or will have satisfactory continuing control over the use of equipment and facilities acquired or improved under its Award.
3. It will maintain its equipment and facilities acquired or improved under its Award in accordance with its transit management plan and consistent with FTA regulations, "Transit Asset Management," 49 CFR part 625.
4. When using or involving a facility or equipment acquired or improved with federal assistance under former 49 U.S.C. § 5312(d)(5) during non-peak hours for transportation, it will charge a fare not exceeding fifty (50) percent of the peak hour to the following individuals:
   a. Any senior,
   b. Any individual who, because of illness, injury, age, a congenital malfunction, or any other incapacity or temporary or permanent disability (including an individual who is a wheelchair user or who has semi-ambulatory capability) and is unable to use a public transportation service or a public transportation facility effectively without special facilities, special planning, or special design,
   c. Any individual presenting a Medicare card issued to that individual under title II of the Social Security Act, 42 U.S.C. § 401 *et seq*., and
   d. Any individual presenting a Medicare card issued to that individual under title XVIII of the Social Security Act, 42 U.S.C. § 1395 *et seq*..
5. When carrying out a procurement under this Program, it will comply with:
   a. The applicable general provisions of 49 U.S.C. § 5323, and
   b. The applicable third party contract provisions of 49 U.S.C. § 5325.
6. It has complied with or will comply with 49 U.S.C. § 5307(b) because:
   a. It has informed or will inform the public of the amounts of its federal assistance available under this Program,
   b. It has developed or will develop, in consultation with interested parties including private transportation providers, its proposed Program of Projects for activities to be financed,
   c. It has published or will publish its proposed Program of Projects in a way that affected individuals, private transportation providers, and local elected officials will have an opportunity to examine and submit comments on the proposed Projects and its performance as an Applicant,
   d. It has provided or will provide an opportunity for a public hearing to obtain the views of individuals on its proposed Program of Projects,
   e. It has assured or will assure that its proposed Program of Projects provides for coordination of public transportation services assisted under 49 U.S.C. § 5336, as

amended by the FAST Act, with federally assisted transportation services supported by other federal sources,

f. It has considered or will consider the comments and views received, especially those of private transportation providers, in preparing its final list of Projects, and
g. It has made or will make the final list of Projects for which an Award is sought available to the public.

7. With respect to the non-federal share:
   a. It has or will have the amount of funds required for the non-federal share,
   b. It will provide the non-federal share from sources approved by FTA, and
   c. It will provide the non-federal share when needed.
8. It will comply with:
   a. The metropolitan transportation planning requirements of 49 U.S.C. § 5303, and
   b. The statewide and nonmetropolitan planning requirements of 49 U.S.C. § 5304.
9. It has a locally developed process to solicit and consider public comment before:
   a. Raising a fare, or
   b. Implementing a major reduction of public transportation service.
10. It will comply with applicable regulations, guidance, and directives that implement the Public Transportation Safety Program provisions of 49 U.S.C. § 5329(b)-(d), except as FTA determines otherwise in writing.

CATEGORY 13. URBANIZED AREA FORMULA GRANTS PROGRAMS AND PASSENGER FERRY GRANT PROGRAM.

Before FTA may provide federal assistance for an Award financed under the Urbanized Area Formula Grants Program authorized under 49 U.S.C. § 5307, as amended by the FAST Act, which authorizes federal assistance for Job Access and Reverse Commute (JARC) activities, and the Passenger Ferry Grant Program authorized under 49 U.S.C. § 5307(h), you must select the Certifications in Category 13, except as FTA determines otherwise in writing.

Any provision of the Certifications in Category 13 that does not apply will not be enforced.

13.A. Urbanized Area Formula Grants Program under the FAST Act.

If your Applicant seeks federal assistance from FTA for an Award financed under the Urbanized Area Formula Grants Program authorized under 49 U.S.C. § 5307, as amended by the FAST Act, the Certifications in Category 13.A apply to your Applicant, except as FTA determines otherwise in writing.

The following Certifications for the Urbanized Area Formula Grants Program under 49 U.S.C. § 5307, as amended by the FAST Act, are required by 49 U.S.C. § 5307(c)(1). Therefore, except as FTA determines otherwise in writing, on behalf of your Applicant, you certify that:

1. It has or will have the legal, financial, and technical capacity to carry out its Award, including the safety and security aspects of that Award.
2. It has or will have satisfactory continuing control over the use of its equipment and facilities acquired or improved under its Award.

3. It will maintain its equipment and facilities acquired or improved under its Award, in accordance with its transit asset management plan and consistent with FTA regulations, "Transit Asset Management," 49 CFR part 625,
4. When using or involving a facility or equipment acquired or improved with federal assistance under 49 U.S.C. § 5307 during non-peak hours for transportation, it will charge a fare not exceeding fifty (50) percent of the peak hour fare to the following individuals:
   a. Any senior,
   b. Any individual who, because of illness, injury, age, congenital malfunction, or any other incapacity or temporary or permanent disability (including an individual who is a wheelchair user or has semi-ambulatory capability), is unable to use a public transportation service or a public transportation facility effectively without special facilities, planning, or design,
   c. Any individual presenting a Medicare card issued to that individual under title II of the Social Security Act, 42 U.S.C. § 401 *et seq*., and
   d. Any individual presenting a Medicare card issued to that individual under title XVIII of the Social Security Act, 42 U.S.C. § 1395 *et seq*..
5. When carrying out a procurement under 49 U.S.C. § 5307, it will comply with:
   a. The applicable general provisions of 49 U.S.C. § 5323, and
   b. The applicable third party contract provisions of 49 U.S.C. § 5325.
6. It has complied with or will comply with 49 U.S.C. § 5307(b) because:
   a. It has made or will make available to the public information on the amounts of federal assistance available to it under 49 U.S.C. § 5307,
   b. It has developed or will develop, in consultation with interested parties including private transportation providers, its proposed Program of Projects for activities for which federal assistance is sought,
   c. It has published or will publish its proposed Program of Projects in a way that affected individuals, private transportation providers, and local elected officials will have an opportunity to examine and submit comments on its proposed Program of Projects and its performance as an Applicant or Recipient,
   d. It has provided or will provide an opportunity for a public hearing to obtain the views of individuals on its proposed Program of Projects,
   e. It has ensured or will ensure that its proposed Program of Projects provides for coordination of transportation services financed by FTA under 49 U.S.C. § 5336, as amended by the FAST Act, with transportation services supported by other Federal Government sources,
   f. It has considered or will consider the comments and views received, especially those of private transportation providers, in preparing its final Program of Projects, and
   g. It has made or will make its final Program of Projects available to the public.
7. As required by 49 U.S.C. § 5307(d):
   a. It has or will have the amount of funds required for the non-federal share,
   b. It will provide the non-federal share from sources approved by FTA, and
   c. It will provide the non-federal share when needed.
8. As required by 49 U.S.C. § 5307(c)(1)(H), it will comply with:
   a. The metropolitan transportation planning requirements of 49 U.S.C. § 5303, and

   b. The statewide and nonmetropolitan transportation planning requirements of 49 U.S.C. § 5304.
9. As required by 49 U.S.C. § 5307(c)(1)(I), it has a locally developed process to solicit and consider public comment before:
   a. Raising a fare, or
   b. Implementing a major reduction of public transportation.
10. Each fiscal year:
   a. It will assure that at least one (1) percent of the amount of federal assistance under 49 U.S.C. § 5307 apportioned to its urbanized area must be expended for Public Transportation Security activities as described in 49 U.S.C. § 5307(c)(1)(J)(i) including:
      (1) Increased lighting in or adjacent to a public transportation system (including bus stops, subway stations, parking lots, and garages),
      (2) Increased camera surveillance of an area in or adjacent to that system,
      (3) Emergency telephone line or lines to contact law enforcement or security personnel in an area in or adjacent to that system, and
      (4) Any other activity intended to increase the security and safety of an existing or planned public transportation system, or
   b. The Designated Recipients in its urbanized area certify that such expenditures for Public Transportation Security activities are not necessary.
11. If it serves an urbanized area with a population of at least 200,000 individuals, as determined by the Bureau of the Census:
   a. It will provide a report by the end of the fourth quarter of the preceding federal fiscal year that lists projects carried out in the preceding fiscal year under this section for associated transit improvements as defined in 49 U.S.C. § 5302, and
   b. The report of its Associated Transit Improvements or related activities is or will be incorporated by reference and made part of its Certifications and Assurances.
12. It will comply with applicable regulations, guidance, and directives that implement the Public Transportation Safety Program provisions of 49 U.S.C. § 5329(b)-(d), except as FTA determines otherwise in writing.

13.B. Passenger Ferry Grant Program.

If your Applicant seeks federal assistance from FTA for an Award financed under the Passenger Ferry Grant Program authorized under 49 U.S.C. § 5307(h), as amended by the FAST Act, the Certifications in Category 13.B apply to your Applicant, except as FTA determines otherwise in writing.

The following Certifications for the Passenger Ferry Grant Program are required by 49 U.S.C. § 5307(c)(1) or (h). Therefore, except as FTA determines otherwise in writing, on behalf of your Applicant, you certify that:

1. It has or will have the legal, financial, and technical capacity to carry out its Award, including the safety and security aspects of that Award.
2. It has or will have satisfactory continuing control over the use of its equipment and facilities acquired or improved under its Award.

3. It will maintain its equipment and facilities acquired or improved under its Award, in accordance with its transit asset management plan and consistent with FTA regulations, "Transit Asset Management," 49 CFR part 625.
4. When using or involving a facility or equipment acquired or improved with federal assistance under 49 U.S.C. § 5307(h) during non-peak hours for transportation, it will charge a fare not exceeding fifty (50) percent of the peak hour fare to the following individuals:
   a. Any senior,
   b. Any individual who, because of illness, injury, age, congenital malfunction, or any other incapacity or temporary or permanent disability (including an individual who is a wheelchair user or has semi-ambulatory capability), is unable to use a public transportation service or a public transportation facility effectively without special facilities, planning, or design,
   c. Any individual presenting a Medicare card issued to that individual under title II of the Social Security Act, 42 U.S.C. § 401 *et seq*., and
   d. Any individual presenting a Medicare card issued to that individual under title XVIII of the Social Security Act, 42 U.S.C. § 1395 *et seq*..
5. When carrying out a procurement under 49 U.S.C. § 5307(h), it will comply with:
   a. The applicable general provisions of 49 U.S.C. § 5323, and
   b. The applicable third party contract provisions of 49 U.S.C. § 5325.
6. As required by 49 U.S.C. § 5307(d):
   a. It has or will have the amount of funds required for the non-federal share,
   b. It will provide the non-federal share from sources approved by FTA, and
   c. It will provide the non-federal share when needed.
7. As required by 49 U.S.C. § 5307(c)(1)(H), it will comply with:
   a. The metropolitan transportation planning requirements of 49 U.S.C. § 5303, and
   b. The statewide and nonmetropolitan transportation planning requirements of 49 U.S.C. § 5304.
8. As required by 49 U.S.C. § 5307(c)(1)(I), it has a locally developed process to solicit and consider public comment before:
   a. Raising a fare, or
   b. Implementing a major reduction of public transportation service.
9. It will comply with applicable regulations, guidance, and directives that implement the Public Transportation Safety Program provisions of 49 U.S.C. § 5329(b)-(d), except as FTA determines otherwise in writing.

CATEGORY 14. ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES PROGRAMS.

Before FTA may provide federal assistance for an Award financed under the Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities Program authorized under 49 U.S.C. § 5310, as amended by the FAST Act, or the Pilot Program for Innovative Coordinated Access and Mobility under Section 3006(b) of the FAST Act, you must select the Certifications in Category 14, except as FTA determines otherwise in writing.

Any provision of the Certifications in Category 14 that does not apply will not be enforced.

FTA FISCAL YEAR 2018 CERTIFICATIONS AND ASSURANCES

1. The following Certifications for the Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities Program are required by 49 U.S.C. § 5310. Therefore, except as FTA determines otherwise in writing, on behalf of your Applicant, you certify that:
   a. Each Subrecipient is:
      (1) A private nonprofit organization, or
      (2) A state or local governmental authority that:
         (a) Is approved by a state to coordinate services for seniors and individuals with disabilities, or
         (b) Certifies that there are no private nonprofit organizations readily available in the area to provide the services authorized for support under the Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities Program.
   b. Your Applicant will comply with the following selection and planning requirements:
      (1) The Projects it has selected or will select for an Award or Subaward of federal assistance appropriated or made available under 49 U.S.C. § 5310 are included in a public transit-human services transportation plan that has been:
         (a) Locally developed, and
         (b) Coordinated.
      (2) The public transit-human services transportation plan was developed and approved through a process that included participation by:
         (a) Seniors,
         (b) Individuals with disabilities,
         (c) Representatives of public, private, and nonprofit transportation providers,
         (d) Representatives of public, private, and nonprofit human services providers, and
         (e) Other members of the public.
      (3) Within its Award, the Projects selected to receive federal assistance will assist in providing transportation services for seniors and individuals with disabilities are included in its Program of Projects submitted to FTA annually.
      (4) To the maximum extent feasible, the services financed by 49 U.S.C. § 5310 will be coordinated with transportation services financed by other federal departments and agencies, including any transportation activities carried out by a Recipient of federal assistance from the Department of Health and Human Services.
   c. As required by 49 U.S.C. § 5310(e)(2)(B), it certifies that if it allocates federal assistance received under 49 U.S.C. § 5310 to any Subrecipient, it will have allocated that federal assistance on a fair and equitable basis.
   d. It will not transfer a facility or equipment acquired or improved with federal assistance appropriated or made available for a grant under 49 U.S.C. § 5310 to any other Recipient eligible to receive assistance under 49 U.S.C. chapter 53, unless:
      (1) The Recipient possessing the facility or equipment consents to the transfer, and
      (2) The facility or equipment will continue to be used as required under 49 U.S.C. § 5310.
   e. As required by 49 U.S.C. § 5310(b)(2), it will use at least fifty-five (55) percent of the federal assistance it receives for Capital Projects to meet the special needs of seniors and individuals with disabilities.

   f. The requirements of 49 U.S.C. § 5307, as determined by FTA, will apply to the Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities Program authorized by 49 U.S.C. § 5310.
2. FTA has determined that certain requirements of 49 U.S.C. § 5307 are appropriate for the Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities Program, some of which require Certifications. Therefore, as specified under 49 U.S.C. § 5307(c)(1), your Applicant certifies that:
   a. It has or will have and will require each Subrecipient to have the legal, financial, and technical capacity to carry out its Award, including the safety and security aspects of that Award.
   b. It has or will have and will require each Subrecipient to have satisfactory continuing control over the use of its equipment and facilities acquired or improved under its Award or Subaward.
   c. It will maintain and will require each Subrecipient to maintain its equipment and facilities acquired or improved under its Award or Subaward, in accordance with its transit asset management plan and consistent with FTA regulations, "Transit Asset Management," 49 CFR part 625.
   d. When carrying out a procurement under the Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities Program, it will require each Subrecipient to comply with:
      (1) The applicable general provisions of 49 U.S.C. § 5323, and
      (2) The applicable third party contract provisions of 49 U.S.C. § 5325.
   e. With respect to the non-federal share:
      (1) It has or will have and, as necessary, will require each Subrecipient to have the amount of funds required for the non-federal share, as required by 49 U.S.C. § 5310,
      (2) It will provide and, as necessary, will require each Subrecipient to provide the non-federal share from sources approved by FTA, and
      (3) It will provide and, as necessary, will require each Subrecipient to provide the non-federal share when needed.
   f. It has complied or will comply and will require each Subrecipient to comply with:
      (1) The metropolitan transportation planning requirements of 49 U.S.C. § 5303, and
      (2) The statewide and nonmetropolitan transportation planning requirements of 49 U.S.C. § 5304.
g. To the extent applicable, it will and will require its Subrecipients to comply with applicable regulations, guidance, and directives that implement the Public Transportation Safety Program provisions of 49 U.S.C. § 5329(b)-(d), except as FTA determines otherwise in writing.

CATEGORY 15. RURAL AREAS AND APPALACHIAN DEVELOPMENT PROGRAMS.

Before FTA may provide federal assistance for an Award financed under the Formula Grants for Rural Areas Program authorized under 49 U.S.C. § 5311(b), as amended by FAST Act, and the Appalachian Development Public Transportation Assistance Program authorized under

49 U.S.C. § 5311(c)(2), as amended by FAST Act, you must select the Certifications in Category 15, except as FTA determines otherwise in writing.

Any provision of the Certifications and Assurances in Category 15 that does not apply will not be enforced.

15.A. Formula Grants for Rural Areas Program.

If your Applicant seeks federal assistance from FTA for an Award financed under the Formula Grants for the
Rural Areas Program authorized under 49 U.S.C. § 5311, the Certifications in Category 15.A apply to your Applicant, except as FTA determines otherwise in writing.

The following Certifications apply to each state or state organization serving as your Applicant for federal assistance appropriated or made available for the Rural Areas Formula Program financed under 49 U.S.C. § 5311(b), as amended by FAST Act. On its behalf, you certify and assure that:

1. It has or will have and require each Subrecipient to have the legal, financial, and technical capacity to carry out its Award, including the safety and security aspects of that Award.
2. It has or will have and require each Subrecipient to have satisfactory continuing control over the use of its equipment and facilities acquired or improved under its Award.
3. It will maintain and require each Subrecipient to maintain its equipment and facilities acquired or improved under its Award, in accordance with its transit asset management plan and consistent with FTA regulations, "Transit Asset Management," 49 CFR part 625.
4. It will and will require each Subrecipient to comply with applicable regulations and guidance that implement the Public Transportation Safety Program provisions of 49 U.S.C. § 5329(b)-(d), except as FTA determines otherwise in writing.
5. Its state program has provided for a fair distribution of federal assistance appropriated or made available under 49 U.S.C. § 5311(b) within the state to eligible entities, including Indian reservations.
6. Its program provides or will provide the maximum feasible coordination of federal assistance for public transportation service authorized by 49 U.S.C. § 5311(b) with transportation service financed by other federal sources.
7. Its Awards and Subawards in its Formula Grants for the Rural Areas Program are included in:
   a. The statewide transportation improvement program, and
   b. To the extent applicable, a metropolitan transportation improvement program.
8. With respect to the non-federal share:
   a. It has or will have and, as necessary, will require each Subrecipient to have the amount of funds required for the non-federal share, as required by former 49 U.S.C. § 5311(g),
   b. It will provide and, as necessary, will require each Subrecipient to provide the non-federal share from sources approved by FTA, and
   c. It will provide and, as necessary, will require each Subrecipient to provide the non-federal share when needed.

9. It may transfer a facility or equipment acquired or improved under its Award to any other Recipient eligible to receive assistance under 49 U.S.C. chapter 53, if:
   a. The Recipient possessing the facility or equipment consents to the transfer, and
   b. The facility or equipment will continue to be used as required under 49 U.S.C. § 5311.
10. Each fiscal year:
   a. It will spend at least fifteen (15) percent of its federal assistance authorized under 49 U.S.C. § 5311 and available that fiscal year for eligible activities to develop and support intercity bus transportation within the state including:
      (1) Planning and marketing for intercity bus transportation,
      (2) Capital grants for intercity bus facilities.
   b. If it will spend less than fifteen (15) percent of its federal assistance authorized under 49 U.S.C. § 5311 and available that fiscal year for eligible activities to develop and support intercity bus transportation within the state, it will provide to FTA a Certification from the governor of the state that:
      (1) It has consulted with the affected intercity bus service providers about the intercity bus needs of the state, and
      (2) The state's intercity bus service needs are being met adequately.

15.B. Appalachian Development Public Transportation Assistance Program.

If your Applicant seeks federal assistance from FTA for an Award financed under the Appalachian Development Public Transportation Assistance Program authorized under 49 U.S.C. § 5311(c)(2), the Certifications in Category 15.B apply to your Applicant, except as FTA determines otherwise in writing.

On behalf of your Applicant, you certify and assure that, if it is unable to use its federal assistance made available or appropriated for public transportation operating assistance, in accordance with 49 U.S.C. § 5311(c)(2)(D), it may use the federal assistance for a Highway Project only after:

1. It provides notice and an opportunity for comment and appeal to affected public transportation providers,
2. It approves such use in writing, and
3. In approving the use, it determines that local transit needs are being addressed.

CATEGORY 16. TRIBAL TRANSIT PROGRAMS (PUBLIC TRANSPORTATION ON INDIAN RESERVATIONS PROGRAMS).

Before FTA may provide federal assistance for an Award financed under either the Public Transportation on Indian Reservations Formula or Discretionary Program authorized under 49 U.S.C. § 5311(c)(1), as amended by the FAST Act, (Tribal Transit Programs), you must select the Certifications in Category 16, except as FTA determines otherwise in writing.

Any provision of the Certifications in Category 16 that does not apply will not be enforced.

FTA FISCAL YEAR 2018 CERTIFICATIONS AND ASSURANCES

FTA has established terms and conditions for Tribal Transit Program grants financed with federal assistance appropriated or made available under 49 U.S.C. § 5311(c)(1). On behalf of your Applicant, you certify and assure that:

1. It has or will have the legal, financial, and technical capacity to carry out its Award, including the safety and security aspects of that Award.
2. It has or will have satisfactory continuing control over the use of its equipment and facilities acquired or improved under its Award.
3. It will maintain its equipment and facilities acquired or improved under its Award, in accordance with its transit asset management plan and consistent with FTA regulations, "Transit Asset Management," 49 CFR part 625. Its Award will achieve maximum feasible coordination with transportation service financed by other federal sources.
4. With respect to its procurement system:
    a. It will have a procurement system that complies with U.S. DOT regulations, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," 2 CFR part 1201, which incorporates by reference U.S. OMB regulatory guidance, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," 2 CFR part 200, for Awards made on or after December 26, 2014,
    b. It will have a procurement system that complies with U.S. DOT regulations, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," 49 CFR part 18, specifically former 49 CFR § 18.36, for Awards made before December 26, 2014, or
    c. It will inform FTA promptly if its procurement system does not comply with either of those U.S. DOT regulations.
5. It will comply with the Certifications, Assurances, and Agreements in:
    a. Category 03.B and 03.C (Charter Service Agreement and School Bus Agreement),
    b. Category 04.A and 04.B (Rolling Stock Reviews and Bus Testing),
    c. Category 05 (Demand Responsive Service),
    d. Category 06 (Intelligent Transportation Systems),
    e. Category 08.A and 08.B (Transit Asset Management Plan and Public Transportation Safety Program), and
    f. Category 09 (Alcohol and Controlled Substances Testing).

CATEGORY 17. STATE SAFETY OVERSIGHT GRANT PROGRAM.

Before FTA may provide federal assistance for an Award financed under the State Safety Oversight Grant Program authorized under 49 U.S.C. § 5329(e)(6), you must select the Certifications in Category 17, except as FTA determines otherwise in writing.

Any provision of the Certifications in Category 17 that does not apply will not be enforced.

On behalf of your Applicant, you certify that:

1. It has or will have the legal, financial, and technical capacity to carry out its Award, including the safety and security aspects of that Award.

2. It has or will have satisfactory continuing control over the use of equipment and facilities acquired or improved under its Award.
3. It will maintain its equipment and facilities acquired or improved under its Award in accordance with the its transit asset management plan and consistent with FTA regulations, "Transit Asset Management," 49 CFR part 625.
4. When carrying out a procurement under its Award, it will comply with:
   a. The applicable general provisions of 49 U.S.C. § 5323, and
   b. The applicable third party contract provisions of 49 U.S.C. § 5325.
5. As required by 49 U.S.C. § 5329(e)(6)(C):
   a. It has or will have the amount of funds required for the non-federal share,
   b. It will provide the non-federal share only from sources approved by FTA, and will not be met by:
      (1) Any federal assistance,
      (2) Any funds received from a public transportation agency, or
      (3) Any revenues earned by a public transportation agency, and
   c. Will provide the non-federal share when needed.
6. Depending on how far your Applicant has progressed in developing a certified State Safety Oversight program under 49 CFR part 674, the following FTA regulations will apply:
   a. States With a Certified Program. Your Applicant agrees that FTA regulations, "State Safety Oversight," 49 CFR part 674, will apply;
   b. States Without a Certified Program. Your Applicant agrees that FTA regulations, "Rail Fixed Guideway Systems; State Safety Oversight," 49 CFR part 659, will continue to apply to those states that do not have a certified Program as required by 49 U.S.C. § 5329(e) and 49 CFR part 674.

CATEGORY 18. PUBLIC TRANSPORTATION EMERGENCY RELIEF PROGRAM.

Before FTA may provide federal assistance for an Award financed under the Public Transportation Emergency Relief Program authorized under 49 U.S.C. § 5324, you must select the Certifications in Category 18, except as FTA determines otherwise in writing.

Any provision of the Assurance in Category 18 that does not apply will not be enforced.

As required by 49 U.S.C. § 5324(d), on behalf of your Applicant, you assure that it will:
1. Comply with the requirements of the Certifications and Assurances as FTA determines will apply to an Applicant for federal assistance appropriated or made available for the Public Transportation Emergency Relief Program, and
2. Comply with FTA regulations, "Emergency Relief," 49 CFR part 602.

CATEGORY 19. EXPEDITED PROJECT DELIVERY PILOT PROGRAM.

Before FTA may provide federal assistance for an Award financed under the Expedited Project Delivery Pilot Program authorized under section 3005(b) of the FAST Act, you must select the Certifications in Category 19, except as FTA determines otherwise in writing.

FTA FISCAL YEAR 2018 CERTIFICATIONS AND ASSURANCES

To the extent that any Certification in Category 19 does not apply, it will not be enforced.

As required by section 3005(b)(3)(B) of the FAST Act, except as FTA determines otherwise in writing, on behalf of your Applicant, you certify that:

1. It has or will have the legal, financial, and technical capacity to carry out its Award, including the safety and security aspects of that Award.
2. It has or will have satisfactory continuing control over the use of its equipment and facilities acquired or improved under its Award.
3. It will maintain its equipment and facilities acquired or improved under its Award in accordance with its transit asset management plan and consistent with FTA regulations, "Transit Asset Management," 49 CFR part 625.
4. It will comply with:
   a. The metropolitan transportation planning requirements of 49 U.S.C. § 5303, and
   b. The statewide and nonmetropolitan transportation planning requirements of 49 U.S.C. § 5304.

CATEGORY 20. INFRASTRUCTURE FINANCE PROGRAMS.

Before FTA may provide credit assistance for an Award that also is or will be financed under the Transportation Infrastructure Finance and Innovation Act (TIFIA) Program authorized under 23 U.S.C. §§ 601 – 609, or the State Infrastructure Banks (SIB) Program authorized under 23 U.S.C. § 610, you must select the Certifications in Category 20.

If the Applicant does not receive credit assistance under the TIFIA or SIB programs, the Certifications and Assurances in Category 20 will not be enforced.

20.A. Transportation Infrastructure Finance and Innovation Act (TIFIA) Program.

If your Applicant seeks federal assistance from FTA for an Award that also is or will be financed under the TIFIA Program authorized under 23 U.S.C. §§ 601 – 609 the Certifications and Assurances in Category 20.A apply to your Applicant. In administering this Program, the FAST Act cross-cutting requirements supersede inconsistent former requirements.

On behalf of your Applicant, you certify and assure, as required by 49 U.S.C. § 5323(o), that federal transit laws, specifically 49 U.S.C. § 5307, 49 U.S.C. § 5309, and 49 U.S.C. § 5337, apply to any Project under 49 U.S.C. chapter 53 that receives TIFIA credit assistance under 23 U.S.C. §§ 601 – 609.

1. To comply with 49 U.S.C. §5307, specifically 49 U.S.C. § 5307(c)(1), on your Applicant's behalf, you certify that:
   a. It has or will have the legal, financial, and technical capacity to carry out its Award, including the safety and security aspects of that Award.
   b. It has or will have satisfactory continuing control over the use of equipment and facilities acquired or improved under its Award.

c. It will maintain its equipment and facilities acquired or improved under its Award, in accordance with its transit asset management plan and consistent with FTA regulations, "Transit Asset Management," 49 CFR part 625.
d. For transportation during non-peak hours and using or involving a facility or equipment of an Award financed using 49 U.S.C. § 5307 funds, it will charge a fare not exceeding fifty (50) percent of the peak hour fare to the following individuals:
   (1) Any senior,
   (2) Any individual who, because of illness, injury, age, congenital malfunction, or other incapacity or temporary or permanent disability (including an individual who is a wheelchair user or has semi-ambulatory capability), is unable to use a public transportation service or a public transportation facility effectively without special facilities, planning, or design,
   (3) Any individual presenting a Medicare card issued to that individual under title II of the Social Security Act, 42 U.S.C. § 401 *et seq*., and
   (4) Any individual presenting a Medicare card issued to that individual under title XVIII of the Social Security Act, 42 U.S.C. § 1395 *et seq*..
e. When carrying out a TIFIA-financed procurement, the Applicant will comply with:
   (1) The applicable provisions of 49 U.S.C. § 5323, and
   (2) The applicable provisions of 49 U.S.C. § 5325.
f. It has complied with or will comply with 49 U.S.C. § 5307(b).
g. (1) It has or will have no more than 80 percent of the Total Award Budget as the sum of all federal grants and any TIFIA-financed awards,
   (2) It will provide the non-federal share from sources approved by FTA, and
   (3) It will provide the non-federal share when needed.
h. It will comply with:
   (1) The metropolitan transportation planning requirements of 49 U.S.C. § 5303, and
   (2) The statewide and nonmetropolitan planning requirements of 49 U.S.C. § 5304.
i. It has a locally developed process to solicit and consider public comment before:
   (1) Raising a fare, or
   (2) Implementing a major reduction of public transportation.
j. It will comply with applicable regulations, guidance, and directives that implement the Public Transportation Safety Program provisions of 49 U.S.C. § 5329(b)-(d), except as FTA determines otherwise in writing.

2. To comply with the interest and financing costs restrictions of 49 U.S.C. chapter 53, it agrees that it will not seek reimbursement for interest or any other financing costs incurred in connection with its Award that must be in compliance with those requirements unless:
   a. It is eligible to receive federal assistance for those expenses, and
   b. Its records demonstrate that it has used reasonable diligence in seeking the most favorable financing terms underlying those costs, to the extent FTA may require.
3. It will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*.).
4. Pursuant to the National Environmental Policy Act of 1969 (NEPA), 42 U.S.C. § 5321 *et seq*., the Project will qualify for an environmental categorical exclusion or receive a finding of no significant impact or a record of decision under NEPA before the Applicant undertakes activities for which it expects to receive federal assistance.

5. It agrees that it will adopt a transit asset management plan that complies with regulations implementing 49 U.S.C. § 5326(d).

20.B. State Infrastructure Banks (SIB) Program.

If your Applicant is a state and seeks federal assistance from FTA for a project that also is or will be financed under the SIB Program authorized under 23 U.S.C. § 610, the Certifications and Assurances in Category 20.B apply to your state and its Award, except as the Secretary determines in writing. In administering this Program, the FAST Act cross-cutting requirements supersede inconsistent former requirements.

On behalf of the state Applicant for federal assistance for its SIB Program, you certify and assure that:

1. It will comply with the following applicable federal laws establishing the various SIB Programs since 1995:
   a. 23 U.S.C. § 610,
   b. Section 1511 of TEA-21, 23 U.S.C. § 181 note, or
   c. Section 350 of the National Highway System Designation Act of 1995, as amended, 23 U.S.C. § 181.
2. It will comply with or follow the Grant Agreement between it and FTA that provides federal assistance to the SIB, including the FTA Master Agreement, which is incorporated by reference into the Grant Agreement, except that, unless FTA determines otherwise in writing, a provision of the FTA Master Agreement incorporated by reference into that Grant Agreement will not apply if it conflicts with any provision of:
   a. 23 U.S.C. § 610, as amended by the FAST Act,
   b. 23 U.S.C. § 610 or its predecessor before the FAST Act was signed into law,
   c. Section 1511 of TEA-21, 23 U.S.C. § 181 note, or section 350 of the National Highway System Designation Act of 1995, as amended, 23 U.S.C. § 181 note,
   d. Federal guidance pertaining to the SIB Program,
   e. The SIB Cooperative Agreement establishing the state's SIB Program,
   f. The Grant Agreement with FTA.
3. As required by 49 U.S.C. § 5323(o), federal transit laws, specifically 49 U.S.C. § 5307, 49 U.S.C. § 5309, and 49 U.S.C. § 5337, as amended by the FAST Act, apply to any Award under 49 U.S.C. chapter 53 that receives SIB support or financing under title 23, United States Code.
4. As required by 49 U.S.C. § 5323(o) and 49 U.S.C. § 5307(c)(1):
   a. It has or will have the legal, financial, and technical capacity to carry out its Award, including the safety and security aspects of that Award.
   b. It has or will have satisfactory continuing control over the use of equipment and facilities acquired or improved under its Award.
   c. It will maintain its equipment and facilities acquired or improved under its Award, in accordance with its transit asset management plan and consistent with FTA regulations, "Transit Asset Management," 49 CFR part 625.
   d. When using or involving a facility or equipment acquired or improved with federal assistance under a SIB-financed Award during non-peak hours for transportation, it will

charge a fare not exceeding fifty (50) percent of the peak hour fare to the following individuals:
(1) Any senior,
(2) Any individual who, because of illness, injury, age, congenital malfunction, or any other incapacity or temporary or permanent disability (including an individual who is a wheelchair user or has semi-ambulatory capability), is unable to use a public transportation service or a public transportation facility effectively without special facilities, planning, or design,
(3) Any individual presenting a Medicare card issued to that individual under title II of the Social Security Act, 42 U.S.C. § 401 *et seq*., and
(4) Any individual presenting a Medicare card issued to that individual under title XVIII of the Social Security Act, 42 U.S.C. § 1395 *et seq*..

e. When carrying out a procurement under a SIB-financed Award, it will comply with:
(1) The applicable general provisions of 49 U.S.C. § 5323, and
(2) The applicable third party contract provisions of 49 U.S.C. § 5325.

f. It has complied with or will comply with 49 U.S.C. § 5307(b).

g. It has or will have or provide:
(1) The amount of funds required for the non-federal share by the SIB Program, but not less than twenty-five (25) percent of each capitalization grant,
(2) The non-federal share from sources approved by FTA, and
(3) The non-federal share when needed.

h. It will comply with:
(1) The metropolitan transportation planning requirements of 49 U.S.C. § 5303, and
(2) The statewide and nonmetropolitan planning requirements of 49 U.S.C. § 5304.

i. It has a locally developed process to solicit and consider public comment before:
(1) Raising a fare, or
(2) Implementing a major reduction of public transportation.

j. It will comply with applicable regulations, a guidance, and directives that implement the Public Transportation Safety Program provisions of § 5329(b)-(d), except as FTA determines otherwise in writing.

5. As required by 49 U.S.C. chapter 53, it certifies that it will not seek reimbursement for interest or any other financing costs incurred in connection with its Award unless:
   a. It is eligible to receive federal assistance for those expenses, and
   b. Its records demonstrate that it has used reasonable diligence in seeking the most favorable financing terms underlying those costs, as FTA may require.
6. It agrees that it will adopt a transit asset management plan that complies with FTA regulations, "Transit Asset Management," 49 CFR part 625.

CATEGORY 21. CONSTRUCTION HIRING PREFERENCES.

Before FTA may provide federal assistance for a third party contract for construction hiring financed under title 49 U.S.C. or title 23 U.S.C. using a geographic, economic, or any other hiring preference not otherwise authorized by federal law or regulation, you must select the

FTA FISCAL YEAR 2018 CERTIFICATIONS AND ASSURANCES

Certifications in Category 21 on behalf of your Applicant, except as FTA determines otherwise in writing.

Any provision of the Certifications in Category 21 that does not apply will not be enforced.

As provided by section 192 of division L, title I of the Consolidated Appropriations Act, 2017, Public Law No. 114-113, on behalf of your Applicant, you certify that if, in connection with any third party contract for construction hiring financed under title 49 U.S.C. or title 23 U.S.C., it uses a geographic, economic, or any other hiring preference not otherwise authorized by law or prohibited under 2 CFR § 200.319(b):

1. Except with respect to apprentices or trainees, a pool of readily available but unemployed individuals possessing the knowledge, skill, and ability to perform the work that the third party contract requires resides in the jurisdiction where the work will be performed,
2. It will include appropriate provisions in its bid document ensuring that its third party contractor(s) do not displace any of its existing employees in order to satisfy such hiring preference, and
3. That any increase in the cost of labor, training, or delays resulting from the use of such hiring preference does not delay or displace any transportation project in the applicable Statewide Transportation Improvement Program or Transportation Improvement Program.

Selection and Signature Page(s) follow.

FTA FISCAL YEAR 2018 CERTIFICATIONS AND ASSURANCES

FEDERAL FISCAL YEAR 2018 CERTIFICATIONS AND ASSURANCES FOR FEDERAL TRANSIT ADMINISTRATION ASSISTANCE PROGRAMS

(Signature pages alternative to providing Certifications and Assurances in TrAMS)

Name of Applicant: ______________________________

The Applicant agrees to comply with applicable provisions of Categories 01 – 21. X

OR

The Applicant agrees to comply with applicable provisions of the Categories it has selected:

Category	Description	
01.	Required Certifications and Assurances for Each Applicant.	____
02.	Lobbying.	____
03.	Private Sector Protections.	____
04.	Rolling Stock Reviews and Bus Testing.	____
05.	Demand Responsive Service.	____
06.	Intelligent Transportation Systems.	____
07.	Interest and Financing Costs and Acquisition of Capital Assets by Lease.	____
08.	Transit Asset Management Plan, Public Transportation Safety Program, and State Safety Oversight Requirements.	____
09.	Alcohol and Controlled Substances Testing.	____
10.	Fixed Guideway Capital Investment Grants Program (New Starts, Small Starts, and Core Capacity Improvement).	____
11.	State of Good Repair Program.	____
12.	Grants for Buses and Bus Facilities and Low or No Emission Vehicle Deployment Grant Programs.	____
13.	Urbanized Area Formula Grants Programs and Passenger Ferry Grant Program.	____
14.	Enhanced Mobility of Seniors and Individuals with Disabilities Programs.	____
15.	Rural Areas and Appalachian Development Programs.	____
16.	Tribal Transit Programs (Public Transportation on Indian Reservations Programs).	____
17.	State Safety Oversight Grant Program.	____
18.	Public Transportation Emergency Relief Program.	____
19.	Expedited Project Delivery Pilot Program.	____
20.	Infrastructure Finance Programs.	____
21.	Construction Hiring Preferences.	____

FTA FISCAL YEAR 2018 CERTIFICATIONS AND ASSURANCES

FEDERAL FISCAL YEAR 2018 FTA CERTIFICATIONS AND ASSURANCES SIGNATURE PAGE

(Required of all Applicants for federal assistance to be awarded by FTA in FY 2018)

AFFIRMATION OF APPLICANT

Name of the Applicant: ______________________________

Name and Relationship of the Authorized Representative: ______________________________

BY SIGNING BELOW, on behalf of the Applicant, I declare that it has duly authorized me to make these Certifications and Assurances and bind its compliance. Thus, it agrees to comply with all federal laws, regulations, and requirements, follow applicable federal guidance, and comply with the Certifications and Assurances as indicated on the foregoing page applicable to each application its Authorized Representative makes to the Federal Transit Administration (FTA) in federal fiscal year 2018, irrespective of whether the individual that acted on his or her Applicant's behalf continues to represent it.

FTA intends that the Certifications and Assurances the Applicant selects on the other side of this document should apply to each Award for which it now seeks, or may later seek federal assistance to be awarded during federal fiscal year 2018.

The Applicant affirms the truthfulness and accuracy of the Certifications and Assurances it has selected in the statements submitted with this document and any other submission made to FTA, and acknowledges that the Program Fraud Civil Remedies Act of 1986, 31 U.S.C. § 3801 *et seq*., and implementing U.S. DOT regulations, "Program Fraud Civil Remedies," 49 CFR part 31, apply to any certification, assurance or submission made to FTA. The criminal provisions of 18 U.S.C. § 1001 apply to any certification, assurance, or submission made in connection with a federal public transportation program authorized by 49 U.S.C. chapter 53 or any other statute

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

Signature______________________________ Date: ______________

Name______________________________
Authorized Representative of Applicant

AFFIRMATION OF APPLICANT'S ATTORNEY

For (Name of Applicant): ______________________________

As the undersigned Attorney for the above-named Applicant, I hereby affirm to the Applicant that it has authority under state, local, or tribal government law, as applicable, to make and comply with the Certifications and Assurances as indicated on the foregoing pages. I further affirm that, in my opinion, the Certifications and Assurances have been legally made and constitute legal and binding obligations on it.

I further affirm that, to the best of my knowledge, there is no legislation or litigation pending or imminent that might adversely affect the validity of these Certifications and Assurances, or of the performance of its FTA assisted Award.

Signature______________________________ Date: ______________

Name______________________________
Attorney for Applicant

Each Applicant for federal assistance to be awarded by FTA must provide an Affirmation of Applicant's Attorney pertaining to the Applicant's legal capacity. The Applicant may enter its electronic signature in lieu of the Attorney's signature within TrAMS, provided the Applicant has on file and uploaded to TrAMS this hard-copy Affirmation, signed by the attorney and dated this federal fiscal year.

MOSCOW CITY COUNCIL AGENDA
Meeting Date: 03/19/2018
Title: Comprehensive Annual Financial Report Presentation
Responsible Staff: Sarah Banks

Information

DESCRIPTION: Presnell Gage Accountants, the City's auditors, will be presenting the City's FY2017 Comprehensive Annual Financial Report (CAFR) and reporting significant changes to City Council regarding the annual audit and outlining comparative changes compared to the FY2016 CAFR. The City has received the Certificate of Achievement for Excellence in Financial Reporting for the CAFR for 14 consecutive years. After approval, staff will submit the FY2017 CAFR for consideration for the award. The accompanying final draft of the FY2017 CAFR is submitted for City Council's review.

STAFF RECOMMENDATION: Accept the City of Moscow audited Comprehensive Annual Financial Report for FY2017 as presented.

PROPOSED ACTIONS: Accept the City of Moscow audited Comprehensive Annual Financial Report for FY2017 as presented; or take other such action as deemed appropriate.

Necessary Resources/Impacts

<Type your fiscal/personnel/miscellaneous impacts here or N/A>

Attachments

CAFR FY2017

City of Moscow

Comprehensive Annual Financial Report

MAYOR

Bill Lambert

CITY SUPERVISOR

Gary J. Riedner

Fiscal Year Ended
September 30, 2017

Council President

Art Bettge

Council Vice President

Jim Boland

Council Member

Kathryn Bonzo

Council Member

Walter Steed

Council Member

Gina Taruscio

Council Member

John Weber

Comprehensive Annual Financial Report

City of Moscow, Idaho

For The Fiscal Year Ended September 30, 2017

Prepared
by the
Finance Department

Gary J. Riedner
City Supervisor/ Acting Finance Director

CITY OF MOSCOW, IDAHO

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2017

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Introductory Section

February 28, 2018

Honorable Mayor, City Council Members, and Citizens of the City of Moscow:

We are pleased to submit to you the audited Comprehensive Annual Financial Reports (CAFR) for the City of Moscow, Idaho (hereinafter "City") for the fiscal year October 1, 2016 through September 30, 2017.

Idaho state law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP), Governmental Accounting Standards Board (GASB), and an audit report in accordance with auditing standards generally accepted in the United States of America by Certified Public Accountants. Pursuant to that requirement, we hereby issue the audited annual financial statements of the City for the fiscal year ended September 30, 2017.

The Finance Department of the City has prepared this report to present the financial position of the City as of September 30, 2017. We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the City as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the City's financial affairs have been included. Responsibility of both the accuracy of the data, and the completeness and fairness of the presentation and disclosures rests with City management.

Moscow's Mission Statement:

The City of Moscow delivers quality municipal services while ensuring responsible use of resources. We anticipate and meet the needs of our diverse population in order to build public trust and enhance a sense of community.

CAFR Presentation:

The CAFR was prepared by the City's Finance Department in accordance with GAAP and GASB. It is intended to provide sufficient information to permit the assessment of stewardship and accountability, to demonstrate legal compliance, and to facilitate management control. City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. In addition, the City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the City Council. Activities of all funds are included in the annual adopted budget.

Presnell Gage, PLLC, Accounting and Consulting, Certified Public Accountants, have issued an opinion that the City's financial statements were presented fairly in all material respects for the year ended September 30, 2017. The Independent Auditor's report is located at the front of the financial section of this report.

The CAFR is presented in four sections: Introductory, Financial, Statistical, and Compliance. The Introductory section, which is unaudited, includes this Letter of Transmittal, a City organizational chart, Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting awarded for the 2016 fiscal year, and a list of the City's principal elected officials. The Letter of Transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with the MD&A. The City's MD&A can be found in the financial section along with the independent auditor's opinion, basic financial statements (including entity-wide fund financial statements), notes to the basic financial statements, required supplementary information and supplemental information, combining and individual statements and schedules for the City's funds. The Statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

City of Moscow Profile:

Moscow, Idaho, is located among the rolling Palouse hills of Latah County in northern Idaho and the western City limits border the State of Washington. The City encompasses a land area of approximately 6.92 square miles. Moscow is the county seat and largest city in Latah County and with a population of 25,322 (2016 U.S. Census Bureau, is the 12th largest city in Idaho). Latah County's population is 39,196 (2016 U.S. Census Bureau) and comprises the majority of the eastern portion of the Palouse region, which is world-renowned for its agriculture and fertile soil. Latah County is the only county in the United States that was established by an act of Congress. Originally part of Nez Perce County, Latah County was created in 1888 and named for Latah Creek, which is located in its northwest corner.

The City of Moscow is home to the University of Idaho, the state's land grant institution and primary research university. Eight miles (13 km) west is Pullman, Washington, home of Washington State University, also a land-grant institution. The close proximity of these two universities creates an environment that is a wonderful combination of small town comfort and safety, together with the cultural, recreational, and educational opportunities of a larger city.

The City of Moscow was incorporated on July 12, 1887. The City operates under a Mayor/Council form of government consisting of an elected mayor and six council members. The mayor and six council members are elected on an at-large, non-partisan basis, and serve staggered 4-year terms, with one-half of the council positions elected every two years. The City is considered to be a "full service" city and provides the following services authorized by charter and by Title 50 of the *Idaho Code*: general government, public safety, culture and recreation, transportation, water, sewer, and sanitation.

Moscow's City Council is required to adopt a final budget no later than the close of the current fiscal year. The City's fiscal year starts on October 1 and ends on September 30. The annual budget serves as the foundation for the City's financial planning and controls and is prepared by the Administration and Finance Departments. Department managers are responsible for their department's budgetary controls. The budget is adopted at the fund level by the City Council following a public hearing, and meets the state's legal requirement for a balanced budget of revenues and expenditures. The same public budget process is necessary on any occasion when budget amendments are necessary to accept unanticipated revenues and expenditures.

Surrounded by forests and productive wheat fields, Moscow is the perfect setting for a community, which has gained national attention and has become known as the Northwest's "Heart of the Arts." The City offers and participates in numerous public programs every year that contribute to this reputation such as:

- The "Third Street Art Gallery" located in Moscow City Hall;
- The 39-year old historic Farmers Market held every Saturday (May through October). The Market was established in 1977 and is the oldest long-standing market in the state of Idaho;
- The Lionel Hampton Jazz Festival;
- Festival Dance, Idaho;
- Idaho Repertory Theatre;
- Moscow Renaissance Fair;
- Rendezvous in the Park;
- Moscow Arts Commission Summer Band Concerts and Children's Entertainment Series in the Park;
- Annual Art Walk with 75 businesses and more than 125 artists participating; and
- The Pritchard Art Gallery;
- Community Art Classes at the 1912 Center.

The City has a highly skilled and educated work force supporting many thriving businesses, as well as the University of Idaho and nearby Washington State University. Merchants offer an extensive selection of quality products and services, making Moscow a retail center for people from outlying areas.

As Idaho's land grant research university, the University of Idaho offers students a complete living and learning experience. The residential campus in Moscow matches architectural beauty with a small and friendly academic community. Outdoor recreational activities complement the many cultural amenities. The University of Idaho is a nationally recognized research institution committed to undergraduate and graduate research education, with extension services responsive to Idaho and to the region's business and community needs. Many students take advantage of an emphasis on undergraduate research opportunities in computer science, transportation innovation, environmental science, evolutionary biology, and biomedical research. The University of Idaho enrolls 11,780 students.

The U.S. News and World Report's *2016 College Guide* ranks the University of Idaho 171 in the nation and 90 among public colleges nationwide. The University of Idaho is a leading public institution in the Pacific Northwest and counts a record number of National Merit Scholars as students. The University of Idaho maintains a 16:1 faculty-to-student ratio to ensure that students receive the personal attention and support needed to have a transformational learning experience. The University of Idaho offers a highly engaged residential campus in a quintessential college town environment that provides a dynamic 24/7 living and learning experience.

Local Economic Outlook:

Moscow's major employers are heavily represented in the sectors of education, healthcare, retail, and government. These four sectors represent 65 percent of Moscow's economy.

The Latah County unemployment rate (not seasonally adjusted) for the month ending in September 2017 was 2.1 percent compared with 2.9 percent in September 2016. The September 2017 unemployment rate (not seasonally adjusted) of 2.1 percent was below a state unemployment rate of 2.5 percent and a national unemployment rate of 4.1 percent. (1)

Latah County saw employment expansion in the following sectors from March 2016 – March 2017:

- Professional and Technical Services (7.4 percent)
- Manufacturing (6.6 percent)
- Health Care Services (2.6 percent)
- Accommodation and Food Service (1.3 percent)
- Other Services (12.5 percent)
- Finance and Insurance (3.8 percent)
- Arts, Entertainment, and Recreation (4.5 percent)

Latah County saw employment retractions in the following sectors:

- Educational Services (-4.8 percent)
- Construction (-8.9 percent)
- Retail Trade (-2.8 percent)
- Real Estate and Leasing (-3.9 percent)

Real Estate:

- The average home sale price in Latah County increased 4.2 percent from $212,142 in 2016 to $221,197 in 2017 after a 3.8 percent decrease the prior year.
- The average home sale price in the City of Moscow increased 5.7 percent from $216,304 in 2016 to $228,782 in 2017, after a 3.2 percent decrease the prior year.

Tourism:

- In 2017, Latah County transient occupancy tax increased by 3.5 percent over 2016 (calendar year).

Building Permits:

- Total permitted construction value in the City of Moscow increased from $18.7 million in 2016 to $40.7 million in 2017.

At the beginning of fiscal year 2017, the national, state, and local economies continued to improve. Moscow continues its economic development efforts. The Moscow Urban Renewal Agency (MURA) manages one active urban renewal district called the Legacy Crossing District, which covers approximately 163 acres and includes a majority of the blighted and underutilized properties located between Moscow's historic downtown and the University of Idaho. The primary objective in creating this District was to eliminate conditions impeding the City's economic growth in the area. The MURA's focus is to spur more rapid land use transition of properties from former agricultural and/or industrial uses to new uses and economic vibrancy adding to the quality of civic life and improving the public safety of citizens and visitors.

The Legacy Crossing District will have long-term positive impacts on the community. The re-urbanization of inner-city districts, particularly those with land uses transitioning from industrial uses to mixed-uses, requires an extended planning horizon. Redevelopment activities continue on the MURA-owned property located at the southwest corner of the intersection of Sixth and Jackson Streets, including the completion of environmental remediation activities and the planning for redevelopment of the site by Sangria Downtown LLC.

The City is a leader in a consortium which maintains 15.4 miles of dark fiber optic capacity to governmental, educational, and hospital facilities in the City. Other members of the consortium are the Idaho Transportation Department, Moscow School District #281, and Gritman Medical Center.

The Intermodal Transit Center (ITC) is home to public transit provider Sustainable Moscow Area Regional Transportation (SMART), which provides services to area residents and the University of Idaho. The fixed-route public transportation service in Moscow continues to see increased ridership. The ITC houses administrative and passenger service areas, exterior covered passenger boarding areas, bicycle parking facilities, and transit vehicle parking and serves as a link between transportation service providers to facilitate the seamless integration of transportation options for the Palouse region. Public transportation services are provided by not only SMART, but also Northwest Trailways (providing inter-city passenger service) and the University of Idaho's Vandal Access Service. Another public transit opportunity is the City of Moscow inter-city van pool program, which boasts 100 percent ridership.

Tourism is Idaho's third-largest industry statewide. As noted earlier, the City provides and hosts many cultural opportunities along with other art attractions. The arts, entertainment, and recreation sector includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of the local and surrounding population.

Long-Term Financial Planning for the City:

The City's future capital improvement projects include:

- An underpass of Idaho State Highway 8 at the intersection at White Avenue and a path extension along White Avenue from Highway 8 to the Latah County Fairgrounds;
- Surface improvements of Mountain View Road between the Fairgrounds and Sixth Street;
- Widening of Mountain View Road to include bicycle lanes, curbs, gutters, and sidewalks between Joseph Street and Sixth Street;
- Reconstruction of the Sixth Street and Mountain View intersection;
- Pedestrian system improvements in the Sixth Street corridor between Asbury and Jefferson Street
- Pedestrian and lighting systems improvements in the Third Street corridor between Jackson Street and the alley west of Asbury Street;
- Improvements to "A" Street between Peterson Street and Home Street;
- Installation of amenities in the downtown core of the City, including bicycle racks, street trees, vintage lighting, and other features consistent with the Historic and Central Business district themes;
- Continued upgrades to deficient sidewalks and the installation of missing sidewalks throughout the City;
- Water Reclamation and Reuse Facility (WRRF), formerly the Wastewater Treatment Plant, Phase V improvements to meet the National Pollutant Discharge Elimination System (NPDES) permit issued by the United States Environmental Protection Agency (EPA);
- Sewer main replacements;
- Phase II construction of a new water production well (Well #10) and renovations of six water booster stations utilized to provide consistent water pressure to all sectors of the City.

The City has completed several comprehensive plans, including water, sewer, intermodal transportation, parks, and facilities. These plans define the capital needs for those service sectors. The City completed the comprehensive City facilities plan in 2015. The final facilities plan identifies building and space requirements to meet the City's needs into the future. The City contracted with the Futures Corporation of Boise to assist in preparation of a strategic plan for the City, which was completed and implemented in 2015. The completion of these final projects has provided Administration and Finance information necessary to proceed with development of an inclusive and comprehensive long-range financial plan to assist policy makers in developing strategies to meet the City's operational and capital needs.

The City has fund balances assigned for long-term capital needs of $4.2 million for general government purposes and $10.3 million restricted for water, sewer, and sanitation, which will assist in the long-term capital improvement projects list.

Financial Policies:

On September 7, 2011, the City Council adopted Resolution No. 2011-11. This Resolution established financial policies for the City, which address general finance, revenue, operating expenditure, capital expenditure, and debt and fund balance working capital. The City implements all GASB pronouncements in order to remain in compliance with the accounting standards for governments. This year, the City's financial statements reflect all changes to meet the guidelines of the GASB 68 pronouncement.

GFOA Award for Excellence in Financial Reporting:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ending September 30, 2016. This was the fourteenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy GAAP, GASB, and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only and, therefore, must be applied for each subsequent year. Staff represents that the City's current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and the CAFR ending September 30, 2017, will be submitted to the GFOA for consideration.

Audited Statements Introduction:

Presnell Gage, PLLC, Accounting and Consulting, a firm of Certified Public Accountants, has audited the City's financial statements. The goal of the annual independent audit is to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent audit involves the examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. The independent audit also involves the assessment of the accounting principles used and the significant estimates made by management, and the evaluation of the presentation of the overall financial statements. The independent auditor, based upon the audit, concluded there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2017, are fairly presented in conformity with GAAP and GASB. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the City’s financial statements requires the independent auditor to report not only on the fair presentation of the financial statements, but also with special emphasis on the audited government's internal controls and compliance with legal requirements. Because the cost of control should not exceed the benefits to be derived, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements.

Acknowledgements:

The preparation of this report would not have been possible without the professional, efficient, and dedicated services of the City’s Audit Committee and the entire staff of the Finance and Administration Departments. Appreciation is also extended to all members of the other City departments who assisted and contributed to the preparation of this report. Our thanks are also extended to the Mayor and the City Council for their support in maintaining the highest standards of professionalism in the management of the City’s finances.

Respectfully submitted,

Gary J. Riedner	Sarah Banks
City Supervisor/Acting Finance Director	Assistant Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Moscow

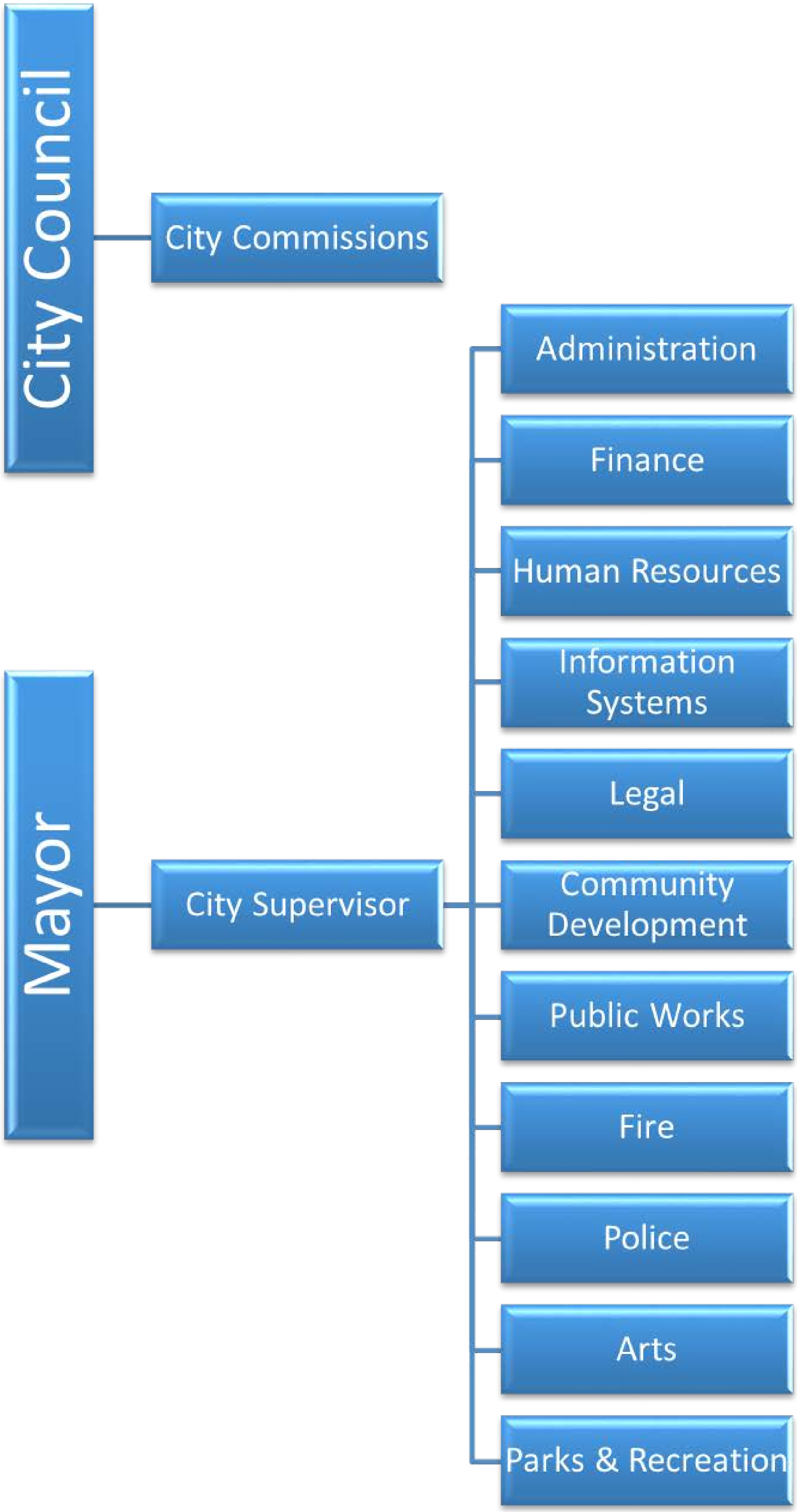
Idaho

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

September 30, 2016

Christopher P. Morrill

Executive Director/CEO


City Council
City Commissions
Mayor
City Supervisor
Administration
Finance
Human Resources
Information Systems
Legal
Community Development
Public Works
Fire
Police
Arts
Parks & Recreation

Public Officials

For information on how to vote in Moscow, please call the City Clerk's office at (208) 883-7015.

Elected Officials at 09/30/17

Official	Name	Term End
Mayor	Bill Lambert	12/31/2017
Council Member	Art Bettge	12/31/2017
Council Member	Jim Boland	12/31/2019
Council Member	Gina Taruscio	12/31/2017
Council Member	Kathryn Bonzo	12/31/2019
Council Member	Walter Steed	12/31/2017
Council Member	John Weber	12/31/2017

Elected Officials at 01/02/18

Official	Name	Term End
Mayor	Bill Lambert	12/31/2021
Council Member	Brandy Sullivan	12/31/2021
Council Member	Gina Taruscio	12/31/2021
Council Member	Kathryn Bonzo	12/31/2019
Council Member	Art Bettge	12/31/2021
Council Member	Jim Boland	12/31/2019
Council Member	Anne Zabala	12/31/2019

Appointed Officials at 09/30/17

Official	Name
City Supervisor	Gary J. Riedner
City Attorney	Rod Hall
City Clerk	Laurie M. Hopkins
Acting Finance Director	Gary J. Riedner
Fire Chief	Brian Nickerson
Human Resources Director	Mark Brigham
Public Works Director	Les MacDonald
Parks Director	Dwight Curtis
Police Chief	James Fry
Planning and Development Director	Bill Belknap

Financial Section

presnell GAGE, PLLC
ACCOUNTING AND CONSULTING

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Moscow, Idaho 83843
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(208) 882-2211

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INDEPENDENT AUDITOR'S REPORT

Members of the City Council
City of Moscow, Idaho
Moscow, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moscow, Idaho, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Lewiston Office: 1216 Idaho Street, Lewiston, Idaho 83501, (208) 746-8281
Grangeville Office: 109 South Mill Street, Grangeville, Idaho 83530, (208) 983-1254
Orofino Office: 216 Johnson Avenue, P.O. Box 632, Orofino, Idaho 83544, (208) 476-3012
Pullman Office: 1230 SE Bishop Blvd., Pullman, Washington 99163, (509) 332-6541

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moscow, Idaho, as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) and other required supplementary information on pages 21 through 39 and 76 through 80, respectively, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Moscow's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, 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 is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the capital projects major fund, the schedule of expenditures of federal awards, and the budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the capital projects major fund, the schedule of expenditures of federal awards, and the budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 28, 2018, on our consideration of the City of Moscow, Idaho's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Presnell Gage PLLC

February 28, 2018

The discussion and analysis of the financial performance of the City of Moscow (hereinafter the "City") presents the highlights of financial activities and provides an overview of those activities for the fiscal year ended September 30, 2017 (FY2017), and is intended to:

- Assist the reader in focusing on significant financial issues;
- Provide an overview of the City's financial activity;
- Identify changes in the City's financial position (its ability to address challenges in subsequent years); identify any material deviations from the financial plan and the adopted budget; and
- Identify individual fund issues or concerns. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the report year's activities, resulting changes, and currently known facts, please read it in conjunction with the Transmittal Letter found in the introductory section (page 6) and the City's financial statements beginning on page 41.

Financial Highlights

- In FY2017 the City received $390,554 in federal grant funding reimbursements to assist with multiple City projects and programs. The federal funding assisted both the Public Works and Police Departments in the following:
  - A Federal Disaster Declaration was issued in the spring of FY2017 designating eight northern Idaho counties, including Latah County and the City of Moscow, eligible for FEMA's Public Assistance funding program. The Idaho Office of Emergency Management (IOEM) is the Idaho authority managing funds to assist local government agencies with receiving Emergency Relief Funding (ERF). The City was awarded ERF to assist with street infrastructure repair resulting from damages sustained during the extreme weather experienced during the FY2017 winter season. Segments of Third, Sixth, and Joseph Streets experienced accelerated degradation due to extremely cold temperatures, above-normal snowfall, aggressive freeze/thaw cycles, and an extremely wet spring weather ($273,295).
  - A Presidential Disaster Declaration was issued for March 6-28, FY2017 providing FEMA Public Assistance for flooding damages for nine northern Idaho counties to include Latah County. Through a process of due diligence, City staff was able to document activities related to the flooding along the Mountain View corridor to include expenses for sand bagging, debris removal, and repairs to a storm grate and drainage ditch on the corner of Mountain View and Joseph Street ($10,686).
  - The Transportation Alternatives Program administered by the Local Highway Technical Assistance Council (LHTAC) for the Idaho Transportation Department (ITD) provided federal-aid grant funding toward the design and construction of the Paradise Path/SH-8 Underpass and Pathway Extension Project. Consultant design services for this project began in the summer of FY2017, with construction to begin in the spring of 2018 ($8,016).
  - A 5339 Bus and Bus Facilities award from the Idaho Department of Transportation – Public Transportation Department provided funding to purchase a new 2017 Chevrolet Express 15-Passenger Van for the City's Vanpool Program ($25,881).

- The Idaho Department of Transportation receives federal funding for the Office of Highway Safety (OHS) to administer the Traffic Enforcement Mobilizations program. The goal of the program is to eliminate death and serious injuries resulting from motor vehicle crashes, and implement programs designed to address driver behavior. The purpose of the program is to provide funding at the state and community level for highway safety problems that address Idaho's own unique circumstances and particular highway safety needs. The Traffic Enforcement Mobilization program establishes project requirements and a funding process to support the enforcement efforts by the Idaho Law enforcement agencies to reduce deaths, serious injuries, and economic loss as part of the Strategic Highway Safety Plan (SHSP). Dedicated overtime enforcement hours and/or traffic enforcement equipment for regular duty dedicated mobilization enforcement fund hours worked during Idaho's Traffic Enforcement Mobilizations. Over the past several years the Moscow Police Department (MPD) has participated in a majority of the mobilizations offered through the OHS program. Mobilization activities as of FY2016 include 1,018 contacts, 458 overtime hours, and 195 citations issued ($53,796).

- The Moscow Police Department has participated in the Child Passenger Safety program since 2003, also funded by the Idaho Transportation Department, Office of Highway Safety, by applying for funding to purchase safety seats for children and participating in Child Passenger Safety Technician Instruction classes. The MPD is the lead agency and fiscal agent for the program since 2011 and has applied and receives funding for purchasing child safety seats, training technicians, and managing the distribution of child safety seats to the Inland Northwest Car Seat Team. During the FY2017 grant period, the Inland Northwest Car Seat team members checked 378 car seats at community events and at various car seat checkup stations. A total of 155 grant-funded safety seats were distributed to area families ($10,171).

- Idaho State House Bill 312 remained effective in FY2017. This legislation implemented an increase in state fuel taxes with the intent that the additional funding would be used exclusively for maintenance of bridges and roads and replacement projects at both the state and local levels. The City of Moscow received $279,873 of HB312 funds in FY2017.

- The City's general fund (the City's primary operating fund), on a current financial resource basis, reported a fund balance increase for FY2017 of $9,382 (0.2%) as a result of the following: the unassigned fund balance decreased by $147,588 (-17.1%) to $714,414, committed fund balance includes an increase in drug enforcement of $699 (.9%) to $77,976 and an increase in working capital of $141,710 (3.9%) to $3,808,570. Assigned fund balance includes an increase in employee compensated absences of $14,561 (2.9%) to $517,931 and general governmental health programs remained steady at $41,953.

- Working capital is the funding necessary to meet the cash flow needs of any particular fund. In compliance with the City's adopted financial policies, working capital is reported on the balance sheet for governmental funds. The General Fund working capital increased in FY2017 by $141,710 (3.9%) to $3,808,570. The Street Fund working capital for FY2017 increased by $17,140 (2.1%) to $833,231. The Parks and Recreation Fund working capital for FY2017 increased by $6,277 (1.0%) to $614,654.

- The City of Moscow has an investment policy that manages and directs the Finance Director and provides a guide to invest available funds. The policy can be found in Resolution #2010-02. In short, the investment policy prioritizes the investment into safety, liquidity, and yield. The City invests in U.S. Agencies containing adequate guarantees. Bond values can change inversely to interest rate changes during the time that the City holds the bond. When bonds mature, they are valued at 100% of the bond price (par). During FY2016, the City began a review of its investment strategies and has been working with an investment advisory group consisting of financial professionals associated with the University of Idaho and Lewis-Clark State College to formulate a sustainable investment strategy focused on minimizing risks and maximizing returns on these public dollars. This has continued through FY2017 and it is anticipated that this strategy will be implemented during FY2018. In the interim, the City's fund balances have been invested in the State of Idaho Local Government Investment Pool (LGIP).

- Governmental activities revenue decreased $796,071 (-4.4%) in FY2017. This decrease was due to a decrease in capital grants received. In FY2016, the single audit reporting threshold increased from $500,000 to $750,000. In FY2017, the City complied with the single audit reporting requirements as federal funding received totaled $1,478,735. This amount was the combination of federal grant revenue received of $390,554, and reimbursement funds received from the Idaho State Revolving Loan Fund for water system improvements of $1,088,181.

- Business-type activities (enterprise fund) revenue increased in FY2017 by $1,331,603 (7.3%) to $19,469,214, due to a 6.3% water rate adjustment and a 4.5% sewer rate adjustment, as well as a 3% sanitation rate adjustment. These adjustments were made in conformance with the recommendations of rate studies adopted by the City Council. Water connection fees are comprised of meter charges and general facility charges.

- The City continued work on multiple water system improvements throughout the City, focusing on two major water system projects. These projects consist of the construction of a new municipal water well (Well #10) with associated water main improvements for a cost of approximately $4.5 million, and the replacement of six water booster stations and associated water main improvements for a cost of approximately $4.4 million. The Well #10 project is intended to provide additional water supply production capacity and redundancy for the City's largest current production well (Well #9). The Booster Stations project will address fire-flow deficiencies in boosted zones located at the higher elevations of the City. To finance the projects, the City is combining a loan obtained from the Idaho State Revolving Loan Fund for water system improvements (administered by the Idaho Department of Environmental Quality (IDEQ)) with City of Moscow Water Capital Program funding. At the end of FY2017, the design of the second phase of the Well #10 project (well site development) had begun and the first phase of the Booster Stations project (the first three stations) had been awarded and construction was underway. At fiscal year-end, loans receivable were $605,453, and $482,728 of reimbursement funds were received. Continuation of the projects is anticipated during FY2018 with completion of the first phase of the Booster Stations project contemplated in FY2018. The second phase of the Well #10 project will commence construction and the second phase of the Booster Stations project is anticipated to reach the end of the design phase.

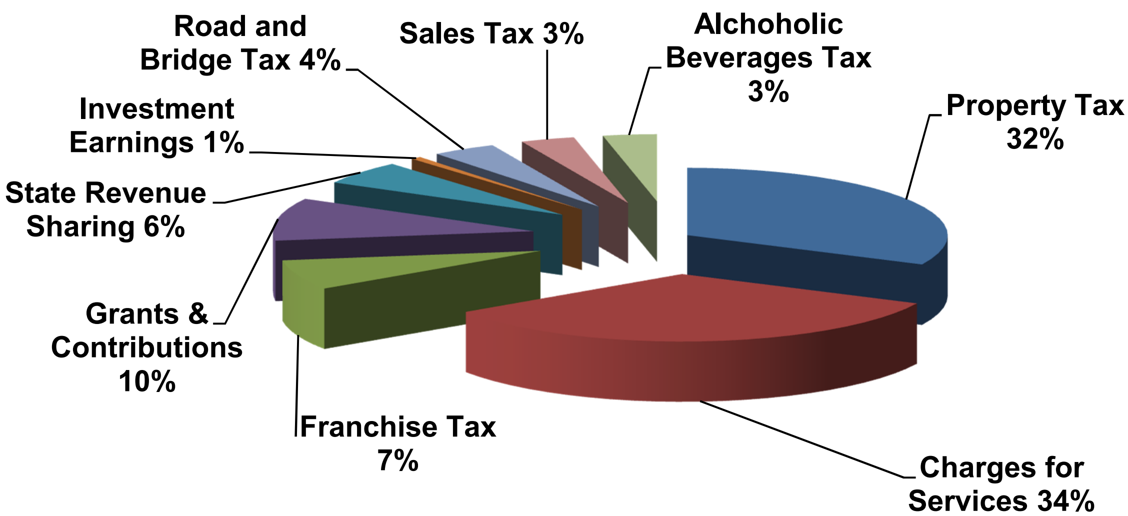
- FY2017 was another successful year for the new Moscow School District Community Playfields, a joint project of the Moscow School District and the City. City staff installed scoreboards for each of the 6 fields. Staff also constructed a wheelchair-accessible pathway to Field #4. The fields were kept busy by a variety of school youth teams, physical education classes, organizational sports, parks and recreation sports, and drop-in play.

- A long awaited downtown public restroom was constructed in Friendship Square, with the grand opening taking place on May 6, 2017, coinciding with the first day of the summer Farmer's Market.

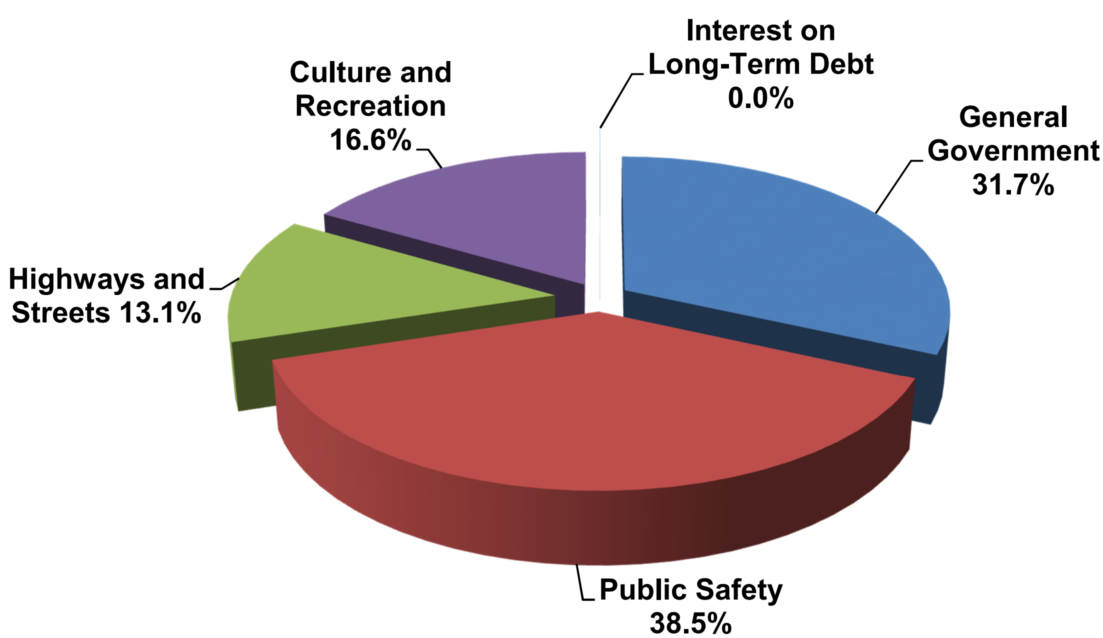
General Fund revenues, comprised primarily of property taxes, charges for services, franchise fees, and state shared revenue and were used to support the following major activities:

Public Safety	Highways and Streets	Interest on Long-term Debt
General Government	Culture and Recreation	

Governmental Revenues
Fiscal Year Ending September 30, 2017



Governmental Activities: Expenses
Fiscal Year Ending September 30, 2017



Major Initiatives

Fiscal Year 2017 Highlights:

- Strategic planning is considered an excellent tool for an organization to develop a clear path into the future with checkpoints allowing for course corrections and celebrations of success along the way. The City's strategic plan provides a helpful guide for the organization to assist in future decision making processes and as a valuable guide for considering responses to unanticipated opportunities or challenges. In addition, the document provides for the continuity of planning as individuals move in and out of roles within the organization.

  To determine this path for the City of Moscow, several steps were established to develop a mutually agreed upon focus that considers carefully where the City is today, as well as the desired legacies it intends to support. The planning process began in FY2015 and consisted of a review of present conditions based in data analysis and research with staff input from all levels of the organization. The City developed a catalog consisting of the issues seen as facing the organization and community on a long-term scale, looking to its mission to ensure those issues were in line with the responsibilities of the City to its citizens. This information was used to then identify the Major Challenge Areas (MCAs) the City faces at this time. To address those MCAs, forward thinking long-term goals, supported by shorter-term objectives, and annual actions/strategies were developed to provide a path to addressing these challenges. Through the annual budget, resources are considered to address the MCAs and other issues as appropriate. The plan also provides for regular reports of measurable successes given the outline of annual 1-5 years, and 5-plus-years benchmarks and can be tied to budgetary efforts and decision-making processes.

- The City of Moscow promotes and implements sustainable practices across all departments. The City's interoffice recycling program has been revamped to streamline recycling practices across all City facilities. Other standardized practices include sustainable purchasing, reuse, and waste reduction strategies. With the combined success of the EcoDriver and fleet replacement programs, emissions and fuel consumption continue to decline; the City consumed approximately 3,000 fewer gallons of fuel in FY2017 than it did in FY2016. The City has set goals for Green House Gas emission reductions with biennial inventory updates. A number of budgeted projects have reduced carbon emissions, made City operations more efficient, while saving the City money in power costs.

- The Finance Department earned the prestigious Government Finance Officers Association (GFOA) Award for the City's Comprehensive Annual Financial Report for the fourteenth consecutive year.

- The Moscow Volunteer Fire Department and Ambulance Company (MVFD) has been serving the Moscow community for more than 125 years. This organization operates with mostly volunteers who number approximately 100 firefighters and emergency medical personnel and 7 career staff. During FY2017, the volunteers of the MVFD responded to approximately 2,400 calls, averaging approximately 200 calls for service each month. The volunteers logged more than 9,000 hours of training to prepare themselves to serve and maintain the level of professionalism the citizens of Moscow have come to expect. In addition to the excellent emergency medical response provided by the volunteers, the MVFD has maintained a Class 3 ISO rating (2013 Insurance Services Office audit). This rating results in significant fire insurance savings to both residential and commercial property owners within Moscow, and is similar to the ISO ratings of much larger fire departments/communities such as the City of Boise and the City of Coeur d'Alene.

- Sustainable Moscow Area Regional Transportation (SMART) Transit continues to provide exceptional service to many in the Moscow community. In FY2017, 142,060 passengers boarded the fixed route bus service, while dial-a-ride service added an additional 12,984, nearly 1,000 more than in FY2016. Total ridership for all services reached 155,044 in FY2017. The City's contribution to the SMART Transit in FY2017 was $145,500, which included operating and capital funding.

- The City continues to be an effective regional partner in the areas of water research and conservation, actively supporting the work of the Palouse Basin Aquifer Committee (PBAC), promoting customer conservation efforts and exploring alternative water resources, including surface water detention and expansion of treated effluent reuse infrastructure. Annually, approximately 100 million gallons of treated wastewater effluent from the City of Moscow Water Reclamation and Reuse Facility is land-applied for irrigation on the University of Idaho campus. The City supported PBAC's research and operations in the amount of $40,000 in FY2017.

  To further enhance water conservation efforts by our residential and business customers, the City adopted a Water Conservation Plan in FY2016. The Plan adds $70,000 in FY2017 for low-flow toilet and Wisescape (reduced-irrigation landscaping) replacement rebates. Since FY2016, residential and business customers have replaced approximately 210 toilets with an annual savings of approximately 1.5 million gallons of water. The second City-sponsored Wisescape Demonstration Garden, planted at City Hall in FY2016, encourages the community to choose water saving landscaping.

- The City of Moscow Sidewalk Program was launched in December, 2011. The objective of the Program is to improve and maintain accessible pedestrian routes for all members of the community. The Program guidance document describes the approach to improving the sidewalk system, including setting priorities, methods of public outreach, and public participation in improvements. The City continued implementation of the Sidewalk Program in FY2017. Through the owner assistance component of the program, the City participated with twelve private property owners to replace deteriorated or hazardous public sidewalks. These efforts included financial assistance for downtown businesses to replace extended-width sidewalks in the Central Business District.

- Sanitation collection rates increased by 3% as contemplated by the 2012 Comprehensive Sanitation Rate Study. Sanitation tipping (weight) related fees at the Solid Waste Processing Facility were contractually obligated to be adjusted annually, based on fluctuation to the *Consumer Price Index*. Tipping fees experienced a 1.6% increase in October FY2016 and a negotiated additional 3.1% in March of FY2017 as a result of the FY2016 Rate Study update. Solid Waste Disposal Contracts between the City of Moscow and Latah County, the cities of Bovill, Deary, Genesee, Juliaetta, Kendrick, Potlatch, and Troy were renegotiated and amended to reflect the findings of the FY2016 Rate Study update requiring tipping fee increases at the Solid Waste Processing Facility of 4.4% each year from FY2017 through FY2020 and 2% each year beginning in FY2021 through FY2023.

- City Ordinance No. 2004-30 states that it is the policy of the City to support public art through the dedication of 1% of the total cost of public capital improvement projects to facilitate the installation of art in public places in order to beautify public areas, enhance the quality of life for Moscow citizens, attract tourism, and provide incentives to businesses to locate within the City. The ending balance at the close of FY2017 was $62,245.

- The City of Moscow initiated an update of the Parks and Recreation Master Plan, to be completed and adopted in 2018. Projects in FY17 pursuant to the existing 2013 Parks and Recreation Master Plan included the installation of an *ADA* compliant drinking fountain in East Gate Park. Completion of the Hamilton Indoor Recreation Center plaza concrete overlay project and upgrade of a portion of the pathway through East City Park addresses safety and accessibility issues.

- Improvements to the Paradise Path included completion of the concrete phase of the Blackbird Station project, allowing for upcoming installation of park benches and landscaping. Staff also installed a playground in the new Indian Hills Park; the first phase of development of that park.

Report Layout: The City's Comprehensive Annual Financial Report (CAFR) consists of four sections: (1) the introduction section; (2) financial section; (3) statistical section; and (4) the compliance reporting section. Taken together, they provide an overview of the City. The components of the report include the following:

Management's Discussion and Analysis: This section of the report provides financial highlights, overview, and economic factors affecting the City. It is intended to serve as an introduction to the City's basic financial statements.

Basic Financial Statements: The City's basic financial statements comprise three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

1. Government-Wide Financial Statements:

The government-wide financial statements focus on an entity-wide presentation using the accrual basis of accounting and are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. The difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of net position focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the City owns, the liabilities it owes and the net difference. The focus of the statement of net position (the "unrestricted net position") is designed to be similar to a bottom line or "net worth" for the City and its governmental and business-type activities. The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement of net position for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). This statement of net position summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues. The statement of activities focuses on both the gross and net cost of various activities, which are provided by the government's property tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities and/or component units.

The governmental activities reflect the City's basic services, including general government, public safety, transportation, culture and recreation, and interest on long-term debt. A further explanation of these categories will assist the reader's understanding of the statements. General government consists of the following departments: legislative, executive, administration, finance, legal, human resources, general buildings and grounds, community development, non-departmental expenses, fleet, and information systems. Public Safety consists of the following departments: police, emergency communication, parking enforcement services, code enforcement, fire, public health, and engineering services. Transportation consists of the following services: street repair and maintenance, street sweeping, streetlights, Intermodal Transit Center management, and coordination of resources with state and county highway projects. Culture and Recreation consists of the following departments: parks administration, maintenance and operation of City parks, recreation programs, Hamilton-Lowe Aquatics Center, Hamilton Indoor Recreation Center (HIRC), Eggan Youth Center, Moscow School District Community Playfield fund (MSDCP), 1912 Center, Art fund, and Community Events fund. Finally, the interest on long-term debt consists of the swimming pool bond interest payments. Property and roadway taxes, State revenue sharing, franchise fees, and user fees finance the majority of these aforementioned services.

The business-type activities reflect the following private sector type operations of water, sewer, and solid waste management utility services (which the financial statements list as "sanitation"), where the fee for service typically covers all costs associated with the operation, including depreciation and investment in capital assets. These services are classified as Enterprise Funds.

The statements present an aggregate view of the City's finances. Government-wide statements contain useful long-term information as well as information for the just completed fiscal year. To assess the overall financial condition of the City, additional non-financial factors, such as changes in the condition of the City buildings, facilities, and equipment should also be considered.

2. Fund Financial Statements:

A fund is a fiscal and accounting entity that is used to provide control over resources that have been segregated for specific activities or objectives. Funds allow the City to track sources of funding and spending for specific programs and to demonstrate compliance with various regulatory requirements.

The City of Moscow maintains eighteen individual funds in six separate categories. The categories and their funds include:

- **The General Fund** is the City's chief operating fund, and accounts for all financial resources except those required to be accounted for in another fund.

- **Special Revenue** funds include the street fund, Parks and Recreation fund Moscow School District Community Playfield fund (MSDCP), 1912 Center fund, Transit Center fund, and Art fund. Special revenue funds are used to account for the proceeds of specific revenue sources that are assigned for specific purposes.

- **Enterprise** funds include the water, sewer, and sanitation funds. Enterprise funds account for activity for which a fee is charged to external users for goods and/or services.

- **Debt service** funds include the bond and interest, local improvement district, and guaranty funds. Debt service funds are used to set aside resources to meet current and future debt service requirements on general long-term debt.

- **Capital projects** funds include capital projects, LID Construction, and Hamilton funds. Capital projects funds are used to account for major capital acquisitions and construction separately from ongoing operating activities.

- **Internal service** funds include the information systems and fleet management funds. Internal service funds are used to account for centralized services and then allocate the cost of those services within the government.

Fund financial statements generally report operations in more detail than the government-wide statements. These statements focus on its most significant or "major" funds and not on the City as a whole. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are each presented in their own column. Budgetary comparison statements are presented for the funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is now on major funds, rather than fund types. Major funds are defined in the following manner:

- The City's main operating fund, the general fund, is always considered a major fund; and

- Each of the City's enterprise funds; and

- Any fund whose assets, liabilities, revenues or expenses are at least:

  A. 10% of the total for all governmental OR enterprise funds; AND
  B. 5% of the total for all governmental AND enterprise funds COMBINED.

- City management may designate any fund as a major fund believed to be important to the users of the City's financial statements.

- City management has determined the following funds are major funds:

  A. The governmental funds: included are the general fund, street fund, parks and recreation fund, capital projects fund, and the Hamilton fund.
  B. The enterprise funds: included are the water fund, sewer fund, and sanitation fund.

Governmental Funds. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of available resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available to be spent at the end of the fiscal year. These funds are reported on the "modified accrual" basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides.

Proprietary Funds. The City maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds, (as previously noted) are used to report the functions presented as business-type activities in the government-wide financial statements. The City's enterprise funds are the water, sewer, and sanitation funds. Internal service funds keep, accumulate, and allocate costs integrally among the City's various functions. Internal service funds include the fleet management fund, which accounts for fleet activities, and the information system fund, which accounts for network and communication activities. Because services provided by these internal service funds predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities section in the government-wide statements.

3. Notes to the Financial Statements:

The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.

4. Additional Supplementary Information:

The basic financial statements are followed by a section of supplementary information that further explains and supports the information in the financial statements. The supplementary information includes a budgetary comparison schedule reconciling the statutory operating activities for budgetary purposes to the generally accepted principles operating activities and fund balances, as presented in the governmental fund financial statements.

5. Statistical Information:

Following the supplementary information is the statistical section of the Comprehensive Annual Financial Report (CAFR). The statistical section consists of historical data and non-financial data useful in establishing trends and should be used in conjunction with the financial information in establishing a full representation of the overall financial health of the City.

6. Compliance Reporting:

This section contains compliance reporting on internal controls and Federal awards. Compliance reporting on Federal awards is a federal requirement when expending monies in excess of $750,000 from Federal awards.

Accounting System and Budgetary Control

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal control is a process utilized by the City Council, Administration, and staff, which is designed to provide reasonable assurance, not absolute assurance, regarding the achievements of objectives in the following categories: (1) the effectiveness and efficiency of operations; (2) reliability of financial reporting; and (3) compliance with applicable laws and regulations. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefit likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

The financial statements meet requirements as set forth by the Governmental Accounting Standards Board (GASB). Generally accepted accounting principles promulgated by GASB, as appropriate for cities, have been followed in handling financial transactions and in preparation of reports.

Activities of the general fund, special revenue funds, debt service fund, and capital projects fund are included in the City's annual budget. Budgetary control is maintained by the issuance of monthly financial statements, which reflect current and year-to-date expenses in comparison to budgeted amounts. Anticipated expenses are reviewed to determine that sufficient funds are available prior to commitment. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Capital Assets. General capital assets include land, improvements to land, buildings, vehicles, machinery and equipment, infrastructure, and all other tangible assets that are used in operations and that have initial useful lives in excess of three years and which exceed the City's capitalization threshold of $5,000. These capital assets provide services to the City's residents; consequently, these assets are not available for future spending. The largest portion of the City's net position (61.5%) reflects investments in these capital assets. These capital assets totaled $79,474,050 (net of depreciation) in FY2017. The City must elect to either a) depreciate these assets over their estimated useful life; or b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. The City has elected to depreciate its assets. Accumulated depreciation was recorded for the first time in 2003 based on the date of acquisition and the life span of the asset.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve as a useful indicator of a city's financial position. In the case of the City of Moscow, assets exceeded liabilities by $111,733,336 in FY2017.

Statement of Net Position (in Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	$ 22,950	$ 20,866	$ 28,379	$ 24,684	$ 51,329	$ 45,550
Capital assets (net of accumulated depreciation)	42,752	42,896	36,722	34,879	79,474	77,775
Total assets	$ 65,702	$ 63,762	$ 65,101	$ 59,563	$ 130,803	$ 123,325
Defined Benefit Pension	$ 812	$ 2,744	$ 169	$ 625	$ 981	$ 3,369
Total deferred outflows	$ 812	$ 2,744	$ 169	$ 625	$ 981	$ 3,369
Long-term debt	$ 4,333	$ 5,648	$ 10,764	$ 10,810	$ 15,097	$ 16,458
Other liabilities	2,119	1,696	2,140	1,734	4,259	3,430
Total liabilities	$ 6,452	$ 7,344	$ 12,904	$ 12,544	$ 19,356	$ 19,888
Defined benefit pension	$ 575	$ 1,618	$ 120	$ 369	$ 695	$ 1,987
Total deferred inflows	$ 575	$ 1,618	$ 120	$ 369	$ 695	$ 1,987
Invested in capital, Net of debt	$ 42,495	$ 42,403	$ 26,256	$ 24,626	$ 68,751	$ 67,029
Restricted	3,143	3,323	15,622	14,709	18,765	18,032
Unrestricted	13,849	11,818	10,368	7,940	24,217	19,758
Total Net Position	$ 59,487	$ 57,544	$ 52,246	$ 47,275	$ 111,733	$ 104,819

Statement of net position - as of the end of FY2017 the City's government-wide net position increased by $6,913,856 (6.2%) to $111,733,336. The increase identified in the business-type activities restricted net position is due to the accumulation of funds for future capital outlay. The City's business-type activities restricted fund balance of $15,622,009 consists of $14,017,914 for water, sewer, and sanitation capital projects and $1,604,095 for debt service. The City's restricted fund balance of $3,143,511, consists of $78,516 for debt service, $298,216 for highway user tax purposes, and $2,766,779 for parks and recreation as directed by Bobby Hamilton's bequest to the City in FY2000.

Changes In Net Position (in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Program revenue:						
Charges for services	$ 5,806	$ 5,681	$ 18,182	$ 17,130	$ 23,988	$ 22,811
Operating grants and contributions	1,311	1,298			1,311	1,298
Capital grants and contributions	469	1,672	1,076	830	1,545	2,502
General revenue:						
Property taxes	5,592	5,483			5,592	5,483
Sales taxes	584	545			584	545
Franchise taxes	1,252	1,219			1,252	1,219
Road and bridge taxes	694	662			694	662
Alcoholic beverage taxes	582	575			582	575
State revenue sharing	985	951			985	951
Gain (loss) on sale of capital assets	22	60	(6)	30	16	90
Investment earnings	115	63	217	147	332	210
Total revenues	17,412	18,209	19,469	18,137	36,881	36,346
Expenses:						
General government	5,954	6,035			5,954	6,035
Public safety	7,241	7,025			7,241	7,025
Highways and streets	2,471	2,347			2,471	2,347
Culture and recreation	3,127	3,148			3,127	3,148
PERSI retirement		(151)				(151)
Interest on long-term debt	3	9			3	9
Water – distribution			2,806	2,611	2,806	2,611
Sewer – collection and treatment			4,339	4,125	4,339	4,125
Sanitation			4,026	4,218	4,026	4,218
Total expenses	18,796	18,413	11,171	10,954	29,967	29,367
Transfers in (out)	3,327	3,354	(3,327)	(3,354)	0	0
Changes in net position	1,943	3,150	4,971	3,829	6,914	6,979
Net position - beginning	57,544	54,394	47,275	43,446	104,819	97,840
Net position - ending	$ 59,487	$ 57,544	$ 52,246	$ 47,275	$ 111,733	$ 104,819

Changes in net position - The table above shows that the changes in net position for FY2017 governmental activities increased the City's net position by $1,943,339 (3.4%), and business-type activities increased net position by $4,970,517 (10.5%). The City had total expenses of $29,967,880 and total revenues of $36,881,736, both contributing to a total net position increase of $6,913,856 (6.2%).

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As of the end of FY2017, the City's governmental funds reported a combined ending fund balance of $15,797,107, an increase of $503,961 (3.3%) when compared to the ending fund balance of $15,293,146 for FY2016. The increase is due to the City's continued efforts to secure grant funding for capital projects and vigilant management of all resources for long-range planning.

The unassigned fund balance for the general fund is $714,414 (approximately 13.8%) of the fund balance. The $714,414 is mostly comprised of outstanding receivables, which are collected within 60 days. The remaining unassigned fund balance within the governmental funds is available for spending at the government's discretion in accord with adopted budgets. The remaining fund balances are either assigned a specific purpose or project or otherwise committed.

General Fund. The general fund is the maintenance and operation fund for the City. At the end of FY2017, the general fund balance was $5,160,844, a $9,382 (.2%) increase from the ending balance of $5,151,462 for FY2016. This consistency in balance is attributed to capital transfers to the fleet and capital projects funds for future capital outlay.

Street Fund. The street fund is responsible for the construction and maintenance of public streets and traffic services within the City. The ending fund balance for FY2017 was $1,736,049, an increase of $153,916 (9.7%) from the prior year's fund balance of $1,582,133. This increase in fund balance is largely due to the FEMA grant funds the City received for disaster assistance pertaining to Joseph and Sixth Street projects and repairs.

Parks and Recreation Fund. The parks and recreation fund accounts for the costs of maintaining and improving parks facilities, recreational programs, and community center operations in the City. At the end of FY2017, the parks and recreation fund balance was $1,008,175, a $137,029 (15.7%) increase from the ending balance of $871,146 for FY2016. Fund balance policy requires a working capital balance of $614,654 leaving an assigned fund balance of $393,521. Transfers of funds for operations were increased this year from the General Fund.

Capital Projects Fund. The capital projects fund accounts for money set aside by the City Council for identified and unidentified future projects. Additionally, this fund is used to accumulate grant match funds and capital grant monies for anticipated future projects. The accumulation of monies for street projects include: Sixth and Jackson Realignment, Mountain View, A Street, North Polk Street, and D Street safety improvement projects. The accumulation for parks and recreation projects include: land and park developments, playground equipment, building improvements, parkland dedication, and Blackbird Station improvements. General government projects that were designed, constructed, or completed during the year include sidewalk improvements, park pathways, the downtown restroom, and Indian Hills Park and playground development. The fund balance increased in FY2017 by $319,965 (8.1%) to $4,254,748 due to capital transfers from the general fund of $470,000.

Hamilton Fund. The Hamilton fund accounts for money bequested to the City by the Last Will and Testament of Mr. Bobby C. Hamilton. Mr. Hamilton's will stipulates the money be designated "for the benefit of the Parks and Recreation Department to be used as much as possible for the benefit of young children." At the end of FY2017, the ending fund balance in the fund was $2,766,779. This represents a decrease of $178,158 (6.0%) from FY2016 due to the net difference between interest earnings and the transfers to the parks and recreation department for funding operation of the Hamilton Indoor Recreation Center (HIRC) and, pursuant to City Council Resolution #2017-13, City Council authorized the use of $170,000 of Hamilton Funds for the development of Moscow playgrounds.

Enterprise Funds. The City's proprietary funds consist of water, sewer, and sanitation.

The Water Fund. The water fund is responsible for the operation and maintenance of four tank reservoirs, five active wells, and the distribution systems for potable water. The City's reservoirs include two elevated tanks with capacities of 285,000 gallons and 450,000 gallons of water. The capacity of the two ground tank reservoirs is 2,000,000 gallons each. The wells are numbered, and wells #2 and #3 are supplied by the Wanapum Aquifer, while wells #6, #8, and #9 (and future well #10) access the deeper Grande Ronde Aquifer. Well #9 is the largest producer at 2,400 gallons per minute. The consumption fees for commercial accounts are flat, while residential consumption fees are reflective of a tiered rate structure encouraging conservation. Construction of the Well #10 house and installation of equipment is set for FY2018 and FY2019. The Comprehensive Water System Plan was adopted in January 2012 and the Water Rate Study approved in November 2013. Ending fund balance for FY2017 decreased by $281,502 (6.3%) to $4,192,945 due to the startup of the major capital projects previously stated.

The Sewer Fund. The sewer fund accounts for the operation and maintenance of the Water Reclamation and Reuse Facility and the Water Reclamation conveyance system. Rates are comprised of two elements; a base fee and a consumption (volume) fee. Consumption fees are only assessed to commercial accounts and vary according to account classification due to contaminate loading at the Water Reclamation and Reuse Facility. The Comprehensive Sewer System Plan was adopted in October 2011 and the Sewer Rate Study approved in November 2014. Ending fund balance for FY2017 increased by $1,499,491 (21.6%) to $8,448,477. The increase is a result of 4.5% overall sewer rate increases to support the sewer fund's capital improvement plan.

The Sanitation Fund. The Sanitation fund accounts for all transactions related to the collection of garbage or refuse, recycling, and hauling or transportation and disposal. The City contracts with Latah Sanitation, Inc. (LSI) for collection and delivery of solid waste to the Solid Waste Processing Facility. The City contracts with Waste Connections, Inc., for transportation and final disposal of municipal solid waste at Finley Buttes Landfill in Boardman, Oregon. The City contracts with LSI for disposal of non-municipal solid waste (NMSW) at the LSI Landfill located at the Solid Waste Processing Facility site. LSI acts as the City's agent for collection of fees at the Solid Waste Processing Facility and NMSW Landfill from self-haul and commercial customers. The City also owns Moscow Recycling Center and contracts with Moscow Recycling (a division of LSI) for operations of the recycling center. The Sanitation Strategic Plan was adopted in February of 2011. The first Comprehensive Sanitation Rate Study was adopted in November of 2013 and a Sanitation Rate Study update was completed in FY2016. Ending fund balance for FY2017 increased by $977,482 (16.7%) to $6,827,409.

BUDGETARY HIGHLIGHTS

In the general fund, differences between the budget and actual figures included a $108,616 (1.0%) net increase in total revenues and a $946,504 (8.4%) decrease in total expenses. The significant highlights are summarized as follows:

- Revenues:
  - A $10,870 positive variance in intergovernmental revenues,
  - A $50,734 negative variance in franchise fees,
  - A $196,055 positive variance in licenses and permits,
  - A $35,315 positive variance in sales tax revenues,
  - A $49,810 negative variance in refunds and reimbursements.

- Expenses:
  - A $439,422 positive variance for general government expenses,
  - A $449,031 positive variance for public safety expenses,

Budget to actual revenues for the general fund reflect a mix of positive and negative variances in revenue. The remaining categories reflect minimal positive and negative variances. The large positive variance for licenses and permits is due to an unanticipated increase in building permits and plan reviews for the FY2017.

Budget to actual expenses for the general fund reflect variances in general government and public safety due to the fact that monies budgeted for administrative and community development staff, unexpended professional services, police staff, engineering staff, health and accident insurance, and the drug tip program were not exhausted. Furthermore, additional monies were transferred to the capital projects fund and fleet fund to meet the long-term capital improvements plan for the City.

Additional information comparing the City's budgeted expenses to actual expenses can be found in the financial statements on pages 76-96 of this report.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2017, amounts to $79,474,050 (net of accumulated depreciation). This investment in capital assets includes land, buildings, collection and distribution systems, improvements, equipment, roads, streets, and bridges. The total increase in the City's investment in capital assets for FY2017 was 2.2% (.2% decrease for governmental activities and a 2.4% increase for business-type activities).

Major capital asset events during FY2017 included the following projects:

- City of Moscow Public Works Department:
    - Continued work on Phase I of the booster stations renovation/upgrade ($1,133,432)
    - Neared completion of the SW Trunk Line Phase V ($1,375,184)
    - Initiated Phase II of Well #10 construction ($83,415)
    - Completed several pavement management projects including slurry seal and grind, and inlay on A St., Joseph St., and Third St. ($728,057)
    - Neared completion of the 6th Street Realignment Project ($374,780)
    - Installed a new generator at the Water Department Treatment Facility ($122,115)
- City of Moscow Parks Department:
    - Continued the development of Moscow playgrounds ($101,228)
    - Completed the Downtown Restroom ($216,717)
- The City Fleet Department purchased a new Pierce Saber Pumper Fire Truck ($514,893), expected to be received and placed into service in FY2018.

Capital Assets (Net of Depreciation)

	Governmental Activities	Business-Type Activities	Total
Beginning balance	$ 70,645,287	$ 70,348,938	$ 140,994,225
Additions	2,025,924	3,791,454	5,817,378
Deletions	(228,222)	(169,112)	(397,334)
Depreciation	(29,691,046)	(37,249,173)	(66,940,219)
Total	$ 42,751,943	$ 36,722,107	$ 79,474,050

Additional information on the City's capital assets can be found in Note 3 beginning on page 60 of this report.

Debt Outstanding, At Year-End

	Governmental Activities	Business-Type Activities	Total
General obligation	$ 235,000		$ 235,000
Revenue bonds		$ 7,645,000	7,645,000
Idaho DEQ Loan		2,565,046	2,565,046
Total	$ 235,000	$ 10,210,046	$ 10,445,046

Debt Outstanding. At the end of FY2017, the City had total bonded debt outstanding of $7,880,000. Of this amount, $235,000 is comprised of general obligation bonds debt backed by the full faith and credit of the City. No Special Assessment debt remains. Additionally, included in the total bonded debt outstanding are revenue bonds of $7,645,000 representing bonds secured solely by specified sewer revenue sources.

General Obligation and Revenue Bonds

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds	$ 235,000	$ 460,000			$ 235,000	$ 460,000
Revenue bonds			$ 7,645,000	$ 8,480,000	7,645,000	8,480,000
Total	$ 235,000	$ 460,000	$ 7,645,000	$ 8,480,000	$ 7,880,000	$ 8,940,000

Additional information on the City's long-term debt can be found in Note 3D beginning on page 67 of this report.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability. Any questions or requests for additional information should be directed to the City's Acting Finance Director, Gary J. Riedner, at City Hall, 206 East Third Street, Moscow, Idaho, 83843, by phone at (208) 883-7024, or by email at griedner@ci.moscow.id.us.

Basic Financial Statements

CITY OF MOSCOW, IDAHO

STATEMENT OF NET POSITION
September 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Urban Renewal Agency
ASSETS				
CURRENT ASSETS				
Cash				$ 35,330
Investments	$ 16,473,497	$ 9,500,059	$ 25,973,556	560,743
Receivables	1,746,275	1,812,471	3,558,746	2,425
Due from other funds		300,000	300,000	
Loans receivable		605,453	605,453	
Inventory		425,381	425,381	
Prepaid and other assets	514,893		514,893	5,260
Land held for sale				531,256
Total current assets	18,734,665	12,643,364	31,378,029	1,135,014
NONCURRENT ASSETS				
Temporarily restricted cash and investments	3,828,333	15,735,407	19,563,740	
Net pension asset	387,000		387,000	
Capital assets:				
Land	9,371,145	1,675,539	11,046,684	679,420
Buildings	14,720,945	3,252,742	17,973,687	
Vehicles	5,218,386	218,104	5,436,490	
Improvements	32,937,771	635,862	33,573,633	
Machinery and equipment	6,748,946	15,957,242	22,706,188	
Infrastructure		47,551,602	47,551,602	
Construction in progress	736,876	4,680,189	5,417,065	
Information systems	2,708,920		2,708,920	
Accumulated depreciation	(29,691,046)	(37,249,173)	(66,940,219)	
Total noncurrent assets	46,967,276	52,457,514	99,424,790	679,420
Total assets	65,701,941	65,100,878	130,802,819	1,814,434
DEFERRED OUTFLOWS OF RESOURCES				
Defined benefit pension	811,553	169,444	980,997	

See accompanying notes

CITY OF MOSCOW, IDAHO

STATEMENT OF NET POSITION
September 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Urban Renewal Agency
LIABILITIES				
CURRENT LIABILITIES				
Checks in excess of deposits	$ 197,025		$ 197,025	
Accounts payable and other current liabilities	1,060,446	$ 1,069,912	2,130,358	$ 122,049
Deposits payable	218,099	72,014	290,113	5,000
Accrued interest payable		123,890	123,890	
Due to other funds	300,000		300,000	
Unearned revenue	21,929		21,929	
Current portion of long-term liabilities	235,000	860,000	1,095,000	31,500
Current portion of compensated absences	85,603	14,176	99,779	
Total current liabilities	2,118,102	2,139,992	4,258,094	158,549
LONG-TERM OBLIGATIONS				
Compensated absences	599,219	99,222	698,441	
Landfill post closure care payable		192,123	192,123	
Net pension liability	3,711,287	867,713	4,579,000	
Long-term liabilities, net of current portion	22,066	9,605,753	9,627,819	420,537
Total long-term obligations	4,332,572	10,764,811	15,097,383	420,537
Total liabilities	6,450,674	12,904,803	19,355,477	579,086
DEFERRED INFLOWS OF RESOURCES				
Defined benefit pension	575,414	119,589	695,003	
NET POSITION				
Net investment in capital assets	42,494,877	26,256,354	68,751,231	376,732
Restricted for:				
Parks and recreation	2,766,779		2,766,779	
Debt service	78,516	1,604,095	1,682,611	44,312
Capital outlay		14,017,914	14,017,914	
Transportation	298,216		298,216	
Unrestricted	13,849,018	10,367,567	24,216,585	814,304
Total net position	$ 59,487,406	$ 52,245,930	$ 111,733,336	$ 1,235,348

See accompanying notes

CITY OF MOSCOW, IDAHO

STATEMENT OF ACTIVITIES
Year Ended September 30, 2017

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			Component Unit
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Urban Renewal Agency
Primary Government:								
Governmental activities								
General government	$ 5,954,035	$ 3,273,252	$ 39,820	$ 25,881	$ (2,615,082)		$ (2,615,082)	
Public safety	7,241,400	1,544,445	70,654	3,343	(5,622,958)		(5,622,958)	
Highways and streets	2,470,955	370,228	1,169,522	439,922	(491,283)		(491,283)	
Culture and recreation	3,127,109	618,688	31,311		(2,477,110)		(2,477,110)	
Interest on long-term debt	2,767				(2,767)		(2,767)	
Total governmental activities	18,796,266	5,806,613	1,311,307	469,146	(11,209,200)	$ 0	(11,209,200)	$ 0
Business-type Activities								
Water	2,806,438	5,212,423		358,180		2,764,165	2,764,165	
Sewer	4,339,398	7,288,980		717,626		3,667,208	3,667,208	
Sanitation	4,025,778	5,681,081	0	0		1,655,303	1,655,303	
Total business-type activities	11,171,614	18,182,484	0	1,075,806	0	8,086,676	8,086,676	0
Total primary government	$ 29,967,880	$ 23,989,097	$ 1,311,307	$ 1,544,952	(11,209,200)	8,086,676	(3,122,524)	0
Component Units:								
Urban Renewal Agency	$ 270,852		$ 14,724				0	(256,128)
Total component units	$ 270,852	$ 0	$ 14,724	$ 0			0	(256,128)
General revenues:								
Property taxes					5,591,688		5,591,688	179,343
Sales taxes					584,051		584,051	
Franchise taxes					1,251,646		1,251,646	
Road and bridge taxes					694,538		694,538	
Alcoholic beverage taxes					581,702		581,702	
State revenue sharing - unrestricted					985,311		985,311	
Unrestricted investment earnings (losses)					114,647	216,526	331,173	4,116
Gain on sale of capital assets					21,873	(5,602)	16,271	
Transfers					3,327,083	(3,327,083)	0	0
					13,152,539	(3,116,159)	10,036,380	183,459
Change in net position					1,943,339	4,970,517	6,913,856	(72,669)
Net position - beginning					57,544,067	47,275,413	104,819,480	1,308,017
Net position - ending					$ 59,487,406	$ 52,245,930	$ 111,733,336	$ 1,235,348

See accompanying notes

CITY OF MOSCOW, IDAHO

BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2017

	General	Streets	Parks and Recreation	Capital Projects	Hamilton	Other Governmental Funds	Total Governmental Funds
ASSETS							
Investments	$ 5,111,780	$ 1,483,455	$ 1,056,804	$ 4,618,300	$ 2,754,650	$ 864,819	$ 15,889,808
Receivables	930,961	616,640	5,132	126,127		38,699	1,717,559
Interfund receivable			800		12,129	9,129	22,058
Total assets	$ 6,042,741	$ 2,100,095	$ 1,062,736	$ 4,744,427	$ 2,766,779	$ 912,647	$ 17,629,425
LIABILITIES							
Checks in excess of deposits	$ 197,025						$ 197,025
Accounts payable	116,873	$ 139,671	$ 33,972	$ 489,679		$ 11,368	791,563
Accrued salaries and benefits	147,372	11,536	20,589			5,186	184,683
Deposits payable	5,260	212,839					218,099
Interfund payable	332,058						332,058
Unearned revenue - other						21,929	21,929
Total liabilities	798,588	364,046	54,561	489,679	$ 0	38,483	1,745,357
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	83,309					3,652	86,961
Total deferred inflows of resources	83,309	0	0	0	0	3,652	86,961
FUND BALANCES							
Restricted for:							
Streets		298,216					298,216
Parks and recreation					2,766,779		2,766,779
Debt service						78,516	78,516
Committed for:							
Working capital	3,808,570	833,231	614,654			215,494	5,471,949
Drug enforcement	77,976						77,976
Public art						62,245	62,245
Assigned for:							
Compensated absences	517,931	34,150	62,345			9,417	623,843
VEBA proceeds	41,953						41,953
Special revenue fund operations		570,452	331,176			269,721	1,171,349
Capital projects				4,254,748		178,313	4,433,061
Debt service						56,806	56,806
Unassigned, reported in:							
General fund	714,414						714,414
Total fund balances	5,160,844	1,736,049	1,008,175	4,254,748	2,766,779	870,512	15,797,107
Total liabilities, deferred inflows of resources, and fund balances	$ 6,042,741	$ 2,100,095	$ 1,062,736	$ 4,744,427	$ 2,766,779	$ 912,647	$ 17,629,425

See accompanying notes

CITY OF MOSCOW, IDAHO

RECONCILIATION OF THE STATEMENT OF NET POSITION
TO THE BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2017

Total fund balances - Governmental Funds	$ 15,797,107
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:	
Cost of capital assets, excluding internal service funds	62,695,604
Accumulated depreciation, excluding internal service funds	(23,884,510)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
General government debt	(235,000)
Unamortized premiums on bonds	(22,066)
Compensated absences to employees	(623,843)
Deferred outflows and deferred inflows for pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Deferred outflows	768,904
Deferred inflows	(537,516)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Net pension asset	387,000
Net pension liability	(3,475,956)
Property taxes receivable to be collected this year; but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	86,961
Internal service funds are used by management to charge information systems services and fleet services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	8,530,721
Total net position - Governmental Activities	$ 59,487,406

See accompanying notes

CITY OF MOSCOW, IDAHO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended September 30, 2017

	General	Streets	Parks and Recreation	Capital Projects	Hamilton	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes							
Property	$ 5,351,396					$ 232,393	$ 5,583,789
Sales	584,051						584,051
Franchise	1,251,646						1,251,646
Alcoholic beverage	581,702						581,702
Road and bridge		$ 694,538					694,538
Licenses and permits	866,070		$ 1,210				867,280
Intergovernmental	1,131,308	1,453,503	300	$ 8,016		70,265	2,663,392
Charges for services	1,433,123	299,182	488,776			68,328	2,289,409
Fines	131,705						131,705
Special assessments						30,143	30,143
Investment earnings (losses)	21,718	8,644		43,937	$ 21,266	1,032	96,597
Contributions and donations	12,820		18,603	27,800		2,900	62,123
Refunds and reimbursements	4,877	15,568	5,003	141,501	66	116	167,131
Other	73,174		4,957			6,506	84,637
Total revenues	11,443,590	2,471,435	518,849	221,254	21,332	411,683	15,088,143
EXPENDITURES							
Current							
General government	4,268,491					300	4,268,791
Public safety	6,980,553						6,980,553
Culture and recreation			2,107,315	8,133	5,490	481,620	2,602,558
Transportation		1,537,569				15,903	1,553,472
Debt service							
Principal retirement						225,000	225,000
Interest						13,800	13,800
Capital outlay	5,889	580,132		784,486			1,370,507
Total expenditures	11,254,933	2,117,701	2,107,315	792,619	5,490	736,623	17,014,681
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	188,657	353,734	(1,588,466)	(571,365)	15,842	(324,940)	(1,926,538)
OTHER FINANCING SOURCES (USES)							
Transfers in	3,027,494	775,855	1,841,495	1,047,711		445,778	7,138,333
Transfers out	(3,206,769)	(975,673)	(116,000)	(156,381)	(194,000)	(59,011)	(4,707,834)
Total other financing sources (uses)	(179,275)	(199,818)	1,725,495	891,330	(194,000)	386,767	2,430,499
NET CHANGE IN FUND BALANCES	9,382	153,916	137,029	319,965	(178,158)	61,827	503,961
FUND BALANCES AT BEGINNING OF YEAR	5,151,462	1,582,133	871,146	3,934,783	2,944,937	808,685	15,293,146
FUND BALANCES AT END OF YEAR	$ 5,160,844	$ 1,736,049	$ 1,008,175	$ 4,254,748	$ 2,766,779	$ 870,512	$ 15,797,107

See accompanying notes

CITY OF MOSCOW, IDAHO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended September 30, 2017

Net change in fund balances - Total Governmental Funds	$ 503,961
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation:	
Current year capital outlay	1,370,507
Current year depreciation	(1,461,232)
Contributed capital assets (land, buildings, and infrastructure) and other miscellaneous capital asset transactions recorded in government-wide financial statements but not recorded in fund level financial statements.	147,925
Amounts borrowed on long-term debt are reported in the governmental funds as other financing sources. Amounts repaid on long-term debt are reported in the governmental funds as expenditures. However, for governmental activities, the borrowing and repayment of funds is reflected as outstanding long-term debt:	
Current year repayment of long-term debt	225,000
Change in compensated absences	5,488
Net pension liability and the related deferred outflows and deferred inflows are not considered available for the governmental funds in the current year:	
Current year net pension liability, deferred outflows, and deferred inflows	306,952
Some amounts receivable will not be collected for several months after the fiscal year-ends, and they are not considered available revenues in the governmental funds. Instead, they are counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities:	
Current year taxes receivable	86,961
Prior year taxes receivable	(79,062)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. They are, however, recorded as expenditures in the statement of activities:	
Amortization of bond premiums	11,033
Internal service funds are used by management to charge service center equipment to individual funds. The net revenue of the internal service funds is reported with governmental activities.	825,806
Change in net position - Governmental Activities	$ 1,943,339

See accompanying notes

CITY OF MOSCOW, IDAHO

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
September 30, 2017

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Sanitation	Total	Internal Service Funds
ASSETS					
CURRENT ASSETS					
Investments	$ 4,554,613	$ 2,947,704	$ 1,997,742	$ 9,500,059	$ 4,412,022
Receivables	652,094	633,263	527,114	1,812,471	28,716
Due from other funds	20,000	20,000	260,000	300,000	10,000
Loans receivable	605,453			605,453	
Inventory	264,012	161,369		425,381	
Prepaid and other assets					514,893
Total current assets	6,096,172	3,762,336	2,784,856	12,643,364	4,965,631
NONCURRENT ASSETS					
Cash and investments - restricted	3,964,314	7,466,031	4,305,062	15,735,407	
Capital assets, net	12,197,046	23,681,179	843,882	36,722,107	3,940,849
Total noncurrent assets	16,161,360	31,147,210	5,148,944	52,457,514	3,940,849
Total assets	22,257,532	34,909,546	7,933,800	65,100,878	8,906,480
DEFERRED OUTFLOWS OF RESOURCES					
Defined benefit pension	75,104	85,953	8,387	169,444	42,649
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and other current liabilities	409,191	404,918	255,803	1,069,912	84,200
Deposits payable	72,014			72,014	
Accrued interest payable		123,890		123,890	
Revenue bonds - current		860,000		860,000	
Current portion of compensated absences	8,181	5,157	838	14,176	7,622
Total current liabilities	489,386	1,393,965	256,641	2,139,992	91,822
LONG-TERM OBLIGATIONS					
Compensated absences	57,263	36,095	5,864	99,222	53,357
Post closure care payable			192,123	192,123	
Net pension liability	391,478	438,624	37,611	867,713	235,331
Interim financing	2,565,046			2,565,046	
Revenue bonds payable		7,040,707		7,040,707	
Total long-term obligations	3,013,787	7,515,426	235,598	10,764,811	288,688
Total liabilities	3,503,173	8,909,391	492,239	12,904,803	380,510
DEFERRED INFLOWS OF RESOURCES					
Defined benefit pension	50,253	63,417	5,919	119,589	37,898
NET POSITION					
Net investment in capital assets	9,632,000	15,780,472	843,882	26,256,354	3,940,849
Restricted for:					
Debt service		1,604,095		1,604,095	
Future capital outlay	3,898,870	5,820,684	4,298,360	14,017,914	4,589,872
Unrestricted	5,248,340	2,817,440	2,301,787	10,367,567	
Total net position	$ 18,779,210	$ 26,022,691	$ 7,444,029	$ 52,245,930	$ 8,530,721

See accompanying notes

CITY OF MOSCOW, IDAHO

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
Year Ended September 30, 2017

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Sanitation	Total	Internal Service Funds
OPERATING REVENUES					
Charges for services	$ 5,194,838	$ 7,227,566	$ 5,656,816	$ 18,079,220	$ 2,099,408
Other services	17,585	20,020	24,265	61,870	
Operating grant					29,224
Total operating revenues	5,212,423	7,247,586	5,681,081	18,141,090	2,128,632
OPERATING EXPENSES					
Water - distribution	2,444,209			2,444,209	
Sewer - collection and treatment		2,553,483		2,553,483	
Sanitation			4,003,704	4,003,704	
Services provided					1,559,502
Depreciation	390,615	1,512,315	24,544	1,927,474	696,971
Total operating expenses	2,834,824	4,065,798	4,028,248	10,928,870	2,256,473
OPERATING INCOME (LOSS)	2,377,599	3,181,788	1,652,833	7,212,220	(127,841)
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	78,957	83,894	53,675	216,526	18,050
Interest expense		(304,751)		(304,751)	
PERSI retirement actuarial charges	28,386	31,151	2,470	62,007	17,140
Gain (loss) on disposition of assets	(534)	(5,068)		(5,602)	21,873
Amortization of bond premium		41,394		41,394	
Total nonoperating revenues (expenses)	106,809	(153,380)	56,145	9,574	57,063
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	2,484,408	3,028,408	1,708,978	7,221,794	(70,778)
CONTRIBUTIONS AND TRANSFERS					
General facility charges	358,180	528,257		886,437	
Capital contributions		189,369		189,369	
Transfers in	12,791	219,471		232,262	1,053,137
Transfers out	(1,386,736)	(1,405,314)	(767,295)	(3,559,345)	(156,553)
Total contributions and transfers	(1,015,765)	(468,217)	(767,295)	(2,251,277)	896,584
CHANGE IN NET POSITION	1,468,643	2,560,191	941,683	4,970,517	825,806
NET POSITION AT BEGINNING OF YEAR	17,310,567	23,462,500	6,502,346	47,275,413	7,704,915
NET POSITION AT END OF YEAR	$ 18,779,210	$ 26,022,691	$ 7,444,029	$ 52,245,930	$ 8,530,721

See accompanying notes

CITY OF MOSCOW, IDAHO

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year Ended September 30, 2017

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Sanitation	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 5,121,601	$ 7,200,188	$ 5,666,215	$ 17,988,004	$ 2,104,749
Payments to other funds			(250,000)	(250,000)	
Payments to suppliers	(1,043,500)	(985,159)	(3,909,478)	(5,938,137)	(1,385,177)
Payments to employees	(1,189,385)	(1,306,893)	(95,779)	(2,592,057)	(683,661)
Net cash provided by operating activities	2,888,716	4,908,136	1,410,958	9,207,810	35,911
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	12,791	219,471		232,262	1,053,137
Transfers to other funds	(1,386,736)	(1,405,314)	(767,295)	(3,559,345)	(156,553)
Net cash provided (used) by noncapital financing activities	(1,373,945)	(1,185,843)	(767,295)	(3,327,083)	896,584
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(2,112,908)	(1,481,169)		(3,594,077)	(507,490)
Sale of capital assets	8,052			8,052	33,685
General facility charges	358,180	528,257		886,437	
Proceeds from capital debt	1,058,065			1,058,065	
Principal paid on capital debt		(835,000)		(835,000)	
Interest paid on capital debt		(316,047)		(316,047)	
Net cash used by capital and related financing activities	(688,611)	(2,103,959)	0	(2,792,570)	(473,805)
CASH FLOWS FROM INVESTING ACTIVITIES					
Net investment activity in LGIP	(917,556)	(1,702,228)	(697,338)	(3,317,122)	(476,740)
Interest received	91,396	83,894	53,675	228,965	18,050
Net cash used by investing activities	(826,160)	(1,618,334)	(643,663)	(3,088,157)	(458,690)
Net change in cash	0	0	0	0	0
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	0	0	0	0	0
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 0	$ 0	$ 0	$ 0	$ 0

See accompanying notes

CITY OF MOSCOW, IDAHO

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year Ended September 30, 2017

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Sanitation	Total	Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	$ 2,377,599	$ 3,181,788	$ 1,652,833	$ 7,212,220	$ (127,841)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	390,615	1,512,315	24,544	1,927,474	696,971
Post closure care expense			13,725	13,725	
Changes in:					
Accounts receivable	(90,822)	(47,398)	(14,866)	(153,086)	(23,883)
Due to (from) other funds			(250,000)	(250,000)	
Inventory	20,214	23,445		43,659	
Prepaid assets					(514,893)
Accounts payable	166,290	240,317	(17,030)	389,577	629
Other assets and liabilities	24,820	(2,331)	1,752	24,241	4,928
Net cash provided by operating activities	$ 2,888,716	$ 4,908,136	$ 1,410,958	$ 9,207,810	$ 35,911
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Capital asset contributions received	$ 0	$ 189,369	$ 0	$ 189,369	$ 0

See accompanying notes

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Moscow, Idaho, was incorporated on July 12, 1887. The City operates under a Mayor/Council form of government and provides the following services as authorized by its charter and by Title 50 of the *Idaho Code*: general government, public safety, highway and streets, culture and recreation, community development, water, sewer, and sanitation.

United States generally accepted accounting principles require the City of Moscow's financial statements to include component units. Component units are entities for which the City of Moscow is considered to be financially accountable. The City has one discretely presented component unit that is reported in a separate column in the government-wide financial statement to emphasize that it is legally separate from the government.

Discretely Presented Component Unit. The Moscow Urban Renewal Agency (the Agency), is empowered to engage in the general economic revitalization and redevelopment of the City through acquisition and development of property, public improvements, and revitalization activities in those areas of the City determined to be in a declining condition. The Agency's governing board is made up of seven commissioners appointed by the Mayor of the City of Moscow. The City's management also provides the Agency with management and oversight through a service contract with an annual obligation of $46,350. Complete financial statements of the Agency may be obtained at the City of Moscow's administrative offices.

B. Measurement Focus Basis of Accounting and Basis of Presentation

The financial statements of the City are prepared in accordance with United States generally accepted accounting principles (GAAP). The City uses the following two bases of accounting in these financial statements.

Economic Resources Measurement Focus and Accrual Basis of Accounting. Under this measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting. Under this measurement focus, revenues are recorded when they become measurable and available. For this purpose, the City considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year-end. All material revenues are considered measurable and available and are, thus, susceptible to accrual.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus Basis of Accounting and Basis of Presentation (Continued)

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting (Continued). Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash. The City reports unearned revenue in its fund financial statements. Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the City receives resources before it has a legal claim to them, as when recreational program or grant monies are received prior to the incurrence of qualifying expenditures.

In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. An exception to this general rule is principal and interest on general long-term obligations, which are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds.

Restricted Resources

Program expenses are allocated to restricted program revenue first and then to the next highest level of net position/fund balance restrictions when both restricted and unrestricted resources are available.

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB #54) defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB #54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

Nonspendable
Includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted
Includes amounts that can be spent only for the specific purpose stipulated by external resource providers, constitutional provisions, or enabling legislation.

Committed
Includes amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Assigned
Includes amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus Basis of Accounting and Basis of Presentation (Continued)

Restricted Resources (Continued)

Unassigned
Residual classification of fund balance that includes all spendable amounts that have not been restricted, committed, or assigned.

Government-Wide Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole, excluding fiduciary activities such as employee pension plans. Individual funds are not displayed but the statements distinguish governmental activities generally supported by taxes, intergovernmental revenues, and other non-exchange transactions from business-type activities, generally financed in whole or in part with fees charged to external customers. Eliminations have been made to minimize the double-counting of internal activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the function program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. These revenues are subject to externally imposed restrictions to these program uses. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, including the reclassification or elimination of internal activity (between or within funds).

Fund Financial Statements

The fund financial statements provide information about the City's fund categories. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. All remaining funds are aggregated and reported as non-major funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus Basis of Accounting and Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Governmental Funds. All governmental funds are accounted for using the current financial resources measurement focus and modified accrual basis of accounting. The City reports the following major governmental funds:

- General Fund. This is the City's primary operating fund. The General Fund accounts for all financial resources of the City, except those required to be accounted for in another fund.
- Street Fund. The "Street Fund" is responsible for the construction and maintenance of streets and traffic services within the City. Dedicated revenue is derived from state shared revenues and gas, county road, and bridge taxes.
- Capital Projects. The "Capital Projects Fund" accounts for money set aside by the City Council for identified future projects.
- Parks and Recreation Fund. The "Parks and Recreation Fund" accounts for the costs of maintaining and improving park facilities, recreational programs, and community center operations in the City. Revenue is derived from user fees of the park facilities.
- Hamilton Fund. The "Hamilton Fund" accounts for the money willed to the City by Mr. Bobby C. Hamilton. Mr. Hamilton's will stipulates the money is "for the benefit of the parks and recreation department to be used as much as possible for the benefit of young children."

Proprietary Funds. All proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Proprietary funds include enterprise funds and internal service funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The enterprise funds recognize general facility charges as non-operating revenue. General facility charges represent a charge to new customers for their share of the capital cost of increasing the capacity of the system to meet the additional demand created by the connection of new customers.

Enterprise Funds. Enterprise Funds are used to account for activities that are similar to those often found in the private sector. The City reports the following major enterprise funds:

- Water Fund. This activity accounts for the provision of water services to the residents of the City.
- Sewer Fund. This activity accounts for the provision of sewer services to the residents of the City.
- Sanitation Fund. This activity provides sanitation services to all City residents.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus Basis of Accounting and Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Internal Service Funds. Internal service funds are used to allocate fleet maintenance and information systems services to other funds of the City on a cost reimbursement basis. The internal service funds are included in governmental activities for government-wide reporting purposes. As a general rule, the revenue and expenses of the internal service funds have been eliminated from the government-wide financial statements. The excess revenue or expenses for the fund are allocated to the appropriate functional activity.

C. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the state of Idaho and its agencies, U.S. Treasury and U.S. agencies, City coupon and local improvement district bonds, repurchase agreements, tax and revenue anticipation bonds, notes, and the Idaho State Treasurer's Local Government Investment Pool (LGIP).

Investments are stated at fair value as quoted for the purchase and sale of units.

Deposits in the LGIP are stated at fair value, which is the same as the value of the pool shares. The Idaho State Treasurer oversees the LGIP under the Joint Exercises of Power provisions of *Idaho Code*.

The State Treasurer combines deposits from all governmental entities in the State, which participate in the LGIP and purchases the following types of investments:

Local Certificates of Deposit
Repurchase Agreements
U.S. Government Securities
Bonds and debentures of "A" rated companies

The entities participating in the LGIP own a percentage of each investment held. This percentage is calculated by dividing the individual entity's deposits by the total deposits held in the LGIP. The purpose of this is to:

Increase the overall rate of return.
Reduce the risk of default.
Place each entity under the FDIC and SLIC limits of $250,000.

Investments held at year-end are disclosed in Note 3A.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements.

All trade accounts receivable are shown net of an allowance for doubtful accounts. No allowance for uncollectible accounts has been provided for governmental and enterprise fund receivables. Management has determined that uncollectible amounts are immaterial. Substantially, all property taxes are collected; therefore, no allowance is provided for property taxes.

The City’s property taxes are levied by Latah County in November and payable on December 20 and June 20 following the levy date. Taxes are remitted to the City in the month following collection. When the taxes are delinquent a lien is filed the day following the due date. A tax deed is issued on property three years from the date of delinquency. At fiscal year-end, the receivables represent delinquent taxes. Amounts not paid within 60 days are recorded as unavailable revenue for the fund financial statements.

3. Inventory

Inventory is valued at cost, which approximates market, using the first-in, first-out method. The cost of inventories are recorded as expenditures when consumed rather than when purchased.

4. Capital Assets

The City’s property, plant, and equipment, with useful lives of more than three years and an initial individual cost of more than $5,000, are stated at historical cost. Donated capital assets are valued at their acquisition value. Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Infrastructure assets acquired prior to implementation of GASB 34 are also reported.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

4. Capital Assets (Continued)

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Asset Type	Years
Buildings and structures	10 to 40
Infrastructure systems	20 to 50
Machinery and equipment	3 to 15

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. For example, grant expenditures paid in advance of meeting timing requirements.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The item "unavailable revenue" is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure of the governmental fund that will pay it. Only the portion of vested or accumulated leave that has matured is reported as a liability in the governmental funds. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for the vesting portion of accumulating sick leave benefits that is estimated will be taken by the employee at retirement. Each fund is responsible to pay for its own compensated absences.

The funds that have historically paid for compensated absences are the general, street, art, parks and recreation, fleet, information systems, and enterprise funds. City-wide compensated absences accrued and paid out were $807,579 and $783,094, respectively, during the current year. This resulted in a change of liability from $773,735 to $798,220. The current amount of $99,779, which is shown on the statement of net position, has been estimated by the City based on a reasonable estimate of expected usage.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

7. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the current period.

8. Cash Flow Statement

The City considers all bank accounts, restricted, and unrestricted cash to be cash for the proprietary and internal service funds statement of cash flow purposes.

9. Use of Estimates

Management of the City uses estimates and assumptions in preparing financial statements in accordance with United States generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that management uses.

2. BUDGETARY AND LEGAL COMPLIANCE

A. Budgetary Information

The City Council follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to September 1, the City Supervisor submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1 and ending September 30. The operating budget includes proposed expenditures and the means of allocating resources by fund.

Public hearings are conducted at various times during the year to obtain taxpayer comments.

2. BUDGETARY AND LEGAL COMPLIANCE (CONTINUED)

A. Budgetary Information (Continued)

Prior to the submission to the county auditor on the Thursday following the first Tuesday in September, the budget is legally enacted through passage of an appropriations ordinance. The budget covers all governmental and proprietary fund types. The City adopts budgets on the modified accrual basis of accounting for all governmental fund types. The City adopts budgets on the accrual basis of accounting for proprietary fund types. At any time during the fiscal year, the Council may amend the appropriations ordinance for unforeseen and unanticipated revenues by following the same procedures used during the budget adoption process.

Revisions that alter the total expenditures of any fund must be approved by the City Council and the legal level of budgetary control is the fund level.

For the fiscal year ended September 30, 2017, the Hamilton Fund's expenditures exceeded appropriations.

3. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits and investment policies are disclosed in Note 1C.

The City had checks in excess of deposits at year-end of $197,025. The bank statement cash balances amounted to $94,371. All of the bank statement cash balances were covered by federal depository insurance.

As of September 30, 2017, the City had the following investments and maturities:

	Less than 1	1-5	Greater than 5	Interest Rate	Fair Value
Governmental Activities					
Cash and equivalents	$ 8,396			0.00	$ 8,396
U.S. government agencies		$ 395,402		1.25	395,402
Corporate bonds	250,053			1.15	250,053
Idaho State Treasurer's Local Government Investment Pool	19,709,009			1.17	19,709,009
Other	52,368				52,368
Total investments	$ 20,019,826	$ 395,402	$ 0		$ 20,415,228
Business-Type Activities					
U.S. government agencies		$ 3,218		1.25	$ 3,218
Idaho State Treasurer's Local Government Investment Pool	$ 25,118,850			1.17	25,118,850
Total investments	$ 25,118,850	$ 3,218	$ 0		$ 25,122,068

3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Other investments in the governmental activities include gold, silver, and jewelry. The City did not invest in corporate stock or these other investments. They were received from the estate of Bobby C. Hamilton. Other investments also include accrued income held in the City's US Bank investment portfolio.

Interest rate risk: The risk that changes in interest rate will reduce the value of the City's investments. As a means of limiting exposure to loss the City structures their portfolio so that maturities meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Also, the policy calls for investing funds primarily in shorter-term securities and limiting the average maturity of the portfolio.

Credit risk: As of September 30, 2017, the City's investment in the LGIP is unrated. The City's investments held through private investment banks are primarily Fannie Mae mortgage backed securities. These investments are AAA rated by Moody's Investor Service and are implicitly guaranteed by the U.S. government.

Concentration of credit risk: The City's investment policy states that the City shall mitigate concentration risk by:

1. Limiting investments to avoid over concentration in securities from a specific issuer or business sector,
2. Limiting investment in securities that have higher credit risks,
3. Investing in securities with varying maturities, and
4. Continuously investing a portion of the portfolio in readily available funds such as the LGIP, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

Custodial Credit Risk – Investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the investment in cash and money markets of $8,396, U.S. governmental agency bonds of $398,620, corporate bonds of $250,053, and accrued earnings of $1,750, the City has a custodial credit risk exposure of the entire amount, because the related securities are uninsured and uncollateralized. The City's policies regarding investments require that the City only uses financial institutions and depositories approved to do business in the state of Idaho. Policies also require that the City only invests in securities allowed by *Idaho Code* 50-1013 and uses brokers that qualify under Securities & Exchange Commission *Rule 15C3-1*.

Fair Value Measurements - Investments are measured on a recurring basis within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

The following table represents the City's investments that are measured or disclosed at fair value on a recurring basis. The City does not have any financial assets that are measured at fair value on a non-recurring basis.

		Fair Value Hierarchy		
Investment Type	Fair Value	Level 1	Level 2	Level 3
Debt Securities:				
U.S. Government obligations	$ 398,620		$ 398,620	
Corporate obligations	250,053		250,053	
External investment pools	44,827,859		44,827,859	
Total investments measured at fair value	$ 45,476,532	$ 0	$ 45,476,532	$ 0

3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets

Capital asset activity for the year ended September 30, 2017, was as follows:

Governmental Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	$ 9,371,145			$ 9,371,145
Construction in progress	586,499	$ 150,377		736,876
Total capital assets, not being depreciated	9,957,644	150,377	$ 0	10,108,021
Capital assets being depreciated				
Buildings	14,504,229	216,716		14,720,945
Vehicles	5,023,332	339,269	(144,215)	5,218,386
Improvements	31,793,324	1,144,447		32,937,771
Equipment	6,684,406	114,784	(50,244)	6,748,946
Information systems	2,682,352	60,332	(33,764)	2,708,920
Total capital assets being depreciated	60,687,643	1,875,548	(228,223)	62,334,968
Less accumulated depreciation for				
Buildings	(5,919,625)	(397,679)		(6,317,304)
Vehicles	(2,374,589)	(472,518)	144,215	(2,702,892)
Improvements	(13,576,269)	(822,453)		(14,398,722)
Equipment	(4,503,059)	(260,420)	38,431	(4,725,048)
Information systems	(1,375,709)	(205,135)	33,764	(1,547,080)
Total accumulated depreciation	(27,749,251)	(2,158,205)	216,410	(29,691,046)
Total capital assets, being depreciated, net	32,938,392	(282,657)	(11,813)	32,643,922
Governmental activities capital assets, net	$ 42,896,036	$ (132,280)	$ (11,813)	$ 42,751,943

3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets (Continued)

Business-Type Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	$ 1,604,977	$ 70,562		$ 1,675,539
Construction in progress	1,758,082	2,930,110	$ (8,003)	4,680,189
Total capital assets, not being depreciated	3,363,059	3,000,672	(8,003)	6,355,728
Capital assets being depreciated:				
Buildings	3,238,238	14,504		3,252,742
Vehicles	233,636		(15,532)	218,104
Improvements	635,862			635,862
Water systems	18,262,267	547,978	(34,357)	18,775,888
Equipment	15,970,302		(13,060)	15,957,242
Sewer systems	28,645,574	228,300	(98,160)	28,775,714
Total capital assets being depreciated	66,985,879	790,782	(161,109)	67,615,552
Less accumulated depreciation for:				
Buildings	(1,599,309)	(67,083)		(1,666,392)
Vehicles	(233,636)		15,532	(218,104)
Improvements	(423,354)	(29,082)		(452,436)
Water systems	(9,867,783)	(358,753)	25,772	(10,200,764)
Equipment	(12,208,554)	(684,091)	13,060	(12,879,585)
Sewer systems	(11,136,518)	(788,466)	93,092	(11,831,892)
Total accumulated depreciation	(35,469,154)	(1,927,475)	147,456	(37,249,173)
Total capital assets, being depreciated, net	31,516,725	(1,136,693)	(13,653)	30,366,379
Business-type activities capital assets, net	$ 34,879,784	$ 1,863,979	$ (21,656)	$ 36,722,107

3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the City as follows:

Governmental Activities:	
General government	$ 368,507
Public safety	282,162
Culture and recreation	564,190
Streets, including depreciation of general infrastructure assets	943,346
Total depreciation expense - governmental activities	$ 2,158,205
Business-type Activities:	
Water	$ 390,616
Sewer	1,512,315
Sanitation	24,544
Total depreciation expense - business-type activities	$ 1,927,475

Construction Commitments. The City of Moscow has no construction commitments as of September 30, 2017.

C. Interfund Receivables, Payables, and Transfers

All interfund balances at September 30, 2017, are due to pooling of the City's cash. The City had the following interfund balances at September 30, 2017.

Interfund Receivables and Payables:

Fund	Receivable	Payable
General		$ 332,058
Parks and Recreation	$ 800	
MSD Comm. Fields	9,079	
Art	50	
Water	20,000	
Sewer	20,000	
Sanitation	260,000	
Information Systems	10,000	
Hamilton	12,129	
	$ 332,058	$ 332,058

3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Interfund Receivables, Payables, and Transfers (Continued)

Interfund Transfers:

Fund	Transfers In	Transfers Out
General	$ 3,027,494	$ 3,206,769
Streets	775,855	975,673
Parks and Recreation	1,841,495	116,000
MSD Comm. Fields	62,123	4,011
1912 Center	106,100	
Art	277,555	
Water	12,791	1,386,736
Sewer	219,471	1,405,314
Sanitation		767,295
Fleet Management	1,030,577	14,960
Information Systems	22,560	141,593
Capital Projects	1,047,711	156,381
LID Construction		25,000
Special Assessments		30,000
Hamilton		194,000
	$ 8,423,732	$ 8,423,732

Transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, (3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs, and (4) move unrestricted revenues in the amounts equivalent in value to the interfund services provided and other charges between the City's water, sewer, sanitation, culture and recreation, and street functions.

3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Debt

The summary of outstanding debt as of September 30, 2017, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Withir One Year
Governmental Activities:					
Bonds payable					
Swimming Pool bonds, Series 2011	$ 460,000		$ 225,000	$ 235,000	$ 235,00(
Unamortized Premium on Bonds	33,099		11,033	22,066	
Governmental activities liabilities	$ 493,099	$ 0	$ 236,033	$ 257,066	$ 235,00(
Business-type Activities:					
Sewer Revenue bonds, Series 2008	$ 4,120,000		$ 275,000	$ 3,845,000	$ 285,00(
Sewer Revenue bonds, Series 2011	4,360,000		560,000	3,800,000	575,00(
Unamortized Premium on Bonds	297,101		41,394	255,707	
Interim Financing	1,476,865	$ 1,088,181		2,565,046	
Business-type activities long-term liabilities	$ 10,253,966	$ 1,088,181	$ 876,394	$ 10,465,753	$ 860,00(

The total interest expense in 2017 amounted to $5,591,688 in the governmental funds. The total interest expense in 2017 amounted to $304,751 in the business activities.

General Obligation Bonds. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. The original amount of general obligation bonds issued in prior years was $5,775,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the City.

General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
Swimming pool	4.10%-4.85%	$ 235,000

3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Debt (Continued)

General Obligation Bonds (Continued). Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended September 30,	Swimming Pool Principal	Swimming Pool Interest
2018	$ 235,000	$ 7,050

Revenue Bonds. On July 31, 2008, the City issued sewer revenue bonds in order to continue the construction of the Water Reclamation and Reuse Facility (formerly the Wastewater Treatment Plant). The Sewer Revenue Bonds, Series 2008, have a stated rate of between 3.50 percent and 4.45 percent and are payable in varying semi-annual installments through May 1, 2028. On November 23, 2011, the City secured advance refunding Sewer Revenue Bonds, Series 2011, in the amount of $6 million in order to refinance the Sewer Revenue Bonds Series 2002 in November 2012, when the bonds became callable. The Sewer Revenue Bonds, Series 2011, have a stated rate of between 2.00 percent and 4.00 percent and are payable in varying semi-annual installments through November 1, 2022.

Department of Environmental Quality Loan. During the current fiscal year, the City received loan proceeds in the amount of $1,088,181 for water improvement projects. The Department of Environmental Quality (DEQ) is acting as the interim financing agency during the construction process. The total approved DEQ loan amount is $4.3 million. Interest will begin accruing at completion of the project.

Debt service requirements for the sewer revenue bonds held to maturity are as follow:

Year Ended September 30,	Business-Type Activities Series 2008 Principal	Business-Type Activities Series 2008 Interest
2018	$ 285,000	$ 162,835
2019	295,000	151,435
2020	305,000	139,635
2021	320,000	127,435
2022	330,000	114,315
2023-2027	1,880,000	348,960
2028	430,000	19,135
	$ 3,845,000	$ 1,063,750

Year Ended September 30,	Business-Type Activities Series 2011 Principal	Business-Type Activities Series 2011 Interest
2018	$ 575,000	$ 125,875
2019	600,000	108,250
2020	620,000	86,850
2021	645,000	61,550
2022	670,000	35,250
2023	690,000	10,925
	$ 3,800,000	$ 428,700

4. OTHER INFORMATION

A. Risk Management

The City of Moscow purchases liability and property insurance through the Idaho Counties Risk Management Program (ICRMP). ICRMP is an all-lines aggregate insurance program providing liability, property, and casualty insurance coverage to Idaho's counties and other political subdivisions on a voluntary participation basis. ICRMP assumes or reinsures all risk covered for claims. Participants are charged an annual insurance premium. The City is responsible for up to the first $2,500 of any loss claim depending on the type of claim.

The general insurance limits are as follows:

Property damage	Total insured value
General liability	$3,000,000 per occurrence
Automobile liability	$3,000,000 per occurrence
Law enforcement liability	$3,000,000 per occurrence
Sexual molestation	$3,000,000 per claim
Errors or omissions liability	$3,000,000 per occurrence
Employee medical insurance benefit liability	$3,000,000 per claim
Uninsured/underinsured motorist	$100,000 per person, $300,000 per accident
Crime insurance and bond	$500,000 per occurrence
Boiler/Machinery damage	$100,000,000 in aggregate
Chemical spraying activities	$500,000 per occurrence

B. Public Employee Retirement System of Idaho (PERSI)

Plan Description. All permanent full-time employees of the City except firefighters who were hired before October 1, 1980, participate in the Public Employee Retirement System of Idaho (PERSI) Base Plan, a cost-sharing, multiple-employer public retirement system created by the Idaho State Legislature. It is a defined benefit plan requiring that both the member and the employer contribute. Designed as a mandatory system for eligible state and school district employees, the legislation provided for political subdivisions to participate by contractual agreement with PERSI. The cost to administer the Plan is financed through the contributions and investment earnings of the Plan.

The City contributes to the Firefighters' Retirement Fund Plan (FRF) for firefighters who were hired before October 1, 1980. The FRF is a cost-sharing, multiple-employer defined benefit pension plan administered by PERSI that covers a closed group of firefighters who were hired before October 1, 1980, and who received benefits in addition to those provided under the PERSI Base Plan. The cost to administer the Plan is financed through the contributions and investment earnings of the FRF. Additional FRF funding is obtained from receipts from a state fire insurance premium tax.

PERSI issues a publicly available financial report that includes financial statements and the required supplementary information for PERSI Base Plan and the FRF. That report may be obtained on the PERSI website at www.persi.idaho.gov.

4. OTHER INFORMATION (CONTINUED)

B. Public Employee Retirement System of Idaho (PERSI) (Continued)

Pension Benefits. After five years of credited service, members become fully vested in retirement benefits earned to date. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification. For each year of credited service, the annual service retirement allowance is 2.0 percent (2.3 percent for police/firefighters under the Base Plan) of the average monthly salary for the highest consecutive 42 months for covered members of the Base Plan. The Base Plan is required to provide a 1 percent minimum cost of living increase per year provided the *Consumer Price Index* increases 1 percent or more. The PERSI board has the authority to provide higher cost of living increases to a maximum of the *Consumer Price Index* movement or 6 percent, whichever is less; however, any amount above the 1 percent minimum is subject to review by the Idaho Legislature.

The FRF cost of living increase is based upon the increase in the statewide average firefighter's wage. The retirement benefit for covered members of the FRF is based on *Idaho Code,* Title 72, Chapter 14.

Member and Employer Contributions. Member and employer contributions paid to PERSI are set by statute and are established as a percent of covered compensation. Contribution rates are determined by the PERSI board within limitations, as defined by state law. The Board may make periodic changes to employer and employee contribution rates (expressed as percentages of annual covered payroll) that are adequate to accumulate sufficient assets to pay benefits when due.

The contribution rates for employees are set by statute at 60 percent of the employer rate for general employees and 72 percent for police and firefighters. The employer contribution rate is set by the Retirement Board and was 11.32 percent of covered compensation for general employees and 11.66 percent for police and firefighters under the Base Plan, and 25.31 percent for FRF members. The City contributions required and paid were $1,050,873, $1,032,805, and $977,269 for the three years ended September 30, 2017, 2016, and 2015, respectively.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At September 30, 2017, the City reported a liability of $4,579,000 for its proportionate share of the net pension liability under the Base Plan and a net pension asset of $387,000 for its proportionate share of the FRF. The net pension liability and asset were measured as of July 1, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions in the Base Plan pension plan and the FRF pension plan relative to the total contributions of all participating PERSI employers. At July 1, 2017, the City's proportion was 0.29134 percent for the base plan and 0.451331 percent for the FRF.

4. OTHER INFORMATION (CONTINUED)

B. Public Employee Retirement System of Idaho (PERSI) (Continued)

For the year ended September 30, 2017, the City recognized a net gain on pension expense of $386,099 ($306,952 for governmental funds, $62,007 for business-type funds, and $17,140 for internal service funds) for PERSI. At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERSI BASE PLAN	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date of June 30, 2017	$ 257,000	
Differences between expected and actual experience	$ 635,000	$ 412,000
Changes in assumptions or other inputs	$ 85,000	
Net difference between projected and actual earnings on pension plan investments		$ 274,000

PERSI FRF PLAN	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date of June 30, 2017	$ 4,000	
Differences between expected and actual experience	$ 0	
Changes in assumptions or other inputs	$ 0	
Net difference between projected and actual earnings on pension plan investments		$ 9,000

The employer contribution will be recognized in pension expense in the following fiscal year. Other deferred outflows and inflows are being amortized over 4.9 years. The projected amount to be included in pension expense (benefit) is as follows:

	Base Plan	FRF
2018	$ (249,000)	$ (11,000)
2019	430,000	16,000
2020	123,000	2,000
2021	(271,000)	(16,000)

Actuarial Assumptions. Valuations are based upon actuarial assumptions, benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. PERSI amortizes any unfunded actuarial accrued liability based on a level percentage of payroll for the Base Plan. The maximum amortization period permitted under *Idaho Code* is 25 years. There is no unfunded liability for FRF at this time.

4. OTHER INFORMATION (CONTINUED)

B. Public Employee Retirement System of Idaho (PERSI) (Continued)

The total pension liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Mortality Table - RP - 2000 combined table for healthy males and females with appropriate offsets.			
Inflation	3.25%		
Salary inflation	3.75%	Salary increases	4.25%-10%
Investment return	7.1%	Discount rate	7.1%

Sensitivity – a 1% change in the discount rate would affect the City's net pension liability under the Base Plan as follows:			
	1% Decrease	7.1% rate used	1% Increase
City Net Pension Liability	$ 10,643,000 liability	$ 4,579,000 liability	$ 460,000 asset

Sensitivity – a 1% change in the discount rate would affect the City's net pension liability under the FRF Plan as follows:			
	1% Decrease	7.1% rate used	1% Increase
City Net Pension Asset	$ 249,000 asset	$ 387,000 asset	$ 504,000 asset

C. Hamilton Estate

In January 2000, Mr. Bobby C. Hamilton passed away and made a bequest of the majority of his estate to the City. To comply with the requirements of the bequest, the City initially recorded these assets in two separate funds. Mrs. Hamilton passed away during 2011, at which time the principal amount became unrestricted to the City and the assets were transferred into the Hamilton Fund and the second fund was closed.

The Hamilton Fund: Mr. Hamilton's bequest states that the money shall be used "for the benefit of the Parks and Recreation Department to be used as much as possible for the benefit of young children." This fund is classified as a special revenue fund and is considered a major fund.

In addition to various cash and investments received from the estate, the City also received jewelry, gold bars, ingots, medallions, and silver coins. The City sold the majority of these assets during the fiscal year ending 2010. At September 30, 2017, the City had in its possession jewelry appraised at $37,103; gold bars, ingots, and medallions with an approximate value of $4,665; and silver coins with an approximate value of $7,600. These assets have been recorded as investments on the City's books. The City intends to liquidate these assets.

D. Contingencies and Commitments

1. Airport Agreement

On June 4, 2009, the City of Moscow; City of Pullman, Washington; Port of Whitman County, Washington; Latah County, Idaho; and Washington State University entered into an agreement with the Pullman Moscow Regional Airport (PMRA) Board. Under the terms of the agreement, the City of Moscow shall endeavor to make, but is not obligated to make, an annual payment to the City of Pullman of not less than $32,013 as its contributory share of bond payments and the administration, operation and maintenance of the terminal facility.

4. OTHER INFORMATION (CONTINUED)

D. Contingencies and Commitments (Continued)

1. Airport Agreement (Continued)

The City is an estimated construction partner in the operations of the Pullman-Moscow Regional Airport, which is designated as an Idaho commercial airport. The PMRA is undergoing a runway realignment project at an estimated construction cost of $119 million. The project is expected to take five years to complete. The bulk of the project cost will be paid by means of a Federal Aviation Administration grant, which requires an 8.125% local match. Along with PMRA co-sponsor City of Pullman, Washington, the Moscow City Council has indicated its support for the realignment project, and will endeavor to make, but is not obligated to make contributions in the amount of $500,000 per year for five years, subject to annual appropriation. The balance of the local match will be provided by other project partners. During the 2017 fiscal year, the City of Moscow made a $500,000 contribution to the runway realignment project.

2. Grant and Contract Expenditures

Grant and contract expenditures are subject to the approval of various granting and contracting agencies. To be eligible for reimbursement of expenditures made under federal, state, and locally funded programs, the City must comply with regulations established by the related agency and non-compliance could result in disallowed costs and a liability for reimbursement received. The City expects such amounts, if any, to be immaterial.

3. Litigation

As of September 30, 2017, there were no lawsuits or claims against the City that would have a material effect on the financial statements.

4. Solid Waste Landfill Closure Costs

The City is responsible for the costs associated with minimum closure requirements for an inert commercial/demolition non-municipal solid waste landfill and composting area. The City has established a transfer station whereby all municipal solid waste is hauled to a permanent solid waste facility in Boardman, Oregon.

The Non-MSW landfill closure and post-closure, as required by the City, State, and Federal requirements, is allocated based on a remaining useful life of 22 years, or 2040. Total current costs of landfill closure and post-closure care are estimates and subject to annual changes due to a variety of factors. The City began recording expenses for future closure and post-closure according to a 20-year expense recognition schedule during 2004. The liability for these costs increased by $13,725 during the current fiscal year. Of the total estimated $274,430 closure and post-closure cost, $82,307 has not been recognized as of September 30, 2017.

4. OTHER INFORMATION (CONTINUED)

E. Fund Balance Classifications

Restricted. Restricted net position/fund balances represent amounts whose use is restricted by creditors, grantors, laws and regulations of other governments, or through enabling legislation. Restrictions for the City include revenue received from the state of Idaho for highway user fees that is restricted for the specific use of road improvements by the City's street fund. Restrictions of debt proceeds and other resources of the bond and interest fund and the sewer fund exist for the specific purpose of satisfying debt service requirements set forth by the City's individual bond related covenants. The City also has restricted funds relating to the Hamilton fund, which all funds were designated in the will of the donor for the specific purpose of benefitting the parks and recreation fund.

Committed Fund Balance. The fund balance is committed and can only be used for specific purposes pursuant to constraints imposed by a City Council approved ordinance and cannot be used for any other purpose. A City ordinance is also required to modify or rescind any fund balance commitment. Committed fund balance includes funds for drug enforcement and public art. The City has also committed funds for the purpose of maintaining proper working capital balances in governmental funds.

Assigned Fund Balance. The fund balances classified as assigned are for use for specific purposes but do not have rise to the level of restricted or committed. It is the policy of the City that all fund balance assignments are to be authorized by the City council. The City has assigned balances that include the assignments for compensated absences, VEBA proceeds, and for the activity of special revenue, capital project, and debt service funds.

Unassigned Fund Balance. The unassigned fund balance is in the general fund and has not been restricted, committed, or assigned to specific purposes within the general fund.

Required
Supplementary Information

CITY OF MOSCOW, IDAHO

BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
Year Ended September 30, 2017

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes				
Property	$ 5,343,317	$ 5,343,317	$ 5,351,396	$ 8,079
Sales	548,736	548,736	584,051	35,315
Franchise	1,302,380	1,302,380	1,251,646	(50,734)
Alcoholic beverage	589,000	589,000	581,702	(7,298)
Licenses and permits	670,015	670,015	866,070	196,055
Intergovernmental	1,120,438	1,120,438	1,131,308	10,870
Charges for services	1,431,016	1,431,016	1,433,123	2,107
Fines	175,200	175,200	131,705	(43,495)
Investment earnings	31,535	31,535	21,718	(9,817)
Contributions and donations	5,300	5,300	12,820	7,520
Refunds and reimbursements	44,682	44,682	4,877	(39,805)
Other	63,350	63,350	73,174	9,824
Total revenues	11,324,969	11,324,969	11,443,590	118,621
EXPENDITURES				
Current				
General government	4,677,908	4,677,908	4,268,491	409,417
Public safety	7,421,524	7,421,524	6,980,553	440,971
Capital outlay	72,000	72,000	5,889	66,111
Total expenditures	12,171,432	12,171,432	11,254,933	916,499
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(846,463)	(846,463)	188,657	1,035,120
OTHER FINANCING SOURCES (USES)				
Transfers in	2,986,231	2,986,231	3,027,494	41,263
Transfers out	(2,496,010)	(2,496,010)	(3,206,769)	(710,759)
Total other financing sources (uses)	490,221	490,221	(179,275)	(669,496)
NET CHANGE IN FUND BALANCES	(356,242)	(356,242)	9,382	365,624
FUND BALANCES AT BEGINNING OF YEAR	356,242	356,242	5,151,462	4,795,220
FUND BALANCES AT END OF YEAR	$ 0	$ 0	$ 5,160,844	$ 5,160,844

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the City in the fund financial statements.

CITY OF MOSCOW, IDAHO

BUDGETARY COMPARISON SCHEDULE -
STREET FUND
Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	
	Original	Final	(Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes				
Road and bridge	$ 670,000	$ 670,000	$ 694,538	$ 24,538
Intergovernmental	1,083,532	1,083,532	1,453,503	369,971
Charges for services	303,000	303,000	299,182	(3,818)
Investment earnings	3,000	3,000	8,644	5,644
Refunds and reimbursements	4,000	4,000	15,568	11,568
Total revenues	2,063,532	2,063,532	2,471,435	407,903
EXPENDITURES				
Current				
Transportation	1,875,665	1,875,665	1,537,569	338,096
Capital outlay	700,000	700,000	580,132	119,868
Total expenditures	2,575,665	2,575,665	2,117,701	457,964
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(512,133)	(512,133)	353,734	865,867
OTHER FINANCING SOURCES (USES)				
Transfers in	775,855	775,855	775,855	0
Transfers out	(688,700)	(688,700)	(975,673)	(286,973)
Total other financing sources (uses)	87,155	87,155	(199,818)	(286,973)
NET CHANGE IN FUND BALANCES	(424,978)	(424,978)	153,916	578,894
FUND BALANCES AT BEGINNING OF YEAR	424,978	424,978	1,582,133	1,157,155
FUND BALANCES AT END OF YEAR	$ 0	$ 0	$ 1,736,049	$ 1,736,049

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the City in the fund financial statements.

Attachment: CAFR FY2017 (1679 : Comprehensive Annual Financial Report Presentation)

CITY OF MOSCOW, IDAHO

BUDGETARY COMPARISON SCHEDULE -
PARKS AND RECREATION FUND
Year Ended September 30, 2017

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Licenses and permits	$ 500	$ 500	$ 1,210	$ 710
Intergovernmental	300	300	300	
Charges for services	556,615	556,615	488,776	(67,839)
Contributions and donations	21,000	21,000	18,603	(2,397)
Refunds and reimbursements	5,000	5,000	5,003	3
Other	8,600	8,600	4,957	(3,643)
Total revenues	592,015	592,015	518,849	(73,166)
EXPENDITURES				
Current				
Administration	552,880	552,880	491,254	61,626
Parks	803,605	803,605	754,359	49,246
Recreation	227,605	227,605	199,442	28,163
Pool	364,640	364,640	358,751	5,889
Youth Center	187,320	187,320	138,931	48,389
Community Center	181,460	181,460	164,578	16,882
Total expenditures	2,317,510	2,317,510	2,107,315	210,195
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,725,495)	(1,725,495)	(1,588,466)	137,029
OTHER FINANCING SOURCES (USES)				
Transfers in	1,841,495	1,841,495	1,841,495	
Transfers out	(116,000)	(116,000)	(116,000)	
Total other financing sources (uses)	1,725,495	1,725,495	1,725,495	0
NET CHANGE IN FUND BALANCES	0	0	137,029	137,029
FUND BALANCES AT BEGINNING OF YEAR	0	0	871,146	871,146
FUND BALANCES AT END OF YEAR	$ 0	$ 0	$ 1,008,175	$ 1,008,175

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the City in the fund financial statements.

CITY OF MOSCOW, IDAHO

BUDGETARY COMPARISON SCHEDULE -
HAMILTON FUND
Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	
	Original	Final	(Budgetary Basis)	Variance with Final Budget
REVENUES				
Investment earnings	$ 24,000	$ 24,000	$ 21,266	$ (2,734)
Refunds and reimbursements			66	66
Total revenues	24,000	24,000	21,332	(2,668)
EXPENDITURES				
Culture and recreation			5,490	(5,490)
Total expenditures	0	0	5,490	(5,490)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	24,000	24,000	15,842	(8,158)
OTHER FINANCING SOURCES (USES)				
Transfers out	(194,000)	(194,000)	(194,000)	
Total other financing sources (uses)	(194,000)	(194,000)	(194,000)	0
NET CHANGE IN FUND BALANCES	(170,000)	(170,000)	(178,158)	(8,158)
FUND BALANCES AT BEGINNING OF YEAR	170,000	170,000	2,944,937	2,774,937
FUND BALANCES AT END OF YEAR	$ 0	$ 0	$ 2,766,779	$ 2,766,779

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the City in the fund financial statements.

CITY OF MOSCOW, IDAHO

SCHEDULE OF PENSION FUNDING
Year Ended September 30, 2017

Base Plan (excluding Base Plan Fire)

Fiscal Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll	Share of PERSI Net Pension Liability %	Share of PERSI Net Pension Liability Amount	Net Pension Liability as % of Covered Payroll
2008	674,218	674,218	0	6,426,897	10.49%	(1)	(1)	
2009	715,482	715,482	0	6,820,149	10.49%	(1)	(1)	
2010	738,189	738,189	0	7,039,772	10.49%	(1)	(1)	
2011	752,792	752,792	0	7,181,121	10.48%	(1)	(1)	
2012	771,355	771,355	0	7,358,007	10.48%	(1)	(1)	
2013	823,676	823,676	0	7,723,866	10.66%	(1)	(1)	
2014	912,064	912,064	0	7,991,421	11.41%	(1)	$ 2,168,400	27%
2015	916,738	916,738	0	8,036,054	11.41%	0.290517%	3,825,600	48%
2016	979,139	979,139	0	8,580,245	11.41%	0.281013%	5,696,600	66%
2017	996,282	996,282	0	8,732,000	11.41%	0.280469%	4,408,000	50%

FRF and Base Plan Fire

Fiscal Year	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll	Share of PERSI Net Pension Liability/(Asset) FRF %	FRF Amount	Base Fire %	Base Fire Amount	Net Pension Liability as % of Covered Payroll
2008	68,353	68,353	0	244,925	27.91%	(1)	(1)	(1)	(1)	
2009	71,839	71,839	0	257,414	27.91%	(1)	(1)	(1)	(1)	
2010	75,198	75,198	0	269,536	27.90%	(1)	(1)	(1)	(1)	
2011	74,238	74,238	0	266,018	27.91%	(1)	(1)	(1)	(1)	
2012	75,917	75,917	0	272,017	27.91%	(1)	(1)	(1)	(1)	
2013	80,239	80,239	0	285,644	28.09%	(1)	(1)	(1)	(1)	
2014	88,429	88,429	0	306,618	28.84%	(1)	$ (184,100)	(1)	$ 85,700	-32%
2015	60,531	60,531	0	298,423	20.28%	0.440529%	(237,900)	0.010840%	142,700	-32%
2016	53,666	53,666	0	323,394	16.59%	0.450592%	(242,200)	0.010789%	218,700	-7%
2017	54,591	54,591	0	328,969	16.59%	0.451331%	(387,000)	0.010868%	171,000	-66%

(1) PERSI has not provided calculations for years prior to implementation of GASB Statement No. 68.

Supplementary Information

CITY OF MOSCOW, IDAHO

CAPITAL PROJECTS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended September 30, 2017

	Budgeted Amounts			Variance
	Original	Final	Actual Amounts	Favorable (Unfavorable)
REVENUES				
Licenses and permits	$ 4,000	$ 4,000		$ (4,000)
Intergovernmental	394,290	394,290	$ 8,016	(386,274)
Investment earnings	20,000	20,000	43,937	23,937
Contributions and donations	38,500	38,500	27,800	(10,700)
Refunds and reimbursements			141,501	141,501
Other	20,000	20,000		(20,000)
Total revenues	476,790	476,790	221,254	(255,536)
EXPENDITURES				
Culture and recreation	93,522	93,522	8,133	85,389
Capital outlay	3,482,690	3,482,690	784,486	2,698,204
Total expenditures	3,576,212	3,576,212	792,619	2,783,593
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,099,422)	(3,099,422)	(571,365)	2,528,057
OTHER FINANCING SOURCES (USES)				
Transfers in	145,000	145,000	1,047,711	902,711
Transfers out			(156,381)	(156,381)
Total other financing sources (uses)	145,000	145,000	891,330	746,330
NET CHANGE IN FUND BALANCES	(2,954,422)	(2,954,422)	319,965	3,274,387
FUND BALANCES AT BEGINNING OF YEAR	2,954,422	2,954,422	3,934,783	980,361
FUND BALANCES AT END OF YEAR	$ 0	$ 0	$ 4,254,748	$ 4,254,748

Note: The budgetary comparison schedule is presented on the modified accrual basis of accounting, which is the same basis of accounting used by the City in the fund financial statements.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for a particular purpose.

Moscow School District Community Playfields – To account for revenue and costs associated with an agreement to jointly develop and jointly use the District owned property located adjacent to Joseph Street and Mountain View Road into a high quality athletic field complex to serve the community.

1912 Center Fund – To account for revenues and costs associated with the renovation of the 1912 Community Center. Financing is provided by rental charges, grants, and donations.

Art Fund – To account for the costs of promoting the arts and other cultural events in the City and advising the City Council on art matters. Financing is provided by property tax, governmental grants, related fees, and donations.

Transit Center Fund – To account for revenues and costs associated with the operation of the City of Moscow Intermodal Transit Center. Financing is provided by user fees, grants and donations.

Capital Projects Funds

LID Construction Fund – To account for the financing and construction of Local Improvement Districts consisting of benefited properties and public improvement developments. Financing is backed by the full faith and credit of the City.

Debt Service Funds

Bond and Interest – To account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

Special Assessments – To account for the accumulation of resources and payment of bonds and warrants used to finance Local Improvement Districts (LID).

CITY OF MOSCOW, IDAHO

COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2017

	Special Revenue				Capital Projects	Debt Service		
	MSD Community Playfields	1912 Center	Art	Transit Center	LID Construction	Bond and Interest	Special Assessments	Totals
ASSETS								
Investments	$ 125,000	$ 87,535	$ 308,096	$ 47,587	$ 178,313	$ 76,589	$ 41,699	$ 864,819
Property taxes						5,579		5,579
Accounts receivable							33,120	33,120
Due from other funds	9,079		50					9,129
Total assets	$ 134,079	$ 87,535	$ 308,146	$ 47,587	$ 178,313	$ 82,168	$ 74,819	$ 912,647
LIABILITIES								
Accounts payable	$ 5,591		$ 4,498	$ 1,279				$ 11,368
Accrued salaries and benefits	754		4,432					5,186
Unearned revenue - other			3,916				$ 18,013	21,929
Total liabilities	6,345	$ 0	12,846	1,279	$ 0	$ 0	18,013	38,483
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes						3,652		3,652
Total deferred inflows of resources	0	0	0	0	0	3,652	0	3,652
FUND BALANCES								
Restricted for:								
Debt service						78,516		78,516
Committed for:								
Working capital	44,542	26,525	108,756	35,671				215,494
Public art			62,245					62,245
Assigned for:								
Compensated absences			9,417					9,417
Special revenue fund operations	83,192	61,010	114,882	10,637				269,721
Capital projects					178,313			178,313
Debt service							56,806	56,806
Total fund balances	127,734	87,535	295,300	46,308	178,313	78,516	56,806	870,512
Total liabilities, deferred inflows of resources, and fund balances	$ 134,079	$ 87,535	$ 308,146	$ 47,587	$ 178,313	$ 82,168	$ 74,819	$ 912,647

CITY OF MOSCOW, IDAHO

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2017

	Special Revenue				Capital Projects	Debt Service		
	MSD Community Playfields	1912 Center	Art	Transit Center	LID Construction	Bond and Interest	Special Assessments	Totals
REVENUES								
Property taxes						$ 232,393		$ 232,393
Intergovernmental	$ 61,557		$ 8,708					70,265
Charges for services			51,966	$ 16,362				68,328
Special assessments							$ 30,143	30,143
Investment earnings					$ 970		62	1,032
Contributions and donations			2,900					2,900
Refunds and reimbursements			116					116
Other			6,313	193				6,506
Total revenues	61,557	$ 0	70,003	16,555	970	232,393	30,205	411,683
EXPENDITURES								
Current								
General government						300		300
Culture and recreation	91,733	97,970	291,917					481,620
Transportation				15,903				15,903
Principal retirement						225,000		225,000
Interest						13,800		13,800
Total expenditures	91,733	97,970	291,917	15,903	0	239,100	0	736,623
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(30,176)	(97,970)	(221,914)	652	970	(6,707)	30,205	(324,940)
OTHER FINANCING SOURCES (USES)								
Transfers in	62,123	106,100	277,555					445,778
Transfers out	(4,011)				(25,000)		(30,000)	(59,011)
Total other financing sources (uses)	58,112	106,100	277,555	0	(25,000)	0	(30,000)	386,767
NET CHANGES IN FUND BALANCES	27,936	8,130	55,641	652	(24,030)	(6,707)	205	61,827
FUND BALANCES AT BEGINNING OF YEAR	99,798	79,405	239,659	45,656	202,343	85,223	56,601	808,685
FUND BALANCES AT END OF YEAR	$ 127,734	$ 87,535	$ 295,300	$ 46,308	$ 178,313	$ 78,516	$ 56,806	$ 870,512

CITY OF MOSCOW, IDAHO

MSD COMMUNITY FIELDS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2017

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental	$ 62,123	$ 61,557	$ (566)
Total revenues	62,123	61,557	(566)
EXPENDITURES			
Culture and recreation	120,235	91,733	28,502
Total expenditures	120,235	91,733	28,502
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(58,112)	(30,176)	27,936
OTHER FINANCING SOURCES (USES)			
Transfers in	62,123	62,123	0
Transfers out	(4,011)	(4,011)	0
Total other financing sources (uses)	58,112	58,112	0
NET CHANGES IN FUND BALANCES	0	27,936	27,936
FUND BALANCES AT BEGINNING OF YEAR	0	99,798	99,798
FUND BALANCES AT END OF YEAR	$ 0	$ 127,734	$ 127,734

CITY OF MOSCOW, IDAHO

1912 CENTER

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2017

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Total revenues	$ 0	$ 0	$ 0
EXPENDITURES			
Culture and recreation	106,100	97,970	8,130
Total expenditures	106,100	97,970	8,130
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(106,100)	(97,970)	8,130
OTHER FINANCING SOURCES (USES)			
Transfers in	106,100	106,100	0
Total other financing sources (uses)	106,100	106,100	0
NET CHANGES IN FUND BALANCES	0	8,130	8,130
FUND BALANCES AT BEGINNING OF YEAR	0	79,405	79,405
FUND BALANCES AT END OF YEAR	$ 0	$ 87,535	$ 87,535

CITY OF MOSCOW, IDAHO

ART

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2017

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental	$ 67,000	$ 8,708	$ (58,292)
Charges for services	57,500	51,966	(5,534)
Contributions and donations	2,500	2,900	400
Refunds and reimbursements	300	116	(184)
Other	15,000	6,313	(8,687)
Total revenues	142,300	70,003	(72,297)
EXPENDITURES			
Culture and recreation	404,855	291,917	112,938
Capital outlay	68,970		68,970
Total expenditures	473,825	291,917	181,908
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(331,525)	(221,914)	109,611
OTHER FINANCING SOURCES (USES)			
Transfers in	277,555	277,555	0
Total other financing sources (uses)	277,555	277,555	0
NET CHANGES IN FUND BALANCES	(53,970)	55,641	109,611
FUND BALANCES AT BEGINNING OF YEAR	53,970	239,659	185,689
FUND BALANCES AT END OF YEAR	$ 0	$ 295,300	$ 295,300

CITY OF MOSCOW, IDAHO

TRANSIT CENTER

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2017

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	$ 32,000	$ 16,362	$ (15,638)
Other	300	193	(107)
Total revenues	32,300	16,555	(15,745)
EXPENDITURES			
Transportation	42,341	15,903	26,438
Total expenditures	42,341	15,903	26,438
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,041)	652	10,693
NET CHANGES IN FUND BALANCES	(10,041)	652	10,693
FUND BALANCES AT BEGINNING OF YEAR	10,041	45,656	35,615
FUND BALANCES AT END OF YEAR	$ 0	$ 46,308	$ 46,308

CITY OF MOSCOW, IDAHO

LID CONSTRUCTION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2017

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Investment earnings	$ 2,000	$ 970	$ (1,030)
Total revenues	2,000	970	(1,030)
EXPENDITURES			
Capital outlay	171,375		171,375
Total expenditures	171,375	0	171,375
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(169,375)	970	170,345
OTHER FINANCING SOURCES (USES)			
Transfers out	(25,000)	(25,000)	0
Total other financing sources (uses)	(25,000)	(25,000)	0
NET CHANGES IN FUND BALANCES	(194,375)	(24,030)	170,345
FUND BALANCES AT BEGINNING OF YEAR	194,375	202,343	7,968
FUND BALANCES AT END OF YEAR	$ 0	$ 178,313	$ 178,313

CITY OF MOSCOW, IDAHO

BOND AND INTEREST

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2017

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	$ 228,370	$ 232,393	$ 4,023
Total revenues	228,370	232,393	4,023
EXPENDITURES			
General government	1,500	300	1,200
Debt service	200,000		200,000
Principal retirement	225,000	225,000	0
Interest	13,800	13,800	0
Total expenditures	440,300	239,100	201,200
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(211,930)	(6,707)	205,223
Bond proceeds	10,000,000		(10,000,000)
Total other financing sources and uses	10,000,000	0	(10,000,000)
NET CHANGES IN FUND BALANCES	9,788,070	(6,707)	(9,794,777)
FUND BALANCES AT BEGINNING OF YEAR	(9,788,070)	85,223	9,873,293
FUND BALANCES AT END OF YEAR	$ 0	$ 78,516	$ 78,516

CITY OF MOSCOW, IDAHO

SPECIAL ASSESSMENTS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2017

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Investment earnings		$ 62	$ 62
Special assessments	$ 12,750	30,143	17,393
Total revenues	12,750	30,205	17,455
EXPENDITURES			
Total expenditures	0	0	0
EXCESS OF REVENUES OVER EXPENDITURES	12,750	30,205	17,455
OTHER FINANCING SOURCES (USES)			
Transfers out	(30,000)	(30,000)	0
Total other financing sources (uses)	(30,000)	(30,000)	0
NET CHANGES IN FUND BALANCES	(17,250)	205	17,455
FUND BALANCES AT BEGINNING OF YEAR	17,250	56,601	39,351
FUND BALANCES AT END OF YEAR	$ 0	$ 56,806	$ 56,806

Water Fund – To account for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, billing, and collection.

Sewer Fund – To account for the provision of sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, billing, and collection.

Sanitation Fund – To account for the provision of sanitation and related services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, but not limited to, operations, billing, collecting, franchising, and contracted operations.

CITY OF MOSCOW, IDAHO

WATER

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2017

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	$ 4,967,700	$ 5,194,838	$ 227,138
Investment revenues (losses)	19,000	78,957	59,957
Other	123,500	375,765	252,265
Total revenues	5,110,200	5,649,560	539,360
EXPENSES			
Current			
Water distribution	2,873,365	2,444,209	429,156
Capital outlay	6,043,856	2,112,908	3,930,948
Total expenses	8,917,221	4,557,117	4,360,104
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(3,807,021)	1,092,443	4,899,464
OTHER FINANCING SOURCES (USES)			
Bond proceeds	1,545,374		(1,545,374)
Transfers in	973,175	12,791	(960,384)
Transfers out	(2,354,411)	(1,386,736)	967,675
Total other financing sources (uses)	164,138	(1,373,945)	(1,538,083)
NET CHANGES IN FUND BALANCES	(3,642,883)	(281,502)	3,361,381
FUND BALANCE, BEGINNING OF YEAR	3,642,883	4,474,447	831,564
FUND BALANCE, END OF YEAR	$ 0	$ 4,192,945	$ 4,192,945

	Actual
RECONCILIATION OF CHANGES IN FUND BALANCE - BUDGETARY BASIS TO CHANGE IN NET POSITION	
Net changes in fund balances - budgetary basis	$ (281,502)
BUDGETED EXPENSES, WHICH DO NOT AFFECT NET POSITION	
Capital outlay	2,112,908
NONCASH, NONBUDGET ACTIVITY, WHICH AFFECTS NET POSITION	
Loss on disposition of asset	(534)
PERSI retirement actuarial charges	28,386
Depreciation	(390,615)
CHANGE IN NET POSITION	$ 1,468,643

CITY OF MOSCOW, IDAHO

SEWER

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2017

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	$ 7,112,900	$ 7,227,566	$ 114,666
Investment revenues (losses)	13,400	83,894	70,494
Other	204,370	548,277	343,907
Total revenues	7,330,670	7,859,737	529,067
EXPENSES			
Current			
Sewer collection and treatment	3,537,617	2,553,483	984,134
Debt service			
Principal retirement	835,000	835,000	
Interest	316,050	304,751	11,299
Capital outlay	6,309,862	1,481,169	4,828,693
Total expenses	10,998,529	5,174,403	5,824,126
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(3,667,859)	2,685,334	6,353,193
OTHER FINANCING SOURCES (USES)			
Transfers in	1,703,750	219,471	(1,484,279)
Transfers out	(3,054,575)	(1,405,314)	1,649,261
Total other financing sources (uses)	(1,350,825)	(1,185,843)	164,982
NET CHANGES IN FUND BALANCES	(5,018,684)	1,499,491	6,518,175
FUND BALANCE, BEGINNING OF YEAR	5,018,684	6,948,986	1,930,302
FUND BALANCE, END OF YEAR	$ 0	$ 8,448,477	$ 8,448,477

	Actual
RECONCILIATION OF CHANGES IN FUND BALANCE - BUDGETARY BASIS TO CHANGE IN NET POSITION	
Net changes in fund balances - budgetary basis	$ 1,499,491
BUDGETED EXPENSES, WHICH DO NOT AFFECT NET POSITION	
Debt service principal retirement	835,000
Capital outlay	1,481,169
NONCASH, NONBUDGET ACTIVITY, WHICH AFFECTS NET POSITION	
Amortization of issuance costs and bond premium	41,394
Loss on disposition of asset	(5,068)
PERSI retirement actuarial charges	31,151
Capital contributions	189,369
Depreciation	(1,512,315)
CHANGE IN NET POSITION	$ 2,560,191

CITY OF MOSCOW, IDAHO

SANITATION

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS - BUDGET AND ACTUAL
Year Ended September 30, 2017

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Charges for services	$ 5,521,150	$ 5,656,816	$ 135,666
Investment revenues (losses)	6,500	53,675	47,175
Other	350	24,265	23,915
Total revenues	5,528,000	5,734,756	206,756
EXPENSES			
Current			
Collection services	2,055,322	2,063,607	(8,285)
Transfer station	1,839,404	1,687,217	152,187
Recycling and compost	277,660	239,155	38,505
Capital outlay	4,244,454		4,244,454
Total expenses	8,416,840	3,989,979	4,426,861
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(2,888,840)	1,744,777	4,633,617
OTHER FINANCING SOURCES (USES)			
Transfers in	581,819		(581,819)
Transfers out	(1,349,114)	(767,295)	581,819
Total other financing sources (uses)	(767,295)	(767,295)	0
NET CHANGES IN FUND BALANCES	(3,656,135)	977,482	4,633,617
FUND BALANCE, BEGINNING OF YEAR	3,656,135	5,849,927	2,193,792
FUND BALANCE, END OF YEAR	$ 0	$ 6,827,409	$ 6,827,409
RECONCILIATION OF CHANGES IN FUND BALANCE - BUDGETARY BASIS TO CHANGE IN NET POSITION			
Net changes in fund balances - budgetary basis		$ 977,482	
NONCASH, NONBUDGET ACTIVITY, WHICH AFFECTS NET POSITION			
PERSI retirement actuarial charges		2,470	
Depreciation		(24,544)	
Post closure care costs		(13,725)	
CHANGE IN NET POSITION		$ 941,683	

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units on a cost reimbursement basis.

Fleet Management Fund – This fund is used to account for the costs of operating the City's motorized equipment.

Information Systems Fund – This fund is used to account for the costs and operations of the computer hardware, software, and networking system within the City.

CITY OF MOSCOW, IDAHO

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET POSITION
September 30, 2017

	Fleet Management	Information Systems	Total
ASSETS			
CURRENT ASSETS			
Investments	$ 2,583,931	$ 1,828,091	$ 4,412,022
Accounts receivable	28,711	5	28,716
Interfund receivable		10,000	10,000
Prepaids and other assets	514,893		514,893
Total current assets	3,127,535	1,838,096	4,965,631
CAPITAL ASSETS			
Land	47,000		47,000
Buildings and improvements	255,275		255,275
Vehicles	5,218,386		5,218,386
Equipment	3,017,541	1,209,183	4,226,724
Accumulated depreciation	(4,983,208)	(823,328)	(5,806,536)
Total capital assets	3,554,994	385,855	3,940,849
Total assets	6,682,529	2,223,951	8,906,480
DEFERRED OUTFLOWS OF RESOURCES			
Defined benefit pension	26,128	16,521	42,649
LIABILITIES			
Accounts payable	41,048	43,152	84,200
Compensated absences payable	28,835	32,144	60,979
Net pension liability	108,730	126,601	235,331
Total liabilities	178,613	201,897	380,510
DEFERRED INFLOWS OF RESOURCES			
Defined benefit pension	19,631	18,267	37,898
NET POSITION			
Net investment in capital assets	3,554,994	385,855	3,940,849
Restricted for future capital purchases	2,955,419	1,634,453	4,589,872
Total net position	$ 6,510,413	$ 2,020,308	$ 8,530,721

CITY OF MOSCOW, IDAHO

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
Year Ended September 30, 2017

	Fleet Management	Information Systems	Total
OPERATING REVENUES			
Charges for services	$ 942,412	$ 1,156,996	$ 2,099,408
Operating grants	25,881	3,343	29,224
Total operating revenues	968,293	1,160,339	2,128,632
OPERATING EXPENSES			
Costs of services	367,522	497,978	865,500
Administration	261,421	432,581	694,002
Depreciation	566,061	130,910	696,971
Total operating expenses	1,195,004	1,061,469	2,256,473
OPERATING INCOME (LOSS)	(226,711)	98,870	(127,841)
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	10,504	7,546	18,050
Net pension expense (revenue)	6,687	10,453	17,140
Gain on disposition of assets	21,873		21,873
Total nonoperating revenues (expenses)	39,064	17,999	57,063
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(187,647)	116,869	(70,778)
CONTRIBUTIONS AND TRANSFERS			
Capital contributions			
Transfers in	1,030,577	22,560	1,053,137
Transfers out	(14,960)	(141,593)	(156,553)
Total contributions and transfers	1,015,617	(119,033)	896,584
CHANGE IN NET POSITION	827,970	(2,164)	825,806
NET POSITION AT BEGINNING OF YEAR	5,682,443	2,022,472	7,704,915
NET POSITION AT END OF YEAR	$ 6,510,413	$ 2,020,308	$ 8,530,721

CITY OF MOSCOW, IDAHO

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS
Year Ended September 30, 2017

	Fleet Management	Information Systems	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 944,408	$ 1,160,341	$ 2,104,749
Payments to suppliers	(885,110)	(500,067)	(1,385,177)
Payments to employees	(257,714)	(425,947)	(683,661)
Net cash provided (used) by operating activities	(198,416)	234,327	35,911
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	(14,960)	(141,593)	(156,553)
Transfers from other funds	1,030,577	22,560	1,053,137
Net cash provided (used) by noncapital financing activities	1,015,617	(119,033)	896,584
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(447,159)	(60,331)	(507,490)
Sale of capital assets	33,685		33,685
Net cash used by capital financing activities	(413,474)	(60,331)	(473,805)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investment activity in local government investment pool	(414,231)	(62,509)	(476,740)
Interest received	10,504	7,546	18,050
Net cash used by investing activities	(403,727)	(54,963)	(458,690)
Net change in cash	0	0	0
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	0	0	0
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 0	$ 0	$ 0
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	$ (226,711)	$ 98,870	$ (127,841)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	566,061	130,910	696,971
Changes in:			
Accounts receivable	(23,885)	2	(23,883)
Prepaid assets	(514,893)		(514,893)
Accounts payable	80	549	629
Other assets and liabilities	932	3,996	4,928
Net cash provided (used) by operating activities	$ (198,416)	$ 234,327	$ 35,911
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	$ 0	$ 0	$ 0

Statistical Section

Exhibit A-1

City of Moscow, Idaho
Statistical Section
(Unaudited)

This part of the City of Moscow's comprehensive annual financial report presents detailed information as a context for understanding what information in the financial statements, note disclosures, and required supplementary information says about the city's overall health.

Contents	Page
Financial Trends	**103**
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	**107**
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity	**112**
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	**119**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	**121**
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.	

Schedule 1
City of Moscow
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending September 30									
Governmental Activities	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net Investment in capital assets	$27,243,205	$30,573,183	$31,298,912	$33,381,175	$36,409,650	$40,070,407	$40,493,773	$40,477,275	$42,402,937	$42,494,877
Restricted	13,814,078	13,942,474	13,657,674	7,888,644	7,727,972	5,181,571	3,712,913	3,384,248	$3,323,418	$3,143,511
Unrestricted	4,940,618	4,696,111	5,913,960	12,488,041	12,453,146	12,185,720	12,733,987	10,532,614	$11,817,712	$13,849,018
Total governmental activities net position	$45,997,901	$49,211,768	$50,870,546	$53,757,860	$56,590,768	$57,437,698	$56,940,673	$54,394,137	$57,544,067	$59,487,406
Business-type Activities										
Net Investment in capital assets	$15,550,106	$22,206,393	$23,066,747	$22,710,937	$16,125,340	$23,293,354	$22,981,577	$23,171,378	$24,625,818	$26,256,354
Restricted	13,132,874	9,774,941	9,840,803	10,790,235	11,501,432	9,425,133	11,049,524	13,488,693	$14,709,203	$15,622,009
Unrestricted	5,283,209	4,311,485	4,166,868	4,671,824	11,675,782	6,347,830	7,200,725	6,785,652	$7,940,392	$10,367,567
Total business-type activities net position	$33,966,189	$36,292,819	$37,074,418	$38,172,996	$39,302,554	$39,066,317	$41,231,826	$43,445,723	$47,275,413	$52,245,930
Primary Government										
Net Investment in capital assets	$42,793,311	$52,779,576	$54,365,659	$56,092,112	$52,534,990	$63,363,761	$63,475,350	$63,648,653	$67,028,755	$68,751,231
Restricted	$26,946,952	$23,717,415	$23,498,477	$18,678,879	$19,229,404	$14,606,704	$14,762,437	$16,872,941	$18,032,621	$18,765,520
Unrestricted	$10,223,827	$9,007,596	$10,080,828	$17,159,865	$24,128,928	$18,533,550	$19,934,712	$17,318,266	$19,758,104	$24,216,585
Total primary government net position	$79,964,090	$85,504,587	$87,944,964	$91,930,856	$95,893,322	$96,504,015	$98,172,499	$97,839,860	$104,819,480	$111,733,336

Note: The City implemented GASB Statement No. 54 in fiscal year 2011.
The City implemented GASB Statement No. 62,63 and 65 in fiscal year 2013.

Schedule 2

City of Moscow

Changes in Net Position, Last Ten Fiscal Years

(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities:										
General Government	$ 3,940,534	$ 4,391,941	$ 4,410,183	$ 4,478,164	$ 4,945,309	$ 5,341,376	$ 5,281,476	$ 5,805,926	$ 5,976,857	$ 5,954,035
Public Safety	5,636,498	5,946,428	5,952,893	6,008,520	6,201,826	6,496,491	6,800,673	6,464,442	$ 6,944,507	$ 7,241,400
Highways and Streets	1,678,926	2,017,293	1,961,136	2,320,941	2,382,445	2,419,077	2,433,113	2,315,481	$ 2,342,327	$ 2,470,955
Culture and Recreation	2,274,443	2,431,914	2,630,403	2,598,901	2,547,535	2,698,801	4,155,402	3,290,306	$ 3,139,717	$ 3,127,109
Interest on long-term debt	295,347	274,830	204,137	234,639	198,135	88,955	21,818	15,667	$ 9,367	$ 2,767
Total governmental activities expenses	13,825,748	15,062,406	15,158,752	15,641,165	16,275,250	17,044,700	18,692,482	17,891,822	18,412,775	18,796,266
Business-type Activities:										
Water	2,040,212	2,269,581	2,330,201	2,194,436	2,167,845	2,491,759	2,390,525	2,458,962	2,611,387	2,806,438
Sewer	3,067,030	3,311,824	3,935,227	4,159,685	4,201,283	4,184,113	4,098,168	4,143,042	4,124,504	4,339,398
Sanitation	3,026,520	3,339,433	3,206,852	3,174,600	3,293,355	3,382,736	3,483,895	3,551,475	4,217,918	4,025,778
Total business-type activities expenses	8,133,762	8,920,838	9,472,280	9,528,721	9,662,483	10,058,608	9,972,588	10,153,479	10,953,809	11,171,614
Total primary government expenses	$ 21,959,510	$ 23,983,244	$ 24,631,032	$ 25,169,886	$ 25,937,733	$ 27,103,308	$ 28,665,070	$ 28,045,301	$ 29,366,584	$ 29,967,880
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	$ 1,792,608	$ 2,318,095	$ 1,945,126	$ 2,052,176	$ 2,389,608	$ 2,623,494	$ 2,747,042	$ 2,807,239	$ 3,164,056	$ 3,273,252
Public Safety	1,646,488	1,627,249	1,523,010	1,397,917	1,422,045	1,472,645	1,444,003	1,491,064	$ 1,544,973	$ 1,544,445
Highways and Streets	286,206	267,190	281,803	310,287	362,741	376,172	375,408	395,542	$ 350,384	$ 370,228
Culture and Recreation	453,212	533,114	460,815	454,820	479,988	536,199	556,033	606,125	$ 621,210	$ 618,688
Operating grants and contributions	482,059	142,552	929,768	1,651,341	1,320,827	1,243,432	1,132,968	1,079,178	$ 1,298,086	$ 1,311,307
Capital grants and contributions	1,763,695	1,796,051	895,435	1,855,360	1,717,194	901,822	374,551	331,494	$ 1,671,816	$ 469,146
Total governmental activities program revenues	6,424,268	6,684,251	6,035,957	7,721,901	7,692,403	7,153,764	6,630,005	6,710,642	8,650,525	7,587,066
Business-type Activities:										
Charges for services:										
Water [c]	3,039,926	3,288,858	3,205,702	3,367,970	3,612,455	3,824,909	4,254,140	4,642,230	4,838,492	5,212,423
Sewer [c]	4,388,134	4,842,277	4,848,736	5,028,197	5,313,012	5,637,708	5,899,493	6,404,742	6,916,401	7,288,980
Sanitation	3,993,744	4,288,665	4,033,943	4,330,908	4,559,412	4,652,289	4,732,247	4,837,037	5,374,754	5,681,081
Capital grants and contributions	804,416	1,129,713	827,025	526,420	0	325,300	385,780	578,893	830,553	1,075,806
Total business-type activities program revenues	12,226,220	13,549,513	12,915,406	13,253,495	13,484,879	14,440,206	15,271,660	16,462,902	17,960,200	19,258,290
Total primary government program revenues	$ 18,650,488	$ 20,233,764	$ 18,951,363	$ 20,975,396	$ 21,177,282	$ 21,593,970	$ 21,901,665	$ 23,173,544	$ 26,610,725	$ 26,845,356
Net (Expense) Revenue										
Governmental activities	$ (7,401,480)	$ (8,378,155)	$ (9,122,795)	$ (7,919,264)	$ (8,582,847)	$ (9,890,936)	$ (12,062,477)	$ (11,181,180)	$ (9,762,250)	$ (11,209,200)
Business-type activities	4,092,458	4,628,675	3,443,126	3,724,774	3,822,396	4,381,598	5,299,072	6,309,423	7,006,391	8,086,676
Total primary government net expense	$ (3,309,022)	$ (3,749,480)	$ (5,679,669)	$ (4,194,490)	$ (4,760,451)	$ (5,509,338)	$ (6,763,405)	$ (4,871,757)	$ (2,755,859)	$ (3,122,524)

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property taxes	$ 4,200,547	$ 4,352,639	$ 4,444,118	$ 4,564,246	$ 4,693,300	$ 4,802,665	$ 4,761,924	$ 5,284,721	$ 5,482,880	$ 5,591,688
Sales taxes	428,613	352,678	340,350	361,664	390,548	430,383	457,009	500,820	$ 544,653	$ 584,051
Franchise taxes	1,162,372	1,226,809	1,195,824	1,237,369	1,212,950	1,185,047	1,266,728	1,280,494	$ 1,219,095	$ 1,251,646
Motor fuel taxes	837,878	802,750	0	0	0	0	0		$ -	$ -
Road and bridge taxes	535,301	540,717	543,883	579,876	614,908	615,408	664,933	660,172	$ 662,056	$ 694,538
Alcoholic beverage taxes	341,020	391,074	402,990	447,087	498,474	531,200	538,509	534,229	$ 574,509	$ 581,702
State Revenue Sharing	769,609	660,857	649,687	703,718	756,456	835,811	880,409	920,257	$ 951,454	$ 985,311
Unrestricted investment earnings	1,468,792	663,942	406,023	249,512	375,942	(550,894)	(20,799)	134,149	$ 63,281	$ 114,647
Gain (loss) on sale of capital assets	3,510	3,131	17,921	(20,089)	7,103	5,900	14,891	28,708	$ 60,140	$ 21,873
Transfers	2,332,663	2,597,425	2,780,777	2,683,195	2,866,074	2,917,040	3,001,848	3,199,481	$ 3,354,112	$ 3,327,083
Total governmental activities	12,080,305	11,592,022	10,781,573	10,806,578	11,415,755	10,772,560	11,565,452	12,543,031	12,912,180	13,152,539
Business-type Activities:										
Unrestricted investment earnings	495,461	293,605	119,250	63,776	149,679	(1,349,877)	(131,715)	47,469	147,036	216,526
Gain (loss) on sale of capital assets	0	1,775	0	(6,777)	23,557	(15,565)	0	0	30,375	(5,602)
Transfers	(2,332,663)	(2,597,425)	(2,780,777)	(2,683,195)	(2,866,074)	(2,917,040)	(3,001,848)	(3,199,481)	(3,354,112)	(3,327,083)
Total business-type activities	(1,837,202)	(2,302,045)	(2,661,527)	(2,626,196)	(2,692,838)	(4,282,482)	(3,133,563)	(3,152,012)	(3,176,701)	(3,116,159)
Total primary government activities	$ 10,243,103	$ 9,289,977	$ 8,120,046	$ 8,180,382	$ 8,722,917	$ 6,490,078	$ 8,431,889	$ 9,391,019	$ 9,735,479	$ 10,036,380
Changes in Net Assets										
Governmental activities	$ 4,678,825	$ 3,213,867	$ 1,658,778	$ 2,887,314	$ 2,832,908	$ 881,624	$ (497,025)	$ 1,361,851	$ 3,149,930	$ 1,943,339
Business-type activities	2,255,256	2,326,630	781,599	1,098,578	1,129,558	99,116	2,165,509	3,157,411	3,829,690	4,970,517
Total Changes in Net Assets	$ 6,934,081	$ 5,540,497	$ 2,440,377	$ 3,985,892	$ 3,962,466	$ 980,740	$ 1,668,484	$ 4,519,262	$ 6,979,620	$ 6,913,856

Note: Water and Sewer rates have risen the last years raising capital to replace aging infrastructure and meet DEQ requirements.

GASB 62, 63 and 65 implemented in 2013. GASB 68 implemented 2015.

Schedule 3
City of Moscow
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	$ 500,410	$ 451,536	$ 456,718							
Unreserved	3,588,834	3,628,846	3,550,226							
Committed				$ 2,934,904	$ 3,075,627	$ 3,241,280	$ 3,437,542	$ 3,720,197	$ 3,744,137	$ 3,886,546
Assigned				424,503	437,956	476,974	490,637	487,064	$ 545,323	$ 559,884
Unassigned				815,414	752,267	795,009	1,183,746	1,277,946	$ 862,002	$ 714,414
Total General Fund	$ 4,089,244	$ 4,080,382	$ 4,006,944	$ 4,174,821	$ 4,265,850	$ 4,513,263	$ 5,111,925	$ 5,485,207	$ 5,151,462	$ 5,160,844
All Other Governmental Funds										
Reserved	$ 11,424,887	$ 11,104,341	$ 10,965,640							
Unreserved, reported in										
Special Revenue funds	1,353,980	1,373,272	1,667,739							
Capital Projects funds	189,292	211,198	560,952							
Restricted				$ 7,888,644	$ 7,727,972	$ 5,181,571	$ 3,712,913	$ 3,384,249	$ 3,323,418	$ 3,143,511
Committed				1,433,867	1,393,546	1,362,461	1,424,911	1,631,906	$ 1,660,792	$ 1,725,624
Assigned				4,787,094	4,649,916	3,984,277	3,773,211	4,245,775	$ 5,157,474	$ 5,767,128
Total all other governmental funds	$ 12,968,159	$ 12,688,811	$ 13,194,331	$ 14,109,605	$ 13,771,434	$ 10,528,309	$ 8,911,035	$ 9,261,930	$ 10,141,684	$ 10,636,263

Note: Capital Projects funds increase after interfund transfers to accumulate for future projects.
The City implemented GASB 54 in fiscal year 2011.

Schedule 4
City of Moscow
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes (see Schedule 5)	$ 7,492,981	$ 7,627,536	$ 7,672,399	$ 8,017,563	$ 8,207,431	$ 7,551,451	$ 7,694,866	$ 8,309,668	$ 8,474,296	$ 8,695,726
Licenses and permits	674,691	829,895	484,956	534,487	544,888	577,975	647,832	548,931	618,929	867,280
Intergovernmental	1,430,935	1,235,382	1,389,744	1,336,599	2,987,504	2,923,272	2,323,954	2,313,180	3,163,132	2,663,392
Charges for services	1,927,693	1,977,860	1,912,571	1,862,955	1,931,040	2,058,924	2,137,979	2,204,958	2,231,946	2,289,409
Fines and penalties	199,357	170,879	177,690	180,950	180,897	217,219	148,082	163,279	161,804	131,705
Special Assessments	35,213	27,073	31,696	37,823	40,001	32,094	22,890	15,424	12,874	30,143
Investment earnings	1,406,067	620,972	377,264	247,279	353,974	(571,401)	(20,799)	134,149	63,281	96,597
Contributions and donations	372,798	25,557	16,459	765,839	65,599	61,067	66,311	43,054	36,852	62,123
Refunds and reimbursements	52,958	24,051	108,795	65,151	124,237	125,918	46,777	150,580	387,464	167,131
Other revenues	44,517	148,311	100,747	99,294	114,879	131,512	113,091	132,422	81,560	84,637
Total revenues	13,637,210	12,687,516	12,272,321	13,147,940	14,550,450	13,108,031	13,180,983	14,015,645	15,232,138	15,088,143
Expenditures										
General government	2,899,264	3,198,909	3,164,002	3,153,318	3,366,800	3,582,926	3,590,713	4,148,625	4,252,336	4,268,791
Public Safety	5,390,247	5,623,091	5,588,602	5,656,886	5,858,719	6,122,309	6,451,874	6,362,551	6,635,677	6,980,553
Culture and Recreation	1,842,104	1,970,563	2,200,831	2,158,703	2,063,728	2,213,149	3,663,432	2,780,859	2,596,231	2,602,558
Transportation	1,230,779	1,501,583	1,360,217	1,618,026	1,665,048	1,716,872	1,661,474	1,522,566	1,433,275	1,553,472
Capital Outlay	1,290,752	1,810,324	841,029	943,987	3,281,597	2,197,734	1,244,419	813,568	2,016,366	1,370,507
Debt Service									0	0
Principal	520,000	535,000	555,000	580,000	2,135,000	2,655,000	205,000	210,000	220,000	225,000
Interest	295,347	274,830	257,585	234,639	204,212	99,988	32,850	26,700	20,400	13,800
Bond issuance costs	0	0	0	0	39,650					
Total expenditures	13,468,493	14,914,300	13,967,266	14,345,559	18,614,754	18,587,978	16,849,762	15,864,869	17,174,285	17,014,681
Excess of revenues over (under) expenditures	168,717	(2,226,784)	(1,694,945)	(1,197,619)	(4,064,304)	(5,479,947)	(3,668,779)	(1,849,224)	(1,942,147)	(1,926,538)
Other Financing Sources (Uses)										
Transfers in	5,326,291	5,515,099	5,654,643	5,957,160	5,848,285	7,971,794	5,498,722	6,307,498	7,010,578	7,138,333
Transfers out	(3,482,628)	(3,629,973)	(3,527,616)	(3,676,390)	(3,619,386)	(5,487,559)	(2,959,311)	(3,734,097)	(4,522,422)	(4,707,834)
Capital Contributions	0	0	0	0	0	0	110,756			
Bond proceeds	0	0	0	0	1,500,000					
Bond Premiums	0	0	0	0	88,263					
Gain (loss) on sale of assets	0	0	0	0	0					
Total other financing sources (uses)	1,843,663	1,885,126	2,127,027	2,280,770	3,817,162	2,484,235	2,650,167	2,573,401	2,488,156	2,430,499
Net change in fund balances	$ 2,012,380	$ (341,658)	$ 432,082	$ 1,083,151	$ (247,142)	$ (2,995,712)	$ (1,018,612)	$ 724,177	$ 546,009	$ 503,961
Debt service as a percentage of noncapital expenditures	6.70%	6.18%	6.19%	6.08%	15.51%	16.81%	1.52%	1.57%	1.59%	1.53%

Note: General Obligation Bond Series 1998 were refinanced with General Obligation Bond Series 2011 in FY2012.

Schedule 5
City of Moscow
Tax Revenue by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property	Sales	Franchise	Motor Fuel	Alcoholic Beverage	Road and Bridge	Total
2008	$ 4,200	$ 428	$ 1,162	$ 838	$ 341	$ 535	$ 7,504
2009	4,300	353	1,227	803	392	541	7,616
2010	4,444	340	1,196	783	391	544	7,698
2011	4,580	362	1,237	812	447	580	8,018
2012	4,693	391	1,213	798	498	615	8,208
2013	4,789	430	1,185		531	616	7,551
2014	4,768	457	1,267		538	665	7,695
2015	5,334	501	1,280		534	660	8,309
2016	5,474	545	1,219		574	662	8,474
2017	5,584	584	1,252		582	694	8,696
Change 2008-2017	39.3%	19.9%	29.6%	-100.0%	111.1%	36.9%	21.9%

Note: Utility companies for both electricity and natural gas revenues have had steady increases over the past ten years. Additionally, the voters approved changes to the franchise amount effective in year 2006.
Motor Fuel was reclassified to Intergovernmental Revenue from Tax Revenue in FY2013.

Schedule 6
City of Moscow
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Residential Property	Commercial Property	Tax-Exempt Property	Personal Property	Personal Property Exemption	Casualty Loss	Developer's Exemption	Total Taxable Assessed Value	Total Direct Tax Rate	Actual Taxable Value
2008	$ 888,154,563	$ 341,551,979	$ 297,867,715	$ 52,932,420				$ 1,282,638,962	4.491	$ 984,771,247
2009	909,622,260	355,206,517	306,401,667	56,889,609				1,321,718,386	4.484	1,015,316,719
2010	916,566,236	375,467,529	303,499,433	42,879,580				1,334,913,345	4.548	1,031,413,912
2011	914,362,370	378,892,160	286,269,585	47,758,732				1,341,013,262	4.561	1,054,743,677
2012	922,408,081	386,935,330	267,489,425	42,930,185				1,352,273,596	4.534	1,084,784,171
2013	927,338,276	391,312,399	263,534,603	44,405,449	$ 20,248,965		$ 3,919,725	1,363,056,124	4.436	1,075,352,831
2014	932,844,152	399,914,506	268,523,590	43,696,916	20,083,619		2,944,679	1,376,455,574	4.919	1,084,903,686
2015	915,602,455	344,955,011	279,635,648	33,204,665	19,101,547		2,567,550	1,293,762,131	4.999	992,457,386
2016	983,934,274	417,831,967	303,965,014	43,050,888	19,102,594		2,428,050	1,444,817,129	4.934	1,119,321,471
2017	1,018,588,828	378,333,035	320,038,158	39,226,262	19,037,479	$ 7,101	1,777,050	1,436,148,125	4.922	1,095,288,337

Note: Latah County assesses property values at 100% of market.
The Idaho State Legislature passed law allowing personal property and developer's tax exemptions in FY2013.

Schedule 7
City of Moscow
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $1,000 of assessed value)

	City Direct Rates				Overlapping Rates		
Fiscal Year	**Basic Rate**	**General Obligation Debt Service**	**Total Direct Rate**		**Latah County**	**Moscow School District No. 281 Levy**	**Other Levy**
2008	3.939	0.552	4.491		3.933	6.426	2.702
2009	3.950	0.534	4.484		4.035	6.275	2.650
2010	4.020	0.528	4.548		4.121	6.123	2.697
2011	3.989	0.572	4.561		4.191	5.988	2.742
2012	3.993	0.541	4.534		4.156	7.283	2.693
2013	4.023	0.413	4.436		4.239	7.736	2.783
2014	4.217	0.702	4.919		4.269	7.621	2.860
2015	4.723	0.276	4.999		4.349	7.502	2.954
2016	4.731	0.204	4.935		4.315	7.195	2.897
2017	4.773	0.150	4.923		4.368	7.007	2.918

Latah County Assessor

Taxing Entity
Moscow School District No. 281
North Latah Highway District
Latah County
Latah County Library
Moscow Cemetery District
Moscow Rural Fire District

Note: The City's basic property tax rate may be increased only by a majority vote of the City's residents. Rates for debt service are set based on each year's requirements.

Schedule 8
City of Moscow
Principal Property Taxpayers,
Current and Ten Years Ago
(rate per $1,000 of assessed value)

Taxpayer	2017 Taxable Assessed Value	2017 Rank	2017 Percentage of Total City Taxable Assessed Value	2008 Taxable Assessed Value	2008 Rank	2008 Percentage of Total City Taxable Assessed Value
P.E.M. Management, LLC	$ 15,586,655	1	1.09%	$ 14,204,310	1	1.11%
Hill Rental Properties, LLC	14,937,000	2	1.04%	14,081,260	2	1.10%
The Grove Apartments	13,851,100	3	0.96%			
Wal-Mart Realty Co	10,670,000	4	0.74%	5,034,300	4	0.39%
Gritman Medical Park LLC	9,184,146	5	0.64%			
Avista Corp (Elec)	7,026,383	6	0.49%	3,897,058	10	0.30%
Blum Properties 2 LLC	6,409,600	7	0.45%			
Eastside Marketplace	4,858,675	8	0.34%	4,406,303	5	0.34%
Hagadone Hospitality	4,759,700	9	0.33%	4,050,558	9	0.32%
Avista Corp (Gas)	4,498,599	10	0.31%			
Good Samaritan Society				4,220,933	6	0.33%
Clyde & Bond Enterprises LLC						
Verizon Northwest Inc				11,409,525	3	0.89%
G.A.C. Rental LLC				4,091,536	8	0.32%
Madee, LLC				4,185,055	7	0.33%
Total	$ 91,781,858		6.39%	$ 69,580,838		5.42%

Source: Latah County Treasurer

Schedule 9
City of Moscow
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended Sept 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	$ 4,171,460	$ 4,075,513	97.70%	$ 82,534	$ 4,158,047	99.68%
2009	4,335,315	4,265,704	98.39%	99,482	4,365,186	100.69%
2010	4,410,190	4,338,432	98.37%	89,304	4,427,736	100.40%
2011	4,563,050	4,485,865	98.31%	53,077	4,538,942	99.47%
2012	4,671,590	4,601,875	98.51%	90,520	4,692,395	100.45%
2013	4,771,135	4,710,640	98.73%	43,262	4,753,903	99.64%
2014	4,731,795	4,674,007	98.78%	60,824	4,734,831	100.06%
2015	5,195,775	5,255,324	101.15%	31,548	5,286,872	101.75%
2016	5,381,765	5,200,887	96.64%	60,003	5,260,890	97.75%
2017	5,481,546	5,455,513	99.53%	0	5,455,513	99.53%
		34,649	Prepaid for 2018			

Source: Latah County

Schedule 10
City of Moscow
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities			Business-type Activities				
Fiscal Year	General Obligation Bonds	Certificates of Participation	Special Assessment Bonds	Sewer Revenue Bonds	Interim Financing	Total City Government	Percentage of Personal Income	Per Capita
2008	$ 3,305,000	$ 2,745,000	$ 5,000	$ 14,459,030		$ 20,514,030	3.14%	843
2009	2,910,000	2,610,000	0	13,845,095		19,365,095	2.91%	798
2010	2,495,000	2,470,000	0	13,211,160		18,176,160	2.48%	747
2011	2,148,263	2,325,000	0	12,552,226		17,025,489	2.33%	715
2012	1,652,230	2,175,000	0	18,300,995		22,128,225	2.94%	917
2013	1,161,197	0	0	11,266,283		12,427,480	1.62%	510
2014	945,165	0	0	10,459,889		11,405,054	1.38%	459
2015	724,132	0	0	9,628,495	$ 198,332	10,550,959	1.27%	429
2016	493,099	0	0	8,777,101	1,476,865	10,747,065	1.24%	429
2017	257,066	0	0	7,900,707	2,565,046	10,722,819	1.12%	423

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See Schedule 19 for personal income and population data.
General Obligation Bond Series 1998 were refinanced with General Obligation Bond Series 2011 in FY2012.
Sewer Revenue Bond Series 2011 were issued as an advance refunding issue for the Sewer Revenue Bond Series 2002 to be called in November 2012.
Sewer Revenue Bond column includes unamortized premium on bonds.
Certificates of Participation were paid in full in FY2013.

Schedule 11
City of Moscow
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

	General Bonded Debt Outstanding			
Fiscal Year	**General Obligation Bonds**	**Total**	**Percentage of Actual Taxable Value of Property [a]**	**Per Capita [b]**
2008	$ 3,305,000	$ 3,305,000	0.34%	$ 135.85
2009	2,910,000	2,910,000	0.29%	119.99
2010	2,495,000	2,495,000	0.24%	102.51
2011	2,148,263	2,148,263	0.20%	90.26
2012	1,652,230	1,652,230	0.15%	68.43
2013	1,161,197	1,095,000	0.10%	44.95
2014	945,165	945,165	0.09%	38.07
2015	724,132	724,132	0.07%	29.42
2016	493,099	493,099	0.04%	19.68
2017	257,066	257,066	0.02%	10.15

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[a] See Schedule 6 for property value data.

[b] Population data can be found on Schedule 16.

Schedule 12
City of Moscow
Direct and Overlapping Government Activities Debt

	Direct Debt	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Jurisdiction:				
Reserved Direct:				
City of Moscow	$ 257,066	$ 257,066	100%	$ 257,066
Overlapping:				
Moscow School District No. 281	8,935,000	8,935,000	79%	7,058,650
Latah County		0		0
Cemetery District		0		0
Library		0		0
Road District		0		0
Total	$ 9,192,066	$ 9,192,066		$ 7,315,716

Source: City of Moscow
Moscow School District
Latah County
Cemetery District
Library
Road District

Note: The Moscow School District #281 levied debt in FY2013. Percent applicable calculated by MSD

Schedule 13
City of Moscow
Legal Debt Margin Information
Last Ten Fiscal Years

(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed Market Valuation:		
Assessed Value	$	1,095,288,337
Debt applicable to limit		
Debt limitation: 2%	$	21,905,767
Less:		
General obligation bonds		257,066
Legal debt margin	**$**	**21,648,701**

	Fiscal Year 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	$ 19,321,804	$ 20,306,334	$ 20,628,278	$ 21,094,874	$ 21,695,683	$ 20,600,683	$ 20,808,074	$ 19,169,148	$ 22,386,429	$ 21,905,767
Total net debt applicable to limit	3,305,000	2,910,000	2,495,000	2,060,000	2,175,000	1,095,000	890,000	724,132	493,099	257,066
Legal debt margin	$ 16,016,804	$ 17,396,334	$ 18,133,278	$ 19,034,874	$ 19,520,683	$ 19,505,683	$ 19,918,074	$ 18,489,148	$ 21,893,330	$ 21,648,701
Total net debt applicable to the limit as a percentage of debt limit	17.11%	14.33%	12.10%	9.77%	10.03%	5.32%	4.28%	3.78%	2.20%	1.17%

Source: City of Moscow
Latah County Assessors Office

Schedule 14a
City of Moscow
Special Assessment Billings and Collections
Last Ten Fiscal Years

Fiscal Year	Special Assessment Collected	Debt Service Principal	Debt Service Interest	Total	Coverage
2008	$ 26,559	$ 5,000	$ 391	$ 5,391	4.93
2009	11,822	5,000	250	5,250	2.25
2010	18,781	0	0	0	0.00
2011	27,704	0	0	0	0.00
2012	28,015	0	0	0	0.00
2013	32,094	0	0	0	0.00
2014	22,890	0	0	0	0.00
2015	15,424	0	0	0	0.00
2016	12,874	0	0	0	0.00
2017	30,205	0	0	0	0.00

Source: City of Moscow

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Schedule 14b
City of Moscow
Pledged Revenue Coverage
Last Ten Fiscal Years

		Sewer Revenue Bonds					
				Debt Service			
Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2008	$ 4,630,746	$ 2,292,771	$ 2,337,975	$ 375,000	$ 447,250	$ 822,250	2.84
2009	4,997,731	2,387,768	2,609,963	600,000	627,909	1,227,909	2.13
2010	4,898,709	2,889,989	2,008,720	620,000	602,959	1,222,959	1.64
2011	5,049,540	3,081,864	1,967,676	645,000	577,353	1,222,353	1.61
2012	5,327,778	3,169,368	2,158,410	675,000	586,513	1,261,513	1.71
2013 (1)	5,139,703	3,251,090	1,888,613	745,000	406,928	1,151,928	1.64
2014	6,012,113	3,473,461	2,538,652	765,000	382,331	1,147,331	2.21
2015	6,516,695	3,517,371	2,999,324	790,000	357,465	1,147,465	2.61
2016	7,083,694	3,514,820	3,568,874	810,000	350,738	1,160,738	3.07
2017	7,859,737	3,812,808	4,046,929	835,000	316,048	1,151,048	3.52

*Total revenues include interest.
*Total operating expenses exclude depreciation.

Source: City of Moscow

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Operating expenses include operating transfers out but exclude transfers out to the Internal Service Funds for capital outlay.
(1) The 2002 Sewer Revenue Bonds were advance Refunded by the 2011 bond proceeds; consequently $6,433,415 is paid from escrowed funds and not shown as part of the scheduled debt.

Schedule 15
City of Moscow
Principal Employers
Current Year and Nine Years Ago

Employer	2017 Number of Employees	2017 Rank	2017 Percentage of Total County Employment	2008 Number of Employees	2008 Rank	2008 Percentage of Total City Employment
University of Idaho	4,770	1	31.00%	4,770	1	31.30%
Gritman	430	2	2.80%	370	2	2.40%
Moscow School District	320	3	2.10%	320	3	2.10%
Wal-Mart	210	4	1.40%	200	5	1.30%
City of Moscow	200	5	1.30%	210	4	1.40%
Latah County	150	6	1.00%	160	6	1.10%
Moscow Food Coop	130	7	0.80%	100	8	0.70%
Economic Modeling Specialists In	120	8	0.80%	N/A	N/A	0.00%
Good Smaritan Village	110	9	0.70%	130	7	0.90%
Northwest River Supplies	100	10	0.70%	90	10	0.60%
Disability Action Center	N/A	N/A	0.00%	100	9	0.70%
Total: Top 10 City Employers	6,540		42.60%	6,450		42.50%
Total: County Employment	15,380		1	15,220		1

Source: Regional Economist Communications & Research

Schedule 16
City of Moscow
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	City Population	Personal Income (thousands of dollars)	Per Capita Income	Student Enrollment	Unemployment Rates
2008	24,329	$ 654,060,836	$ 26,884	2,400	3.6%
2009	24,252	666,056,928	27,464	2,400	5.7%
2010	24,338	733,936,728	30,156	2,307	7.4%
2011	23,800	731,850,000	30,750	2,313	7.0%
2012	24,144	753,751,536	31,219	2,250	6.4%
2013	24,358	766,205,248	31,456	2,261	5.9%
2014	24,829	829,065,139	33,391	2,322	5.7%
2015	24,615	833,340,825	33,855	2,311	4.0%
2016	25,060	865,371,920	34,532	2,337	2.9%
2017	25,322	959,146,716	37,878	2,419	2.1%

Source: City of Moscow
U.S. Census Bureau
Moscow School District
State of Idaho Department of Labor

Schedule 17
City of Moscow
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	Full-time Equivalent Employees as of September 30									
Function/Program	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
General Government										
Administration	6	7	7	7	7	7	7	7	6	6
Finance	7	7	7	7	7	7	7	7	7	7
Legal	3	3	3	3	3	3	3	3	3	3
Human Resources	1	1	1	1	1	1	1	1	1	1
Community Development	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Buildings and Grounds	2	2	2	2	2	2	2	2	2	2
Information Systems	3	3	3	3	3.8	4	4	4	4	4.85
Police										
Police Officers	35	35.5	35	34	32	34	34	34	35	35
Police Unsworn	8	8	8	8	8	8	8	8	8	8
Fire										
Officers	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	5
Admin support	1	1	1	1	1	1	1	1	1	1
Engineering	8	8	8	8	8	9	9	9	9	9
Streets	9	9	9	9	9	9	9	9	9	8.55
Fleet	4	4	4	4	4	4	4	4	4	3.85
Culture and Recreation										
Recreation	5.5	5	5	5	5	5	5	5	5	5
Parks	4	4	5	5	5	5	5	5	5.3	5.25
MSDCP	0	0	0	0	0	0	0	1	0.8	0.75
Art	1	1	1	1	1	1.8	1.8	1.8	2	3
Water	12.6	12.6	12.6	12.6	12.6	14.1	15.1	15.1	15.5	15.25
Water Reclamation and Reuse	10.4	10.4	10.4	10.4	10.4	10.9	10.9	10.9	11.3	12
Sewer	3	3	3	3	3	4	4	4	4	5
Sanitation	0	1	1	1	1	1	1	1	1	1
Total	**136.5**	**139.5**	**139**	**138**	**136.8**	**143.8**	**144.8**	**145.8**	**146.9**	**150.0**

Source: City of Moscow

Note: Full-time employees are scheduled to work 2,080 hours per year (including vacation and sick leave). Employees with less than full-time equivalent employment are calculated by dividing total labor hours by 2,080. The unsworn police personnel decreased in 2005 when the City contracted with Whitcom for dispatch services.

Wastewater personnel increased from 2003 through 2006 due to the new Water Reclamation and Reuse Facility (formerly the Wastewater Treatment Plant).
The Information systems staff were moved from Administration to the new Information Systems fund in 2007.
Fiscal year 2007 added 5.25 employees including a police officer, fire inspector/electrical inspector, mechanic, grants coordinator and Administrative Assistant II.
Information Systems and Water Lead Maint Worker positions were added and Animal Control to full time.
Economic Development Director and Sanitation Manager positions added.

Schedule 18
City of Moscow
Operating Indicators by Function/Program
Last Ten Fiscal Years

	Fiscal Year Ending September 30									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Function/Program										
General Government										
Full-Time employees	136	139	139	138	137	144	146	145	147	150
Building permits issued	610	477	532	462	546	551	466	833	715	817
Cellular telephone co-location fees	11	11	11	11	11	11	11	11	11	11
Fire										
Number of Firefighters & Officers	4	4	4	4	4	4	6	6	6	6
Number of Paramedics	2	4	2	4	7	6	7	6	6	6
Number Volunteer Firefighters	88	82	72	72	71	68	73	73	73	65
Number Volunteer EMS	35	43	47	41	38	37	45	40	40	40
Number of calls answered										
Fire and Ambulance	2,244	2,337	2,277	2,569	2,169	2,131	2,604	2,431	2,342	2,400
Police										
Number of Police personnel (sworn)	35	35	34	32	34	34	34	34	35	35
Number of Police personnel (not sworn)	8	8	8	8	8	8	8	8	8	6
Physical arrests	482	347	391	336	423	375	291	255	228	237
Traffic violations	2,385	1,925	1,827	912	1,048	857	1,364	772	985	991
Parking violations	5,024	4,860	4,534	4,647	4,761	4,849	3,684	4,454	4,132	3,624
Streets										
Overlay in linear feet	5,964	6,400	0	600	0	0	1,625	973	5,462	4,656
Overlay in linear feet (Chip Seal)					20,763	20,336	0	0	4091	43,234
[a] Pavement maintenance program sq yards			1,470	109,972	0	0	0	0	0	0
Water										
Number of consumers	5,534	5,572	5,594	5,828	5,842	5,869	5,910	5,985	6,020	6,073
Number of new connections	98	63	22	40	14	32	41	65	68	42
Average daily consumption (million gallons)	2.19	2.24	2.17	2.22	2.36	2.35	2.38	2.38	2.36	2.00
Average daily sewage treatment (million gallons)	1.94	2.00	1.91	2.17	2.18	2.00	2.20	1.80	1.90	2.09

Source: Various City departments

Note: The Street department changed from an overlay program to a pavement management program in 2010. Slurry seal maintenance included 2010 and 2011 schedule. Building permits are reported for calendar year and include miscellaneous residential roofing, siding, and fencing.

Schedule 19
City of Moscow
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Service vehicles	15	15	15	12	13	13	13	13	13	12
Fiber Optic System	15.2 miles	15.2 miles	15.2 miles	15.3 miles	15.3 miles	15.4miles	15.4 miles	23 miles	24 miles	20 miles
Fire										
Number of stations	3	3	3	3	3	3	3	3	3	3
Fire engines and vehicles	12	12	12	14	14	14	14	13	13	13
Police										
Number of stations	2	2	2	2	2	2	2	2	2	2
Patrol cars	21	21	21	20	20	23	23	23	24	22
Streets										
Area in square miles	6.88	6.89	6.89	6.89	6.89	6.92	6.92	6.92	6.98	7
Miles of streets	73.99	73.99	75.15	75.15	75.15	76.53	76.56	76.75	77.62	78.27
Service vehicles	25	25	27	27	27	28	32	29	29	25
Parks and Recreation										
Number of developed parks	19	19	19	20	20	20	21	22	22	19
Developed park acreage	259.6 acres	259.6 acres	259.6 acres	259.6 acres	259.6 acres	259.6 acres	261.85 acres	262.38 acres	262.38 acres	224.56
Undeveloped parks	7	7	8	9	9	9	11	10	11	8
Undeveloped park acreage	58.21 acres	58.88 acres	59.41 acres	62.41 acres	62.41 acres	62.41 acres	64.81 acres	66.9 acres	67.17 acres	59.87
"Open Space" properties							8	8	8	8
"Open Space" acreage							6.3	6.3	6.3	6.71
Paradise Path System	2.23 miles	2.36 miles	2.61 miles	2.61 miles	2.61 miles	2.61 miles	2.61 miles	2.61 miles	2.61 miles	3.22
Eggan Youth Center	1	1	1	1	1	1	1	1	1	1
1912 Center	1	1	1	1	1	1	1	1	1	1
Hamilton Indoor Recreation Center	1	1	1	1	1	1	1	1	1	1
Hamilton-Lowe Aquatics Center (swimming pools)	2	2	2	2	2	2	2	2	2	1
Service vehicles	23	24	25	32	32	32	32	32	32	46
Water										
Miles of water mains	93.25	93.3	93.72	94.55	94.55	94.35	94.41	94.41	94.95	95.99
Service vehicles	13	15	17	19	19	17	19	19	19	17
Wastewater										
Miles of sanitary sewers	90.06	90.06	90.08	83.13	83.23	83.51	84.25	84.62	84.78	84.9
Miles of storm sewers	55.48	57.37	58.4	59.44	59.52	59.8	60.5	60.5	60.46	63.82
Service vehicles	9	10	10	13	13	13	12	12	12	12

Note: The City implemented GASB Statement No. 34 in fiscal year 2003.

Compliance Reporting

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ACCOUNTING AND CONSULTING

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INDEPENDENT AUDITOR'S REPORT - *GOVERNMENT AUDITING STANDARDS*

Members of the City Council
City of Moscow, Idaho
Moscow, Idaho

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 the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moscow, Idaho, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Moscow, Idaho's basic financial statements and have issued our report thereon dated February 28, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Moscow, Idaho's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Moscow, Idaho's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Moscow, Idaho'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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Lewiston Office: 1216 Idaho Street, Lewiston, Idaho 83501, (208) 746-8281
Grangeville Office: 109 South Mill Street, Grangeville, Idaho 83530, (208) 983-1254
Orofino Office: 216 Johnson Avenue, P.O. Box 632, Orofino, Idaho 83544, (208) 476-3012
Pullman Office: 1230 SE Bishop Blvd., Pullman, Washington 99163, (509) 332-6541

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Presnell Gage PLLC

February 28, 2018

Presnell Gage, PLLC
ACCOUNTING AND CONSULTING

609 South Washington, Suite 202
Moscow, Idaho 83843
www.presnellgage.com

(208) 882-2211

Fax: (208) 883-3808

INDEPENDENT AUDITOR'S REPORT – *UNIFORM GUIDANCE*

Members of City Council
City of Moscow, Idaho
Moscow, Idaho

Report on Compliance for Each Major Federal Program

We have audited the City of Moscow, Idaho's, compliance with the types of compliance requirements described in the OMB's *Compliance Supplement,* that could have a direct and material effect on each of the City of Moscow, Idaho's major federal programs for the year ended September 30, 2017. The City of Moscow, Idaho's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Moscow, Idaho's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the *Uniform Guidance* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Moscow, Idaho's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Moscow, Idaho's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Moscow, Idaho, 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 September 30, 2017.

Lewiston Office: 1216 Idaho Street, Lewiston, Idaho 83501, (208) 746-8281
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Pullman Office: 1230 SE Bishop Blvd., Pullman, Washington 99163, (509) 332-6541

Report on Internal Control Over Compliance

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

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

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

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

PRESNELL GAGE PLLC

February 28, 2018

CITY OF MOSCOW, IDAHO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2017

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
* Material weakness(es) identified	_____ yes _X_ no
* Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ yes _X_ none reported
Noncompliance material to financial statements noted?	_____ yes _X_ no

Federal Awards

Internal control over major programs:	
* Material weakness(es) identified	_____ yes _X_ no
* Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ yes _X_ none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance	_____ yes _X_ no

Identification of major programs:

CFDA Numbers	Name of federal program or cluster
66.468	Capitalization Grants for Drinking Water

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	____ yes _X_ no

CITY OF MOSCOW, IDAHO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2017

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

CITY OF MOSCOW, IDAHO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - MODIFIED ACCRUAL BASIS
Year Ended September 30, 2017

	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
DEPARTMENT OF TRANSPORTATION				
Passed through the State of				
Idaho - Transportation Department				
Highway Planning and Construction	20.205		None	$ 8,126
Total Highway Planning and Construction Cluster				8,126
Passed through the State of				
Idaho - Transportation Department				
Highway Safety Grant	20.600		None	41,327
National Priority Safety Programs	20.616		None	22,640
Total Highway Safety Cluster				63,967
Passed through the State of				
Idaho - Transportation Department				
	20.526		None	25,881
Passed through the State of				
Idaho - Transportation Department				
Public Transportation for Nonurbanized Areas	20.509		None	831
				831
Total for Department of Transpiration				98,805
NATIONAL ENDOWMENT OF THE ARTS				
Passed through the State of				
Idaho				
Promotion of the Arts Grants	45.024		None	8,708
				8,708
DEPARTMENT OF JUSTICE				
Passed through the State of				
Idaho - Attorney General				
Missing Children	16.543		None	4,965
Total for Department of Justice				4,965
ENVIRONMENTAL PROTECTION AGENCY				
Capitalization Grants for Drinking Water State				
Revolving Funds	66.468		None	1,138,008 *
Total Drinking Water State Revolving Funds Cluster				1,138,008
Total for Environmental Protection Agency				1,138,008
DEPARTMENT OF HOMELAND SECURITY				
Passed through the State of				
Idaho - Military Division				
Homeland Security Grant Program	97.036		None	283,981
Total for Department of Homeland Security				283,981
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 1,534,467

CITY OF MOSCOW, IDAHO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - MODIFIED ACCRUAL BASIS
Year Ended September 30, 2017

Note 1. Basis of Presentation

BASIS OF PRESENTATION - SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The schedule of expenditures of federal awards includes the federal grant awards of the City of Moscow, Idaho, and is presented on the accrual basis of accounting. 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*). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the presentation of the basic financial statements.

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.

DE MINIMIS INDIRECT COST RATE

The City of Moscow, Idaho, has elected not to use the 10-percent *de minimis indirect cost* rate allowed under the *Uniform Guidance.*

* Major program

MOSCOW CITY COUNCIL AGENDA
Meeting Date: 03/19/2018
Title: Moscow Urban Renewal Agency 2017 Annual Report
Responsible Staff: Bill Belknap

Information

DESCRIPTION: In compliance with Idaho Code, all urban renewal agencies are required to file an annual report describing the activities of the agency for the preceding year with the local governing body by March 31st of each year. Agencies are required to hold a public meeting to report the findings of the annual report and to take comments from the public prior to filing the report with the governing body. The Moscow Urban Renewal Agency held their public meeting to accept and approve the annual report on March 1, 2018 and it is now being presented to the City Council.

STAFF RECOMMENDATION: Accept the MURA 2017 Annual Report.

PROPOSED ACTIONS: Accept the MURA 2017 Annual Report; or take such other action deemed appropriate.

Necessary Resources/Impacts

<Type your fiscal/personnel/miscellaneous impacts here or N/A>

Attachments

MURA Annual Report for 2017
RES 2018-01 Approving Annual Report

MOSCOW
Urban Renewal Agency
IDAHO

Annual Report

& Financial Statements for Fiscal Year 2017

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2017 Annual Report

2017 ANNUAL REPORT FOR THE MOSCOW URBAN RENEWAL AGENCY

The Mission of the Agency (Agency) is to promote and support projects that achieve sustainable economic growth, vitality, and which enhance the community.

Per Idaho Code §50-2006(c), urban renewal agencies are to provide an annual report by March 31st of each year to the jurisdiction's governing body. For the Agency that is the Moscow City Council. This report is submitted in fulfillment of that requirement and to provide information to the public. The report will be available from February 16th through March 1st, for inspection during business hours in the Urban Renewal Agency's office or on the Agency website at www.moscowura.com.

As required by Idaho Code §50-2006(c), the Agency will consider for approval the draft annual report of the Agency's 2017 activities at their meeting on March 1st, 2018. Written comments are welcomed and may be submitted to the Agency in advance of the meeting. Comments and responses from that period will be included in the final version of this report.

The comment period will remain open from February 15, 2018 to March 1, 2018.

FOR MORE INFORMATION…

As required by Idaho Code §50-2011(f), the annual report identifies the real property held by the Agency and sets forth the reasons such property remains unsold and indicates the Agency's plans for disposition of the real property, if necessary. If you have any questions or to submit comments, please contact:

Bill Belknap, Executive Director
221 E. Second Street Moscow, Idaho 83843
(208)883-7011
www.moscowura.com
bbelknap@ci.moscow.id.us

Understanding URAs

Urban renewal and revenue allocation financing are the most significant tools available to Idaho communities for attracting and retaining businesses, generating economic development, promoting job creation and encouraging development of deteriorating and underutilized areas. The State of Idaho provides limited options for cities and counties to use in financing site preparation, infrastructure and other needed incentives necessary to attract and retain businesses. Revenue allocation financing allows communities to make a site ready for development, including extending water, sewer, streets and other improvements that reduce the cost to businesses of relocating or expanding.

Urban renewal and revenue allocation financing is particularly important because of the competitive nature of economic development, where Idaho communities face competition from communities in other states or countries where incentives such as tax abatements, local revenue sharing, and incentives for recruitment often exist. Many Idaho cities (some with more than one project area), have chosen these tools to revitalize their city. The positive impacts of urban renewal can be seen across the state of Idaho.

MOSCOW
Urban Renewal Agency

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Moscow Urban Renewal Agency

Moscow Urban Renewal Agency Profile

The Agency was organized by the Moscow City Council in 1995 pursuant to resolution 95-08 in accordance with Idaho Urban Renewal Law, Ch. 20, Title 50, Idaho Code (the "Law") and the Local Economic Development Act, Ch. 29, Title 50, Idaho Code (the "Act"). The Agency acts as an arm of the Idaho State government, entirely separate and distinct from the City of Moscow as provided in Idaho Code Section 50-2006.

The purpose of the Agency is to undertake urban renewal projects in areas designated by the City of Moscow to be deteriorating, and to undertake this rehabilitation, conservation, redevelopment or a combination thereof in the interest of the public health, safety, morals or welfare of the residents of the City of Moscow.

The Agency is comprised of seven Commissioners appointed by the Mayor and confirmed by the City Council, with terms as specified by the Mayor as authorized by Moscow City Council Resolution 2008-17. Membership is constituted as follows: Two (2) members of the Moscow City Council; one (1) member of the Latah County Commission; and, four (4) members from the citizenry at large. Terms are staggered in such a fashion that no more than three (3) expire in any given year. The Board of Commissioners elects the Chairman, Vice-Chairman and Secretary from the ranks of the Commission; the Treasurer office may be filled by Commissioners or by staff appointments made by the Commission.

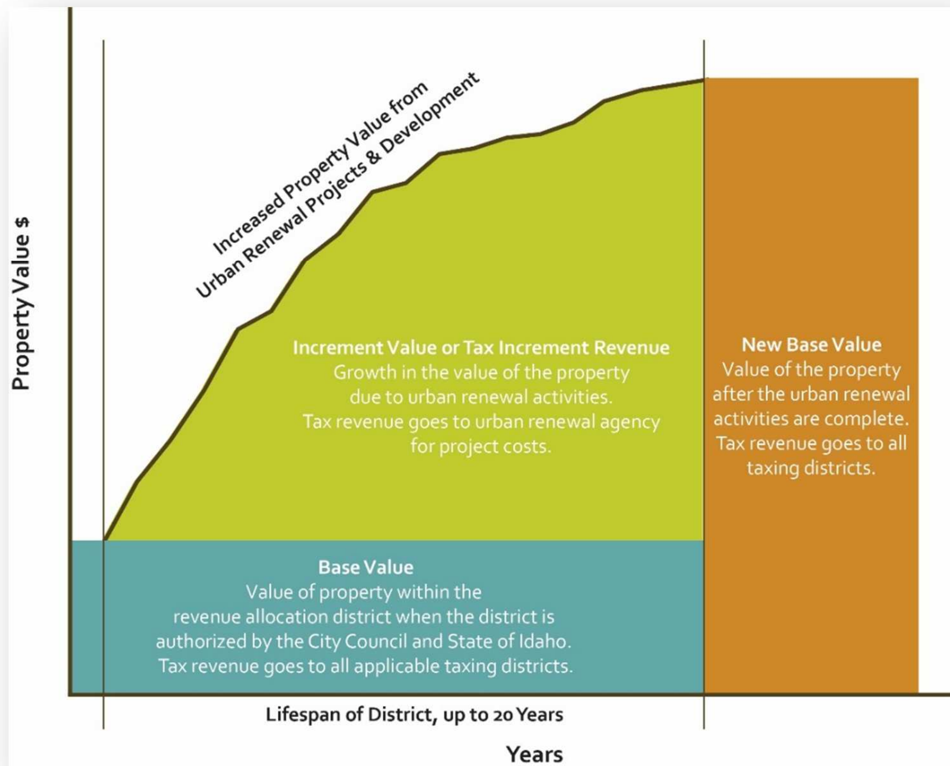
The Chairperson is the Chief Presiding Officer of the Agency. The Chair executes all deeds, bonds, contracts and other legal documents authorized by the Commission. Some of the Chair's duties may be delegated by the Board of Commissioners to the Agency's Executive Director who oversees the day-to-day operations of the Agency and carries out the policies of the Board.

Comtech EF Data Corporation

Urban Renewal Agency
MOSCOW

The City of Moscow is responsible for defining the geographic boundaries and legal creation of all urban renewal districts within the city. The Alturas Technology Park District was created in 1995 and the Legacy Crossing District was created in 2008. The Agency works with the City of Moscow and the private sector to remedy blight and to facilitate economic development within these two districts. The Agency's activities within these districts are directed by specific urban renewal plans adopted by the Moscow City Council. The Agency provides funding for these efforts through the use of tax incremental financing.

As illustrated in the graphic on this page, when the city establishes a tax increment financing district, the value on the property in the district is set as of the date the district is created. The property tax revenue collected on this base value goes to the various taxing entities providing services to that property. Any increase in value over the base is called the increment value and the tax revenue generated from the increment value is transferred to the Agency.

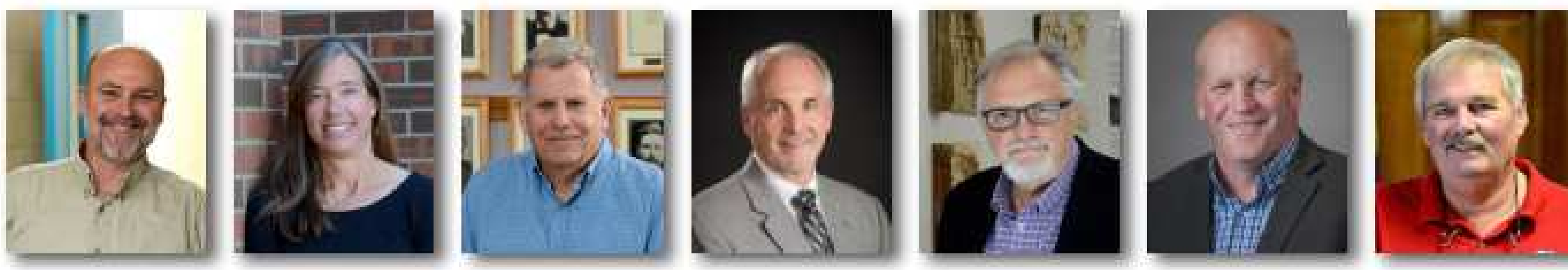


These tax increment revenues are used by the Agency to pay for public improvements and other revitalization activities in that district. When the district closes (previously 24 years when the Legacy Crossing District was created and now currently 20 years), the increment value is added back to the base value on the tax rolls. This helps diversify and strengthen the economic bases of both the city and the county.

Though urban renewal is a separate item on property tax statements, local property owners pay the same amount of tax whether or not an urban renewal district is established in their area.

AGENCY BOARD OF COMMISSIONERS

The Agency is comprised of seven Commissioners appointed by the Mayor, and confirmed by the City Council, with terms specified by the Mayor, as authorized by Moscow City Council Resolution 2008-17. Officers of the agency consist of a Chairperson, Vice Chairperson, Secretary and Treasurer. Formal policy decisions are made by the Agency Board of Commissioners. In all significant financial matters the Board receives recommendations from a standing Finance Committee that is comprised of two Board members and three community members. For 2017 the Finance Committee membership included Chair McGeehan, Commissioner Smith, Brian Foisy and Jon Kimberling with the additional community member position vacant.



2017 MURA Board *(pictured from left to right)*
Steve McGeehan, Chair
Brandy Sullivan, Vice Chair
Art Bettge, Secretary
Ron Smith, Commissioner
Steve Drown, Commissioner
Dave McGraw, Commissioner
John Weber, Commissioner

SIGNIFICANT AGENCY ACHIEVEMENTS FOR 2017

The Agency was active during 2017 with a number of accomplishments. Below are a few selected Agency achievements from 2017:

- **Adoption of MURA Strategic Plan:** In 2017 the MURA Board conducted a strategic planning process to develop a 5-year strategic plan for the Agency to help guide the activities of the Board and increase public awareness of the Agency's mission and purpose. This effort was concluded with the adoption of the strategic plan in February of 2017.

- **New Agency Website:** In 2017 the MURA completed and launched a new website intended to provide a more intuitive and attractive user experience, provide greater access to MURA records and documents, and provide increased public communication regarding the activities of the Agency.

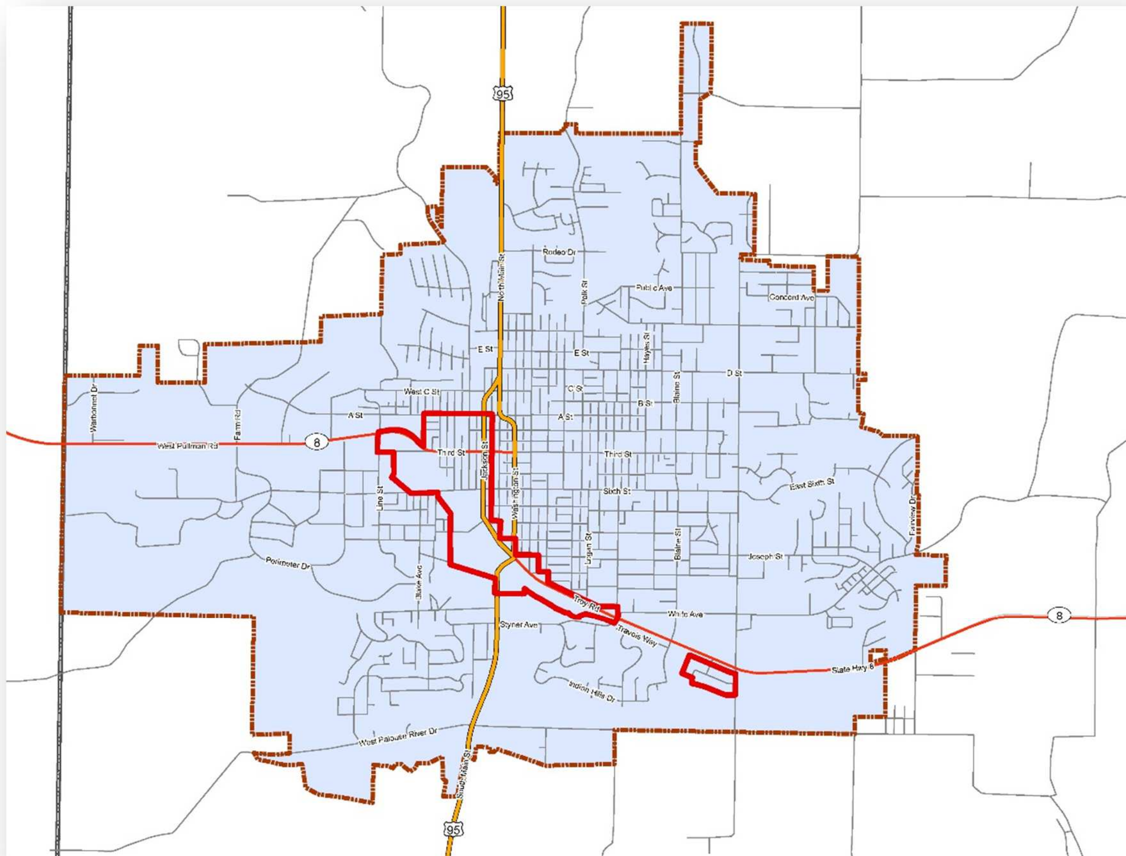
- **Completion of Environmental Remediation of 6th and Jackson Property:** The MURA completed the active construction phase of the environmental remediation of the 6th and Jackson Property and received the Certificate of Completion and Covenant Not to Sue from the State of Idaho Department of Environmental Quality in April of 2017, clearing the way for future development on the site.

- **Contributions to Valuable Community Projects:** The MURA contributed to several public projects in 2017, including a $27,000 contribution to the Downtown Restroom Project, a $10,000 contribution to Idaho Transportation Department for sidewalk improvements associated with the Latah Paving Project, and future commitments of $15,000 toward the Highway 8 Pedestrian/Bike Underpass Project and $87,000 toward the 3rd Street Corridor Streetscape and Pedestrian Safety Improvement Project.

- **Private Development Partnerships:** The MURA Board partnered in over $40 million in private development projects to assist in funding the cost of needed public infrastructure, environmental remediation and roadway and access improvements through Owner Participation Agreements (OPA). Through the OPA, the Agency reimburses the developer for identified public improvements from increased property taxes that result from the private investment. New OPAs approved in 2016 include the Gritman Medical Office Building, Identity on Main, Dawson's Corner and Third and Jackson projects.

The Districts of the Agency

The Agency historically operated two urban renewal districts: The Alturas Technology Park and Legacy Crossing. The smaller Alturas Technology Park District was closed in 2015 and was located in the southeastern area of the City along State Highway 8, while the larger Legacy Crossing District is located just west of downtown near the University of Idaho Campus.



Applying a variety of redevelopment strategies to improve economic conditions and enhance the quality of life across the city, the Agency's catalog of projects demonstrates that there is no one-size-fits-all solution for community redevelopment. When taken as a whole, this diversity of efforts translates into a cohesive framework, serving critical community, business, and economic development needs.

Moscow Urban Renewal Agency

Alturas Technology Park Urban Renewal District

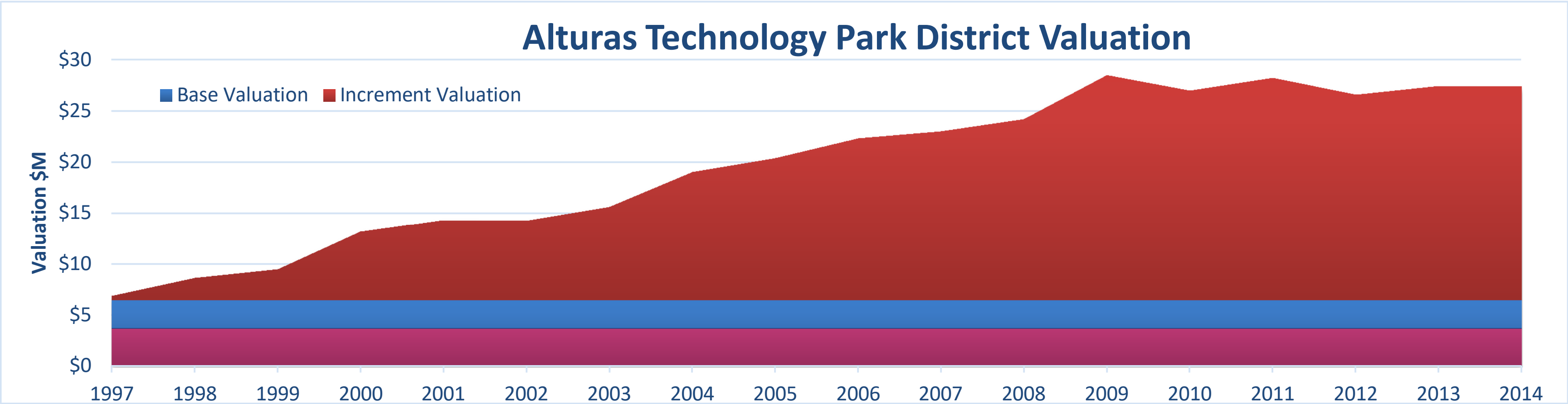
Alturas Fast Facts

- Established: 1996
- 34 Acres - Revenue Allocation Area
- 13.5 Acres – Project Area
- Base Value:$6.48 Million
- 2015 Value: $27.4 Million
- Closure Date: 2015

The Alturas Technology Park is the Agency's first District and is currently home to many of Moscow's premier high-tech companies, including Comtech EF Data Corporation, Alturas Analytics, Inc., Anatek Labs, Inc., and BioTracking, LLC. The majority of these firms are linked to outside/non-local markets and are considered primary industries. Wealth enters the local economy principally by way of these industry types.

Established in 1996, the assessed value of property within the revenue allocation area was approximately $6.4 million. Improvements and developments made as a result of the Alturas Research and Technology Park Urban Renewal Plan have assisted in increasing property values dramatically and today the same area is valued at more than $27 million.

The export industries within the Alturas Technology Park have a profound economic impact on the Moscow economy. As of the closure of the District, these companies had a total payroll of over $6 million and paid an average wage of over $50,000, which is significantly higher than the city's median household income of $35,389. During that period, the park contributed an estimated adjusted impact of $26.7 million to the local community.



On July 22, 2015, the Agency passed Resolution 2015-02 recommending termination of the Alturas Technology Park revenue allocation area to the Moscow City Council. Following this recommendation, the City Council passed Ordinance 2015-15 terminating the Alturas revenue allocation area. Therefore the Agency will not receive any future tax increment revenues beyond the 2015 fiscal year. The Agency was pleased to be able to close the revenue allocation area a year ahead of the schedule and allow the tax revenues to return to the taxing districts as soon as possible.

Moscow Urban Renewal Agency

Legacy Crossing Urban Renewal District

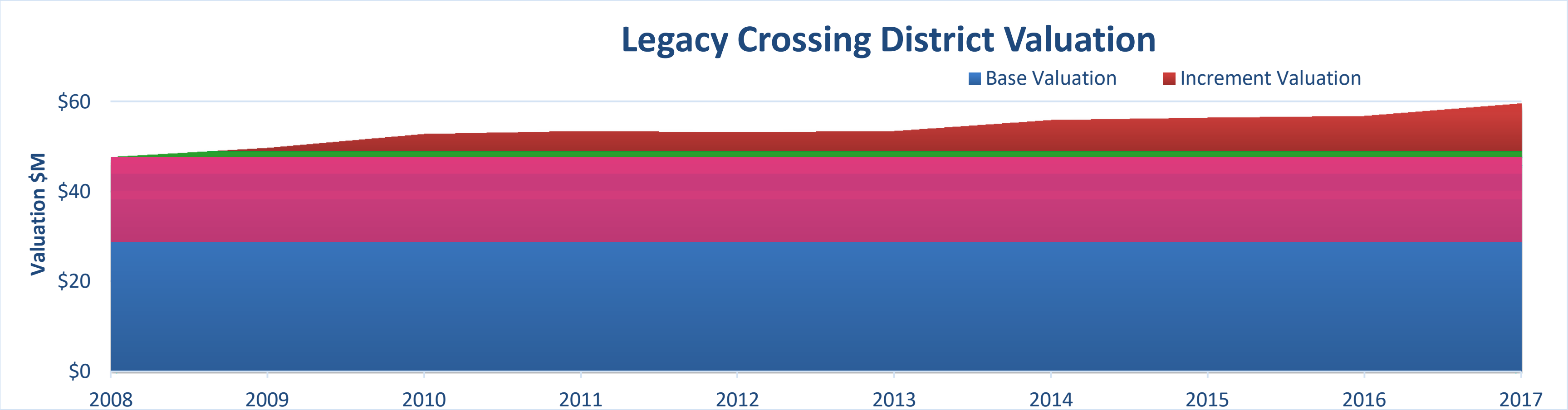
Legacy Crossing Fast Facts

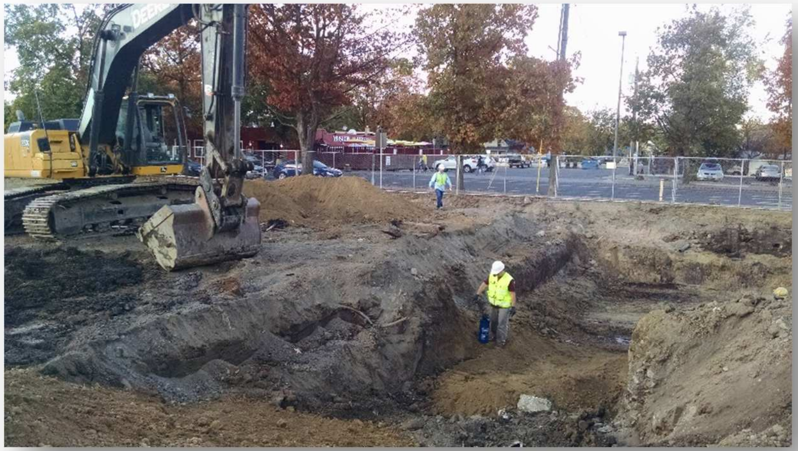
- Established: 2008
- 163 Acres
- Base Value:$47.76 Million
- 2016 Value: $59.7 Million
- Closure Date: 2032

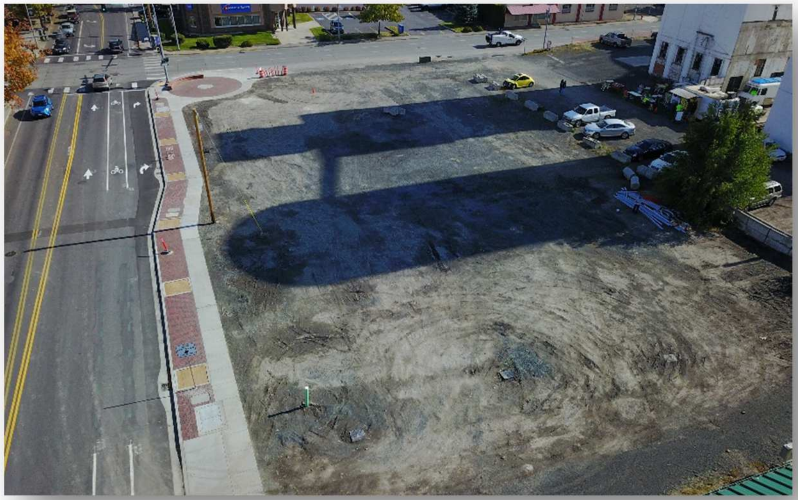
The Legacy Crossing District was created in June of 2008 and is the Agency's second urban renewal district. The Legacy Crossing District covers approximately 163 acres and includes a majority of the blighted and underutilized properties located between Moscow's historic downtown and the University of Idaho.

By definition, reurbanization involves redeveloping already urbanized areas, which decreases pressure for development of greenfield sites outside the City. Reurbanization provides an opportunity to learn from mistakes of the past and to create high-quality, livable urban environments while building at a human scale. Reurbanization can ensure a range of places where new kinds of businesses can locate and promote diversity of housing types and choice. Finally, reurbanization can support community building and social integration.

In 2017 development continued to expand with over $40 Million in new development under construction or in the planning phases within the District. Gritman Medical Park completed the construction of a new $10 Million 54,000 square foot medical office building that houses the CHAS Latah Community Health offices that provides health care on an income cost basis to the regions residents; it also houses the University of Idaho medical program anatomy lab and medical education facility. Nearby within the District, the $24 Million Identity on Main mixed use project began construction with a projected completion in summer of 2018.







In 2010, the Agency purchased a property within the District located at the southwestern corner of the intersection of 6th and Jackson streets. The property was purchased to enhance opportunities to connect downtown Moscow to the University of Idaho campus. The Agency and the City of Moscow understood that the property was the keystone to connectivity between the University and downtown and to the development of Hello Walk.

The Agency applied for and was successful in obtaining an EPA cleanup grant in the amount of $115,317. The EPA cleanup grant was utilized to conduct the actual remediation and monitoring of the property, which will allow for its re-use. The active cleanup construction was completed in the fall 2016 and the Agency received the Certificate of Completion and Covenant Not to Sue from the State of Idaho Department of Environmental Quality in April of 2017, clearing the way for future development on the site.

In response to an RFP issued in the fall of 2014, Sangria Downtown LLC was selected as the successful respondent and in April of 2015 the Agency entered into an Exclusive Negotiation Agreement (ENA) with Sangria Downtown LLC. The ENA guides discussions regarding development nature and form, agency project assistance, and conditions and obligations of disposition. The goal of the ENA is to provide a process for negotiating a Disposition and Development Agreement (DDA) to formally document terms of transaction and responsibilities of the parties. The DDA was approved by the Board on October 26, 2017. The proposal from Sangria Downtown LLC included a two-story mixed-use development that is proposed to house the

Sangria Grill restaurant on the ground floor with 12 apartments located on the second floor. Sangria Downtown LLC is currently finalizing their development plans with construction scheduled to begin in the spring/summer of 2018.

District	Property Address	Parcel Number	SF /Acres	Planned Reuse
Alturas	1362 Alturas Drive	RPM00270010020	29,412/SF	Fee Simple Sale
Alturas	1412 Alturas Drive	RPM00270010030	28,370/SF	Fee Simple Sale
Alturas	1425 Alturas Drive	RPM00270020040	38,885/SF	Fee Simple Sale
Alturas	1383 Alturas Drive	RPM00270020030	36,997/SF	Fee Simple Sale
Alturas	1345 Alturas Drive	RPM00270020020	34,531/SF	Fee Simple Sale
Alturas	1293 Alturas Drive	RPM00270020010	35,029/SF	Fee Simple Sale
Legacy	Lot located at the southwestern corner of the intersection of 6th and Jackson streets	RPM00000180025	0.87 Acres	Public pathway, public plaza, and future fee simple sale

As noted above, the Agency owns six (6) lots within the Alturas Technology Park District and one (1) lot within the Legacy Crossing District. The Alturas lots are actively marketed for sale to technology and research based businesses in accordance with the applicable zoning regulations and private covenants upon the property.

MOSCOW Urban Renewal Agency

Public Comments & Response

MURA – Public Comment on the Annual Report. March 1, 2018. From Victoria Seever at 121 N. Lilly, Moscow ID.

I have 2 small edits, a writing observation, and one comment.

1) Pg 4, paragraph 3, beginning "These tax increments....." Needs a comma after the clause "When the district closes (previously 24 years .....), [comma]

2) Pg 10, paragraph 3, beginning "In 2017..... "CHAS..." offices that provide health care ..... to ... residents; [semicolon] [and then add] it also "houses the University of Idaho medical program ....." Otherwise, the statement reads that the UI is providing health care to CHAS.

3) Pg 10, paragraph 2. I want to call attention to how "reurbanization" highlights a social context along with the economics. This single paragraph alone ~~effectly~~ effectively sells the whole URA purpose. Followed by the specifics, including major public health and educational entities, a brownfield restoration, smart growth factors, enhancing the town-gown connection, and a Keystone mixed-use development and a second new development — presents a glowing report of the essential value of a URA.

con't

Seever - con't

4) I think the MURA is an exciting partner to this community, which

- brings social and economic opportunity,
- provides purposeful financial contributions and vision,
- enhances Moscow's community brand,
- and is doing one heck of a fine job.

Thank you.

Legal Notice

141532

LEGAL NOTICE

As required by Idaho Code §50-2006(c), the Moscow Urban Renewal Agency will consider for approval the Annual Report of the Agency's 2017 activities at the Agency's upcoming March 1, 2018 meeting to be held at 7:00 AM in Council Chambers of Moscow City Hall located at 206 E. Third Street. Beginning on February 16, 2018, the report will be available for public review during business hours in the office of the Moscow Urban Renewal Agency Clerk located at 221 E. Second Street, or on the Urban Renewal Agency's website: http://moscowura.com/. Written comments may be submitted to the Agency in advance of the meeting or may be provided during the meeting. As required by Idaho Code §50-2011(f), the annual report identifies the real property held by the Agency and sets forth the reasons such property remains unsold and indicates the Agency's plans for disposition of the real property, if necessary. If you have any questions or to submit comments, please contact MURA Executive Director Bill J. Belknap at (208) 883-7011 or bbelknap@ci.moscow.id.us.

Publish: February 17, 2018

FINANCIAL STATEMENTS

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

STATEMENT OF NET POSITION
September 30, 2017

	Governmental Activities
ASSETS	
Cash and investments	$ 596,073
Receivables	2,425
Land held for sale	531,256
Other assets	5,260
Capital assets	
Land	679,420
Total assets	1,814,434
DEFERRED OUTFLOWS OF RESOURCES	0
LIABILITIES	
Accounts payable	122,049
Deposit payable	5,000
Series 2010 Bond - due within one year	28,000
Latah County payback agreement - due within one year	3,500
Series 2010 Bond - due after one year	319,000
Latah County payback agreement - due after one year	101,537
Total liabilities	579,086
DEFERRED INFLOWS OF RESOURCES	0
NET POSITION	
Net investment in capital assets	376,732
Restricted	
Debt service	44,312
Unrestricted	814,304
Total net position	$ 1,235,348

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

STATEMENT OF ACTIVITIES
Year Ended September 30, 2017

	Expenses	Program Revenues: Operating Grants and Contributions	Net Revenue (Expense) and Changes in Net Position: Governmental Activities
GOVERNMENTAL ACTIVITIES			
Project administration	$ 256,316	$ 14,724	$ (241,592)
Interest expense	14,536		(14,536)
Total governmental activities	270,852	14,724	(256,128)
GENERAL REVENUES			
Property taxes levied for general purposes			179,343
Investment income/losses			4,116
Total general revenues			183,459
Change in net position			(72,669)
NET POSITION, beginning of year			1,308,017
NET POSITION, end of year			$ 1,235,348

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2017

	General	Legacy Crossing District	Total
ASSETS			
Cash and investments	$ 60,369	$ 535,704	$ 596,073
Receivables		2,425	2,425
Other assets		5,260	5,260
Land held for sale	531,256		531,256
Total assets	591,625	543,389	1,135,014
DEFERRED OUTFLOWS OF RESOURCES	0	0	0
Total assets and deferred outflows of resources	$ 591,625	$ 543,389	$ 1,135,014
LIABILITIES			
Accounts payable	$ 2,981	$ 119,068	$ 122,049
Deposit payable		5,000	5,000
Total liabilities	2,981	124,068	127,049
DEFERRED INFLOWS OF RESOURCES	0	0	0
FUND BALANCE			
Nonspendable	531,256		531,256
Restricted for debt service		44,312	44,312
Assigned		375,009	375,009
Unassigned	57,388		57,388
Total fund balance	588,644	419,321	1,007,965
Total liabilities, deferred inflows of resources, and fund balance	$ 591,625	$ 543,389	$ 1,135,014

RECONCILIATION OF THE STATEMENT OF NET POSITION TO THE BALANCE SHEET - GOVERNMENTAL FUNDS

Total fund balance - Governmental Funds	$ 1,007,965
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are financial resources and, therefore, are not reported in the funds	679,420
Long-term liabilities, consisting of bonds payable and tax repayment agreement, are due and payable in the current period and, therefore, are not reported in the funds	(452,037)
Total net position - Governmental Activities	$ 1,235,348

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended September 30, 2017

	General	Legacy Crossing District	Total
REVENUES			
Property taxes		$ 179,343	$ 179,343
Grants and contributions		14,724	14,724
Investment income/losses	$ 4,116		4,116
Total revenues	4,116	194,067	198,183
EXPENDITURES			
Current			
Legal and professional fees	8,007	9,023	17,030
Insurance	1,507		1,507
Advertising	293		293
Management services	46,350		46,350
Repairs and maintenance	2,974		2,974
Land incentive agreement		27,111	27,111
Development participation		157,340	157,340
Other administration expenses	472	3,239	3,711
Debt Service			
Principal retirement		30,500	30,500
Interest		14,536	14,536
Capital outlay			
Land		23,164	23,164
Total expenditures	59,603	264,913	324,516
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(55,487)	(70,846)	(126,333)
OTHER FINANCING SOURCES (USES)			
Operating transfers	35,000	(35,000)	0
Total other financing sources (uses)	35,000	(35,000)	0
Net change in fund balances	(20,487)	(105,846)	(126,333)
FUND BALANCES AT BEGINNING OF YEAR	609,131	525,167	1,134,298
FUND BALANCES AT END OF YEAR	$ 588,644	$ 419,321	$ 1,007,965

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2017

Net change in fund balances - Governmental Funds	$ (126,333)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Current year capital outlay	23,164
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:	
Principal payments made on long-term debt	30,500
Change in net position - Governmental Activities	$ (72,669)

See accompanying notes
21

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
GENERAL FUND
Year Ended September 30, 2017

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Investment income/losses	$ 1,000	$ 4,116	$ 3,116
Total revenues	1,000	4,116	3,116
EXPENDITURES			
Current			
Legal and professional fees	12,000	8,007	3,993
Insurance	1,650	1,507	143
Advertising	5,000	293	4,707
Management services	46,350	46,350	0
Repairs and maintenance	5,000	2,974	2,026
Other administration expenses	3,000	472	2,528
Total expenditures	73,000	59,603	13,397
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(72,000)	(55,487)	16,513
OTHER FINANCING SOURCES (USES)			
Operating transfers	64,000	35,000	(29,000)
Total other financing sources (uses)	64,000	35,000	(29,000)
Net change in fund balances	(8,000)	(20,487)	(12,487)
FUND BALANCES BEGINNING OF YEAR	8,000	609,131	601,131
FUND BALANCES END OF YEAR	$ 0	$ 588,644	$ 588,644

MOSCOW URBAN RENEWAL AGENCY, MOSCOW, IDAHO

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - GOVERNMENTAL FUNDS
LEGACY CROSSING DISTRICT FUND
Year Ended September 30, 2017

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	$ 182,500	$ 179,343	$ (3,157)
Grants and contributions		14,724	14,724
Total revenues	182,500	194,067	11,567
EXPENDITURES			
Current			
Legal and professional fees	21,790	9,023	12,767
Advertising	2,000		2,000
Land incentive agreement	8,300	27,111	(18,811)
Development participation		157,340	(157,340)
Other administration expenses	4,000	3,239	761
Debt service			
Principal retirement	376,000	30,500	345,500
Interest	17,286	14,536	2,750
Capital outlay			
Land		23,164	(23,164)
Improvements	501,825		501,825
Contingency	15,000		15,000
Total expenditures	946,201	264,913	681,288
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(763,701)	(70,846)	692,855
OTHER FINANCING SOURCES (USES)			
Proceeds from sale	500,000		(500,000)
Operating transfers	(64,000)	(35,000)	29,000
Total other financing sources (uses)	436,000	(35,000)	(471,000)
Net change in fund balances	(327,701)	(105,846)	221,855
FUND BALANCES BEGINNING OF YEAR	327,701	525,167	197,466
FUND BALANCES END OF YEAR	$ 0	$ 419,321	$ 419,321

MOSCOW URBAN RENEWAL AGENCY

RESOLUTION NO. 2018-01

BY THE BOARD OF COMMISSIONERS OF THE URBAN RENEWAL AGENCY OF MOSCOW, IDAHO:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE MOSCOW URBAN RENEWAL AGENCY, TO BE TERMED THE "ANNUAL REPORT RESOLUTION," APPROVING THE ANNUAL REPORT OF THE URBAN RENEWAL AGENCY, FOR CALENDAR YEAR 2017; APPROVING THE NOTICE OF FILING THE ANNUAL REPORT; DIRECTING THE CHAIR TO SUBMIT SAID REPORT; AND PROVIDING AN EFFECTIVE DATE.

THIS RESOLUTION, made on the date hereinafter set forth by the Moscow Urban Renewal Agency, an independent public body corporate and politic, authorized under the authority of the Idaho Urban Renewal Law of 1965, as amended, Chapter 20, Title 50, Idaho Code, a duly created and functioning urban renewal agency for Moscow, Idaho, hereinafter referred to as the "Agency."

WHEREAS, pursuant to Section 20-2006(c), Idaho Code, the Agency is required to prepare an annual report and submit the annual report to the Mayor of the city of Moscow, Idaho, on or before March 31 of each year.

WHEREAS, pursuant to Idaho Code Section 50-2006(c), the Agency has prepared an annual report of the Agency's activities for calendar year 2017, a copy of which report is attached hereto as Exhibit A and is incorporated herein by reference; and

WHEREAS, on February 17, 2018 the Agency published public notice that the 2017 Annual Report would be available for public inspection beginning on February 20th would be presented at the Agency's March 1st meeting during which, or prior to, the public was invited to provide comment; and

WHEREAS, on March 1, 2018, pursuant to Section 50-2006(c), Idaho Code, the Agency held an open public meeting, properly noticed, to report these findings during the Agency's meeting held at 206 E. Third Street, Moscow, Idaho.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE MOSCOW URBAN RENEWAL AGENCY, AS FOLLOWS:

Section 1: That the above statements are true and correct.

Section 2. That the annual report attached hereto as Exhibit A is hereby approved and adopted by the Agency Board.

Section 3: That the Chair shall submit said annual report to the city of Moscow, Idaho, on or before March 31, 2018.

Section 4: That this Resolution shall be in full force and effect immediately upon its adoption and approval.

PASSED AND ADOPTED by the Moscow Urban Renewal Agency, on March 1, 2018. Signed by the Chairman of the Board of Commissioners, and attested by the Vice Chair of the Board of Commissioners, on March 1, 2018.

URBAN RENEWAL AGENCY CORPORATE SEAL CITY OF MOSCOW

APPROVED:

By ______________________________
Steve McGeehan, Chair

ATTEST:

By ______________________________
Brandy Sullivan, Vice Chair

MOSCOW CITY COUNCIL AGENDA
Meeting Date: 03/19/2018
Title: FY18 Local Strategic Initiatives Program - Grant Award - LHTAC/Local Agreement
Responsible Staff: Les MacDonald

Information

DESCRIPTION: The funding for a state grant opportunity called Local Strategic Initiative (LSI) was established in 2017 as part of the Idaho State Surplus Eliminator Program. The program is designed to fund "shovel ready" maintenance projects that address safety and mobility and can be ready for bid within 90 days of the grant award acceptance. City staff submitted a grant request for the LSI program in December 2017 requesting $477,450 to fund the 2018 Pavement Preservation Project. The proposed project included the application of approximately 269,200 square yards of slurry seal on city streets at various locations throughout Moscow. On February 21, 2018, the City received a letter of award detailing project implementation instructions and a Local Agreement with the Local Highway Technical Assistance Council (LHTAC), Program Administrator. The award is for the full amount requested of $477,450 with no match requirements. This was reviewed and recommended for approval by the Public Works/Finance Committee on March 12, 2018.

STAFF RECOMMENDATION: Accept the Local Strategic Initiatives grant award and execute the LHTAC/Local Agreement for $477,450 for the 2018 Pavement Preservation Program.

PROPOSED ACTIONS: Accept the Local Strategic Initiatives grant award and execute the LHTAC/Local Agreement for $477,450 for the 2018 Pavement Preservation Program or take other action deemed appropriate.

Necessary Resources/Impacts

Administration - Grants Manager; Public Works - Engineering and Streets

Attachments

LHTAC Local Agreement LSI 18PMP

Local Highway Technical Assistance Council
3330 Grace Street
Boise, Idaho 83703

Phone 208.344.0565
Fax 208.344.0789
Toll Free 1.800.259.6841

www.lhtac.org

lhtact2
Serving Idaho
Since 1994

February 21, 2018

City of Moscow
PO Box 9203
Moscow, ID 83843-1703

RE: Local Strategic Initiatives FY 2018 Grant

Dear Sir or Madam,

Congratulations! Your application for a FY 2018 Local Strategic Initiatives (LSI) grant has been approved for funding by the Local Highway Technical Assistance Council (LHTAC).

Complete the enclosed attached agreement and return to LHTAC at your earliest convenience. Once an acceptable bid set and executed agreement is received, funds will be issued to your Jurisdiction.

Any funds received shall be used for contracting out to private enterprise for the work or project to be accomplished. You also must comply with Idaho Code Sec. 67-2309, 67-2320, 67-2803 to 67-2808 and Title 54, Chapter 19. Funds cannot be used for wages, work completed prior to award or equipment purchases/reimbursement.

Recipients will be required to notify LHTAC in the event that project expenditures require modification and/or differ from that shown on the approved application. The Project Closeout Form (PCF), available at www.lhtac.org including before/after photos are due at the end of the project by December 3, 2018. Jurisdictions who do not submit PCF documents or have an extension granted by LHTAC, will be required to repay funds. They will also be ineligible to apply for future funds until all documentation has been submitted.

LHTAC has a responsibility to report to the Legislature and evaluate the LSI program. The local jurisdiction must adhere to the following requirements:

1) Recipients will be required to provide documents on project expenditures.
2) Recipients will be required to provide before and after digital photos.
3) Recipients may be requested to provide on-site project review with LHTAC staff.

Any excess funds that cannot be used on eligible expenses must be returned to LHTAC for the LSI program.

If you have any questions, please contact Laila Kral (lkral@lhtac.org).

Sincerely,

Jeff R. Miles

Jeff Miles, PE
LHTAC Administrator

LHTAC/LOCAL AGREEMENT
2018 LOCAL STRATEGIC INITIATIVES PROGRAM
2018 PAVEMENT PRESERVATION, CITY OF MOSCOW
LSI# 18-201 (PROJECT)

PARTIES

THIS AGREEMENT is made and entered into this __________ day of ___________________, ________, by and between the **LOCAL HIGHWAY TECHNICAL ASSISTANCE COUNCIL (LHTAC)**, hereafter called LHTAC, and **City of Moscow**, acting by and through its Board or Council (Sponsor).

PURPOSE

LHTAC is administering the Local Strategic Initiatives Program (LSI) with state funds obligated from the Idaho Legislature. This program is intended to serve the local highway jurisdictions. The Sponsor has requested to receive a grant award to complete design and construction of its roadway maintenance project. The purpose of this Agreement is to set out the terms and conditions to accomplish this Project.

Authority for this Agreement is established by Senate Bill 1206 of the 2017 legislative session.

The Parties agree as follows:

SECTION I. GENERAL

1. It is necessary for Sponsor to prepare plans and bid the project as part of this Agreement.

2. State participation in the project is in the form of a grant for the amount of $477,450. No match is required. Scheduled funding for this project is listed in the approved LSI Program rankings, and subsequent revisions.
   a. 10% of grant funds can be used for engineering services (design and inspection) on a roadway project.
   b. 20% of grant funds can be used for engineering services (design and construction) on a bridge project

3. If the project is terminated prior to completion, Sponsor shall repay to LHTAC all state funds received for the project.

4. Sufficient Appropriation. It is understood and agreed that LHTAC is a governmental agency, and this Agreement shall in no way be construed so as to bind or obligate

LHTAC beyond the term of any particular appropriation of funds by the State.

SECTION II. LHTAC shall:

1. Provide the following services incidental to Project development:
   a. Provide support to the Sponsor on project bidding, procurement processes, general questions, and other technical assistance.
   b. Provide approved funding to Sponsor upon receipt of acceptable bid documents.
   c. Complete final acceptance of each Project based on Sponsor documentation and physical observation.

2. Maintain all application and award records, including source documentation for all expenditures for a period of three (3) years from the date of final acceptance. If any litigation, claim, negotiation, or audit has been started before expiration of the three-year period, the records shall be retained until completion of the action and resolution of all issues that arise from it.

3. Bill Sponsor for any state funds to be repaid by Sponsor if Project is terminated prior to completion.

4. Cancel the Agreement should Sponsor not be able to award Project to a contractor by June 1, 2018 and request Sponsor to return the funds, unless a written extension has been granted by LHTAC.

SECTION III. Sponsor shall:

1. Sponsor warrants that it will repay any state funds on this project if Project is terminated prior to completion. The Sponsor also warrants that it will repay all state funds if Project is not awarded to a contractor by June 1, 2018, unless an extension has been granted by LHTAC.

2. Provide LHTAC with bid documents by April 16, 2018.

3. Provide LHTAC with a mid-project report by July 2, 2018.

4. Provide LHTAC with before and after pictures upon completion of the project.

5. Bid and award the project following state procurement rules.

6. Complete Project and provide Project Closeout Form and financial records to LHTAC by December 3, 2018.

7. Comply with all other applicable Federal and State statutes and regulations.

8. Sponsor agrees that failure to deliver any of the specified items listed above may result in the program award being rescinded.

9. Any excess funds that cannot be used on eligible expenses shall be returned to LHTAC for the LSI program.

EXECUTION

This Agreement is executed for LHTAC by its Administrator, and executed for Sponsor by its duly appointed representative, attested to by its Clerk.

LHTAC

____
Administrator

ATTEST:

CITY OF MOSCOW

____
Clerk

____
Representative

MOSCOW CITY COUNCIL AGENDA
Meeting Date: 03/19/2018
Title: 2018 City Limits Ordinance Correction
Responsible Staff: Gary J. Riedner

Information

DESCRIPTION: Idaho State Code requires that all cities within the State of Idaho designate their legal corporate limits each year. In order to accomplish this, a new legal description of the corporate limits is developed at the beginning of the year that incorporates any and all changes to the City boundary that have occurred during the last calendar year. In order to maintain compliance with the law, the attached ordinance is presented to adopt the official legal description for the City of Moscow corporate limits.

There was one annexation in 2017, known as the Montgomery Annexation, located at the end of Warbonnet Drive north of West A Street. The City Council adopted Ordinance 2017-15 establishing and declaring corporate limits of the City of Moscow, Latah County, Idaho on December 4, 2017. Ordinance 2017-15 contained an error in the legal description. The proposed ordinance corrects that error.

STAFF RECOMMENDATION: Approve the attached ordinance amending Ordinance 2017-15 to correct an error in the legal description and establishing the new legal description for the City of Moscow corporate limits under suspension of the rules requiring three complete and separate readings and that it be read by title and published by summary.

PROPOSED ACTIONS: Approve the attached ordinance amending Ordinance 2017-15 to correct an error in the legal description and establishing the new legal description for the City of Moscow corporate limits under suspension of the rules requiring three complete and separate readings and that it be read by title and published by summary; or consider the ordinance on first reading and that it be read by title; or reject the ordinance; or take such other action deemed appropriate.

Necessary Resources/Impacts:

N/A

Attachments

Ordinance 2018-__ 2017CityLimitsCorrection

To Correct Instrument #590753
City of Moscow Ordinance No. 2018-15
Correction to Legal Description

ORDINANCE NO. 2018 - ____

AN ORDINANCE AMENDING ORDINANCE NO. 2017 - 15 OF THE CITY OF MOSCOW, IDAHO, ESTABLISHING AND DECLARING IN THIS ORDINANCE CORPORATE LIMITS OF THE CITY OF MOSCOW, LATAH COUNTY, IDAHO, IN ACCORDANCE WITH THE PROVISIONS OF THE LAWS OF THE STATE OF IDAHO RELATING TO THE ESTABLISHMENT OF THE BOUNDARIES AND THE ANNEXATION OF ADJACENT AND CONTIGUOUS TERRITORY; PROVIDING FOR REPEAL OF ANY OTHER ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT THEREWITH; PROVIDING A SEVERANCE AND SAVINGS CLAUSE; AND FOR THE EFFECTIVE DATE OF THIS ORDINANCE.

WHEREAS, On December 4, 2017, the Moscow City Council adopted Ordinance 2017-15 establishing and declaring corporate limits of the City of Moscow, Latah County, Idaho, as required by Idaho law; and

WHEREAS, Moscow City Ordinance 2017-15 contained an error in the annexed addition to the legal description in Section 2 of such ordinance; and

WHEREAS, This Ordinance amending Moscow City Ordinance 2017-15 is necessary to correct the error.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF MOSCOW, IDAHO, AS FOLLOWS:

SECTION 1: The City of Moscow, Latah County, Idaho, shall embrace, include and contain within its corporate limits all the territory embraced, included and encompassed within the lines and boundaries as this Ordinance bounded and described.

SECTION 2: The boundaries and corporate limits of the City of Moscow, Latah County, State of Idaho, are hereby established and ordained to be as follows:

> Beginning at the southwest corner of Section 16, Township 39 North, Range 5 West, Boise Meridian, Latah County, Idaho; thence N89°34’31”E 2661.74 feet, along the south line of said Section 16; thence N00°02’41”E 388.57 feet along the centerline of a vacated 80’ wide right-of-way situated between Lot 60 and Lot 61 of the Plat of Section 16 recorded in Book 2 of Plats at page 36, records of Latah County; thence N89°22’43”E 664.76 feet along a line parallel with and 271.5 feet south, measured perpendicularly, of the north line of said Lot 61 to the east boundary of said Lot 61; thence N00°14’20”W 1229.03 feet along the east boundaries of said Lot 61, Lot 52, and Lot 45 of said Plat of Section 16 to a point on the southerly right-of-way line of State Highway 8; thence along said State Highway right-of-way line, easterly 347.39 feet along a curve concave to the north, said curve having a radius of 3850.00 feet, a central angle of 05°10’11”, and a chord bearing N68°54’52”E 347.27 feet; thence continuing along said southerly right-of-way line, N66º19’47”E 398.81 feet; thence leaving said southerly right-of-way line, N23º40’13”W 70.00 feet, perpendicular to said line, to the northerly right-of-way line of said State Highway 8; thence N00º33’03”W 701.73 feet along the centerline of a vacated 80 foot wide right-of-way

situated between Lot 34 and Lot 35 of said Plat of Section 16; thence North 660.00 feet along the centerline of a vacated 80 foot wide right-of-way situated between Lot 30 and Lot 31 of said Plat of Section 16; thence East 40.00 feet to the southwest corner of Lot 18 of said Section 16; thence East 620.00 feet along the south boundary of said Lot 18; thence North 620.00 feet along the east boundary of said Lot 18; thence continuing North 40.00 feet to the centerline of a vacated 80.00 foot wide right-of-way running East and West; thence continuing North 495.23 feet to a point on the northerly right-of-way of Robinson Park Road; thence S52°25'20"W 134.10 feet along said northernly right-of-way of Robinson Park Road; thence S55°14'23"W 91.29 feet along said northernly right-of-way of Robinson Park Road; thence S57°37'02"W 89.50 feet along said northernly right-of-way of Robinson Park Road; thence S61°12'19"W 169.28 feet along said northernly right-of-way of Robinson Park Road; thence S64°18'07"W 253.35 feet along said northernly right-of-way of Robinson Park Road to a point on the easterly boundary of Moser Estates Fifth Addition to the City of Moscow, as shown on the plat of said addition recorded as Instrument No. 410298, records of Latah County, Idaho; thence N00°38'27"E 12.69 feet along the easterly boundary of said Moser Estates Fifth Addition to a point on the northerly right-of-way line of Robinson Park Road; thence southwesterly along said northerly right-of-way line 35.00 feet along a curve concave to the northwest, said curve having a radius of 1210.00 feet, a central angle of 1°39'27", and a chord bearing S69°11'12"W 35.00 feet; thence N14°43'57"E 133.79 feet along said easterly boundary of the Moser Estates Fifth Addition to a point on the easterly right-of-way line of a dedicated 80.00 foot wide public right-of-way as shown on the original plat of Section Sixteen, Township 39 North, Range 5 East, Boise Meridian, as recorded in Book 2 of Plats, Page 36 in the office of said Latah County Recorder; thence N00°38'27"E 1140.78 feet along said easterly right-of-way line, said line also being the westerly boundary line of the Hyden tract as described in Instrument Number 386319 recorded with said Recorder's office to the north line of said Section 16; thence N89°29'38"W 40.66 feet along said north line to the southeast corner of the southwest quarter of the southeast quarter of Section 9, Township 39 North, Range 5 West, Boise Meridian, Latah County, Idaho; thence N00°29'30"E 1313.64 feet along the east line of said SW1/4 SE1/4 Section 9 the northeast corner of said SW1/4 SE1/4; thence continuing N00°29'30"E 11.47 feet along the east line of the NW1/4 SE1/4 of said Section 9; thence southwesterly along the northerly boundary of a parcel of land annexed by Ordinance No. 2009-11 the following courses: S81°16'20"W 63.83 feet, S77°18'21"W 57.22 feet, and S69°12'15"W 132.71 feet; thence N89°30'22"W 556.64 feet along a line southerly of, parallel with, and 60.00 feet distant (as measured perpendicularly) of the north line of said SW1/4 SE1/4 Section 9; thence N60°04'39"E 30.00 feet along the proposed easterly boundary of Moser Park; thence N17°41'40"W 47.17 feet along said proposed park boundary to a point on the north line of said SW1/4 SE1/4 Section 9; thence N54°54'38"W 84.31 feet; thence N77°00'00"W 385.00 feet; thence N00°43'51"E 171.17 feet; thence S77°00'00"E 10.00 feet; thence N13°00'00"E 120.00 feet; thence N77°00'00"W 126.86 feet to a point on the west line of the northwest quarter of the southeast quarter of said Section 9; thence N00°43'51"E, along said west line, 711.58 feet to the southwest corner of a parcel of land described in Book of Deeds No. 145, page 61, records of Latah County, Idaho; thence S89°30'E 150.00 feet to the southeast corner of said parcel; thence North 120.00 feet to the northeast corner of said parcel, said corner also being on the south right-of-way line of "D" Street; thence, continuing North 60.00 feet, to the north right-of-way line of "D" Street; thence N89°30'W 150.00 feet, along said north right-of-way line, to the southeast corner of Lot "H" of Schumacher's Addition to the City of Moscow, Latah County, Idaho as recorded in Book 3 of Plats, page 9 in the office of the County Recorder of said county and state, said southeast corner also being the southeast corner of Lot 2, Block 8 of Val Halla Addition to the City of Moscow, Latah County, Idaho as recorded in Book 6 of Plats, page 4, in the office of the County Recorder of said county and state and also being on the longitudinal centerline of Section 9, Township 39 North, Range 5 West, Boise Meridian; thence N00°03'30"W 1004.70 feet, along said centerline, to a point S89°26'E 79.13 feet of the southeast corner of Stokes Addition to the City of Moscow, Latah County, Idaho as recorded in Book 6 of Plats, page 29 in the office of the County Recorder of said county and state, said point also being the northeast corner of Lot "H" and/or the southeast corner of Lot "G" of said Schumacher's Addition and also being the southeast corner of the William A. Flack (City of Moscow, Idaho) property; thence N00°03'30"W 253.44 feet, along the east line of said Lot "G" and/or said longitudinal centerline to the northeast corner of said Lot "G" to the South Line of the Northwest Quarter of the Northeast Quarter of Section 9; thence S89°29'31"E along said south line a distance of 994.53 feet, said point also being the southeast corner of property described in Instrument No. 577606, records of Latah County, Idaho; thence N00°08'23"E a distance of 1314.96 feet, along the eastern boundary of said property to a point on the north line of Section 9; thence N89°22'17"W along north line of Section 9 a distance of 834.55 feet; thence S00°37'43"E a distance of 105.07 feet; thence S80°49'46"W a distance of 20.30 feet, thence N00°37'43"W a distance of 108.53 feet to a point on the north line of Section 9, thence N89°22'17"W along north line of Section 9 a distance of 140.00 feet, said point being a brass cap monument marking the North Quarter Corner of Section 9; thence N00°03'30"W 30.00 feet to the quarter corner on the north line of Section 9, Township 39 North, Range 5 West, Boise Meridian, said point also being the south quarter corner of Section 4, Township 39 North, Range 5 West, Boise Meridian and also being on the centerline of Mountain View Road; thence N00°20'44"W 30.00 feet along the longitudinal centerline of said Section 4, to an intersection with the north right-of-way line of Mountain View Road extended; thence N89°15'49"W 699.96 feet, along said extension and along said right-of-way line and 30.00 feet North of and parallel to the south line of said Section 4; thence South 60.00 feet and crossing Mountain View Road to an intersection with the north line of said Lot "G" of said Schumacher's Addition, said point also being on the south right-of-way line of said Mountain View Road; thence South 773.73 feet to an intersection with the north line of said Stokes Addition; thence N89°15'49"W 298.00 feet, along said north line, to an intersection with the east line of Paradise Meadows Addition to the City of Moscow, Latah County, Idaho as recorded in Book 6 of Plats, page 38 in the office of the County Recorder of said county and state, said point also being on the east line of Lot "C" of said Schumacher's Addition and also being the northwest corner of said Stokes Addition; thence North 268.20 feet, along said east line of said Paradise Meadows Addition, to the northeast corner of said addition, said corner also being the northeast corner of Lot "C" and the southeast corner of Lot "D" of said Schumacher's Addition; thence North 267.05 feet to the northeast corner of said Lot "D", said point also being the southeast corner of Lot "F" of said Schumacher's Addition; thence N89°15'49"W 990.0 feet to the southwest corner of said Lot "F", said corner also being an east corner of Lot 12 of the Cosner Subdivision of Portions of Lots "D" and "E" of the Schumacher's Addition to Latah County, Idaho as recorded in Book 5 of Plats, page 1 in the office of the County Recorder of said county and state; thence North 118.76 feet, along the west line of said Lot "F" and/or the east line of said future Lot 12, to the northeast corner of said future Lot 12;

thence N89°15’49”W 315.12 feet, along the north line of said Lot 12 and the north line of Lot 11 of said Cosner Subdivision, to the southeast corner of the west one half (1/2) of the north one half (1/2) of said Lot “E” of Schumacher’s Addition; thence North 118.92 feet, along the east line of said west one half (1/2) of the north one half (1/2) of said Lot “E”, to the intersection with the south right-of-way line of Mountain View Road; thence North 60.00 feet to the north right-of-way line of Mountain View Road; thence N89°15’49”W 13.40 feet along said north right-of-way line; thence N00°06’33”E 1292.18 feet along the east boundary of the Slonaker tract as recorded in Warranty Deed No. 464459 on file with the office of the County Recorder of said county and state, to a point on the north boundary of the southwest quarter of the southwest quarter of said Section 4; thence N89°10’21”W 331.48 feet to the northwest corner of the southwest quarter of the southwest quarter of said Section 4; thence West 500.00 feet, along the north line of said southeast quarter of the southeast quarter; thence N37°48’19”W 797.04 feet, along the westerly boundary of the Trail Tract as described in Instrument No. 268495 as recorded in said office of the Latah County Recorder; thence North 480.75 feet, along the west line of said Trail Tract, to the south right-of-way line of Arborcrest Road; thence East 99.00 feet, along said right-of-way line; thence North 944.52 feet, along the east right-of-way line of said Arborcrest Road; thence N58°46’54”E 270.11 feet, along the northerly boundary of said Trail tract to a point on the southerly right-of-way line of Trail Road; thence North 29.23 feet to a point on the centerline of said Trail road, said point being North 907.50 feet and East 660.00 feet from the southwest corner of the southeast quarter of the northeast quarter of said Section 5; thence North 1534.50 feet, along the west boundary of said Trail Tract, to the north line of said Section 5, thence West 660.00 feet to the northwest corner of the northeast quarter of the northeast quarter of said Section 5; thence continuing West, along said north line, 30.00 feet to the west right-of-way line of Orchard Avenue; thence South 1452.00 feet along said west right-of-way line, parallel to and 30.00 feet West of the west line of the west half of the northeast quarter of said Section 5; thence East 5.00 feet, along said west right-of-way line; thence South 495.00 feet, along said west right-of-way line; parallel to and 25.00 feet West of the west line of the southeast quarter of the northeast quarter of said Section 5; thence West 8.00 feet, along said west right-of-way line; thence South 495.00 feet along said west right-of-way line, parallel to and 33.00 feet West of said west line of the southeast quarter of the northeast quarter to a point on the north line of the northwest quarter of the southeast quarter of said Section 5; thence N89°39’37”W 1282.38 feet to the northwest corner of the NW1/4 SE1/4 of said Section 5, said point being a brass cap monument; thence N89°39’37”W 1010.70 feet along the north line of the southwest quarter of said Section 5 to a point on the North Polk Extension Water and Sewer District boundary; thence North 200.00 feet along said district boundary; thence N89°39’37”W 229.43 feet along said district boundary to the centerline of North Polk Street; thence S01°34’23”W 125.03 feet along said centerline; thence N89°39’37”W 92.14 feet along said district boundary; thence South 75.00 feet along said district boundary to a point on the north line of said southwest quarter of Section 5; thence N89°39’37”W 1310.50 feet along said north line to the northwest corner of said southwest quarter of Section 5; thence N89°14’23”W 72.56 feet to the west right-of-way line of U.S. Highway 95; thence S00°45’37”W 734.16 feet along said right-of-way line; thence continuing along said right-of-way line southeasterly 52.28 feet along a non-tangent curve concave to the southwest, said curve having a radius of 623.67 feet, a central angle of 04°48’09”, and a chord bearing S21°44’23”E 52.26 feet; thence continuing along said right-of-way line S0°45’35”W 346.94 feet; thence leaving said highway right-of-way line N78°52’45”W 75.35 feet to a point on the easterly line of an abandoned railroad right-of-way; thence N06°11'15"E 115.00 feet along said abandoned railroad right-of-way line; thence N42°33'45"W 336.50 feet; thence S89°52'15"W 986.78 feet; thence S00°51'15"W 1334.92 feet to a point, said point on a line parallel with and 124.67 feet northeasterly (as measured perpendicularly) distant from the easterly right-of-way line of North Almon Street; thence N35°09'45"W 149.77 feet along said parallel line, to a southeast corner of the KRPL, Inc. property as described in Instrument No. 254326, records of Latah County, Idaho; thence North 324.90 feet; thence S86°30'W 224.78 feet, to a point on a non-tangent curve on the east right-of-way line of North Almon Street, said point being the northwest corner of said KRPL, Inc. property; thence southerly 35.79 feet, along a curve concave to the east, said curve having a radius of 425.00 feet, a central angle of 04°49'30", and a chord bearing S00°35'36"E 35.78 feet; thence S03°01'E 116.23 feet, along said east right-of-way line, to a point of curvature of a tangent curve; thence southeasterly 158.39 feet along a curve concave to the east, said curve having a radius of 275.00 feet, a central angle of 33°00', and a chord bearing S19°31'E 156.21; thence S36°01'E 472.78 feet, along said east right-of-way line; thence S37°41'E 110.37 feet, along said east right-of-way line; thence leaving said right-of-way line, S86°30'W 72.53 feet to a point on the westerly right-of-way line of said North Almon Street and the northeast corner of the Harry Lee tract described in Warranty Deed No. 309520 as recorded in said office of the Latah County Recorder; thence continuing S86°30'W 924.27 feet to the northwest corner of said Harry Lee tract; thence S03°30'E 209.06 feet along the west boundary of said tract to a point on the north line of Section 7, Township 39 North, Range 5 West, Boise Meridian; thence S86°30'W 411.00 feet along said north line to the north 1/4 corner said Section 7; thence S00°10'E 1323.70 feet on the longitudinal centerline of said Section 7 to the southwest corner of the NW1/4 NE1/4 of said Section 7; said point also being the northeast corner of an easement described in Instrument No. 223148 filed with said County Recorder; thence S86°24'W 1354.21 feet to the northwest corner of the SE1/4 NW1/4 of said Section 7; thence South 556.80 feet along the west boundary line of said SE1/4 NW1/4; thence S86°27'W 1355.77 feet, parallel with the south line of the SW 1/4 NW 1/4 of said Section 7, to a point on the west boundary line of said SW1/4 NW1/4; thence S88°35'30"W 1194.84 feet parallel with the north boundary line of the Palouse Empire Mall property; thence South 845.45 feet; thence West 1035.00 feet; thence North 820.00 feet; thence S88°35'30"W 413.24 feet to the longitudinal centerline of Section 12, Township 39 North, Range 5 West, Boise Meridian; thence S00°08'36"E 725.45 feet, along said centerline, to the northwest corner of a 20 foot wide private road described in Warranty Deed No. 225351, records of Latah County; thence N89°51'24"E 20.00 feet, along the north line of said private road; thence S00°08'36"E 966.49 feet, along the east boundary of said private road; thence S89°51'24"W 20.00 feet to the northeast corner of the U-Haul Company tract, said point also being a point on the longitudinal centerline of Section 12, Township 39 North, Range 6 West, Boise Meridian, and also being an east corner of a tract annexed by Ordinance No. 83-13; thence N00°08'36"W 933.49 feet, along said centerline and/or the east line of the tract annexed by said Ordinance No. 83-13, to the northeast corner of said tract, said corner being a point on the latitudinal centerline of Section 12, Township 39 North, Range 6 West, Boise Meridian; thence S89°56'48"W 764.34 feet, along said centerline and/or the north line of said tract, to a point being the southeast corner of a tract annexed by Ordinance No. 2017-03; thence ~~N S~~N30°49'55"E 500.70 feet, to a point being the northeast corner of said tract; thence N89°01'11"W 1127.75 feet, to a point being the northwest corner of said tract and also being a point on the Idaho-Washington state line; thence S00°58'04"W 434.48 feet, along said state line to the west 1/4 corner of said Section 12 and/or the northwest corner of said tract; thence S00°12'02"E 1460.87 feet, along said state line, to an intersection with the north right-of-way line of State Highway No. 8, said point being the southwest corner of the Appaloosa Horse Club tract; thence S00°12'02"E 140.00 feet, crossing said highway, to an intersection with the south right-of-way of said highway; thence S00°12'02"E, along said state line, 169.83 feet to the south right-of-way line of the Burlington Northern Railway Company; thence S00°12'02"E, continuing along said state line, 3470.77 feet to the northwest corner of the southwest quarter of Section 13, Township 39 North, Range 6 West, Boise Meridian; thence N89°31'16"E 4048.56 feet to the west quarter corner of said Section 13; thence S00°10'E, 2622.00 feet to the southeast corner of said Section 13; thence N87°08'E 803.10 feet, along the north boundary of the Gadwa tract described in Warranty Deed No. 447149, records of Latah County, said boundary being along the south line of Section 18, Township 39 North, Range 5 West, Boise Meridian; thence S00°24'00"E 419.23 feet, along the east boundary of said Gadwa tract, to the north right-of-way line of Palouse River Drive; thence S82°54'54"W 175.25 feet, along said north right-of-way line; thence continuing along said right-of-way line, 234.58 feet along a curve to the right, said curve having a radius of 1238.11 feet, a central angle of 10°51'21", and a chord bearing S88°20'34"W 234.23 feet; thence continuing along said right-of-way line, N86°13'45"W 354.67 feet; thence leaving said right-of-way line, S03°49'25"W 44.40 feet; thence S38°34'55"E 160.54 feet; thence S80°58'21"E 287.58 feet; thence S75°53'39"E 261.50 feet; thence N87°11'16"E 441.02 feet; thence S09°21'06"E 515.93 feet; thence S61°53'46"E 321.34 feet; thence S84°43'40"E 451.15 feet; S80°36'41"E 767.31 feet to the east line of the northwest corner of Section 19, Township 39 North, Range 5 West, Boise Meridian; thence North 838.92 feet, along said east line, to the southwest corner of the Allen Tracts Addition to the City of Moscow, Latah County, Idaho as recorded in Book 4 of Plats, Page 20 in the office of the County Recorder of said county and state; thence N87°12'E 306.00 feet; thence South 32.00 feet; thence S70°19'E 135.90 feet; thence N34°12'E 105.90 feet; thence N87°12'E 105.90 feet; thence N87°12'E 118.80 feet; thence S51°48'E 260.80 feet; thence N58°42'E 117.95 feet; thence North 115.00 feet; thence N87°12'E 306.00 feet; thence N64°28'E 338.80 feet, to the southeast corner of Tract 2 of said Allen Tracts Addition; thence S02°03'E 482.00 feet; thence S47°20'E 91.30 feet; thence S09°02'W 346.00 feet, parallel with the western right-of-way line of U.S. Highway 95; thence N86°46'E 317.70 feet, parallel with the south line of the Dexter Bailey tract as recorded in Book of Deeds 163, page 92, records of Latah County, Idaho, to a point on said western right-of-way line of U.S. Highway 95; thence N09°02'E 346.00 feet, along said western right-of-way line, to the southeast corner of said Dexter Bailey tract; thence continuing N09°02'E 220.00 feet, along said right-of-way line, to the southeast corner of Plot 1 of said Allen Tracts; thence continuing N09°02'E 374.80 feet, along said right-of-way line; thence S61°03'E 253.20 feet and crossing U.S. Highway 95 to a point on the easterly right-of-way line of said highway; thence N09°02'E 200.00 feet along said easterly right-of-way line; thence North 93.70 feet, to the northeast corner of Lot 7 of the South Palouse Tracts Addition to the City of Moscow, Latah County, Idaho as recorded in Book 4 of Plats, page 17 in the office of the county Recorder of said county and state, said point being also on the south line of a dedicated alley; thence East 302.30 feet, along the south right-of-way line of said alley; thence South 100.00 feet; thence East 100.00 feet to the east line of Section 19, Township 39 North, Range 5 West, Boise Meridian; thence N00°11'E

86.99 feet to a point which is S00°11'W 472.36 feet of the northeast corner of said Section 19; thence S72°15'E 1205.47 feet; thence N87°45'E 1537.60 feet, to a point on the longitudinal centerline of Section 20, Township 39 North, Range 5 West, Boise Meridian; thence N00°03'W 757.41 feet to the north 1/4 corner of said Section 20; thence S89°30'24"E 2659.84 feet along the south line of Section 17, Township 39 North, Range 5 West, Boise Meridian, to the southeast corner of said Section 17 and the point of beginning of the land herein described. Said corporate boundary, including the following described exceptions, contains 4,486 acres, more or less.

Excepting therefrom the following described parcel;

A tract of land located in the south half of the southwest quarter of Section 18 and the north half of the northwest quarter of Section 19, Township 39 North, Range 5 West, Boise Meridian, Latah County, Idaho, and being more particularly described as follows:

Beginning at the southeast corner of the southwest quarter of said Section 18; thence S87°08'00"W 576.90 feet along the south line of said Section 18 to a point on the easterly boundary of the Kirkland Subdivision plat recorded as Instrument No. 404133, records of Latah County, and the TRUE POINT OF BEGINNING of this exception description; thence along said easterly boundary, S00°04'40"W 270.13 feet to the northerly right-of-way line of Palouse River Drive; thence along said northerly right-of-way line, S78°56'12"W 408.24 feet; thence continuing along said right-of-way line, S79°46'32"W 9.41 feet; thence along the westerly boundary of said Kirkland Subdivision, N00°02'37"W 330.07 feet to a point on the south line of said Section 18; thence continuing along said westerly boundary of the Kirkland Subdivision, N00°02'37"W 219.82 feet; thence along the northerly boundary of said subdivision, N86°58'47"E 411.73 feet; thence along the easterly boundary of said subdivision, S00°07'08"W 221.45 feet to the TRUE POINT OF BEGINNING. Said exception tract contains 4.91 acres, more or less.

Also excepting therefrom the following described parcel;

A tract of land located in the northwest quarter of the southeast quarter of Section 16, Township 39 North, Range 5 West, Boise Meridian, Latah County, Idaho, and being more particularly described as follows:

Beginning at the southwest corner of Section 16, Township 39 North, Range 5 West, Boise Meridian, Latah County, Idaho; thence N89°34'31"E 2661.74 feet, along the south line of said Section 16; thence N00°02'41"E 388.57 feet along the centerline of a vacated 80' wide right-of-way situated between Lot 60 and Lot 61 of the Plat of Section 16 recorded in Book 2 of Plats at page 36, records of Latah County; thence N89°22'43"E 664.76 feet along a line parallel with and 271.5 feet south, measured perpendicularly, of the north line of said Lot 61 to the east boundary of said Lot 61; thence N00°14'20"W 1229.03 feet along the east boundaries of said Lot 61, Lot 52, and Lot 45 of said Plat of Section 16 to a point on the southerly right-of-way line of State Highway 8; thence continuing along the east boundary of said Lot 45, N00º14'20"W 73.79 feet to a point on the northerly right-of-way line of State Highway 8, and the TRUE POINT OF BEGINNING of this exception description; thence westerly along said State Highway right-of-way line, 354.22 feet along a curve concave to the north, said curve having a radius of 3780.00 feet, a central angle of

05°22'09", and a chord bearing S73°45'33"W 354.09 feet to the west line of the Cann Tract; thence N00°14'20"W, along said west line, 283.32 feet to the northwest corner of said Cann Tract; thence N89°45'40"E, along the north line of said Cann Tract, 225.37 feet to the intersection with the west line of the Mullalley Tract; thence N00°14'20"W along said west line 5.00 feet to the northwest corner of said Mullalley Tract; thence N89°45'40"E along the north line of said Mullalley Tract 115.00 feet to the east line of Lot 45 of said Section 16; thence S00º14'20"E 190.71' along said east line to the TRUE POINT OF BEGINNING. Said exception tract contains 1.87 acres, more or less.

The net area of the above described Corporate limits is 4,479 acres, more or less.

SECTION 3: All that territory bounded and included within the lines set forth in Section 2 of this Ordinance is hereby declared and ordained to be within the Corporate limits of the City of Moscow, and to be and constitute the territory subject to the jurisdiction of the municipality of the City of Moscow, County of Latah, State of Idaho.

SECTION 4: This Ordinance is an amendment to Ordinance 2017-15 of the Ordinances of the City of Moscow, Idaho.

SECTION 5: This Ordinance repeals all ordinances or parts of ordinances in conflict with this Ordinance, insofar as said Ordinances in any way conflict with this Ordinance, are hereby repealed.

SECTION 6: If any section, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining sections, sentences, clauses or phrases of this Ordinance, or the Ordinance as an entirety, it being the legislative intent that this Ordinance shall stand notwithstanding the invalidity of such section, sentence, clause or phrase.

SECTION 7: This Ordinance shall be in full force and effect from and after the date of its passage, approval and first publication thereof.

ADOPTED this ____ day of ______________, 2018.

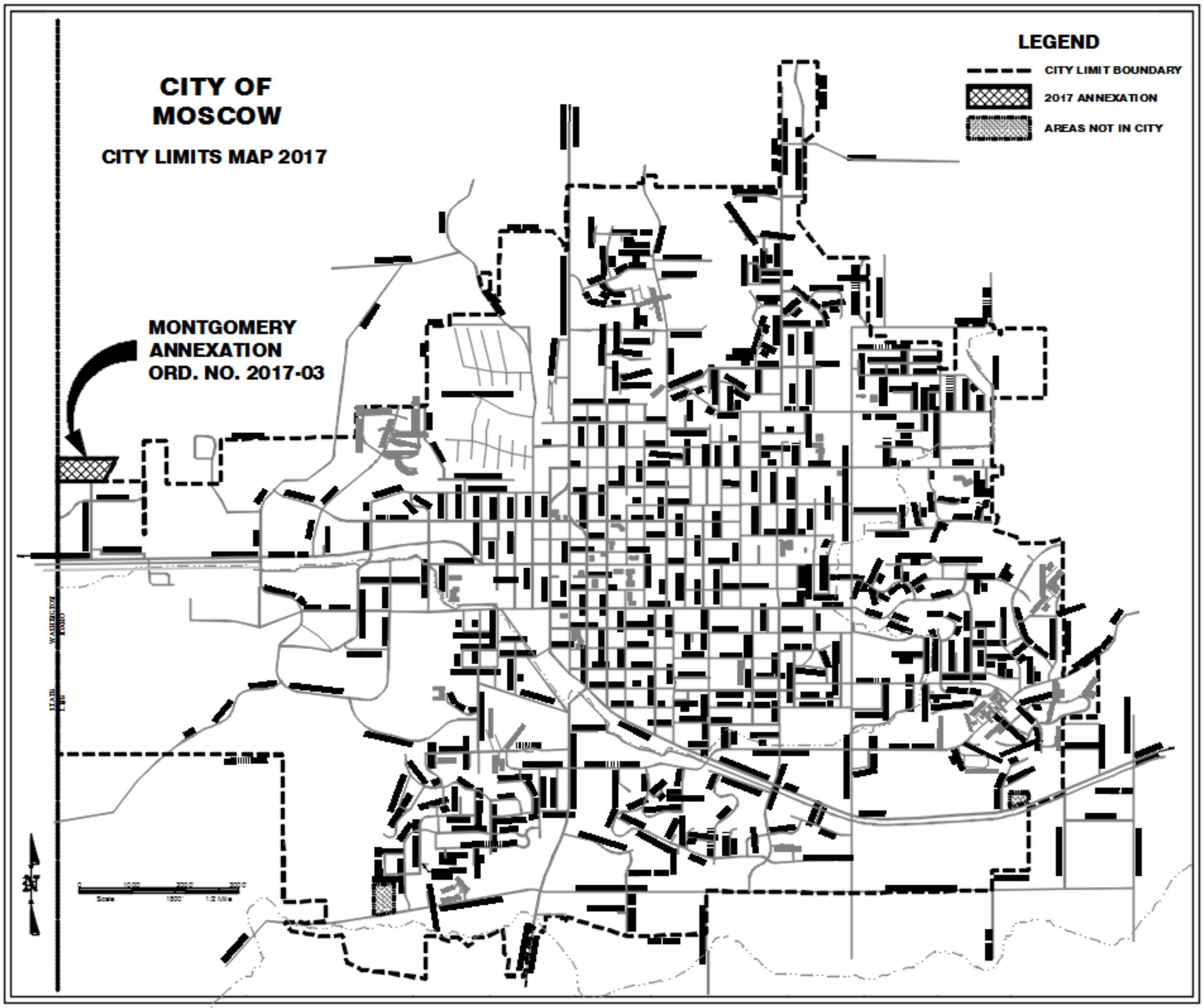
____

Bill Lambert, Mayor

ATTEST:

____

Laurie M. Hopkins, City Clerk


CITY OF
MOSCOW
CITY LIMITS MAP 2017
LEGEND
CITY LIMIT BOUNDARY
2017 ANNEXATION
AREAS NOT IN CITY
MONTGOMERY
ANNEXATION
ORD. NO. 2017-03