

PIONEER VALLEY TRANSIT AUTHORITY

**Schedule Of Expenditures Of Federal Awards
And OMB A-133 Auditors' Reports**

Year Ended June 30, 2011

Table of Contents

	Page
Independent Auditors' Report On Compliance With Requirements That Could Have A Direct And Material Effect On Each Major Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133	2 - 3
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	4 - 5
Schedule Of Expenditures Of Federal Awards	6 - 7
Notes To Schedule Of Expenditures Of Federal Awards	8
Findings And Questioned Costs	9 - 10



Adelson Moynihan Kowalczyk PC

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited Pioneer Valley Transit Authority's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Pioneer Valley Transit Authority's major federal programs for the year ended June 30, 2011. Pioneer Valley Transit Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Pioneer Valley Transit Authority's management. Our responsibility is to express an opinion on Pioneer Valley Transit Authority's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Pioneer Valley Transit Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Pioneer Valley Transit Authority's compliance with those requirements.

In our opinion, Pioneer Valley Transit 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, 2011.

Internal Control Over Compliance

Management of Pioneer Valley Transit Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Pioneer Valley Transit Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of Pioneer Valley Transit Authority's 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above.

Schedule of Expenditures of Federal Awards

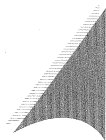
We have audited the financial statements of Pioneer Valley Transit Authority as of and for the year ended June 30, 2011, and have issued our report thereon dated September 14, 2011. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of management, the Advisory Board, the finance committee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Adelson Moynihan Kowalczyk PC

ADELSON MOYNIHAN KOWALCZYK PC

September 14, 2011



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**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 the
PIONEER VALLEY TRANSIT AUTHORITY
 2808 Main Street
 Springfield, MA 01107

We have audited the financial statements of the business-type activities of Pioneer Valley Transit Authority, a component unit of the Commonwealth of Massachusetts, as of and for the year ended June 30, 2011, which comprise Pioneer Valley Transit Authority's basic financial statements and have issued our report thereon dated September 14, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Pioneer Valley Transit Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pioneer Valley Transit Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Pioneer Valley Transit Authority's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pioneer Valley Transit Authority's financial statements are free of 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 determination of financial statement amounts. 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*.

We noted certain other matters that we have reported to management of Pioneer Valley Transit Authority in a separate letter dated September 14, 2011.

This report is intended solely for the information and use of management, the Advisory Board, the finance committee, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Adelson Moynihan Kowalczyk PC

ADELSON MOYNIHAN KOWALCZYK PC

September 14, 2011



PIONEER VALLEY TRANSIT AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Transportation Federal Transit Administration			
Direct programs			
5307 and 5309 Cluster Program			
Section 5307			
Capital assistance	20.507	MA-90-X318	\$ 5,812
Capital and planning assistance	20.507	MA-90-X352	205,770
Capital and planning assistance	20.507	MA-90-X389	45,775
Capital assistance	20.507	MA-90-X404	586,307
Capital and planning assistance	20.507	MA-90-X425	312,463
Capital assistance	20.507	MA-90-X446	664,304
Capital and planning assistance	20.507	MA-90-X469	169,333
Capital and planning assistance	20.507	MA-90-X512	143,262
Capital and planning assistance	20.507	MA-90-X541	9,042
Capital and planning assistance	20.507	MA-90-X567	574,409
Preventive maintenance assistance	20.507	MA-90-X567	62,794
Preventive maintenance assistance	20.507	MA-90-X585	953,388
Capital assistance	20.507	MA-90-X594	301,572
Paratransit ADA assistance	20.507	MA-90-X604	262,501
Preventive maintenance assistance	20.507	MA-90-X604	3,269,170
Paratransit ADA assistance	20.507	MA-90-X612	738,037
American Recovery and Reinvestment Act capital assistance	20.507	MA-66-X002	8,271
American Recovery and Reinvestment Act capital assistance	20.507	MA-96-X002	<u>10,819,636</u>
Subtotal 5307			<u>19,131,846</u>
Section 5309			
Capital assistance	20.500	MA-03-0248	112,179
Capital assistance	20.500	MA-03-0259	3,259
Capital assistance	20.500	MA-04-0020	118,311
Capital assistance	20.500	MA-04-0038	71,091
Capital assistance	20.500	MA-04-0045	<u>750,000</u>
Subtotal 5309			<u>1,054,840</u>
Total 5307 and 5309 Cluster Program			<u>20,186,686</u>

(Continued)

PIONEER VALLEY TRANSIT AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Direct programs (continued)			
Other direct programs			
Section 115 Capital assistance	20.205	MA-15-X004	426,196
Section 115 Capital assistance	20.205	MA-15-X007	1,863,716
Section 5317 New Freedom	20.521	MA-57-X015	74,235
Department of Homeland Security capital assistance	None	2009-RA-T9-0044	<u>1,300,000</u>
Subtotal other direct programs			<u>3,664,147</u>
Total direct programs			<u>23,850,833</u>
Passed through Massachusetts Department of Transportation			
Section 5310 Capital assistance	20.513	2008DRAV	878,064
Section 5311 Operating assistance	20.509	MA-19-X050	<u>32,671</u>
Total pass through programs			<u>910,735</u>
Total expenditures of federal awards			<u>\$ 24,761,568</u>

PIONEER VALLEY TRANSIT AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2011

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of Expenditures of Federal Awards includes the federal grant activity of Pioneer Valley Transit Authority and is presented on the accrual basis of accounting. Federal assistance awards are deemed to be earned and reported as revenue when the Authority has incurred expenditures in compliance with the specific restrictions. Amounts received but not yet earned are reported as deferred revenues. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

PIONEER VALLEY TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2011

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

FEDERAL AWARDS

Internal Control over major programs:

- Material weaknesses identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Type of auditors' report issued on compliance for major programs: Unqualified

- Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes no

Identification of major programs:

See detail on Schedule of Expenditures of Federal Awards

CFDA Number

20.500 and 20.507	Federal Transit Administration Cluster: Section 5309 Capital Assistance Section 5307 Operating, Capital and Planning Assistance
20.205	Section 115 Capital Assistance

Dollar threshold to distinguish between type A and type B programs: \$742,850

Auditee qualified as low-risk auditee? yes no

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no findings for the year ended June 30, 2011

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended June 30, 2011.

STATUS OF PRIOR YEARS AUDIT FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the prior year ended June 30, 2010.