

PIONEER VALLEY TRANSIT AUTHORITY
(A Component Unit of the Massachusetts
Department of Transportation)

Management Letter

June 30, 2026

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Adelson & Company PC

CERTIFIED PUBLIC ACCOUNTANTS

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To the Advisory Board of the
PIONEER VALLEY TRANSIT AUTHORITY
2808 Main Street
Springfield, MA 01107

Dear Members of the Advisory Board:

In connection with our audit of the financial statements of the Pioneer Valley Transit Authority, a component unit of the Massachusetts Department of Transportation, as of June 30, 2026, we have made a review of the Authority's accounting procedures and internal control. While the primary objective of such a review is to afford us a basis of determining the scope of our audit procedures, it nevertheless presents us with an opportunity to submit, for the Authority's consideration, suggestions for changes in procedures, which, in our opinion, would strengthen internal control or contribute to the improvement of operating efficiency.

The comments and recommendations in this letter are based upon observations made in the course of such review. The review was not designed for the purpose of expressing an opinion on the internal accounting control, and it would not necessarily disclose all weaknesses in the system.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Authority personnel, and we will be pleased to discuss them in further detail at your convenience.

We would like to express our thanks and appreciation to the Authority and its personnel for the cooperation given us during the course of our audit.

Sincerely,

Adelson + Company PC

ADELSON & COMPANY PC

September 30, 2026

Comments and Recommendations

1. During our audit of capital assets, we noted that the Authority recorded no capital asset disposals during fiscal year 2026. Given the Authority's significant investment in facilities, rolling stock, vehicles, equipment, and technology, this increases the importance of periodically reviewing capital asset records to identify assets that may have been retired, replaced, scrapped, sold, or otherwise removed from service.

Recommendation:

We recommend that management perform a formal review of the capital asset and depreciation schedules at least annually. The review should include input from operations, maintenance, information technology, and facilities personnel to identify assets that have been sold, disposed of, replaced, or are no longer in service. Any such assets should be removed from the capital asset records.

Action Taken:

Management will review the capital asset and depreciation schedules annually. Management will require an asset disposal detail listing from operations and information technology in a more timely manner to identify assets that are to be sold, disposed of, or are no longer in service. Management will continue to work with Public Surplus for the disposal of assets that are to be sold. Any such assets will be removed from the capital asset records.

2. The Authority maintains separate Operating and Capital trial balances within its general ledger system to facilitate financial reporting and grant administration. During our audit, we noted several transactions that required reclassification because they had initially been recorded in the incorrect trial balance.

Recommendation:

We recommend that management consider incorporating a periodic review of the Operating and Capital trial balances during the year to identify transactions that may require reclassification.

Action Taken:

Management currently reviews the Operating and Capital trial balances on a regular basis. To further improve the timeliness of identifying classification issues, management will incorporate a more formal review of both trial balances into the monthly close process and make any necessary reclassifications as they are identified.

3. The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 105, *Subsequent Events*, which will be effective for the Authority's fiscal year ending June 30, 2027. The Statement establishes updated accounting and financial reporting requirements for subsequent events and is intended to improve consistency in how those events are evaluated and reported.

Recommendation:

We recommend that management review the requirements of GASB Statement No. 105 in advance of implementation and consider whether any changes to the Authority's year-end financial reporting procedures will be necessary for fiscal year 2027.

Action Taken:

The Director of Finance has reviewed GASB Statement No. 105 and will implement the requirements of the Statement during fiscal year 2027 and make any necessary changes to the Authority's accounting and financial reporting procedures.