



Date: September 8, 2003
To: Ed Kitchen, City Manager
From: Internal Audit
Subject: Great Oaks Limited Partnership 2002-2003

The Internal Audit Division has performed our annual program and compliance audit of the current year's operations of the Great Oaks Limited Partnership, which received a loan from the City of Greensboro in October 1998 in the amount of \$830,000 to help in the construction of a 44 unit apartment community for elderly citizens of Greensboro. These apartment units are located at the intersection of East Bessemer and Cypress Street are called St. Leo's Place at Great Oaks, and are managed by Beacon Management Corporation.

We accompanied Mr. Bill Black, Rehabilitation Supervisor of Housing & Community Development as he inspected approximately fifteen percent of the units and found these to be well maintained. The North Carolina Housing Finance Agency also made a site-visit on January 7, 2002 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. There are no payments due on the loan made by the City at this time because the entire amount is due at the end of the loan term, October 31, 2028 as long as qualified residents occupy the property. 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. Donna White, Leasing Agent of St. Leo's Place at Great Oaks for her courtesy and cooperation shown us during this audit. If there are any questions or comments concerning the details of this audit, we can be reached 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
George E. Carr III, President of Beacon Management Corporation
Donna White, Leasing Agent of St. Leo's Place at Great Oaks