



May 12, 2011

TO: Adam Fischer, Director of Transportation
FROM: Internal Audit Division
SUBJECT: GTA ARRA 3rd Quarter Review for FY 2010-2011

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 quarter ending March 31st of fiscal year 2010-2011. The objectives of our review were to:

- Verify that the quarterly reports are complete and accurate.
- Verify that the contractor expenditures have appropriate documentation within contract/ARRA guidelines.
- Verify that the certified payrolls have been received.

Funding for the GTA ARRA expenditures comes from the Federal Transit Administration (FTA). The total award amount is \$5,455,967 with expenditures of \$5,104,897.46 through March 31, 2011.

Quarterly Financial Report

After comparing the Budget and Cost of Operation Statement to the Prime Recipient Quarterly Report, the amount spent did not match the Budget and Cost of Operations Statement. The total amount spent per the quarterly report totaled \$5,104,897 compared to \$5,104,897.46 per the Budget and Cost of Operation Statement for a difference of \$.46. According to the department, the difference is because the report requires all figures to be rounded.

Reimbursed Expenses

During the review period, payments were made to the contractor and for professional services for the expenses that had been incurred. There were a total of three payments and all were sampled.

J.M. Thompson Company

There were three expenditures made during the review period to J.M. Thompson Company for work on Phase II of the GTA Maintenance/Operations Transit Facility and Administrative offices. All payments included payment information from the contractor. The payments totaled \$1,355,149.06, of which \$1,250,325.56 was ARRA, and appeared to be for contract/ARRA applicable expenditures. Total payments made through March 31, 2011 are \$4,564,177.56.

Moser Mayer Phoenix Associates

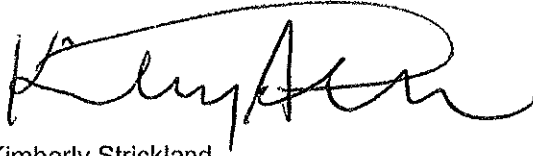
There were three expenditures made during the review period for professional services to Moser Mayer Phoenix Associates for work during Phase II. The ARRA payments totaled \$32,012.68, and appeared to be for ARRA applicable expenditures. Total payments made through March 31, 2011 are \$284,747.43.

Certified Payrolls

We received the certified payrolls from J.M. Thompson and all subcontractors from Renee Saul, Contract Administration Specialist with Engineering & Inspections. Although, FTA does not require the payroll information

to be reported, ARRA guidelines specify that they are to be completed and submitted to the department. The department keeps the payrolls on hand for reference and compliance purposes.

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
Walter Simmons, Director of Engineering & Inspections
Libby James, Public Transportation Division Manager