

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

Financial Statements  
and  
Independent Auditors' Reports

June 30, 2023

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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, 2023, the statement of revenues, expenses and changes in net position, and cash flows for the year ended June 30, 2023, 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, 2023, 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 31-35 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 31 through 35, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the

basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule 1: Statement of Costs and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2023 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.***

Sudbury, Massachusetts  
September 25, 2023

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

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, 2023. The intent of this discussion and analysis is to look at the Authority’s financial performance. Readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Authority’s financial performance.

**Financial Highlights:**

1. MART ended the fiscal year FY2023 with no deficit or surplus, despite the continued effects of the Covid-19 Pandemic with reduced revenues and increased costs of operation.
2. MART maintained the approach of utilizing the remaining American Rescue Plan Act of 2021 (ARPA) funds in FY2023, while only utilizing a portion of the remaining Coronavirus Aid Relief and Economic Security (CARES) funds in FY2023. The remaining CARES funds are planned to be utilized for future needs in FY2024 and possibly FY2025. This will allow for more flexibility as the CARES funds have less restrictive use requirements. In FY2023, the ARPA grant funds utilized totaled \$4,890,683 and the CARES grant funds utilized totaled \$1,268,833 for Operating Expenses in lieu of using regular federal Section 5307 funds. This continues to place MART in a favorable funding position, as the federal Section 5307 funds can be carried over to future years and used to cover potential future operational and capital requirements.

In FY2023, MART moved from implementation to utilization of the enhanced Intelligent Transportation Systems technology. This has started an analysis process of the efficiency of MART’s Fixed Route and Demand Response systems that will lead to improved performance from a systemwide perspective. In conjunction with the Intelligent System, MART is moving its ITMS transit software to the cloud so it can be enhanced by utilizing a higher performing scheduling engine in FY2024. These efforts are made to keep costs down while improving the quality of services offered to the ridership.

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

**Overview of Financial Statements:**

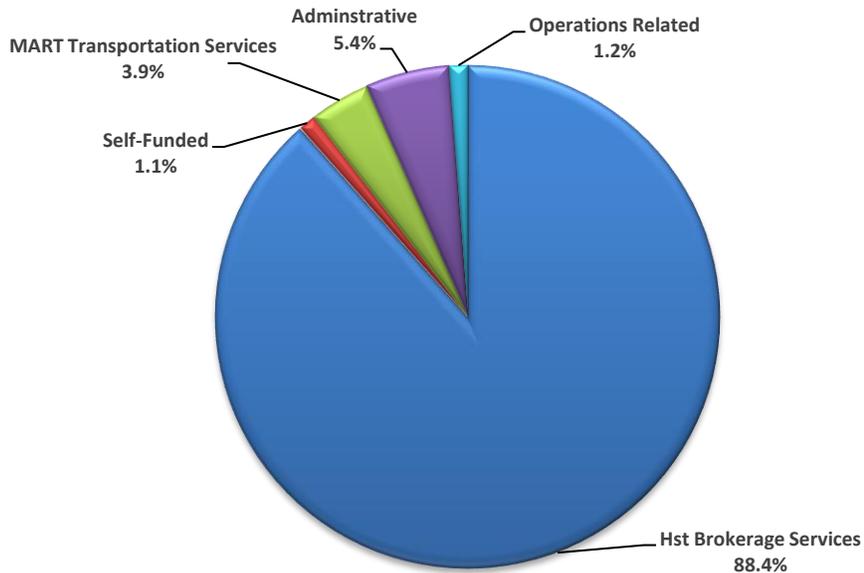
The Authority was established on August 7, 1978, by the cities of Fitchburg, Leominster, and Gardner, pursuant to Section 3 of Chapter 161B of the General Laws of the Commonwealth of Massachusetts to provide transit services to the communities of Fitchburg, Leominster and Gardner beginning July 30, 1979. 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 will join MART as a member community, with services to commence in FY2024.

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

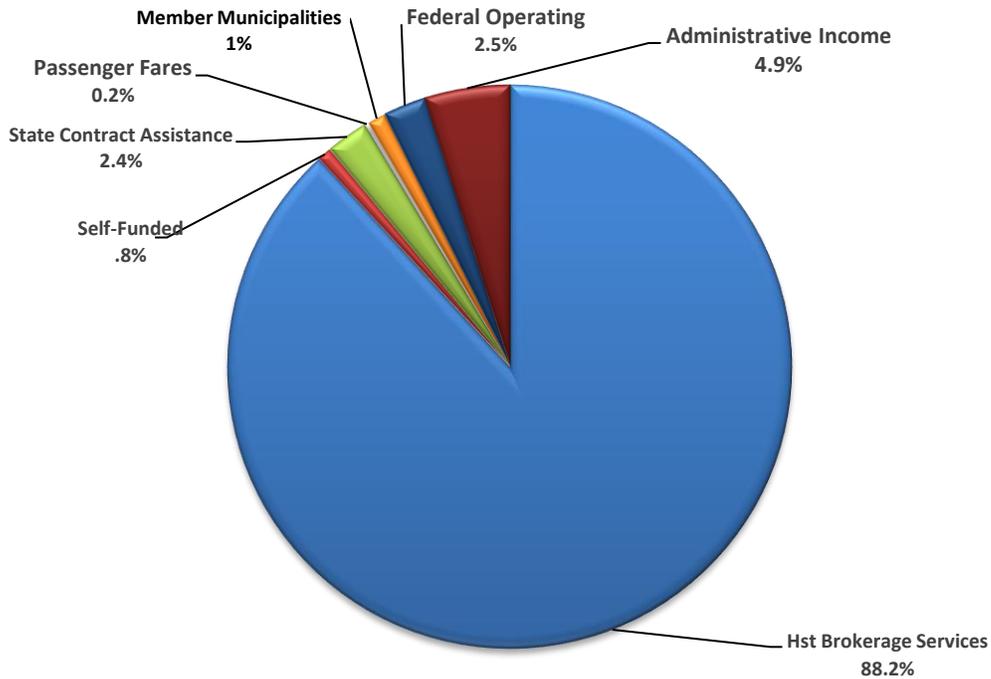
As seen in the following charts, a large percentage of services the Authority provides is through its brokerage operation, a self (fully) funded program which requires no funds outside of the program funds expended by the Executive Office of Health and Human Service through its Human Service Transportation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

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

**FY2023 Expenses Including Brokerage Services**  
**\$264,249,795**



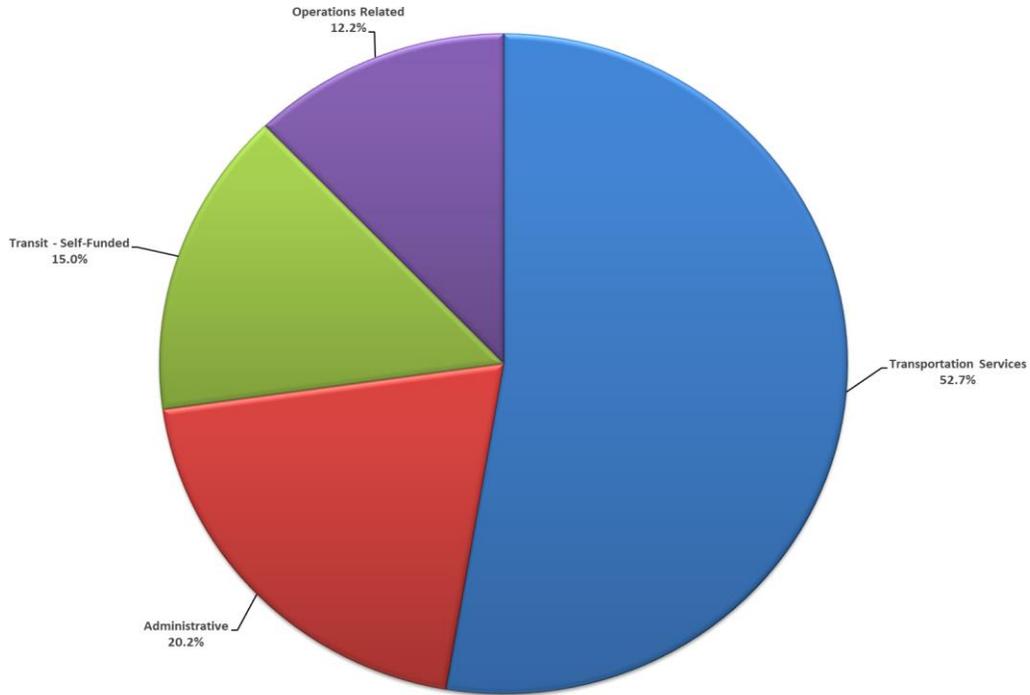
**FY2023 Revenues Including Brokerage Services**  
**\$264,249,795**



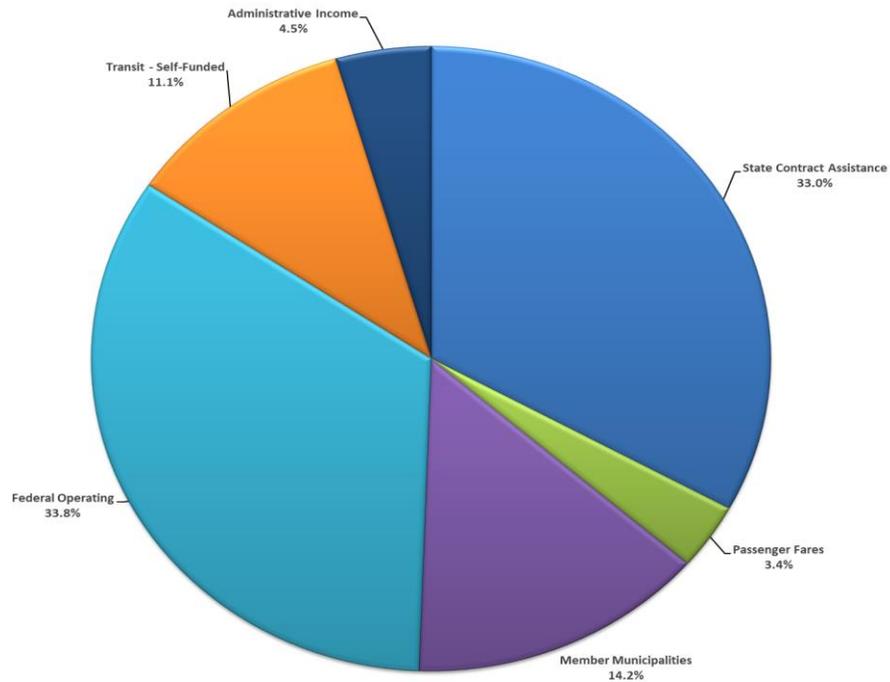
These charts reflect the net cost of service as presented on page 16.

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

FY2023 Expenses excluding Brokerage Services \$19,539,498



FY2023 Revenues excluding Brokerage Services \$19,217,566



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, 2023**

**Government Financial Analysis**

The table below provides a summary of the Authority's net position for 2023 and 2022.

	<u>2023 Business - type Activities</u>	<u>2022 Business - type Activities</u>
<u>Assets</u>		
Current assets	\$ 50,856,661	\$ 35,561,684
Capital assets	<u>52,610,244</u>	<u>52,196,138</u>
Total assets	<u>103,466,905</u>	<u>87,757,822</u>
<u>Liabilities</u>		
Long-term liabilities	103,338	156,671
Other liabilities	<u>62,930,408</u>	<u>46,144,182</u>
Total liabilities	<u>63,033,746</u>	<u>46,300,853</u>
<u>Net Position</u>		
Invested in capital assets	52,453,573	51,986,134
Net of related debt		
Unrestricted deficit	<u>(12,020,414)</u>	<u>(10,529,165)</u>
Total net position	<u>\$ 40,433,159</u>	<u>\$ 41,456,969</u>

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2023, the Authority's assets exceeded liabilities by \$40,433,159.

Capital assets reported on the government-wide statements represent the largest portion of the Authority's net assets. As of June 30, 2023, capital assets represented 51% of total assets. Capital assets include land, land improvements, buildings and improvements, equipment, vehicles, and infrastructure. Capital assets, net of related debt to acquire the assets at June 30, 2023, were \$52,453,573. 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, 2023 and 2022**

**Change in Net Position:**

The table below shows the change in net position for fiscal years 2023 and 2022.

	2023	2022	Change
Operating Revenues			
Transportation Revenue-HST Brokerage	\$ 233,049,706	\$ 169,472,357	\$ 63,577,349
Transportation Revenue-Self-Funded	2,130,828	2,010,213	120,615
Transportation Revenue-Urban/Rural Service	657,066	653,027	4,039
Total Operating Revenues	<u>235,837,600</u>	<u>172,135,597</u>	<u>63,702,003</u>
Non-Operating Revenues			
Federal	-	95,460	(95,460)
Commonwealth of Massachusetts	6,333,528	6,236,717	96,811
Member Municipalities	2,728,128	2,661,589	66,539
Interest Income	100,685	9,415	91,270
HST Management Fee	11,982,525	10,949,403	1,033,122
Other Income, Net	7,267,329	5,580,700	1,686,629
Total Non-Operating Revenues	<u>28,412,195</u>	<u>25,533,284</u>	<u>2,878,911</u>
Total Revenues	<u>264,249,795</u>	<u>197,668,881</u>	<u>66,580,914</u>
Operating Expenses			
Transportation Expense-HST Brokerage	233,090,461	168,668,670	64,421,791
Transportation Expense-Self-Funded	2,935,661	2,678,258	257,403
Transportation Expense-Urban/Rural Service	10,295,582	9,864,125	431,457
Administrative	16,712,653	14,985,681	1,726,972
Depreciation and Amortization	5,263,222	4,780,439	482,783
Total Operating Expenses	<u>268,297,579</u>	<u>200,977,173</u>	<u>67,320,406</u>
Non-Operating Expenses			
Interest Expense	555,961	77,412	478,549
	<u>555,961</u>	<u>77,412</u>	<u>478,549</u>
Total Expenses	<u>268,853,540</u>	<u>201,054,585</u>	<u>67,798,955</u>
Loss Before Capital Grants	(4,603,745)	(3,385,704)	(1,218,041)
Capital Grants	<u>3,579,935</u>	<u>6,521,515</u>	<u>(2,941,580)</u>
Change in Net Position	(1,023,810)	3,135,811	(4,159,621)
Net Position - Beginning of Year	<u>41,456,969</u>	<u>38,321,158</u>	<u>3,135,811</u>
Net Position - End of Year	<u>\$ 40,433,159</u>	<u>\$ 41,456,969</u>	<u>\$ (1,023,810)</u>

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

**Capital Assets:**

Capital asset activity for the year ended June 30, 2023, was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Disposals / Transfers</u>	<u>Ending Balances</u>
Land and Land Improvements	\$ 4,342,839	\$ -	\$ -	\$ 4,342,839
Depreciable Properties:				
Building/Improvements Fitchburg Parking	12,339,712	-	-	12,339,712
Building/Improvements Fitchburg Intermodal	5,999,151	1,129,251	-	7,128,402
Building/Improvements Leominster Parking Lot	12,548,655	-	-	12,548,655
Building/Improvements Leominster Storage	6,814,341	7,816	-	6,822,157
Building/Improvements Fitchburg Maintenance	12,507,295	333,834	-	12,841,129
Building/Improvements 840 N Main St Maintenance	622,928	1,328,787	-	1,951,715
Building/Improvements Gardner Maintenance	8,411,649	57,757	-	8,469,406
Improvements Fitchburg Rail	972,146	-	-	972,146
Improvements Wachusett Rail	1,071,374	48,681	-	1,120,055
Building/Improvements Athol Maintenance	180,739	606,607	-	787,346
Building/Improvements Ayer Parking	6,129,729	978,973	-	7,108,702
Other Fixed Assets	2,305,077	-	-	2,305,077
Systems Development	5,726,320	925,853	-	6,652,173
Transportation Equipment	22,698,495	1,469,281	(873,038)	23,294,738
	<u>98,327,611</u>	<u>6,886,840</u>	<u>(873,038)</u>	<u>104,341,413</u>
Less Accumulated Depreciation For:				
Building/Improvements Fitchburg Parking	(6,614,953)	(420,307)	-	(7,035,260)
Building/Improvements Fitchburg Intermodal	(4,587,882)	(381,033)	-	(4,968,915)
Building/Improvements Leominster Parking Lot	(5,653,390)	(319,076)	-	(5,972,466)
Building/Improvements Leominster Storage	(3,176,562)	(239,384)	-	(3,415,946)
Building/Improvements Fitchburg Maintenance	(8,901,837)	(415,884)	-	(9,317,721)
Building/Improvements 840 N Main St Maintenance	(5,424)	(116,431)	-	(121,855)
Building/Improvements Gardner Maintenance	(3,632,724)	(338,738)	-	(3,971,462)
Improvements Fitchburg Rail	(972,146)	-	-	(972,146)
Improvements Wachusett Rail	(218,220)	(44,480)	-	(262,700)
Building/Improvements Athol Maintenance	(75,909)	(47,864)	-	(123,773)
Building/Improvements Ayer Parking	(501,442)	(241,275)	-	(742,717)
Other Fixed Assets	(2,090,425)	(49,085)	-	(2,139,510)
Systems Development	(4,199,726)	(618,602)	-	(4,818,328)
Transportation Equipment	(14,305,817)	(2,031,063)	851,226	(15,485,654)
	<u>(54,936,457)</u>	<u>(5,263,222)</u>	<u>851,226</u>	<u>(59,348,453)</u>
Net Depreciable Property	43,391,154	1,623,618	(21,812)	44,992,960
Construction In Progress	4,380,098	(1,127,781)	-	3,252,317
Fixed Assets in Process	82,047	(59,919)	-	22,128
Net Capital Assets	<u>\$ 52,196,138</u>	<u>\$ 435,918</u>	<u>\$ (21,812)</u>	<u>\$ 52,610,244</u>

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

In FY2023 the Authority used \$250,000 of Section 5307 and RTACAP funds from MassDOT for IT support equipment, including completion of the installation of a new Automated Fare Collection system.

In FY2023 MART completed the roof replacement and began replacing the concourse curtain wall at the Fitchburg Intermodal facility, which will be completed in FY2024. This was funded through a combination of \$1,201,521 in 5307 and RTACAP funds.

MART completed the Electrification Feasibility Study for the Headquarters Facility at Water Street through a contract with Weston & Sampson Engineers using \$75,000 in grant funds awarded under the Massachusetts Leading By Example program through the Department of Energy Resources.

In FY2023 MART commenced the Rebranding Project utilizing 5307 funds. The project goals are to effectively rebrand MART in its entirety, by wrapping of buses and vans with new designs, a new website promoting more effective communication and access to service information, as well as installation of Bus Stop signs to promote more effective boarding and alighting of ridership and a redesign of schedules.

In addition to the above, using a combination of 5307 and RTACAP funds totaling \$247,216, MART upgraded its secure access at the Intermodal Complex at 100-160 Main Street in Fitchburg by standardizing door keys and adding a badge access control system.

**Budgetary Highlights:**

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

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

- a. Continued loss of revenues due to the impacts on travel caused by the Covid-19 pandemic in the following categories: reduced parking, loss of farebox revenue, suspension of private/public partnerships and reduced activity in several self-funded programs, which is estimated to be more than \$1,200,000 for FY2023. In addition, we have continued to experience an increase in the utilization of our Subscription Service self-funded program ~~that do~~ which does not have an equivalent revenue base (monthly fares) to support the service. With the approval of the Advisory Board, MART has made plans in FY2024 to adjust the pricing of this service, along with a review of how the service should be best performed and managed going forward.
- b. MART received in FY2023 a portion of the increased state assistance which in total calculated to \$6,333,529 which was distributed at the existing percentage allocation levels to each RTA. The FY2022 calculated total was \$6,236,717. The increase resulted in an additional amount of \$96,812 in state funding.
- c. MART Administration believes the Authority will be able to meet its transit commitments in FY2024 and will continue to control Administrative and Operational Costs through the efforts to improve overall efficiencies.

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

**Funding of the Authority:**

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

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

**Montachusett Regional Transit Authority**  
**(A Component Unit of Massachusetts Department of Transportation)**  
**Statement of Net Position**  
**June 30, 2023**

**Assets**

Current Assets	
Cash and Cash Equivalents	\$ 19,797,707
Receivables for Operating Assistance	
U.S. Department of Transportation	1,268,831
Commonwealth of Massachusetts and Cities and Towns Constituting the Authority	3,965,609
Receivables for Capital Grants	
U.S. Department of Transportation	288,235
Commonwealth of Massachusetts	510,350
Accounts Receivable	23,984,464
Other Current Assets	1,041,465
Total Current Assets	50,856,661
Capital Assets	
Non Depreciable Capital Assets	8,589,430
Depreciable Capital Assets, Net of Accumulated Depreciation	44,020,814
Net Capital Assets	52,610,244
Total Assets	\$ 103,466,905

**Liabilities and Net Position**

Current Liabilities	
Accounts Payable	\$ 42,539,953
Accrued Expenses	519,556
Deferred Revenue	57,566
Revenue Anticipation Notes Payable	19,000,000
Current Portion of Long Term Debt	53,333
Accrued Interest	760,000
Total Current Liabilities	62,930,408
Long Term Liabilities	
Long Term Debt Net of Current Portion	\$103,338
Total Liabilities	63,033,746
Net Position	
Invested in Capital Assets, Net of Related Debt	52,453,573
Unrestricted Deficit	(12,020,414)
Total Net Position	40,433,159
Total Liabilities and Net Position	\$ 103,466,905

See accompanying notes to the Financial Statements.

**MONTACHUSETT REGIONAL TRANSIT AUTHORITY**  
**(A Component Unit of the Massachusetts Department of Transportation)**  
**STATEMENT OF REVENUES, EXPENSES & CHANGES IN FUND NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Operating Revenues	
Transportation Revenue - HST Brokerage	\$ 233,049,707
Transportation Revenue - Self-Funded	2,130,829
Transportation Revenue - Urban/Rural Service	<u>657,067</u>
Total Operating Revenues	<u>235,837,603</u>
Operating Expenses	
Transportation Expense - HST Brokerage	233,090,461
Transportation Expense - Self-Funded	2,935,661
Transportation Expense - Urban/Rural Service	10,295,582
Administrative (Including Brokerage Administrative)	16,712,653
Depreciation and Amortization	<u>5,263,222</u>
Total Operating Expenses	<u>268,297,579</u>
Operating Loss	(32,459,976)
Non-Operating Revenues (Expenses)	
Federal	-
Commonwealth of Massachusetts	6,333,529
Member Municipalities	2,728,128
Interest Expense	(555,961)
Interest Income	100,685
HST Management Fee	11,982,525
Other Income, Net	<u>7,267,325</u>
Total Non-Operating Revenues	<u>27,856,231</u>
Loss Before Capital Grants	(4,603,745)
Capital Grants	<u>3,579,935</u>
Change in Net Position	(1,023,810)
Net Position - Beginning of the Year	<u>41,456,969</u>
Net Position - End of the Year	<u>\$ 40,433,159</u>

**2023**

See accompanying notes to the Financial Statements.

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

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from passenger fares and contract reimbursements	230,783,862
Cash paid to vendors	(230,149,614)
Cash paid to employees for services	(6,263,573)
Cash paid for other administrative costs	\$ (10,449,068)

NET CASH USED FOR OPERATING ACTIVITIES (16,078,393)

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	(32,961)
Interest Income	100,685
Proceeds from Operating Grants	8,174,159
Proceeds from HST Management fee	11,982,525
Proceeds from Line of Credit	-
Payment on Line of Credit	-
Other Income	7,267,328

NET CASH PROVIDED BY NON CAPITAL FINANCING ACTIVITIES 27,491,736

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Principal Payments on Notes Payable	(53,333)
Proceeds from Capital Grants	5,122,613
Purchase of Capital Assets	(5,765,366)

NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES (696,086)

NET DECREASE IN CASH AND SHORT-TERM INVESTMENTS 10,717,257

BEGINNING CASH AND SHORT-TERM INVESTMENTS 9,080,450

ENDING CASH AND CASH EQUIVALENTS \$ 19,797,707

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

Operating Loss	\$ (32,459,966)
Depreciation and amortization	5,263,222
Changes in Assets and Liabilities:	
(Increase) / Decrease in Receivables	(5,284,563)
(Increase) / Decrease in Other Assets	51,656
Increase / (Decrease) in Payables	16,166,352
Increase / (Decrease) in Accrued Expenses and Liabilities	(142,790)

Net Cash Used for Operating Activities \$ (16,406,089)

Supplemental disclosures of noncash transactions

Fully depreciated assets written off	\$ 879,346
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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, 2023**

	Urbanized Area Service	Rural Area Service	Other Services	HST Brokerage Services	Total Area Service
Operating Costs					
RTA Administration Costs (excluding depreciation)	\$ 5,366,817	\$ 350,710	\$ -	\$ 11,048,459	\$ 16,765,986
Purchased Services					
Fixed Route	5,213,236	258,993	-	-	5,472,229
Demand Reponse	4,426,813	431,307	1,525,790	20,378	6,404,288
Brokerage Services	-	-	-	233,641,460	233,641,460
Self-Funded Services	-	-	1,409,871	-	1,409,871
Debt Service	518,468	37,493	-	-	555,961
<b>Total Operating Costs</b>	<b>15,525,334</b>	<b>1,078,503</b>	<b>2,935,661</b>	<b>244,710,297</b>	<b>264,249,795</b>
Federal Operating Assistance					
FTA Operating & Administrative	-	-	-	-	-
Other Federal	6,065,360	432,388	-	-	6,497,748
<b>Total Federal Assistance</b>	<b>6,065,360</b>	<b>432,388</b>	<b>-</b>	<b>-</b>	<b>6,497,748</b>
Revenues					
Transit Operating	621,576	35,490	-	-	657,066
Brokerage Service	-	-	-	245,032,229	245,032,229
Self-Funded Services	-	-	2,130,828	-	2,130,828
Other Revenues					
Advertising	28,783	2,080	-	-	30,863
Interest Income	93,895	6,789	-	-	100,684
Miscellaneous	701,715	37,006	-	-	738,721
<b>Total Revenues</b>	<b>1,445,969</b>	<b>81,365</b>	<b>2,130,828</b>	<b>245,032,229</b>	<b>248,690,391</b>
<b>Net Cost of Service</b>	<b>8,014,005</b>	<b>564,750</b>	<b>804,833</b>	<b>(321,932)</b>	<b>9,061,656</b>
Net Cost of Service Funding					
Local Assessments	2,550,392	177,736	-	-	2,728,128
State Contract Assistance	5,912,068	421,460	-	-	6,333,528
<b>Unreimbursed surplus</b>	<b>\$ 448,455</b>	<b>\$ 34,446</b>	<b>\$ (804,833)</b>	<b>\$ 321,932</b>	<b>\$ -</b>
<b>State Contract Assistance</b>	<b>\$ 5,912,068</b>	<b>\$ 421,460</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,333,528</b>
Less: Payment made by MassDOT prior to June 30	5,912,068	421,460	-	-	6,333,528
<b>Balance Requested from the State</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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, 2023**

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 members from each municipality with each member having one vote plus additional votes allocated based on that municipality’s assessment in proportion to the 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 contracted private contractors operate mass transit service along such routes and according to such schedules as defined by the Authority. This service is supplemented by Americans with Disabilities Act.

**Montachusett Regional Transit Authority**  
**(A Component Unit of Massachusetts Department of Transportation)**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

Note A – The Authority and Operators (Continued)

The Authority operates public transit fixed route bus service and complimentary ADA demand response paratransit van services as an alternative for disabled individuals that are unable to utilize fixed-route buses. All fixed route buses and ADA paratransit vans are lift-equipped for wheelchairs. MART’s public transit services are provided through a contracted third-party private operator. The Authority reimburses the private contractors for all FTA allowable expenses which are 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 Management of Transportation Services, Inc.

The Authority paid a management fee of \$459,445 for the year ended June 30, 2023.

The 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 and Dial-A-MART Services, Inc. (“DAMS”) were selected through a competitive process in FY2019.

The current contract commenced on July 1<sup>st</sup>, 2019, with a four-year contracting period which ended on June 30, 2023. During FY2023, MART procured the services of an operating company to manage our transportation services for a five-year period from July 1, 2023 (FY 24) through June 30, 2028 (FY28).

The Authority’s paratransit services which operate transportation for elderly and handicapped individuals is provided by local Councils on Aging (“COA”), in accordance with an understanding whereby the COA’s operate specialized, non-fixed route services for elderly and disabled individuals. 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, and Royalston are operated by Management of Transportation Services of Gardner - Athol Division. 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.

In addition to the transit services detailed above, the Authority manages an extensive transportation brokerage program for the state’s Human Service Transportation Office (referred to as HST), as well as two Integrated Care Organizations (referred to as ICO’s) for dual enrolled MassHealth and Medicare eligible individuals served by Commonwealth Care Alliance, Inc., United Health Care, and Tufts-Network Health, LLC, all brokerage services are self-funded.

The brokerage services manage transportation services for various human service agencies which are collectively funded under the Commonwealth of Massachusetts’ Executive Office of Health and Human Services (EOHHS).

The human service agencies under the brokerage managed by MART 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, 2023**

Note A – The Authority and Operators (Continued)

As noted in the FY2022 Audit, the above referenced brokerage services were most recently awarded to the Authority for successfully responding to a RFR procurement issued by EOHHS for the agencies listed above. With the selection of the Authority as the broker for Regions 1 and 2 (depicted in Figure 1 below) and the successful contract negotiation with EOHHS, the Authority commenced brokerage services on July 1, 2021- the beginning of the FY22 contracting year and has continued into the recently ended FY23. The initial contracting period is for five (5) years (FY22 through FY26). The awarded procurement also allows for two additional five (5) year contracts to be negotiated between the Authority and EOHHS.

Both the first and second year of operation under the new brokerage contract has resulted in significant increases in staffing and technology upgrades required by the substantially expanded service areas managed by the Authority. As indicated in the previous FY22 audit, significant changes to the performance standards for the brokerage contract and compliance requirements for numerous contract metrics were specified by EOHHS. For the management of the brokered transportation programs, the Authority receives an annual management fee for all operating expenses, as well as the opportunity to achieve contract incentives for meeting established metrics.

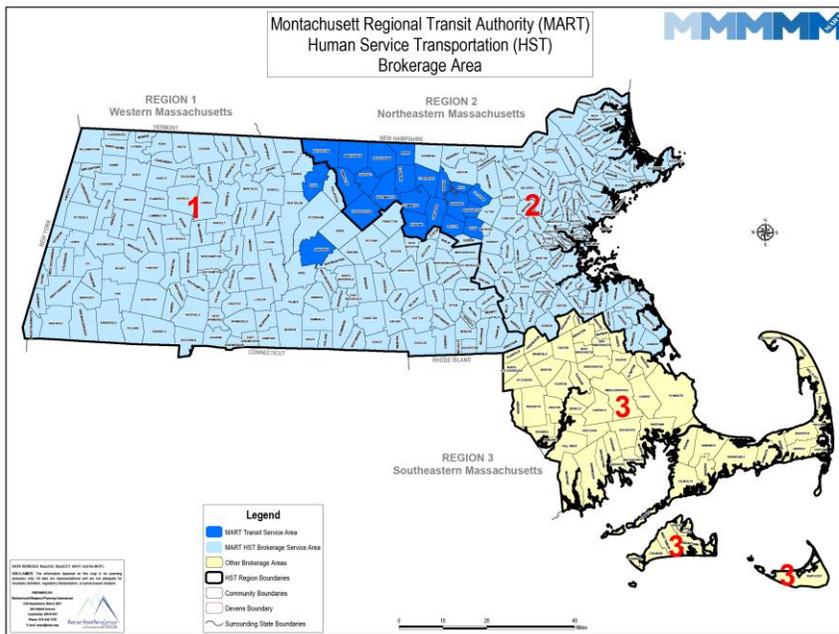


Figure 1

Transportation services for the brokerage operations continue to be provided through private for-profit and non-profit subcontractors contracted directly to the Authority. Subcontractors are required to bid for all transportation services needed by the consumers of the various agencies. Once the bidding and selection process have been completed, consumers are assigned to the appropriate subcontractor for transportation and the Authority reimburses the subcontractors based on their contracted rates. The Authority provides administrative functions including trip reservation and scheduling, coordination of shared rides, quality assurance and complaint resolution, monitoring inspections for quality and cost control, safety instruction and backup services in case of emergency or special requirements. General and administrative expenses are allocated to each program.

**Montachusett Regional Transit Authority**  
**(A Component Unit of Massachusetts Department of Transportation)**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

Note A – The Authority and Operators (Continued)

There were 390 brokerage program providers for the fiscal year ended June 30, 2023. 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.

Adoption of New Accounting Pronouncements

The GASB has issued the following statements, which require adoption subsequent to June 30, 2022, and may be applicable to the Authority. The Authority has not yet adopted these statements, and the implication on the Authority’s fiscal practices and financial reports is being evaluated.

Statement No.		<b>Adoption Required in Fiscal Year</b>
91	<i>Conduit Debt Obligations</i>	2023

**Montachusett Regional Transit Authority**  
**(A Component Unit of Massachusetts Department of Transportation)**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

Note B- Summary of Significant Accounting Policies (Continued)

Operating vs. Non-operating Revenue and Expense

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

Capital Grants

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

Cash and Short-Term Investments

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

Use of Estimates

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

Capital Assets

Capital assets consist of land, construction in progress, buildings and improvements, equipment, and vehicles are recorded at historical cost. Capital Assets with a cost in excess of \$3,000 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, 2023.

**Montachusett Regional Transit Authority**  
**(A Component Unit of Massachusetts Department of Transportation)**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

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

Other Current Assets

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

Note C – Investment Policy

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

The Authority carries deposits that are insured by FDIC insurance, as well as federally uninsured deposits. As of June 30, 2023, the Massachusetts Municipal Depository Trust (MMDT) bank balance of federally uninsured deposits totaled \$1,199,041.98. The MMDT deposits are subject to the full faith and credit of the Commonwealth of Massachusetts. These deposits are invested in government securities only.

Credit Risk

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

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

Note D – Grants

At June 30, 2023, under Sections 5307, 5309, 5339 and CARES Act 5307 of the Federal Transit Administration (“FTA”), as amended, the U.S. Department of Transportation has current active capital grants to the Authority aggregating a remaining balance of nearly \$5 million. The federal government normally funds up to 80% of capital projects. However, the Authority has at times been awarded federal grant funding up to 100% for approved capital improvement projects. The remaining non-federal share may be financed through state capital grants, local capital funds, the issuance of long-term debt, and toll development credits.

The Authority has a contract with the Commonwealth for operating assistance as provided for in the enabling legislation. The contract provides that the Commonwealth will pay the Authority a portion of its net cost of service. The amount of this contract assistance for FY2023 was \$6,333,529. In addition, the various cities and towns constituting the Authority contributed assistance in the form of local assessments in the amount of \$2,728,128 for FY2023.

The receivable for operating assistance includes \$1,323,103 from Cities and Towns constituting the Authority for previous years which are generally paid through local assessment “Cherry Sheets”. Whether these amounts will eventually be funded is undeterminable. The Authority has not reserved any amount as uncollectible related to these receivables.

**Montachusett Regional Transit Authority**  
**(A Component Unit of Massachusetts Department of Transportation)**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

Note E – Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance <u>7/1/2022</u>	<u>Additions/Transfers</u>	<u>Disposals</u>	Balance <u>7/1/2023</u>
Capital assets, not being depreciated:				
Land	\$ 4,342,839	\$ -	\$ -	\$ 4,342,839
Construction in progress	5,352,244	(1,127,781)	-	4,224,463
Fixed Assets in process	<u>82,047</u>	<u>(59,919)</u>	<u>-</u>	<u>22,128</u>
Total capital assets not being depreciated:	<u>9,777,130</u>	<u>(1,187,700)</u>	<u>-</u>	<u>8,589,430</u>
Capital assets, being depreciated:				
Buildings	66,625,573	4,491,706	-	71,117,279
Transportation Equipment	22,698,495	1,469,281	(873,038)	23,294,738
System Development	5,726,320	925,853	-	6,652,173
Other Fixed Assets	<u>2,305,077</u>	<u>-</u>	<u>-</u>	<u>2,305,077</u>
Total capital assets, being depreciated	97,355,465	6,886,840	(873,038)	103,369,267
Total accumulated depreciation	<u>54,936,457</u>	<u>5,263,222</u>	<u>(851,226)</u>	<u>59,348,453</u>
Total capital assets, being depreciated, net	<u>42,419,008</u>	<u>1,623,618</u>	<u>(21,812)</u>	<u>44,020,814</u>
Net Capital Assets	<u>\$ 52,196,138</u>	<u>\$ 435,918</u>	<u>\$ (21,812)</u>	<u>\$ 52,610,244</u>

Note F – Revenue Anticipation Notes

The Revenue Anticipation Note (RAN) outstanding on June 30, 2023, consisted of one note totaling \$19,000,000. This note bore an interest rate of 2.776% net interest cost (NIC). This note is due to be paid on July 30, 2023. Interest expense related to the RAN note amounted to \$760,000 in FY2023 and was offset by a premium upon issuance of \$232,560. At the same time the FY2023 RAN note will be paid off, a new RAN note will be issued for \$19,000,000, demonstrating no increase to the RAN borrowing.

**Montachusett Regional Transit Authority**  
**(A Component Unit of Massachusetts Department of Transportation)**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

Note G - Long Term Debt

During the year ended June 30, 2023, the following changes occurred in long-term liabilities:

	Interest Rate	Original Amount	Maturity Date	Balance 6/30/22	Reductions	Total Balance 6/30/23	Current Portion	Long-Term Portion
Note Payable - Fitchburg Redevelopment Authority	0%	\$1,050,000	June-2026	<u>\$210,004</u>	<u>(\$53,333)</u>	<u>\$156,671</u>	<u>(\$53,333)</u>	<u>\$103,338</u>
Total				<u>\$210,004</u>	<u>(\$53,333)</u>	<u>\$156,671</u>	<u>(\$53,333)</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>
2024	\$53,333	\$ -
2025	53,333	-
2026	50,005	-
Total	<u>\$156,671</u>	<u>\$ -</u>

Note H - Notes Payable

Effective June 30, 2023, the Authority has a demand commercial line of credit (LOC) available up to a maximum borrowing of \$8 million. There was no outstanding balance as of June 30, 2023.

Note I - Contingencies

North Leominster Arbitration

The Authority has received 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, 2023.

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

**Montachusett Regional Transit Authority**  
**(A Component Unit of Massachusetts Department of Transportation)**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

Note I – Contingencies - continued

As disclosed previously in the FY19, FY20, FY21 and FY2022 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. MART, having prevailed in the arbitration, was awarded \$153,382.65 against TLT and correspondingly, demand was made to TLT for the final award amount. Concurrently, the Authority continues to pursue a demand made to Western Surety Company / CNA Surety Corporation – the surety bond company for TLT on the North Leominster project, in the amount of \$1,398,473.80 for the final award, attorney’s fees and costs, professional fees and delay costs. The Authority is also seeking interest on the outstanding award from the arbitration. MART has brought action against CNA / Western Surety 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 for each employee, regardless of whether the employee contributes to the Plan. In FY2023, the Authority contributed 10% of each employee’s base pay for a total contribution of \$556,186.

Note K – Related Party Transactions

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

The Authority also serves as ticket agency for MBTA at the Fitchburg Intermodal Station. In FY2023, the Authority collected ticket revenues of \$37,419 and remitted \$39,118 to MBTA.

801 CMR 53.03(2) Disclosure (Unaudited)

The Administrator, date of hire of February 3, 1993, received a salary for the tax year ending December 31, 2022, of \$155,827. The Administrator receives health insurance coverage and contributes 30% of the cost of the premium.

The Assistant Administrator, date of hire of November 9, 2020, received a salary for the tax year ending December 31, 2022, of \$99,738. The Assistant Administrator receives health insurance coverage and contributes 30% of the cost of the premium.

The Chief Financial Officer, date of hire of March 16, 2015, received a salary for the tax year ending December 31, 2022, of \$138,399. The Chief Financial Officer receives health insurance coverage and contributes 30% of the cost of the premium.

**Montachusett Regional Transit Authority**  
**(A Component Unit of Massachusetts Department of Transportation)**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

Note L – Subsequent Events

In July 2023, the Authority paid its existing revenue anticipation note of \$19,000,000 and issued a new note for \$19,000,000.

Management has evaluated subsequent events through September 26, 2023, the date the financial statements were available to be issued.

While the COVID-19 pandemic that developed rapidly in FY2020 through FY2022 which significantly impacted the Authority's operations have faded to a great degree, transit ridership is still being impacted. Additionally, workforce participation continues to be a significant issue for both the Operating Companies in the recruitment of drivers, as well as the Authority's administrative operations, primarily in the brokerage operation. The reduced workforce for the operation companies continues to impact the cost of providing services and the operating results of the overall organization.

The Authority is continuing to maintain tight controls on spending, as well as actively reviewing and modifying transit services to ensure it maintains cost-effective and efficient services across all service lines.

The Authority did not have any other non-recognized or recognized subsequent events after June 30, 2023, the date of the statement of financial position. Subsequent events have been evaluated through September 25, 2023, 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, 2023**

Note M – List of Brokerage Vendors

Aaron Transport LLC, Springfield	Benata Inc, Billerica
Abees Transportation, Marlborough	Jeanne Bono, Tewksbury
Absolutransit, Gardner	Boston Express Carriers LLC, Billerica
Achias Transportation Inc, Leominster	Brewster Ambulance Service Inc, Weymouth
Action Ambulance Service Inc, Wilmington	Bostonhealth&Recoveryservicesinc, Leominster
Access Care Ride Inc, Leominster	Brook Limo Transportation Inc, Lowell
Aleksander Dhima Db, Worcester	Bridgewell Inc, Lynnfield
Advisor Limo Inc, Ashland	Bay State Transportation Co, Lynn
Andover Family Medical Trans Inc, Andover	Blackstone Valley Livery LLC, Uxbridge
Agawam Transportation Inc, Agawam	Best Ride Inc, Dedham
A & G Transportation Services Inc, Revere	Nancy Butler, Milford
Airmys Tranship LLC, Fitchburg	By Trans Corp, Wilmington
Allroad Transportation Corp, Stoughton	Cataldo Ambulance Service Inc, Somerville
Alternative Transportation Systems LLC, Arlington	County Ambulance Inc, Pittsfield
Allroad Transit Corporation, Stoughton	Camme Transportation Inc, Burlington
Open Sky Community Services Inc, Worcester	Cape Ann Transportation, Gloucester
All Year Inc, Billerica	Caring Choice Transportation Inc, Peabody
American Medical Response Of Mass Inc, Atlanta	5 Star Transportation LLC, Dracut
Arch Mmd Logistics LLC, Dorchester	Caribbean Transportation Inc, Worcester
American Training Inc, Andover	Castelly'S Transportation LLC, Ashland
American Way Transportation Inc, Waltham	Comfort Care Resource Group, Woburn
Anb Transportation Inc, Dedham	Ccr Transportation LLC, Worcester
Annex Transit LLC, Lowell	Ccare Transit LLC, Chicopee
All Ride Transportation Inc, Haverhill	Community Ems Inc, Atlanta
Arko Transportation Services, Lynn	Centerpoint Delivery Inc, Fitchburg
Arm Kesh Inc, Arlington	Charles Chege, Dunstable
Armstrong Ambulance Service Inc, Arlington	Community Heathlink Inc, Worcester
Aseda Transport Inc, North Chelmsford	Crown Homes Healthcare &, Saugus
All-Savants Transportation LLC, Quincy	City Quest Transportation LLC, Gardner
Atlantic Trans Inc, Sharon	City Voyager Corporation, Ashland
Austin Transportation LLC, Dorchester	Cool Ride Transportation LLC, Leominster
Avi Transportation LLC, Waltham	Clar LLC, Lowell
Av Prime LLC, Feeding Hills	Nu Path Inc, Woburn
Awesome Transportation International Inc, Winthrop	Costal Medical Transportation LLC, Hyannis
Bahati Transportation LLC, Methuen	Donna P Connerty, Gloucester
Band Of Heroes & Emt LLC, Lawrence	Convenient Homecare Services Inc, Waltham
Banka General Staffing LLC, Ayer	Michael Corrado, Malden
Bass River Day Activity Program Inc, Beverly	Community Transportation, Indian Orchard
Bat Enterprises LLC, Beverly	Lori A Cotter, Millville
Best Care Transportation Inc, Waltham	Covenant Transportation Inc, Newton
Beauport Ambulance Service Inc, Gloucester	Comfort Way Inc, Stoughton
Becca Transport LLC, Leominster	Credence Transport Services LLC, Methuen
Believe Transportation Corp, Worcester	Care Remedy Inc, Reading
Christine Berg, Scituate	Crossway Transit LLC, N Andover
Alexander Antonian Db, Natick	County Rainbow Taxi Inc, Pittsfield
Bethel Staffing LLC, Worcester	Care Transportation Service Inc, North Grafton
Beyond Transportation LLC, Tewksbury	Ctls Enterprises Inc, Greenfield
Blue Hills Limousine LLC, Leominster	Citytrans Inc, Worcester
Binfin Coach And Cab LLC, Leominster	Mary L D'Ambra, Hanover
Boston Mass Transportation Inc, Newton Upper Falls	Damico John M, Beverly

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

Note M – List of Brokerage Vendors Continued

Dasa Transportation Inc, Norton	Gacal Enterprise LLC, Worcester
Joan E Davenport, Beverly	Green Cab Company Inc, Somerville
DoubletransportationLLC, Marblehead	Gem Logistics Inc, Worcester
Dean General Services LLC, Lowell	Gifted Hands Transportation Inc, Lowell
Kristina M Dean, Uxbridge	G&F Transport Inc, Pittsfield
Deborah Gartside, Malden	Nancy Giuffre, Winthrop
Antonia Defilippis, Danvers	Deborah L Giuffre, Pepperell
Desire Safety Transportation LLC, Dedham	Global Clean Life Transportation Inc, Woburn
Diruzza Carla, Revere	Gloria Transportation Inc, Stoughton
Dominion Healthcare LLC, Stoughton	Greater North Transportation Inc, N. Chelmsford
Donahue Limousine Service Inc, Leominster	Go LLC, Dalton
The Drivers Transportation LLC, Fitchburg	Goodness Transportation LLC, Lawrence
Dracut Transportation Service, Dracut	Go Time Transportation, Tewksbury
Ds Express Transportation Co., Chicopee	Gq Mass Inc, Westford
D & T Transportation, Worcester	Green Valley Inc, Billerica
Divine Community Transportation Inc, Northborough	Greatway Care LLC, Lawrence
Eagle Spirit Transportation Inc, Worcester	Habilitation Assistance Corp, Plymouth
Eascare LLC, Weymouth	Haleem Services Inc, Marlboro
Eliot Community Human Servicesinc, Lexington	Haytrans LLC, Revere
Emmanuel Home Care Svc LLC, Lowell	Hb Livery Service Inc, Winthrop
Elm Transportation Inc, Lowell	Hch Services Inc, Waltham
Elite Trans LLC, Tewksbury	Helios Ride Inc, Worcester
East Middlesex Arc Inc, Wakefield	Humble Hands Health Care Svc LLC, Methuen
Employment Options Inc, Marlborough	Hlje Transportation LLC, Peabody
E & A Transportation, LLC, Chestnut Hill	Horace Mann Educational Assoc, Franklin
Epoch Health Care LLC, Norwood	Giselle L Holland, Randolph
E-Pod Transportation LLP, North Adams	Hpa Service LLC, East Bridgewater
Essex Group Transportation Inc, Rowley	Viability Inc, Northampton Ma
Easton Auto Service Inc, Easton	Hulmes Transportation Serv Ltd, Belchertown
Extracare Transport, Holden	Anne Hulverson, Hull
Express Medical Transportation Inc, Stoughton	Robert Hurley, Burlington
E-Z Transportation LLC, Chelmsford	Integrity Medical Transportation Corp, Lawrence
Fabbykay Inc, Waltham	Infinity Transport LLC, Gardner
Favored Home Care Inc, Lynn	Instant Transportation LLC, Worcester
Fallon Emergency Medical ServiceLLC, Quincy	Ireland And Company LLC, Lynn
Faith Transportation, West Springfield	In Time Med Transport LLC, Malden
Fitchburg Transportation LLC, Fitchburg	Janny Transportation Service Inc, Worcester
Five Stars Transportation Inc, Natick	J Family Inc, Waltham
Flow Transportation ServicesLLC, Leominster	Jfk Transportation Inc, Natick
Focal Points Healthcare LLC, Haverhill	J&Jcaretransportationcorp, Springfield
Medical Transportation Inc, Waltham	J K Services Inc, Wrentham
Dawn M Freeman, Peabody	Joan Linton, Littleton
Frances Health Services LLC, Woburn	Robert A Johns, Rutland
Francois Transportation Inc, Tewksbury	Jomo Transportation LLC, Lowell
Friendly Ride Transportation Inc, Feeding Hills	Jk Sunshine Transportation Services LLC, Fitchburg
Mary E Fuller, Hinsdale	Justice Services Inc, Billerica
Gaamha Inc, Gardner	Jyl Transportation Inc, Spencer
Gentle Arms Daily Transportation Company LLC, Chelmsford	K & C Transportation Inc, Lawrence
Ganda Services Inc, Burlington	Kibi Transport Corp, Swansea
Gabriel Transportation, Amherst	Kiessling Transit Inc, Franklin

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

Note M – List of Brokerage Vendors Continued

Kingdom Transportation, Lunenburg	Neethu Sosa Preetam Korah, Upton
Kiten Inc, Billerica	New Beginnings Transportation LLC, Westfield
K&K Transportation LLC, Lawrence	Pamela Newton, Fitchburg
Kenmore Transit Inc, Swampscott	Numbers Transit LLC, Worcester
Konastone Services Inc, Dracut	Northern Destinations Inc, Lynnfield
Richard G Kotosky, Westborough	Nowtransit Inc, Watertown
K'Spersonal Transportation Inc, Oxford	Northeast Regional Ambulance Ser, Middleton
Kush Transportation Inc, Methuen	Northeast Arc Inc, Danvers
L.B. Transportation, Waltham	Nissi Transportation Services LLC, Amesbury
Lifedots Transportation LLC, Lowell	New England Health Transportation Inc, Haverhill
Lee Ann Lee, Methuen	Boris Trestin Db, Stoughton
Lifeworks Inc, Westwood	Ocar Transportation LLC, Peabody
Elemol LLC Db, Lowell Transportation, Tewksbury	Outlook Transportation, Leominster
L & M Transportation LLC, Lawrence	Omama Services Inc, Worcester
Lodge T LLC, Swampscott	Omar Transport LLC, North Reading
Longonot Transportation Inc, Springfield	Oceanside Medical Transportation, Beverly
Lotus Transportation, Waltham	Opportunity Works Inc, Newburyport
Lumi Transports LLC, Lowell	Bernard Z Orenstein, Peabody
Luxus Inc, Sharon	Oshe Transport LLC, Worcester
Marlboro Hudson Ambulance & Wheelchair Service Inc, Atlanta	Pam Transportation LLC, North Easton
Malka Inc, Randolph	Pema Transportation Company LLC, Worcester
Marks Transportation LLC, Milford	Pfm Services LLC, Lynn
Mass Express Transportation Inc, West Springfield	Phephi Services Inc, Woburn
Joan Mccaffrey, Acton	Phils Transportation Inc, Wales
Mcj Transportation Inc, Brockton	Purple Lady LLC, East Bridgewater
Med Star Ambulance Inc, Boston	Perfection Inc, Brighton
Mercedes Cab Company, North Turo	Laura Price, South Grafton
M&F Health Services And Support LLC, Worcester	Pridestar Ems Inc, Lowell
Mass General Brigham Home Care Inc, Cambridge	Present Line LLC, Chicopee
Rebecca Pava, Pittsfield	Prime Trnsportation Inc, Clinton
Mj Transportation Inc, Southwick	Philip E Proia, Bellingham
M And J Transportation Service Inc, Dorchester	Prospects Transportation LLC, Worcester
Mighty Livery Transportation LLC, Fairhaven	Prime Solution Group Inc, Brookline
Minute Man Arc For, Concord	Prestige Livery Transportation LLP, Dracut
Mobile Transportation Etc LLC, Quincy	Prevalent Transport Inc, Chicopee
Mass Proud LLC, Revere	Prestige Ride LLC, Dudley
Mrc Transportation LLC, Bridgewater	Pv Groupinc, Westwood
Merrimack Transit LLC, Woburn	Quality Transportation Inc, Lawrence
Massfinest Inc, Billerica	Rafa Transportation LLC, West Springfield
Mass Trans LLC, Tewksbury	Rck Transportation Inc, Everett
Mtrans, W. Roxbury	Royal Care Transportation Inc, Framingham
Michael Transportation Service Corp, Marblehead	Reliable LLC, North Chelmsford
Mavins LLC, West Springfield	Rem Services Trans LLC, Bedford
Maxride Inc, Woburn	Reliamed Transportation Inc, Shrewsbury
Maximus Trans Services Inc, Waltham	Reliable Transportation Inc, Westford
Mystic Transport LLC, Worcester	Venture Community Service Inc, Sturbridge
National Ambulance LLC, Springfield	Ride On Time Inc, Lynn
North Adams Ambulance Services Inc, North Adams	Rigby'S Journey Inc, Lawrence
Need A Lift Medivan Inc, Leominster	Carol J Ringer, Lynnfield
Natron Enterprises Inc, Framingham	Rio Hondo Transport LLC, Lawrence

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

Note M – List of Brokerage Vendors Continued

Rideright Transportation Inc, Revere	Tri-City Services Inc, Peabody
Real Care Senior Services LLC, Lowell	Teamwork Transportation Inc, Walpole
Ronald Magembe Db, Woburn	Margaret Thomas, Hyde Park
Rm Transportation Inc, Swampscott	Thrive Transportation LLC, Concord
Royal Ride Inc, Wakefield	Timeless Transportation Company LLC, Dracut
Noel M Roy, Leominster	Tamba-Kromah Ventures LLC, West Lynn
Reliable Trans, Worcester	Teambuild Inc Db, Methuen
Riverside Industries Inc, Easthampton	Transitions Medical Transportaton Inc, Fitchburg
Sts Special Transportation, Newton	Tommys Taxi Inc, Framingham
Safe Transportation Inc, Stoughton	Total Praise Services LLC, Peabody
Sanko Inc, Stoughton	Town Car Limousine Inc, Stoneham
Salter Transportation Inc, Newbury	Mass Tran Corp, Danvers
Sami Health Care Services Inc, Marlborough	Trinity Transport LLC, Worcester
Samtag Resource Inc, Worcester	Tru-Ryde Transit LLC, West Springfield
Savannah Transportation LLC, Worcester	Travelcom Inc, Upton
Save Dd LLC, Haverhill	Travelers Transit Inc, Woonsocket
Simone M Sciafani, Peabody	Vegas Transportation LLC, Lawrence
Safe Hands Inc, Lowell	Vhs Transportation Co Inc, South Easton
Safe Ride Transportation Inc, Malden	Vital Enterprises Inc, Atlanta
Shining Care LLC, Boston	V&KtransLLC, Malden
Siblings Transportation Inc, Lawrence	Vlad S Transportation Inc, W. Springfield
Six Star Transportation Inc, Watertown	VotransportationLLC, Boston
S And K Transportation Inc, Brockton	Voyage Transportation LLC, Quincy
Slg Run LLC, Holbrook	Way Transportation LLC, Milford
Solika Transit Inc, Springfield	Rwendo Transportation Inc, North Chelmsford
Smart Transportation Inc, Quincy	West Medical Transportation Inc, Stoughton
Smiles Health Services Inc, Worcester	West Express LLC, Lynn
Smood Transportation Inc, Lynn	Wells Medical Transport, Fitchburg
Soldier On Inc, Pittsfield	Worcester Medical Trans LLC, Worcester
Springfield Partners For Community Action Inc, Springfield	Worcester County Transportation LLC, Worcester
Space Time Transportation LLC, Melrose	Woods Ambulance Inc, Gardner
Surad Transportation Inc, Boston	Worcester Transportation Corp, West Springfield
Serenity LLC, Saugus	Wow Transportation Inc, Quincy
Serene Transportation Inc, South Hadley	World Class Limousine LLC, Andover
South Shore Community, Plymouth	Yaris Inc Db, Lynn
St Agnes Transport, Worcester	Yellow Cab Company, Springfield
Star Line Transportation LLC, West Springfield	Your Ride Inc, Worcester
Soughtafter Transportation Inc, Andover	Youth On The Move Inc, Springfield
Star International Charity Foundation Inc, Worcester	Yerevan Group Inc, Wakefield
Steven C Levin, Warwick	Peter Kimemia Db, Zoe Transportation, Cherry Valley
Stralinks Inc, Worcester	
Stateline Dsd LLC, West Springfield	
Success Corpotation, Newton	
Superb Enterprises Inc, Lowell	
Support Management Inc, Dedham	
Surrimassini Inc, Peabody	
Center Of Hope Foundation Inc, Southbridge	
Safeway Luxury Transportation LLC, Worcester	
Tatis Transportation LLC, Lynn	
Veronica K Taylor, Pittsfield	

**Montachusett Regional Transit Authority**  
**(A Component Unit of Massachusetts Department of Transportation)**  
**Self-Funded Cost of Service**  
**For the Year Ended June 30, 2023**

	Revenue	Cost of Service		Net Interest Expense	Net Income/(Loss)
		Transportation Service	Administrative		
<b>SELF-FUNDED - TRANSIT</b>					
Gardner VNA Service	\$ 202,113	\$ 116,015	\$ -	\$ -	\$ 86,098
Suscription Service	275,860	1,525,790	-	-	(1,249,929)
Operating Co - HST Service	1,652,855	1,293,856	-	-	358,999
<b>TOTAL SELF-FUNDED - TRANSIT</b>	<b>2,130,828</b>	<b>2,935,661</b>	<b>-</b>	<b>-</b>	<b>(804,832)</b>
<b>SELF-FUNDED - BROKERAGE</b>					
Mass Health Services	110,464,717	111,074,227	5,264,591	-	(5,874,101)
Mass Health Ico Services	522,127	820,948	38,670	-	(337,491)
Mass Health ECC Services	16,755,180	16,767,880	794,384	-	(807,084)
Department of Developmental Services	18,238,656	17,526,822	830,844	-	(119,010)
Department of Public Health Services	797,404	797,424	37,565	-	(37,585)
Department of Developmental Services Dayhab	83,483,236	82,699,344	3,919,993	-	(3,136,101)
Department of Developmental Services Dayhab Ico	236,775	281,327	13,258	-	(57,810)
Department of Mental Health Services	2,138,487	2,138,683	101,646	-	(101,842)
Mass Rehab Services	946,265	946,828	45,299	-	(45,862)
Incentitives / Liquidated Damages	1,085,680	16,600	1,105	-	1,067,975
Miscellaneous	34,034	-	-	-	34,034
Dial-a-Mart	(1,652,855)	20,378	1,105	-	(1,674,338)
Non-Grant Funded Capital Assets Administration	-	571,387	-	-	(571,387)
	11,982,525	-	-	-	11,982,525
<b>TOTAL SELF-FUNDED - BROKERAGE</b>	<b>245,032,231</b>	<b>233,661,848</b>	<b>11,048,460</b>	<b>-</b>	<b>321,923</b>
<b>TOTAL SELF-FUNDED</b>	<b>\$ 247,163,059</b>	<b>\$ 236,597,509</b>	<b>\$ 11,048,460</b>	<b>\$ -</b>	<b>\$ (482,909)</b>

**Montachusett Regional Transit Authority**  
**(A Component Unit of Massachusetts Department of Transportation)**  
**Allocation of Net Cost of Service**  
**For the Year Ended June 30, 2023**

	Fixed Motor Bus Route	Paratransit	Council on Aging	Total	General and Administrative	Federal/Other Assistance	Other Income	Cost of Service	Self- Funded	HST Brokerage	State Assistance	Local Assessment
Fitchburg	\$ 2,021,624	\$ 826,967	\$ 848,275	\$ 3,696,866	\$ 2,582,212	\$ (2,561,718)	\$ (357,757)	\$ 3,359,603	\$ 330,858	\$ (126,072)	\$ (2,496,975)	\$ (1,053,014)
Leominster	1,612,516	781,665	538,988	2,933,169	1,835,837	(1,945,815)	(271,323)	2,551,868	250,923	(95,761)	(1,896,639)	(799,841)
Gardner	631,475	127,118	145,442	904,035	587,582	(615,057)	(69,935)	806,625	64,677	(30,269)	(599,512)	(252,824)
Ashburnham	-	315	47,231	47,546	27,280	(31,085)	(2,974)	40,767	2,750	(1,530)	(30,299)	(12,778)
Ayer	1,649	17,051	91,805	110,505	139,256	(91,936)	(37,255)	120,570	34,454	(4,524)	(89,612)	(37,791)
Lancaster	44,298	25,354	53,203	122,855	71,812	(80,553)	(8,471)	105,643	7,834	(3,964)	(78,518)	(33,112)
Shirley	272	9,131	77,316	86,719	60,329	(61,270)	(5,425)	80,353	5,017	(3,015)	(59,722)	(25,185)
Sterling	73,592	-	143,998	217,590	133,570	(145,751)	(14,261)	191,148	13,189	(7,173)	(142,068)	(59,912)
Hubbardston	-	8	25,145	25,153	14,152	(16,339)	(1,539)	21,427	1,423	(804)	(15,925)	(6,716)
Littleton	-	18,756	79,168	97,924	55,446	(63,705)	(6,118)	83,547	5,658	(3,135)	(62,095)	(26,187)
Royalston	-	262	2,062	2,324	1,262	(1,490)	(141)	1,955	130	(73)	(1,453)	(613)
Templeton	92,456	8,589	37,683	138,728	91,488	(95,175)	(10,222)	124,819	9,453	(4,684)	(92,770)	(39,122)
Ashby	-	10,764	28,269	39,033	21,378	(25,066)	(2,471)	32,874	2,285	(1,234)	(24,433)	(10,304)
Winchendon	36,722	17,079	36,784	90,585	52,628	(59,197)	(6,382)	77,634	5,902	(2,913)	(57,700)	(24,333)
Westminster	41,264	26,055	41,903	109,222	66,620	(72,667)	(7,874)	95,301	7,282	(3,576)	(70,831)	(29,871)
Hardwick	-	-	51,263	51,263	29,100	(33,397)	(3,166)	43,800	2,928	(1,644)	(32,554)	(13,728)
Lunenburg	102,258	102,336	74,486	279,080	163,469	(182,780)	(20,060)	239,709	18,552	(8,995)	(178,160)	(75,133)
Harvard	2,398	61,888	39,087	103,373	57,438	(66,487)	(7,129)	87,195	6,593	(3,272)	(64,806)	(27,330)
Bolton	-	-	27,992	27,992	15,498	(18,085)	(1,686)	23,719	1,559	(890)	(17,629)	(7,434)
Boxborough	-	-	35,876	35,876	20,040	(23,248)	(2,180)	30,488	2,016	(1,144)	(22,660)	(9,556)
Stow	-	-	57,181	57,181	-	-	-	57,181	-	(2,146)	-	(57,181)
Athol	233,493	90,289	96,670	420,452	259,346	(280,521)	(31,384)	367,893	29,024	(13,805)	(273,431)	(115,310)
Barre	-	4,845	36,202	41,047	22,500	(26,405)	(2,514)	34,628	2,325	(1,299)	(25,737)	(10,853)
<b>Totals</b>	<b>\$ 4,894,017</b>	<b>\$ 2,128,472</b>	<b>\$ 2,616,029</b>	<b>\$ 9,638,518</b>	<b>\$ 6,308,243</b>	<b>\$ (6,497,747)</b>	<b>\$ (870,267)</b>	<b>\$ 8,578,747</b>	<b>\$ 804,832</b>	<b>\$ (321,922)</b>	<b>\$ (6,333,529)</b>	<b>\$ (2,728,128)</b>

**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, 2023**

ADMINISTRATIVE	REGIONAL TRANSIT AUTHORITY	HST BROKERAGE PROGRAMS	TOTAL
Insurance - General Liability Ex/Umbr	\$ 83,590	\$ 602,739	\$ 686,329
Insurance - Operating Property	95,332	-	95,332
Insurance - Parking Property	-	-	-
Insurance - Other Vehicles	525,109	19,521	544,630
Insurance - Bus	164,386	-	164,386
Payroll - Administrative	1,346,477	4,211,418	5,557,895
Payroll - Temporary Staff	10,515	720,539	731,054
Payroll - Uncompensated Absences	(4,888)	26,468	21,580
Payroll - Fica/Medicare Tax	95,304	308,232	403,536
Payroll - Unemployment Tax	2,258	9,594	11,852
Payroll - Health Insurance	163,753	548,040	711,793
Payroll - Life/Disability Insurance	12,265	40,217	52,482
Payroll - Workers Comp Insurance	2,042	6,741	8,783
Payroll - Retirement 401K	163,862	392,324	556,186
Advertising - Marketing / Legal / Consultant	96,469	37,820	134,289
Printing	18,896	585	19,481
Consultant - Technical/MRPC	-	-	-
Consultant - Other	15,000	-	15,000
Security	363,162	-	363,162
Legal Counsel	77,485	58,677	136,162
Auditor	19,200	19,801	39,001
Office Supplies	51,477	52,970	104,447
Equipment/Maintenance	46,817	11,769	58,586
Equipment Lease Expense	2,546	5,037	7,583
Purchase Services	198,834	1,878,912	2,077,746
IT Software	119,842	86,344	206,186
Travel	3,984	2,858	6,842
Meetings	13,415	16,021	29,436
Rent Expense	15,189	404,321	419,510
Consultants - Computer Service Contracts	210,922	1,129,050	1,339,972
Consultants - Operational / CATA	-	-	-
Miscellaneous Expense	(11,918)	2,827	(9,091)
Telephone	305,301	625,857	931,158
Telephone - Maintenance	31,070	-	31,070
Reserve Fund / Bad Debt Expense	-	(332,599)	(332,599)
Maintenance - Water St. Facility	234,645	-	234,645
Maintenance - ITC Facility	146,956	35,152	182,108
Maintenance - Gardner Facility	76,762	-	76,762
Maintenance - N. Main Facility	143,890	21,373	165,263
Maintenance - Athol Facility	26,287	-	26,287
Utilities - Water St. Facility	111,777	15,847	127,624
Utilities - ITC Facility	121,635	75,371	197,006
Utilities - Gardner Facility	63,354	-	63,354
Utilities - N. Main Facility	70,562	14,633	85,195
Utilities - Athol Facility	19,014	-	19,014
<b>Total Administrative</b>	<b>\$ 5,252,578</b>	<b>\$11,048,459</b>	<b>\$ 16,301,037</b>
<b>GENERAL AND INTEREST</b>			
Debt Service / Bank fees	\$ 28,680	\$ -	\$ 28,680
Interest Expense	527,279	-	527,279
Ticket Agency Service	39,117	-	39,117
Commuter Rail Service	425,822	-	425,822
<b>Total General And Interest</b>	<b>\$ 1,020,898</b>	<b>\$ -</b>	<b>\$ 1,020,898</b>
<b>Total Administrative, General and Interest</b>	<b>\$ 6,273,476</b>	<b>\$11,048,459</b>	<b>\$ 17,321,935</b>

See Independent Auditors' Report.

**MONTACHUSETT REGIONAL TRANSIT AUTHORITY**  
**(A COMPONENT UNIT OF MASSACHUSETTS DEPARTMENT OF TRANSPORTATION)**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Federal CFDA Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
U.S. Department of Transportation (FTA) Federal Transit Cluster			
Capital - Section 5309 Bus and Bus Facility			
Subtotal CFDA 20.500			<u>\$0</u>
Operating Assistance - Section 5307 Urban Area Formula (CARES Act)	20.507	MA-2020-011-00	\$1,268,833
Operating Assistance - Section 5307 Urbanized Area Formula (ARPA)	20.507	MA-2021-038-00	\$5,364,895
Capital - Section 5307 Urban Area Formula Wachusett Station support equipment Related non-capital expenditures	20.507	MA-2017-008-00	\$0
Capital - Section 5307 Urban Area Formula (CARES Act) COVID related capital	20.507	MA-2020-011-00	\$542,969
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	\$450,689
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	\$430,893
Capital - Section 5307 Urbanized Area Formula Grants (2013 & forward) Replace 5 vehicles, purchase support equipment, purchase additiona features of fare collection syste and small rehab projects in various facilities	20.507	MA-2022-029-00	\$1,213,485
Subtotal CFDA 20.507			<u><b>\$9,271,764</b></u>
Capital - Section 5339 Bus and Bus Facilities Equipment on buses	20.526	MA-2019-013-00	\$4,947
Capital - Section 5339 Bus and Bus Facilities Buses	20.526	MA-2020-028-00	\$5,244
Subtotal CFDA 20.526			<u><b>\$10,191</b></u>
Research Project - Section 5312 Research, develop, demo/deploy., and evaluation project	20.530	MA-2021-028-00	\$172,463
Subtotal CFDA 20.526			<u>\$172,463</u>
<b>TOTAL FEDERAL TRANSIT CLUSTER</b>			<b>\$9,454,418</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$9,454,418</b>

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, 2023**

**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, 2023. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the net position, changes in net position, or cash flows of the Authority.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**3. INDIRECT COST RATES**

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

# Bruce D. Norling, CPA, P.C.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Montachusett Regional Transit Authority (the Authority), as of and for the year ended June 30, 2023, 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 25, 2023.

### **Report on Internal Control over Financial Reporting**

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

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

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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not

express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

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

*Bruce D. Norling, CPA, P.C.*

Sudbury, Massachusetts  
September 25, 2023

# Bruce D. Norling, CPA, P.C.

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

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

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Montachusett Regional Transit Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2023. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

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

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

#### ***Responsibilities of Management for Compliance***

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

#### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### ***Report on Internal Control Over Compliance***

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

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

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

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

***Bruce D. Norling, CPA, P.C.***

Sudbury, Massachusetts  
September 25, 2023

**Montachusett Regional Transit Authority**  
**(A Component Unit of Massachusetts Department of Transportation)**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2023**

A. SUMMARY OF AUDITORS' RESULTS

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