



MASSACHUSETTS BAY TRANSPORTATION AUTHORITY
(A Component Unit of the Commonwealth of Massachusetts)

Independent Auditors' Reports as Required by Title 2 U.S. Code of
Federal Regulations Part 200, *Uniform Administrative Requirements, Cost
Principles, and Audit Requirements for Federal Awards*
(Uniform Guidance) and *Government Auditing Standards*
and Related Information

Year Ended June 30, 2022

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY
(A Component Unit of the Commonwealth of Massachusetts)

Year ended June 30, 2022

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KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

Exhibit I

Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of Directors
Massachusetts Bay Transportation Authority:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Massachusetts Bay Transportation Authority's (the Authority or MBTA), a component unit of the Commonwealth of Massachusetts, 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, 2022. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the 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, 2022.

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 (GAAS); 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 Auditors' 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.



Auditors' 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 GAAS, *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 GAAS, *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 Auditors' 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Authority as of and for the year ended June 30, 2022, and have issued our report thereon dated December 15, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

KPMG LLP

Boston, Massachusetts
February 8, 2023

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY
(A Component Unit of the Commonwealth of Massachusetts)

Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Federal agency/cluster or program/pass-through/grant number	ALN number	Program description	Expenditures
U.S. Department of Justice:			
Equitable Sharing Program:			
MA-03-2500	16.922	Federal Equity Sharing Program	\$ 247,077
Total U.S. Dept. of Justice			<u>247,077</u>
U.S. Department of Transportation:			
Highway Planning and Construction Cluster:			
Federal Highway Administration MA-70-0002	20.205		<u>321,448</u>
Total Highway Planning and Construction Cluster			<u>321,448</u>
Federal Transit Cluster:			
Federal Transit – Capital Investment Grants Program:			
MA-03-0295	20.500	GLX-FTA/FFGA Funds	111,900,999
MA-04-0026	20.500	Ferry System Improvements	12,860
MA-04-0048	20.500	Hingham Intermodal Center	90,179
MA-04-0052	20.500	Hingham Ferry Dock	504,784
MA-05-0103	20.500	FY07 Station Management Project	108,171
MA-05-0105	20.500	FY07 Comm. Rail Vehicle Service	401,104
MA-05-0109	20.500	Green Line #7 Car	166,416
MA-05-0121	20.500	MBTA Power Program	1,816,842
MA-05-0128	20.500	FY 2013 Infrastructure Improvements	188,644
MA-55-0005	20.500	Worcester-Boston Rail Corridor Improvement	35,045
Subtotal #20.500 Direct Program			<u>115,225,044</u>
Passed through the Rhode Island Department of Transportation:			
90 RI-12-X001 (90RI12)	20.500	Pawtucket Inspection Pit	<u>2,262,716</u>
Total # 20.500			<u>117,487,760</u>
State of Good Repair Grants Program:			
MA-54-0001	20.525	Green Line No. 8 Car Enhancements	152,843
MA-54-0002	20.525	FY 14 Bridge Program	9,384,099
MA-54-0005	20.525	MBTA Winter Resiliency Program	516,014
MA-54-0006	20.525	MBTA Bridge and Tunnel Program	9,610,323
MA-54-0010	20.525	2016 Kawasaki Coach Overhaul	4,186,558
MA-54-0011	20.525	2016 Columbia Junction	9,325,225
MA-54-0012	20.525	Green Line No. 7 Selective System Overhaul	334,289
MA-54-0016	20.525	2017 Stations & Facilities	20,116,763
MA-54-0017	20.525	2017 Supplemental Bridge Program	10,001,225
MA-54-0021	20.525	MA-2018-029 5337 Funds	161,665
MA-54-0022	20.525	MA-2018-033 5337 Funds	7,180,315
MA-54-0023	20.525	MA-2019-008 5337 Funds	42,685,871
MA-54-0026	20.525	MA-2019-008 5337 Funds	10,225,489
MA-54-0027	20.525	MA-2020-006 5337 Funds	44,738,163
MA-54-0029	20.525	MA-2020-041 5337 Funds	30,793,065
MA-54-0030	20.525	MA-2021-047 5337 Funds	34,365,148
Total # 20.525			<u>233,777,055</u>
Bus and Bus Facilities Formula Program:			
MA-34-0028	20.526	MA-2018-029 5339 Funds	832,479
MA-34-0044	20.526	MA-2020-041 5339 Funds	6,645,207
Total # 20.526			<u>7,477,686</u>
Federal Transit Formula Grants Program:			
MA-90-0079	20.507	2017 Stations & Facilities	653,460
MA-90-0083	20.507	MA 2018-029 5307 Funds	8,598,113
MA-90-0085	20.507	MA 2018-033 5307 Funds	10,580,932
MA-90-0087	20.507	MA-2019-008 5307 Funds	389,565
MA-90-0091	20.507	MA-2019-023 5307 Funds	9,257,466
MA-90-0093	20.507	MA-2020-006 5307 Funds	4,461,894
MA-90-0096	20.507	MA-2020-041 5307 Funds	159,732
MA-90-0098	20.507	MA-2020-041 5307 Funds	51,776,786
MA-90-0108	20.507	MA-2021-047 5307 Funds	59,999,250
MA-90-0516	20.507	Public Address/Electronic Sign	14,915
MA-90-0519	20.507	Automated Fare Collection	1,565
MA-90-0591	20.507	FY 2010 Loco & Coach Procurement	81,858
MA-90-0600	20.507	MBTA Power Program	8,704,251

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY
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Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

Federal agency/cluster or program/pass-through/grant number	ALN number	Program description	Expenditures
MA-90-0104	20.507	COVID-19 CRRSAA	\$ 65,000,000
MA-90-0107	20.507	COVID-19 ARPA	859,660,358
MA-90-0609	20.507	FY 2012 Bridge Program	5,351,532
MA-90-0631	20.507	Orient Heights Station	235,005
MA-90-0641	20.507	192 ECD Bus Midlife Overhaul	664,270
MA-90-0644	20.507	FY 2013 Infr Improvements	4,447,869
MA-90-0649	20.507	Government Center Reconstruction	152,414
MA-90-0711	20.507	Red Line Signals Upgrade	774,348
MA-90-0712	20.507	FY 2015 Preventive Maintenance	350,296
MA-90-0713	20.507	FY 2015 Bridge Program	714,941
MA-90-0735	20.507	Green Line Signal Replacement	588,855
MA-90-0751	20.507	MBTA 2016 Bus Procurement	2,740,097
MA-90-0763	20.507	FY2017 Revenue Vehicle Program	7,837,721
MA-95-0003	20.507	GLX FTA/CMAQ Funds	3,294,999
MA-95-0005	20.507	MA 2018-029 Bus Earmark	138,494
MA-95-0014	20.507	Locomotive Procurement CMAQ Flex	168,808
Total # 20.507			<u>1,106,799,794</u>
Total Federal Transit Cluster			<u>1,465,542,295</u>
Public Transportation Research:			
MA-26-0063	20.514	Fairmount/Indigo Line TSCP Program	62,470
MA-26-0064	20.514	MBTA LoNo Project	12,861
Total # 20.514			<u>75,331</u>
Public Transportation Emergency Relief Program:			
MA-44-3002	20.527	MBTA Resiliency Project	2,975,268
Total #20.527			<u>2,975,268</u>
High-Speed Rail Corridors and Intercity Passenger Rail Service – Capital Assistance Grants: Passed through the Commonwealth Of Massachusetts: S10007	20.319	Knowledge Corridor – HSIPR (ARRA)	760,592
Total # 20.319			<u>760,592</u>
Railroad Safety Technology Grants MA-54-0025	20.321	MA-2019-020 3028 Funds	4,675,639
Total #20.321			<u>4,675,639</u>
Federal-State Partnership for State of Good Repair 21FRA1 22FRA1	20.326 20.326	Tower 1 Interlocking Early Act Worcester Union Station Access	1,484,441 2,887,703
Total #20.326			<u>4,372,144</u>
National Infrastructure Investments: MA-79-0002 MA-79-0001	20.933 20.933	Ruggles Station Improvements – TIGER Merrimack River Bridge - TIGER (ARRA)	156,735 18,400,000
Total #20.933			<u>18,556,735</u>
Total U.S. Dept. of Transportation			<u>1,497,279,452</u>
U.S. Department of Homeland Security: Federal Emergency Management Association: Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	COVID-19 Public Assistance	23,449,764
Total #97.036			<u>23,449,764</u>
National Explosives Detection Canine Team Program: HSTS02-16-H-NCP444	97.U01	TSA National Explosives Canine Program	147,857
Total #97.072			<u>147,857</u>
Rail and Transit Security Grant Program: EMW2017RA00020 EMW2018RA00015 EMW2019RA00044 EMW2001RA00047	97.075 97.075 97.075 97.075	FY 2017 Transit Security (J17001) FY 2018 Transit Security (J18001) FY 2019 Transit Security (J19001) FY 2020 Transit Security (J20001)	2,204,959 3,709,880 1,669,123 34,373
Total #97.075			<u>7,618,335</u>
Total of U.S. Dept. of Homeland Security			<u>31,215,956</u>
Grand total			<u>\$ 1,528,742,485</u>

See accompanying notes to schedule of expenditures of federal awards.

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY
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Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

(1) Definition of the Reporting Entity

The Massachusetts Bay Transportation Authority (the Authority) is a component unit of the Commonwealth of Massachusetts (the Commonwealth) formed pursuant to Commonwealth law to, among other things, hold and manage mass transportation facilities and equipment, and to enter into agreements for its operation, construction and use.

The U.S. Department of Transportation (DOT) has been designated as the Authority's cognizant Federal agency for the Single Audit.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying schedule of expenditures of federal awards has been prepared on the cash basis of accounting and includes federal expenditures.

(3) Approved Federal Grant Programs

The Authority's Federal Transit – Capital Investment Grants and Formula Grants Programs, Public Transportation Emergency Relief Program, Transportation Investment Generating Economic Recovery Program (TIGER), State of Good Repair Grants Program, Buses and Bus Facilities Formula, and Public Transportation Research for the year ended June 30, 2022 consisted primarily of capital grants under contracts with the Federal Transit Administration (FTA). These grants provide for the acquisition of land, buses, equipment, the construction of service extensions, stations, and maintenance facilities, state of good repair activities, and Research, development, demonstration and deployment projects.

In 2015, a Full Funding Grant Agreement (FFGA), between the MBTA and the U.S. Department of Transportation Federal Transit Administration (FTA) was signed to establish the scope of federal participation in the Green Line Extension (GLX) project. Under the FFGA, federal dollars will fund approximately \$996 million of the newly revised budget of \$2.3 billion. As of June 30, 2022, the FFGA funded \$765 million of the \$996 million. The GLX project will extend the existing MBTA Green Line north of its current terminus at Lechmere Station to further service the communities of Somerville, Cambridge, and Medford and involves construction of six new Green Line stations along two branches (the Medford Branch and Union Square Branch) along with the relocation and reconstruction of Lechmere Station. As of June 30, 2022, the Union Square Branch was opened and fully operational. Subsequent to June 30, 2022, the MBTA GLX Medford Branch was opened and become fully operational in December 2022.

According to the terms of the FTA contracts, the Authority will be reimbursed from 75% to 100% of the allowable project costs as defined in the grant agreement. The terms of those federal grant contracts require the Authority to, in part, utilize the equipment and facilities for the purpose specified in the grant agreement, maintain these items in operation for a specified time period, which normally approximates the useful life of the equipment, and comply with the Equal Opportunity and Affirmative Action programs as required by the *Moving Ahead for Progress in the 21st Century Act* (MAP-21).

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Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2022

On December 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (“CRRSAA”), established a second round of economic stimulus assistance in the amount of \$2.3 trillion. The CRRSAA is providing approximately \$301.4 million to the MBTA and is available to support the Authority’s revenue loss as well as all operating expenses generally eligible under the program. As of June 30, 2022, a total of \$301.4 million has been received by the MBTA for operating assistance that occurred from October 1, 2020 through June 30, 2022.

On March 11, 2021, the American Rescue Plan Act of 2021 (“ARPA”), established a third round of economic stimulus assistance in the amount of \$1.9 trillion. The package includes \$30 billion of direct federal aid to transportation agencies. The ARPA is providing approximately \$859.7 million to the MBTA and is available to support the Authority’s revenue loss as well as all operating expenses generally eligible under the program. As of June 30, 2022, a total of \$859.7 million has been received by the MBTA for operating assistance that occurred through June 30, 2022.

The Authority also received program funding from the U.S. Department of Homeland Security for the Department of Homeland Security’s Rail and Transit Security Grant Program. According to the terms of the Rail and Transit Security grants, the Authority will be reimbursed for 100% of the allowable project costs as defined in the grant agreements. These grants provide for the acquisition of equipment and other enhancements to the transit system’s security.

During the year ended June 30, 2022, the MBTA received a \$23.5 million public assistance (PA) grant from the Federal Emergency Management Agency (FEMA). The FEMA program supports communities’ recovery from major disasters and emergencies by providing financial assistance for eligible expenses. Public assistance grants are meant to serve as a last resort after exhausting other sources of funding such as insurance and other federal grant programs. Local governments, states, tribes, territories and certain private nonprofit organizations are eligible to apply. The FEMA PA program in Massachusetts is administered by the Massachusetts Emergency Management Agency (MEMA).

From time to time, the Authority also receives funding from other federal or pass through sources. Failure to comply with the terms and conditions of its various funding sources may jeopardize future funding and require the Authority to refund a portion of these grants to their funding agencies. In management’s opinion, no events have occurred which would result in the termination of these grants or which would require the refund of a significant amount of funds received under these grants.

(4) Subrecipients

For the year ended June 30, 2022, the Authority did not provide federal awards to subrecipients.

(5) Indirect Costs

For the year ended June 30, 2022, the Authority did not elect to use the de minimis indirect cost rate.



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Exhibit III

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*

Board of Directors
Massachusetts Bay Transportation Authority:

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 Massachusetts Bay Transportation Authority (the Authority or MBTA), a component unit of the Commonwealth of Massachusetts, which comprise the statement of net position as of June 30, 2022, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2022. Our report contains an emphasis of matter paragraph referring to the Authority's adoption, in 2022, of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*.

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 our audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

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*.

The Authority's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

KPMG LLP

Boston, Massachusetts
December 15, 2022

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY
 (A Component Unit of the Commonwealth of Massachusetts)

Schedule of Findings and Questioned Costs

June 30, 2022

(1) Summary of Auditors' Results

- (a) Type of report issued on whether the financial statements were prepared in accordance with generally accepted accounting principles: **Unmodified**
- (b) Internal control deficiencies over financial reporting disclosed by the audit of the financial statements:
 - Material weakness(es): **No**
 - Significant deficiency(ies): **Yes**
- (c) Noncompliance material to the financial statements: **No**
- (d) Internal control deficiencies over major programs disclosed by the audit:
 - Material weakness(es): **No**
 - Significant deficiency(ies): **None reported**
- (e) Type of report issued on compliance for major programs: **Unmodified**
- (f) Audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **No**
- (g) Major programs:

Federal program or cluster	ALN number
Federal-State Partnership for State of Good Repair	20.326
Federal Transit Cluster:	
Federal Transit – Capital Investment Grants Program	20.500
Federal Transit – Formula Grants Program	20.507
State of Good Repair Grants Program	20.525
Bus and Bus Facilities Formula Program	20.526
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036

- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$4,586,227**
- (i) Auditee qualified as a low-risk auditee: **Yes**

(2) Findings Related to the Financial Statements Reported in Accordance with Government Auditing Standards

Finding 2022-001 – Financial Reporting

We continue to note draft financial statements that are incomplete and inaccurate. While the Authority has significantly improved the timeliness of the financial reporting process over the prior year, it still experienced inaccuracies in financial reporting particularly with its postretirement benefit plans.

We reported a similar finding in previous audits.

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY
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Schedule of Findings and Questioned Costs

June 30, 2022

Recommendation

We recommend that the Authority assess its financial reporting process and develop a detailed action plan, with measurable milestones, to ensure its financial statements are completed accurately. The Authority should also continue the progress made in fiscal year 2022 in terms of the timeliness of financial reporting with the ultimate goal of having its audited financial statements available by the end of October.

Views of Responsible Officials

The Authority will implement a year-end checklist with detailed procedures and responsibilities for recording and disclosing post-retirement benefit plan balances, with review and oversight from the Director of Reporting and Compliance. Further, year-end actuarial reports will be requested one month earlier to provide additional capacity for quality review, while also allowing the Authority to continue to improve on the timeliness of financial reporting. These efforts continue our progress to completing the financial statement external audit before the end of the calendar year.

(3) Findings and Questioned Costs Relating to Federal Awards Reference Number:

No findings.