



City of Greensboro

Date: August 1, 2003
To: Ed Kitchen, City Manager
From: Internal Audit
Subject: New Garden Associates Limited Partnership 2002-2003

The Internal Audit Division has performed our annual program and compliance audit of the New Garden Associates Limited Partnership for the current year's operations. The agency received a loan in December 1992 of \$1,299,220 from the City of Greensboro to help in the rehabilitation of 76 apartment units. These units provide housing for qualified individuals and families in the Greensboro area. These units are called New Garden Place Apartments and are managed by Wynnefield Properties, Incorporated.

We accompanied Mr. Bill Black, Rehabilitation Supervisor of Housing & Community Development as he inspected approximately 15 percent of the units. We have forwarded a list of repairs to the property manager noted during the inspection, and these are being corrected. Overall the property is in good condition. The North Carolina Housing Finance Agency also performed a site review on April 29, 2003 and no areas of non-compliance were noted.

We examined selected financial transactions and program documentation maintained by the agency for compliance with the loan agreement. Principal payments were to begin September 1, 1994 at 75% of gross receipts after deducting all normal and reasonable operating and capital expenses actually incurred and payments into the Reserve Account (limited to \$175,000). No payments have been made on the principal balance of \$1,299,220 at this time because of the transfers to the Reserve Account (current balance is \$112,253) for the year ended December 2002. This loan is due in full November 1, 2022. Based on our review, it appears that the funds have been spent according to the terms of the loan agreement with no exceptions noted.

We would like to thank Ms. Judy Moore, Corporate Management Analyst; Ms. Monette Graham, Property Manager; Mr. Donald Friend, Maintenance Supervisor and Mr. Robert Watts, Maintenance Technician of Wynnefield Properties for their courtesy and cooperation shown us during this audit. If there are any questions or comments concerning the details of this audit, please contact us at 373-2821.

Len Lucas
Acting Internal Audit Director

Cc: Mitchell Johnson, Assistant City Manager
Ben Brown, Assistant City Manager for Economic Development
Bob Morgan, Assistant City Manager
Andy Scott, Director of Housing & Community Development
Norwood Stone, President of Wynnefield Properties, Incorporated