

**FRANKLIN REGIONAL TRANSIT AUTHORITY**

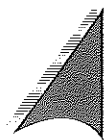
**Schedule of Expenditures of Federal Awards  
and OMB A-133 Auditors' Reports**

**Year Ended June 30, 2012**

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CERTIFIED PUBLIC ACCOUNTANTS

Established 1938

*Associates*

Russell A. Faerber, CPA  
 David M. Irwin, Jr., CPA  
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 Sarah P. Voisin, CPA

**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  
**FRANKLIN REGIONAL TRANSIT AUTHORITY**  
 12 Olive Street, Suite 1  
 Greenfield, MA 01301

**Compliance**

We have audited Franklin Regional 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 Franklin Regional Transit Authority's major federal programs for the year ended June 30, 2012. Franklin Regional 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 Franklin Regional Transit Authority's management. Our responsibility is to express an opinion on Franklin Regional 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 Franklin Regional 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 Franklin Regional Transit Authority's compliance with those requirements.

In our opinion, Franklin Regional 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, 2012.

### **Internal Control Over Compliance**

Management of Franklin Regional 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 Franklin Regional 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 Franklin Regional 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 the business-type activities of Franklin Regional Transit Authority as of and for the year ended June 30, 2012, and have issued our report thereon dated August 28, 2012, which contained an unqualified 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 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 auditing standards generally accepted in the United States of America. 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.

This report is intended solely for the information and use of management, the Advisory Board, the finance committee, 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

August 28, 2012



# Adelson Moynihan Kowalczyk PC

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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  
**FRANKLIN REGIONAL TRANSIT AUTHORITY**  
 12 Olive Street, Suite 1  
 Greenfield, MA 01301-3366

We have audited the financial statements of the business-type activities of Franklin Regional Transit Authority, a component unit of the Massachusetts Department of Transportation, as of and for the year ended June 30, 2012, which comprise Franklin Regional Transit Authority's basic financial statements and have issued our report thereon dated August 28, 2012. 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

Management of Franklin Regional Transit Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Franklin Regional Transit Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Franklin Regional Transit Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Franklin Regional 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 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.

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 Franklin Regional 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 reported to management of Franklin Regional Transit Authority in a separate letter dated August 28, 2012.

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

August 28, 2012

## FRANKLIN REGIONAL TRANSIT AUTHORITY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2012

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			
Section 5309 Capital Assistance	20.500	MA-04-0011	\$ 416,200
Passed Through Massachusetts Department of Transportation			
Section 5311 Operating Assistance	20.509	MA-18-X051	281,790
Section 5311 Operating Assistance	20.509	MA-18-X052	565,537
Section 5311 ARRA Capital Assistance	20.509	MA-06-X001	6,521,421
Section 5311 ARRA Capital Assistance	20.509	MA-06-X002	260,265
Section 5310 Capital Assistance	20.513	MAP-5310 Grant	253,214
Section 5316, Route 41	20.516	MA-37-X038	43,948
Section 5316, G-Link	20.516	MA-37-X038	15,044
Section 5316, G-Link	20.516	MA-37-X045	<u>126,067</u>
Total Expenditures of Federal Awards			<u>\$ 8,483,486</u>

## FRANKLIN REGIONAL TRANSIT AUTHORITY

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2012

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Franklin Regional Transit Authority under programs of the federal government for the year ended June 30, 2012. 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*. Because the Schedule presents only a selected portion of the operations of the Franklin Regional Transit Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Franklin Regional Transit Authority.

**NOTE 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 OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

## FRANKLIN REGIONAL TRANSIT AUTHORITY

## Findings and Questioned Costs

June 30, 2012

## 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

	Federal Transit Administration
20.509	Section 5311 Operating and Capital Assistance
20.500	Section 5309 Capital Assistance

Dollar threshold to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?  yes  no

## SECTION II – FINANCIAL STATEMENT FINDINGS

There were no findings for the year ended June 30, 2012.

## SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended June 30, 2012.

## STATUS OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS

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