

NORWALK TRANSIT DISTRICT (NTD)

REQUEST FOR PROPOSAL

RFP 2015-03

ANNUAL AUDIT OF FINANCIAL STATEMENTS

October 1, 2015

The Norwalk Transit District is seeking proposals from Certified Public Accounting firms to conduct the annual audit of the Norwalk Transit District's financial statements, the Supplementary Schedule of Federal Financial Assistance and the Supplementary Schedule of State Financial Assistance for the years ending June 30, 2015, June 30, 2016 and June 30, 2017 with options for the years ending June 30, 2018 and June 30, 2019.

The annual audits must be conducted in accordance with generally accepted auditing standards (GAAS) as described in Statements on Auditing Standards, issued by the American Institute of Certified Public Accountants, Government Auditing Standards (GAS), issued by the Controller General of the United States, the Single Audit Act of 1984 (as amended), the provisions of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the Connecticut Compliance Supplements to the State Single Audit Act. Audits for years beyond June 30, 2015 will be in accordance with any changes made to the OMB Circulars.

Also attached are the following related appendices which will be incorporated into any resulting contract by reference: Technical Specifications (Appendix A), FY 2014 Audit (Appendix A1) NTD Standard Form of Contract Agreement (Appendix B), the Requirements of the Federal Transit Administration and State of Connecticut (Appendix C), and Required Proposal Forms (Appendix D).

A non-mandatory pre-proposal conference will be conducted on October 12, 2015 at 10:00 a.m. at the NTD's office at 275 Wilson Avenue, Norwalk, Connecticut 06854. Questions on the proposal documents are due no later than 10:00 a.m. on October 15, 2015. First round addenda will be issued by 10:00 a.m., October 16, 2015. October 19, 2015 10:00 a.m. is the deadline for any final questions and/or concerns which will be addressed no later than 4:00 p.m. on October 19, 2015. One electronic submittal, one (1) original and two (2) copies of the complete Proposal package must be received no later than 4:00 p.m. on October 23, 2015 at the NTD's office at 275 Wilson Avenue, Norwalk, Connecticut 06854. The sealed Proposals must include, at minimum, completed Appendices C, and D, of the enclosed Proposal package and a written response to the technical specifications in the order represented in this section. The sealed Proposals must be clearly marked "RFP 2015-03, Annual Audit of Financial Statements". Proposals shall be addressed to Mr. Richard Bangs (rbangs@norwalktransit.com).

Offerors that receive the procurement package are required to register with the Norwalk Transit District Project Manager, Richard Bangs, 203-299-5165, rbangs@norwalktransit.com. At a minimum name, address, phone number, email address and primary contact person must be provided. This will ensure that offerors receive any and all related addenda and documents that may be issued pursuant to this procurement after the release of the initial procurement document. The primary mode of

communication will be via email. Failure to register and properly acknowledge all related documents will be the sole responsibility of the offeror and will not be entertained as an acceptable defense for a non-responsive rating as a result of “failure to know”.

System for Award Management (SAM) is the Official U.S. Government system that consolidated the capabilities of CCR/FedReg, ORCA, and EPLS for the purpose of verifying if a potential vendor/contractor is suspended or disbarred from receiving federal fund and state funds (as imposed by the State of Connecticut Department of Transportation. There is NO fee to register for this site. Entities may register at <https://www.sam.gov/portal/SAM/###11>. User guides and webinars are available under the Help tab. **Please note Proposers must be registered with SAM which requires a DUNS number. Please carefully review this section under the state and federal suspension and debarment requirements contained in the procurement documents. We reserve the right to determine the Proposer non-responsive if it fails to be registered with SAM at the time of the proposal submittal.**

Should any additional information prove necessary, please contact Ms. Morton at NTD (203) 299-5163.

Sincerely,

Kimberlee A. Morton, CEO
Norwalk Transit District

PROPOSAL PROCEDURE

1.0 General

The Proposal response shall constitute an indication that the Proposer will meet the requirements established in the attached Technical Specifications together with any "Addenda" issued by the NTD relative to this procurement.

2.0 Proposal Schedule

- A. The request for proposals will be issued October 1, 2015.
- B. A non-mandatory pre-Proposal conference will be held on October 12, 2015 at 10:00 am at the offices of the NTD.
- C. Requests for exceptions and or first round questions regarding the Technical Specifications must be in writing and received at the NTD office at 275 Wilson Avenue, Norwalk, Connecticut, 06854, by 10:00 a.m. on October 15, 2015. The NTD shall issue resulting addenda pursuant to these requests by October 16, 2015 no later than 10:00 a.m. Final questions are due October 19, 2015 no later than 10:00 a.m. and will be addressed by 4:00 p.m. on this date.
- D. Proposals must be received at the aforementioned address by 4:00 p.m. on October 23, 2015.
- E. The contract will commence immediately upon award for the first audit year and the maximum term will be for a period of three audit years, with one additional two audit year renewal option at the sole discretion of the District. The maximum audit years will be for the years ending June 30, 2015 through June 30, 2019.

3.0 Proposer Review and Requests for Exception

- A. Proposers may discuss this procurement package and any related addenda with the NTD. Such discussions do not, however, relieve Proposers from responsibility for submitting written requests for "exceptions".
- B. Proposers must submit written requests to the NTD for approved equals, clarifications or exceptions relative to the technical specifications and/or addenda issued by the NTD no later than October 19, 2015, 10:00 a.m. Any request or protest must be fully supported with technical data, test results or other pertinent information as evidence that the substitute offered is equal to or better than that required.
- C. The NTD shall make a determination relative to each request for exception(s) in writing. All written determinations will be issued as an "addendum" to the technical specifications and will be emailed or otherwise furnished to all known interested Proposers by 4:00 p.m. on October 19, 2015.

- D. The undersigned acknowledges receipt of all addenda to the technical specifications by executing each addenda issued and returning it concurrently with their proposal. Failure to acknowledge receipt of all addenda may cause the Proposal to be considered nonresponsive to the solicitation. Acknowledged receipt of each addendum must be clearly established and included with the offer.

4.0 Proposal Package

A. **A COMPLETE PROPOSAL PACKAGE SHALL INCLUDE, AT MINIMUM, THE FOLLOWING ITEMS:**

- (a) Completed Appendix C - requirements of the Federal Transit Administration and requirements of the State of Connecticut;
- (b) Completed Appendix D - NTD Proposal Forms; and
- (c) Written response to the technical specifications should be addressed in the order identified in the technical specifications. If a pre-packaged comprehensive proposal is submitted, proposers are responsible for identifying where the response to each area identified in the technical specification is contained and addressed.
- (c) Bid Security (not applicable)

B. **THE PROPOSER SHALL ALSO SUBMIT, AS PART OF THE RESPONSIBILITY QUESTIONNAIRE CONTAINED IN APPENDIX D THAT IT:**

- (a) Has the capability to perform the work and supply the materials within the time specified in this contract
- (b) Has the experience to perform the work described in the attached Technical Specifications. The Proposer shall provide the following information relative to all contracts for similar work performed in the previous three (3) years:
 - name, address and telephone number of the organization and contact person
 - brief description of project
 - month and year of contract
- (c) Has necessary financial resources or has the capability to obtain such resources to complete the contract in a satisfactory manner within the required time.
- (d) Other requirements specific to the solicitation.

The District will rely in part on this questionnaire in determining if the Proposer is a responsible and responsive as the first step of the evaluation process. If the Proposer fails to meet the minimal requirements of this determination it will be determined non-responsive and its proposal will not be reviewed any further. All Proposers determined

non-responsive will be notified in writing.

- C. One electronic submittal, one (1) original and two (2) copies of the complete Proposal package must be received no later than 4:00 p.m. on October 23, 2015 at the NTD's office at 275 Wilson Avenue, Norwalk, Connecticut 06854. The sealed Proposals must be clearly marked "RFP 2015-03, Annual Audit of Financial Statements". Proposals shall be addressed to:

Richard Bangs, Director of Finance and Administrative Services
rbangs@norwalktransit.com
Norwalk Transit District
275 Wilson Avenue
Norwalk, Connecticut 06854

5.0 Proposal Price

The Proposer shall state an annual firm fixed proposal price based on a total number of anticipated engagement hours based on payment terms of net forty five (45) days from the date of the completed audit as detailed in the specifications.

The price quoted in any Proposal submitted shall include all items of labor, material, tools, equipment and other costs necessary to fully complete the project pursuant to the attached technical specifications. All Proposals remain in effect forty-five (45) days from Proposal opening.

It is understood that in the event of unexpected circumstances/findings resulting in higher than anticipated engagement hours, this contract terms, scope, and cost will be reopened for renegotiation.

If it should become necessary for the Norwalk Transit District to request the auditor to render any additional services requested in this Request for Proposals or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, and or change in regulations or guidance impacting the financial health or direction of the District during the term of this contract then such additional work shall be performed only if set forth in an addendum to the contract between the Norwalk Transit District and the firm. Any such additional work agreed to between the Norwalk Transit District and the firm shall be performed with acceptable parameter of based on the rates set forth in the cost proposal in Appendix D.

6.0 Registration

Offerors that receive the procurement package are required to register with the Norwalk Transit District Project Manager, Richard Bangs, 203-299-5165, rbangs@norwalktransit.com. At a minimum name, address, phone number, email address and primary contact person must be provided. This will ensure that offerors receive any and all related addenda and documents that may be issued pursuant to this procurement after the release of the initial procurement document. The primary mode of communication will be via email. Failure to register and properly acknowledge all related documents will be the sole responsibility of the offeror and

will not be entertained as an acceptable defense for a non-responsive rating as a result of “failure to know”.

7.0 Taxes

The NTD is a tax-exempt governmental entity. Prices quoted by the Proposer should not include any tax from which a governmental entity is exempt. The price quoted shall include the total and complete cost for all services requested in conformance with the attached technical specifications.

8.0 Cost Liability

The NTD assumes no responsibility and no liability for costs incurred by the Proposer for the preparation of a Proposal or any cost associated with the selection process.

9.0 Proposal Postponement and Amendment

The NTD reserves the right to revise or amend the specifications any time prior to the formal bid opening. Revisions, amendments and/or postponement, in the form of an addendum, shall be provided to all Proposers receiving or requesting Proposal materials by email.

The NTD reserves the right to postpone the Proposal opening at any time prior to the scheduled date and time if deemed necessary and in the best interest of the NTD.

10.0 Public Proposal Opening

The name of firms submitting formal Proposals shall be publicly noted at the time set for opening in this solicitation.

11.0 Proposal Rejections

The NTD reserves the right to waive any minor Proposal informalities or irregularities in the Proposals received which do not go to the heart of the Proposal or prejudice other Proposers or to reject any and all Proposals submitted when it is in the best interest of the Transit NTD. Conditional Proposals, or those which take exception to the specifications and addenda, will be considered nonresponsive and will be rejected.

12.0 Single Proposal Response

If only one Proposal is received in response to the invitation for bids or requests for proposals, a detailed cost proposal may be requested of the single Proposer. A cost/price analysis and evaluation and/or audit may be performed in order to determine if the price is fair and reasonable.

13.0 Proposal Withdrawal

An authorized representative of the Proposer may withdraw Proposals any time prior to the scheduled Proposal due date of October 23, 2015, 4:00 p.m. After that time, Proposals may not be withdrawn for forty-five (45) calendar days.

14.0 Award Procedure

- A. The NTD shall review the proposals within ten business weekdays of the proposal opening. It is anticipated that notices of the NTD's determination will be issued to all responding agencies by email.
- B. The NTD's evaluation will be a multi part process. Proposals will first be evaluated to determine if the submitting entity is responsible and responsive to the procurement solicitation. This will be achieved by evaluating items (1) and (2) below.
 - (1) Ability to fulfill State/Federal Requirements
 - (2) Completeness of proposal; inclusion of all requisite certifications inclusive of the responsibility questionnaire.

Proposers that are determined non-responsive or responsible will be advised in writing and will not move forward to the next step of evaluation.

Proposals determined responsive and responsible will then be evaluated on the following:

- C. The overall evaluation criteria listed below are listed in relative order of importance. As proposals are considered by the District to be more equal in their technical merit, the evaluated cost or price becomes more important so that when technical proposals are evaluated as essentially equal, cost or price may be the deciding factor.

(1) Technical Evaluation

Past Performance – Responses to the evaluation questionnaire regarding past performance will be evaluated under this section. Offerors that have little or no relevant performance history should expect a lower rating in this category. Offers should ensure that the response to the technical specification section of this proposal provides information on problems encountered on this contract type and corrective measures taken. Past performance of key personnel and subcontractors (if applicable) that will perform major or critical aspects of the work will also be evaluated as a primary indicator of an offeror's ability to perform the contract successfully. Adequate experience and verifiable history in the provision of service sought through this procurement must be fully demonstrated in the proposal submission. It should be noted that this is separate from the responsibility determination which makes the determination that at the time of contract award, the ability to perform successfully and a willingness to comply with the terms and conditions of a proposed contract.

Technical Criteria – Technical factors regarding the specific methods, designs, and systems proposed to be used by the offeror will be considered and they must be tailored to the specific requirements of this solicitation. These factors will represent the key

technical areas of importance considered in the technical specification of this solicitation.

Key Personnel – An evaluation of key personnel will be performed and as this procurement involves services or requirements where management of the work is a critical factor in determining its success. Qualifications and experience of key personnel are an important evaluation factor. The District may require oral presentations by key personnel and may ask these key personnel relevant questions to determine the depth of their knowledge in critical areas.

(2) Overall Price

A cost realism analysis will be performed to determine what the District should realistically expect to pay for the proposed effort prior to the award. Prices will be evaluated and brought alongside the technical proposal scores in order to make the necessary tradeoff decisions as to which proposal represents the best overall value to the District.

(3) Other Relevant Matters (Not applicable)

- D. The District will select that proposal that is the most advantageous, which may not necessarily be the highest ranked technically or the lowest proposed price. Careful consideration will be given to the technical merits of the competitors and the price differentials to see if a higher price proposal warrants the award based on the benefits it offers to the District as compared to a lower price proposal. The selection will be made on a “best value” basis. The experience and capability of the Proposer to undertake this contract will be evaluated for the maximum benefit to NTD.

NTD will appoint an Evaluation Committee who will be responsible for the review and evaluation of Proposals submitted in response to this RFP. The Evaluation Committee reserves the right to request a tour of the Proposers’ facility. If such tours are pursued, their occurrence, time and date will be at the discretion of NTD.

During the evaluation process, the Evaluation Committee may, at its discretion, request any one or all of the respondents to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the Evaluation Committee may have on the firm’s Proposal. Not all respondents may be asked to make such oral presentations.

NTD has an established evaluation process for the review of the Proposals. Proposals will be analyzed for responsiveness, compliance with technical specifications, capabilities, quality, price, instructions and all other aspects of this RFP.

Proposals that do not comply with these instructions and do not include the required information, forms and certifications may be rejected as insufficient or not be considered. NTD reserves the right to request a Proposer to provide any missing information and to make corrections. All non-responsive respondents will be notified in writing.

Submittal of a Proposal will signify that the Proposer has accepted the whole of the Contract

documents, except such conditions, exceptions, reservations or understandings explicitly, fully and separately stated in the Proposer's Proposal submittal. Any such conditions, exceptions, reservations or understandings, which do not result in the rejection of the Proposal, are subject to evaluation under the Proposal evaluation criteria.

Additionally, NTD has established a resource support team that will assist the Committee in the evaluation process. The Team may be called on for a variety of different research and analysis purposes including but not limited to reference checking, price analysis etc. The Committee will initially meet to discuss the overall Proposals and to determine how the Team will most efficiently be utilized in the evaluation process. The Committee will direct the Team in what specific areas of analysis and/or research if any that will be required. All reports provided by the Team will be made to all Committee members in writing. On receipt of all required information the Committee may meet to jointly discuss the Proposals and any areas of concerns. The Committee then will independently evaluate Proposals. The Committee reserves the right to call upon the Team at any time during the evaluation process for its expertise. The Committee may convene at any time to discuss any questions or concerns they may encounter. The Committee may rely on this resource material in the evaluation of the Proposals.

Upon completion of reviews, each Proposal will be given a total composite score. Each Evaluator will rank the Proposals with number 1 being the highest. The rankings for each Proposal will be added together and the Proposer with the lowest total composite ranking score will be determined the top ranked Proposer and so on down the line.

If determined necessary the Committee may invite top ranked Proposers for an interview or may choose to visit current Proposer sites. If interviews or visits are conducted the Committee will be provided the opportunity to revise their original review to accurately reflect any additional information that may have been obtained through the interview process. Each Committee member will document this separately and independently. Once again Proposals will be evaluated and scored as noted above to determine the top ranked Proposer. The Proposer ranked number one and whose price Proposal is acceptable, may be contacted regarding any potential areas to be negotiated. If negotiations are conducted and not successful with the number 1 ranked Proposer then negotiations may be conducted with the next highest ranking Proposer and so on down the line until negotiations are successful in producing a Proposal that is found to be the most advantageous to NTD, cost and other factors considered.

NTD reserves the right to contact Proposer(s) regarding an interview, areas of concern, areas to be negotiated and/or request a best and final Proposal. NTD additionally reserves the right to award on the basis of initial Proposals submitted without any negotiations or discussions if such action is deemed to be in the best interest of NTD. In any event, NTD reserves the right to accept other than the lowest cost Proposal. All unsuccessful Proposers will be contacted notifying them of their status.

This criterion is presented to allow NTD the ability to analyze Proposals received on an equal basis and to afford all Proposers the opportunity to know the basis upon which their Proposals will be evaluated.

15.0 Proposal Protest Procedure

Interested parties may “protest” or dispute the NTD’s determinations resulting from this procurement transaction. The protest procedure is defined in the following section.

It is the policy of **NTD** that it is responsible for resolving all Pre-Bid, Pre-Award and Post-Award Procurement Protest disputes arising out of third party procurements using good administrative practices and sound business judgment. It is **NTD’s** intention that its procurement process provides for fair and open competition in compliance with federal and state laws and **NTD** policies.

NTD has established these Pre-Bid, Pre-Award and Post-Award Procurement Protest Policy and Procedures so that all procurement protests/disputes are filed, processed and resolved in a manner consistent with the requirements of the Federal Transit Administration (FTA) Circular (4220.1F) *Third Party Contracting Guidance*, dated November 1, 2008.

APPLICABILITY

This requirement is applicable to all **NTD** employees and to any Interested Party as defined herein who has a protest/dispute against **NTD** in the Pre-Bid, Pre-Award and Post-Award procurement phase.

DEFINITIONS

“Common Grant Rules” refers to the Department of Transportation regulations “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments,” 49 CFR Part 18, which apply to Federal grants and cooperative agreements with governmental recipients/subrecipients of Federal assistance including Indian tribal governments.

“Interested Party” means a party that is an actual or prospective firm submitting a quotation or offeror whose direct economic interest would be affected by the award or failure to award the third party contract at issue. A subcontractor does not qualify as an “interested party”.

“Protest” means a formal declaration of disapproval or objection issued by a concerned person, group, or organization that arises during the procurement process. A Protest is a potential firm submitting a quotation’s or contractor’s remedy for correcting a perceived wrong in the procurement process. See “Types of Protests” below.

“Protester” means a person, group, or organization that files a formal declaration of disapproval or objection. A protester must qualify as an “interested party”.

“Types of Protests” there are three basic types of Protests pursuant to this regulation, based on the time in the procurement cycle when they occur:

1. A pre-bid or solicitation phase Protest is received prior to the bid opening or proposal due date. Pre-bid protests are those based on the content of the initial Notice and/or solicitation published by **NTD** requesting bids from vendors or other interested parties.
2. A pre-award Protest is a protest against making an award and is received after receipt of proposals or bids, but before award of a contract.

3. A post-award Protest is a protest received after award of a contract. A post-award Protest must be received within 5 business days of the making of the award. A post-award Protest generally alleges a violation of applicable federal or state law and/or **NTD** policy or procedures relative to the seeking, evaluating and/or awarding of the contract.

STANDARDS

All Protests must be filed in writing to:

Norwalk Transit District
Kimberlee A. Morton
275 Wilson Avenue
Norwalk, CT 06854

No other locations are acceptable.

A Protest must be in writing and set forth the specific grounds of the dispute and shall be fully supported with technical data, test results, or other pertinent information related to the subject being protested. The Protest shall include the name and contact information of the Protester, solicitation/contract number or description, and what remedy the Protester is seeking. The Protester is responsible for adhering to this regulation. A Protester must exhaust all of protest administrative remedies before pursuing a protest with FTA or Norwalk Transit District Commissioners as may be applicable.

NTD's CEO, Kimberlee Morton, or designee shall make a determination on the Protest generally within ten (10) working days from receipt of the Protest. The Decision of the CEO or Designee must be in writing and shall include a response to each substantive issue raised in the Protest. A protest appeal may be filed with the NTD's Board of Commissioners and shall constitute **NTD's** final administrative determination.

Reviews of Protests by FTA are limited to 1) procurements containing federal funding, 2) failure to have or follow its protest procedures, or its failure to review a complaint or Protest or 3) violations of State law or regulation.

If **NTD** postpones the date of proposal submission because of a Protest or Appeal of the solicitation specifications, addenda, dates or any other issue relating to the procurement, **NTD** will notify, via addendum, all parties who are on record as having obtained a copy of the solicitation documents that a Protest/Appeal had been filed, and the due date for proposal submission shall be postponed until the CEO or Designee has issued its final Decision.

The Protester may withdraw its Protest or Appeal at any time before a final decision is issued.

Failure to comply with the above protest procedures will render a protest untimely and/or inadequate and shall result in its rejection.

APPENDIX A

TECHNICAL PROPOSAL

The Norwalk Transit District is seeking proposals from Certified Public Accounting firms to conduct the annual audit of the Norwalk Transit District's comprehensive Annual financial statements for the year ended June 30, 2015 and subsequent years. The audit should include all federal and state assistance programs as required by the Federal and State Single Audit Acts.

Scope of the examination

The audit should be made in accordance with generally accepted auditing standards (GAAS) as described in Statements on Auditing Standards, issued by the American Institute of Certified Public Accountants, Government Auditing Standards (GAS), issued by the Comptroller General of the United States, the Single Audit Act of 1984 (as amended), the provisions of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the Connecticut Compliance Supplement to the State Single Audit Act. Audits for years beyond June 30, 2015 will be in accordance with any changes made to the OMB Circulars.

Services rendered at the conclusion of the audit

The successful auditing firm should provide to the Norwalk Transit District at the conclusion of the annual audit:

- The reports on the Comprehensive Annual Financial Report with supplemental schedules
- Circular A-133, Federal Single Audit Report and State Single Audit Report and related required compliance reports.
- The reports on the internal controls of the District, and the accounting and administrative control system relative to Federal and State financial assistance.
- The reports on compliance with laws, regulations, contracts and grant agreements, and Federal and State general and specific requirements.
- The Supplementary Program Information report as required under the State of Connecticut Department of Transportation contract.
- The Office of Policy and Management Municipal Audit Questionnaire.
- The Data Collection Form.
- The management letter of comments and recommendations.
- The information necessary for the submission of the National Transit Database Report.

Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of five (5) years, unless the firm is notified in writing by the Norwalk Transit District of the need to extend the retention period. The auditor will be required to make working papers available, upon request by the Norwalk Transit District. In accordance with the requirements of Government Auditing Standards and of the Single Audit Act Amendments of 1996, the auditor is required to provide access to the working papers and photocopies thereof to a federal agency or the Comptroller General of the United States upon their request for their regulatory oversight purposes. If such a request is made, the auditor will inform the Chief Executive Officer prior to providing such access. In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

Qualifications of the successful auditing firm

The successful auditing firm should be independent, as defined by generally accepted auditing standards promulgated by the American Institute of Certified Public Accountants and government

auditing standards as issued by the Comptroller General of the United States regarding the Norwalk Transit District.

Additional requirements that the auditors must meet are:

- The firm must be licensed and registered to practice in the State of Connecticut through the State Board of Accountancy and provide such documentation.
- The firm must also document compliance with all requirements of the continuing education mandates, as they pertain to governmental engagements, of the State Board of Accountancy.
- Each firm submitting a proposal should describe the qualifications and expertise of the firm members to be utilized in performing the audit.
- A list of professional references of other similar governmental engagements should be included in the package.
- Have not been suspended or debarred from performing governmental audits.
- Have received a positive peer review in the past 3 years. A copy of the firm's most recent peer review should be submitted with any proposal.

Timing of Services

The accounting department of the Norwalk Transit District will have available to the successful auditing firm trial balances, account reconciliations and supporting schedules for the year ended June 30, 2015 by the date of award. For the ensuing fiscal years all data is expected to be available by September 1 following the fiscal year end.

A draft copy of the District's financial statements is expected to be received by the Norwalk Transit District by the end of October following the end of each fiscal year. The final issuance of the financial statements is expected no later than November 30 following the end of each fiscal year. These timelines will be extended during the initial audit year.

APPENDIX A1

FISCAL YEAR 2014 AUDIT REPORT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2014

Norwalk Transit District

City of Norwalk, Connecticut

Prepared By

Norwalk Transit District's
Department of Finance

Richard Bangs
FINANCE DIRECTOR

NORWALK TRANSIT DISTRICT

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NORWALK TRANSIT DISTRICT

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Introductory Section



Commissioners Andrew A. Glickson Sheldon Miller
Administrator Louis Schulman

275 Wilson Avenue

Norwalk, CT 06854

Tel: (203) 852-0000

Fax: (203) 299-5166

www.norwalktransit.com

December 16, 2014

To the Commissioners
Norwalk Transit District
City of Norwalk, Connecticut

RE: Comprehensive Annual Report

It is a pleasure to submit to you a Comprehensive Annual Financial Report (CAFR) of the Norwalk Transit District (the "District") for the fiscal year ended June 30, 2014.

State law requires that every transit district make available within six months of the fiscal year end a complete set of audited financial statements. This report was completed to fulfill this requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Levitsky and Berney, P.C., Certified Public Accountants, have issued an unmodified ("clean") opinion on the Norwalk Transit Districts financial statements for the fiscal year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

PROFILE OF GOVERNMENT

The District operates as an independent special purpose government responsible for providing shuttle or bus services to the City of Norwalk. The District also provides services in the City of Stamford, the Town of Westport, the Town of Wilton and the surrounding Town's through various agreements.

The operations of the District are governed under the State of Connecticut General Statutes, as related to transit districts in the State of Connecticut and the direction of the Commissioners that by law currently include two members. The Town of Westport operates as a separate transit district with a two member Board of Directors to provide assistance and oversight for those programs operating in the Town of Westport with Norwalk Transit District being the provider of services.

The Norwalk Transit District began in 1973 and is located in Norwalk Connecticut, which is approximately 40 miles east of the City of New York. In 1978, the District began both door to door and fixed route service within the City of Norwalk. Since then, the District has expanded to include other towns and types of services.

ECONOMIC CONDITIONS AND DEVELOPMENTS

Economic Conditions

The Greater Norwalk area has seen continued unemployment and low growth over the past few years. Plans for new commercial development and housing are underway in Norwalk. The local economy has slightly recovered and the economic consensus opinion suggests that this slow economic recovery will continue well into 2014.

Energy costs have a significant effect on the District's financial activity through the purchase of ultra low sulfur diesel fuel for the District's fleet of vehicles. To mediate these risks, the District uses long term contracts to fix costs on diesel fuel. During the fiscal year ended June 30, 2014, the District's fixed cost was \$3.13 through November 2013 increasing to \$3.66 through May 2014 and reduced to \$3.29 in June 2014.

The District depends heavily on subsidiaries from the State of Connecticut, which has its own financial challenges. For fiscal 2014 the State raised subsidies by 3½% The most recent estimate for State funding for fiscal year June 30, 2015 shows a 3% increase from a year earlier, however the State has not awarded final subsidies for the 2015 budget. If the State does not increase the 2015 subsidies then appropriate actions to reduce costs will have to be implemented.

Local municipalities also provide subsidiaries to the District. These municipalities rely heavily on property taxes for these funds. For the 2014 budget, the City of Norwalk increased funding by 2% and the Town of Westport increased funding by 3%.

Operating Budget

The District operated under an operating Budget that is approved annually by the Commissioners.

Capital Budgeting

The District depends on federal and state government subsidies to maintain the capital assets and any upgrades to capital assets. For this reason, the District maintains minimum balances designated for this purpose. For planning purposes, the District develops a 10 year capital budget that is updated routinely to ensure that a substantial financial burden is not caused by faulty or outdated capital assets.

Major Initiatives

The District is involved with the following initiatives:

GPS and AVL

The District has issued a request for proposal for a GPS and AVL system. This system will allow users of the transit system real time data on arrivals and locations of the vehicles. The contracts were awarded in early 2014 and a fifteen month implementation is expected.

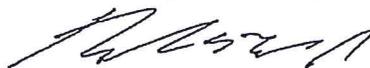
A more complete discussion and analysis is provided before the financial statements in the Management Discussion and Analysis section.

Awards and Acknowledgements

The Government Finance Officers Association of The United States and Canada (GFOA) awarded a certificate of Achievement for Excellences in Financial Reporting to the Norwalk Transit District for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the fifth consecutive year District 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 both generally accepted accounting principles and applicable legal requirements.

A certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Respectfully submitted,



Richard E. Bangs, Jr.
Director of Finance and Administration



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Norwalk Transit District
Connecticut

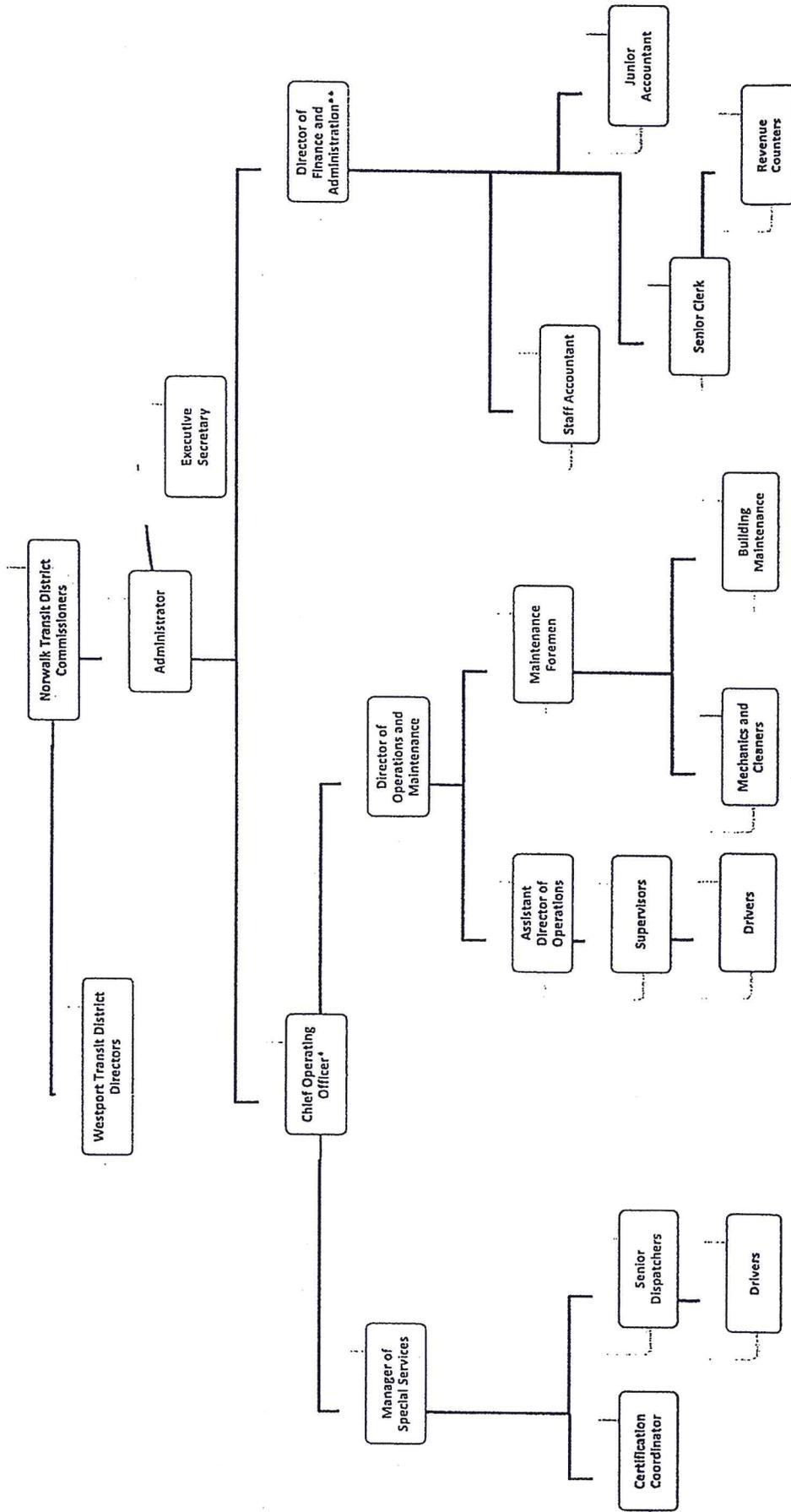
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

NORWALK TRANSIT DISTRICT

Organization Chart – June 2014



*Chief Operating Officer – DBE Liaison, EEO and Civil Rights Officer **Director of Finance and Administrative Services – training to be DBE Officer

Commissioners

(By appointment by Mayor of the City of Norwalk)

Andrew Glickson

Sheldon Miller

Directors

(Town of Westport services)

Eugene Cederbaum

Jennifer Johnson

Financial Section



LEVITSKY & BERNEY

A PROFESSIONAL CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS
100 BRADLEY ROAD • WOODBRIDGE, CONNECTICUT 06525-2394
203 389-5371 • FAX 203 389-4430

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Norwalk Transit District
Norwalk, CT 06418

Report on the Financial Statements

We have audited the accompanying financial statements of the activities of the Norwalk Transit District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise of the 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 Governmental Auditing Standards, issued by the controller 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the activities of the Norwalk Transit District as of June 30, 2014, and the respective changes in the 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* on pages 4a through 4f 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.

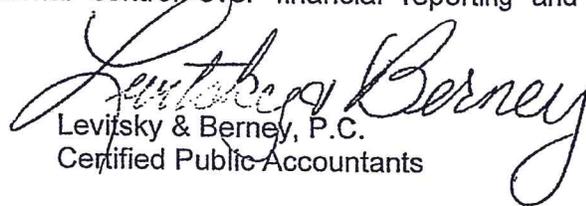
Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Norwalk Transit District's basic financial statements. The Combining Schedule of Revenues, Expenses, and Changes in Net Fund Position By Route are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2014 on our consideration of the Norwalk Transit District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Norwalk Transit District's internal control over financial reporting and compliance.


Levitsky & Berney, P.C.
Certified Public Accountants

December 19, 2014

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NORWALK TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

The following Management's Discussion and Analysis (MD&A) of the Norwalk Transit District's activities and financial performance provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2014.

Following this MD&A are the basic financial statements of the District together with the notes thereto which are essential to a full understanding of the data contained in the financial statements.

District Activities Highlights

The Norwalk Transit District operates several services: WHEELS, Norwalk's fixed route bus service; Norwalk ADA services which include: Dispatch-A-Ride and Town to Town, transportation services for persons with disabilities; and The Norwalk Commuter Connection Shuttles, service from the South Norwalk Rail Station to work sites. Under Welfare to Work initiative the District operates two evening shuttles serving South Norwalk, the South Norwalk Rail Station, the Connecticut Avenue Corridor and the Route 7 Corridor. Service also operates on these corridors on Sundays. The District also operates the Westport Service, fixed route and ADA service in Westport; The Greenwich Commuter Connection Shuttles, service from the Greenwich Rail Station to work sites; and "easy access", the ADA mandated service for the Stamford Division of Connecticut Transit. Interregional service is provided from Norwalk to Danbury (Route 7 Link) and Norwalk to Milford (Coastal Link). The District also participates in local and regional planning.

The Administrator, under the direction of two Commissioners, has the responsibility of overseeing the administrative staff of 21 and the 116 professional drivers and mechanics employed by the District.

Financial Statements

This report consists of a series of financial statements. The Balance Sheets and the Statements of Revenue, Expenses and Changes in Net Assets provide information about the activities of the District as a whole and present a longer-term view of the District's finances. The Combined Schedule of Revenue, Expenses and Changes in Net Assets reports the District's operations in more detail by providing information about the District's most significant programs and routes.

The District's financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. The District is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and (except for land and capital asset in progress) are depreciated over their useful lives. See the notes to the financial statements for a summary of the District's significant accounting policies.

Financial Operations Highlights for Fiscal Years 2014

- Total net assets in 2014 decreased by \$ 572,603 compared to a decrease of \$266,700 in 2013.
- Passenger Fare revenues accounted for \$2,104,958 or 14.5 percent of all revenues in fiscal 2014.
- Other components of revenues included:
 - o State of Connecticut (Department of Transportation and Department of Social Services) funds of \$ 11,255,054 were received in fiscal 2014 and \$ 11,006,302 for fiscal 2013 for a 2.3% increase.
 - o Local funds of \$ 837,542 were received in fiscal 2014 and \$ 800,943 for fiscal 2013 for a 4.5% increase.
 - o Other miscellaneous sources of revenue of \$ 123,039 were received in fiscal 2014 and \$ 126,583 for fiscal 2013.
- The District had \$14,441,261 in non-depreciation expenses related to the operation of the transit facility in fiscal 2013, a 3.7% increase from fiscal 2013 non-depreciation expenses of \$13,923,528.
- The District expended \$1,377,075 and \$383,833 on the purchase of transit related property and operating equipment, during fiscal years 2014 and 2013, respectively.

Financial Position Summary

A condensed summary of the District's net assets at June 30 is shown below:

Norwalk Transit District Net Assets

	<u>2014</u>	<u>2013</u>	<u>Difference</u>
Assets:			
Current	\$ 2,877,717	\$ 2,281,227	\$ 596,490
Capital assets	21,297,290	22,034,381	\$ (737,091)
Total Assets	<u>\$ 24,175,007</u>	<u>\$ 24,315,608</u>	<u>\$ (140,601)</u>
Liabilities:			
Current and Long Term	\$ 4,827,109	\$ 4,395,107	\$ 432,002
Total Liabilities	<u>\$ 4,827,109</u>	<u>\$ 4,395,107</u>	<u>\$ 432,002</u>
Net Assets:			
Invested in capital assets	\$ 21,297,290	\$ 22,034,381	\$ (737,091)
Unrestricted	(1,949,392)	(2,113,880)	\$ 164,488
Total Net Assets	<u>\$ 19,347,898</u>	<u>\$ 19,920,501</u>	<u>\$ (572,603)</u>

Total net assets serve over time as a useful indicator of the District's financial position. The District's net assets each year represent its investment in capital assets (e.g., real property, vehicles, pulse point and other equipment) and other unrestricted amounts. Capital assets are used to provide services to the patrons and passengers of the District and to users of public transit who ride the Norwalk Transit District fixed route buses as well as various shuttle services and those services to persons with disabilities (ADA services).

The District's assets exceeded its liabilities by \$ 19,347,898 at June 30, 2014, a \$ 572,603 decrease from June 30, 2013.

Summary of Changes in Net Assets

	<u>2014</u>	<u>2013</u>	<u>Difference</u>
Operating revenues	\$ 2,227,997	\$ 2,251,515	\$ (23,518)
Operating expenses	<u>16,429,198</u>	<u>14,854,724</u>	<u>\$ 1,574,474</u>
Operating loss	\$ (14,201,201)	\$ (12,603,209)	(1,597,992)
Net nonoperating revenues	<u>12,251,523</u>	<u>11,706,970</u>	<u>\$ 544,553</u>
Loss before capital grants	\$ (1,949,678)	\$ (896,239)	(1,053,439)
Capital grants	<u>1,377,075</u>	<u>383,833</u>	<u>\$ 993,242</u>
(Decrease) in Net Assets	\$ (572,603)	\$ (512,406)	(60,197)
Net assets, July 1	<u>19,920,501</u>	<u>20,432,907</u>	<u>(512,406)</u>
Net assets, June 30	<u><u>\$ 19,347,898</u></u>	<u><u>\$ 19,920,501</u></u>	<u><u>\$ (572,603)</u></u>

Revenues

A summary of revenues for the years ended June 30, 2014 and 2013 and the amount and percentage of change in relation to prior year amounts is as follows:

<u>Norwalk Transit District Revenues</u>				
	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>	<u>Percentage Increase (Decrease)</u>
Operating:				
Passenger fares	\$ 2,104,958	\$ 2,124,932	\$ (19,974)	-0.94%
Other operating revenues	<u>123,039</u>	<u>126,583</u>	<u>(3,544)</u>	<u>-2.80%</u>
Total Operating	<u>\$ 2,227,997</u>	<u>\$ 2,251,515</u>	<u>\$ (23,518)</u>	<u>-1.04%</u>
Non-Operating:				
Federal, State and local assistance grants	\$ 12,251,355	\$ 11,807,245	\$ 444,110	3.76%
Other	<u>168</u>	<u>11,273</u>	<u>(11,105)</u>	<u>-98.51%</u>
Total Non-Operating	<u>\$ 12,251,523</u>	<u>\$ 11,818,518</u>	<u>\$ 433,005</u>	<u>3.66%</u>
Capital grants	<u>\$ 1,377,075</u>	<u>\$ 383,833</u>	<u>\$ 993,242</u>	<u>258.77%</u>
Total Revenues	<u>\$ 15,856,595</u>	<u>\$ 14,453,866</u>	<u>\$ 1,402,729</u>	<u>9.70%</u>

The District is highly dependent upon subsidies and grants from the State of Connecticut, Federal government and local municipalities. The Norwalk Transit District would cease to exist as a transit operator without these revenues. The Federal, state and local assistance grants revenue increased by \$ 433,005 or 3.66% from 2013 to 2014.

Passenger fares reflect monies collected from riders. Passenger fares decreased over the prior year by \$ 19,974 or .94% in fiscal 2014.

Expenses

A summary of expenses for the years ended June 30, 2014 and 2013 and the amount and percentage of change in relation to prior year amounts is as follows:

Norwalk Transit District Expenses

	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>	<u>Percentage Increase (Decrease)</u>
Operating expenses:				
Wages and fringe benefits	\$ 9,420,232	\$ 9,102,141	\$ 318,091	3.49%
Depreciation	1,987,937	931,196	1,056,741	113.48%
Purchased Transportation	2,093,686	2,057,007	36,679	1.78%
Fuel and Lubricants	1,211,023	1,196,822	14,201	1.19%
Materials and Supplies	605,294	590,663	14,631	2.48%
Legal, Professional and Management	165,225	132,339	32,886	24.85%
Advertising	27,827	10,733	17,094	159.27%
Insurance	327,652	295,418	32,234	10.91%
Rent - facilities and equipment	8,298	7,810	488	6.25%
Utilities	306,503	256,716	49,787	19.39%
Contract Maintenance	233,019	204,596	28,423	13.89%
Other Expenses	42,502	69,283	(26,781)	-38.65%
Total operating expenses	\$ 16,429,198	\$ 14,854,724	\$ 1,574,474	10.60%
Interest expense	72,324	111,548	(39,224)	-35.16%
Total expenses	<u>\$ 16,501,522</u>	<u>\$ 14,966,272</u>	<u>1,535,250</u>	<u>10.26%</u>

In fiscal 2014 the increase in wages and fringe benefits expense reflects regular wage adjustments under a three year union contract expiring June 30, 2016, as well as an decrease in health insurance costs.

The cost of diesel fuel has stabilized over the past two years. The District has made efforts to control costs by using the fuel suppliers option to purchasing fuel in fixed contracts of up to one year in advance. This has provided the District with the ability for more accurate annual budgeting as well as timing the market lows to lock in prices at a lower rate. For fiscal year 2014 the initial cost was \$3.28 a gallon for ultra-low sulfur diesel through October 2013, decreasing to \$3.13 per gallon through April 2014 and increasing back to \$3.43 per gallon through April 2015.

Advertising increase is primarily due to \$20,000 in additional funding for advertng and marketing by the Town of Westport.

Interest Expense has decrease due to declining interest rates and a renegotiation of terms with the provider of the line of credit.

Debt Administration

The District has a \$ 3,300,000 commercial revolving line of credit that is used for operations throughout the fiscal year. The line of credit carries interest at the prime rate plus .25%. The balance at June 30, 2014 was \$ 2,925,000. The purpose of the line is for short-term borrowings. This note is further discussed in Note 5 of the financial statements.

Capital Acquisitions

During the fiscal year 2014 the District's major capital acquisitions were the replacement of 10 body on chassis vehicles. These vehicles are more fuel efficient and eco sensitive than the prior models.

The District has also awarded the contract for the installation of a GPS/AVL system that will improve customer communication and operating efficiency of the Transit District. The total implementation of the project should take 18 months being fully operational by the end of fiscal year 2015.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Director of Finance and Administrative Services, 275 Wilson Avenue, Norwalk, Connecticut 06854.

STATEMENT OF NET POSITION
JUNE 30, 2014

ASSETS**Current assets:**

Cash and cash equivalents	\$ 249,156
Receivables:	
Federal government	73,322
State of Connecticut	2,025,408
Municipals	46,639
Other	47,777
Inventory	424,423
Prepaid expenses	10,992
Total current assets	\$ <u>2,877,717</u>

Capital assets:

Capital assets, not being depreciated	\$ 3,335,263
Capital assets, net of accumulated depreciation	17,962,027
Total capital assets	\$ <u>21,297,290</u>
Total assets	\$ <u>24,175,007</u>

LIABILITIES AND NET POSITION**Current liabilities:**

Line of credit	\$ 2,925,000
Accounts payable	819,117
Accrued expenses and other current liabilities	513,863
Compensated absences	147,142
Total current liabilities	\$ <u>4,405,122</u>

Claims payable (incurred but not reported)	\$ <u>421,987</u>
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Total Liabilities	\$ <u>4,827,109</u>
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Net position:

Investment in capital assets	\$ 21,297,290
Unrestricted-deficiency in assets	(1,949,392)
Total net position	\$ <u>19,347,898</u>

The accompanying notes are an integral part of these financial statements.

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STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

Operating revenues	
Passenger fees	\$ 2,104,958
Other revenues	123,039
Total operating revenues	<u>\$ 2,227,997</u>
Operating expenses	
Salaries	\$ 6,340,736
Employee benefits	3,079,496
Purchased transportation	2,093,686
Depreciation	1,987,937
Fuel and lubrications	1,211,023
Materials and supplies	605,294
Legal, professional, and management	165,225
Advertising	27,827
Insurance	327,652
Rent - facilities and equipment	8,298
Utilities	306,503
Contract maintenance services	233,019
Other expenses	42,502
Total operating expenses	<u>\$ 16,429,198</u>
Operating income (Loss)	<u>\$ (14,201,201)</u>
Non-operating revenues (expenses)	
Intergovernmental grants	\$ 11,280,054
Local assistance	837,542
In-kind contributions	206,083
Interest revenue	168
Interest expense	(72,324)
Net operating revenues (expenses)	<u>\$ 12,251,523</u>
Increase (decrease) in net position, before capital grants	<u>\$ (1,949,678)</u>
Capital grants	<u>1,377,075</u>
Change in net position	<u>\$ (572,603)</u>
Net position - beginning balance	<u>\$ 19,920,501</u>
Net position - ending balance	<u><u>\$ 19,347,898</u></u>

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014**

CASH FLOW USED BY OPERATING ACTIVITIES	
Cash receipts from customers	\$ 2,231,835
Cash payments to suppliers for goods and services	(4,900,655)
Cash payments to employees for services	(9,980,096)
Net Cash Used by Operating Activities	\$ (12,648,916)
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from government assistance	\$ 12,449,908
Proceeds from short-term borrowing	375,000
Interest payments on short-term loans	(72,324)
Net Cash Provided by Noncapital Financing Activities	\$ 12,752,584
CASH FLOW USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	\$ (1,377,075)
Net Insurance recoveries	-
Capital contributions from other governments	1,377,075
Net Cash Flows Provided by Capital and Related Financing Activities	\$ -
CASH FLOW FROM INVESTING ACTIVITIES	
Interest income	\$ 168
Net Cash Flows Provided by Investment Activities	\$ 168
Net Increase (Decrease) in Cash	\$ 103,836
Cash at July 1, 2013	145,320
Cash at June 30, 2014	\$ 249,156
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating loss	\$ (14,201,201)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	1,987,937
Decrease (increase) in assets:	
Receivables	(535,671)
Prepaid expenses	30,508
Inventory	12,509
Increase (decrease) in liabilities:	
Accounts payable	165,040
Claims payable	(207,327)
Accrued expenses and other current liabilities	89,062
Deferred compensation	10,227
Net Cash Used by Operating Activities	\$ (12,648,916)

The accompanying notes are an integral part of these financial statements.

NORWALK TRANSIT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Norwalk Transit District (the "District") was formed in 1973 by the City of Norwalk under the provisions of Chapter 103a of the Connecticut General Statutes to develop and maintain a mass transportation system within the City of Norwalk, Connecticut. The District began fixed route services in 1978. Since 1978, the District has expanded to include other districts and types of services.

The State of Connecticut (the "State"), the Cities of Norwalk and Stamford, and the Towns of Westport and Wilton provide the District funds through operating grants, which subsidize the District for transit operations throughout the year.

The U.S Federal Transit Administration (FTA) and Connecticut Department of Transportation (DOT) currently provides funds for the reimbursement of capital expenditures incurred by the District for the purchase of capital assets authorized.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the District have been prepared in conformity with generally accepted accounting principles. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant policies are described below.

The government is comprised of an individual proprietary fund. The District is responsible for its debt and is entitled to surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the District.

The District and its enterprise funds are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchanges and exchange-like transactions are recognized when the exchange takes place.

The District follows all pronouncements of the Governmental Accounting Standards Board, and has elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. The enterprise 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 an enterprise fund's principle ongoing operations. Operating expenses for proprietary 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 government has one fund, which is reported as a major business-type fund.

NORWALK TRANSIT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

Proprietary fund accounting

The District follows Statement No. 20 of the Governmental Accounting Standards Board ("GASB"), "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting". This statement provides guidance on the applicability of accounting pronouncements from other standard setting organizations. Under the District's election, it must apply all GASB pronouncements and the following pronouncements issued before November 30, 1989 unless they contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedures.

Assets, liabilities and net assets or equity

Cash and cash equivalents

The District considers cash on hand, deposits and short-term investments with an original maturity of three months or less to be cash and cash equivalents.

Accounts receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. No provision for bad debt expense or valuation allowance is established.

Inventory

Inventory is valued at lower of cost or market. The District records fuel and lubricants on a first-in, first-out (FIFO) basis and spare parts and materials on a last-in, first-out (LIFO) basis.

Capital assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the net assets or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Transit vehicles	5-12 years
Machinery and equipment	5-7 years
Building and improvements	32-40 years

NORWALK TRANSIT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

Net position

In the financial statements, net position is classified in the following categories:

Investment in capital assets, net of related debt groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

The *restricted net position* present external restrictions imposed by creditors, grantors, contributors and laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The *unrestricted net position* are those net assets not categorized in the other accounts. Designations of these net assets represent the intentions of management and are subject to change at anytime.

Estimates

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

Compensated absences

The District accrues for the payroll and related fringe benefits liability associated with compensated absences of employees in accordance with the union and employee contracts.

Note 2 - Deposits and Investments

Deposits

Custodial credit risk

As of June 30, 2014, the carrying amount of the District's deposits was approximately \$249,156 and the bank balances were \$39,305. The amount of the bank balance covered under federal depository insurance was approximately \$39,305.

NORWALK TRANSIT DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

Investments

The District did not have investments at June 30, 2014.

Interest rate risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk

State law limits investments to the obligations of the United States of America, including the joint and several obligations of the Federal Home Mortgage Corporation, Federal National Mortgage Association, the Government National Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the federal home loan banks, all federal land banks, all the federal intermediate credit banks, the Central Bank of Cooperatives, the Tennessee Valley Authority, or any other Agency of the United States Government.

Note 3 - Receivables, Payables and Accrued Expenses

Accounts receivable

It is management's belief that all accounts receivable recorded at June 30, 2014 are fully collectable and no allowance for doubtful accounts were recognized.

The Connecticut Department of Transportation is liable for approximately \$2.0 million of the Districts receivables through several grant agreements. This represents approximately 87% of the total accounts receivable. In addition, approximately \$270 thousand of this balance has been outstanding for over one year.

Payables and accrued expenses

These current liabilities include the following:

	<u>Vendors</u>	<u>Employees</u>
Accounts payable	\$ 819,117	
Accrued expenses and other liabilities:		
Accrued payroll and vacation		513,863
Total	\$ <u>819,117</u>	<u>513,863</u>

NORWALK TRANSIT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2014 is as follows:

	<u>Balance June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
Capital assets, not being depreciated:				
Land	\$ 2,686,848			2,686,848
Works of art	271,997			271,997
Construction in progress	250,000	126,418		376,418
Total capital assets, not being depreciated	\$ 3,208,845	126,418		3,335,263
Capital assets, being depreciated:				
Building and improvements	\$ 16,908,186	217,308		17,125,494
Transit vehicles	15,827,042	899,994	425,065	16,301,971
Furn., computers and equip.	2,142,676	7,126		2,149,802
Total capital assets, being depreciated	\$ 34,877,904	1,124,428	425,065	35,577,267
Accumulated depreciation:				
Building and improvements	\$ 3,832,398	387,404		4,219,802
Transit vehicles	10,733,136	1,488,175	425,065	11,796,246
Furn., computers and equip.	1,486,834	112,358		1,599,192
Total Accumulated Depreciation	\$ 16,052,368	1,987,937	425,065	17,615,240
Net total capital assets, being depreciated	\$ 18,825,536	(863,509)		17,962,027
Total capital assets	\$ 22,034,381	(737,091)		21,297,290

Depreciation expense amounted to \$ 1,987,937 for the year ended June 30, 2014.

Note 5 - Line of Credit and Short-term Notes

On June 30, 2014, the District had a \$3,000,000 secured line of credit available through Connecticut Community Bank N.A. with an interest rate of prime rate plus .25% (3.50% on June 30, 2014). The outstanding balance at June 30, 2014 under the line of credit was \$2,925,000. Interest expense for the fiscal year 2014 was \$72,324. The line is secured by the proceeds from any and all grants, receivables, income and funding commitments (specifically those from the State of Connecticut Department of Transportation).

NORWALK TRANSIT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Note 6 - Commitments and Contingencies

Lawsuits, Risk Management and Insurance

The District is exposed to various risks of loss including torts, theft of, damage to, and destruction of; error and omissions; injuries to employees; employee health and natural disasters. Other than automobile, the District obtains commercial insurance for these risks. Automobile insurance is administered through a Consortium of Transit Districts within the State of Connecticut. This insurance is fully funded by the State of Connecticut and administered by the Greater Hartford Transit District through the State's self insurance plan up to \$1,000,000 and a commercial insurance policy for liabilities over that amount. Settled claims for all types have not exceeded commercial coverage in any of the past three years.

A noncash grant of \$195,000 for related insurance expenses was recorded in the financial statements based on an estimate of total consortium costs.

Workers' Compensation

A third party administers the workers' compensation plan for which the District pays fees.

The worker's compensation fund purchases a self insured retention worker's compensation excess policy for claims exceeding \$350,000. All other claims are funded by the District. Payments are estimated based upon a third party assessment of payroll amounts, job classification rates, experience and second injury fund assessments. The estimated claims liability for June 30, 2014 was \$421,987, which includes \$0 reported and \$421,987 incurred but not reported. As of August 1, 2012, the District was fully insured for workers' compensation.

The claims liability is based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claim accrual is based on the ultimate costs of settling the claim, which includes past expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

An analysis of the activity in the claims liability for the workers' compensation is as follows:

	<u>Claims Payable July 1,</u>	<u>Current Year Claims And Changes In Estimates</u>	<u>Net Claims Payments</u>	<u>Claims Payable June 30,</u>
2012-2013	\$ 935,175	(128,051)	177,810	629,314
2013-2014	629,314	(201,819)	(5,508)	421,987

NORWALK TRANSIT DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

State and Federal Grants

State and Federal funded transit programs are subject to special audit. Such audits could result in claims against the resources of the District. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this time.

Environmental

The nature of the District's transportation service subjects it to extensive and rapidly changing federal and state environmental regulations governing air emissions, waste water discharge and solid and hazardous waste management activities.

The District's policy is to accrue environmental and clean-up related costs of a noncapital nature when it is both probable that a liability has been incurred and that an amount can be reasonably estimated. It remains however, extremely difficult to reasonably quantify future environmental related expenditures and therefore no such liability has been recorded.

Note 7 - Employee Retirement Plans

Defined Contribution Plan

The District is the administrator of a single employer, defined contribution pension plan, the Norwalk Transit District Target Benefit Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. The Plan covers eligible union employees.

The employer contribution for District employees for the Plan year is 6% of earnings. The total District contribution during the year ended June 30, 2014, was \$254,589 and represented 6% of covered payroll. The employees required contributions were \$84,863 and represented 2% of covered payroll. The authority to establish and amend contribution requirements is by the District Commissioners.

Deferred Compensation Plans

The District also provides a noncontributory, non qualified deferred compensation plan that covers its administrator. The District has set aside amounting to \$102,635 at June 30, 2014, for the pay-out of accrued benefits. The District is recognizing the related expense over the period of employment. The amount deferred and accrued as of June 30, 2014 was \$147,142. The annual expense of this plan was \$4,514.

Balance at July 1, 2013	\$	136,915
Additions		<u>10,227</u>
Balance at June 30, 2014	\$	<u>147,142</u>

Worker's Compensation

On August 1, 2012, the District became fully insured for worker's compensation from a self insured plan.

NORWALK TRANSIT DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET FUND POSITION BY ROUTE
For Year Ended June 30, 2014

	Norwalk Fixed Route	Norwalk ADA
Operating revenues		
Passenger fees	\$ 1,210,666	76,047
Other revenues	84,714	
Total operating revenues	<u>\$ 1,295,380</u>	<u>76,047</u>
Operating expenses		
Salaries	\$ 3,215,587	167,699
Employee benefits	1,918,796	87,396
Purchased transportation		657,827
Depreciation		
Fuel and lubrications	492,523	46,140
Materials and supplies	315,851	19,311
Legal, professional, and management	165,225	
Advertising	20,601	
Insurance	132,652	
Rent - facilities and equipment	8,298	
Utilities	306,503	
Contract maintenance services	233,019	
Other expenses	42,502	
Total operating expenses	<u>\$ 6,851,557</u>	<u>978,373</u>
Operating income	<u>\$ (5,556,177)</u>	<u>(902,326)</u>
Non-operating revenues (expenses)		
Federal assistance grants	\$	
State of Connecticut assistance grants:		
Department of Transportation	4,986,516	866,673
Department of Social Services - The Workplace		
City of Norwalk	457,127	29,570
Town of Westport		
City of Stamford		
Town of Wilton		
In-Kind contributions		6,083
Interest revenues	168	
Interest expense	(72,324)	
Collections of bad debts and insurance recoveries		
Net operating revenues (expenses)	<u>\$ 5,371,487</u>	<u>902,326</u>
Increase (decrease) in net assets, before capital grants	<u>\$ (184,690)</u>	<u>-</u>
Capital grants:		
Federal Transit Administration	\$	
State of Connecticut		
Local		
Total capital grants	<u>\$ -</u>	<u>-</u>
Change in fund net position	<u>\$ (184,690)</u>	<u>-</u>
Net fund position - beginning balance	<u>(1,214,197)</u>	<u>(169,275)</u>
Net fund position, ended balance	<u>\$ (1,398,887)</u>	<u>(169,275)</u>

Norwalk Shuttles	Westport Fixed Route	Westport ADA	Greenwich Shuttle	Stamford ADA	Route 7 Evening Shuttle
160,341	118,441	8,585	58,396	168,644	15,782
		20,041			
<u>160,341</u>	<u>118,441</u>	<u>28,626</u>	<u>58,396</u>	<u>168,644</u>	<u>15,782</u>
497,095	449,661	188,165	41,321	1,069,416	34,509
208,022	209,244	75,339	18,128	468,616	16,011
			307,106	1,051,061	
130,670	154,889	17,439		184,439	11,263
52,031	61,748	7,045		75,681	4,488
	7,226				
<u>887,818</u>	<u>882,768</u>	<u>287,988</u>	<u>366,555</u>	<u>2,849,213</u>	<u>66,271</u>
<u>(727,477)</u>	<u>(764,327)</u>	<u>(259,362)</u>	<u>(308,159)</u>	<u>(2,680,569)</u>	<u>(50,489)</u>
					8,978
727,202	573,568	173,757	308,132	2,603,072	41,128
	190,240	85,605			
				75,000	
<u>727,202</u>	<u>763,808</u>	<u>259,362</u>	<u>308,132</u>	<u>2,678,072</u>	<u>50,106</u>
<u>(275)</u>	<u>(519)</u>	<u>-</u>	<u>(27)</u>	<u>(2,497)</u>	<u>(383)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(275)</u>	<u>(519)</u>	<u>-</u>	<u>(27)</u>	<u>(2,497)</u>	<u>(383)</u>
<u>(118,980)</u>	<u>(61,629)</u>	<u>(19,437)</u>	<u>(7,100)</u>	<u>(124,410)</u>	<u>(21,203)</u>
<u>(119,255)</u>	<u>(62,148)</u>	<u>(19,437)</u>	<u>(7,127)</u>	<u>(126,907)</u>	<u>(21,586)</u>

NORWALK TRANSIT DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET FUND POSITION BY ROUTE
For Year Ended June 30, 2014

	CT Avenue Evening Shuttle	Coastal Link
Operating revenues		
Passenger fees	\$ 22,639	216,551
Other revenues		
Total operating revenues	<u>\$ 22,639</u>	<u>216,551</u>
Operating expenses		
Salaries	\$ 35,509	476,970
Employee benefits	16,513	194,630
Purchased transportation		
Depreciation		
Fuel and lubrications	11,868	104,511
Materials and supplies	4,725	41,609
Legal, professional, and management		
Advertising		
Insurance		
Rent - facilities and equipment		
Utilities		
Contract maintenance services		
Other expenses		
Total operating expenses	<u>\$ 68,615</u>	<u>817,720</u>
Operating income	<u>\$ (45,976)</u>	<u>(601,169)</u>
Non-operating revenues (expenses)		
Federal assistance grants	\$ 8,187	
State of Connecticut assistance grants:		
Department of Transportation	37,495	337,304
Department of Social Services - The Workplace		263,828
City of Norwalk		
Town of Westport		
City of Stamford		
Town of Wilton		
In-Kind contributions		
Interest revenues		
Interest expense		
Collections of bad debts		
Net operating revenues (expenses)	<u>\$ 45,682</u>	<u>601,132</u>
Increase (decrease) in net fund position, before capital grants	<u>\$ (294)</u>	<u>(37)</u>
Capital grants:		
Federal Transit Agency	\$	
State of Connecticut		
Local		
Total capital grants	<u>\$ -</u>	<u>-</u>
Change in net fund position	<u>\$ (294)</u>	<u>(37)</u>
Net fund position - beginning balance	<u>(21,625)</u>	<u>(201,203)</u>
Net fund position, ended balance	<u>\$ (21,919)</u>	<u>(201,240)</u>

SCHEDULE 1
Page 2 of 2

Sunday Shuttle	Danbury Route 7 Link	State Matching Grant	Administrative Grants	Noncash & Capital Grants	Total
26,130	22,736				2,104,958
			18,284		123,039
26,130	22,736	-	18,284	-	2,227,997
37,534	127,270				6,340,736
16,960	51,660		(201,819)		3,079,496
		77,692			2,093,686
				1,987,937	1,987,937
11,141	46,140				1,211,023
4,434	18,371				605,294
					165,225
					27,827
				195,000	327,652
					8,298
					306,503
					233,019
					42,502
70,069	243,441	77,692	(201,819)	2,182,937	16,429,198
(43,939)	(220,705)	(77,692)	220,103	(2,182,937)	(14,201,201)
7,835					25,000
35,879	214,914	85,586			10,991,226
					263,828
					486,697
					275,845
					75,000
	5,000			195,000	-
					206,083
					168
					(72,324)
43,714	219,914	85,586	-	195,000	12,251,523
(225)	(791)	7,894	220,103	(1,987,937)	(1,949,678)
				1,124,584	1,124,584
				252,174	252,174
				317	317
-	-	-	-	1,377,075	1,377,075
(225)	(791)	7,894	220,103	(610,862)	(572,603)
(11,334)	(23,272)	-	8,760	21,905,406	19,920,501
(11,559)	(24,063)	7,894	228,863	21,294,544	19,347,898

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Statistical Section

Statistical Section

This part of the Norwalk Transit District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents

Page

Financial Trends

A

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

B

These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity

C

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

D

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

E

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

NORWALK TRANSIT DISTRICT

STATEMENT OF NET POSITION
Last Ten Fiscal Years (In thousands)

	2005	2006
ASSETS		
<i>Current assets</i>		
Cash and investments	\$ 14	122
Receivables	-	-
State of Connecticut	559	837
Federal Transit Admin.	139	12
Local governments	-	-
Other	77	79
Materials, supplies and fuel	207	274
Other current assets	32	1
Total current assets	\$ 1,028	1,325
Property and equipment	23,758	22,403
Total Assets	\$ 24,786	23,728
LIABILITIES AND EQUITY		
<i>Liabilities</i>		
Accounts payable	\$ 444	453
Notes payable	400	760
Other liabilities	332	438
Total liabilities	\$ 1,176	1,651
Net position		
Investment in capital assets	\$ 23,758	22,402
Unrestricted -deficiency in assets	(148)	(325)
Total net position	\$ 23,610	22,077

Unrestricted - deficiency in Assets

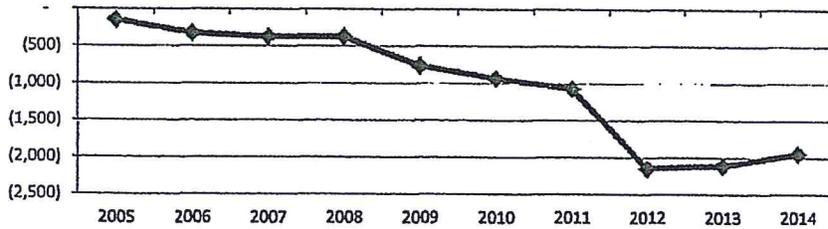
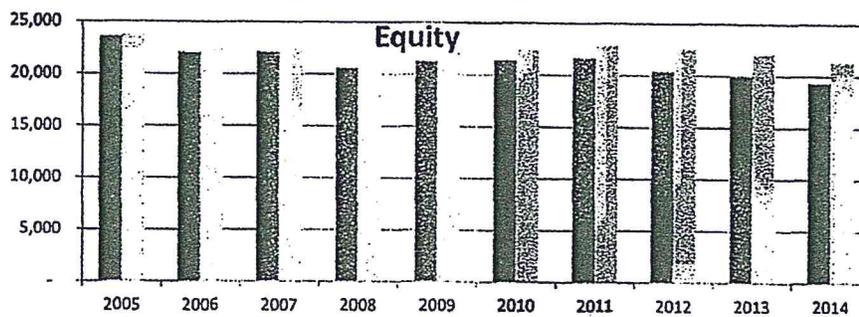


TABLE A-1

2007	2008	2009	2010	2011	2012	2013	2014
74	58	250	584	190	124	145	249
893	1,436	1,747	1,481	1,126	1,215	1,546	2,025
112	11	202	192	273	47	34	73
26	60	17	22	24	24	21	47
19	22	27	32	72	63	56	48
320	325	329	308	465	485	437	424
1	1	-	-	1	42	42	11
1,445	1,913	2,572	2,619	2,151	2,000	2,281	2,877
22,507	20,964	22,036	22,385	22,810	22,582	22,034	21,297
23,952	22,877	24,608	25,004	24,961	24,582	24,315	24,174
551	543	831	972	549	695	654	819
725	1,250	1,900	1,775	1,575	1,975	2,550	2,925
542	495	603	805	1,100	1,479	1,191	1,083
1,818	2,288	3,334	3,552	3,224	4,149	4,395	4,827
22,507	20,963	22,036	22,386	22,810	22,582	22,034	21,297
(373)	(374)	(762)	(934)	(1,073)	(2,149)	(2,114)	(1,949)
22,134	20,589	21,274	21,452	21,737	20,433	19,920	19,348



NORWALK TRANSIT DISTRICT

STATEMENT OF CHANGES IN NET POSITION
Last Ten Fiscal Years (In thousands)

	2005	2006	2007	2008
Operating Income	\$ 1,796	1,884	2,002	2,070
Operating expenses				
Salaries and benefits	\$ 6,208	6,361	6,625	6,995
Purchased transportation services	1,210	1,204	1,403	1,468
Depreciation	1,495	1,498	1,600	1,676
Fuel and lubricants	389	723	783	742
Materials and supplies	301	363	368	479
Professional services	104	87	94	129
Advertising	17	24	2	22
Insurance	96	103	105	101
Rent - facilities and equip.	2		2	6
Utilities	204	250	296	304
Contract maintenance	67	79	119	182
Other expenses	87	69	57	76
Total operating expenses	\$ 10,180	10,761	11,454	12,180
Operating income (loss)	\$ (8,384)	(8,877)	(9,452)	(10,110)
Nonoperating revenues (expenses)				
Federal assistance	\$ 661	558	273	172
State assistance	5,383	6,049	6,794	7,397
Local assistance	746	734	780	807
Net interest expense	(23)	(29)	(43)	(52)
Other	(176)	(110)		
Net nonoperating revenues	\$ 6,591	7,202	7,804	8,324
Loss before capital grants	\$ (1,793)	(1,675)	(1,648)	(1,786)
Capital Grants				
Federal assistance	\$ 321	113	1,311	163
State assistance	79	25	328	3
Local assistance	1	4	67	(34)
	\$ 401	142	1,706	132
Change in net position	\$ (1,392)	(1,533)	58	(1,654)

Operating Revenue

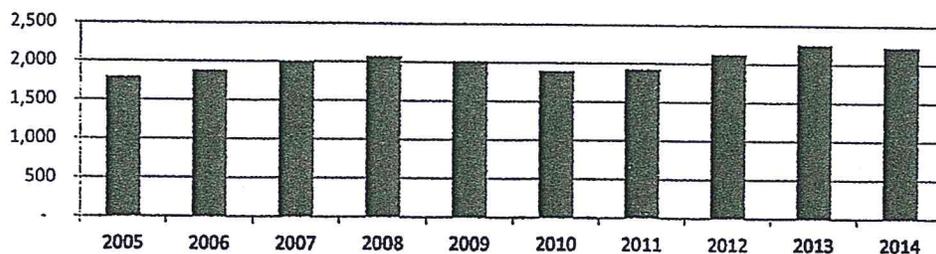
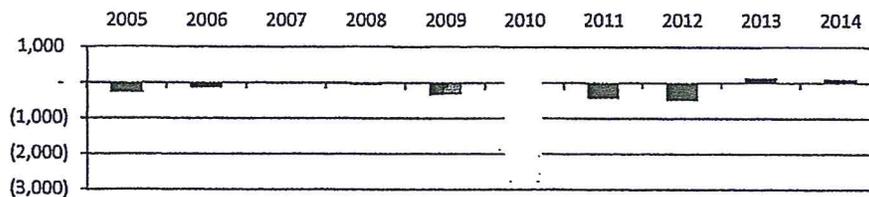


TABLE A-2

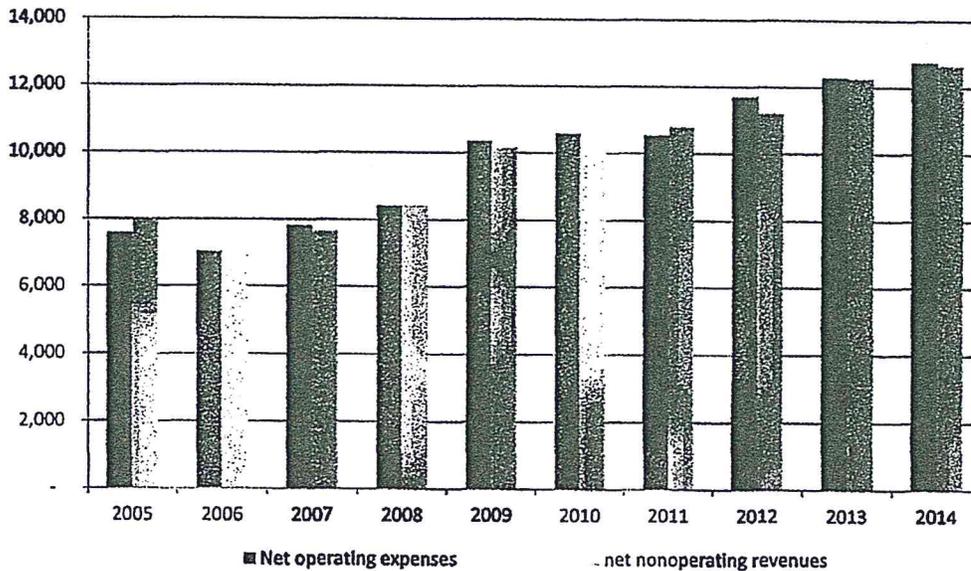
2009	2010	2011	2012	2013	2014
2,019	1,899	1,927	2,128	2,252	2,228
7,829	11,166	9,116	9,382	9,102	9,420
1,935	1,939	1,835	2,012	2,057	2,094
1,734	1,726	1,782	1,881	931	1,988
1,197	950	936	1,087	1,197	1,211
553	511	562	633	591	605
153	136	90	151	132	165
34	9	22	1	11	28
283	312	72	197	295	328
6	9	9	9	8	8
356	304	335	251	257	307
136	157	188	170	205	233
63	47	44	64	69	42
14,279	17,266	14,991	15,838	14,855	16,429
(12,260)	(15,367)	(13,064)	(13,710)	(12,603)	(14,201)
426	243	185		27	25
8,636	9,463	9,701	10,535	10,979	11,255
825	831	933	854	812	838
(43)	(66)	(71)	(89)	(111)	(72)
301	280	31	(54)	-	206
10,145	10,751	10,779	11,246	11,707	12,252
(2,115)	(4,616)	(2,285)	(2,464)	(896)	(1,949)
2,436	1,671	2,057	1,160	307	1,125
364	408	514		77	252
	3	-			
2,800	2,082	2,571	1,160	384	1,377
685	(2,534)	286	(1,304)	(512)	(572)

**Change in Net Position Before Interest,
Depreciation & Capital Grants**



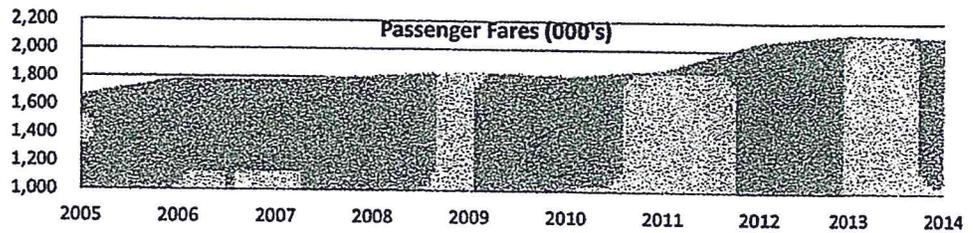
STATEMENT OF CASH FLOWS
 Last Ten Fiscal Years (In thousands)

Fiscal Year	Operating Activities	Noncapital Financing Activities	Capital and Related Financing Activities	Investing Activities	Net Change in Cash and Cash Equivalents
2005	\$ (7,997)	7,589	12	-	(396)
2006	(6,942)	7,051	(1)	-	108
2007	(7,651)	7,819	(216)	-	(48)
2008	(8,442)	8,432	(9)	-	(19)
2009	(10,176)	10,361	-	10	195
2010	(10,269)	10,598	-	5	334
2011	(10,798)	10,544	(144)	4	(394)
2012	(11,219)	11,699	(547)	1	(66)
2013	(12,261)	12,282	-	-	21
2014	(12,649)	12,753	-	-	104
Total	\$ (98,404)	99,128	(905)	20	(161)

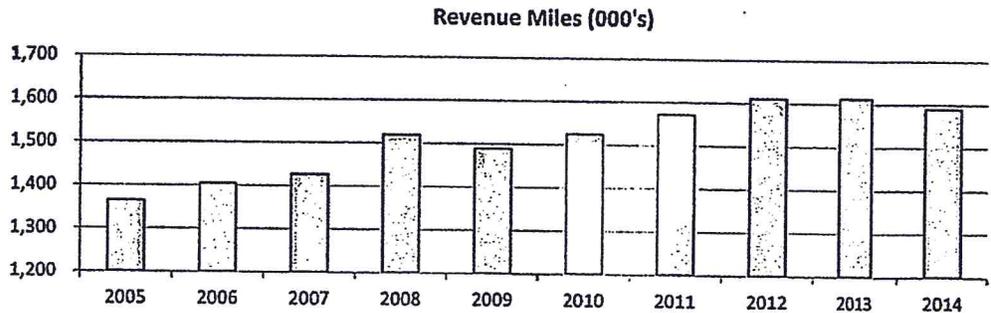


REVENUE CAPACITY - REVENUE BASE AND REVENUE FARES
 Last Ten Fiscal Years (In thousands)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenue Rates										
Passenger Fares (000's) \$	1,677	1,794	1,782	1,815	1,850	1,819	1,866	2,067	2,125	2,105
Percent change	-	7%	-1%	2%	2%	-2%	3%	11%	3%	-1%



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenue Base										
Ridership	1,777	1,783	1,919	1,927	2,016	2,017	2,006	2,058	2,062	2,036
Vehicle hours	152	160	155	158	161	177	188	190	190	187
Vehicle miles	1,758	1,746	1,778	1,778	1,797	1,845	1,895	1,943	1,932	1,891
Revenue hours	117	125	123	137	134	153	163	164	162	159
Revenue miles	1,365	1,405	1,427	1,520	1,490	1,525	1,573	1,612	1,613	1,591



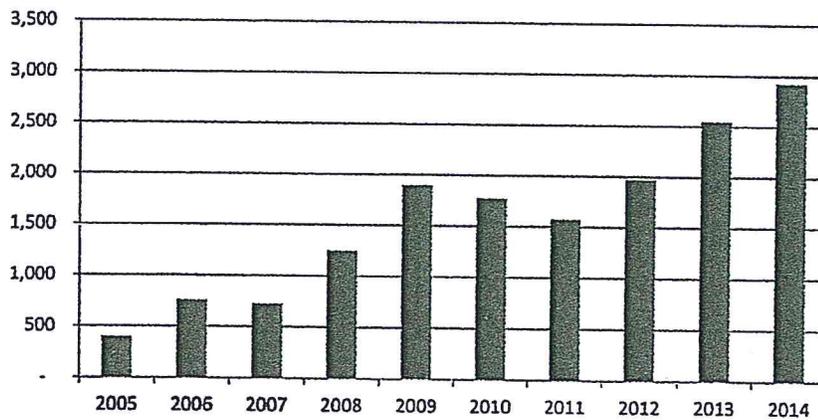
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Fare Structure:										
Fixed route services	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.50	1.50	1.50
Demand services	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.60	2.60	2.60

Source: Norwalk Transit District Finance Department

DEBT CAPACITY - NOTES PAYABLE
 Last Ten Fiscal Years (In thousands)

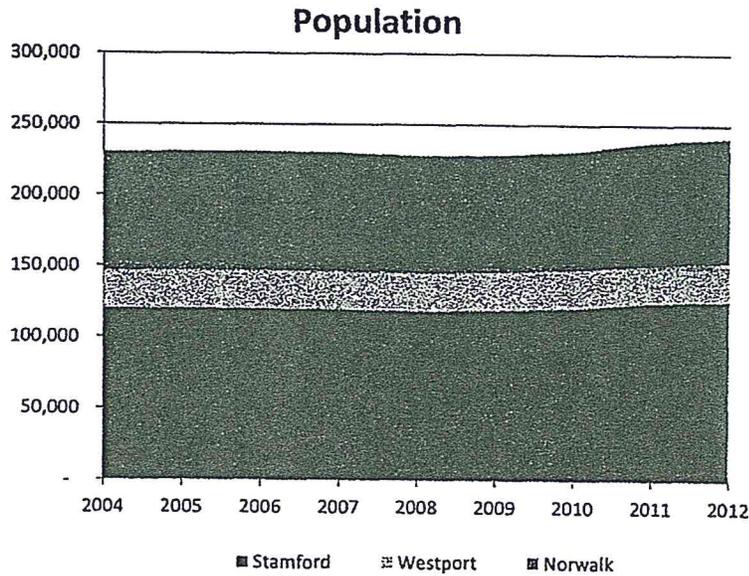
The Norwalk Transit District was not liable for long-term notes, bonds or capital leases during the last ten years. However, the District has carried a note payable used to cover short term liabilities until intergovernmental grants were received. The balance for this note was as follows:

Fiscal Year	Note Payable
2005	\$ 400
2006	760
2007	725
2008	1,250
2009	1,900
2010	1,775
2011	1,575
2012	1,975
2013	2,550
2014	2,925



Demographic and Economic Conditions - Population Trends
Last Ten Fiscal Years

<u>Population</u>				
Fiscal Year	Stamford	Westport	Norwalk	Total
2003	119,850	26,171	84,127	230,148
2004	120,107	26,320	84,170	230,597
2005	120,160	26,564	84,412	231,136
2006	120,045	26,615	84,437	231,097
2007	119,483	26,642	84,344	230,469
2008	118,475	26,508	83,456	228,439
2009	119,303	26,592	83,185	229,080
2010	121,026	26,799	83,802	231,627
2011	124,908	26,420	87,014	238,342
2012	126,456	27,308	87,774	241,538

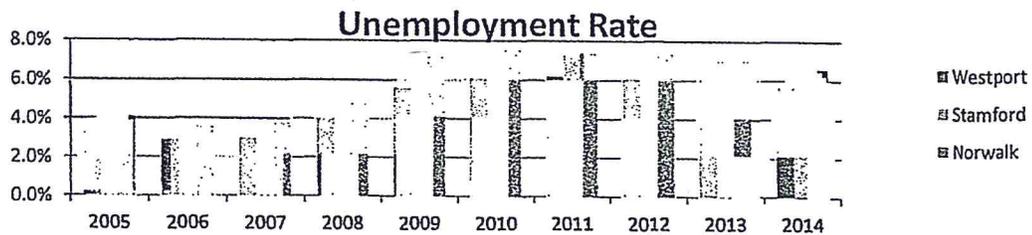


Source: State of Connecticut Department of Economic and Community Development.

Demographic and Economic Conditions - Employment
Last Ten Fiscal Years

<u>Total Employment</u>					
<u>Fiscal Year</u>		<u>City of Stamford</u>	<u>Town of Westport</u>	<u>City of Norwalk</u>	<u>Total</u>
2005	\$	62,436	11,974	45,493	119,903
2006		63,446	12,237	46,396	122,079
2007		63,761	12,340	46,527	122,628
2008		63,710	12,331	46,490	122,531
2009		62,031	12,006	48,752	122,789
2010		62,245	12,001	44,959	119,205
2011		62,179	12,093	45,304	119,576
2012		69,324	11,888	43,360	124,572
2013		74,081	12,267	44,034	133,382
2014		63,290	11,845	45,692	120,827

<u>Unemployment Rate</u>					
<u>Fiscal Year</u>		<u>City of Stamford</u>	<u>Town of Westport</u>	<u>City of Norwalk</u>	<u>Average</u>
2005		4.2%	3.3%	4.1%	3.9%
2006		3.6%	2.9%	3.6%	3.4%
2007		3.7%	3.0%	3.8%	3.5%
2008		4.7%	4.0%	4.8%	4.5%
2009		6.7%	5.6%	7.2%	6.5%
2010		7.2%	6.1%	7.6%	7.0%
2011		7.3%	6.2%	7.4%	7.0%
2012		7.3%	6.1%	7.4%	6.9%
2013		7.0%	6.1%	7.0%	6.7%
2014		6.4%	5.7%	6.6%	6.2%

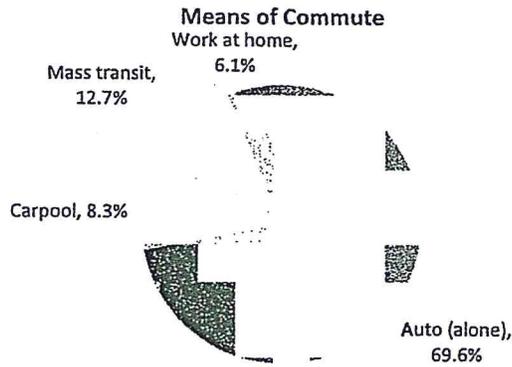


Source: State of Connecticut Department of Labor

Demographic and Economic Conditions - Commuter Data
For the Fiscal Year

	City of Stamford	Town of Westport	City of Norwalk	Average
Commuter Time	26.7	40.1	28.0	31.6
Means of Commute				
Auto (alone)	70.1%	64.7%	74.2%	69.6%
Carpool	10.8%	3.0%	11.1%	8.3%
Mass transit	10.9%	18.6%	8.5%	12.7%
Work at home	3.8%	11.0%	3.6%	6.1%
Commute time:				
< 15 minutes	33.9%	26.7%	33.7%	31.4%
15-29 minutes	39.3%	25.9%	33.6%	32.9%
30-44 minutes	13.3%	12.3%	17.4%	14.3%
45-59 minutes	3.7%	6.0%	5.6%	5.1%
>60 minutes	9.9%	29.1%	9.7%	16.2%

Source: U.S. Census Bureau, American Community Survey



	Commuter's Into Norwalk	Commuter's Out of Norwalk
Norwalk	17,865	17,865
Bridgeport	3,523	7,213
Stamford	3,377	2,368
Fairfield	1,749	2,210
Stratford	1,149	1,774
Milford	1,133	1,640
Trumbull	1,086	1,320
Westport	1,027	1,015
Shelton	1,020	989
Danbury	873	840

Source: Connecticut Economic Resource Center, Inc.

NORWALK TRANSIT DISTRICT

Capital Assets
Last Ten Fiscal Years (In thousands)

	2005	2006	2007	2008	2009
Land	2,560	2,560	2,560	2,560	2,559
Artwork	127	145	145	145	168
Construction in progress	-	1	139	262	615
Building and improvements	13,476	13,476	13,476	13,476	13,476
Transit vehicles	11,550	11,550	11,746	11,746	14,127
Furniture, computer and equipment	674	797	1,502	1,511	1,562
Accumulated Depreciation	(4,628)	(6,127)	(7,061)	(8,737)	(10,472)
Net capital assets	23,759	22,402	22,507	20,963	22,035

Transit Vehicles

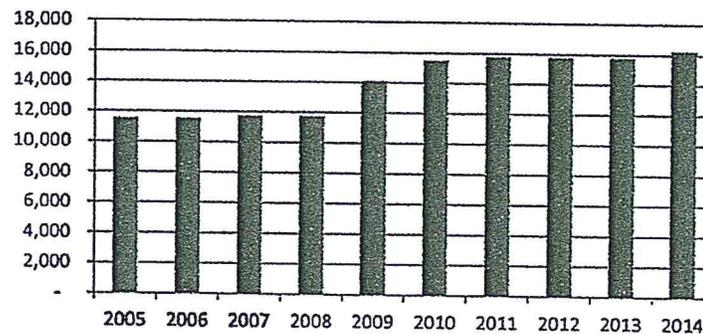
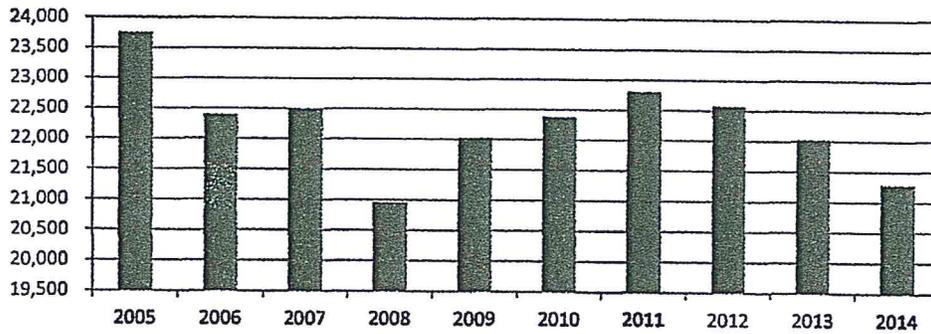


TABLE E-1

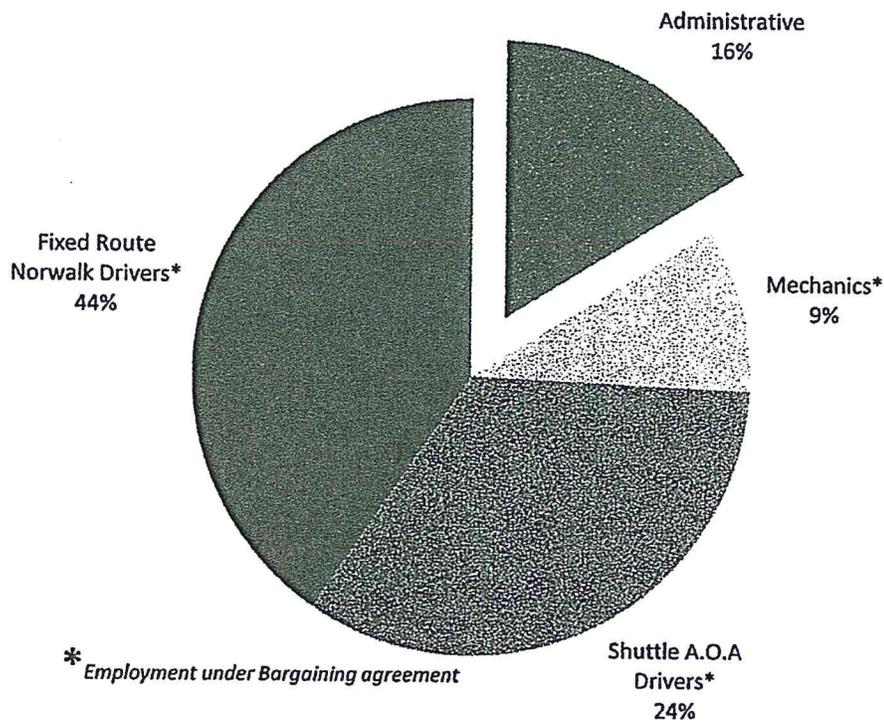
2010	2011	2012	2013	2014
2,559	2,560	2,560	2,687	2,687
168	168	272	272	272
681	2,290	3,552	250	376
13,476	13,476	13,541	16,908	17,125
15,520	15,827	15,827	15,827	16,302
1,604	1,789	1,990	2,142	2,150
(11,623)	(13,300)	(15,161)	(16,052)	(17,615)
22,385	22,810	22,581	22,034	21,297

Net Capital Assets



Employees By Department
June 30, 2014

<u>Department</u>	<u>Number of Employees</u>
Administrative	22
Mechanics	13
Shuttle A.D.A Drivers	46
Bus Drivers *	55
	<u>136</u>



NORWALK TRANSIT DISTRICT

**FEDERAL AND STATE
SINGLE AUDIT REPORTS**

JUNE 30, 2014

NORWALK TRANSIT DISTRICT
FEDERAL AND STATE SINGLE AUDIT REPORTS

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

Independent Auditor's Report

Board of Commissioners
Norwalk Transit District
Norwalk, Connecticut 06418

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the Norwalk Transit District, which comprise the statement of financial position as of June 30, 2014 and the related statements of activities, and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2014.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

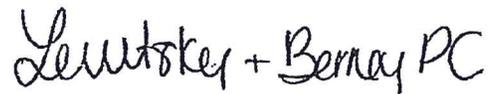
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Norwalk Transit District'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 Norwalk Transit District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LEVITSKY & BERNEY, P.C.
Certified Public Accountants

December 19, 2014



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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

Independent Auditor's Report

To the Board of Directors
Norwalk Transit District
Norwalk, Connecticut

Report on Compliance for Each Major Federal Program

We have audited the Norwalk Transit District compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Norwalk Transit District's major federal programs for the year ended June 30, 2014. The Norwalk Transit District'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 Norwalk Transit District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Norwalk Transit District'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 Norwalk Transit District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Norwalk Transit District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Norwalk Transit District is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Norwalk Transit District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Norwalk Transit District's internal control over compliance.

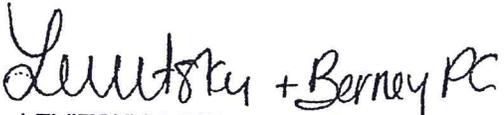
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 the 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the Norwalk Transit District as of and for the year ended June 30, 2014, and have issued our report thereon dated December 19, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.


LEVITSKY & BERNEY, P.C.
Certified Public Accountants

December 19, 2014

NORWALK TRANSIT DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Expenditures
U.S. Department of Transportation:		
Passed Through from the State Department of Transportation: Job Access and Reverse Commute:		
CT Avenue Evening Shuttle Agreement No. 4.22-11(05) State Project No. 0170-2622 Budget Addendum No. 2006-ATJ-03	20.516	\$ 8,187
Connecticut Avenue Evening Shuttle Agreement No. 4.22-11(05) State Project No. 0170-2622 Budget Addendum No. 2006-ATJ-03	20.516	7,835
Route 7 Evening Shuttle Agreement No. 4.22-11(05) State Project No. 0170-2622 Budget Addendum No. 2006-ATJ-03	20.516	<u>8,978</u>
Total Job Access and Reverse Commute		\$ <u>25,000</u>
Directly Funded:		
Capital Acquisition Assistance	20.507	\$ <u>1,124,584</u>
Total Capital Acquisition Assistance		\$ <u>1,124,584</u>
Total Expenditures of Federal Awards		\$ <u><u>1,149,584</u></u>

See Notes To Schedule of Expenditures of Federal Awards

NORWALK TRANSIT DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Norwalk Transit District under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Because the schedule presents only a selected portion of operations of the Norwalk Transit District, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Norwalk Transit District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**NORWALK TRANSIT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

I SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditor's report issued: **Unmodified**

Internal Control over Financial Reporting:

Material weakness(es) identified? _____ yes no

Significant deficiency(ies) identified? _____ yes none reported

Noncompliance material to financial statements noted? _____ yes no

Federal Awards

Internal control over major programs
Material weakness(es) identified? _____ yes no

Significant deficiency(ies) identified? _____ yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with §510(a) of OMB Circular A-133? _____ yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.507	Capital Acquisition Assistance

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? _____ yes no

**NORWALK TRANSIT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

SECTION II – FINANCIAL STATEMENT FINDINGS

No findings were reports

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COST

No findings reported.

NORWALK TRANSIT DISTRICT
SUMMARY SCHEDULE OF PRIOR YEARS AUDIT FINDINGS
JUNE 30, 2014

The District had no findings reported in the prior years' audit that are required to be reported in this schedule.



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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF STATE
FINANCIAL ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT**

Independent Auditor's Report

Board of Commissioners
Norwalk Transit District
Norwalk, CT 06854

Report on Compliance for Each Major State Program

We have audited Norwalk Transit District's compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of Norwalk Transit District's major state programs for the year ended June 30, 2014. Norwalk Transit District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Norwalk Transit District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act 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 state program occurred. An audit includes examining, on a test basis, evidence about Norwalk Transit District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

Opinion on Each Major State Program

In our opinion, Norwalk Transit District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of Norwalk Transit District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Norwalk Transit District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, 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 Norwalk Transit District's internal control over compliance.

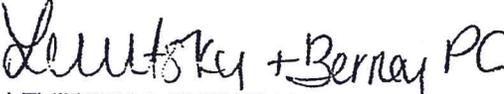
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state 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 state 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state 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 State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of Norwalk Transit District as of and for the year ended June 30, 2014 and have issued our report thereon dated December 19, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.


LEVITSKY & BERNEY, P.C
Certified Public Accountants

December 19, 2014

NORWALK TRANSIT DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2014

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE CT. Number	Expenses
Department of Transportation:		
Bus Operations (Budget Addendum No 2013-OPU-02):		
Norwalk Fixed Route Transit Service Agreement No. 4.19-13(11) State Project No. DOT04120-118OP	12001-DOT57000-12175	\$ 5,101,018
Westport Fixed Route Transit Service: Agreement No. 4.19-13(11) State Project No. DOT04120-119OP	12001-DOT57000-12175	573,568
Greenwich Commuter Shuttle Service: Agreement No. 4.19-13(11) State Project No. DOT04120-120OP	12001-DOT57000-12175	308,132
Norwalk Commuter Shuttle Service: Agreement No. 4.19-13(11) State Project No. DOT04120-121OP	12001-DOT57000-12175	727,202
Coastal Link Enhancement Service: Agreement No. 4.19-13(11) State Project No. DOT04120-127OP	12001-DOT57000-12175	337,304
Norwalk-Danbury Route 7 Link Service: Agreement No. 4.19-13(11) State Project No. DOT04120-125OP	12001-DOT57000-12175	214,914
Total Bus Operations		<u>\$ 7,262,138</u>
Demand Response Transportation:		
General Assistance Agreement No. 4.19-13(11) State Project No. DOT01702-697OP	12001-DOT57000-12175	\$ 85,586
Capital Acquisition Assistance:		
Agreement No. 4.22-11(05) State Project No. 04120-399,437,456 State Bud. Adden. No. 2002-CAP-2,2011-CAP-1,2010-CAP-1	12001-DOT57000-12175	\$ 252,174

See Notes to Schedule of Expenditures of State Financial Assistance

NORWALK TRANSIT DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2014

State Grantor/Pass-Through Grantor/Program Title	State Grant Program CORE CT. Number	Expenses
Department of Transportation:		
Handicapped Access (Budget Addendum No. 2013-OPU-02):		
Norwalk A.D.A.:		
Agreement No. 4.22-11(05)		
State Project No. 04120-122OP	12001-DOT57000-12378	\$ 866,673
Stamford A.D.A.:		
Agreement No. 4.22-11(05)		
State Project No. 04120-123OP	12001-DOT57000-12378	2,603,072
Westport A.D.A.:		
Agreement No. 4.22-11(05)		
State Project No. 04120-124OP	12001-DOT57000-12378	173,757
Total Handicapped Access		<u>\$ 3,643,502</u>
Total Department of Transportation		<u>\$ 11,243,400</u>
Department of Social Services:		
Passed through the Workforce		
JARC Grant		
Agreement No. 4.19-13(11)		
State Project No. 12DOT001AA		
TOD # 2013-ATJ-02	11000-DSS60000-16129	\$ <u>263,828</u>
Total Expenditures of State Financial Assistance		<u>\$ 11,507,228</u>

See Notes to Schedule of Expenditures of State Financial Assistance

NORWALK TRANSIT DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE FOR THE YEAR ENDED JUNE 30, 2014

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Norwalk Transit District under programs of the State of Connecticut for the fiscal year ended June 30, 2014. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund transportation services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Norwalk Transit District, conform to accounting principles generally accepted in the United States of America as applicable to governments.

The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The financial statements contained in the District's annual audit report are prepared on the modified accrual basis. The following is a summary of such basis:

Revenues are recognized when earned and available. Certain grants are recognized based on grant award since they are considered entitlement grants; other grants, such as grants that are dependent upon expenditure factor for determining eligibility, recognize grant revenue to the extent of expenditures.

Expenditures are recorded when the related liability is incurred. Encumbrances are reflected as a reserve against fund balance and accordingly are not reflected as expenditures.

The Schedule of Expenditures of State Financial Assistance, contained in this report, is prepared based on regulations established by the State of Connecticut Office of Policy and Management. In accordance with these regulations (Section 4-236-22), certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

NORWALK TRANSIT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Major programs for the State Financial Assistance are as follows:

<u>Name</u>	<u>State CORE-CT Number</u>	<u>Expenditures</u>
Department of Transportation		
Bus Operations	12001-DOT57000-12175	\$ 7,262,138
Demand Response	12001-DOT57000-12175	85,586
Capital Acquisition	12001-DOT57000-12175	252,174
A.D.A.	12001-DOT57000-12378	3,643,502
Department of Social Services		
JARC Grant	11000-DSS60000-16129	263,828

Dollar threshold to distinguish between type A and type B programs \$ 230,145

II. SUMMARY OF FINDINGS RELATED TO FINANCIAL STATEMENTS REQUIRED UNDER GOVERNMENT AUDITING STANDARDS

We issued reports, dated December 19, 2014 on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*.

Our report on compliance indicated no reportable instances of noncompliance.

Our report on internal control over financial reporting indicated no significant deficiency.

III. FINDINGS AND QUESTIONED COSTS RELATING TO MAJOR STATE FINANCIAL ASSISTANCE PROGRAMS

No findings were reported.

APPENDIX B

STANDARD FORM OF CONTRACT AGREEMENT

STANDARD FORM OF CONTRACT AGREEMENT

THIS AGREEMENT is dated as of the ____ day of November in the year 2015 by and between the Norwalk Transit District, locate at 275 Wilson Avenue, Norwalk, Connecticut, hereinafter, referred to as the DISTRICT and _____, located at _____, hereinafter, referred to as the CONTRACTOR.

The purpose of this Contract Agreement is to provide Annual Audits of District Financial Statements. Therefore, the DISTRICT and the CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

Article 1. SERVICE

The CONTRACTOR shall provide services as specified in the Technical Specifications of the Request for Proposals, Attachment A, and as described in the CONTRACTOR Work Program and Project Cost, Attachment B, which are a part hereof. The work is generally described as Annual Audit of Financial Statements for fiscal years 2015 through 2019.

The DISTRICT reserves the right to change or otherwise alter the services outlined in Attachments A and B upon fifteen (15) days written notice to the CONTRACTOR. The CONTRACTOR agrees to implement those specified changes within a reasonable timeframe but in no case later than thirty (30) days after receipt of notice. The CONTRACTOR reserves the right to reject any change or service alteration proposed by the DISTRICT for good and compelling reasons and will notify the DISTRICT of said rejection within ten (10) days of receipt of notice.

Article 2. SUBCONTRACTING

The CONTRACTOR agrees not to subcontract for any of the services it is obligated to perform under this Agreement without the prior consent of the DISTRICT.

Article 3. CONTRACT TIME

3.1 The maximum term of this contract shall be for a period of three audit years from the date of commencement, with one additional two year renewal option at the sole discretion of the District.

Article 4. CONTRACT PRICE

4.1 The DISTRICT shall pay the CONTRACTOR, for the performance of all services in accordance with the Project Pricing as stated in Attachment B. Attachment B is made a part of this contract.

4.2 The Contractor will be a firm fixed contract paid on the completion and acceptance of the audit.

The DISTRICT shall process CONTRACTOR invoices and make payments within forty-five (45) days of an invoice due date.

Article 5. INSURANCE

The CONTRACTOR agrees to provide and maintain the required insurance limits, as set forth in the following, to comply with the DISTRICT requirements. The DISTRICT shall be listed as an additional insured with exception of the Professional Liability Policy. The CONTRACTOR agrees to furnish to the DISTRICT a Certificate of Insurance on forms acceptable to the DISTRICT, fully executed by an insurance company or companies satisfactory to the DISTRICT, for the insurance policy or policies required below, which policy or policies shall be in accordance with the terms of said Certificate of Insurance. Each policy shall include a waiver of subrogation provision. Said certificate of insurance shall be provided by the CONTRACTOR with this signed contract. The insurance shall be maintained throughout the conduct of this work.

5.1 COMMERCIAL GENERAL LIABILITY INSURANCE

The CONTRACTOR shall carry Commercial General Liability insurance, including Contractual Liability Insurance, providing for a total of One Million Dollars (\$1,000,000.00) coverage per occurrence for all the damages arising out of bodily injury, personal injury, property damage and contractual liability coverage for the indemnification obligations arising under this Agreement. The annual aggregate limit shall not be less than Two Million Dollars (\$2,000,000.00).

5.2 AUTOMOBILE LIABILITY INSURANCE

The operation of all motor vehicles, including those hired or borrowed, used in connection with this Agreement shall be covered by Automobile Liability Insurance providing for a total limit of One Million Dollars (\$1,000,000.00) for all damages arising out of bodily injuries to or death of all persons in any one accident or occurrences, and for all damages arising out of injury to or destruction of property in any one accident or occurrence. In cases where an insurance policy shows an aggregate limit as part of the automobile liability coverage, the aggregate limit must be at least Two Million Dollars (\$2,000,000.00).

5.3 PROFESSIONAL LIABILITY AND ERRORS AND OMISSIONS INSURANCE

The CONTRACTOR and any approved subcontractors shall be required to carry Professional Liability and, Errors and Omissions insurance in a minimum amount of Two Million Dollars (\$2,000,000).

5.4 WORKER'S COMPENSATION

With respect to all operations the CONSULTANT and their approved subcontractors perform, the DISTRICT shall require that the CONTRACTOR and their approved subcontractors shall carry Worker's Compensation Insurance and as applicable insurance required by the laws of the State of Connecticut and the laws of the United States respectively.

Article 6. PROJECT MANAGER

Both the CONTRACTOR and the DISTRICT shall designate Project Managers for services provided under this Agreement. The Project Managers shall be responsible for overseeing the proper operation

of the service. The DISTRICT has assigned the Director of Finance and Administrative Services to serve as the Project Manager for this project.

Article 7. CONTRACTOR RESPONSIBILITIES, DUTIES, AND LIABILITIES

- 7.1 The CONTRACTOR shall be responsible to provide an audit compliant with all regulatory guidance acceptable to federal and state funding sources.
- 7.2 The CONTRACTOR shall comply with all local, state, and federal laws and regulations.
- 7.3 The CONTRACTOR shall indemnify, save harmless and defend the DISTRICT, and their respective officers, agents and employees against and from any and all damages, costs and expenses which they or any of them may suffer by, from or out of any and all claims arising out of or in connection with this contract, including but not limited to claims for payment for materials or labor used or employed in the execution of this contract, and also for injuries or damages received or sustained to person or property, or both, in consequence of or resulting from any work performed by said CONTRACTOR, or from any negligence in guarding said work, or from any act or omission of said CONTRACTOR, and said CONTRACTOR shall also indemnify and save harmless the DISTRICT from all claims under the Worker's Compensation Act arising under or out of this contract.

Article 8. CONTRACTOR'S REPRESENTATIONS

In order to induce the DISTRICT to enter into this Agreement, the CONTRACTOR makes the following representations:

- 8.1 The CONTRACTOR has familiarized itself with the nature and extent of the Contract Documents, Work Program, and federal, state and local laws, ordinances rules and regulations that in any manner may affect cost, progress or performance of the work and agrees to comply with the same in its performance of this contract.
- 8.2 The CONTRACTOR has given the DISTRICT written notice of all conflicts, errors, discrepancies that he has discovered in the Contract Documents and the written resolution thereof by DISTRICT is acceptable to the CONTRACTOR.

Article 9. CONTRACT DOCUMENTS

The Contract Documents which comprise the entire agreement between the DISTRICT and the CONTRACTOR are attached to this Agreement, made a part hereof and consists of the contents of the following:

The Complete Request for Proposal include the CONTRACTORS Response to the RFP Including Addendum Issued (Attachment A)

The Agreed upon Project Price (Attachment B)

Requirements of the State of Connecticut and Federal Transit Administration as may be applicable. (Attachment C)

RFP Forms (Attachment D)

Article 10. MISCELLANEOUS

10.1 The parties agree and understand that the CONTRACTOR is neither an employee nor agent of the DISTRICT and is an independent CONTRACTOR in the performance of its duties hereunder.

10.2 The failure of the DISTRICT to enforce at any time any of the provisions of this Agreement, or to exercise any option which is herein provided, or to require at any time performance by the CONTRACTOR of any of the provisions herein, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this Agreement or any part thereof, or the right of the DISTRICT to thereafter enforce each and every such provision.

10.3 No member of or delegates to the Congress of the United States shall be admitted to any share or part of this Agreement, or to any benefit arising therefrom. The above also applies to the State of Connecticut Department of Transportation.

10.4 No member, officer or employee of the DISTRICT or a local public body during his tenure or one year thereafter have any interest, direct or indirect, in this Agreement, or the proceeds thereof.

10.5 The CONTRACTOR warrants that no person or selling agency has been retained to solicit or secure the Agreement for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide commercial or selling agencies maintained by the CONTRACTOR to secure business. For breach or violation, the DISTRICT shall have the right to annul or terminate the Agreement without liability.

10.6 No assignment by a party hereto of any rights under or interest in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound; and specifically and without limitations, funds that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

10.7 The DISTRICT and CONTRACTOR each bind itself, it's partners, successors, assigns and legal representatives to the other party hereto, it's partners, successors, assigns and legal representatives in respect to all covenants, agreements and obligations contained in the Contract Documents. IN WITNESS WHEREOF the parties to these present have hereunto set their hands and seals, the DISTRICT on the day and year hereinbefore first written and who hereby certifies under penalties of perjury that this CONTRACT is executed in accordance with all applicable municipal, state and federal laws having jurisdiction.

APPENDIX C

REQUIREMENTS OF THE FEDERAL TRANSIT ADMINISTRATION

AND

STATE OF CONNECTICUT DEPARTMENT OF TRANSPORTATION

**REQUIREMENTS OF THE STATE OF CONNECTICUT
AND
THE FEDERAL TRANSIT ADMINISTRATION**

The Agreement between the Norwalk Transit District and the Connecticut Department of Transportation and the Federal Department of Transportation have specific provisions that are passed on to all third party contractors. The following clauses are appendices and are herein incorporated by reference and made a part of the contract. Appendix C representing the State of Connecticut and the Federal Transit Administration.

State Requirements:

- Insurance Types and Thresholds
- Civil Rights Requirements
- Publication of Reports
- Access to Records
- Jurisdiction and Forum Language
- Suspension and Debarment (*Offerors must submit evidence of SAM registration with their submittal*)
- Affidavit of Code of Conduct (*signed certification to be returned concurrently with proposal submittal*)

Federal Requirements:

No further requirements are noted for this agreement as no federal money is committed to this project.

Signed:

Authorized Corporate Official

Date

**THIS FORM IS A REQUIRED SUBMITTAL TO BE RETURNED WITH YOUR
RESPONSE**

Insurance Types and Thresholds

INSURANCE CERTIFICATES REQUIRED: Before any contract is executed, the successful contractor(s) will be required to file with the Norwalk Transit District, prior to the commencement of work under this contract or within twenty (20) days from the date of notification (whichever occurs first) a Certificate of Insurance. The certificate must be executed by a company authorized to write such business in the State of Connecticut, and the company must be authorized to underwrite the specific line coverage as designated below. The insurance certificate and coverage requested must be updated and kept current throughout the life of the contract, including any extensions. Failure to submit proof of insurance coverage within the specified time frame will allow the District to re-award the contract or re-bid the project, as it deems necessary. Insurance certificates must document that the Vendor commercial general liability, automotive liability, workers compensation insurance, and any other insurance requirements in the amounts cited in the bid document to protect the District in the event of a claim, and/or in accordance with any statutory requirements.

With respect to the operations performed by the contractor under the terms of this Contract and also those performed for the contractor by its subcontractors, the contractor will be required to obtain at its own cost and for the duration of this Contract, and any supplements thereto with the District and the State being named as an additional insured with the following minimum liability insurance coverage at no direct cost to the District or the State.

Contractor shall assume any and all deductibles in the described insurance policies. The contractor's insurers shall have no right of recovery or subrogation against the District or the State and the described insurance shall be primary coverage. Any failure to comply with the claim reporting provisions of the policy shall not affect coverage provided to the District or the State. Each required insurance policy shall not be suspended, voided, cancelled or reduced except after 30 days prior written notice by certified mail has been given to the District and the State. "Claims made" coverage is unacceptable for all policies other than the Professional Liability Policy.

COMMERCIAL GENERAL LIABILITY (as applicable)

Commercial General Liability Insurance, including Contractual Liability Insurance, providing a Combined Single Limit of **ONE MILLION DOLLARS (\$1,000,000.00)** for all damages arising out of bodily injury to or death of all persons in any one accident or occurrence, and for all damages arising out of injury to or destruction of property in any one accident or occurrence, and, subject to that limit per occurrence, a total (or aggregate) limit of **TWO MILLION DOLLARS (\$2,000,000.00)** for all damages arising out of bodily injury to or death of all persons and out of injury to or destruction of property during the policy period. Total/aggregate coverage shall be per project, purchase order or contract aggregate. Coverage shall include Premises and Operations, Independent Contractors, Products and Completed Operations, Contractual Liability and Broad Form Property Damage.

AUTOMOBILE LIABILITY

The operation of all motor vehicles, including those hired or borrowed, used in connection with the Contract shall be covered by Automobile Liability Insurance providing a total of **ONE MILLION DOLLARS (\$1,000,000.00)** Combined Single Limit per occurrence for all damages arising out of bodily injury to or death of all persons in any one accident or occurrence, and for all damages arising out of injury to or destruction of property in any one accident or occurrence. In cases where an insurance policy shows an aggregate limit as part of the automobile liability coverage, the aggregate limit must be at least **TWO MILLION DOLLARS (2,000,000.00)**. Coverage extends to owned, hired and non-owned automobiles. If the Vendor/contractor does not own an automobile, but one is used in the execution of the contract, then only hired and non-owned coverage is required.

WORKERS' COMPENSATION

With respect to all operations the contractor performs and all those performed for the contractor by subcontractor(s), the contractor, and subcontractor(s) if used, shall carry Workers Compensation Insurance at statutory coverage limits and/or, as applicable, insurance required in accordance with the U. S. Longshoremen's and Harbor Workers Compensation Act, the Federal Employers Liability Act, all in accordance with the requirements of the laws of the State of Connecticut, and the laws of the United States respectively.

PROFESSIONAL LIABILITY AND ERRORS AND OMISSIONS INSURANCE

The CONTRACTOR and any approved subcontractors shall be required to carry Professional Liability and, Errors and Omissions insurance in a minimum amount of Two Million Dollars (\$2,000,000).

UMBRELLA LIABILITY

In the event the contractor secures excess/umbrella liability insurance to meet the minimum requirements specified and (if required) the Norwalk Transit District and the State of Connecticut must be named as Additional Insured.

The Contractor agrees to furnish to the NTD "Certificate of Insurance, in conjunction with Item above, fully executed by an insurance company or companies satisfactory to the District and the State, for the insurance policy or policies herein above, which policy or policies shall be in accordance with the terms of said Certificate of Insurance. For the Workers' Compensation Insurance and, if applicable, the U. S. Longshoremen and Harbor Workers' Compensation Act coverage, the policy number (s) and term of the policy (ies) shall be indicated on the certificate of insurance. Each insurance policy shall state that the insurance company agrees to investigate and defend the insured against all claims for damages, even if groundless.

Contractor hereby indemnifies and shall defend and hold harmless the District and the State, its officers and its employees from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, monetary loss, interest, attorney's fees, costs and expenses of whatsoever kind or nature arising out of the performance of this agreement, including those arising out of injury to or death of Contractor's employees or subcontractors, whether arising before, during or after completion of the services hereunder and in any manner

directly or indirectly caused, occasioned or contributed to in whole or in part, by reason of any act, omission, fault or negligence of Contractor or its employees, agents or subcontractors.

Updates on the insurance coverage are the responsibility of the contractors. Insurance requirements will be **strictly enforced**. Contractors should hand carry, email or mail Insurance Certificates to the Norwalk Transit District, C/O Kimberlee Morton (kmorton@norwalktranist.com), Chief Executive Officer, 275 Wilson Avenue, Norwalk, CT 06854. Purchase orders **WILL NOT** be issued without receipt of properly executed insurance certificates.

Audit and Inspection of Plants, Places of Business, and Records

The District and the State and its agents, including, but not limited to, The Connecticut Auditors of Public Accounts, Attorney General and State's Attorney and their respective agents, may, at reasonable hours, inspect and examine all of the parts of the plants and places of business which, in any way, are related to, or involved in, the performance of this Agreement.

The Contractor shall maintain accurate and complete records and shall make all of its records available at all reasonable hours for audit and inspection by the District and the State of its agents.

All requests for any audit or inspection will be made in writing and shall provide the Contractor with at least twenty-four (24) hours' notice prior to the requested audit and inspection date. If the STATE suspects fraud or other abuse, or in the event of an emergency, no obligation to provide any prior notice is required.

The Contractor shall keep and preserve or cause to be kept and preserved all of its records until three (3) years after the later of (i) final payment under this Agreement, or (ii) the expiration or earlier termination of this Agreement, as the same may be modified for any reason. The State or the District may request an audit or inspection at any time during this period. If any claim or audit is started before the expiration of this period, the Contractor shall retain or cause to be retained all records until all claims or audit findings have been resolved.

The Contractor shall cooperate fully with an audit or inspection. Following any audit or inspection, an exit conference may be conducted in which the Contractor shall cooperate and participate.

Civil Rights Requirements

Nondiscrimination - the Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability.

Equal Employment Opportunity - The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall

include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

Publication of Reports

The ownership of all data and material collected under this Agreement shall be vested in Norwalk Transit District and the State. All reports shall be submitted to District for review prior to publication.

Jurisdiction and Forum Language

The parties deem the Agreement to have been made in the City of Norwalk, State of Connecticut. Accordingly the Parties agree this Agreement is governed by the laws and court decisions of the State of Connecticut without giving effect to its conflict of law provisions. The Second Party irrevocably consents with respect to any claims or remedies at law or inequity, arising out of or in connection with this Agreement to the jurisdiction of the Connecticut Superior Court (except as otherwise required by law or Agreement).

Suspension and Debarment

(Offerors must submit evidence of SAM registration with their submittal)

The State of Connecticut Department of Transportation requires that this certification be included in each subcontract Agreement to which it is a party, and further, to require said certification to be included in any lower tier subcontracts and purchase orders as a direct result of this project.

Suspended or debarred Contractors, consulting engineers, suppliers, materialmen, lessors or other vendors may not submit proposals for a State contract or subcontract during the period of suspension or debarment regardless of their anticipated status at the time of contract award or commencement of work. The Norwalk Transit District as a part of its obligation to determine if a Vendor meets the responsibility criteria for federal and state contract award, will check prior to award both the State of Connecticut Debarment List and the **System for Award Management (SAM)**. SAM is the Official U.S. Government system that consolidated the capabilities of CCR/FedReg, ORCA, and EPLS. There is NO fee to register for this site. Entities may register at <https://www.sam.gov/portal/SAM/###11>. User guides and webinars are available under the Help tab.

- a. The signature on the Agreement by the Second Party shall constitute certification that to the best of its knowledge and belief the Second Party or any person associated therewith in the capacity of owner, partner, director, officer, principal investigator, project director, manager, auditor or any position involving the administration of State and Federal funds:
 - (1) Is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any State department or agency; and

- (2) Has not within the prescribed statutory time period preceding this agreement, been convicted of or had a civil judgment rendered against them for 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; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and
- (3) 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 enumerated in paragraph (a)(2) of this certification; and
- (4) Has not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

b. Where the prospective participant is unable to certify to any of the statements in this certification, the Second Party shall attach an explanation to this agreement.

The Second Party agrees to insure that the following certification be included in each subcontract Agreement to which it is a party, and further, to require said certification to be included in any subcontracts, sub-contracts and purchase orders resulting directly from this contract.

- (1) The prospective subcontractors, sub-subcontractors participants certifies, by submission of it/their proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency; and
- (2) Where the prospective subcontractors, sub-subcontractors participants are unable to certify to any of the statements in this certification, such prospective participants shall attach an explanation to this proposal.

AFFIDAVIT OF CODE OF CONDUCT

1. That I am Offeror (if the Offeror is an individual), a partner in the offer (if the Offeror is a partnership), or an officer or employee of the Offeror corporation having the authority to sign on behalf (if the Offeror is a corporation);
2. That the attached offer has been arrived at by the Offeror independently, and has been submitted without collusion, and without any agreement, understanding, or planned common course of action with any other vendor of materials, supplies, equipment, or services described in this procurement document, designed to limit independent bidding or competition;
3. Personal/Organizational conflict arises when (1) an employee, officer, agent or board member, (2) any member of his/her immediate family, (3) his/her partner, or (4) an organization that employs, or intends to employ any of the listed, participate in selection, award or administration of federally and/or state funded contracts and have financial or other significant interest in a firm competing for or selected for award. To the best of my knowledge and belief no affiliation exists relevant to possible organizational or personal conflicts of interest.
4. The Contractor shall not offer or provide gifts, gratuities, favors, entertainment or any other gratuities of monetary value to any official, employee or agent of Norwalk Transit District including any member of their immediate family during the period of this contract or for one year thereafter.
5. Organizational Conflicts of Interest, real or apparent, arises when and interest exists when the nature of the work to be performed under a proposed third party contract or subagreement may, without some restrictions on future activities, result in an unfair competitive advantage to the third party contractor or subrecipient or impair its objectivity in performing the contract work.
6. The Offeror shall disclose, to the best of his/her knowledge, any State employee, Norwalk Transit District employee, or member of the State legislature or elected federal government or any relative of such whom is an officer or director of, or has a material interest in, the Offeror's business, which is in a position to influence this procurement.

Name	Relationships

I have fully informed myself regarding the accuracy of the statement made in the affidavit.

Firm Name: _____

Address: _____

Authorized by: _____

Signature: _____

Title: _____

Date: _____

Subscribed and sworn to me this _____ day of _____, 20____ .

Notary Public

My commission expires _____, 20____ .

If the Offeror is unable to complete this form then it needs to disclose and attach to this form a detailed statement fully disclosing any exceptions and why it believes, in light of the interest(s) identified that performance of the proposed contract can be accomplished in an impartial and objective manner. Norwalk Transit District reserves the right to request more information, to disqualify the Offeror, to contract with the Offeror if it is in Norwalk Transit District's best interest and include appropriate provision to mitigate or avoid such conflict in the contract awarded. Refusal to provide the disclosure or representation or any additional information required, may result in disqualification of the Offeror for award. If nondisclosure or misrepresentation is discovered after award, the resulting contract may be terminated. If after award the Contractor discovers a conflict of interest with respect to the contract awarded as a result of this solicitation, which could not reasonably have been know prior to award, an immediate and full disclosure shall be made in writing to the Norwalk Transit District. The disclosure shall include a full description of the conflict, a description of the action the contractor has taken, or proposes to take, to avoid or mitigate such conflict. The Norwalk Transit District may, however, terminate the contract for convenience if he or she deems that termination is in the best interest of the Transit District.

(Failure to complete this form and to submit it with your offer may render this offer non-responsive)

APPENDIX D

REQUIRED PROPOSAL FORMS

RESPONSIBILITY QUESTIONNAIRE

PART I - INSTRUCTIONS

1. Please state "not applicable" in questions clearly not applicable to Bidder/Proposer in connection with this solicitation. Do not omit any question. If any representation is not accurate and complete at the time Bidder/Proposer signs this Questionnaire, Bidder/Proposer must, as part of its Bid/Proposal, identify the provision and explain the reason in detail in the space provided below. If additional space is needed, add additional sheet(s) to this Questionnaire. If this space is left blank, Bidder/Proposer shall be deemed to have represented and warranted the accuracy and completeness of the representations on this Questionnaire:
2. All information must be legible.
3. The term "Bidder" includes the term "Proposer" and also refers to the firm awarded the Contract. The term "Bid" includes the term "Proposal".
4. If during the performance of this Contract, either of the following occurs, Bidder shall promptly give notice in writing of the situation to NTD's CEO, and therefore cooperate with NTD's review and investigation of such information.
 - i) Bidder has reason to believe that any representation or answer to any question contained in this Questionnaire was not accurate or complete at the time this Questionnaire was signed; or
 - ii) Events occur or circumstances change so that an answer to any question is no longer accurate or complete.
5. In NTD 's sole discretion, the following shall constitute grounds for NTD to take remedial action up to and including immediate termination of the Contract for convenience without payment for profit and overhead for work not performed if:
 - i) Bidder fails to notify the PROJECT MANAGER as required by "4" above:
 - ii) Bidder fails to cooperate with NTD's request for additional information as required by "4" above.
6. NTD reserves the right to inquire further with respect to Bidder's responses; and Bidder consents to such further inquiry and agrees to furnish all relevant documents and information as requested by NTD. Any response to this document prior or subsequent to Bidder's Bid which is or may be construed as unfavorable to Bidder will not necessarily automatically result in a negative finding on the question of Bidder's responsibility or a decision to terminate the Contract if it is awarded to Bidder.

PART II - IDENTITY OF PROPOSER

Company Full Legal Name: _____

Contact Person: _____

Legal Address: _____

Legal Telephone Number: _____

Indicate all other names by which this organization has been know and the lengths of time know by each name. Please attach additional pages as needed.

Company Federal taxpayer identification number _____

Operating as one of the following forms of legal entity (Check whichever applies and fill in any appropriate blanks):

___ An individual or sole proprietorship

___ A general partnership

___ A limited partnership or LLP

___ A joint venture consisting of: _____
and _____

(List all joint ventures on a separate sheet if this space is inadequate.)

___ A non-profit organization

_____ A corporation, or LLC organized or incorporated under the laws of the following state or country:
_____ on the following date: _____.

1. If the organization is a corporation, indicate the following:

Date of incorporation: _____

State of incorporation: _____

President's name: _____

Vice-President's name: _____

Secretary's name: _____

2. Certificate of Incorporation been previously filed with NTD (corporation only)

Yes ___ No ___ If "NO", attach a certified copy

3. How many years has this organization been in business under its present business name? _____

4. How many employees does this organization have? _____

5. If the organization is an individual or a partnership, answer the following:

Date of organization: _____

Name and address of all partners (state whether general or limited partnership)

Please attach additional pages as needed.

6. If the organization is other than a corporation or partnership, describe the organization and name its principals. Please attach additional pages as needed:

7. List the States in which your organization is legally qualified to do business. Indicate category or trade and indicate registration or license numbers, if applicable. List states in which partnership or trade name is filed. Please attach additional pages as needed.

8. Trade References. List names, addresses and telephone numbers of three firms with whom your organization has regular business dealings. Please attach additional pages as needed.

9. List below the names, business addresses, telephone numbers and contact person(s) of three Companies for which similar work is performed in the previous three (3) years, (**make your references aware that NTD will be calling and that the call should be addressed AS QUICKLY AS POSSIBLE**; this may affect your responsibility scoring), Firms or Organizations similar in size to NTD for whom you have performed work/services similar to those sought through this Request for Proposal. Please include Name, address, and telephone number of the organization and contact person, brief description of project and month and year of contract. (Attach additional pages as needed)

10. Bank References: List names, addresses and telephone numbers of the financial institutions used by your organization. Please attach additional pages as needed:

11. Has your organization ever failed to complete any work awarded to you? If so, note when, where and attach a separate sheet of explanation to this form.

12. Within the last five years, has any officer or partner of your organization ever been an officer or partner of another organization where it failed to complete a contract? If so, note whom, when and where and attach a separate sheet of explanation to this form.

13. Attach a corporate financial statement for the most recent year. If a financial statement is not available, please provide other suitable documentation of the financial stability of the organization. It is imperative that the company demonstrates that it has the financial capacity to carry out the overall performance of this project.

Name of the firm preparing the financial statement and date of preparation:

14. Is this financial statement for the identical organization named on the first page of this questionnaire?

If not, explain the relationship and financial responsibility of the organization whose financial statement is provided (e.g., parent, subsidiary):

15. Will this organization act as a guarantor of the contract for management? _____

I certify that the attached financial statements for this Proposal properly reflect the financial position of the company for the periods indicated on the financials.

This _____ Day of _____, 20__

Title: _____

Name: _____

PART III - TECHNICAL

1. List each contract which, during the last two years, the person/entity contracting with you: i) terminated for default; ii) sued to compel performance; iii) sued to recover damages, including, without limitation, upon alleged breach of contract, misfeasance, error or omission or other alleged failure on your part to perform as required by your contract; or iv) called upon a surety to perform the work.

2. During the past three years, has the Proposer's firm ever been a party to a bankruptcy or reorganization proceeding?

YES NO If answer is "YES" explain below.

3. Describe below whether any present or anticipated Title VI Discrimination Complaints against your company exist. Attach additional paperwork if necessary. If none, state "None".

4. Describe whether any present or anticipated commitments and/or contractual obligations might have an influence on the capabilities of the Proposer to perform the work called for by this Contract. Any apparent conflicts as between the requirements/commitments for this Contract with respect to the use of Proposer's resources, such as management or technical expertise or financing, should be explained. If none, state "None".

5. a. If any professional or other licenses, permits, or certifications are required to perform the work/services called for by this solicitation, list the license, permit, or certification that the Proposer or Proposer's employees or agents possess. If none, state "None".

<u>License or Permit or Certification</u>	<u>Name of Holder</u>	<u>Issuing State or Entity</u>
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b. If any insurance is required please provide certificates of insurance naming NTD and the State of CT Department of Transportation as an additional insured. If none, state "None".

<u>Type of Insurance</u>	<u>Name of Insuring Co.</u>	<u>Limit of coverage</u>

c. Have any of the Proposer's officers, partners, owners, managers or employees had any project related licenses, permits or certifications revoked or suspended in the past three years.

YES NO If answer is "YES" explain below.

6. List the names, titles and attach resumes or brief descriptions of the related industry experience for all management personnel assigned to this project. At a minimum this will include the primary Manger assigned to this project that will have the primary responsibility for performing the majority of work under this contract. This should clearly reflect the record of skill and experience of your proposed project management team.

PART IV - VERIFICATION AND ACKNOWLEDGMENT

STATE OF _____)

_____)

) ss.:

COUNTY OF _____)

On the _____ day of _____, 20__ , before me personally came and appeared,

_____, by me known to be said person, who swore under oath as follows:

1. He/she is _____ of _____
(Print title) (Print name of firm)

2. He/she is duly authorizes to sign this Questionnaire on behalf of said firm and duly signed this document pursuant to said authorization.

3. The answers to the questions set forth in this Questionnaire are true, accurate and complete.

4. He/she acknowledged and understands that the Questionnaire includes provisions, which are deemed included in the Contract if awarded to the firm.

Sworn to before me this _____ day of _____, 200__

(Notary Public)

PRICING FORM

This will be a firm fixed price annual contract. Include the dollar amount of your proposed compensation for this engagement. The fee will be paid on completion and acceptance of the finalized audit. The following cost proposal is offered for the Annual Audit of the Norwalk Transit District's Financial Statements as per the Technical Specification issued October 1, 2015 by the Norwalk Transit District and all subsequent addenda to those specifications.

The undersigned acknowledges receipt (as appropriate) of the following addenda from the Norwalk Transit District pursuant to the technical specifications issued on September 18, 2015.

Addendum No. 1, Dated _____
Addendum No. 2, Dated _____
Addendum No. 3, Dated _____

Total Price year ending June 30, 2015: _____

Total Price year ending June 30, 2016: _____

Total Price year ending June 30, 2017: _____

Total Price year ending June 30, 2018: _____

Total Price year ending June 30, 2019: _____

This cost proposal includes all items of labor, material, and other costs necessary to fully complete the Annual Audit of the Norwalk Transit District's Financial Statements pursuant to said specifications.

Hourly Rates for Additional Professional Services

	<u>6/30/15</u>	<u>6/30/16</u>	<u>6/30/17</u>	<u>6/30/18</u>	<u>6/30/19</u>
Partners	_____	_____	_____	_____	_____
Managers	_____	_____	_____	_____	_____
Staff	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____
Other (Specify)	_____	_____	_____	_____	_____

This proposal will remain in effect for 45 days from the October 23, 2015 proposal opening date.

Date

Signature of Authorized Official

Title

