GREENSBORO
NORTH CAROLINA

DATE: August 18, 2020

TO: Bobby Nugent, Fire Chief

FROM: Internal Audit Division

SUBJECT: City Inventories – Fiscal Year Ended June 30, 2020
(No Response Required)

The Internal Audit Division has conducted inventory test counts and reconciled inventories to the June 30, 2020 balance sheets. The total of all inventories is $7,188,695. The results of the inventory reconciliations are as follows:

Name of Inventory	Physical Inventory at 6/30/20	Physical Inventory at 6/30/19	Increase (Decrease) to G/L 2019-2020	Increase (Decrease) to G/L 2018-2019	% of Variance 2019-2020	% of Variance 2018-2019
Lawson System:						
GDOT - Warehouse	$ 746,421	$ 634,590	$ 4	$ 718	0.001%	0.113%
Field Operations - Warehouse	$ 131,646	$ 227,123	$ 232	$ 36	0.176%	0.016%
Water Meter Shop	$ 166,952	$ 97,604	$ -	$ -	0.000%	0.000%
Water Resources City Yard	$ 1,686,592	$ 1,602,802	$ (321)	$ (721)	-0.019%	-0.045%
Coliseum Housekeeping	$ 43,637	$ 38,078	$ (5)	$ (73)	-0.011%	-0.192%
Osborne Parts	$ 2,669,234	$ 2,321,663	$ 89	$ 34	0.003%	0.001%
Faster System:						
Parks and Recreation - Parts	$ 22,481	$ 22,571	$ 75	$ 372	0.334%	1.650%
Field Operations - Right of Way Parts	$ 24,633	$ 21,318	$ 2,838	$ (2,912)	11.521%	-13.657%
Fire Garage	$ 303,661	$ 281,203	$ (652)	$ (1,333)	-0.215%	-0.474%
Field Operations - Landfill Parts	$ 16,984	$ 14,727	$ (16)	$ (1,645)	-0.094%	-11.167%
Greensboro Transit Authority - Parts	$ -	$ 88,395	$ -	$ (711)	na	-0.805%
Equipment Services - Parts	$ 521,294	$ 489,747	$ 5,389	$ 644	1.034%	0.132%
Equipment Services - Fuel	$ 99,119	$ 167,102	$ -	$ (7,755)	0.000%	-4.641%
Equipment Services - Diesel Exhaust Fluid	$ 621	$ 800	$ (868)	$ 495	-139.775%	61.900%
Equipment Services - Tire	$ 90,615	$ 84,976	$ 2,169	$ 2,024	2.394%	2.382%
Manual/Other:						
Gillespie Golf Merchandise*	$ 7,706	$ 7,964	$ (258)	$ (1,459)	na	na
Water Resources Chemical*	$ 532,790	$ 485,150	$ 47,640	$ 14,407	na	na
Information Technology - Telecom	$ 95,703	$ 85,813	$ (307)	$ 696	-0.321%	0.811%
Graphic Services - Print Shop*	$ 28,606	$ 29,080	$ (474)	$ 1,473	na	na
TOTAL	**$ 7,188,695**	**$ 6,700,706**				

*Purchases are expensed throughout the year. An adjustment is made to the inventory account to reflect the physical balance at year-end.

Fire Garage (101-0000-00.1620):

The Department established a maximum acceptable inventory variance of +/-2% for this inventory. This year's reconciliation identified a variance of less than negative 1% and resulted in a loss of $651.67 being recorded to adjust the ending unadjusted inventory balance to actual at fiscal year ended June 30, 2020; compared to a less than negative 1% variance and a loss of $1,332.60 at June 30, 2019, and a less than negative 1% variance and a loss of $2,098.82 at June 30, 2018.

Findings: None.

Recommendations: None.

We would like to thank the staff at the Fire Garage for their cooperation and courtesy. If you have any questions or concerns, please contact us at 373-2823.

Len Lucas
Internal Audit Director

Tina McKoy
Internal Auditor

Garland Wells
Internal Auditor

Chris Venable
Internal Auditor

Mickey Kerans
Internal Auditor

Cc: Larry Davis, Assistant City Manager
Trey Davis, Assistant City Manager
William T. (Tommy) Millikan, Jr., Fire Equipment Maintenance Superintendent