



DATE: October 21, 2021

TO: Hanna Cockburn, Director of Transportation

FROM: Internal Audit Division

SUBJECT: CMAQ FY 2019 Grant Review
(No Response Required)

The Internal Audit Division has conducted a review of the Congestion Mitigation and Air Quality (CMAQ) Fiscal Year 2019 Grant. The FY 2019 CMAQ Grant, listed as NC-2019-055-01 was to fund the purchase of bus replacements. The funding was noted as CMAQ flex funds provided by the Federal Highway Administration (FHWA).

The objectives of our review were to:

- Obtain and review the grant agreements with the Federal Transit Administration (FTA) for guidelines and allowable expenditures.
- Review a sample of expenditures and verify that the expenditures have appropriate documentation and are within contractual guidelines. Obtain and review contracts with vendors, as necessary. Verify existence of capitalized assets, if any.
- Verify amounts billed to the FTA were calculated correctly and have been received.
- Verify that required FTA reports are complete, accurate and submitted by the applicable deadlines.

Grant Agreements

The grant funding was to fund the replacement of three 2008 Goshen 35-foot diesel buses that were at the end of their useful life with three 40-foot all electric buses. The grant awarded \$1,945,949.00 (85%) of FTA funding for the purchase, which was budgeted at a total cost of \$2,289,352.00. The City was responsible for providing the local match of \$343,403.00 (15%). The period of performance was noted as May 2, 2017 through December 1, 2019. The grant was awarded by the FTA on September 10, 2019 and executed by the City of Greensboro on September 11, 2019.

The grant budget was revised on December 1, 2019 to reflect the revised actual total Federal Award Amount of \$1,940,502.00.

Expenditures

Total expenditures charged to this grant were \$2,282,944.00. We reviewed invoices for 3 electric buses that had a total of \$2,282,944.00 charged to the grant, which is 100% of total expenditures. We also agreed invoiced amounts to the purchase order.

The invoices were from Proterra, Inc. for the purchase of three (3) 40-foot Electric buses. The following invoices were reviewed:

<u>Invoice #</u>	<u>Date</u>	<u>Bus #</u>	<u>Charged to Grant</u>
1012777	December 6, 2019	873	\$ 783,837.00
1012778	December 6, 2109	875	783,837.00
1012779	December 6, 2019	876	<u>715,270.00</u>
	Total		\$2,282,944.00

The reviewed invoices have appropriate documentation and the expenditures appear to be within contractual guidelines and meet the purpose of the grant.

We also physically verified existence of bus 875. We visited the J. Douglas Galyon Depot on Friday, October 15, 2021 and viewed the bus. We noted the serial numbers from the invoices matched the number on bus 875.

Grant Reimbursements

The total amount of Federal Grant revenue was \$1,940,502.00. This amount was received from the FTA on February 24, 2020. We reviewed the Lawson entry for this cash receipt. This amount received from the FTA calculates to 85% of total expenditures, which agrees to the percentage in the grant agreement.

Amounts appear properly calculated and received, as noted above.

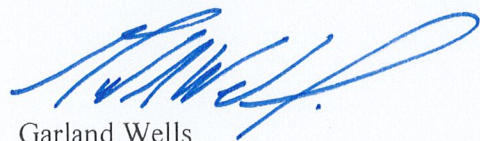
The city match is \$343,403.00. This amount meets the match requirement per the grant documents. However, this amount exceeds the 15% match requirement by \$961.00 since this project came in under the original projected budget. This amount should be adjusted when the grant is closed in Lawson.

Reporting

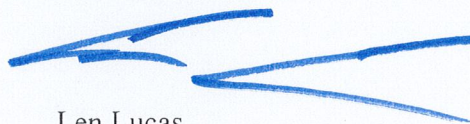
We reviewed the Federal Financial Report and Milestone Progress Report for the period October 1, 2019 to April 8, 2020. These were the final reports for this grant. Copies of the reports were obtained from Cari Hopson, Grants Administrator. Both reports appear to be filed on April 8, 2020.

We reviewed the reports, verified mathematical accuracy on a test basis and agreed amounts to Lawson financial reports and grant documentation, as applicable. It appears the Federal Financial Report and Milestone Progress Report were submitted timely and amounts appear accurately reported.

We would like to thank the staff of the Transportation Department for their assistance and cooperation during this review. If there are any questions concerning the details of this review, please call us at (336) 373-2230.



Garland Wells
Internal Auditor



Len Lucas
Internal Audit Director

cc: Kimberly Sowell, Assistant City Manager
Larry Davis, Assistant City Manager
Bruce Adams, Public Transportation Manager