



DATE: December 6, 2021

TO: Hanna Cockburn, Director of Transportation

FROM: Internal Audit Division

SUBJECT: Section 5339 Bus Replacement FY 2019 Grant Review
(No Response Required)

The Internal Audit Division has conducted a review of the Section 5339 FY 19 Replacement Bus Grant. The grant, listed as NC-2019-034-01 provided funding to both the City of Greensboro and Guilford County. The funding was to fund the purchase of bus replacements for the paratransit fleet for the City and provide support vehicles for the County. The funding was provided by the Federal Transit Administration (FTA).

Section 5339 (49 U.S.C. 5339) is the Grants for Buses and Bus Facilities Program and allocates funds to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities including technological changes or innovations and to modify low or no emission vehicles or facilities.

The objectives of our review were to:

- Obtain and review the grant agreement 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 that required FTA reports are complete, accurate and submitted by the applicable deadlines.
- Verify amounts billed to the FTA were calculated correctly and have been received.

Grant Agreements

We obtained the Grant documentation from the Greensboro Department of Transportation – Public Transportation Division. The period of performance was noted as the date of the grant award, July 11, 2019 to March 30, 2023.

City Replacement Buses

The grant awarded \$539,665.00 of FTA funding for the purchase of nine replacement paratransit buses, which was budgeted at a total cost of \$634,900.00. The City was responsible for providing the local match of \$95,235.00. Federal funding was noted as 85% and local funding was noted as 15%. These buses were to replace older paratransit buses, which had met their useful lives.

Guilford County Transportation and Mobility Services (TAMS)

The grant originally awarded Guilford County \$40,403.00 for the purchase of two support vehicles. The County match was estimated at \$5,015.00. However, Guilford County elected not to use this grant funding. Their funds were reallocated to the City of Greensboro. The City amounts noted above include this amount originally allocated to the County.

Expenditures

Total expenditures charged to this grant were \$634,900.00. We reviewed items totaling \$618,852.00 or 97.5% of total expenditures.

<u>Date</u>	<u>Invoice Number</u>	<u>Total</u>	<u>Charged to Grant</u>
April 20, 2020	2742	\$76,486.56	\$ 35,913.08
April 20, 2020	2735	76,486.56	76,486.56
April 20, 2020	2736	76,486.56	76,486.56
April 20, 2020	2737	76,486.56	76,486.56
April 20, 2020	2738	76,486.56	76,486.56
April 20, 2020	2739	76,486.56	76,486.56
April 20, 2020	2740	76,486.56	76,486.56
April 20, 2020	2741	76,486.56	76,486.56
<u>September 10, 2020</u>	2771	76,530.31	<u>47,533.00</u>
Total			\$618,852.00

We visited the Public Transportation Maintenance Facility to physically verify the existence of two of the buses purchased above. We viewed bus 4034 (invoice 2736) on December 1, 2021 and we viewed bus 885 (invoice 2739) on December 3, 2021. For both, we noted the serial numbers from the invoices matched the numbers physically on the bus. The buses appeared to be in good condition.

The reviewed expenditures have appropriate documentation and appear to be within contractual guidelines.

Reporting

We reviewed the Federal Financial Reports and Milestone Progress Reports for the periods ended September 30, 2020 and January 8, 2021. Copies of the reports were obtained from the Public Transportation Division files.

The Federal Financial Report and Milestone Progress Reports for the period ended September 30, 2020 were due on October 30, 2020. It appears the Federal Financial Report was filed on October 30, 2020 and that the Milestone Progress Report was filed on October 21, 2020. The final Federal Financial Report and Milestone Progress Reports were filed on January 12, 2021. We reviewed the reports, verified mathematical accuracy on a test basis and agreed amounts to Lawson financial reports and grant documentation, as applicable. This grant met the FTA criteria for annual reporting.

It appears the Federal Financial Reports and Milestone Progress Reports were submitted timely and amounts appear accurately reported.

Grant Reimbursements

The total amount of Federal Grant revenue is \$539,665.00. Amounts were received from the FTA as follows:

June 30, 2020	\$485,621.00
September 30, 2020	13,641.00
December 31, 2020	<u>40,403.00</u>
Total	\$539,665.00

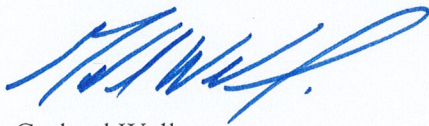
We reviewed the Lawson entries for the cash receipts from the FTA.

The grant revenue of \$539,665.00 calculates to 85% of total grant expenditures of \$634,900.00. That percentage agrees to the amount in the grant document.

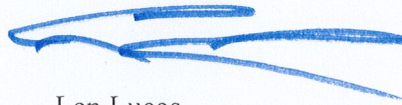
Amounts appear properly calculated and received, as noted above.

The local match is \$95,235.00. That amount meets grant requirements.

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