



**Date:** November 18, 2022  
**TO:** Julio Delgado, Field Operations Director  
**FROM:** Internal Audit Division  
**SUBJECT:** Powell Bill Expenditures Review for Fiscal Year 2022  
(No Response Required)

The Internal Audit Division has conducted a review of the Powell Bill expenditures for the fiscal year ended June 30, 2022. Powell Bill funds are appropriated from the State of North Carolina. Powell Bill funds must be used primarily for the purposes of resurfacing streets within the corporate limits of the municipality but may also be used for maintaining, repairing, constructing, reconstructing, or widening of any street or public thoroughfare including bridges, drainage, curb and gutter, and other necessary appurtenances within the corporate limits of the municipality. This also includes planning, constructing, and maintaining bikeways, greenways and sidewalks.

Annually, the N.C. Department of Transportation allocates funds to eligible municipalities based on population and street mileage in the ratio of 75% to 25%, respectively. The municipality must certify street mileage as well as report actual expenditures yearly.

The City of Greensboro received \$8,359,868.70 of Powell Bill funding in the fiscal year ended June 30, 2022. Total Powell Bill Expenditures for the fiscal year amounted to \$6,455,077.66.

The objectives of our review were to:

- Ensure that the City is in compliance with the Powell Bill guidelines that the certified statement package was submitted annually.
- Verify that the Powell Bill Expenditures Report was submitted timely. Review receipt and expenditures from the report and verify they agree to general ledger amounts.
- For maintenance expenditures, verify that the Summary of Local Streets report totals accurately reflect the work orders and that the reports are reviewed by supervisory personnel.
- Test construction expenditures to determine whether allowable, in accordance with Powell Bill guidelines.

#### **Certified Statement Package**

We obtained copies of the certified statement package from the Engineering and Inspections Department. We reviewed the certified statement package and it contains a certified mileage statement, map, and added and deleted streets listings as required by NCDOT. The original map appears compliant with applicable guidelines. The July 1, 2021 reported mileage of 1,054.83 miles plus additions of 4.03 miles, less deletions of 0.86 miles agrees to the certified mileage of 1,058.00 miles for July 1, 2022.

The street listing report submitted lists the total street mileage as 1,058.00 miles. We verified the mathematical accuracy of the report and noted the report agrees to the amount reported in the certified mileage statement.

### **Powell Bill Expenditures Report**

We obtained the Powell Bill Expenditures Report for the Fiscal Year Ended June 30, 2022 from the Financial and Administrative Services Department. We agreed amounts on the Powell Bill Expenditures Report, dated August 1, 2022 to the Lawson general ledger detail for the year ended June 30, 2022. We noted the amounts used in the Powell Bill Expenditures Report were included in the Lawson general ledger and the amounts were reconciled.

The report listed a July 1, 2021 balance of \$2,241,318.26, which agrees to the FY21 Powell Bill Expenditures Report. The report listed FY 2021 allocations of \$8,359,868.70, other revenue of \$25,492.60, corrections of \$(268,194.79) and expenditures of \$6,455,077.66. The reported balance as of June 30, 2022 was \$3,903,407.11. We verified mathematical accuracy of the report without exception. It appears the report was submitted timely and amounts appear properly reported.

### **Maintenance Expenditures**

We obtained copies of both the Summary of Local Streets Report and the Summary of Local Streets Right of Way (ROW) reports for all four quarters of the Fiscal Year ending June 30, 2022. We selected items to review from the reports based on amounts (varying per report). Work Orders reviewed total \$549,115.39, which is 9.7% of total Maintenance Expenditures and Snow Removal Expenditures from the Powell Bill Expenditures Report that total \$5,646,000.00.

We selected 31 work orders for review. For these 31 work orders, we used the EAM software to prepare a cost summary detail report and then compared it to the Summary of Local Streets report totals. For all work orders reviewed, we noted the detail agreed to the Summary of Local Streets reports (with only minor rounding differences).

The reported amounts appear accurate and it does appear the reports are reviewed for accuracy.

### **Construction Expenditures**

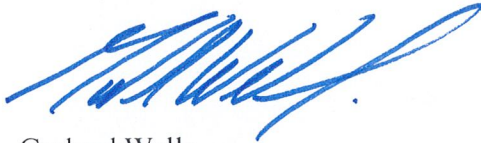
Construction expenditures for Powell Bill Streets for fiscal year ended June 30, 2022 were \$809,077.66. This is comprised of Paving & Resurfacing costs of \$850.00 and Bridge Construction & Repair costs of \$183,367.76 and Sidewalk (repair and construction) cost of \$624,859.90. We reviewed \$317,637.00 of Powell Bill construction expenditures, which represents 39.3% of Engineering, Paving & Resurfacing, Bridge Construction/Repair and Sidewalk Construction expenditures for Powell Bill.

The first reviewed item was a payment to Atlantic Contracting on December 17, 2021 that had \$193,666.40 charged to Powell Bill. We reviewed the invoice support and construction contract and noted the payment was for removal and replacement of concrete sidewalks, curb and gutter, driveway aprons and wheelchair ramps for the period of November 1, 2021 to November 30, 2021.

We also reviewed a payment to Freyssinet, Inc. June 22, 2022 that had \$123,970.60 charged to Powell Bill. We reviewed the invoice support and construction contract and noted this was for bridge repairs for the period of April 1, 2022 to April 30, 2022.

The payments appear to have sufficient back-up documentation and include Powell Bill eligible expenditures. The payments appeared to be spent within the Powell Bill guidelines as set forth by G.S. 136-41.1 through 41.4.

We would like to thank the staffs of the Field Operations, Engineering & Inspections and Financial & Administrative Services Departments for their assistance and cooperation during this review. If there are any questions concerning the details of this review, please call us at (336) 373-2230.



Garland Wells  
Internal Auditor



Len Lucas  
Internal Audit Director

cc: Chris Wilson, Deputy City Manager  
Larry Davis, Assistant City Manager  
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