



**Date:** July 12, 2007  
**To:** Mitchell Johnson, City Manager  
**From:** Internal Audit Division  
**Subject:** Windhill I Supportive Services Grant

The Internal Audit Division has completed our annual review of Windhill I Supportive Services Grant in conjunction with a Programmatic Review by the Housing & Community Development Department for the 2005-2006 grant year. Attached you will find our review report; the programmatic report; the agency response; the departmental response and our replies to their responses. We feel that sufficient corrective actions have been implemented to our recommendations 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: Ben Brown, Assistant City Manager for Economic Development  
Andy Scott, Director of Housing & Community Development

# City of Greensboro

**Date:** June 18, 2007  
**To:** Andy Scott, Director of Housing & Community Development  
**From:** Internal Audit  
**Subject:** Affordable Housing Management, Inc.-Windhill I

The Internal Audit Division has performed our yearly monitoring visit of Affordable Housing Management which received a Supportive Services grant for Windhill I Apartments in the amount of \$16,000 from the City of Greensboro during the 2005 to 2006 grant year.

The **Supportive Services** grant for \$16,000 was used to assist the Windhill's development with a resident services coordinator for \$4,824, rent & utility deposits for \$1,476, Summer Camp for \$2,500, Workshops for \$1,000, Housekeeping for \$1,800, the Internet for \$1,200 and Administrative Cost for \$3,200. There are 60 apartments in Windhill I. This is the 5th year of a 15-year funding that began in the 2001-2002 grant year. The Agency requisitioned only \$12,501 of the \$16,000 grant. This is the second year in a row that the Agency did not requisition the entire grant.

We examined selected financial transactions and program documentation maintained by the agency for compliance with the contract and for assurance that program goals were achieved. Based on our review, it appears that the funds have been spent according to the terms of this contract except for the following findings:

**FINDING:**

Windhill's working capital at December 31, 2006 was a negative (\$19,864). The Grantee's current assets are less than current liabilities.

**RECOMMENDATION:**

The grantee should try to increase its working capital.

We request a written signed response from the Agency and the Department of Housing & Community Development by July 2, 2007.

We would like to thank Mr. David Levy, Executive Director; Ms. Debora Osborne, Finance Director and the staff of the Affordable Housing Management for their courtesy and cooperation shown to us during this visit. If there are any questions or comments concerning the details of this visit, we can be reached at 373-2821.



Mickey Kerans  
Internal Auditor



Len Lucas  
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development  
David Levy, Executive Director of Affordable Housing Management, Inc.



**Date:** June 15, 2007  
**To:** David Levy, Affordable Housing Management  
**From:** Michael Blair, City of Greensboro HCD  
**RE:** *FY05/06 Windhill Programmatic Evaluation*

**Project Information:**

The Windhill Apartments property is located at 210 Windhill Court in Greensboro, NC. It is managed by Affordable Housing Management, Inc.

The property received a \$16,000 Supportive Services grant in FY05/06 which is the subject of this review.

**Financial Review:**

The draft May 9, 2007 Internal Audit report noted negative working capital. HCD agrees that this condition should be improved. It is also noted that AHMI did not fully expend all available grants funding in FY05/06 leaving \$3,499.


**Programmatic Review:**

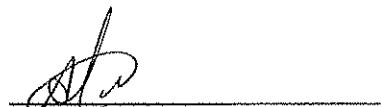
A VISTA volunteer provided services in FY05/06 and left the property in August on 2006. AHMI staff was researching options to satisfy NCHFA supportive service requirements at the time of the office visit.

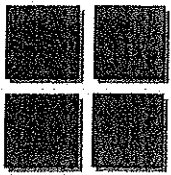
There were 20 resident events reported in FY05/06 ranging from financial planning meetings to holiday celebrations. Attendance at the events ranged from 1 to 40 with an average turnout of 11. Rental assistance was provided to 5 residents.

Internet has been provided for residents in the property community room. This is a positive service to provide to residents.

HCD appreciates the services provided to Windhill residents during FY05/06. All FY05/06 payments made are for eligible expenses per the agreement. Contractual goals have been met aside from the unspent funds.

  
\_\_\_\_\_  
Michael Blair  
Specialist Grants Compliance

  
\_\_\_\_\_  
Andy Scott  
Director HCD



# HCD

Department of Housing & Community Development

## MEMO

*MB*  
**Date:** June 18, 2007  
**To:** Len Lucas, Director Internal Audit  
**From:** Michael Blair, Specialist Grants Compliance  
**RE:** FY05/06 HCD Review of Windhill Supportive Services Audit Report

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After review of the draft May 9, 2007 Internal Audit report on the supportive services grant at Windhill, for 2005-2006, HCD submits the following:

### FINDING 1:

Windhill's working capital at December 31, 2006 was a negative (\$19,864). The Grantee's current assets are less than current liabilities.

### RECOMMENDATION 1:

The grantee should try to increase its working capital.

- **HCD Reply to Recommendation 1: No comment**

**Summary:** HCD has "no comment" for finding and recommendation 1 on the Internal Audit report.



# City of Greensboro

**Date:** June 19, 2007

**To:** Andy Scott, Director of Housing & Community Development

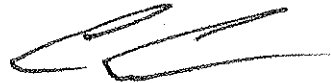
**From:** Internal-Audit Division

**Subject:** HCD Reply to IA Report-Windhill Supportive Services Grant 2005-2006

Thank you for your reply of June 18, 2007. Internal Audit agrees with Housing & Community Development's responses to IA' subject report dated June 18, 2007.



Mickey Kerans  
Internal Auditor



Len Lucas  
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development



AFFORDABLE HOUSING  
MANAGEMENT, INC

Writer's Extension: 123

Writer's E-mail: [dosborne@ahmi.org](mailto:dosborne@ahmi.org)

July 2, 2007

Mr. Mickey Kerans  
City of Greensboro  
Department of Housing & Community Development  
P.O. Box 3136  
Greensboro, N.C. 27402

Re: Windhill Development

Dear MR. Kerans,

In response to your letter of 6-18-07 we offer the following information:

Finding: The 12-31-06 audited financial statement reflects a negative working capital.

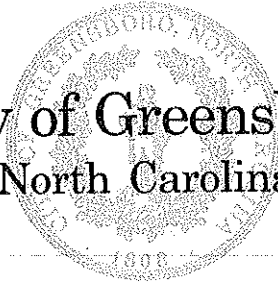
The property budget has been reviewed and we implemented a \$10 per unit per month rent increase effective 1-01-07. We believe that this will reduce the negative working capital in the next year.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Debora Osborne  
Finance Director

City of Greensboro  
North Carolina



July 5, 2007

Ms. Debora Osborne  
Finance Director  
Affordable Housing Management, Inc.  
330 S. Greene St., Suite B-11  
Greensboro, NC 27401

Re: Windhill Development Grant Year-2005 to 2006

Dear Ms. Osborne:

We are in receipt of your letter dated July 2, 2007 reference the City's Internal Audit report of the 2005 to 2006 Year for Windhill Development. Your timely response to our report is appreciated. We have reviewed your letter and agree with response and corrective measure.

Sincerely,

Mickey Kerans  
Internal Auditor

Len Lucas  
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development  
Andy Scott, Director of Housing & Community Development