



# The Commonwealth of Massachusetts

## AUDITOR OF THE COMMONWEALTH

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AUDITOR

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2011-0876-3R

Mr. Gary A. Shepard, Administrator  
Berkshire Regional Transit Authority  
One Columbus Avenue, Suite 210  
Pittsfield, Massachusetts 01201

April 20, 2011

Dear Mr. Shepard:

In accordance with Chapter 11, Section 12, of the Massachusetts General Laws, we have conducted an audit of American Recovery and Reinvestment Act (ARRA) funds received and expended at the Berkshire Regional Transit Authority (BRTA) for the period June 1, 2009 to December 31, 2010. The objectives of our audit were to assess the adequacy of BRTA's management controls for measuring, reporting, and monitoring the effectiveness of its programs and to evaluate compliance with laws, rules, and regulations applicable to each program. Also, we reviewed ARRA expenditures to determine whether these funds were expended for their intended purposes.

During our audit period, BRTA was awarded federal stimulus funds that totaled \$1,599,830 from the federal Department of Transportation (DOT) through the Federal Transit Administration's (FTA) Urbanized Area Formula Program. As of December 31, 2010, BRTA had received and expended ARRA funds totaling \$1,244,973, or 77.8% of the total federal stimulus funds awarded, as detailed in the following table:

<u>Program</u>	<u>Award Number</u>	<u>Award Amount</u>	<u>Funds Received</u>	<u>Funds Expended</u>
Urbanized Area Formula Program	MA-96-X004	\$1,454,391	\$1,158,267	\$1,158,267
Urbanized Area Formula Program	MA-66-X004	\$145,439	\$86,706	\$86,706
TOTALS		\$1,599,830	\$1,244,973	\$1,244,973

According to BRTA officials and our review of reports the Authority has filed with the FTA for its two grants, ARRA spending created 2.78 full-time jobs. Stimulus funds have been used by BRTA as follows:

1. The replacement of six transit buses, initiating the BRTA's multi-year plan to systematically replace its aging fleet. The vehicles being replaced under this program are four 1992 35-foot, 44-passenger used buses purchased in 2006, as well as two 2002 Opus 30-foot, 27-passenger buses purchased in 2002. These six vehicles have exceeded their useful lives by age (1992) or miles traveled (350,000) and will be replaced by 25-foot, 20-passenger minibus vehicles.
2. The rollout and eventual implementation of Multifaceted Intelligent Transportation Systems' (ITS) modernization plan, designed to update transit passenger amenities for the residents of Berkshire County through the use of the latest available technology, including Automatic Vehicle Locators (AVL), Next Stop Announcers, Automated Passenger Counters, Computer-Aided Scheduling, and dispatch hardware and software. The project consists of the procurement, installation, and implementation of fixed-route vehicle hardware components and computer software that will seamlessly integrate the components and computer hardware. The intra-facility communication system will be upgraded to a Voice Over Internet Protocol (VOIP) telecom system to ensure proper access to the ITS information from multiple locations.
3. Preventive maintenance for BRTA services for fiscal year 2010 (7/1/09-6/30/10).

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. To achieve our audit objectives, we reviewed the following:

- All federal stimulus funds applications and grants awarded to BRTA.
- Whether internal controls were developed to ensure that federal stimulus funds are safeguarded against loss, theft, and misuse.
- Recordkeeping procedures to verify that stimulus programs are properly authorized, supported by adequate documentation, and accounted for separately in BRTA's records.

- The receipt and expenditure of stimulus funds to determine whether they were reasonable and allowable under the terms of the grant award.
- The adequacy and timeliness of BRTA's federal stimulus reports to determine whether they were in compliance with reporting requirements.
- Reports on jobs created or sustained utilizing ARRA funds that were filed with FTA to ensure compliance with FTA reporting requirements.

Our tests in the above-mentioned areas disclosed no material weaknesses. Based on our review, we have concluded that, during the 19-month period ended December 31, 2010, BRTA maintained adequate management controls and complied with applicable laws, rules, and regulations for the areas tested.

Sincerely,

A handwritten signature in black ink, appearing to read "Suzanne M. Bump". The signature is written in a cursive, flowing style.

Suzanne M. Bump  
Auditor of the Commonwealth

cc. Sandra Lamb, Advisory Board Chairman