

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

Financial Statements
and
Independent Auditors' Reports

June 30, 2025

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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, 2025, the statement of revenues, expenses and changes in net position, and cash flows for the year ended June 30, 2025, 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, 2025, 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 34-38 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 34 through 38, 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 of expenditures of federal awards is 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, 2025 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, 2025

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, 2025

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, 2025. 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 on the basic financial statements to enhance their understanding of the Authority’s financial performance.

Financial Highlights:

1. MART ended the fiscal year FY2025 from a Net Cost of Service perspective with no deficit or surplus, notwithstanding increased expenditures related to inflationary pressures, increased insurance premiums reflecting industry trends, and increased utilities and facilities costs.
2. MART maintained a conservative approach in utilizing the federal Section 5307 funds in FY2025 (\$3,328,466) and depleted the remaining COVID funding (\$1,266,685).
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 FY2025 to help promote services including circulation times for routes, to make transportation more available to riders.
4. MART received an additional nearly \$1.1 million dollars for continuation of the fare free program begun in FY2024. Fare free funding was used across our fixed route system, including ADA transportation. The fare free program resulted in significant ridership increase since its inception in mid-2023.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Management Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

Overview of Financial Statements:

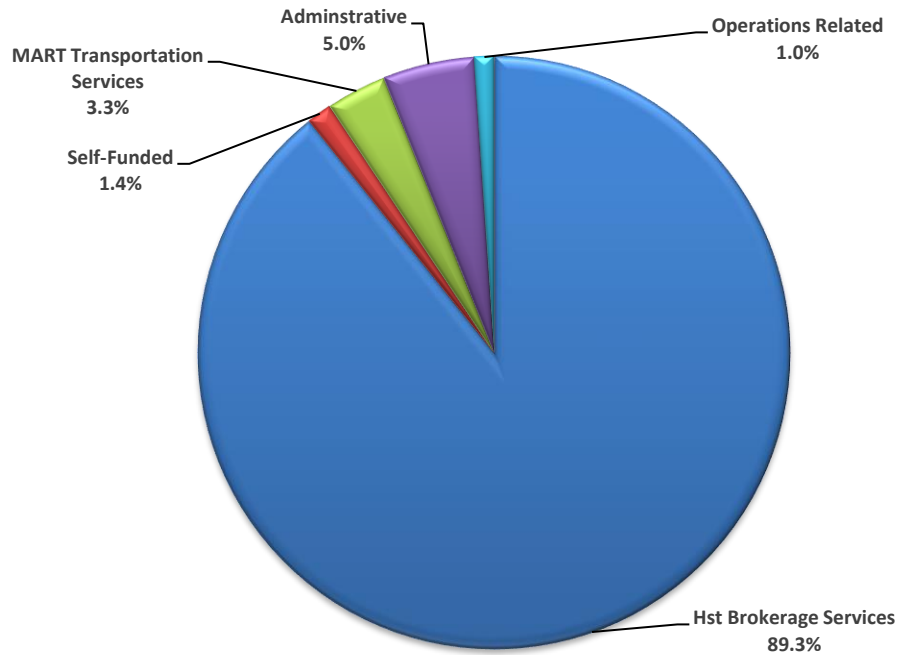
The Authority was established on August 7, 1978, by the cities of Fitchburg, Leominster, and Gardner, pursuant to Section 3 of Chapter 161B of the General Laws of the Commonwealth of Massachusetts to provide transit services to the communities of Fitchburg, Leominster and Gardner beginning July 30, 1979. 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 join MART as a member community. Services commenced for the Town of Townsend 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.

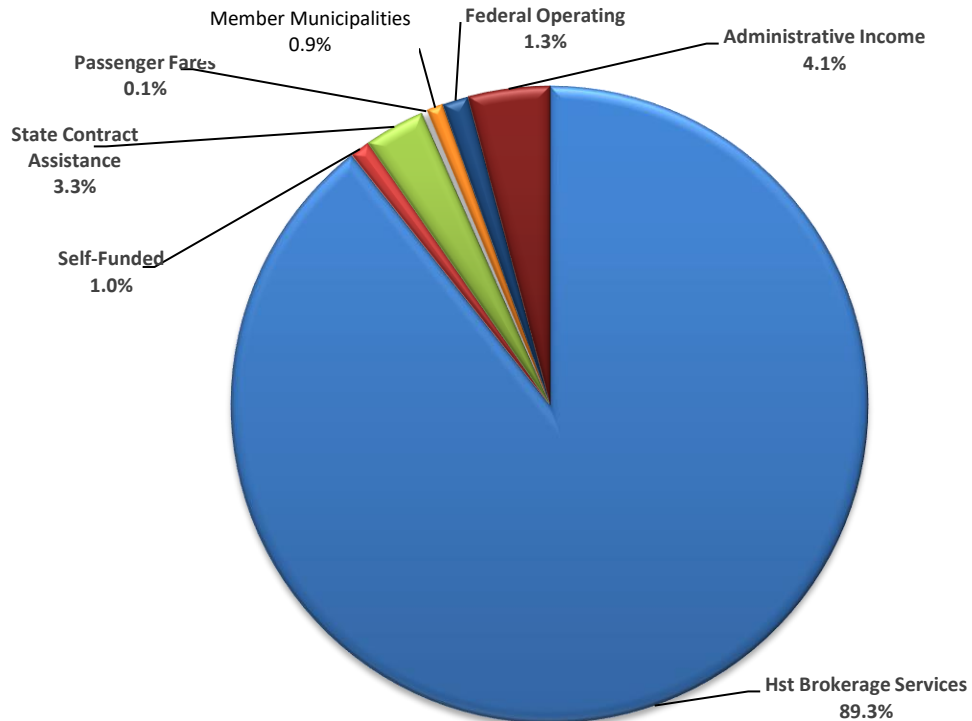
As seen in the following charts, a large percentage of services the Authority provides is through its brokerage operation, a fully self-funded program requiring no funding from the Authority. The brokerage operation is fully funded by the Executive Office of Health and Human Service through its Human 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, 2025

FY2025 Expenses Including Brokerage Services \$338,794,815



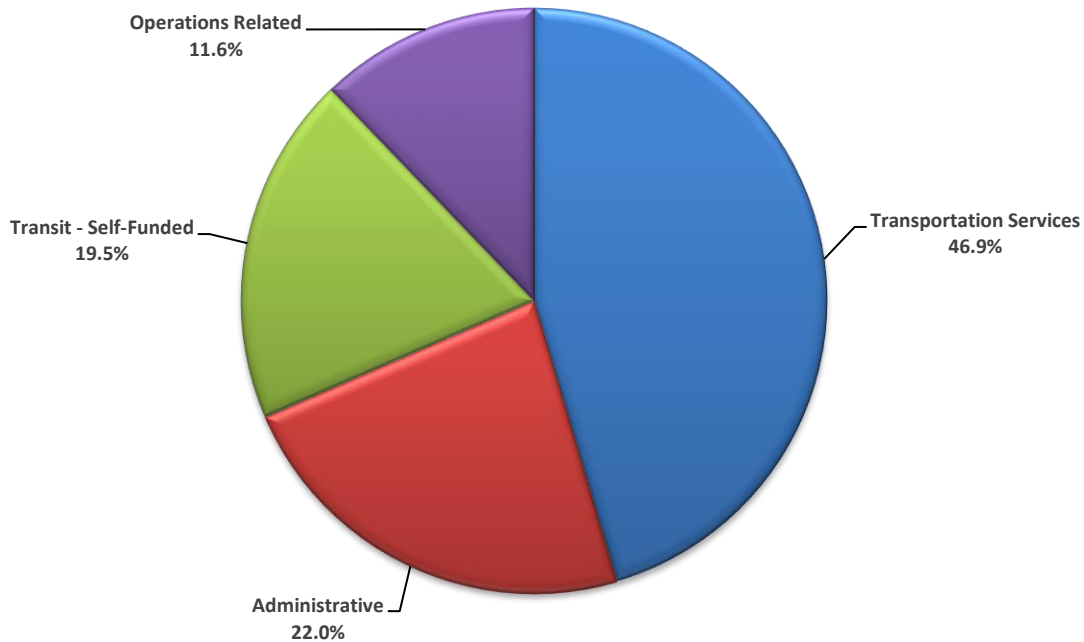
FY2025 Revenues Including Brokerage Services \$338,794,815



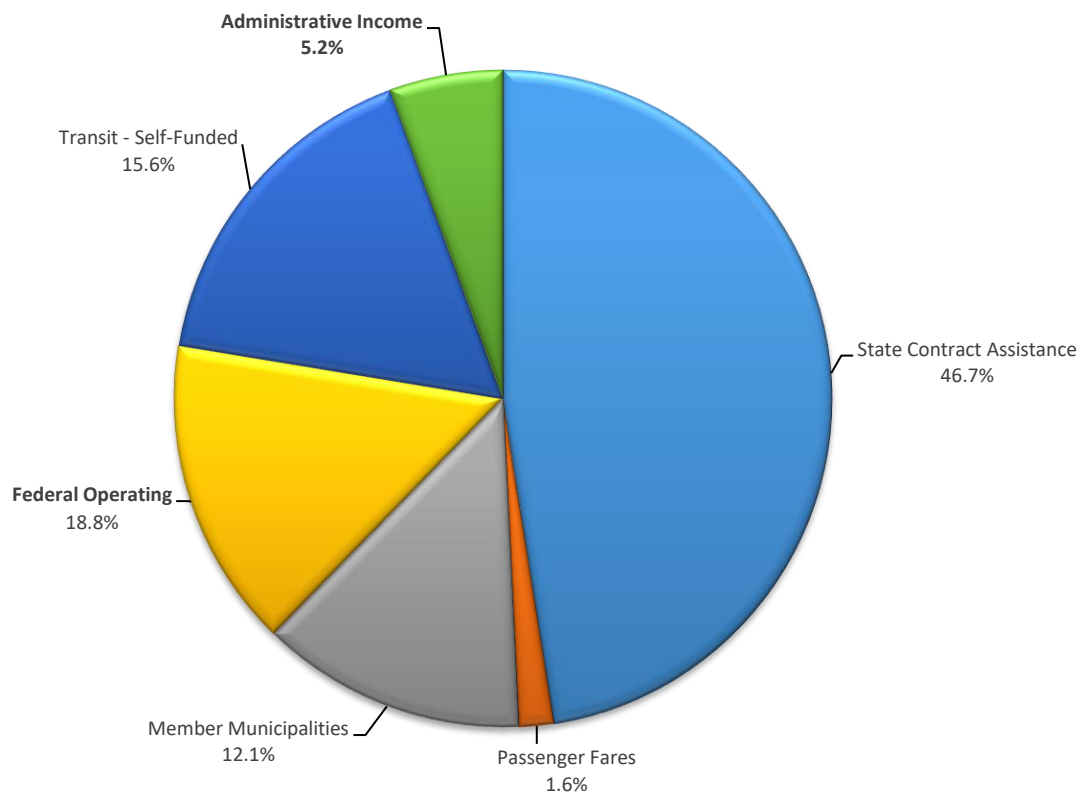
These charts reflect the net cost of service as presented on page 16.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Management Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

FY2025 Expenses excluding Brokerage Services \$23,718,605



FY2025 Revenues excluding Brokerage Services \$23,400,433



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 YEARS ENDED JUNE 30, 2025, AND 2024

Government Financial Analysis

The table below provides a summary of the Authority's net position for 2025 and 2024.

	2025 Business - <u>type Activities</u>	2024 Business - <u>type Activities</u>
<u>Assets</u>		
Current assets	\$ 69,587,659	\$ 56,097,533
Capital assets	<u>49,767,335</u>	<u>51,651,943</u>
Total assets	<u>119,355,194</u>	<u>107,749,476</u>
<u>Liabilities</u>		
Long-term liabilities	0	50,005
Other liabilities	<u>80,900,170</u>	<u>69,199,864</u>
Total liabilities	<u>80,900,170</u>	<u>69,249,869</u>
<u>Net Position</u>		
Invested in capital assets,	49,767,335	51,548,605
Net of related debt		
Unrestricted deficit	<u>(11,312,311)</u>	<u>(13,048,998)</u>
Total net position	<u>\$ 38,455,024</u>	<u>\$ 38,499,607</u>

Over time, net position can serve as a useful indicator of a government's financial position. On June 30, 2025, the Authority's assets exceeded liabilities by \$38,455,024.

Capital assets reported on the government-wide statements represent the largest portion of the Authority's net assets. As of June 30, 2025, capital assets represented 42% 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 were \$49,767,334 on June 30, 2025. 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, 2025, and 2024

Change in Net Position:

The table below shows the change in net position for fiscal years 2025 and 2024.

	2025	2024	Change
Operating Revenues			
Transportation Revenue-HST Brokerage	\$ 302,626,334	\$ 257,045,437	\$ 45,580,897
Transportation Revenue-Self-Funded	3,435,124	2,308,340	1,126,784
Transportation Revenue-Urban/Rural Service	369,798	508,528	(138,730)
Total Operating Revenues	<u>306,431,256</u>	<u>259,862,305</u>	<u>46,568,951</u>
Non-Operating Revenues			
Federal	4,444,640	4,662,408	(217,768)
Commonwealth of Massachusetts	11,059,622	9,008,019	2,051,603
Member Municipalities	2,866,244	2,796,331	69,913
Interest Income	107,523	142,808	(35,285)
HST Management Fee	12,768,047	12,143,273	624,774
Other Income, Net	1,117,477	914,902	202,575
Total Non-Operating Revenues	<u>32,363,553</u>	<u>29,667,741</u>	<u>2,695,812</u>
Total Revenues	<u>338,794,809</u>	<u>289,530,046</u>	<u>49,264,763</u>
Operating Expenses			
Transportation Expense-HST Brokerage	301,918,265	255,542,043	46,376,222
Transportation Expense-Self-Funded	4,624,384	3,310,463	1,313,921
Transportation Expense-Urban/Rural Service	11,116,936	10,570,512	546,424
Administrative	18,887,640	17,916,145	971,495
Depreciation and Amortization	5,648,998	5,698,008	(49,010)
Total Operating Expenses	<u>342,196,223</u>	<u>293,037,171</u>	<u>49,159,052</u>
Non-Operating Expenses			
Interest Expense	1,144,408	823,911	320,497
	<u>1,144,408</u>	<u>823,911</u>	<u>320,497</u>
Total Expenses	<u>343,340,631</u>	<u>293,861,082</u>	<u>49,479,549</u>
Loss Before Capital Grants	(4,545,822)	(4,331,036)	(214,786)
Capital Grants	<u>4,501,239</u>	<u>2,397,482</u>	<u>2,103,757</u>
Change in Net Position	(44,583)	(1,933,554)	1,888,971
Net Position - Beginning of Year	<u>38,499,607</u>	<u>40,433,161</u>	<u>(1,933,554)</u>
Net Position - End of Year	<u>\$ 38,455,024</u>	<u>\$ 38,499,607</u>	<u>\$ (44,583)</u>

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Management Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

Capital Assets:

Capital asset activity for the year ended June 30, 2025, 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	12,740,590	1,883,980	-	14,624,570
Building/Improvements Fitchburg Intermodal	7,815,130	-	(71,630)	7,743,500
Building/Improvements Leominster Parking Lot	12,548,655	-	-	12,548,655
Building/Improvements Leominster Storage	6,860,378	18,300	-	6,878,678
Building/Improvements Fitchburg Maintenance	14,137,688	226,986	-	14,364,674
Building/Improvements 840 N Main St Maintenance	1,985,055	141,680	-	2,126,735
Building/Improvements Gardner Maintenance	8,922,987	70,451	-	8,993,438
Improvements Fitchburg Rail	972,146	-	-	972,146
Improvements Wachusett Rail	1,173,417	-	-	1,173,417
Building/Improvements Athol Maintenance	792,857	106,826	-	899,683
Building/Improvements Ayer Parking	7,108,702	-	-	7,108,702
Other Fixed Assets	2,324,471	72,299	-	2,396,770
Systems Development	7,314,162	732,138	-	8,046,300
Transportation Equipment	24,626,582	1,745,659	(1,301,755)	25,070,486
	<u>109,322,820</u>	<u>4,998,319</u>	<u>(1,373,385)</u>	<u>112,947,754</u>
Less Accumulated Depreciation For:				
Building/Improvements Fitchburg Parking	(7,473,492)	(500,502)	-	(7,973,994)
Building/Improvements Fitchburg Intermodal	(5,418,209)	(403,757)	-	(5,821,966)
Building/Improvements Leominster Parking Lot	(6,290,495)	(317,578)	-	(6,608,073)
Building/Improvements Leominster Storage	(3,657,851)	(244,195)	-	(3,902,046)
Building/Improvements Fitchburg Maintenance	(9,795,779)	(509,007)	-	(10,304,786)
Building/Improvements 840 N Main St Maintenance	(296,685)	(185,343)	-	(482,028)
Building/Improvements Gardner Maintenance	(4,325,333)	(357,042)	-	(4,682,375)
Improvements Fitchburg Rail	(972,146)	-	-	(972,146)
Improvements Wachusett Rail	(311,598)	(49,737)	-	(361,335)
Building/Improvements Athol Maintenance	(202,627)	(84,468)	-	(287,095)
Building/Improvements Ayer Parking	(1,004,165)	(261,139)	-	(1,265,304)
Other Fixed Assets	(2,182,625)	(48,302)	-	(2,230,927)
Systems Development	(5,701,943)	(780,437)	-	(6,482,380)
Transportation Equipment	(16,862,632)	(1,907,491)	1,301,755	(17,468,368)
	<u>(64,495,580)</u>	<u>(5,648,998)</u>	<u>1,301,755</u>	<u>(68,842,823)</u>
Net Depreciable Property	44,827,240	(650,679)	(71,630)	44,104,931
Construction In Progress	2,481,864	(1,162,302)	-	1,319,562
Fixed Assets in Process	-	-	-	-
Net Capital Assets	\$ 51,651,943	\$ (1,812,981)	\$ (71,630)	\$ 49,767,332

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Management Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

In FY2025 the Authority used \$100,000 of Section 5307 and RTACAP funds from MassDOT for IT related support equipment.

In FY2025 MART completed projects at the Athol Historic Train Depot. This was funded through a combination of \$280,000 in Section 5307 and RTACAP funds from MassDOT.

In FY2025 MART commenced the repairs for the Fitchburg Intermodal Center outdoor lighting which will utilize \$185,000 in Section 5307 and RTACAP funds from MassDOT.

In FY2025 MART began purchasing replacement buses and vans which will utilize \$1,425,000 in Section 5307 and RTACAP funds from MassDOT.

Budgetary Highlights:

The 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 FY2025 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 to \$1,424,369 from \$1,356,357. MART will be discussing in FY2026 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 FY2025 which increased the total SCA funding to \$10,437,116 which was distributed at the existing percentage allocation levels to each RTA. The FY2024 calculated SCA total was \$9,008,019. The increase resulted in an additional amount of \$1,429,097 in state funding.
- c. MART administration believes the Authority will meet its transit commitments in FY2026. The Authority will continue to control administrative and operational costs through cost containment strategies, staff reductions, and close budget monitoring.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Management Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

Funding of the Authority:

- Expenses for all Transit services, less self-funded and the brokerage program were \$16 million, and were funded by the following:

	% of Expense	% of Funding
Authority generated revenue	8%	8%
Federal operating funds	23%	23%
Local contributions	14%	14%
Commonwealth assistance	52%	52%
State Grant	3%	3%

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Statement of Net Position
June 30, 2025

Assets

Current Assets	
Cash and Cash Equivalents	\$ 14,143,949
Receivables for Operating Assistance	
U.S. Department of Transportation	1,010,834
Commonwealth of Massachusetts and Cities and Towns	
Constituting the Authority	4,334,996
Receivables for Capital Grants	
U.S. Department of Transportation	(237,670)
Commonwealth of Massachusetts	451,579
Accounts Receivable	48,843,159
Other Current Assets	1,041,012
Total Current Assets	<u>69,587,859</u>
Capital Assets	
Non Depreciable Capital Assets	5,662,401
Depreciable Capital Assets, Net of Accumulated Depreciation	44,104,934
Net Capital Assets	<u>49,767,335</u>
Total Assets	<u><u>\$ 119,355,194</u></u>

Liabilities and Net Position

Current Liabilities	
Accounts Payable	\$ 53,268,054
Accrued Expenses	662,848
Deferred Revenue	114,648
Revenue Anticipation Notes Payable	19,000,000
Note Payable - Line of Credit	7,000,000
Current Portion of Long Term Debt	\$0
Accrued Interest	854,620
Total Current Liabilities	<u>80,900,170</u>
Long Term Liabilities	
Long Term Debt Net of Current Portion	<u>\$0</u>
Total Liabilities	<u>80,900,170</u>
Net Position	
Invested in Capital Assets, Net of Related Debt	49,767,335
Unrestricted Deficit	(11,312,311)
Total Net Position	<u>38,455,024</u>
Total Liabilities and Net Position	<u><u>\$ 119,355,194</u></u>

See accompanying notes to the Financial Statements.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
STATEMENT OF REVENUES, EXPENSES & CHANGES IN FUND NET POSITION
For the Year Ended June 30, 2025

Operating Revenues	
Transportation Revenue - HST Brokerage	\$ 302,626,334
Transportation Revenue - Self-Funded	3,435,124
Transportation Revenue - Urban/Rural Service	<u>369,798</u>
Total Operating Revenues	<u>306,431,256</u>
Operating Expenses	
Transportation Expense - HST Brokerage	301,918,265
Transportation Expense - Self-Funded	4,624,384
Transportation Expense - Urban/Rural Service	11,116,936
Administrative (Including Brokerage Administrative)	18,887,640
Depreciation and Amortization	<u>5,648,998</u>
Total Operating Expenses	<u>342,196,223</u>
Operating Loss	(35,764,967)
Non-Operating Revenues (Expenses)	
Federal	4,444,640
Commonwealth of Massachusetts	11,059,622
Member Municipalities	2,866,244
Interest Expense	(1,144,408)
Interest Income	107,523
HST Management Fee	12,768,047
Other Income, Net	<u>1,117,477</u>
Total Non-Operating Revenues	<u>31,219,145</u>
Loss Before Capital Grants	(4,545,822)
Capital Grants	<u>4,501,239</u>
Change in Net Position	(44,583)
Net Position - Beginning of the Year	<u>38,499,607</u>
Net Position - End of the Year	<u><u>\$ 38,455,024</u></u>

See accompanying notes to the Financial Statements.

MONTACHUSETT REGIONAL TRANSIT AUTHORITY
(A Component Unit of the Massachusetts Department of Transportation)
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from passenger fares and contract reimbursements	298,297,829
Cash paid to vendors	(308,580,024)
Cash paid to employees for services	(7,609,222)
Cash paid for other administrative costs	\$ (11,278,418)

NET CASH USED FOR OPERATING ACTIVITIES	<u>(29,169,835)</u>
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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	(1,140,038)
Interest Income	107,523
Proceeds from Operating Grants	21,175,590
Proceeds from HST Management fee	12,768,047
Proceeds from Line of Credit	7,000,000
Payment on Line of Credit	(5,000,000)
Other Income	3,107,696

NET CASH PROVIDED BY NON CAPITAL FINANCING ACTIVITIES	<u>38,018,818</u>
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Principal Payments on Notes Payable	(53,333)
Proceeds from Capital Grants	2,857,937
Purchase of Capital Assets	(3,795,866)

NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(991,262)</u>
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NET DECREASE IN CASH AND SHORT-TERM INVESTMENTS	7,857,721
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BEGINNING CASH AND SHORT-TERM INVESTMENTS	<u>6,286,228</u>
--	-------------------------

ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 14,143,949</u></u>
---	------------------------------------

RECONCILIATION OF OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES:

Operating Loss	\$ (35,764,967)
Depreciation and amortization	5,648,998
Changes in Assets and Liabilities:	
(Increase) / Decrease in Receivables	(8,133,427)
(Increase) / Decrease in Other Assets	(90,353)
Increase / (Decrease) in Payables	9,507,790
Increase / (Decrease) in Accrued Expenses and Liabilities	(337,876)

Net Cash Used for Operating Activities	<u><u>\$ (29,169,835)</u></u>
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Supplemental disclosures of noncash transactions	
Fully depreciated assets written off	\$ 1,301,755

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, 2025

	Urbanized Area Service	Rural Area Service	Other Services	HST Brokerage Services	Total Area Service
Operating Costs					
RTA Administration Costs (excluding depreciation)	\$ 5,968,023	\$ 504,706	\$ -	\$ 12,414,911	\$ 18,887,640
Purchased Services					
Fixed Route	5,918,298	437,686	-	-	6,355,984
Demand Reponse	4,829,146	470,747	2,471,290	17,592	7,788,775
Brokerage Services	-	-	-	302,464,914	302,464,914
Self-Funded Services	-	-	2,153,094	-	2,153,094
Debt Service	886,209	79,406	-	178,793	1,144,408
Total Operating Costs	17,601,676	1,492,545	4,624,384	315,076,210	338,794,815
Federal Operating Assistance					
FTA Operating & Administrative	2,583,789	229,539	-	-	2,813,328
Other Federal	1,498,214	133,099	-	-	1,631,313
Total Federal Assistance	4,082,003	362,638	-	-	4,444,641
Revenues					
Transit Operating	366,248	3,549	-	-	369,797
Brokerage Service	-	-	-	315,394,382	315,394,382
Self-Funded Services	-	-	3,435,123	-	3,435,123
Other Revenues					
Advertising	25,899	2,321	-	-	28,220
Interest Income	98,681	8,842	-	-	107,523
Miscellaneous	1,019,421	69,842	-	-	1,089,263
Total Revenues	1,510,249	84,554	3,435,123	315,394,382	320,424,308
Net Cost of Service	12,009,424	1,045,353	1,189,261	(318,172)	13,925,866
Net Cost of Service Funding					
Local Assessments	2,637,763	228,481	-	-	2,866,244
State Contract Assistance	9,881,681	910,061	267,880	-	11,059,622
Unreimbursed surplus	\$ 510,020	\$ 93,189	\$ (921,381)	\$ 318,172	\$ -
State Contract Assistance	\$ 9,881,681	\$ 910,061	\$ 267,880	\$ -	\$ 11,059,622
Less: Payment made by MassDOT prior to June 30	9,881,681	910,061	267,880	-	11,059,622
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, 2025

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, 2025

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 \$1,078,620 for the year ended June 30, 2025.

During FY2023, MART procured the services of a management company to oversee the operation of transportation services for a five-year period from July 1, 2023 (FY 2024) through June 30, 2028 (FY2028). 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, 2025

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 FY2022 contracting year. This contract has continued through the recently concluded FY23. The initial contract period spans five years (FY2022 through FY2026), 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 FY2022 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 on the cost of providing services and the operating results of the overall organization.

Implementation of the expanded brokerage contracts required increased staffing and substantial technology investments. The contracts also introduced more rigorous performance standards and compliance requirements.

Brokerage responsibilities include trip reservations and scheduling, shared-ride coordination, quality assurance and complaint resolution, vendor compliance oversight (vehicles and drivers), vehicle inspections, safety compliance and regulatory monitoring, and contingency services for emergencies or special needs. Administrative and overhead costs are allocated across all programs.

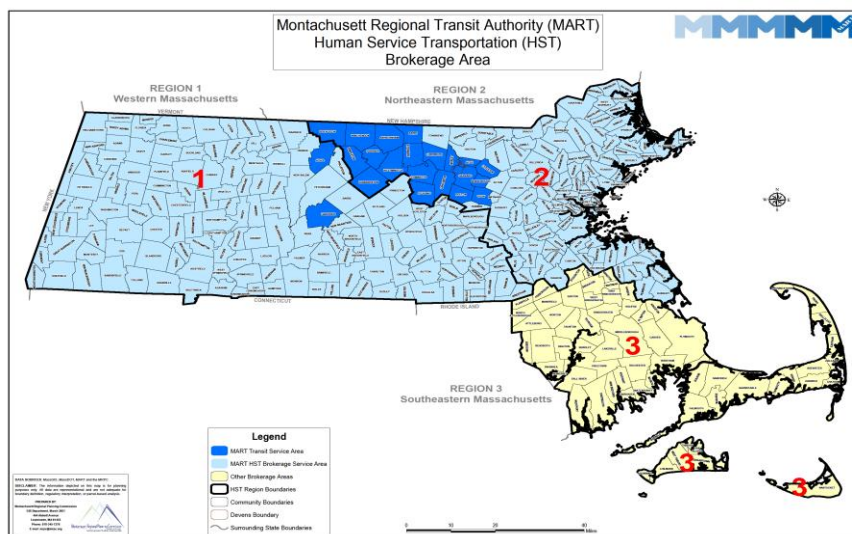


Figure 1

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note A – The Authority and Operators (Continued)

There were 497 brokerage program providers for the fiscal year ended June 30, 2025. 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, 2025

Note B- Summary of Significant Accounting Policies (Continued)

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.

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 Net Asset Value per share (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.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note B- Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets consisting of land, construction in progress, buildings and improvements, equipment, and vehicles, are recorded at historical cost. 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, 2025.

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, 2025, the Massachusetts Municipal Depository Trust (MMDT) bank balance of federally uninsured deposits totaled \$5,969,895.66. 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 fluctuate 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.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note D – Grants

On June 30, 2025, under Sections 5307, 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 FY2025 was \$9,259,070 and \$1,095,279 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 \$2,866,244 for FY2025.

The receivable for operating assistance includes \$1,468,752 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.

Note E – Capital Assets

Capital asset activity for the year ended June 30, 2025, was as follows:

	Balance <u>7/1/2024</u>	<u>Additions/Transfers</u>	<u>Disposals</u>	Balance <u>7/1/2025</u>
Capital assets, not being depreciated:				
Land	\$ 4,342,839	\$ -	\$ -	\$ 4,342,839
Construction in progress	2,481,864	(1,162,302)	-	1,319,562
Fixed Assets in process	-	-	-	-
Total capital assets not being depreciated:	<u>6,824,703</u>	<u>(1,162,302)</u>	<u>-</u>	<u>5,662,401</u>
Capital assets, being depreciated:				
Buildings	75,057,605	2,376,592	-	77,434,197
Transportation Equipment	24,626,582	1,745,659	(1,301,755)	25,070,486
System Development	7,314,162	732,138	-	8,046,300
Other Fixed Assets	<u>2,324,471</u>	<u>72,299</u>	<u>-</u>	<u>2,396,770</u>
Total capital assets, being depreciated	109,322,820	4,926,688	(1,301,755)	112,947,753
Total accumulated depreciation	<u>64,495,580</u>	<u>5,648,994</u>	<u>(1,301,755)</u>	<u>68,842,819</u>
Total capital assets, being depreciated, net	<u>44,827,240</u>	<u>(722,306)</u>	<u>-</u>	<u>44,104,934</u>
Net Capital Assets	<u>\$ 51,651,943</u>	<u>\$ (1,884,608)</u>	<u>\$ -</u>	<u>\$ 49,767,334</u>

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Notes to the Financial Statements
For the Year Ended June 30, 2025

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 3.803% net interest cost (NIC). This note is due to be paid on July 25, 2025. Interest expense related to the RAN note amounted to \$854,620 in FY2025 and was offset by a premium upon issuance of \$132,050. At the same time the FY2025 RAN note will be paid off, a new RAN note will be issued for \$19,000,000, demonstrating no increase to the RAN borrowing.

Note G - Long Term Debt

During the year ended June 30, 2025, the following changes occurred in long-term liabilities:

	Interest Rate	Original Amount	Maturity Date	Balance 6/30/24	Reductions	Total Balance 6/30/25	Current Portion	Long-Term Portion
Note Payable - Fitchburg Redevelopment Authority	0%	\$1,050,000	June-2026	<u>\$103,338</u>	<u>(\$103,338)</u>	<u>\$0</u>	<u>(\$103,338)</u>	<u>(\$103,338)</u>
Total				<u>\$103,338</u>	<u>(\$103,338)</u>	<u>\$0</u>	<u>(\$103,338)</u>	<u>(\$103,338)</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>
		\$ -
		-
Total	<u>\$0</u>	<u>\$ -</u>

Note H - Notes Payable

Effective June 30, 2025, the Authority has a demand commercial line of credit (LOC) available up to a maximum borrowing of \$15 million. There was an outstanding balance of \$7 million as of June 30, 2025, at an interest rate of 7.50%.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Notes to the Financial Statements
For the Year Ended June 30, 2025

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, 2025.

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:

As disclosed previously in the FY19, FY20, FY21, FY22, FY23 and FY24 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 in 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.

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 to each employee, regardless of whether the employee contributes to the Plan. A two-year vesting policy was introduced in FY23 for new employees. In FY2025, the Authority contributed 10% of each employee's base pay for a total contribution of \$729,622.

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 a ticket agency for MBTA at the Fitchburg Intermodal Station. In FY2025, the Authority collected ticket revenues of \$44,077 and remitted \$43,034 to MBTA.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Notes to the Financial Statements
For the Year Ended June 30, 2025

Note K – Related Party Transactions (continued)

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, 2024, of \$174,279.08. The Administrator receives health insurance coverage. The employee premium contribution was 30% (70% employer portion) until December of 2024. In January 2025 the employer premium contribution was increased to 80% for all employees at the Authority, thereby reducing the employee premium contribution to 20%.

The Assistant Administrator, date of hire of November 9, 2020, received a salary for the tax year ending December 31, 2024, of \$119,274.27. The Assistant Administrator receives health insurance coverage. The employee premium contribution was 30% (70% employer portion) until December of 2024. In January 2025 the employer premium contribution was increased to 80% for all employees at the Authority, thereby reducing the employee premium contribution to 20%.

The former Chief Financial Officer, date of hire of March 16, 2015, received a salary for the tax year ending December 31, 2024, of \$167,255.19. The Chief Financial Officer received health insurance coverage. The employee contribution was 30% (70% employer portion) until December of 2024. In January 2025 the employer premium contribution was increased to 80% for all employees at the Authority, thereby reducing the employee premium contribution to 20%.

Note L – Subsequent Events

In July 2025, 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 23, 2025, 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, 2025, the date of the statement of financial position. Subsequent events have been evaluated through September 23, 2025, 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, 2025

Note M – List of Brokerage Vendors

5 Star Transportation Llc, Dracut	Becca Transport Llc, Leominster
Peter J Holman DbA, Marlborough	George Robert Beebe, Ayer
Stephanie Matthews DbA, Gardner	Peggy Richemond, Randolph
Above All Transportation Inc, Canton	Believe Transportation Corp, Worcester
Achias Transportation Inc, Leominster	Alexander Antonian DbA, Natick
Action Ambulance Service Inc, Wilmington	Bethel Staffing Llc, Worcester
Access Care Ride Inc, Leominster	Beyond Transportation Llc, Tewksbury
Advisor Limo Inc, Ashland	Boston Mass Transportation Inc, Newton Upper Falls
Andover Family Medical Trans Inc, Andover	Benata Inc, Billerica
Agawam Transportation Inc, Agawam	Boston Home Care Transportation Llc, Revere
A & G Transportation Services Inc, Revere	Boston Express Carriers Llc, Billerica
Airmys Tranship Llc, Fitchburg	Allen E Bradley, Middleboro
Catherine Alam, Westborough	Thomas F Brady, East Walpole
Allroad Transportation Corp, Stoughton	Brewster Ambulance Service Inc, Weymouth
Alert Ambulance Service Inc, Fall River	Brazukinha Transport And Care Inc, Lynn
Alternative Transportation Systems Llc, Arlington	Bostonhealth&Recoveryservicesinc, Leominster
Open Sky Community Services Inc, Worcester	Brook Limo Transportation Inc, Lowell
All Year Inc, Billerica	Bridgewell Inc, Lynnfield
American Medical Response Of Mass Inc, Atlanta	Bosma Trans, Inc., Randolph
Arch Mnd Logistics Llc, Dorchester	Bay State Transportation Co, Lynn
American Training Inc, Andover	Blackstone Valley Livery Llc, Stoughton
American Way Transportation Inc, Waltham	Best Ride Inc, Dedham
Anb Transportation Inc, Dedham	Heidi Buscanera, Baldwinville
Angela Caswell, Plymouth	Nancy Butler, Milford
Apraku K George, Malden	By Trans Corp, Wilmington
Armani Group Inc, Wakefield	Cataldo Ambulance Service, Inc, Somerville
All Ride Transportation Inc, Haverhill	Cab Transportation Llc, New Bedford
Arko Transportation Services, Marblehead	Camme Transportation Inc, Burlington
The Ark Of Kay Llc, Roslindale	Caring Choice Transportation Inc, Peabody
Arm Kesh Inc, Arlington	5 Star Transportation Llc, Dracut
Armstrong Ambulance Service Inc., Arlington	Caribbean Transportation Inc, Worcester
Aseda Transport Inc, North Chelmsford	Castelly'S Transportation Llc, Ashland
Asap Transportation Group Inc, Dedham	Comfort Care Resource Group, Woburn
All-Savants Transportation Llc, Quincy	Ccr Transportation Llc, Worcester
At Business Solutions Llc, Lowell	Centerpoint Delivery Inc, Fitchburg
Atlantic Trans Inc, Sharon	County Homecare& Staffing Llc, Fitchburg
Austin Transportation Llc, Dorchester	Lisa Ching, Wellesley
Avenue Transportation Inc, Wilmington	Crown Homes Healthcare &, Saugus
Avi Transportation Llc, Norwood	City Quest Transportation Llc, Gardner
Av Prime Llc, Feeding Hills	City Voyager Corporation, Ashland
Awesome Transportation International Inc, Winthrop	Cool Ride Transportation Llc, Leominster
Bahati Transportation Llc, Methuen	Cles10 Transportation Services Llc, Lawrence
Band Of Heroes & Emt Llc, Lawrence	Clar Llc, Lowell
Banka General Staffing Llc, Ayer	Nu Path Inc, Woburn
Barsow Inc DbA Edrive, West Bridgewater	Central Mass Transportation Group Llp, Townsend
Basic Auto Group Corp, Stoughton	Costal Ambulance Llc, Hyannis
Bass River Day Activity Program Inc, Beverly	Costal Medical Transportation, Llc, Hyannis
Bat Enterprises Llc, Beverly	Compasscare Transportation Inc, North Dartmouth
Best Care Transportation, Inc, Waltham	Carolyn Collins, Natick
Beauport Ambulance Service Inc, Gloucester	Convenient Homecare Services Inc, Waltham

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
For the Year Ended June 30, 2025

Note M – List of Brokerage Vendors Continued

Cool Ride Transportation Llc, Leominster	Epoch Health Care Llc, Norwood
Community Transportation, Indian Orchard	Epoch Health Care Llc, Norwood
Lori A Cotter, Millville	E-Pod Transportation Llp, North Adams
Covenant Transportation Inc, Newton	Essex Group Transportation Inc, Rowley
Comfort Way Inc, Stoughton	Easytrip Inc, Watertown
Credence Transport Services Llc, Methuen	Ilirjan Aliko DbA, Holden
Care Remedy Inc, Reading	Express Medical Transportation Inc, Stoughton
Crossway Transit Llc, N Andover	Express Lane Inc, Hopkinton
Crossway Transit, Llc, North Andover	E-Z Transportation Llc, Chelmsford
County Rainbow Taxi Inc, Pittsfield	Fabbykay Inc, Chelmsford
Care Transportation Service Inc, North Grafton	Family Care Transportation Llc, Quincy
Ctls Enterprises Inc, Greenfield	Favored Home Care Inc, Lynn
Citytrans Inc, Worcester	Sif Ferranti, Natick
Covenant Keeper Inc, Dracut	Peter N Gitau DbA, West Springfield
Mary L D'Ambra, Hanover	Richard B Finnegan Jr, Hopkinton
Dasa Transportation Inc, Norton	Sheila Finnegan, Hopkinton
Joan E Davenport, Beverly	Justine Fiore, Lexington
Doubletransportationllc, Marblehead	Fitchburg Transportation Llc, Fitchburg
Dds-Metro Region-Contracts Unit, Waltham	Five Stars Transportation Inc, Natick
Dds-Southeast Region 5, Middleboro	Flow Transportation Servicesllc, Leominster
Dean General Services Llc, Lowell	Finch Transportation Inc, Brighton
Kristina M Dean, Uxbridge	Focal Points Healthcare Llc, Haverhill
Phillip M Delaine Jr, Tyngsboro	Medical Transportation Inc, Waltham
De-Orient Transport & Logistics, Inc., Attleboro	Dawn M Freeman, Peabody
Desire Safety Transportation Llc, Dedham	Angel Care Vna Llc, Acton
Desire Safety Transportation Llc, Dedham	Joseph Thomas Frias, Hudson
Dedicated Homecare Services Inc, Waltham	Francois Transportation Inc, Tewksbury
Diruzza Carla, Revere	Friendly Ride Transportation Inc, Wilbraham
Dmh Accounts Payable, Westboro	Mary E Fuller, Hinsdale
Dinorah Transportation Services Llc, Swampscott	Gaamha Inc, Gardner
Chau Do, Cambridge	Gacal Enterprise Llc, Worcester
Dominion Healthcare Llc, Stoughton	Gentle Arms Daily Transportation Company Llc, Chelmsford
Donahue Limousine Service Inc, Leominster	Ganda Services Inc, Burlington
Donna P. Connerty, Gloucester	Cynthia M Gauthier, Westminster
Judy Doucette, Stoneham	Kebede A Gashie DbA, Amherst
D And P Community Transportation Inc, Tauton	Gacal Enterprise Llc, Worcester
The Drivers Transportation Llc, Fitchburg	Green Cab Company Inc, Somerville
Joanne Grace DbA, Dracut	Golden Days Social Services Llc DbA Golden Days Transportation, Harvard
Sergey Dikan DbA, Chicopee	Gem Logistics Inc, Worcester
Detail Services Enterprise Us, Inc, Lowell	Gifted Hands Transportation Inc, Lowell
Divine Community Transportation Inc, Northborough	G&F Transport Inc, Pittsfield
Eagle Spirit Transportation Inc, Worcester	G Group Transportation Llc, Lawrence
Eascare Llc, Weymouth	Nancy Giuffre, Winthrop
Ejk Services Inc, Woburn	Global Clean Life Transportation Inc, Woburn
Elite Care Age Ncy Inc, Agawam	Gloria Transportation Inc, Stoughton
Elm Transportation Inc, Lowell	Globaly Transportation & Services Llc, Lawrence
Elite Trans Llc, Tewksbury	Greater North Transportation Inc, N. Chelmsford
East Middlesex Arc Inc, Wakefield	Kwame Kesse DbA Golden Care Transportation Inc, Rutland
Employment Options Inc, Marlborough	Go Llc, Dalton
Alexander Dubovsky DbA, Chestnut Hill	Go Time Transportation, Tewksbury

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
For the Year Ended June 30, 2025

Note M – List of Brokerage Vendors Continued

Kelsey Guindon, Millis	Konastone Services Inc, Dracut
Green Valley Inc, Burlington	Richard G Kotosky, Westborough
Greatway Care Llc, Lawrence	Ruth Ann Kotosky, Westboro
Habilitation Assistance Corp, Plymouth	Arthur Krusinski, Sudbury
Haleem Services Inc, Marlboro	K'Spersonal Transportation Inc, Oxford
Happy Valley Transportation Llc, Dracut	Lynne Kuperstein, Southboro
Haverhill Taxi Llc, Haverhill	Kush Transportation Inc, Methuen
Haytrans Llc, Revere	Jill Lacy, Rutland
Hb Livery Service Inc, Winthrop	Lande Light Home Health Llc, Woburn
Hch Services Inc, Waltham	Batjargal Lkhagva Db, Waltham
Helios Ride Inc, Worcester	Lifedots Transportation Llc, Lowell
Humble Hands Health Care Svc Llc, Methuen	Lee Ann Lee, Methuen
Loueth E Amumele Db, Hlj Transportation Llc, Peabody	Leominster Taxi Service Corp, Leominster
Horace Mann Educational Assoc, Franklin	Lifeworks Inc, Westwood
Hands On America Services Inc, Billerica	Elemol Llc Db, Lowell Transportation, Tewksbury
Lisa M Hoekstra, Spencer	L & M Transportation Llc, Lawrence
Honor Enterprises Inc, Waltham	Lodge T Llc, Lynn
Hpa Service Llc, East Bridgewater	Logistics Transportation Services Inc Db, Lts Transportation, Beverly
Viability Inc, Northampton Ma	Longonot Transportation Inc, Springfield
Hulmes Transportation Serv Ltd, Belchertown	Lotus Transportation, Waltham
Robert Hurley, Burlington	L&S Transportation Services Inc, Worcester
Hybrid Ride Inc, Norwood	Lase Star Inc, Worcester
Immigrant Community Developmentcenter Inc, Springfield	Micah Love-Allotey Db, Loveall Management Group Llc, Worcester
Integrity Medical Transportation Corp, Lawrence	Luxus Inc, Sharon
Infinity Transport Llc, Gardner	Lyft Healthcare, Inc, San Francisco
Nancy Inghilleri, Roslindale	Marks Transportation Llc, Milford
Ireland And Company Llc, Lynn	Lance L Mason, Winchendon
Ismail Transportation Inc, Dorchester	Mass Express Transportation Inc, West Springfield
In Time Med Transport Llc, Malden	Malden Trans Inc, Malden
Janny Transportation Service Inc, Worcester	Mccall Transportation Llc, Dorchester
Gerald Barongo Db, J&D Private Home Care Llc, Lowell	Maura E Mccarthy, Holden
Jeanne Bono, Tewksbury	Mcj Transportation Inc, Brockton
J Family Inc, Waltham	Med Star Ambulance, Inc, Boston
Jfk Transportation Inc, Natick	Mercedes Cab Company, North Turo
J&Jcaretransportationcorp, Springfield	Rebecca Pava, Pittsfield
Jjec Transportation Inc, Worcester	Miir Investments Corp Db, amic 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	Moksha Inc, Worcester
Pamela Katziff, Framingham	Minute Man Arc For, Concord
K & C Transportation Inc, Lawrence	Mary Ann Morse Healthcare Corp, Framingham
Kibi Transport Corp, Swansea	Mobile Transportation Etc, Quincy
Kiessling Transit Inc, Franklin	Toshimitsu Motoyama, Newton
Kingdom Transportation, Lunenburg	Paula Moyer, Sudbury
K&K Transportation Llc, Lawrence	Service Above Self Homecare & Staffing Inc, Wellesley
Kynex Llc, Framingham	Mpagi Services Inc, Woburn
Kenmore Transit Inc, Swampscott	Mass Proud Llc, Revere

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
For the Year Ended June 30, 2025

Note M – List of Brokerage Vendors Continued

Merrimack Transit Llc, Lawrence	Prospects Transportation Llc, Worcester
Massride Inc, Belmont	Prime Solution Group Inc, Brookline
Mass Trans Llc, Tewksbury	Prestige Livery Transportation Llp, Dracut
Armen Petrosyan DbA, W. Roxbury	Prevalent Transport Inc, Chicopee
Michael Transportation Service Corp, Marblehead	Prestige Ride Llc, Dudley
Amie Muri, Ashland	Pv Groupinc, Westwood
Mavins,Llc, West Springfield	Quality Transportation Inc, Lawrence
Maxride Inc, Woburn	Quality Transportation Inc, Lawrence
Maximus Trans Services Inc, Waltham	Rafa Transportation Llc, West Springfield
Mystic Transport Llc, Worcester	Rahma Health & Education Services Inc, Chelmsford
National Ambulance Llc, Springfield	Tanya Rapoza, Everett
North Adams Ambulance Services Inc, North Adams	Eddie Rich DbA Rich Asap Tranportation, South Boston
Need A Lift Medivan Inc, Leominster	Rck Transportation Inc, Everett
Elvis Lysonge DbA Nams Transportation Llc, Salem	Reliable Llc, North Chelmsford
Nara Global Inc, Stoneham	Rem Services Trans Llc, Bedford
Natron Enterprises Inc, Framingham	Reliamed Transportation Inc, Shrewsbury
New Beginnings Transportation Llc, Westfield	Rena Caregivers Inc, Burlington
Kari Newman, Bedford	Reliable Transportation Inc, Westford
Kellie R Nickole, Saugus	Venture Community Service Inc, Sturbridge
Numbers Transit Llc, Worcester	Real Icon Inc, Westwood
Northern Destinations Inc, Lynnfield	Ride On Time Inc, Lynn
Nasser Muzaaya, Watertown	Rigby'S Journey, Inc, Lawrence
Nowtransit Inc, Watertown	Rio Hondo Transport Llc, Lawrence
Northeast Regional Ambulance Ser, Middleton	R&I Transportation, Worcester
Northeast Arc Inc, Danvers	Rkn Transporation Llc, Brockton
Nissi Transportation Services Llc, Amesbury	Angello Kawekz, Lowell
Serwaa Asare Adjel DbA Nas Transportation Llc, Jefferson	Ronald Magembe DbA, Woburn
New England Health Transportation Inc, Haverhill	Rm Transportation Inc, Swampscott
Johanna O Connor, Southborough	Royal Comfort Transport Llc, Lowell
Ocean Transportation Services Inc, Lynn	Royal Ride Inc, Wakefield
Omama Services Inc, Worcester	Reliable School Medical Transport Llc, Worcester
Omar Transport Llc, North Reading	Gramoz Giaya DbA, Worcester
Oceanside Medical Transportation, Beverly	Riverside Industries Inc, Easthampton
Opportunity Works Inc, Newburyport	Michelle Saboliauskas, Newburyport
Bernard Z Orenstein, Peabody	Sts Special Transportation, Newton
Oshe Transport Llc, Worcester	Safe Transportation Inc, Stoughton
Pam Transportation,Llc, North Easton	Sanko Inc, Stoughton
Pema Transportation Company Llc, Worcester	Salter Transportation Inc, Newbury
Danielle Perry, North Andover	Sami Health Care Services Inc, Marlborough
Pfm Services Llc, Lynn	Samtag Resource Inc, Worcester
Phils Transportation Inc, Wales	Peter Mintah Dbs Safe& Reliable Ride,Llc, Leominster
Katherine Pitman, Marlborough	Savannah Transportation Llc, Worcester
Monicah Marshdba Pontis Healthcare Services Llc, Westford	Save Dd Llc, Haverhill
Purple Lady Llc, East Bridgewater	Simone M Sclafani, Peabody
Perfection Inc, Brighton	Wislet Pierre, Brockton
Progressive Staffing Solutions Llc, Framingham	Safe Hands Inc, Lowell
Laura Price, South Grafton	Safe Ride Transportation Inc, Malden
Pridestar Ems Inc, Lowell	Shining Care Llc, Boston
Present Line Llc, Chicopee	Shore Transit Inc, Quincy
Prime Trnsportation Inc, Clinton	Harold Short, Newburyport

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
For the Year Ended June 30, 2025

Note M – List of Brokerage Vendors Continued

Siblings Transportation Inc, Methuen	Mass Tran Corp, Danvers
Sandie Sienkiewicz, Topsfield	Trinity Transport Llc, Worcester
Six Star Transportation Inc, Watertown	Trips& Stops Llc, Brockton
Sk Squaredenterperises Inc, Woburn	Tru-Ryde Transit Llc, West Springfield
S And K Transportation Inc, Brockton	Travelcom Inc, Upton
Sky Ride Inc, Stoughton	Transportation With Care Inc., Boston
Sergei E Mikulin Db, Holbrook	Tss Transportation Llc, Methuen
Solika Transit Inc, Springfield	Travelers Transit Inc, Woonsocket
Smart Transportation Inc, Quincy	Ugapost Transportation Inc, Acton
Sm Grace Logistics Inc, Dedham	Unique One Transportation Llc, Chelmsford
Smiles Health Services Inc, Worcester	United Road Inc, Watertown
Smood Transportation Inc, Lynn	Noah Opoku Gyamfi Db, Unity Transport Llc, Worcester
Soldier On Inc, Pittsfield	Urgent Transit Llc, Northborough
Space Time Transportation Llc, Melrose	Valley Transporter Inc, Amherst
Surad Transportation Inc, Boston	Vectra Transportation Llc, Natick
Serenity Llc, Saugus	Vegas Transportation Llc, Lawrence
Serene Transportation Inc, South Hadley	William Veronelli, Sudbury
South Shore Community, Plymouth	Vesta Inc, Norton
Michele L Stack Sprague, Billerica	Vhs Transportation Co Inc, South Easton
St Agnes Transport, Worcester	Victoryhumanservicesinc, Brockton
Star Line Transportation Llc, West Springfield	Vital Voyage Llc, Norton
Soughtafter Transportation Inc, Andover	V&Ktransllc, Malden
Star International Charity Foundation Inc, Worcester	Vlad S Transportation Inc, W. Springfield
Stralinks Inc, Worcester	Votransportationllc, Boston
Stateline Dsd, Llc, West Springfield	Voyage Transportation Llc, Quincy
Elaine Strug, Norfolk	Paul J Walsh, Norfolk
Success Corportation, Newton	Tricia Walsh, Ayer
Kerry Sullivan, Rockland	Way Transportation Llc, Milford
Superb Enterprises Inc, Lowell	Dorothy Wells, Revere
Support Management Inc, Dedham	Rwendo Transportation Inc, North Chelmsford
Surrimassini Inc, Peabody	West Medical Transportation Inc, Stoughton
Center Of Hope Foundation Inc, Southbridge	West Express Llc, Lynn
Safeway Luxury Transportation Llc, Worcester	Nancy L Wexler, Holliston
Tatis Transportation Llc, Lynn	Wells Medical Transport, Fitchburg
Tri-City Services Inc, Peabody	Worcester Medical Trans Llc, Worcester
Teallia Llc, Rutland	Worcester County Transportation, Llc, Worcester
Teamwork Transportation Inc, Walpole	Woods Ambulance Inc, Gardner
Linda Teti, Dracut	Worcester Transportation Corp, West Springfield
Margaret Thomas, Hyde Park	Wow Transportation Inc, Quincy
Thrive Transportation Llc, Concord	World Class Limousine Llc, Andover
Timeless Transportation Company Llc, Dracut	Margarita Dennis Wurm, Wilbraham
Tamba-Kromah Ventures Llc, West Lynn	Yaris Inc Db, Lynn
Teambuild Inc Db, Methuen	Your Ride Inc, Worcester
Transitions Medical Transportatn Inc, Fitchburg	Youth On The Move Inc, Springfield
Top Notch Inc, Marlboro	Yerevan Group Inc, Wakefield
Tony Llc, Brockton	Peter Kimemia Db, Zoe Transportation, Cherry Valley
Total Praise Services Llc, Peabody	Amelda Minja Db, Zuper Motion Llc, Saugus
Town Car Limousine Inc, Stoneham	Ronald Magembe Db, Woburn
Top Line Transportation Llc, Malden	Rm Transportation Inc, Swampscott
Top Notch Transporters Inc, Brockton	Margaret M Robinson, E Walpole

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
For the Year Ended June 30, 2025

Note M – List of Brokerage Vendors Continued

Royal Comfort Transport Llc, Lowell	Star Line Transportation Llc, West Springfield
Royal Ride Inc, Wakefield	Soughtafter Transportation Inc, Andover
Constance Rowe, Byfield	Star International Charity Foundation Inc, Worcester
Noel M. Roy, Leominster	Steven C Levin, Warwick
Reliable School Medical Transport Llc, Worcester	S & T Health Transportation Inc, Watertown
Gramoz Giaya Db, Worcester	Stralinks Inc, Worcester
Riverside Industries Inc, Easthampton	Stateline Dsd, Llc, West Springfield
Michelle Saboliauskas, Newburyport	Elaine Strug, Norfolk
Safari Care Transportation, Everett	Standards Care Staffing Inc, Beverly
Sts Special Transportation, Newton	Success Corportation, Newton
Safe Transportation Inc, Stoughton	Kerry Sullivan, Rockland
Sanko Inc, Stoughton	Sunrise Transit Llc, Randolph
Salter Transportation Inc, Newbury	Superb Enterprises Inc, Lowell
Sami Health Care Services Inc, Marlborough	Support Management Inc, Dedham
Samtag Resource Inc, Worcester	Surrimassini Inc, Peabody
Peter Mintah Dbs Safe& Reliable Ride,Llc, Leominster	Center Of Hope Foundation Inc, Southbridge
Savannah Transportation Llc, Worcester	Safeway Luxury Transportation Llc, Worcester
Save Dd Llc, Haverhill	Tatis Transportation Llc, Lynn
Janice Scaparotti, Medford	Veronica K Taylor, Pittsfield
Simone M Sciafani, Peabody	Tri-City Services Inc, Peabody
Seven Hills Community, Worcester	Teallia Llc, Rutland
Wislet Pierre, Brockton	Teamwork Transportation Inc, Walpole
Safe Hands Inc, Lowell	Testing, Fitchburg
Safe Ride Transportation Inc, Malden	Linda Teti, Dracut
Shining Care Llc, Boston	Thomelegacyenterprisesllc, Boxborough
Shamrock Livery Inc, Marshfield	Margaret Thomas, Hyde Park
Shore Transit Inc, Quincy	Thrive Transportation Llc, Concord
Harold Short, Newburyport	Timeless Transportation Company Llc, Dracut
Siblings Transportation Inc, Methuen	Tamba-Kromah Ventures Llc, West Lynn
Sandie Sienkiewicz, Topsfield	Tll Medical Transport Inc, Weymouth
Six Star Transportation Inc, Watertown	Teambuild Inc Db, Methuen
Sk Squaredenterperises Inc, Woburn	Transitions Medical Transportatn Inc, Fitchburg
S And K Transportation Inc, Brockton	Tommys Taxi Inc, Framingham
Sky Ride Inc, Stoughton	Top Notch Inc, Marlboro
Sergei E Mikulin Db, Holbrook	Tony Llc, Brockton
Solika Transit Inc, Springfield	Total Praise Services Llc, Peabody
Smart Transportation Inc, Quincy	Town Car Limousine Inc, Stoneham
Sm Grace Logistics Inc, Dedham	Top Line Transportation Llc, Malden
Smiles Health Services Inc, Worcester	Top Notch Transporters Inc, Brockton
Smood Transportation Inc, Lynn	Mass Tran Corp, Danvers
Soldier On Inc, Pittsfield	Roland Tremblay, Southbridge
Springfield Partners For Community Action Inc, Springfield	Trinity Transport Llc, Worcester
Space Time Transportation Llc, Melrose	Trips& Stops Llc, Brockton
Spartacus Transportation Llc, Dover	Tru-Ryde Transit Llc, West Springfield
Surad Transportation Inc, Boston	Travelcom Inc, Upton
Serenity Llc, Saugus	Transportation With Care Inc., Boston
Serene Transportation Inc, South Hadley	Tss Transportation Llc, Methuen
South Shore Community, Plymouth	Travelers Transit Inc, Woonsocket
Michele L Stack Sprague, Billerica	Ugapost Transportation Inc, Acton
St Agnes Transport, Worcester	Unique One Transportation Llc, Chelmsford

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
For the Year Ended June 30, 2025

Note M – List of Brokerage Vendors Continued

United Road Inc, Watertown
United Transportation Group Inc, Worcester
Noah Opoku Gyamfi DbA Unity Transport Llc, Worcester
Urgent Transit Llc, Northborough
Usa Comfort Llc, West Springfield
Us Comfort Express Llc, Springfield
Valley Transporter Inc, Amherst
Vectra Transportation Llc, Natick
Vegas Transportation Llc, Lawrence
William Veronelli, Sudbury
Vesta Inc, Norton
Veterans Taxi Of Newton Llc, Waltham
Vhs Transportation Co Inc, South Easton
Victoryhumanservicesinc, Brockton
Victorious Services Inc, Waltham
Vital Enterprises, Inc, Atlanta
Vital Voyage Llc, Norton
V&Ktransllc, Malden
Vlad S Transportation Inc, W. Springfield
Votransportationllc, Boston
Voyage Transportation Llc, Quincy
Janet Wainwright, Sudbury
Paul J Walsh, Norfolk
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
Pars Inc DbA, Springfield
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, 2025

		Cost of Service			
	Revenue	Transportation Service	Administrative	Net Interest Expense	Net Income/(Loss)
SELF-FUNDED - TRANSIT					
Gardner VNA Service	\$ 349,701	\$ 201,365	\$ -	\$ -	\$ 148,336
Suscription Service/CommConn	439,189	2,203,410	-	-	(1,764,221)
Operating Co - HST Service	2,646,233	1,951,729	-	-	694,504
TOTAL SELF-FUNDED - TRANSIT	3,435,123	4,356,504	-	-	(921,381)
SELF-FUNDED - BROKERAGE					
Mass Health Services	113,151,068	113,848,540	4,681,411	67,419	(5,446,302)
Mass Health Ico Services	93,380	123,419	5,090	73	(35,202)
Mass Health ECC Services	26,472,592	26,595,688	1,093,629	15,750	(1,232,475)
Department of Developmental Services	34,346,967	33,342,510	1,371,102	19,746	(386,391)
Department of Public Health Services	2,067,546	2,067,379	85,042	1,225	(86,100)
Department of Developmental Services Dayhab	122,342,733	120,882,858	4,970,676	71,585	(3,582,386)
Department of Developmental Services Dayhab Ico	-	30,584	1,241	18	(31,843)
Department of Mental Health Services	3,520,612	3,521,857	144,758	2,085	(148,088)
Mass Rehab Services	1,377,078	1,377,117	56,612	815	(57,466)
Incentives / Liquidated Damages	1,899,376	110,721	4,594	66	1,783,995
Miscellaneous	1,214	-	-	-	1,214
Dial-a-Mart	(2,646,233)	17,592	745	11	(2,664,581)
Non-Grant Funded Capital Assets	-	564,241	-	-	(564,241)
Administration	12,768,047	-	-	-	12,768,047
TOTAL SELF-FUNDED - BROKERAGE	315,394,380	302,482,506	12,414,900	178,793	318,181
TOTAL SELF-FUNDED	\$ 318,829,503	\$ 306,839,010	\$ 12,414,900	\$ 178,793	\$ (603,200)

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, 2025

	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	\$ 2,371,222	\$ 1,182,624	\$ 731,549	\$ 4,285,395	\$ 3,046,231	\$ 311,283	\$ (1,850,388)	\$ (532,634)	\$ 5,259,887	\$ 310,681	\$ (131,778)	\$ (4,345,168)	\$ (1,165,843)
Leominster	1,462,346	805,894	720,153	2,988,393	1,990,919	\$ 217,125	(1,260,212)	(353,959)	3,582,266	206,461	(89,748)	(2,959,293)	(794,002)
Gardner	938,214	274,981	116,047	1,329,242	859,054	\$ 96,578	(537,488)	(219,529)	1,527,857	128,049	(38,278)	(1,262,156)	(338,646)
Ashburnham	-	414	61,987	62,401	35,496	\$ 4,528	(10,121)	(63,536)	28,768	37,060	(721)	(23,765)	(6,376)
Ayer	4,808	1,092	96,111	102,011	82,004	\$ 7,417	(27,714)	(84,941)	78,777	49,545	(1,974)	(65,077)	(17,461)
Lancaster	26,807	1,772	30,183	58,762	37,452	\$ 4,294	(24,786)	(5,265)	70,457	3,071	(1,765)	(58,204)	(15,617)
Shirley	(24)	1,004	72,932	73,912	42,860	\$ 5,387	(20,029)	(45,197)	56,933	26,363	(1,426)	(47,032)	(12,619)
Sterling	(1,644)	118	142,769	141,243	85,163	\$ 10,228	(58,601)	(11,453)	166,580	6,680	(4,173)	(137,611)	(36,922)
Hubbardston	-	93	25,560	25,653	15,306	\$ 1,874	(10,610)	(2,064)	30,159	1,204	(756)	(24,914)	(6,685)
Littleton	4,943	984	72,646	78,573	46,882	\$ 5,699	(32,471)	(6,381)	92,302	3,722	(2,312)	(76,250)	(20,459)
Royalston	-	322	9,292	9,614	5,716	\$ 703	(3,970)	(775)	11,288	452	(283)	(9,325)	(2,502)
Templeton	111,065	30,917	37,608	179,590	120,004	\$ 13,038	(77,029)	(16,645)	218,958	9,709	(5,486)	(180,880)	(48,532)
Ashby	-	710	27,444	28,154	16,746	\$ 2,030	(11,624)	(2,263)	33,043	1,320	(828)	(27,297)	(7,324)
Winchendon	26,923	28,988	70,838	126,749	75,194	\$ 9,213	(42,833)	(46,569)	121,754	27,163	(3,050)	(100,580)	(26,987)
Westminster	24,172	7,766	33,992	65,930	42,216	\$ 4,763	(24,001)	(20,683)	68,225	12,064	(1,709)	(56,360)	(15,122)
Hardwick	-	-	76,858	76,858	46,551	\$ 5,621	(31,948)	(6,265)	90,817	3,654	(2,275)	(75,024)	(20,129)
Lunenburg	48,605	131,697	73,725	254,027	157,694	\$ 18,426	(105,834)	(23,470)	300,843	13,690	(7,537)	(248,525)	(66,681)
Harvard	4,743	1,130	55,953	61,826	34,924	\$ 4,528	(7,899)	(70,926)	22,453	41,370	(563)	(18,548)	(4,977)
Bolton	-	-	21,968	21,968	13,076	\$ 1,561	(9,070)	(1,755)	25,780	1,024	(646)	(21,297)	(5,714)
Boxborough	-	-	30,723	30,723	18,360	\$ 2,264	(12,718)	(2,475)	36,154	1,444	(906)	(29,867)	(8,013)
Stow	-	202	65,677	65,879	(4,763)	\$ 4,763	-	1	65,880	(1)	(1,651)	-	(65,880)
Athol	437,124	86,973	114,287	638,384	404,608	\$ 46,376	(268,024)	(59,463)	761,881	34,684	(19,088)	(629,387)	(168,869)
Barre	-	-	36,899	36,899	21,943	\$ 2,655	(15,236)	(2,950)	43,311	1,721	(1,085)	(35,779)	(9,600)
Phillipston	-	655	2,712	3,367	2,177	\$ 78	(1,390)	(282)	3,950	164	(99)	(3,263)	(876)
Townsend	127	1,459	-	1,586	961	\$ 78	(645)	(149)	1,831	87	(44)	(1,512)	(408)
Totals	\$ 5,459,431	\$ 2,559,795	\$ 2,727,913	\$ 10,747,139	\$ 7,196,774	\$ 780,510	\$ (4,444,641)	\$ (1,579,628)	\$ 12,700,154	\$ 921,381	\$ (318,181)	\$ (10,437,114)	\$ (2,866,244)

See Independent Auditors' Report.

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, 2025

ADMINISTRATIVE	REGIONAL TRANSIT AUTHORITY	HST BROKERAGE PROGRAMS	TOTAL
Insurance - General Liability Ex/Umbr	\$ 95,017	\$ 717,576	\$ 812,593
Insurance - Operating Property	123,596	-	123,596
Insurance - Parking Property	-	-	-
Insurance - Other Vehicles	631,123	34,794	665,917
Insurance - Bus	172,874	-	172,874
Payroll - Administrative	1,748,623	5,559,149	7,307,772
Payroll - Temporary Staff	74,740	285,816	360,556
Payroll - Uncompensated Absences	(4,710)	(4,747)	(9,457)
Payroll - Fica/Medicare Tax	127,960	408,415	536,375
Payroll - Unemployment Tax	5,152	16,327	21,479
Payroll - Health Insurance	276,202	717,347	993,549
Payroll - Life/Disability Insurance	15,466	57,827	73,293
Payroll - Workers Comp Insurance	3,526	13,110	16,636
Payroll - Retirement 401K	173,644	555,978	729,622
Advertising - Marketing / Legal / Consultant	100,808	7,142	107,950
Printing	16,145	2,930	19,075
Consultant - Technical/MRPC	95,309	-	95,309
Consultant - Other	16,343	-	16,343
Security	67,099	-	67,099
Legal Counsel	510,900	53,946	564,846
Auditor	23,789	35,593	59,382
Office Supplies	52,367	65,392	117,759
Equipment/Maintenance	9,661	2,030	11,691
Equipment Lease Expense	937	804	1,741
Purchase Services	92,184	2,324,725	2,416,909
IT Software	192,876	105,784	298,660
Travel	14,034	3,598	17,632
Meetings	20,140	23,348	43,488
Rent Expense	10,642	475,000	485,642
Consultants - Computer Service Contracts	235,228	1,111,543	1,346,771
Consultants - Operational / CATA	-	-	-
Miscellaneous Expense	18,559	26,163	44,722
Telephone	337,605	579,382	916,987
Telephone - Maintenance	21,990	-	21,990
Reserve Fund / Bad Debt Expense	-	(845,373)	(845,373)
Maintenance - Water St. Facility	175,145	-	175,145
Maintenance - ITC Facility	103,170	8,106	111,276
Maintenance - Gardner Facility	36,481	-	36,481
Maintenance - N. Main Facility	78,662	-	78,662
Maintenance - Athol Facility	34,353	-	34,353
Utilities - Water St. Facility	143,773	-	143,773
Utilities - ITC Facility	104,108	60,735	164,843
Utilities - Gardner Facility	88,405	-	88,405
Utilities - N. Main Facility	64,832	12,462	77,294
Utilities - Athol Facility	17,090	-	17,090
Total Administrative	\$ 6,125,848	\$12,414,902	\$ 18,540,750
GENERAL AND INTEREST			
Debt Service / Bank fees	\$ 37,273	\$ -	\$ 37,273
Interest Expense	928,342	178,793	1,107,135
Ticket Agency Service	43,035	-	43,035
Commuter Rail Service	303,855	-	303,855
Total General And Interest	\$ 1,312,505	\$ 178,793	\$ 1,491,298
Total Administrative, General and Interest	\$ 7,438,353	\$12,593,695	\$ 20,032,048

See Independent Auditors' Report.

Montachusett Regional Transit Authority
(A Component Unit of Massachusetts Department of Transportation)
Schedule for Expenditures of Federal Awards
For the Year Ended June 30, 2025

	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation (FTA) Federal Transit Cluster			
Operating Assistance - Section 5307 Urban Area Formula (CARES Act)	20.507	MA-2020-011-00	\$1,631,313
Operating Assistance - Urbanized Area Formula Grants (2013 & forward)	20,507	MA-2024-013-00	\$1,729,766
Subtotal CFDA 20.507 Operating			<u>\$3,361,079</u>
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	\$75,527
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	\$36,378
Capital - Section 5307 Urbanized Area Formula Grants (2013 & forward) Replace 5 vehicles, purchase support equipment, purchase additions features of fare collection system and small rehab projects in various facilities	20.507	MA-2022-029-00	\$233,275
Capital - Section 5307 Urbanized Area Formula Grants (2013 & forward) Rehab/renovate multiple facilities; ITS expansion	20,507	MA-2024-003-00	\$327,215
Capital - Urbanized Area Formula Grants (2013 & forward)	20,507	MA-2024-013-02	<u>\$1,373,570</u>
Subtotal CFDA 20.507 Federal Capital Expenditure			<u>\$2,045,965</u>
Total Federal Transit Cluster			<u>\$5,407,044</u>
U.S. Department of Transportation (FTA)			
MART's Integrated Transportation for All	20.505	AOPP	<u>\$429,696</u>
Total Expenditures of Federal Awards			<u>\$5,836,740</u>

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, 2025

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, 2025. 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*

The Advisory Board
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, 2025, 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, 2025.

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 opinion 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 we consider to be material weaknesses. However, material weaknesses may exist that have not been 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 Authority's internal control or on

Bruce D. Norling, CPA, P.C.

compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority'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, 2025

Bruce D. Norling, CPA, P.C.

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

The Advisory Board
Montachusett Regional Transit Authority
Fitchburg, Massachusetts

Report on Compliance for Each Major Federal Program Opinion on Each Major Program

We have audited the 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, 2025. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, 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, 2025.

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

Bruce D. Norling, CPA, P.C.

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.

Bruce D. Norling, CPA, P.C.

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, 2025

Bruce D. Norling, CPA, P.C.

MONTACHUSETT REGIONAL TRANSIT AUTHORITY
(a Component Unit of the Massachusetts Department of Transportation)
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

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).
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

C. FINDINGS - MAJOR FEDERAL AWARDS PROGRAMS AUDIT - NONE