

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)

Financial Statements
and
Independent Auditors' Reports

June 30, 2024

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Bruce D. Norling, CPA, P.C

INDEPENDENT AUDITORS' REPORT

To the Advisory Board of
Montachusett Regional Transit Authority
Fitchburg, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Montachusett Regional Transit Authority (the Authority), a component unit of the Massachusetts Department of Transportation, which comprise the statement of net position at June 30, 2024, the statement of revenues, expenses and changes in net position, and cash flows for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Authority, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-12 and required supplementary information on page 32-36 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of net cost of service on page 16 and the supplementary information presented on pages 32 through 36, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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. The 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 Schedule 1: Statement of Costs and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Bruce D. Norling, CPA, P.C.

September 23, 2024
Sudbury, Massachusetts

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Management Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

Following is the Management Discussion and Analysis (“MD&A”) of the financial statements of the Montachusett Regional Transit Authority (“the Authority”), located at 1427R Water Street, Fitchburg, Massachusetts as presented. This MD&A is prepared by the Administrator, Bruno Fisher. The management discussion and analysis of the Authority’s financial performance provides an overall review of the Authority’s financial activities for the year ended June 30, 2024. The intent of this discussion and analysis is to look at the Authority’s financial performance. Readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Authority’s financial performance.

Financial Highlights:

1. MART ended the fiscal year FY2024 from a Net Cost of Service perspective with no deficit or surplus, notwithstanding the increased expenditures related to the higher rate of inflation and supply chain challenges, as well as significant overtime costs for labor in the transit operation due to a continued labor pressures related to overall workforce supply shortages.
2. MART maintained a conservative approach in utilizing the federal Section 5307 funds in FY2024 (\$3,784,694) and reduced its utilization of the remaining Coronavirus Aid Relief and Economic Security (CARES) funds (\$405,437). The remaining CARES funds are planned to be utilized for future needs in FY2025 and possibly FY2026. This will allow for more flexibility as the CARES funds have less restrictive requirements on the utilization of funds.
3. MART received an additional \$2.4 million dollars in State Contract Assistance to promote additional frequency on key routes, as well as increased weekend and later evening services. This funding was completely utilized in FY24 to help promote services including circulation times for routes to make transportation more available to riders. This additional funding has been included in the FY25 state budget, as well as an additional \$550,000.
4. MART received an additional \$299,000 dollars from funds allocated in the FY24 state budget for implementing a fare free program across our fixed route system, including ADA transportation. This funding was for initial six-month period from January to June 2024 which allowed MART to test the free-fare program over a longer period of time than a limited 1-month program in FY23 and was supported with significant marketing efforts. The results were significant with an increased ridership of 18.6% for the six months of free-fare services compared to the previous six-month period..

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Management Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

Overview of Financial Statements:

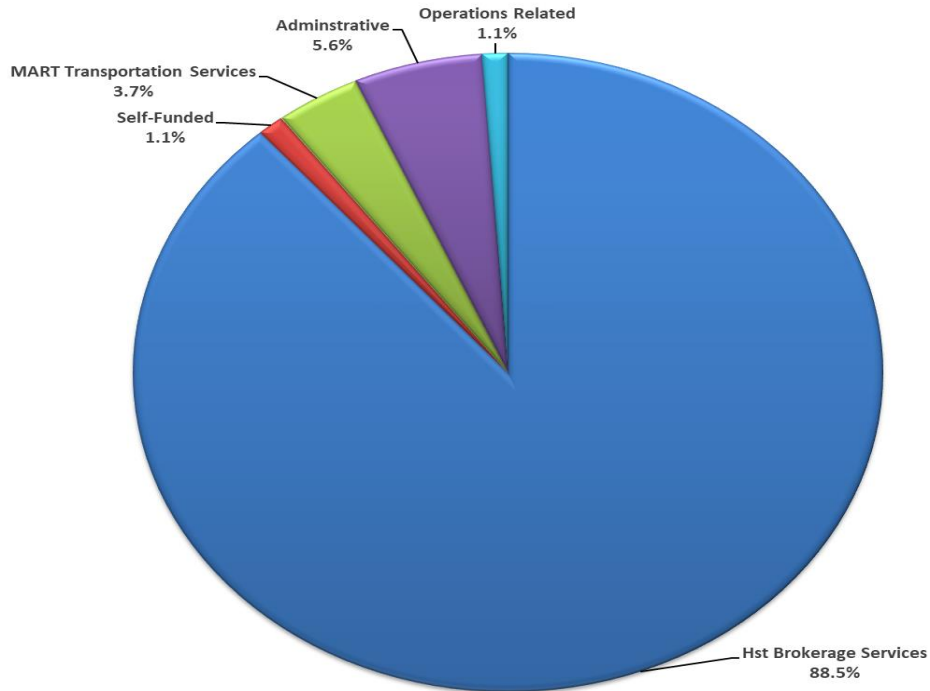
The Authority was established on August 7, 1978, by the cities of Fitchburg, Leominster, and Gardner, pursuant to Section 3 of Chapter 161B of the General Laws of the Commonwealth of Massachusetts to provide transit services to the communities of Fitchburg, Leominster and Gardner beginning July 30, 1979. Currently, the Authority is comprised of 25 communities listed in Note A of the financial statements. At the March 9, 2023, MART Advisory Board Meeting, it was voted on and accepted by the Advisory Board that the Town of Townsend did join MART as a member community, with services to commencing in FY2024.

The financial statements are general purpose, and the notes thereto are considered an integral part of our financial statements. This report also includes supplementary information, including breakdowns of revenues and expenses by service types and an allocation of costs to member communities.

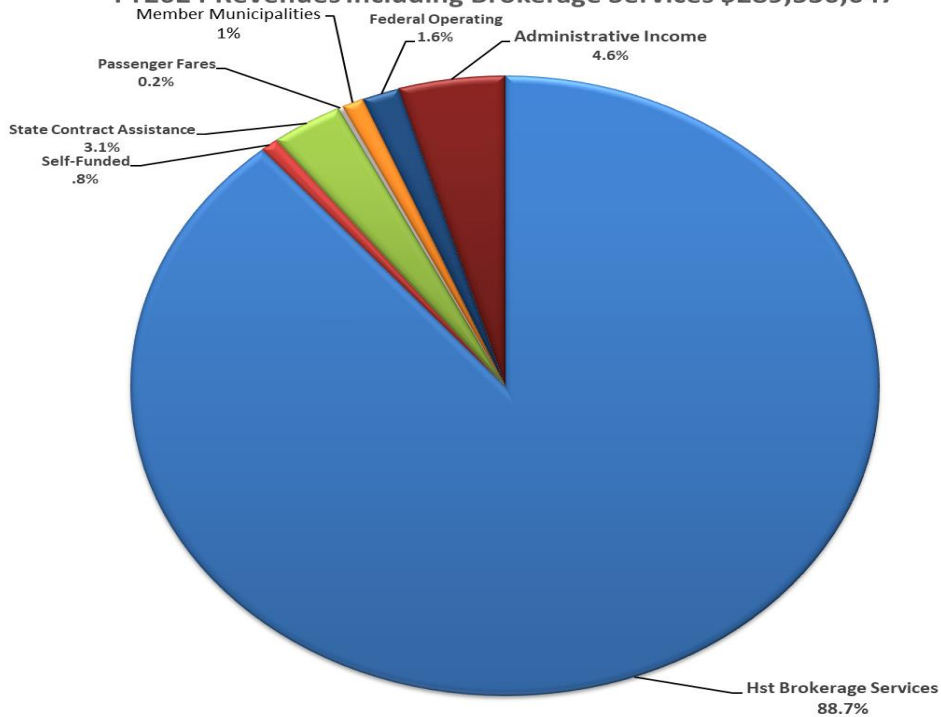
As seen in the following charts, a large percentage of services the Authority provides is through its brokerage operation, a self (fully) funded program which requires no funds outside of the program funds expended by the Executive Office of Health and Human Service through its Human Service Transportation (HST) Office with the understanding that HST continues with its cost savings incentive programs and brokerage management fees.

**Montachusett Regional Transit Authority
 (A Component Unit of Massachusetts Department of Transportation)
 Management Discussion and Analysis (Unaudited)
 For the Year Ended June 30, 2024**

FY2024 Expenses Including Brokerage Services \$289,530,047



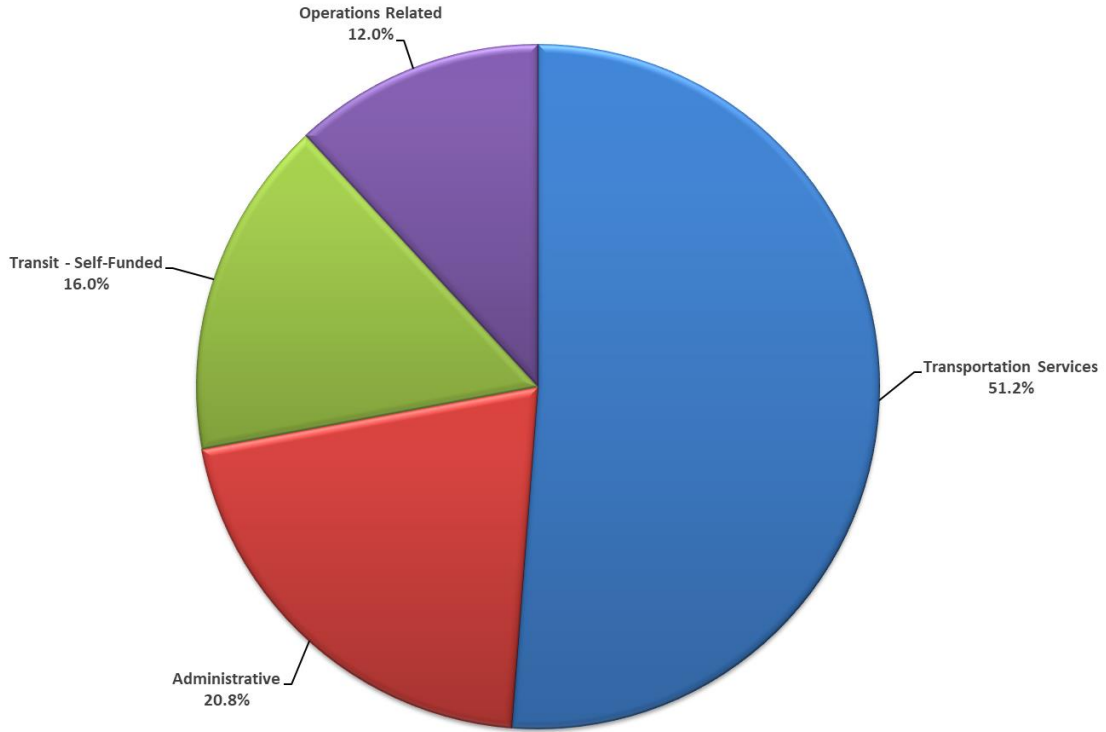
FY2024 Revenues Including Brokerage Services \$289,530,047



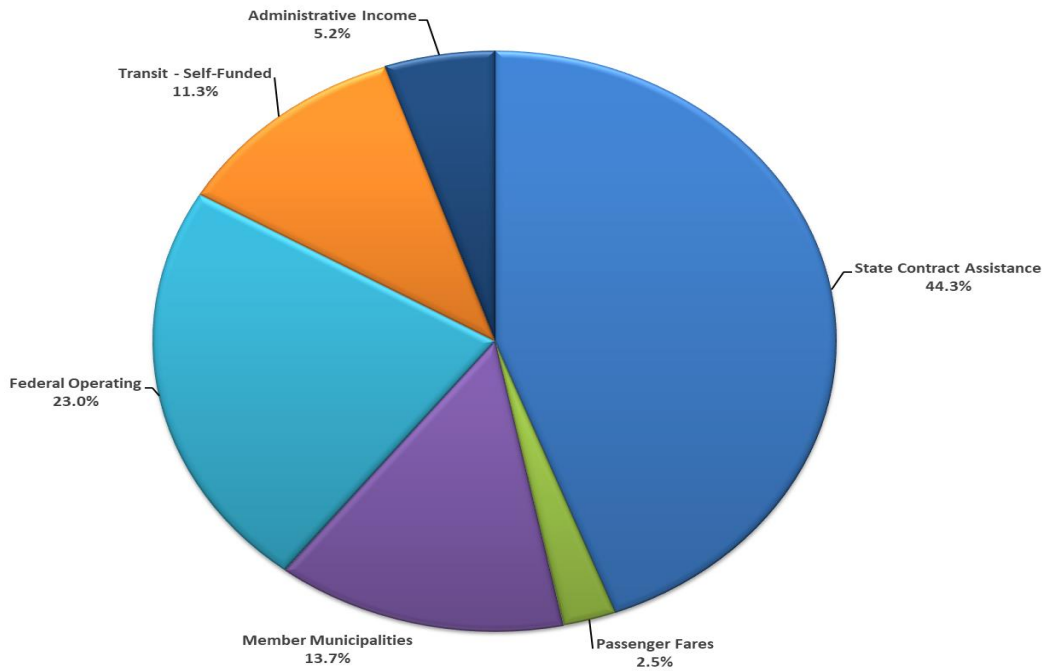
These charts reflect the net cost of service as presented on page 16.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Management Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

FY2024 Expenses excluding Brokerage Services \$20,632,999



FY2024 Revenues excluding Brokerage Services \$20,341,339



These charts reflect the net cost of service as presented on page 16.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Management Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

Government Financial Analysis

The table below provides a summary of the Authority's net position for 2024 and 2023.

	<u>2024 Business - type Activities</u>	<u>2023 Business - type Activities</u>
<u>Assets</u>		
Current assets	\$ 56,097,533	\$ 50,856,661
Capital assets	<u>51,651,943</u>	<u>52,610,244</u>
Total assets	<u>107,749,476</u>	<u>103,466,905</u>
<u>Liabilities</u>		
Long-term liabilities	50,005	103,338
Other liabilities	<u>69,199,863</u>	<u>62,930,408</u>
Total liabilities	<u>69,249,868</u>	<u>63,033,746</u>
<u>Net Position</u>		
Invested in capital assets Net of related debt	51,548,605	52,453,573
Unrestricted deficit	<u>(13,480,656)</u>	<u>(12,020,414)</u>
Total net position	<u>\$ 38,499,607</u>	<u>\$ 40,433,159</u>

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2024, the Authority's assets exceeded liabilities by \$38,499,607.

Capital assets reported on the government-wide statements represent the largest portion of the Authority's net assets. As of June 30, 2024, capital assets represented 48% of total assets. Capital assets include land, land improvements, buildings and improvements, equipment, vehicles and infrastructure. Capital assets, net of related debt to acquire the assets at June 30, 2024, were \$51,548,605. Although the Authority's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Management Discussion and Analysis (Unaudited)
For the Years Ended June 30, 2024, and 2023

Change in Net Position:

The table below shows the change in net position for fiscal years 2024 and 2023.

	2024	2023	Change
Operating Revenues			
Transportation Revenue-HST Brokerage	\$ 257,045,437	\$ 233,049,706	\$ 23,995,731
Transportation Revenue-Self-Funded	2,308,340	2,130,828	177,512
Transportation Revenue-Urban/Rural Service	508,528	657,066	(148,538)
Total Operating Revenues	<u>259,862,305</u>	<u>235,837,600</u>	<u>24,024,705</u>
Non-Operating Revenues			
Federal	4,662,408	-	4,662,408
Commonwealth of Massachusetts	9,008,019	6,333,529	2,674,490
Member Municipalities	2,796,331	2,728,128	68,203
Interest Income	142,808	100,685	42,123
HST Management Fee	12,143,273	11,982,525	160,748
Other Income, Net	914,902	7,267,328	(6,352,426)
Total Non-Operating Revenues	<u>29,667,741</u>	<u>28,412,195</u>	<u>1,255,546</u>
Total Revenues	<u>289,530,046</u>	<u>264,249,795</u>	<u>25,280,251</u>
Operating Expenses			
Transportation Expense-HST Brokerage	255,542,043	233,090,461	22,451,582
Transportation Expense-Self-Funded	3,310,463	2,935,661	374,802
Transportation Expense-Urban/Rural Service	10,570,512	10,295,584	274,928
Administrative	17,916,145	16,712,641	1,203,504
Depreciation and Amortization	5,698,008	5,263,222	434,786
Total Operating Expenses	<u>293,037,171</u>	<u>268,297,569</u>	<u>24,739,602</u>
Non-Operating Expenses			
Interest Expense	823,911	555,961	267,950
	<u>823,911</u>	<u>555,961</u>	<u>267,950</u>
Total Expenses	<u>293,861,082</u>	<u>268,853,530</u>	<u>25,007,552</u>
Loss Before Capital Grants	(4,331,036)	(4,603,735)	272,699
Capital Grants	<u>2,397,482</u>	<u>3,579,927</u>	<u>(1,182,445)</u>
Change in Net Position	(1,933,554)	(1,023,808)	(909,746)
Net Position - Beginning of Year	<u>40,433,161</u>	<u>41,456,969</u>	<u>(1,023,808)</u>
Net Position - End of Year	<u>\$ 38,499,607</u>	<u>\$ 40,433,161</u>	<u>\$ (1,933,554)</u>

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Management Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

Capital Assets:

Capital asset activity for the year ended June 30, 2024, was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Disposals / Transfers</u>	<u>Ending Balances</u>
Land and Land Improvements	\$ 4,342,839	\$ -	\$ -	\$ 4,342,839
Depreciable Properties:				
Building/Improvements Fitchburg Parking	12,339,712	400,878	-	12,740,590
Building/Improvements Fitchburg Intermodal	7,128,402	686,728	-	7,815,130
Building/Improvements Leominster Parking Lot	12,548,655	-	-	12,548,655
Building/Improvements Leominster Storage	6,822,157	38,221	-	6,860,378
Building/Improvements Fitchburg Maintenance	12,841,129	1,296,559	-	14,137,688
Building/Improvements 840 N Main St Maintenance	1,951,715	33,340	-	1,985,055
Building/Improvements Gardner Maintenance	8,469,406	453,581	-	8,922,987
Improvements Fitchburg Rail	972,146	-	-	972,146
Improvements Wachusett Rail	1,120,055	53,362	-	1,173,417
Building/Improvements Athol Maintenance	787,346	5,511	-	792,857
Building/Improvements Ayer Parking	7,108,702	-	-	7,108,702
Other Fixed Assets	2,305,077	19,394	-	2,324,471
Systems Development	6,652,173	661,989	-	7,314,162
Transportation Equipment	23,294,738	1,882,725	(550,881)	24,626,582
	<u>104,341,413</u>	<u>5,532,288</u>	<u>(550,881)</u>	<u>109,322,820</u>
Less Accumulated Depreciation For:				
Building/Improvements Fitchburg Parking	(7,035,260)	(438,232)	-	(7,473,492)
Building/Improvements Fitchburg Intermodal	(4,968,915)	(449,294)	-	(5,418,209)
Building/Improvements Leominster Parking Lot	(5,972,466)	(318,029)	-	(6,290,495)
Building/Improvements Leominster Storage	(3,415,946)	(241,905)	-	(3,657,851)
Building/Improvements Fitchburg Maintenance	(9,317,721)	(478,058)	-	(9,795,779)
Building/Improvements 840 N Main St Maintenance	(121,855)	(174,830)	-	(296,685)
Building/Improvements Gardner Maintenance	(3,971,462)	(353,871)	-	(4,325,333)
Improvements Fitchburg Rail	(972,146)	-	-	(972,146)
Improvements Wachusett Rail	(262,700)	(48,898)	-	(311,598)
Building/Improvements Athol Maintenance	(123,773)	(78,854)	-	(202,627)
Building/Improvements Ayer Parking	(742,717)	(261,448)	-	(1,004,165)
Other Fixed Assets	(2,139,510)	(43,115)	-	(2,182,625)
Systems Development	(4,818,328)	(883,615)	-	(5,701,943)
Transportation Equipment	(15,485,654)	(1,927,859)	550,881	(16,862,632)
	<u>(59,348,453)</u>	<u>(5,698,008)</u>	<u>550,881</u>	<u>(64,495,580)</u>
Net Depreciable Property	44,992,960	(165,720)	-	44,827,240
Construction In Progress	3,252,317	(770,453)	-	2,481,864
Fixed Assets in Process	22,128	(22,128)	-	-
Net Capital Assets	<u>\$ 52,610,244</u>	<u>\$ (958,301)</u>	<u>\$ -</u>	<u>\$ 51,651,943</u>

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Management Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

In FY2024 the Authority used \$47,000 of Section 5307 and RTACAP funds from MassDOT for the Water St Fitchburg Administrative office rehabilitations and renovations.

In FY2024 MART completed projects at the Fitchburg Intermodal Center including the repair, sandblasting, painting & sealing of the steel frame and replacement of the curtain wall of the concourse. This was funded through a combination of \$474,000 in Section 5307 and RTACAP funds from MassDOT.

In FY2024 MART commenced the repairs for the Fitchburg Intermodal Center parking garage concrete piers which will utilize \$1,065,000 in Section 5307 and RTACAP funds from MassDOT.

In FY2024 MART completed the Gardner Fuel Station Revitalization project which included the canopy, fueling station, pumps and software upgrades using \$162,000 of Section 5307 and RTACAP funds from MassDOT.

In addition to the above, MART has commenced the rehabilitation of the elevators at multiple locations over the next fiscal year, utilizing a total of \$550,000 in Section 5307 and RTACAP funds from MassDOT.

Budgetary Highlights:

Difference between the budgeted amounts and the actual amounts are as follows:

The Authority ended the fiscal year with no deficit or surplus. The primary drivers of the financial results were:

- a. In FY24 MART implemented a program to help reduce the cost associated with the self-funded service. We presented to the Board and, with their approval, instituted a substantial increase in subscription service fares to attempt to offset the losses on this program. Even with the increase in fares, the loss has increased from \$1,183,537 to \$1,424,369. MART will be discussing in FY25 how the service should be best performed and managed going forward, as MART will not be able to continue to financially support this service.
- b. As noted previously, MART received increased state contract assistance (SCA) in FY2024 which increased the total SCA funding to \$8,708,394 which was distributed at the existing percentage allocation levels to each RTA. The FY2023 calculated SCA total was \$6,333,429. The increase resulted in an additional amount of \$2,374,865 in state funding.
- c. MART Administration believes the Authority will be able to meet its transit commitments in FY2025 and will continue to control Administrative and Operational Costs through the efforts to improve overall efficiencies.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Management Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

Funding of the Authority:

- Expenses for all Transit services, less self-funded and the brokerage program were \$15 million, and were funded by the following:

	% of Expense	% of Funding
Authority generated revenue	9%	9%
Federal operating funds	38%	26%
Local contributions	16%	15%
Commonwealth assistance	37%	50%
State Grant	0%	0%

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Statement of Net Position
June 30, 2024

Assets

Current Assets	
Cash and Cash Equivalents	\$ 6,286,228
Receivables for Operating Assistance	
U.S. Department of Transportation	4,045,200
Commonwealth of Massachusetts and Cities and Towns Constituting the Authority	4,105,714
Receivables for Capital Grants	
U.S. Department of Transportation	-
Commonwealth of Massachusetts	-
Accounts Receivable	40,709,732
Other Current Assets	950,659
Total Current Assets	56,097,533
 Capital Assets	
Non Depreciable Capital Assets	6,824,703
Depreciable Capital Assets, Net of Accumulated Depreciation	44,827,240
Net Capital Assets	51,651,943
 Total Assets	 \$ 107,749,476

Liabilities and Net Position

Current Liabilities	
Accounts Payable	\$ 43,856,661
Accrued Expenses	421,369
Deferred Revenue	18,251
Revenue Anticipation Notes Payable	19,000,000
Note Payable - Line of Credit	5,000,000
Current Portion of Long Term Debt	53,333
Accrued Interest	850,250
Total Current Liabilities	69,199,864
 Long Term Liabilities	
Long Term Debt Net of Current Portion	\$50,005
 Total Liabilities	 69,249,869
 Net Position	
Invested in Capital Assets, Net of Related Debt	51,548,605
Unrestricted Deficit	(13,048,998)
Total Net Position	38,499,607
 Total Liabilities and Net Position	 \$ 107,749,476

See accompanying notes to the Financial Statements.

MONTACHUSETT REGIONAL TRANSIT AUTHORITY
(A Component Unit of the Massachusetts Department of Transportation)
STATEMENT OF REVENUES, EXPENSES & CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

Operating Revenues	
Transportation Revenue - HST Brokerage	\$ 257,045,438
Transportation Revenue - Self-Funded	2,308,341
Transportation Revenue - Urban/Rural Service	<u>508,529</u>
Total Operating Revenues	<u>259,862,308</u>
Operating Expenses	
Transportation Expense - HST Brokerage	255,542,043
Transportation Expense - Self-Funded	3,310,463
Transportation Expense - Urban/Rural Service	10,570,512
Administrative (Including Brokerage Administrative)	17,916,145
Depreciation and Amortization	<u>5,698,008</u>
Total Operating Expenses	<u>293,037,171</u>
Operating Loss	(33,174,863)
Non-Operating Revenues (Expenses)	
Federal	4,662,408
Commonwealth of Massachusetts	9,008,019
Member Municipalities	2,796,331
Interest Expense	(823,911)
Interest Income	142,808
HST Management Fee	12,143,273
Other Income, Net	<u>914,899</u>
Total Non-Operating Revenues	<u>28,843,827</u>
Loss Before Capital Grants	(4,331,036)
Capital Grants	<u>2,397,482</u>
Change in Net Position	(1,933,554)
Net Position - Beginning of the Year	<u>40,433,161</u>
Net Position - End of the Year	<u>\$ 38,499,607</u>

See accompanying notes to the Financial Statements.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Statement of Cash Flows
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from passenger fares and contract reimbursements	243,021,668
Cash paid to vendors	(268,015,504)
Cash paid to employees for services	(6,626,127)
Cash paid for other administrative costs	(\$ 11,290,018)
NET CASH USED FOR OPERATING ACTIVITIES	(42,909,981)
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES	
Proceeds from Revenue Anticipation Notes	19,000,000
Principal Payments on Revenue Anticipation Notes	(19,000,000)
Interest Payments on Revenue Anticipation Notes and Line of Credit	(733,661)
Interest Income	142,808
Proceeds from Operating Grants	12,672,570
Proceeds from HST Management fee	12,143,273
Proceeds from Line of Credit	6,000,000
Payment on Line of Credit	(1,000,000)
Other Income	1,792,613
NET CASH PROVIDED BY NON CAPITAL FINANCING ACTIVITIES	31,017,603
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal Payments on Notes Payable	(53,333)
Proceeds from Capital Grants	3,196,067
Purchase of Capital Assets	(4,761,835)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(1,619,101)
NET DECREASE IN CASH AND SHORT-TERM INVESTMENTS	(13,511,479)
BEGINNING CASH AND SHORT-TERM INVESTMENTS	19,797,707
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 6,286,228</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:	
Operating Loss	(\$ 33,174,863)
Depreciation and amortization	5,698,008
Changes in Assets and Liabilities: (Increase) / Decrease in Receivables	(16,725,268)
(Increase) / Decrease in Other Assets	90,806
Increase / (Decrease) in Payables	1,063,834
Increase / (Decrease) in Accrued Expenses and Liabilities	137,502
Net Cash Used for Operating Activities	<u>(\$ 42,909,981)</u>
Supplemental disclosures of noncash transactions Fully depreciated assets written off	\$ 550,881

See accompanying notes to the Financial Statements.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Schedule of Net Cost of Service
For the Year Ended June 30, 2024

	Urbanized Area Service	Rural Area Service	Other Services	HST Brokerage Services	Total Area Service
Operating Costs					
RTA Administration Costs (excluding depreciation)	\$ 5,074,413	\$ 362,891	\$ -	\$ 12,532,174	\$ 17,969,478
Purchased Services					
Fixed Route	5,516,095	271,295	-	-	5,787,390
Demand Reponse	4,785,844	488,066	1,780,048	19,314	7,073,272
Brokerage Services	-	-	-	256,345,581	256,345,581
Self-Funded Services	-	-	1,530,415	-	1,530,415
Debt Service	764,361	59,550	-	-	823,911
Total Operating Costs	16,140,713	1,181,802	3,310,463	268,897,069	289,530,047
Federal Operating Assistance					
FTA Operating & Administrative	3,511,563	273,131	-	-	3,784,694
Other Federal	814,373	63,344	-	-	877,717
Total Federal Assistance	4,325,936	336,475	-	-	4,662,411
Revenues					
Transit Operating	483,309	25,219	-	-	508,528
Brokerage Service	-	-	-	269,188,708	269,188,708
Self-Funded Services	-	-	2,308,340	-	2,308,340
Other Revenues					
Advertising	26,213	2,042	-	-	28,255
Interest Income	132,486	10,323	-	-	142,809
Miscellaneous	839,584	47,062	-	-	886,646
Total Revenues	1,481,592	84,646	2,308,340	269,188,708	273,063,286
Net Cost of Service	10,333,185	760,681	1,002,123	(291,639)	11,804,350
Net Cost of Service Funding					
Local Assessments	2,599,041	197,290	-	-	2,796,331
State Contract Assistance	8,357,935	650,084	-	-	9,008,019
Unreimbursed surplus	\$ 623,791	\$ 86,693	\$ (1,002,123)	\$ 291,639	\$ -
State Contract Assistance	\$ 8,357,935	\$ 650,084	\$ -	\$ -	\$ 9,008,019
Less: Payment made by MassDOT prior to June 30	8,357,935	650,084	-	-	9,008,019
Balance Requested from the State	\$ -	\$ -	\$ -	\$ -	\$ -

See Independent Auditors' Report.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Notes to the Financial Statements
For the Year Ended June 30, 2024

Note A – The Authority and Operators

The Montachusett Regional Transit Authority (“the Authority”) is a component unit of Massachusetts Department of Transportation which in turn is a component unit of the Commonwealth of Massachusetts (“the Commonwealth”) and as such the Authority’s financial information is included in the Comprehensive Annual Financial Report of the Commonwealth.

The Authority was established on August 7, 1978, by the cities of Fitchburg, Leominster, and Gardner pursuant to Section 3 of Chapter 161B of the General Laws of the Commonwealth of Massachusetts (“Enabling Legislation”) to provide transit services to the communities of Fitchburg, Leominster, and Gardner beginning July 30, 1979.

The following 25 cities and towns comprise the membership of the Authority:

<u>Community</u>	<u>Date of Membership</u>
Fitchburg	1978
Leominster	1978
Gardner	1978
Ashburnham	1980
Ayer	1981
Lancaster	1981
Shirley	1981
Sterling	1982
Hubbardston	1983
Littleton	1984
Royalston	1984
Templeton	1985
Ashby	1985
Winchendon	1985
Westminster	1986
Hardwick	1988
Lunenburg	1989
Harvard	2000
Bolton	2006
Boxborough	2006
Stow	2007
Athol	2013
Barre	2021
Phillipston	2022
Townsend	2023

The Authority is governed by an Advisory Board consisting of a representative from each member municipality with each representative having one vote plus additional votes which are allocated based on that municipality’s assessment in proportion to the total assessment of all member municipalities.

The operation of the Authority’s fixed route transportation serving the general public is provided under the terms of an agreement whereby private contractors operate mass transit service along routes and on schedules-defined by the Authority, which are supplemented by Americans with Disabilities Act paratransit van services.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Notes to the Financial Statements
For the Year Ended June 30, 2024

Note A – The Authority and Operators (Continued)

The Authority operates public transit fixed route bus service and complimentary ADA demand response paratransit services, as an alternative for disabled individuals unable to utilize fixed-route buses. All fixed route buses and ADA paratransit vans are lift-equipped for wheelchair accessibility. MART’s public transit services are provided through contracted third-party private operators. The Authority reimburses the private contractors for FTA allowable expenses deemed reasonable and necessary for the efficient operation of the service.

MART engages four operating companies which perform the fixed route and demand response direct transportation services for MART. The four operating companies share a common ownership and are all managed under an umbrella management agreement with HBSS Connect Corp. / Management of Transportation Services, Inc.

The Authority paid a management fee of \$1,136,703 for the year ended June 30, 2024.

During FY2023, MART procured the services of a management company to oversee the operation of our transportation services for a five-year period from July 1, 2023 (FY 24) through June 30, 2028 (FY28). The new management company is HBSS Connect Corp. which operates as the parent company for four operating companies: Management of Transportation Services, Inc. (“MTS”), Management of Transportation Services of Gardner, Inc. (“MTG”), Management of Transportation Services of Gardner - Athol Division (MTG – A) and Dial-A-MART Services, Inc. (“DAMS”) were selected through a competitive procurement process in FY2023.

In addition to the ADA paratransit services operated by the operating companies, the Authority also provides paratransit services for elderly and disabled individuals deemed eligible by the Councils on Aging (“COA’s”) of our member communities. In the communities of Fitchburg, Leominster and Ashby, COA services are operated by Dial-A-MART Services, Inc. Gardner COA are operated by Management of Transportation Services of Gardner (MTG). COA transportation services for Athol, Barre, Phillipston and Royalston are operated by Management of Transportation Services of Gardner - Athol Division (MTG – A). The COA transportation services for MART’s other member communities are provided through the municipality with a vehicle provided by MART, whereby the COA’s operate specialized, non-fixed route services for elderly and disabled individuals in their community. The Authority reimburses member communities for reasonable and necessary transit related expenses for the efficient operation of the COA para-transit service. The local COA’s are departments of the municipalities having membership in the Authority and their expenses are billed by and reimbursed to the member municipalities. The Authority is continuing to maintain tight controls on spending, as well as actively reviewing and modifying transit services to ensure the provision of cost-effective and efficient services across all service lines.

In addition to the transit services detailed above, the Authority oversees a comprehensive transportation brokerage program for the state's Human Service Transportation Office (HST) and two Integrated Care Organizations (ICOs), serving dual-eligible MassHealth and Medicare individuals enrolled in Commonwealth Care Alliance, Inc., United Health Care, and Tufts-Network Health, LLC. All brokerage services are self-funded.

The Authority's brokerage program manages transportation services for various human service agencies funded collectively under the Commonwealth of Massachusetts’ Executive Office of Health and Human Services (EOHHS). The agencies managed by MART under this brokerage include:

- MassHealth (state Medicaid program)
- Department of Public Health’s Early Intervention program (DPH)
- Department of Developmental Services (DDS)
- Department of Mental Health (DMH)
- Massachusetts Rehabilitation Commission (MRC)
- Massachusetts Commission for the Blind (MCB)

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Notes to the Financial Statements
For the Year Ended June 30, 2024

Note A – The Authority and Operators (Continued)

As noted in the FY2022 Audit, these brokerage services were most recently awarded to the Authority following a successful response to an RFR procurement issued by EOHHS for the agencies listed above. The Authority was selected as the broker for Regions 1 and 2 (depicted in Figure 1 below) and, following successful contract negotiations with EOHHS, commenced brokerage services on July 1, 2021, marking the start of the FY22 contracting year. This contract has continued through the recently concluded FY23. The initial contract period spans five years (FY22 through FY26), with provisions for two additional five-year extensions to be negotiated between the Authority and EOHHS.

The first and second years of operation under this new brokerage contract have necessitated significant increases in staffing and technology upgrades due to the substantially expanded service areas managed by the Authority. As highlighted in the FY22 audit, EOHHS specified substantial changes to performance standards and compliance requirements for numerous contract metrics. The Authority receives an annual management fee to cover all operating expenses for the brokered transportation programs, along with opportunities to earn contract incentives by meeting established performance metrics.

The Authority's administrative responsibilities include trip reservations and scheduling, coordination of shared rides, quality assurance and complaint resolution, monitoring inspections for quality and cost control, safety instruction, and providing backup services in case of emergencies or special requirements. General and administrative expenses are allocated across each program. MART's total transit ridership has still not fully recovered from the impacts of the COVID-19 pandemic but has seen continued growth in ridership year over year since the initial virtual shutdown in 2020. Workforce participation continues to be a significant issue for both the Operating Companies in the recruitment of drivers, as well as the Authority's administrative operations, primarily in the brokerage operation. The reduced workforce for the operation companies continues to impact the cost of providing services and the operating results of the overall organization.

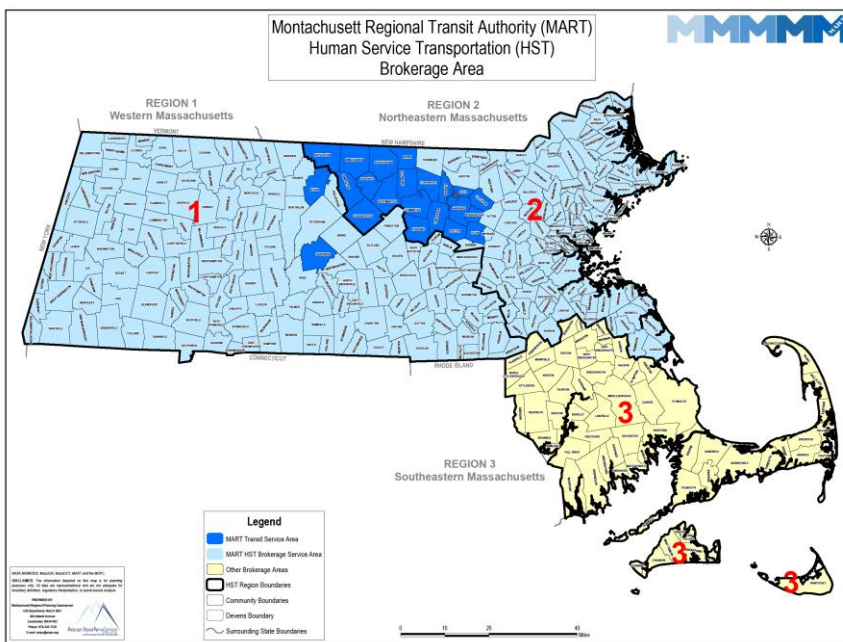


Figure 1

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Notes to the Financial Statements
For the Year Ended June 30, 2024

Note A – The Authority and Operators (Continued)

There were 444 brokerage program providers for the fiscal year ended June 30, 2024. The provider list is included in this report.

Note B- Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles.

The Authority reports its financial position and results of operations as a proprietary type of fund, as it is organized to be self-supporting through fees charged to external parties for goods and services. The financial statements are reported using the economic resources measurement focus and full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of cash flows. Grants are recognized as revenues as soon as qualifying expenditures have been incurred and all eligibility requirements have been met.

The statement of net position presents all of the Authority's assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

- *Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributed to the acquisition, construction, or improvement of those assets.
- *Restricted net position* results when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors and the like, or imposed by law through enabling legislation.
- *Unrestricted net position* consists of net assets which do not meet the definition of the two preceding categories.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as needed.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Notes to the Financial Statements
For the Year Ended June 30, 2024

Note B- Summary of Significant Accounting Policies (Continued)

Operating vs. Non-operating Revenue and Expense

Operating revenues and expenses are distinguished from non-operating items. Operating revenues and expenses generally result from providing transit services to the general public. The principal operating revenues consist of passenger fares and advertising revenue. Revenue is recognized at the time service is delivered. Operating expenses include the cost of transit services and maintenance provided by third party vendors, administrative expenses, and insurance. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Capital Grants

The Authority receives capital grants from the United States Department of Transportation and the Commonwealth to be used for various purposes connected with the planning, modernization, and expansion of transportation service. Pursuant to GASB Statement No. 33, "*Accounting and Financial Reporting for Non-exchange Transactions*," these grants are reflected in the accompanying statement of revenues, expenses, and changes in net position as Capital Grants.

Cash and Short-Term Investments

For the purpose of the statement of cash flows, the Authority considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents or short-term investments. Investments of the Authority consist of short-term investments in the Massachusetts Municipal Depository Trust (MMDT), which is an external investment pool that is overseen by the Massachusetts State Treasurer. MMDT is recorded at its net asset value per share of NAV which is equal to \$1.00 per share.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Capital Assets

Capital assets consist of land, construction in progress, buildings and improvements, equipment, and vehicles are recorded at historical cost. Capital Assets with a cost in excess of \$500 will be capitalized. Capital assets, other than land and construction in progress, are depreciated using the straight-line method over their useful lives. These lives range from five to forty years for buildings and improvements, five to twelve years for vehicles, and three to ten years for equipment. Construction in progress is transferred to building and improvements at the time the capital asset is placed in service for its intended use.

Restricted Assets

Restricted assets are restricted for the acquisition of capital assets under the terms defined in the various capital grants received by the Authority. In substantially all cases, the Authority draws down the grant funds after the vendor has been paid. Accordingly, there are no restricted assets on June 30, 2024.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Notes to the Financial Statements
For the Year Ended June 30, 2024

Operating vs. Non-operating Revenue and Expense (Continued)

Other Current Assets

Other current assets consist primarily of prepaid insurance, materials and fuel, and other prepaid expenses.

Note C – Investment Policy

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The Authority’s policy to mitigate these risks is to invest its funds in deposits with solvent financial institutions.

The Authority carries deposits that are insured by FDIC insurance, as well as federally uninsured deposits. As of June 30, 2024, the Massachusetts Municipal Depository Trust (MMDT) bank balance of federally uninsured deposits totaled \$57,080.21. The MMDT deposits are subject to the full faith and credit of the Commonwealth of Massachusetts. These deposits are invested in government securities only.

Credit Risk

The composition and amount of the Authority’s cash, cash equivalents and short-term investments fluctuates during the fiscal year. The primary reason for the fluctuation involves the timing of proceeds of borrowings, collections of federal, state, and local aid, and capital outlays made.

The Authority has defined deposit and investment policies that limit the Authority’s allowable deposits or investments and address the specific types of risk to which the entity is exposed.

Note D – Grants

At June 30, 2024, under Sections 5307, 5309, 5339 and CARES Act 5307 of the Federal Transit Administration (“FTA”), as amended, the U.S. Department of Transportation has current active capital grants to the Authority aggregating a remaining balance of nearly \$5 million. The federal government normally funds up to 80% of capital projects. However, the Authority has at times been awarded federal grant funding up to 100% for approved capital improvement projects. The remaining non-federal share may be financed through state capital grants, local capital funds, the issuance of long-term debt, and toll development credits.

The Authority has a contract with the Commonwealth for operating assistance as provided for in the enabling legislation. The contract provides that the Commonwealth will pay the Authority a portion of its net cost of service. The amount of this contract assistance for FY2024 was \$8,708,394 and \$299,625 for FareFree pilot program. In addition, the various cities and towns constituting the Authority contributed assistance in the form of local assessments in the amount of \$2,796,331 for FY2024.

The receivable for operating assistance includes \$1,395,005 from Cities and Towns constituting the Authority for previous years which are generally paid through local assessment “Cherry Sheets.” Whether these amounts will eventually be funded is undeterminable. The Authority has not reserved any amount as uncollectible related to these receivables.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Notes to the Financial Statements
For the Year Ended June 30, 2024

Note E – Capital Assets

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance <u>7/1/2023</u>	<u>Additions/Transfers</u>	<u>Disposals</u>	Balance <u>6/30/2024</u>
Capital assets, not being depreciated:				
Land	\$ 4,342,839	\$ -	\$ -	\$ 4,342,839
Construction in progress	3,252,317	(770,453)	-	2,481,864
Fixed Assets in process	<u>22,128</u>	<u>(22,128)</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated:	<u>7,617,284</u>	<u>(792,581)</u>	<u>-</u>	<u>6,824,703</u>
Capital assets, being depreciated:				
Buildings	72,089,425	2,968,180	-	75,057,605
Transportation Equipment	23,294,738	1,882,725	(550,881)	24,626,582
System Development	6,652,173	661,989	-	7,314,162
Other Fixed Assets	<u>2,305,077</u>	<u>19,394</u>	<u>-</u>	<u>2,324,471</u>
Total capital assets, being depreciated	104,341,413	5,532,288	(550,881)	109,322,820
Total accumulated depreciation	<u>59,348,453</u>	<u>5,698,008</u>	<u>(550,881)</u>	<u>64,495,580</u>
Total capital assets, being depreciated, net	<u>44,992,960</u>	<u>(165,720)</u>	<u>-</u>	<u>44,827,240</u>
Net Capital Assets	<u>\$ 52,610,244</u>	<u>\$ (958,301)</u>	<u>\$ -</u>	<u>\$ 51,651,943</u>

Note F – Revenue Anticipation Notes

The Revenue Anticipation Note (RAN) outstanding on June 30, 2024, consisted of one note totaling \$19,000,000. This note bore an interest rate of 3.851% net interest cost (NIC). This note is due to be paid on July 26, 2024. Interest expense related to the RAN note amounted to \$850,250 in FY2024 and was offset by a premium upon issuance of \$118,560. At the same time the FY2024 RAN note will be paid off, a new RAN note will be issued for \$19,000,000, demonstrating no increase to the RAN borrowing.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Notes to the Financial Statements
For the Year Ended June 30, 2024

Note G - Long Term Debt

During the year ended June 30, 2024, the following changes occurred in long-term liabilities:

	Interest Rate	Original Amount	Maturity Date	Balance 6/30/23	Reductions	Total Balance 6/30/24	Current Portion	Long-Term Portion
Note Payable - Fitchburg Redevelopment Authority	0%	\$1,050,000	June-2026	<u>\$156,671</u>	<u>(\$53,333)</u>	<u>\$103,338</u>	<u>(\$53,333)</u>	<u>\$50,005</u>
Total				<u>\$156,671</u>	<u>(\$53,333)</u>	<u>\$103,338</u>	<u>(\$53,333)</u>	<u>\$50,005</u>

Maturities of Long Term Debt for next five years and thereafter are as follows:

<u>Years ended June 30</u>	<u>Principal</u>	<u>Interest</u>
2025	\$53,333	\$ -
2026	<u>50,005</u>	<u>-</u>
Total	<u>\$103,338</u>	<u>\$ -</u>

Note H - Notes Payable

Effective June 30, 2024, the Authority has a demand commercial line of credit (LOC) available up to a maximum borrowing of \$8 million. There was an outstanding balance of \$5 million as of June 30, 2024, at an interest rate of 8.50%.

Note I - Contingencies

North Leominster Arbitration

The Authority receives capital and operating financial assistance from federal and state agencies in the form of grants. Expenditure of the funds under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audit could become a liability of the Authority. There are no known disallowances at or for the year ended June 30, 2024.

The Authority is also a party to legal claims that arise during the normal course of business. Management and the Authority's legal counsel are currently aware of the legal claim described below:

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Notes to the Financial Statements
For the Year Ended June 30, 2024

Note I – Contingencies - continued

As disclosed previously in the FY19, FY20, FY21, FY22 and FY23 financial statements, the Authority defended itself successfully in civil actions and binding arbitration pursued by TLT (the General Contractor) against MART for the North Leominster Parking Garage project in 2019. MART, having prevailed in the arbitration, was awarded \$153,382.65 against TLT and its surety bonding company (Western Surety Company / CNA Surety Corporation) and correspondingly, demand was made to both entities for the final award amount. Concurrently, the Authority continues to pursue a demand made to Western Surety Company / CNA Surety Corporation, in the amount of \$1,398,473.80 for the final award, attorney’s fees and costs, professional fees and delay costs. The Authority is also seeking interest on the outstanding award from the arbitration. MART has brought action against those entities under the Performance Bond, as well as under Massachusetts General Laws Chapters 176D and 93A. The Authority continues to be represented by legal counsel on this matter which is scheduled for trial in the fall of 2024..

Note J - Retirement Benefits

Effective July 1, 2015, the Authority established a defined contribution retirement plan under Section 401(k) of the Internal Revenue Code for the benefit of all employees. Employees are permitted to contribute amounts to the plan on a pretax basis, and the Authority pays a discretionary amount for each employee, regardless of whether the employee contributes to the Plan. A two-year vesting policy was introduced in FY23 for new employees. In FY2024, the Authority contributed 10% of each employee’s base pay for a total contribution of \$603,511.

Note K – Related Party Transactions

The Authority engages in transactions with other component units of Massachusetts Department of Transportation in the normal course of business. These transactions relate to operating as well as capital activities.

The Authority also serves as ticket agency for MBTA at the Fitchburg Intermodal Station. In FY2024, the Authority collected ticket revenues of \$48,752 and remitted \$47,882 to MBTA.

801 CMR 53.03(2) Disclosure (Unaudited)

The Administrator, date of hire of February 3, 1993, received a salary for the tax year ending December 31, 2023, of \$158,571. The Administrator receives health insurance coverage and contributes 30% of the cost of the premium.

The Assistant Administrator, date of hire of November 9, 2020, received a salary for the tax year ending December 31, 2023, of \$106,632. The Assistant Administrator receives health insurance coverage and contributes 30% of the cost of the premium.

The Chief Financial Officer, date of hire of March 16, 2015, received a salary for the tax year ending December 31, 2023, of \$140,940. The Chief Financial Officer receives health insurance coverage and contributes 30% of the cost of the premium.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Notes to the Financial Statements
For the Year Ended June 30, 2024

Note L – Subsequent Events

In July 2024, the Authority paid its existing revenue anticipation note of \$19,000,000 and issued a new note for \$19,000,000.

Management has evaluated subsequent events through September 26, 2024, the date the financial statements were available to be issued.

The Authority did not have any other non-recognized or recognized subsequent events after June 30, 2024, the date of the statement of financial position. Subsequent events have been evaluated through September 25, 2024, the date the financial statements were available to be issued.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
For the Year Ended June 30, 2024

Note M – List of Brokerage Vendors

Aaron Transport LLC, Springfield	Bethel Staffing LLC, Worcester
Peter J Holman Dba, Marlborough	Beyond Transportation LLC, Tewksbury
Stephanie Matthews Dba, Gardner	Boston Mass Transportation Inc, Newton Upper Falls
Achias Transportation Inc, Leominster	Benata Inc, Billerica
Action Ambulance Service Inc, Wilmington	Boston Express Carriers LLC, Billerica
Access Care Ride Inc, Leominster	Allen E Bradley, Middleboro
Aleksander Dhima Dba, Worcester	Thomas F Brady, East Walpole
Advisor Limo Inc, Ashland	Brewster Ambulance Service Inc, Weymouth
Andover Family Medical Trans Inc, Andover	Bostonhealth&Recoveryservicesinc, Leominster
Agawam Transportation Inc, Agawam	Brook Limo Transportation Inc, Lowell
A & G Transportation Services Inc, Revere	Bridgewell Inc, Lynnfield
Airmys Tranship LLC, Fitchburg	Bay State Transportation Co, Lynn
Catherine Alam, Westborough	Blackstone Valley Livery LLC, Stoughton
Allroad Transportation Corp, Stoughton	Best Ride Inc, Dedham
Alternative Transportation Systems LLC, Arlington	Heidi Buscanera, Baldwinville
Open Sky Community Services Inc, Worcester	Nancy Butler, Milford
All Year Inc, Billerica	By Trans Corp, Wilmington
American Medical Response Of Mass Inc, Atlanta	Cataldo Ambulance Service, Inc, Somerville
Arch Mmd Logistics LLC, Dorchester	Camme Transportation Inc, Burlington
American Training Inc, Andover	Caring Choice Transportation Inc, Peabody
American Way Transportation Inc, Waltham	5 Star Transportation LLC, Dracut
Anb Transportation Inc, Dedham	Caribbean Transportation Inc, Worcester
Apraku K George, Malden	Castelly'S Transportation LLC, Ashland
Armani Group Inc, Wakefield	Comfort Care Resource Group, Woburn
All Ride Transportation Inc, Haverhill	Ccr Transportation LLC, Worcester
Arko Transportation Services, Marblehead	Community Ems, Inc, Atlanta
Arm Kesh Inc, Arlington	Centerpoint Delivery Inc, Fitchburg
Armstrong Ambulance Service Inc., Arlington	County Homecare& Staffing LLC, Fitchburg
Aseda Transport Inc, North Chelmsford	Crown Homes Healthcare &, Saugus
Asap Transportation Group Inc, Dedham	City Quest Transportation LLC, Gardner
All-Savants Transportation LLC, Quincy	City Voyager Corporation, Ashland
At Business Solutions LLC, Lowell	Cool Ride Transportation LLC, Leominster
Atlantic Trans Inc, Sharon	Cles10 Transportation Services LLC, Lawrence
Austin Transportation LLC, Dorchester	Clar LLC, Lowell
Avi Transportation LLC, Norwood	Nu Path Inc, Woburn
Av Prime LLC, Feeding Hills	Central Mass Transportation Group Llp, Townsend
Awesome Transportation International Inc, Winthrop	Costal Medical Transportation, LLC, Hyannis
Bahati Transportation LLC, Methuen	Carolyn Collins, Natick
Band Of Heroes & Emt LLC, Lawrence	Convenient Homecare Services Inc, Waltham
Banka General Staffing LLC, Ayer	Community Transportation, Indian Orchard
Barsow Inc Dba Edrive, West Bridgewater	Lori A Cotter, Millville
Bass River Day Activity Program Inc, Beverly	Covenant Transportation Inc, Newton
Bat Enterprises LLC, Beverly	Comfort Way Inc, Stoughton
Best Care Transportation, Inc, Waltham	Credence Transport Services LLC, Methuen
Beauport Ambulance Service Inc, Gloucester	Care Remedy Inc, Reading
Becca Transport LLC, Leominster	Crossway Transit LLC, N Andover
George Robert Beebe, Ayer	County Rainbow Taxi Inc, Pittsfield
Believe Transportation Corp, Worcester	Care Transportation Service Inc, North Grafton
Christine Berg, Scituate	Ctls Enterprises Inc, Greenfield
Alexander Antonian Dba, Natick	Citytrans Inc, Worcester

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
For the Year Ended June 30, 2024

Note M – List of Brokerage Vendors Continued

Covenant Keeper Inc, Dracut	Five Stars Transportation Inc, Natick
Mary L D'Ambra, Hanover	Flow Transportation ServicesLLC, Leominster
Damico John M, Beverly	Finch Transportation Inc, Brighton
Dasa Transportation Inc, Norton	Focal Points Healthcare LLC, Haverhill
Joan E Davenport, Beverly	Medical Transportation Inc, Waltham
DoubletransportationLLC, Marblehead	Dawn M Freeman, Peabody
Dds-Southeast Region 5, Middleboro	Angel Care Vna LLC, Acton
Dean General Services LLC, Lowell	Joseph Thomas Frias, Hudson
Kristina M Dean, Uxbridge	Francois Transportation Inc, Tewksbury
De-Orient Transport & Logistics, Inc., Attleboro	Friendly Ride Transportation Inc, Wilbraham
Desire Safety Transportation LLC, Dedham	Mary E Fuller, Hinsdale
Dedicated Homecare Services Inc, Waltham	Gaamha Inc, Gardner
Diruzza Carla, Revere	Gentle Arms Daily Transportation Company LLC, Chelmsford
Dmh Accounts Payable, Westboro	Ganda Services Inc, Burlington
Dinorah Transportation Services LLC, Swampscott	Cynthia M Gauthier, Westminster
Chau Do, Cambridge	Kebede A Gashie DbA, Amherst
Dominion Healthcare LLC, Stoughton	Gacal Enterprise LLC, Worcester
Donahue Limousine Service Inc, Leominster	Green Cab Company Inc, Somerville
Judy Doucette, Stoneham	Gem Logistics Inc, Worcester
D And P Community Transportation Inc, Tauton	Gifted Hands Transportation Inc, Lowell
The Drivers Transportation LLC, Fitchburg	G&F Transport Inc, Pittsfield
Joanne Grace DbA, Dracut	Nancy Giuffre, Winthrop
Sergey Dikan DbA, Chicopee	Global Clean Life Transportation Inc, Woburn
Detail Services Enterprise Us, Inc, Lowell	Gloria Transportation Inc, Stoughton
Divine Community Transportation Inc, Northborough	Globaly Transportation &Services LLC, Lawrence
Eagle Spirit Transportation Inc, Worcester	Greater North Transportation Inc, N. Chelmsford
Eascare LLC, Weymouth	Kwame Kesse DbA Golden Care Transportation Inc, Rutland
Eliot Community Human Servicesinc, Lexington	Go LLC, Dalton
Ejk Services Inc, Woburn	Go Time Transportation, Tewksbury
Elite Care Age Ncy Inc, Agawam	Kelsey Guindon, Millis
Elm Transportation Inc, Lowell	Martha Cristina Gutierrez, East Boston
Elite Trans LLC, Tewksbury	Green Valley Inc, Burlington
East Middlesex Arc Inc, Wakefield	Greatway Care LLC, Lawrence
Employment Options Inc, Marlborough	Habilitation Assistance Corp, Plymouth
Alexander Dubovsky DbA, Chestnut Hill	Haleem Services Inc, Marlboro
Epoch Health Care LLC, Norwood	Haverhill Taxi LLC, Haverhill
E-Pod Transportation Llp, North Adams	Haytrans LLC, Revere
Essex Group Transportation Inc, Rowley	Hb Livery Service Inc, Winthrop
Easton Auto Service Inc, Easton	Hch Services Inc, Waltham
Iirjan Aliko DbA, Holden	Helios Ride Inc, Worcester
Express Medical Transportation Inc, Stoughton	Humble Hands Health Care Svc LLC, Methuen
Express Lane Inc, Hopkinton	Loueth E Amumele DbA Hlje Transportation LLC, Peabody
E-Z Transportation LLC, Chelmsford	Horace Mann Educational Assoc, Franklin
Fabbykay Inc, Chelmsford	Lisa M Hoekstra, Spencer
Favored Home Care Inc, Lynn	Giselle L Holland, Randolph
Fallon Emergency Medical Service,LLC, Quincy	Hpa Service LLC, East Bridgewater
Sif Ferranti, Natick	Viability Inc, Northampton Ma
Peter N Gitau DbA, West Springfield	Hulmes Transportation Serv Ltd, Belchertown
Sheila Finnegan, Hopkinton	Anne Hulverson, Hull
Fitchburg Transportation LLC, Fitchburg	Robert Hurley, Burlington

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
For the Year Ended June 30, 2024

Note M – List of Brokerage Vendors Continued

Immigrant Community Developmentcenter Inc, Springfield	Marks Transportation LLC, Milford
Integrity Medical Transportation Corp, Lawrence	Lance L Mason, Winchendon
Infinity Transport LLC, Gardner	Mass Express Transportation Inc, West Springfield
Nancy Inghilleri, Roslindale	Maura E Mccarthy, Holden
Ireland And Company LLC, Lynn	Mcj Transportation Inc, Brockton
In Time Med Transport LLC, Malden	Med Star Ambulance, Inc, Boston
Janny Transportation Service Inc, Worcester	Mercedes Cab Company, North Turo
J Family Inc, Waltham	M&F Health Services And Support,LLC, Worcester
Jfk Transportation Inc, Natick	Mass General Brigham Home Care, Inc, Cambridge
J&Jcaretransportationcorp, Springfield	Rebecca Pava, Pittsfield
Jjec Transportation Inc, Worcester	Miirro Investments Corp Dbamic Transportation Servies, Chelmsford
J K Services Inc, Wrentham	Peter Kwasi Mintah, Leominster
Robert A. Johns, Rutland	Mih N Rob Transpotation,LLC, Revere
Jomo Transportation LLC, Lowell	Misha Transportation Services Inc, Framingham
Jk Sunshine Transportation Services ,LLC, Fitchburg	M.J. Transportation Inc, Southwick
Justice Services Inc, Billerica	M And J Transportation Service Inc, Dorchester
Jyl Transportation Inc, Spencer	Mighty Livery Transportation LLC, Fairhaven
Pamela Katziff, Framingham	Minute Man Arc For, Concord
K & C Transportation Inc, Lawrence	Mobile Transportation EtcLLC, Quincy
Jennifer Keniry, Natick	Toshimitsu Motoyama, Newton
Kibi Transport Corp, Swansea	Paula Moyer, Sudbury
Kiessling Transit Inc, Franklin	Service Above Self Homecare &Staffing Inc, Wellesley
Kingdom Transportation, Lunenburg	Mpagi Services Inc, Woburn
Kiten Inc, Billerica	Mass Proud LLC, Revere
K&K Transportation LLC, Lawrence	Mrc Transportation LLC, Bridgewater
Kenmore Transit Inc, Swampscott	Merrimack Transit LLC, Woburn
Konastone Services Inc, Dracut	Massfinest Inc, Billerica
Richard G Kotosky, Westborough	Massride Inc, Belmont
Arthur Krusinski, Sudbury	Mass Trans LLC, Tewksbury
K'Spersonal Transportation Inc, Oxford	Armen Petrosyan DbA, W. Roxbury
Lynne Kuperstein, Southboro	Michael Transportation Service Corp, Marblehead
Kush Transportation Inc, Methuen	Amie Muri, Ashland
Jill Lacy, Rutland	Mavins,LLC, West Springfield
Batjargal Lkhagva DbA, Waltham	Metrowest Regional Transit Authority, Framingham
Lifedots Transportation LLC, Lowell	Maxride Inc, Woburn
Lee Ann Lee, Methuen	Maximus Trans Services Inc, Waltham
Lifeworks Inc, Westwood	Mystic Transport LLC, Worcester
Elemol LLC DbA Lowell Transportation, Tewksbury	National Ambulance LLC, Springfield
L & M Transportation LLC, Lawrence	North Adams Ambulance Services Inc, North Adams
Lodge T LLC, Lynn	Need A Lift Medivan Inc, Leominster
Logistics Transportation Services Inc DbA Lts Transportation, Beverly	Natron Enterprises Inc, Framingham
Longonot Transportation Inc, Springfield	New Beginnings Transportation LLC, Westfield
Lotus Transportation, Waltham	Numbers Transit LLC, Worcester
Lase Star Inc, Worcester	Northern Destinations Inc, Lynnfield
Lumi Transports LLC, Lowell	Nowtransit Inc, Watertown
Micah Love-Allotey DbA Loveall Management Group LLC, Worcester	Northeast Regional Ambulance Ser, Middleton
Luxus Inc, Sharon	Northeast Arc Inc, Danvers
Lyft Healthcare,Inc, San Francisco	Nissi Transportation Services LLC, Amesbury
Marlboro Hudson Ambulance & Wheelchair Service, Inc, Atlanta	Serwaa Asare Adjel DbA Nas Transportation LLC, Jefferson
Malka Inc, Randolph	New England Health Transportation Inc, Haverhill

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
For the Year Ended June 30, 2024

Note M – List of Brokerage Vendors Continued

Omama Services Inc, Worcester	Gramoz Giaya Db, Worcester
Omar Transport LLC, North Reading	Riverside Industries Inc, Easthampton
Oceanside Medical Transportation, Beverly	Michelle Saboliauskas, Newburyport
Opportunity Works Inc, Newburyport	Sts Special Transportation, Newton
Bernard Z Orenstein, Peabody	Safe Transportation Inc, Stoughton
Elizabeth Ori, Naples	Sanko Inc, Stoughton
Oshe Transport LLC, Worcester	Salter Transportation Inc, Newbury
Pam Transportation, LLC, North Easton	Sami Health Care Services Inc, Marlborough
Pema Transportation Company LLC, Worcester	Samtag Resource Inc, Worcester
Danielle Perry, North Andover	Peter Mintah Dbs Safe& Reliable Ride, LLC, Leominster
Pfm Services LLC, Lynn	Savannah Transportation LLC, Worcester
Phils Transportation Inc, Wales	Save Dd LLC, Haverhill
Simone Pio-Clinton, Framingham	Simone M Sclafani, Peabody
Katherine Pitman, Marlborough	Safe Hands Inc, Lowell
Monicah Marshdba Pontis Healthcare Services LLC, Westford	Safe Ride Transportation Inc, Malden
Purple Lady LLC, East Bridgewater	Shining Care LLC, Boston
Perfection Inc, Brighton	Harold Short, Newburyport
Laura Price, South Grafton	Siblings Transportation Inc, Lawrence
Pridestar Ems Inc, Lowell	Six Star Transportation Inc, Watertown
Lynn Principe, Milford	Sk Squarecenterperises Inc, Woburn
Present Line LLC, Chicopee	S And K Transportation Inc, Brockton
Prime Trnsportation Inc, Clinton	Sergei E Mikulin Db, Holbrook
Prospects Transportation LLC, Worcester	Solika Transit Inc, Springfield
Prime Solution Group Inc, Brookline	Smart Transportation Inc, Quincy
Prestige Livery Transportation Llp, Dracut	Smiles Health Services Inc, Worcester
Prevalent Transport Inc, Chicopee	Smood Transportation Inc, Lynn
Prestige Ride LLC, Dudley	Soldier On Inc, Pittsfield
Pv Groupinc, Westwood	Space Time Transportation LLC, Melrose
Quality Transportation Inc, Lawrence	Surad Transportation Inc, Boston
Rafa Transportation LLC, West Springfield	Serenity LLC, Saugus
Eddie Rich Db Rich Asap Tranportation, South Boston	Serene Transportation Inc, South Hadley
Rck Transportation Inc, Everett	South Shore Community, Plymouth
Dana Read, Salisbury	St Agnes Transport, Worcester
Kelly Reilly, Andover	Star Line Transportation LLC, West Springfield
Reliable LLC, North Chelmsford	Soughtafter Transportation Inc, Andover
Rem Services Trans LLC, Bedford	Star International Charity Foundation Inc, Worcester
Reliamed Transportation Inc, Shrewsbury	Stralinks Inc, Worcester
Reliable Transportation Inc, Westford	Stateline Dsd, LLC, West Springfield
Venture Community Service Inc, Sturbridge	Success Corpotation, Newton
Real Icon Inc, Westwood	Superb Enterprises Inc, Lowell
Ride On Time Inc, Lynn	Support Management Inc, Dedham
Rigby'S Journey, Inc, Lawrence	Surrimassini Inc, Peabody
Rio Hondo Transport LLC, Lawrence	Center Of Hope Foundation Inc, Southbridge
R&I Transportation, Worcester	Safeway Luxury Transportation LLC, Worcester
Angello Kawekz, Lowell	Tatis Transportation LLC, Lynn
Ronald Magembe Db, Woburn	Veronica K Taylor, Pittsfield
Rm Transportation Inc, Swampscott	Tri-City Services Inc, Peabody
Margaret M Robinson, E Walpole	Teamwork Transportation Inc, Walpole
Royal Ride Inc, Wakefield	Linda Teti, Dracut
Noel M. Roy, Leominster	Margaret Thomas, Hyde Park

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
For the Year Ended June 30, 2024

Note M – List of Brokerage Vendors Continued

Thrive Transportation LLC, Concord
Timeless Transportation Company LLC, Dracut
Tamba-Kromah Ventures LLC, West Lynn
Teambuild Inc Dba, Methuen
Transitions Medical Transportaton Inc, Fitchburg
Total Praise Services LLC, Peabody
Town Car Limousine Inc, Stoneham
Mass Tran Corp, Danvers
Trinity Transport LLC, Worcester
Tru-Ryde Transit LLC, West Springfield
Travelcom Inc, Upton
Transportation With Care Inc., Boston
Travelers Transit Inc, Woonsocket
Unique One Transportation LLC, Dracut
Noah Opoku Gyamfi Dba Unity Transport LLC, Worcester
Vegas Transportation LLC, Lawrence
William Veronelli, Sudbury
Vhs Transportation Co Inc, South Easton
Vital Enterprises, Inc, Atlanta
V&KtransLLC, Malden
Vlad S Transportation Inc, W. Springfield
VotransportationLLC, Boston
Voyage Transportation LLC, Quincy
Tricia Walsh, Ayer
Way Transportation LLC, Milford
Dorothy Wells, Revere
Rwendo Transportation Inc, North Chelmsford
West Medical Transportation Inc, Stoughton
West Express LLC, Lynn
Nancy L Wexler, Holliston
Wells Medical Transport, Fitchburg
Worcester Medical Trans LLC, Worcester
Worcester County Transportation, LLC, Worcester
Woods Ambulance Inc, Gardner
Worcester Transportation Corp, West Springfield
Wow Transportation Inc, Quincy
World Class Limousine LLC, Andover
Margarita Dennis Wurm, Wilbraham
Yaris Inc Dba, Lynn
Your Ride Inc, Worcester
Youth On The Move Inc, Springfield
Yerevan Group Inc, Wakefield
Peter Kimemia Dba Zoe Transportation, Cherry Valley
Amelda Minja Dba Zuper Motion LLC, Saugus

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Self-Funded Cost of Service
For the Year Ended June 30, 2024

	Revenue	Cost of Service		Net Interest Expense	Net Income/(Loss)
		Transportation Service	Administrative		
SELF-FUNDED - TRANSIT					
Gardner VNA Service	\$ 208,437	\$ 81,016	\$ -	\$ -	\$ 127,421
Suscription Service	355,678	1,780,048	-	-	(1,424,370)
Operating Co - HST Service	1,744,225	1,449,399	-	-	294,826
TOTAL SELF-FUNDED - TRANSIT	2,308,340	3,310,463	-	-	(1,002,123)
SELF-FUNDED - BROKERAGE					
Mass Health Services	108,025,417	108,833,358	5,337,453	-	(6,145,394)
Mass Health Ico Services	399,184	570,670	27,571	-	(199,057)
Mass Health ECC Services	22,698,336	22,683,454	1,112,857	-	(1,097,975)
Department of Developmental Services	22,296,419	21,479,418	1,053,956	-	(236,955)
Department of Public Health Services	1,056,891	1,056,864	51,382	-	(51,355)
Department of Developmental Services Dayhab	97,274,285	96,503,844	4,732,149	-	(3,961,708)
Department of Developmental Services Dayhab Ico	167,084	154,098	7,519	-	5,467
Department of Mental Health Services	2,951,880	2,962,985	145,373	-	(156,478)
Mass Rehab Services	1,242,437	1,242,538	61,408	-	(61,509)
Incentives / Liquidated Damages	2,634,981	35,500	1,253	-	2,598,228
Miscellaneous	42,748	-	-	-	42,748
Dial-a-Mart	(1,744,225)	19,314	1,253	-	(1,764,792)
Non-Grant Funded Capital Assets	-	822,852	-	-	(822,852)
Administration	12,143,273	-	-	-	12,143,273
TOTAL SELF-FUNDED - BROKERAGE	269,188,710	256,364,895	12,532,174	-	291,641
TOTAL SELF-FUNDED	\$ 271,497,050	\$ 259,675,358	\$ 12,532,174	\$ -	\$ (710,482)

See Independent Auditors' Report.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Allocation of Net Cost of Service
For the Year Ended June 30, 2024

	Fixed Motor Bus Route	Paratransit	Council on Aging	Total	General and Administrative	Facility and Security	Federal/Other Assistance	Other Income	Cost of Service	Self- Funded	HST Brokerage	State Assistance	Local Assessment
Fitchburg	\$ 1,970,652	\$ 1,012,727	\$ 795,448	\$ 3,778,827	\$ 2,648,239	\$ 30,257	\$ (1,790,106)	\$ (431,793)	\$ 4,235,424	\$ 409,101	\$ (111,344)	\$ (3,458,582)	\$ (1,049,628)
Leominster	1,572,097	943,163	659,041	3,174,301	2,111,678	\$ 25,415	(1,477,810)	(337,062)	3,496,522	319,348	(91,919)	(2,855,206)	(866,512)
Gardner	668,597	122,860	128,476	919,933	597,610	\$ 7,363	(429,698)	(78,537)	1,016,671	74,410	(26,727)	(830,198)	(251,953)
Ashburnham	-	1,767	49,199	50,966	30,682	\$ 411	(23,250)	(3,801)	55,008	3,601	(1,446)	(44,919)	(13,632)
Ayer	-	13,857	94,274	108,131	63,673	\$ 862	(37,207)	(47,425)	88,034	44,933	(2,314)	(71,887)	(21,817)
Lancaster	42,394	31,050	34,870	108,314	66,702	\$ 870	(49,599)	(8,936)	117,351	8,466	(3,085)	(95,827)	(29,082)
Shirley	-	(3,033)	67,620	64,587	39,367	\$ 516	(29,645)	(4,685)	70,140	4,439	(1,844)	(57,275)	(17,382)
Sterling	70,657	6,117	136,939	213,713	137,562	\$ 1,708	(99,949)	(16,553)	236,481	15,683	(6,217)	(193,107)	(58,605)
Hubbardston	-	(943)	25,635	24,692	14,485	\$ 201	(11,175)	(1,764)	26,439	1,671	(695)	(21,590)	(6,552)
Littleton	-	20,147	85,935	106,082	62,708	\$ 846	(48,079)	(7,801)	113,756	7,391	(2,990)	(92,892)	(28,191)
Royalston	-	469	2,142	2,611	1,510	\$ 24	(1,174)	(192)	2,779	182	(73)	(2,269)	(689)
Templeton	104,566	(1,757)	36,278	139,087	96,764	\$ 1,112	(66,877)	(11,854)	158,232	11,231	(4,160)	(129,210)	(39,213)
Ashby	-	10,929	28,231	39,160	22,573	\$ 314	(17,561)	(2,938)	41,548	2,784	(1,092)	(33,928)	(10,296)
Winchendon	43,227	17,067	35,373	95,667	57,898	\$ 765	(43,505)	(7,893)	102,932	7,478	(2,706)	(84,052)	(25,509)
Westminster	54,424	28,506	44,260	127,190	79,864	\$ 1,015	(58,670)	(10,587)	138,812	10,031	(3,649)	(113,352)	(34,400)
Hardwick	-	-	63,497	63,497	37,794	\$ 508	(28,864)	(4,642)	68,293	4,398	(1,795)	(55,767)	(16,924)
Lunenburg	99,485	116,263	75,724	291,472	177,898	\$ 2,336	(132,885)	(24,413)	314,408	23,130	(8,265)	(256,741)	(77,917)
Harvard	-	60,007	43,613	103,620	59,926	\$ 830	(46,374)	(8,279)	109,723	7,844	(2,884)	(89,598)	(27,192)
Bolton	-	-	25,399	25,399	14,771	\$ 201	(11,456)	(1,812)	27,103	1,717	(712)	(22,132)	(6,717)
Boxborough	-	-	34,385	34,385	20,086	\$ 274	(15,532)	(2,465)	36,748	2,335	(966)	(30,008)	(9,107)
Stow	-	-	62,533	62,533	(499)	\$ 499	-	-	62,533	-	(1,644)	-	(62,533)
Athol	256,508	106,403	116,738	479,649	302,360	\$ 3,843	(221,365)	(40,735)	523,752	38,594	(13,769)	(427,688)	(129,797)
Barre	-	8,594	39,574	48,168	27,796	\$ 387	(21,630)	(3,543)	51,178	3,357	(1,345)	(41,791)	(12,683)
Townsend													
Totals	\$ 4,882,607	\$ 2,494,193	\$ 2,685,184	\$ 10,061,984	\$ 6,671,447	\$ 80,557	\$ (4,662,411)	\$ (1,057,710)	\$ 11,093,867	\$ 1,002,124	\$ (291,641)	\$ (9,008,019)	\$ (2,796,331)

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Schedule of Administrative, General and Interest Expenses
For the Year Ended June 30, 2024

ADMINISTRATIVE	REGIONAL TRANSIT AUTHORITY	HST BROKERAGE PROGRAMS	TOTAL
Insurance - General Liability Ex/Umbr	\$ 89,245	\$ 622,704	\$ 711,949
Insurance - Operating Property	109,885	-	109,885
Insurance - Parking Property	-	-	-
Insurance - Other Vehicles	447,745	21,744	469,489
Insurance - Bus	196,417	-	196,417
Payroll - Administrative	1,537,693	4,502,935	6,040,628
Payroll - Temporary Staff	7,862	702,371	710,233
Payroll - Uncompensated Absences	(7,300)	18,955	11,655
Payroll - Fica/Medicare Tax	112,186	327,148	439,334
Payroll - Unemployment Tax	12,300	37,991	50,291
Payroll - Health Insurance	223,589	532,638	756,227
Payroll - Life/Disability Insurance	13,666	45,240	58,906
Payroll - Workers Comp Insurance	3,273	10,859	14,132
Payroll - Retirement 401K	155,521	447,990	603,511
Advertising - Marketing / Legal / Consultant	95,642	10,668	106,310
Printing	15,190	-	15,190
Consultant - Technical/MRPC	7,699	-	7,699
Consultant - Other	15,000	-	15,000
Security	310,859	-	310,859
Legal Counsel	53,084	38,042	91,126
Auditor	22,655	32,580	55,235
Office Supplies	58,348	55,948	114,296
Equipment/Maintenance	12,015	7,710	19,725
Equipment Lease Expense	1,302	1,291	2,593
Purchase Services	71,877	2,028,510	2,100,387
IT Software	140,662	127,888	268,550
Travel	4,925	1,309	6,234
Meetings	16,701	11,243	27,944
Rent Expense	7,200	416,531	423,731
Consultants - Computer Service Contracts	236,273	1,086,449	1,322,722
Consultants - Operational / CATA	-	-	-
Miscellaneous Expense	(12,679)	24,160	11,481
Telephone	333,146	561,922	895,068
Telephone - Maintenance	27,822	-	27,822
Reserve Fund / Bad Debt Expense	-	774,846	774,846
Maintenance - Water St. Facility	167,499	-	167,499
Maintenance - ITC Facility	81,711	5,387	87,098
Maintenance - Gardner Facility	43,811	-	43,811
Maintenance - N. Main Facility	90,388	-	90,388
Maintenance - Athol Facility	17,413	-	17,413
Utilities - Water St. Facility	128,868	-	128,868
Utilities - ITC Facility	101,409	64,705	166,114
Utilities - Gardner Facility	63,553	-	63,553
Utilities - N. Main Facility	65,562	12,410	77,972
Utilities - Athol Facility	15,129	-	15,129
Total Administrative	\$ 5,095,146	\$12,532,174	\$ 17,627,320
GENERAL AND INTEREST			
Debt Service / Bank fees	\$ 29,164	\$ -	\$ 29,164
Interest Expense	794,745	-	794,745
Ticket Agency Service	50,835	-	50,835
Commuter Rail Service	291,338	-	291,338
Total General And Interest	\$ 1,166,082	\$ -	\$ 1,166,082
Total Administrative, General and Interest	\$ 6,261,228	\$12,532,174	\$ 18,793,402

See Independent Auditors' Report.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation (FTA) Federal Transit Cluster			
Capital - Section 5309 Bus and Bus Facility			
Subtotal CFDA 20.500			<u>\$0</u>
Operating Assistance - Section 5307 Urban Area Formula (CARES Act)	20.507	MA-2020-011-00	\$405,437
Operating Assistance - Section 5307 Urbanized Area Formula (ARPA)	20.507	MA-2021-038-00	\$0
Operating Assistance - Section 5307 CRRSAA	20,507	MA-2021-026-01	\$260,508
Operating Assistance - Urbanized Area Formula Grants (2013 & forward)	20,507	MA-2024-013-00	\$3,784,695
Subtotal CFDA 20.507 Operating			<u>\$4,450,640</u>
Capital - Section 5307 Urban Area Formula Wachusett Station support equipment Related non-capital expenditures	20.507	MA-2017-008-00	\$52,037
Capital - Section 5307 CRRSAA moved from Operating Renovate admin facility, parking redesign/const, rehab admin office, upgrade/replace equipment, etc	20.507	MA-2021-026-01	\$847,508
Capital - Section 5307 Urban Area Formula Replace cutaways and support vehicle, AVL and APC equipment, automated fare collection system, rehab admin and maintenance facility Related non-capital expenditures	20.507	MA-2021-042-00	\$24,000
Capital - Section 5307 Urbanized Area Formula Grants (2013 & forward) Replace 5 vehicles, purchase support equipment, purchase additiona features of fare collection syste and small rehab projects in various facilities	20.507	MA-2022-029-00	\$52,790
Capital - Section 5307 Urbanized Area Formula Grants (2013 & forward) Rehab/renovate multiple facilities; ITS expansion	20,507	MA-2024-003-00	\$1,707,627
Capital - Urbanized Area Formula Grants (2013 & forward)	20,507	MA-2024-013-02	\$481,878
Research Project - Section 5312 Research, develop, demo/deploy., and evaluation project	20.530	MA-2021-028-00	\$18,250
MART's Integrated Transportation for All	20.505	AOPP	\$38,250
Subtotal Federal Capital Expenditure			\$3,222,340
Total Expenditures of Federal Awards			\$7,672,980

See accompanying notes to schedule of expenditures of federal awards.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Montachusett Regional Transit Authority (the Authority) under programs of the federal government for the year ended June 30, 2024. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the net position, changes in net position, or cash flows of the Authority.

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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. INDIRECT COST RATES

The Authority does not charge indirect costs to its federal grants and did not elect to use the 10% de minimis cost rate.

Bruce D. Norling, CPA, P.C.

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

To the Advisory Board of
Montachusett Regional Transit Authority Fitchburg,
Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Montachusett Regional Transit Authority (the Authority), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 23, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bruce D. Norling, CPA, P.C.

Sudbury, Massachusetts
September 23, 2024

Bruce D. Norling, CPA, P.C.

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

To the Advisory Board of
Montachusett Regional Transit Authority
Fitchburg, Massachusetts

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Montachusett Regional Transit Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2024. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by

a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Bruce D. Norling, CPA, P.C.

Sudbury, Massachusetts
September 23, 2024

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**Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of
Transportation) Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on the basic financial statements of the Montachusett Regional Transit Authority (the Authority).
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the basic financial statements of the Authority were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for the Authority expresses an unmodified opinion on all major federal programs.
6. The audit did not disclose any findings related to major programs that are required to be reported in accordance with 2 CFR 200.516(a).
7. The program tested as a major program consisted of United States Department of Transportation – Federal Transit Cluster (CFDA Nos. 20.507, 20.526, 20.530).
8. The threshold for distinguishing Type A and B programs was \$750,000. Type A programs are those that exceed \$750,000.
9. The Authority qualified as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT - NONE

FINDINGS - MAJOR FEDERAL AWARDS PROGRAMS AUDIT - NONE