



DATE: May 3, 2016

TO: Adam Fischer, Director of Transportation

FROM: Internal Audit Division

SUBJECT: CMAQ Bus Replacement FFY 13 Grant Review
(No Response Required)

The Internal Audit Division has conducted a review of the CMAQ Bus Replacement Federal Fiscal Year 2013 Grant. The grant, listed as NC-95-X066-00, was to fund the replacement of two 35-foot buses and four less than 30-foot buses that were meeting their useful life. Grant funds were used to purchase five 25-foot buses and two 40-foot buses.

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

Total expenditures charged to this grant were \$1,681,499. The total amount of Federal Grant revenue was \$1,395,644. As of March 31, 2016, the total amount of State Grant revenue was \$26,941 and the City Match is \$151,374, making total revenue \$1,573,959.

On February 16, 2016, City Council approved an additional NCDOT grant in the amount of \$101,397 for this project. That grant is being finalized as of the date of this report. The department will also be requesting a journal entry to adjust the City Match by an additional \$6,143.

Grant Agreement

We obtained the Grant documentation from Cari Hopson, Grants Administrator with the Greensboro Department of Transportation – Public Transportation Division. The grant awarded \$1,396,000 of FTA funding for the purchase, which was budgeted at a total cost of \$1,681,928. The grant listed the State funding as \$134,554 and the City was responsible for providing the remaining match of \$151,374. The period of the grant was listed as July 1, 2012 through June 30, 2015. The grant was awarded on August 8, 2013 and executed by the City of Greensboro on August 12, 2013.

There was also an agreement with the North Carolina Department of Transportation to fund a portion of this project, which was noted as project number 15-95-066. The agreement agreed to fund up to 8% of the project, up to a maximum of \$33,156. It required the City to contribute at least 9% of the project. The period of this grant was also July 1, 2012 through June 30, 2015.

Expenditures

We reviewed three invoices totaling \$748,137 or 44.5% of total expenditures. The first item reviewed was invoice 287948 from National Bus Sales & Leasing, in the amount of \$67,653. The invoice was for a 25-foot 2014 Champion Challenger bus. We also reviewed invoice 58253 from Gillig LLC, in the amount of \$650,234. The invoice was for a low floor hybrid electric 40-foot bus. The third item reviewed was invoice 510813 from Apollo Video Technology, with \$30,550 charged to this grant. The invoice was for Vehicle Information Management software for the buses. 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 the buses purchased above. We visited the J. Douglas Galyon Depot on March 24, 2016 and viewed the Gillig bus. We also visited the GTA facility on March 30, 2016 and viewed the Champion Challenger bus. For both vehicles, we noted the serial numbers from the invoices matched the numbers physically on the buses.

Reporting

We reviewed the Federal Financial Reports and Quarterly Narrative Reports for the periods ended December 31, 2014 and June 30, 2015. Copies of the reports were obtained from Cari Hopson, Grants Administrator. 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 Quarterly Narrative and Financial Reports were submitted timely and amounts appear accurately reported.

Grant Reimbursements

We reviewed supporting documentation for two cash receipts from the FTA and one cash receipt from NCDOT. \$1,081,182 was received on July 30, 2015 and \$226,952 was received on March 4, 2015, both from the FTA. Additionally, \$26,941 was received from NCDOT on September 28, 2015. We reviewed supporting documentation for these items.

Total Federal amounts reviewed of \$1,308,134 represent 93.7% of Federal Grant revenue. The NCDOT amount reviewed represents 100% of State Grant revenue, as of the date of this report. Amounts appear properly calculated and received, as noted above.

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 373-2230.



Garland Wells
Internal Auditor



Len Lucas
Internal Audit Director

cc: Jim Westmoreland, City Manager
David Parrish, Assistant City Manager
Bruce Adams, Public Transit Division Manager
Carrie Hopson, Grants Administrator