



DATE: June 7, 2022
TO: Hanna Cockburn, Director of Transportation
FROM: Internal Audit Division
SUBJECT: Section 5307 FY17 Capital and Operating Grant Review
(No Response Required)

The Internal Audit Division has conducted a review of the Section 5307 FY 2017 Capital and Operating Grant. Section 5307 provides federal funding to urbanized areas for transit capital and operating assistance and for transportation-related planning. The grant, listed as NC-2017-007-01 was to support five items with funding of \$4,340,080.00. The items were categorized as (1) GTA preventative maintenance, (2) GTA operating assistance, (3) security enhancements, (4) capital equipment and (5) ADA paratransit operating assistance. The required local match was noted as \$2,017,270.00 and the total projected budget was \$6,357,350.00. The expenditures on the grant occurred in the fiscal years ending June 30, 2017 through June 30, 2019.

The objectives of our review were to:

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

Grant Agreement

We obtained the Grant documentation from David Pegg, Grants Administrator with the Greensboro Department of Transportation, Public Transportation Division. The five items funded by the grant are described below.

The grant provided \$2,569,696.00 of funding to support up to 80% of the preventative maintenance costs for the Greensboro Transit Authority (GTA) for the fiscal year ended June 30, 2017. The total projected budget was \$3,212,120.00 and the grant funded 80% of that cost. The required local match was estimated at \$642,424.00.

The grant provided \$1,243,000.00 for operating assistance for the Greensboro Transit Authority fixed route services. The period of performance was noted as July 1, 2016 through June 30, 2017. The grant required a local match of \$1,243,000 (50%) and had a total budget of \$2,486,000.00.

The grant also awarded \$434,235.00 of funding for operating assistance of ADA paratransit service. The period of performance was noted as July 1, 2016 through June 30, 2017. The budget for this item was \$542,794.00 and the grant funded 80%. The required local match was estimated at \$108,559.00.

The grant awarded \$48,964.00 of funding for the purchase of real-time tracking software of paratransit vehicles. The budget for this item was \$61,205.00 and the grant funded 80%. The required local match was estimated at \$12,241.00.

The grant awarded \$44,185.00 for the purchase of a scissor lift and a forklift for use in preventative maintenance at GTA facilities. The total budget for this was \$55,231.00 and the grant funded 80%. The required local match was estimated at \$11,046.00.

In summary, grant amounts by item are:

<u>Item</u>	<u>Grant Amount</u>	<u>Local Match</u>	<u>Total</u>
Preventative Maintenance	\$2,569,696.00	\$ 642,424.00	\$3,212,120.00
Operating Assistance	1,243,000.00	1,243,000.00	2,486,000.00
ADA Operating Assistance	434,235.00	108,559.00	542,794.00
Tracking Software	48,964.00	12,241.00	61,205.00
<u>Capital Equipment</u>	<u>44,185.00</u>	<u>11,046.00</u>	<u>55,231.00</u>
Totals	\$4,340,080.00	\$2,017,270.00	\$6,357,250.00

Expenditures

The expenditures on the grant occurred in the fiscal years ending June 30, 2017 through June 30, 2019. Total expenditures charged to this grant were \$6,357,350.00. We reviewed items that represented \$607,169.69 or 9.6% of grant expenditures.

<u>Items Reviewed:</u>	<u>Net Amount:</u>	<u>Description</u>
TransDev	\$501,472.88	March 2017 Maintenance/Operating Expenses
TransDev	50,052.81	March 2017 ADA Operating Expenses
Carolina Forklift	32,389.00	Rough Terrain Scissor Lift
TripSpark	<u>23,255.00</u>	Drivermate Software
Total	607,169.69	

The TransDev charges represented a portion of maintenance and operating expenses for March 2017. We agreed rates to the contract with TransDev and recalculated amounts on a test basis. Amounts charged to the grant represent 62.09% of total charges. The total invoice from TransDev for the month of March 2017 was \$1,503,917.03.

For the Carolina Forklift invoice, we agreed amounts and description to the purchase order. The entire amount of this invoice was charged to the grant. For the TripSpark invoice, we also agreed amounts and description to the purchase order. The total invoice amount was \$32,330.00.

For all reviewed invoices, we verified that items appear to meet the grant guidelines. The reviewed invoices appear to have appropriate documentation and appear to meet the purpose of the grant.

Reporting

We obtained copies of the Federal Financial Report and Milestone Progress Report for the periods of April 1, 2019 through June 30, 2019. We reviewed the reports, verified mathematical accuracy on a test basis and agreed amounts to Lawson financial reports and grant documentation, as applicable.

The Federal Financial Report listed total expenditures of \$6,357,350.00 and the total Federal Reimbursement amount of \$4,340,080.00. It appears the Federal Financial Report was filed on July 26, 2019 and it appears the Milestone Progress Report was filed on July 23, 2019. The due date for both reports was July 30, 2019.

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

Grant Reimbursements

The total amount of Federal Grant Revenue was \$4,340,080.00. Amounts were received as follows:

March 5, 2018	\$4,246,931.00
August 7, 2018	9,533.00
October 30, 2018	30,851.00
February 6, 2019	44,185.00
May 6, 2019	4,290.00
July 31, 2019	<u>4,290.00</u>
Total	\$4,340,080.00

For all the above amounts, we reviewed the Lawson cash receipt entries. For the first amount received of \$4,246,931.00, we agreed reimbursement rates to the grant agreement and recalculated amounts billed without exception. This represents 97.9% of the total grant amount received.

Amounts appear properly calculated and received.

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
Bruce Adams, Public Transportation Manager