





Date: September 18, 2007
To: Jim Westmoreland, Transportation Director
From: Internal Audit
Subject: Revenue Analysis

Internal Audit is performing an analysis of revenue accounts throughout the City to ensure that departments are aware of reductions in revenues and reasons for those reductions. We have developed a spreadsheet showing Transportation Department Revenue changes for the last two years. The spreadsheet shows account name, account number, actual revenue for years 2005, 2006, and 2007, the dollar change for 2005/6, and the percentage this was using the prior year revenue as the base. The changes in revenue dollars and percentage changes are, also, shown for the year 2006/7. The accounts we are requesting written information for are numbered on the right side of the spreadsheet, under a column labeled accounts to review. The darkened areas are where revenues decreased 10% or more from the prior year basis or in excess of \$100,000 if not 10% or more. These indicate the periods for which we are requesting information.

We are requesting that the Transportation Department review the revenue analysis and provide Internal Audit information concerning the decreases in revenue. The information should include performance indicators; comparisons of related data that produces the revenues, changes in collection procedures, changes in fee structure, etc.

If we can assist you in this review please contact us at 373-2230.


Fred Newnam
Internal Auditor


Len Lucas
Internal Audit Director

cc: Mitch Johnson, City Manager
Ben Brown, Assistant City Manager Economic Development

**TRANSPORTATION REVENUES HAVING DECREASES IN EXCESS OF 10%
2005-2007**

		2007 ACTUAL	2006 ACTUAL	2005 ACTUAL	2006/7 CHANGE	2006/7% CHANGE	2005/6 CHANGE	2005/6% CHANGE	Accounts To Review
VAN POOL REVENUE									
101454101.7525	HUMAN SERV. AGCY VAN REN	0	5,028	5,028	-5,028	-100.00%	\$0.00	0.00%	1
SIGNALS, SIGNS & LIGHTS STATE									
1014515-XX.	0.7820								
02		478,213	334,009	533,300	144,204	43.17%	\$ (199,291)	-37.37%	2
04		48,003	95,857	142,864	(47,855)	-49.92%	\$ (47,007)	-32.90%	3
1014533-XX	0.7820								
01		22,403	90,507	157,273	(68,103)	-75.25%	\$ (66,767)	-42.45%	4
02		18,728	18,728	23,410	0	0.00%	\$ (4,682)	-20.00%	5
TOTAL SIGN & LIGHTS		567,347	539,101	856,848	28,245	5.24%	\$ (317,747)	-37.08%	
STATE HIGHWAY MAINTENANCE									
101-XXXX-XX.7822									
4303-02		248,602			248,602	#DIV/0!	\$0	#DIV/0!	
4525-02			211,901	329,090	-211,901	-100.00%	(\$117,189)	-35.61%	6
TOTAL STATE HIGHWAY MTNCE		248,602	211,901	329,090	36,701	17.32%	(\$117,189)	-35.61%	
RED LIGHT CAMERA VIOLATIONS									
201-4501-01.7350									
RED LIGHT CAMERA VIOLATIONS		7,150	-956	859,371	8,106	847.75%	(860,327)	-100.11%	7
ALL OTHER REVENUE									
101-XXXX-XX.8690									
4501-01	MMOB ADMIN. (GDOT)	508	118		389	328.49%	118	#DIV/0!	
4510-02	TRAFFIC SIGNAL CONST.				0	#DIV/0!	0	#DIV/0!	
4510-04	TRAFFIC SIGN SHOP				0	#DIV/0!	0	#DIV/0!	
4515-02	TRAFFIC SIGNALS	12046			12,046	#DIV/0!	0	#DIV/0!	
4515-04	SIGNS & MARKING	31948	16122	25,004	15,826	98.17%	(8,882)	-35.52%	8
4525-01	STREET ADMIN.-GDOT		56	125	(56)	-100.00%	(69)	-55.25%	9
4533-01	TRAFFIC ENGINEERING				0	#DIV/0!	0	#DIV/0!	
4541-01	ADMIN. TRANSP. PLANNING				0	#DIV/0!	0	#DIV/0!	
ALL OTHER REVENUE		44502	16296	25,128	28,206	173.08%	(8,832)	-35.15%	

█ Equals accounts decreased over 10%, or over \$100,000. Need written explanations for these.

There appear to be 9 accounts to explain based on our preliminary review.
IF COLOR APPEARS IN AN ACCOUNT ALL THE WAY ACROSS WE NEED EXPLANATIONS FOR CHANGES FROM 2005/6 AND 2006/7 YEARS.



October 25, 2007

Date:

Jim Westmoreland, Transportation Director

To:

From: Internal Audit

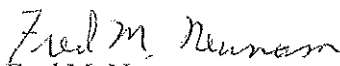
Subject: Operating Department's Declines in Revenue

Internal Audit performed an analysis of operating departments' revenue accounts to ensure that operating departments are aware of reductions in revenues and the reasons for those reductions. The analyses covered the fiscal periods ending June 30, 2005 through June 30, 2007. Individual departments were supplied an analysis when revenues were reduced in excess of 10% or \$100,000 from one year to the next. The departments reviewed their applicable analysis and submitted a response to Internal Audit. Internal Audit reviewed the replies to determine whether the departments were responding in a logical fashion and to the questioned reductions in revenue.

We believe this is a valuable tool for the departments and for Internal Audit to focus on areas that need further attention.

The Transportation Department prepared a reply indicating that the Van Pool Revenue stream of income had been terminated, and that the Red Light Camera Violations Revenue had similarly been suspended after May 2005 by act of the City Council. The Signals & Lights incomes from the state of North Carolina decreased due to the Transportation Department putting more effort into local street maintenance and less into the State System Streets that they are reimbursed for in these accounts. The State Highway Maintenance Revenue is now the responsibility of the Field Operations Department and revenues for this stream of income are accounted for there. The two Other Revenue Accounts are used to account for miscellaneous revenue from developers, contractors or other city departments. The Department reply states that they have been doing less outside work in the years of decrease. All the explanations provided are reasonable and pertain to the items questioned.

The efforts of the individual departments to respond to this analysis are greatly appreciated. We recommend that the departments continue to be alert to reductions in their revenues and use this tool and other means as an aid in quickly identifying prospective problems. If there are questions regarding this analysis or our evaluation of replies, or if there are areas you would like for us to add to our work plan, please let us know. We can be reached at 373-2230.


Fred M. Newnam
Internal Auditor


Len Lucas
Internal Audit Director

CC: Mitchell Johnson, City Manager
Ben Brown, Assistant City Manager Economic Development

City of Greensboro
North Carolina



Department of Transportation

To: Fred Newnam, Internal Auditor
Len Lucas, Internal Audit Director

From: Michael Cramer, Transportation Business & Operations Manager

Date: October 22, 2007

RE: Revenue Analysis

Per your interoffice memo sent on September 18, 2007 the Department of Transportation has reviewed the accounts in question and determined the cause of the decrease in revenue. The attached revenue analysis spreadsheet requests information for the reduction of revenue in the Van Pool Revenue, Signals, Signs & Lights from the State of North Carolina, State Highway Maintenance Revenue, Red Light Camera Violations, and the All Other Revenue accounts for Signs and Markings and Street Administration.

Van Pool Revenue

The explanation for the decrease in the Van Pool revenue is due to the elimination of this funding stream from Guilford County Human Service Department.

Signals, Signs & Lights from the State of North Carolina

The explanation for the decrease in the Signals, Signs & Lights from the State of North Carolina is due to the reduction in work processed on State System Streets. The city is only reimbursed for work that it performs on State System Streets. In recent years we have limited the amount of work performed on State System Streets in order to perform more maintenance on local streets.

State Highway Maintenance Revenue

Due the removal of many State Highway Maintenance activities from the department of transportation to the new Field Operations Department these funds are no longer a part of the Department of Transportations Revenue.

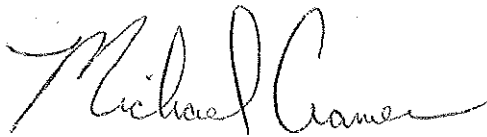
Red Light Camera Violations

The explanation for the decrease in the Red Light Camera Violations revenue account is due to the Suspension of the Red Light Camera Program by City Council in May of 2005.

All Other Revenue

The other two All Other Revenue accounts are typically used to deposit miscellaneous revenue received from developers, contractors or other city department for work that GDOT has performed on their behalf. The reason that less revenue was collected between these two fiscal years is due to the Department performing less outside work. In the All Other Revenue Accounts in question the Department does not budget or anticipate that fund will be collected in these areas, since the projects are not planned nor are they predictable.

Thank you for the opportunity to discuss these revenue accounts. If you have other questions regarding these accounts please contact me.

A handwritten signature in cursive script that reads "Michael Cramer".

Michael Cramer
Transportation Business & Operations Manager

Cc: Mitchell Johnson, City Manager
Ben Brown, Assistant City Manager Economic Development
Jim Westmoreland, Director of Transportation

**TRANSPORTATION REVENUES HAVING DECREASES IN EXCESS OF 10%
2005-2007**

VAN POOL REVENUE
101454101.7525 HUMAN SERV. AGCY VAN REN

2007 ACTUAL	2006 ACTUAL	2005 ACTUAL	2006/7 CHANGE	2006/7% CHANGE	2005/6 CHANGE	2005/6% CHANGE
0	5,028	5,028	-5,028	-100.00%	\$0.00	0.00%

Accounts To Review 1

SIGNALS, SIGNS & LIGHTS STATE
1014515-XX 0.7820

2007 ACTUAL	2006 ACTUAL	2005 ACTUAL	2006/7 CHANGE	2006/7% CHANGE	2005/6 CHANGE	2005/6% CHANGE
478,213	334,009	533,300	144,204	43.17%	(199,291)	-37.37%
48,003	95,857	142,864	(47,855)	-49.92%	(47,007)	-32.90%
22,403	90,507	157,273	(68,103)	-75.25%	(66,767)	-42.45%
18,728	18,728	23,410	0	0.00%	(4,682)	-20.00%
567,347	539,101	856,848	28,245	5.24%	(317,747)	-37.08%

Accounts To Review 5

STATE HIGHWAY MAINTENANCE
101-XXXX-XX.7822

2007 ACTUAL	2006 ACTUAL	2005 ACTUAL	2006/7 CHANGE	2006/7% CHANGE	2005/6 CHANGE	2005/6% CHANGE
248,602	211,901	329,090	248,602	100.00%	(\$117,189)	-35.61%
248,602	211,901	329,090	36,701	17.32%	(\$117,189)	-35.61%

Accounts To Review 6

RED LIGHT CAMERA VIOLATIONS
201-4501-01.7350

2007 ACTUAL	2006 ACTUAL	2005 ACTUAL	2006/7 CHANGE	2006/7% CHANGE	2005/6 CHANGE	2005/6% CHANGE
7,350	956	859,371	8,106	847.75%	(860,327)	-100.11%

Accounts To Review 7

ALL OTHER REVENUE
101-XXXX-XX.8690

2007 ACTUAL	2006 ACTUAL	2005 ACTUAL	2006/7 CHANGE	2006/7% CHANGE	2005/6 CHANGE	2005/6% CHANGE
508	118		389	328.49%	118	#DIV/0!
			0	#DIV/0!	0	#DIV/0!
			0	#DIV/0!	0	#DIV/0!
			12,046	98.17%	(8,882)	-35.52%
31948	16122	25,004	15,826	98.17%	(8,882)	-35.52%
	56	125	(56)	-100.00%	(69)	-55.25%
			0	#DIV/0!	0	#DIV/0!
44502	16296	25,128	28,206	173.08%	(8,832)	-35.15%

Accounts To Review 9

Equalis accounts decreased over 10%, or over \$100,000. Need written explanations for these.

There appear to be 9 accounts to explain based on our preliminary review.
IF COLOR APPEARS IN AN ACCOUNT ALL THE WAY ACROSS WE NEED EXPLANATIONS FOR CHANGES FROM 2005/6 AND 2006/7 YEARS.

TRANSPORTATION DEPARTMENT REVENUE DECREASES EXPLANATIONS
2005-2007

Accounts To Review	REPLY DATE	REPLY ACCEPTED	REPLY PROVIDED
VAN POOL REVENUE 101454101.7525 HUMAN SERV AGENCY VAN REN	10/22/2007	10/25/2007	THE FUNDING STREAM HAS BEEN ELIMINATED
SIGNALS, SIGNS & LIGHTS STATE 1014515-XX 0.7820			
02	10/22/2007	10/25/2007	THE CITY ONLY GETS REIMBURSED FOR WORK PERFORMED ON THE STATE SYSTEM STREETS. THE CITY HAS LIMITED THE AMOUNT OF WORK PERFORMED IN ORDER TO PERFORM MORE MAINTENANCE ON LOCAL STREETS.
04	10/22/2007	10/25/2007	THE CITY ONLY GETS REIMBURSED FOR WORK PERFORMED ON THE STATE SYSTEM STREETS. THE CITY HAS LIMITED THE AMOUNT OF WORK PERFORMED IN ORDER TO PERFORM MORE MAINTENANCE ON LOCAL STREETS.
1014533-XX 0.7820			
01	10/22/2007	10/25/2007	THE CITY ONLY GETS REIMBURSED FOR WORK PERFORMED ON THE STATE SYSTEM STREETS. THE CITY HAS LIMITED THE AMOUNT OF WORK PERFORMED IN ORDER TO PERFORM MORE MAINTENANCE ON LOCAL STREETS.
02	10/22/2007	10/25/2007	THE CITY ONLY GETS REIMBURSED FOR WORK PERFORMED ON THE STATE SYSTEM STREETS. THE CITY HAS LIMITED THE AMOUNT OF WORK PERFORMED IN ORDER TO PERFORM MORE MAINTENANCE ON LOCAL STREETS.
TOTAL SIGN & LIGHTS			
STATE HIGHWAY MAINTENANCE 101-XXXX-XX.7822			
4303-02			
01	10/22/2007	10/25/2007	DUE TO THE REMOVAL OF MANY STATE HIGHWAY MAINTENANCE ACTIVITIES FROM THE DEPARTMENT OF TRANSPORTATION TO THE NEW FIELD OPERATIONS DEPARTMENT THESE FUNDS ARE NO LONGER A PART OF THE DOT REVENUE STREAMS.
4525-02			
06	10/22/2007	10/25/2007	DUE TO THE REMOVAL OF MANY STATE HIGHWAY MAINTENANCE ACTIVITIES FROM THE DEPARTMENT OF TRANSPORTATION TO THE NEW FIELD OPERATIONS DEPARTMENT THESE FUNDS ARE NO LONGER A PART OF THE DOT REVENUE STREAMS.

TRANSPORTATION DEPARTMENT REVENUE DECREASES EXPLANATIONS
2005-2007

TOTAL STATE HIGHWAY MTNCE

RED LIGHT CAMERA VIOLATIONS

201-4501-01.7350

RED LIGHT CAMERA VIOLATIONS

ALL OTHER REVENUE

101-XXXX-XX.8690

4501-01 MMOB ADMIN. (GDOT)

4510-02 TRAFFIC SIGNAL CONST.

4510-04 TRAFFIC SIGN SHOP

4515-02 TRAFFIC SIGNALS

4515-04 SIGNS & MARKING

4525-01 STREET ADMIN.-GDOT

4533-01 TRAFFIC ENGINEERING

4541-01 ADMIN. TRANSP. PLANNING

Accounts To Review	REPLY DATE	REPLY ACCEPTED	REPLY PROVIDED
7	10/22/2007	10/25/2007	THE RED LIGHT CAMERA PROGRAM WAS SUSPENDED BY CITY COUNCIL IN MAY OF 2005, ELIMINATING THE REVENUE STREAM.
8	10/22/2007	10/25/2007	THE DEPARTMENT IS PERFORMING LESS WORK FOR DEVELOPERS, CONTRACTORS AND OTHER CITY DEPARTMENTS THAN IN THE PAST, REDUCING THE REVENUE.
9	10/22/2007	10/25/2007	THE DEPARTMENT IS PERFORMING LESS WORK FOR DEVELOPERS, CONTRACTORS AND OTHER CITY DEPARTMENTS THAN IN THE PAST, REDUCING THE REVENUE.

There WERE 9 accounts to explain based on our preliminary review AND ALL WERE PROPERLY EXPLAINED BY THE TRANSPORTATION DEPARTMENT. WE NOTE THAT THEY DO NOT CITE HOW MUCH LESS IN NUMBERS USING ONLY GENERALITIES FOR SIGNALS SIGNS & Lights and state highway maintenance.