



# City of Greensboro

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

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  
Allan Williams, Water Resources Director



# City of Greensboro

Date: November 4, 2008  
To: Allan Williams, Water Resources 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

**Water Enterprise Fund Revenue Analysis**

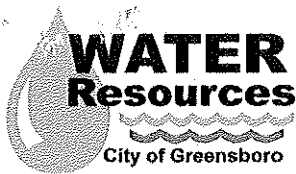
				2007	2007 Section Totals	2008	2008 Section Totals	\$ Difference	\$ Difference (Per Section)	% Difference	% Difference (Per Section)	Explanation of Difference
501	0000-00	7479	Interest Collected - Special Assessments	(19,733.93)		(13,347.06)		(6,386.87)		-32.3649%		
501	0000-00	7905	Engineering Services	(5,494.00)		(3,555.00)		(1,939.00)		-35.2930%		
501	7041-01	7905	Engineering Services	(30.00)	(5,524.00)	-	(3,555.00)	(30.00)	(1,969.00)	-100.0000%	-35.6445%	
501	0000-00	8010	Water Line Connection Fees	(532,843.52)		(448,545.42)		(84,298.10)		-15.8204%		
501	0000-00	8012	Sewer Line Connection Fees	(78,789.41)		(61,949.67)		(16,839.74)		-21.3731%		
501	0000-00	8040	Contracted Services - Guilford County	(46,023.63)		(17,058.05)		(28,965.58)		-62.9363%		

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

**Stormwater Enterprise Fund Revenue Analysis**

				2007	2008	\$ Difference	% Difference	Explanation of Difference
505	7003-04	7803	Rent - Other	(9,811.34)	(6,574.52)	(3,236.82)	-32.9906%	
505	4303-01	8645	Miscellaneous Receivable Revenue	(4,376.80)	-	(4,376.80)	-100.0000%	
505	4304-01	8655	Service Charges	(100.00)	-	(100.00)	-100.0000%	

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



Administration  
(336) 373-2055  
Fax (336) 412-6305

Customer Service  
(336) 373-2344  
Fax (336) 412-3932

Water Supply  
Mitchell Plant  
(336) 373-5855  
Fax (336) 373-5834

Townsend Plant  
(336) 373-7530  
Fax (336) 373-7526

Water Reclamation  
North Buffalo Plant  
(336) 373-5913  
Fax (336) 274-7585

T.Z. Osborne Plant  
(336) 373-7740  
Fax (336) 373-7720

Construction &  
Maintenance  
(336) 373-2033  
Fax (336) 412-3936

Meter Services  
(336) 373-2071  
Fax (336) 574-4067

Engineering  
(336) 373-2055  
Fax (336) 412-6305

Stormwater  
Management  
(336) 373-2055  
Fax (336) 373-3119

**MEMORANDUM:**

Date: November 17, 2008

To: Len Lucas, Internal Audit Director

From: Allan Williams, Water Resources Director

Subject: Response to Revenue Analysis

A handwritten signature in black ink, appearing to read "Allan Williams", is written over a horizontal line that extends from the "From:" field.

Water Resources has reviewed the numbered items on the attached table and the responses to each item are listed below:

1. This revenue is generated when an assessment roll is approved by council because of a water or sewer line installation. Some pay their assessment on a payment plan which generates the interest that hits this line item. Assessment rolls do not go before council every year. It is based on the frequency that extensions to the water and sewer system are completed.
2. This revenue is for water and sewer application fees charged to developers for the plan review process. It varies from year to year based on the amount of new development connecting to water and sewer. Growth slowed from FY 2007 to FY 2008, which caused the decrease.
3. The \$30 in revenue that was credited to 501-7041-01.7905 in FY 2007 was an application fee that should have hit 501-0000-00.7905.
4. Water line connections vary from year to year depending on the construction industry, city growth, and the location of development. Growth slowed from FY 2007 to FY 2008, which caused the decrease.
5. Sewer line connections vary from year to year depending on the construction industry, city growth, and the location of development. Growth slowed from FY 2007 to FY 2008, which caused the decrease.
6. This is the amount that we bill Guilford County for services charged to us by Engineering and Inspections for their work on water and sewer projects for the county. It varies from year to year based on how much water and sewer is being installed outside of city limits.
7. Fairway Outdoor Advertising has a billboard on a property that the City purchased for a water quality enhancement project. Although the rent has remained the same, there is some variability in when it is billed to Fairway, which appears to have been the cause of the revenue decline in this case.
8. This is revenue collected by the Field Operations Department. They would be better equipped to respond to this decrease in revenue.
9. This is revenue collected by the Field Operations Department. They would be better equipped to respond to this decrease in revenue.

cc: Bob Morgan, Deputy City Manager



# City of Greensboro

Date: November 20, 2008  
To: Allan Williams, Water Resources Director  
From: Internal Audit Division  
Subject: Response to Water Resources Revenue Analysis

We have received your response concerning our inquiries for the Water Resources Revenue Analysis. Concerning the miscellaneous receivable revenue, I have attached the transaction analysis for fiscal year 2007 and the billing was for damage to City property. With regard to the service charge, I have attached the transaction analysis for fiscal year 2007 and the billing was for flushing fees. It appears that these revenues vary from year to year and appear on an incidental basis. All other explanations are reasonable in nature and require no further explanation.

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

Kimberly Strickland  
Internal Auditor

Len Lucas  
Internal Audit Director

cc: Bob Morgan, Deputy City Manager



### Transaction Analysis

#### DRILL EXPLORER

- Account Transactions - Amounts
- Account Transactions - Units
- Transaction Detail
- Transaction Amounts
- Associated Journal Transactions
- Journal Header
- Account
- Billing
- 22
- GL Distribution
- Posting Invoice

GL Account:	505430301	8645	0
Posting Date:	Miscellaneous	Receivable	Revenue
Activity:	03/28/2007		
Customer:	15465		USAA Casualty Insurance Co
Invoice:	22	41864	
Invoice Line:		1	
Item:	GREEN VALLEY RD		
	DAMAGE TO GUARDRAIL		
Amount:		4376.80-	
Posting Type:	Product sales (Cr)		
Process Level:	20901	Accident Fund (101)	





### Transaction Analysis

**DRILL EXPLORER**

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- Invoice Addresses
- Invoice Totals In Base Current
- Invoice User Fields
- Invoice Tax Information
- Invoice Billing Options
- Invoice Shipment Information
- Invoice Sales Rep Information
- Invoice Lines
- AR Transaction
- Invoice Add-On Charges
- Invoice GL Postings
- Header Comments
- Invoice Tax Amounts
- Invoice User Analysis

GL Account:	505430401	8655	0
Posting Date:	08/15/2006		
Customer:	12468		Windsor Contracting
Invoice:	22	30221	
Invoice Line:	1		
Item:	SWEEPING/FLUSHING FEES		
Amount:	SWEEPING/FLUSHING		
Posting Type:	Product sales (Cr)	100.00-	
Process Level:	20480	Street Sweeping / Flushing	



*Date:* December 17, 2008  
*To:* Allan Williams, Water Resources Director  
*From:* Internal Audit Division  
*Subject::* Response to Water Resources Revenue Analysis

We have received your response concerning the Water Resources revenue analysis. Thank you for your response and at this time we have no further questions.

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

Handwritten signature of Kimberly Strickland.

Kimberly Strickland  
Internal Auditor

Handwritten signature of Len Lucas.

Len Lucas  
Internal Audit Director

cc: Bob Morgan, Deputy City Manager

**Strickland, Kimberly**

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**From:** Williams, Kristine  
**Sent:** Wednesday, December 17, 2008 8:48 AM  
**To:** Strickland, Kimberly  
**Subject:** FW: Water Resources Revenue Analysis

Hi Kimberly. Allan received your November 20<sup>th</sup> response. We read it, and it didn't appear to require a response from us. We don't have any questions or comments. Please let me know if you need anything further from us. Thanks!

Kristine Williams  
Business Manager  
Water Resources Department  
City of Greensboro  
(336) 373-2556

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**From:** Williams, Allan - Water Resources  
**Sent:** Tuesday, December 09, 2008 3:57 PM  
**To:** Williams, Kristine  
**Subject:** FW: Water Resources Revenue Analysis

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**From:** Strickland, Kimberly  
**Sent:** Tuesday, December 09, 2008 2:21 PM  
**To:** Williams, Allan - Water Resources  
**Cc:** Lucas, Len  
**Subject:** Water Resources Revenue Analysis

Did you receive my November 20<sup>th</sup> response concerning miscellaneous receivable revenue? Were there any further questions or comments?

**Kimberly Strickland**  
Internal Audit  
City of Greensboro  
P: 336-373-2230 F: 336-373-2138  
[kimberly.strickland@greensboro-nc.gov](mailto:kimberly.strickland@greensboro-nc.gov)