



Monroe County Transportation Authority
Single Audit Report

June 30, 2025

Monroe County Transportation Authority

Table of Contents

June 30, 2025

	Page
Report Distribution List	1
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> and the Audit Requirements of the Pennsylvania Department of Transportation	2 and 3
Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	4 to 6
Schedule of Expenditures of Federal Awards	7
Schedule of Pennsylvania Department of Human Services Expenditures	8
Notes to Schedule of Expenditures of Federal Awards and Schedule of Pennsylvania Department of Human Services Expenditures	9
Summary Schedule of Prior Audit Findings	10
Schedule of Findings and Questioned Costs	11 and 12

Monroe County Transportation Authority

Report Distribution List

June 30, 2025

Board of Directors
Monroe County Transportation Authority
P.O. Box 339
Scotrun, PA 18355

Federal Audit Clearinghouse
1201 E. 10th Street
Jeffersonville, IN 47132

U.S. Department of Transportation
Federal Transit Administration
1200 New Jersey Avenue, SE
Washington, DC 20590

U.S. Department of Transportation
Federal Transit Administration
1835 Market Street
Suite 1910
Philadelphia, PA 19103

Commonwealth of Pennsylvania
Bureau of Audits
Special Audit Services Division
Forum Place, 8th Floor
555 Walnut Street
Harrisburg, PA 17101

Monroe County
Office of the Controller
Administrative Center
One Quaker Plaza, Room 206
Stroudsburg, PA 18360-2162

**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* and the Audit
Requirements of the Pennsylvania Department of Transportation**

Independent Auditor's Report

To the Board of Directors
Monroe County Transportation Authority
Scotrun, Pennsylvania

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 (*Government Auditing Standards*), and the audit requirements of the Pennsylvania Department of Transportation, the financial statements of the business-type activities of Monroe County Transportation Authority (the Authority), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon, dated December 11, 2025.

Report on Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

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

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* and the audit requirements of the Pennsylvania Department of Transportation in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RKL LLP

December 11, 2025
Wyomissing, Pennsylvania

Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards by the Uniform Guidance

Independent Auditor's Report

To the Board of Directors
Monroe County Transportation Authority
Scotrun, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Monroe County Transportation Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2025. The Authority's major federal programs are identified in the summary of 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 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 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.

Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and the Pennsylvania Department of Human Services (DHS) Expenditures Required by the Uniform Guidance and the Pennsylvania DHS

We have audited the financial statements of the Authority as of and for the year ended June 30, 2025, and have issued our report thereon dated December 11, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and Pennsylvania DHS expenditures are presented for purposes of additional analysis required by the Uniform Guidance and DHS and are not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of Pennsylvania DHS expenditures are fairly stated in all material respects in relation to the financial statements as a whole.

RKL LLP

December 11, 2025
Wyomissing, Pennsylvania

Monroe County Transportation Authority

Schedule of Expenditures of Federal Awards

June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program Title	Federal ALN	Pass-Through Grantor's Number	Expenditures
U.S. Department of Transportation, Federal Transit Administration			
Federal Transit Cluster			
Federal Transit-Formula Grants	20.507	PA-2022-022	\$ 922,578
Federal Transit-Formula Grants	20.507	PA-2023-018	143,449
Federal Transit-Formula Grants	20.507	PA-2020-035	22,060
Total Federal Transit Cluster			1,088,087*
Passed through the Pennsylvania Department of Transportation Formula Grants for Rural Areas and Tribal Transit Program			
	20.509	EG00827873	510,000
Total Formula Grants for Rural Areas and Tribal Transit Program			510,000
Transit Services Programs Cluster Enhanced Mobility of Seniors and Individuals with Disabilities			
	20.513	EG00827531	121,067
Total Transit Services Programs Cluster			121,067
Total U.S. Department of Transportation, Federal Transit Administration			1,719,154
U.S. Department of Health and Human Services			
Medicaid Cluster Passed through Monroe County Medical Assistance Transportation Program			
	93.778	N/A	319,108
Total Medicare Cluster			319,108
Total U.S. Department of Health and Human Services			319,108
Total Federal Awards Expended			\$ 2,038,262

*Denotes a major program as defined by the Uniform Guidance.

Monroe County Transportation Authority

Schedule of Pennsylvania Department of Human Services Expenditures

June 30, 2025

Program (As Defined in the Pennsylvania Department of Human Services, <i>Single Audit Supplement</i>)	Combined Federal/State Expenditures for Fiscal Year Ended June 30, 2025
Medical Assistance Transportation Program	<u>\$ 638,215</u>

Monroe County Transportation Authority

Notes to Schedule of Expenditures of Federal Awards and Schedule of Pennsylvania
Department of Human Services Expenditures
June 30, 2025

Note 1 - Significant Accounting Policies

The Authority maintains its accounting records in accordance with accounting principles generally accepted in the United States of America. The financial information contained in the schedule of expenditures of federal awards and schedule of Pennsylvania Department of Human Services expenditures has been prepared on the basis of accounting practices prescribed under the terms of Operating Assistance, Planning, and Capital Grants with the Federal Transit Administration. The practices differ from accounting principles generally accepted in the United States of America as follows:

- A. Depreciation is not allowed as a project cost.
- B. Certain expenditures that would not normally be included in the determination of net income are either allowable or unallowable for project purposes.

Note 2 - Indirect Cost Rate

Indirect cost of the Authority was based on actual time. The Authority did not elect to utilize the de minimis indirect cost rate.

Note 3 - Program Clusters

The following program clusters, as defined by the Uniform Guidance, were treated as single programs for determining major programs:

	<u>ALN</u>	<u>Expenditures</u>
Federal Transit Cluster	20.507	<u>\$ 1,088,087</u>
Transit Services Programs Cluster	20.513	<u>\$ 121,067</u>
Medicaid Cluster	93.778	<u>\$ 319,108</u>

Monroe County Transportation Authority

Summary Schedule of Prior Audit Findings

June 30, 2024

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

Monroe County Transportation Authority

Schedule of Findings and Questioned Costs

June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? Yes No

Identification of Major Programs

ALN	Name of Federal Program	Amount Expended
20.507	Federal Transit Cluster	\$ 1,088,087

Auditee qualified as low-risk auditee? Yes No

Monroe County Transportation Authority

Schedule of Findings and Questioned Costs (continued)

June 30, 2025

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.