



March 9, 2010

TO: Adam Fischer, Director of Transportation
FROM: Internal Audit Division
SUBJECT: GTA ARRA Quarterly Review for FY 2009-2010

The Internal Audit Division has conducted a review of the American Recovery and Reinvestment Act of 2009 (ARRA) expenditures of the Greensboro Transit Authority (GTA). The ARRA funds are for the GTA Maintenance/Operations Transit Facility and Administrative offices and the period covers the quarters ending September 30th and December 31st of fiscal year 2009-2010. The objectives of our review were to:

- Verify that the quarterly reports are complete and accurate.
- Verify that sampled expenditures were correctly documented and substantiated and in agreement with ARRA guidelines.
- Verify that the subcontracts executed were in agreement with ARRA guidelines.
- Verify that the subcontractor expenditures were eligible expenses and that there was appropriate documentation within contract guidelines.

Funding for the GTA ARRA expenditures comes from the Federal Transit Administration (FTA). The total award amount is \$5,455,967 with expenditures of \$136,141.03 for July 1 through December 31, 2009.

Quarterly Financial Report

We received the Federal prime recipient quarterly financial reports, due to the FTA by the 15th of the next month after the quarter end, from Libby James, Manager of Public Transit, and compared it to the Budget and Cost of Operations Statement. Upon review of the Federal prime recipient quarterly financial report, pay item summary by project, and the Budget and Cost of Operations Statement, all figures appear to be complete and accurate.

Expenditures

We sampled all expenditures incurred during the review period. The expenditures were for the completed Phase I portion of the GTA facility and totaled \$136,141.03. All expenditures had available back-up documentation, checks and invoices, and appeared to be spent in accordance with ARRA guidelines.

Subcontracts

We received the contract from Renee Saul, Contract Administration Specialist with Engineering & Inspections. As per the award and funding agreement the ARRA expenditures were used to contract with Thomas Stanley Grading and Hauling Inc for the GTA Transit and Operations facility. The contract appears to be properly signed in accordance with ARRA guidelines.

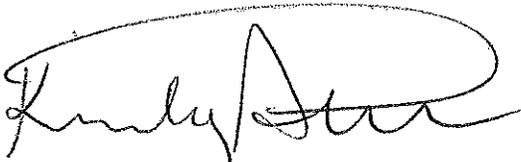
Reimbursed Expenses

During the review period, payments were made to the subcontractor for the expenses that had been incurred. All payments were sampled and we made a visit to the site of the proposed facility. Renee Saul provided us with the payment information that Thomas Stanley Grading and Hauling Inc sent with the invoices.

Thomas Stanley Grading and Hauling Inc

The three expenditures made during the review period were payments made to Thomas Stanley Grading and Hauling Inc for work on Phase I of the GTA Maintenance/Operations Transit Facility and Administrative offices. All payments included payment information from the contractor. In addition, all payments appear to be for contract/ARRA applicable expenditures. The contract was completed on September 15th at \$136,141.03, \$107,202.97 under budget from the original \$243,344 budgeted. A final adjusting change order has been routed to close out the contract and will be on the March 16, 2010 City Council agenda.

We would like to thank the staff of Engineering & Inspections and Transportation 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.



Kimberly Strickland
Internal Auditor



Len Lucas
Internal Audit Director

cc: Bob Morgan, Deputy City Manager
Andy Scott, Assistant City Manager for Economic Development
Denise Turner, Assistant City Manager for Community Affairs & Communications