



City of Greensboro

Date: December 24, 2008
To: Mitchell Johnson, City Manager
From: Internal Audit Division
Subject: Revenue Analysis for 2007-2008 / Engineering & Inspections

The Internal Audit Division has performed a Revenue Analysis of various Departments throughout the City of Greensboro. Attached you will find our review report; the departmental response; and our replies to their responses. We feel that our recommendations have been sufficiently addressed as we move forward. If you have any questions or need additional information, please let us know. Thanks.

A handwritten signature in black ink, appearing to read "Len Lucas".

Len Lucas
Internal Audit Director

Cc: Bob Morgan, Deputy City Manager
Walter Simmons, Engineering & Inspections Director



City of Greensboro

Date: November 4, 2008
To: Butch Simmons, Engineering & Inspections Director
From: Internal Audit Division
Subject: Revenue Analysis for 2007-2008

Internal Audit has performed an analysis of department revenue accounts to ensure that each department is aware of significant decreases in revenue. The analysis covers the period July 1, 2007 through June 30, 2008. Attached is a spreadsheet with the accounts that have decreased by 10% or \$100,000 over the time period. An electronic copy of the spreadsheet is available upon request.

Please provide us with an explanation of the decrease in revenue for each account listed. We would appreciate your response by November 18, 2008. Thank you in advance for your cooperation. If there are any questions regarding the analysis, please call us at 373-2230.

Kimberly Strickland
Internal Auditor

Len Lucas
Internal Audit Director

cc: Bob Morgan, Deputy City Manager
Jim Westmoreland, Acting Assistant City Manager for Economic Development

Engineering & Inspections Department Revenue Analysis

				2007	2007 Section Totals	2008	2008 Section Totals	\$ Difference	\$ Difference (Per Section)	% Difference	% Difference (Per Section)	Explanation of Difference
101	6010-01	7215	Cable Tv Access Licenses	(1,934,976.49)		(421,702.94)		(1,513,273.55)		-78.2063%		See below for explanation
101	6010-01	7217	Long Distance Licensing	(446,681.36)		(177,219.58)		(269,461.78)		-60.3253%		
101	6012-15	7240	Street Privileges & Licenses	(58,818.00)		(48,155.00)		(10,663.00)		-18.1288%		
101	6012-15	7260	Building Permits	(1,056,837.60)		(942,253.85)		(114,583.75)		-10.8421%		
101	6012-16	7271	Electrical Permits	(733,756.70)		(592,206.35)		(141,550.35)		-19.2912%		
101	6012-17	7272	Plumbing Permits	(537,234.00)		(447,079.50)		(90,154.50)		-16.7812%		
101	6012-02	7280	Other Permits	(388,406.25)		(285,798.75)		(102,607.50)		-26.4176%		
101	6002-04	7431	Plan Reviews/W&S/Roadways	(531,341.43)		(239,600.72)		(291,740.71)		-54.9064%		
101	6006-02	8600	Sale Of Materials	-		(252.45)		252.45		100.0000%		
101	6007-09	8600	Sale Of Materials	(461.60)	(461.60)	(36.25)	(288.70)	(425.35)	(172.90)	-92.1469%	-37.4567%	
101	6001-07	8690	All Other Revenue	(3,789.50)		(759.00)		(3,030.50)		-79.9710%		
101	6002-01	8690	All Other Revenue	(60,149.20)		(55,043.40)		(5,105.80)		-8.4886%		
101	6002-03	8690	All Other Revenue	(16,163.95)		(19,265.00)		3,101.05		19.1850%		
101	6002-04	8690	All Other Revenue	-		(6,464.25)		6,464.25		100.0000%		
101	6012-01	8690	All Other Revenue	(8,628.75)		(6,279.00)		(2,349.75)		-27.2316%		
101	6012-02	8690	All Other Revenue	31,000.00		-		31,000.00		-100.0000%		
101	6012-15	8690	All Other Revenue	(6,836.62)		(6,518.84)		(317.78)		-4.6482%		
101	6014-03	8690	All Other Revenue	(113,026.81)	(177,594.83)	(54,351.81)	(148,681.30)	(58,675.00)	(28,913.53)	-51.9125%	-16.2806%	

Note: Difference for Cable TV Access can be found in the below accounts per John Gribble.

101	0000-00	7127	Video Programming Sales Tax	(199,370.84)	(761,880.23)	562,509.39	282.14%
101	0000-00	7128	Direct to Home Satellite Sales Tax	(269,120.96)	(767,779.57)	498,658.61	185.29%
101	0000-00	7129	Telecommunication Svc Sales Tax	(431,796.20)	(1,073,239.79)	641,443.59	148.55%
			Total from State	(900,288.00)	(2,602,899.59)	1,702,611.59	189.12%

Instructions: Please look at the above accounts and provide an explanation as to the difference for 2007-2008.



Date: December 12, 2008
To: Butch Simmons, Engineering & Inspections Director
From: Internal Audit Division
Subject: Response to Engineering & Inspections Revenue Analysis

We have received your response concerning the Engineering & Inspections Revenue Analysis. What has caused the long distance licensing to decrease? Is there a similar set-up with the State such as Cable TV licensing? All other responses are reasonable and we have no further questions.

Thank you for your response. If you have any questions regarding our response, please contact us at 373-2230.

Handwritten signature of Kimberly Strickland in black ink.

Kimberly Strickland
Internal Auditor

Handwritten signature of Len Lucas in black ink.


Len Lucas
Internal Audit Director

cc: Bob Morgan, Deputy City Manager

Majority of revenue received by the City is sent directly from the State and is based on sales tax imposed on cable, satellite, hotel/motel video sales and telecom as described through the 2006 Video Competition Act. The state tax replaces some of the franchise fees now being charged local cable franchise operators. The 101-6010-01.7215 account will continue to receive installments from Time Warner pertaining to installation, equipment, home shopping, and advertising for a limited amount of time and the state received funds are placed into the following accounts:

101-0000-00.7126 Supplemental PEG Channel Support
101-0000-00.7127 Sales Tax on Video Programming
101-0000-00.7128 Sales Tax on Direct-to-Home Satellite
101-0000-00.7129 Sales Tax on Telecommunication Service

John Gribble, MPA

 City of Greensboro
Engineering & Inspections
Franchise & R-O-W Management
300 W. Washington Street
P.O. Box 3136, Greensboro, NC 27402-3136
Phone: 336-373-2464 Fax: 336-373-2338
john.gribble@greensboro-nc.gov



Date: December 16, 2008
To: Butch Simmons, Engineering & Inspections Director
From: Internal Audit Division
Subject: Response to Engineering & Inspections Revenue Analysis

We have received your response concerning the long distance licensing. We agree with your response and at this time have no further questions.

Thank you for your response. If you have any questions regarding our response, please contact us at 373-2230.

Handwritten signature of Kimberly Strickland in black ink.

Kimberly Strickland
Internal Auditor

Handwritten signature of Len Lucas in black ink.

Len Lucas
Internal Audit Director

cc: Bob Morgan, Deputy City Manager

Strickland, Kimberly

From: Gribble, John
Sent: Tuesday, December 16, 2008 8:45 AM
To: Strickland, Kimberly
Subject: RE: Long distance Licensing

Kimberly,

The largest item is that City Council changed the rates that franchisees are charged from \$3.00 per linear foot to \$1.75 per linear foot. Secondly, we negotiated a settlement through City Legal with Qwest (a franchisee) and AT&T assumed a franchisee that was in bankruptcy. These three items led to the variance in revenue from FY 2007 to FY 2008.

John Gribble, MPA

 City of Greensboro

Engineering & Inspections

Franchise & R-O-W Management

300 W. Washington Street

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Phone: 336-373-2464 Fax: 336-373-2338

john.gribble@greensboro-nc.gov

From: Strickland, Kimberly
Sent: Monday, December 15, 2008 7:54 AM
To: Gribble, John
Cc: Lucas, Len
Subject: RE: Long distance Licensing

The account 101-6010-01.7217, long distance licensing, received 446,681.36 in revenue for FY 2007. That same account in FY 2008 only received 177,219.58. At first glance that is a significant decrease in revenue; however, I am trying to find a reasonable explanation for it. I wondered if it was being handled in a similar way as cable tv licenses were and if maybe the money was now being attributed to different accounts. Can you provide me with a reason for the decrease? Thanks.

Kimberly Strickland

Internal Audit

City of Greensboro

P: 336-373-2230 F: 336-373-2138

kimberly.strickland@greensboro-nc.gov


From: Gribble, John
Sent: Friday, December 12, 2008 3:56 PM
To: Strickland, Kimberly; Lucas, Len
Subject: Long distance Licensing

Kimberly,

I received your letter today dated December 12, 2008 regarding long distance licensing. Can

you send me a more detailed question and I will be able to offer a response. Which fiscal years are you referring showing decreases in revenue?

John Gribble, MPA

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