

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



May 8, 2023

Mayor Randall Hutto, Board Chair
Regional Transportation Authority
430 Myatt Dr.
Madison, TN 37115

Dear Mayor Hutto:

Please find attached the monitoring report of the Regional Transportation Authority relating to the contract it had with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2022.

The Office of Financial Accountability is charged with the responsibility of monitoring grant funds, including Direct Appropriations, from Metropolitan Nashville Government to any nonprofit organization. Staff from the Office of Financial Accountability initiated the review on February 7, 2023.

We appreciate the assistance provided by your agency during the course of the review. If you have any questions, please call me at 615-862-6712.

Sincerely,

Kevin Brown

Kevin Brown, CMFO, CFE
Director, Office of Financial Accountability

cc: Stephen G. Bland, CEO, Regional Transportation Authority
Ed Oliphant, CFO, Regional Transportation Authority
Kelly Flannery, Director of Finance, Department of Finance

Lauren Riley, Metropolitan Auditor, Office of Internal Audit
Essie Robertson, CPA, CMFO, CICA, Office of Financial Accountability
Nicole Whitlock, CMFO, CICA, Office of Financial Accountability
Camile Crutcher, Office of Financial Accountability
Metro Finance Leadership Team



Metropolitan Government of Nashville and Davidson County

REGIONAL TRANSPORTATION AUTHORITY

◆ Monitoring Report ◆

Conducted by



Office of Financial Accountability

May 8, 2023

MONITORING REPORT

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INTRODUCTION

The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a monitoring review of Regional Transportation Authority (hereinafter referred to as “NPEF”). A monitoring review is substantially less in scope than an audit. The OFA did not audit the financial statements and, accordingly, does not express an opinion or any assurances regarding the financial statements of the NPEF or any of its component units. The OFA is responsible for the internal monitoring of Metropolitan Government of Nashville and Davidson County (hereinafter referred to as “Metro”) agencies that receive federal and state financial assistance, including cooperative agreements and non-profit organizations that receive Direct Appropriations and Community Partnership Funds from Metro government. In summary, any agreement(s) that imposes performance and/or financial requirements on Metro government is subject to review by the OFA.

The purpose of this review was to assess the agency’s compliance with contractual requirements set forth in the following contract with Metro Government:

Contract	Type	Amount	Contract Term	
L-4923	Direct Appropriation	\$1,820,200	July 1, 2021	June 30, 2022

Agency Background

Regional Transportation Authority (RTA) is an agency supported by member communities. Created by the Tennessee General Assembly, RTA is charged with the responsibility of developing and overseeing the implementation of a mass transit plan for Middle Tennessee. This agency is led by a board of city and county mayors and serves the following ten Middle Tennessee counties: Davidson, Sumner, Williamson, Wilson, Robertson, Cheatham, Dickson, Rutherford, Montgomery, and Maury. RTA provides assistance with the operation of the Music City Star Regional Rail Train serving 32-mile stretch of railway. RTA works with WeGo Public Transit to operate ten regional bus routes traveling between downtown Nashville and Clarksville, Dickson, Franklin, Gallatin, Hendersonville, Joelton, LaVergne, Smyrna, Spring Hill, Springfield/Robertson County, and Murfreesboro to link riders with 37 routes throughout Davidson County. In addition, RTA’s rideshare program organizes vanpools and carpools for commuters throughout Middle Tennessee.

The objectives of our review were:

OBJECTIVES, SCOPE AND METHODOLOGY

- 1) To determine whether the agency had the resources and capacity to administer the grant funds.
- 2) To determine if costs and services were allowable and eligible.
- 3) To verify that program objectives were met.
- 4) To test the reliability of the financial and programmatic reporting.
- 5) To verify contractual compliance.

The scope of our review was limited to the contract term July 1, 2021 through June 30, 2022.

The monitoring review procedures included meeting with agency management and staff, reviewing board minutes and obtaining written representations from management. In addition, we examined certain financial records and supporting documentation necessary to ensure compliance with contractual requirements set forth in contract L-4923. Specific procedures included:

- Interviewing the employees responsible for grant management, financial reporting and accountability.
- Reviewing supporting documentation of expenditures for allowability, necessity and reasonableness.
- Reviewing the agency's general ledger and verifying the accuracy of all invoices submitted to Metro.
- Reviewing documentation to determine that funds were used for intended beneficiaries and expended in accordance with the spending plan of the contract.
- Reviewing documentation to support program activities for consistency with grant requirements.
- Assessing the financial stability of the agency and its ability to continue to administer the grant program funded by Metro.

RESULTS OF REVIEW

SUMMARY OF RESULTS

Criteria	Yes	No
Sufficient Resources and Capacity to Administer Funds?	✓	
Costs and Services Allowable and Eligible?	✓	
Program Objectives Met?	✓	
Reporting Requirements Met?	✓	
Compliance with Civil Rights Requirements?	✓	

RESULTS OF REVIEW

The overall results of the monitoring review are provided in this section. Results are based on test work performed and include conclusions regarding specific review objectives and, if applicable, recommendations for improvement and an action plan for implementation. Where applicable, the Findings and Recommendations section of this report provides more insight into any issues identified below.

1. Sufficient Resources and Capacity to Administer Grant Funds

Our review of the agency's accounting system and the qualifications of the individuals assigned to manage the accounting records indicate that the agency possesses the necessary resources and professional expertise to effectively administer the grant funds.

2. Allowable and Eligible Costs and Services

Our review covered all the core compliance areas identified by 2 CFR Part 200: *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Additionally, the Metro Grants Manual requires separate accounting of the Metropolitan Nashville Government grant funds to prevent co-mingling of Metro Funds with other sources of funding. The agency was in compliance with this requirement. Different revenue classes as well as expenditure classes have been established to separately track the sources and amounts of funding. Also, the agency can easily and accurately report their expenses supported by the Metro Appropriation.

Based on our test work, costs and services during the period were allowable and eligible.

3. Program and Performance Objectives

The contract stipulates that the agency shall use the funds to provide the following services:

1. Operate assistance the Music City Star Regional Rail Train Service: 32-mile stretch of railway which includes 7 station stops: Lebanon, Hamilton Springs,

RESULTS OF REVIEW

Martha, Mt. Juliet, Hermitage, Donelson, and Riverfront, with a total of 6 peak trips per day, Mon.-Fri.). Due to COVID, there are currently 2 round trips per day, but will return to pre-COVID 3 round trips per day on October 1, 2021.

2. Provide supplemental train shuttle services that carries passengers from the train to the WeGo Central Transit Center and then to the Vanderbilt Medical Center and university district.
3. Provide several special event trips such as July 4th, New Year's Eve, Wilson County Fair, St. Jude's Music City Marathon, A Taste of Tennessee Wine Festival, Grand Prix Express and Titan's Game Day Express
4. Operate the Relax and Ride commuter services for 10 different service routes traveling from downtown Nashville to Clarksville, Dickson, Franklin, Gallatin, Hendersonville, Joelton, LaVergne, Smyrna, Spring Hill, Springfield/Robertson County, and Murfreesboro. A total of 65 trips offered to these outlying cities. While FY21 ridership only reached almost 38,900 riders due to COVID, our pre-COVID ridership typically serves over 273,500 riders. Metro's financial assistance will help RTA leverage federal funding made available throughout the Federal Transit Administration (FTA) transit assistance program. Full service is expected to resume in Oct 2021.

Based on our review of program documentation and discussions with staff, the program performance objectives were met, and the agency was in compliance with contractual program objectives.

4. Reliability of Financial and Programmatic Reporting

The contract requires submission of an annual audit report performed by a Certified Public Accountant. The contract also requires the agency to submit to Metro an interim program report by February 15, 2022, and year end reports of the program outcomes and a final expenditures report, no more than 45 days after the close of the contract.

RESULTS OF REVIEW

We reviewed all applicable financial and programmatic reports required by the contract, including audited financial statements. Based on our review, the agency complied with all financial and programmatic reporting requirements.

5. Civil Rights Requirements

Our review did not reveal anything to indicate that the agency was noncompliant with civil rights requirements. The agency also has necessary written policies and procedures relating to civil rights. The agency has not received any complaints regarding any form of discrimination. Further, civil rights and ADA postings are publicly displayed.