



City of Greensboro

Date: October 17, 2002
To: Ed Kitchen, City Manager
From: Internal Audit
Subject: Trinity Gardens Apartments 2001-2002

The Internal Audit Division has performed a program and compliance audit of the current year's operations of Trinity Gardens Apartments, which received a loan in the amount of \$70,000 from the City of Greensboro to help in the rehabilitation of 152 apartments located at Carrieland Drive, Fairbrother Street and Tillman Avenue. These apartments are rented to families or individuals based upon their ability to pay and are subsidized by the U.S. Department of Housing and Urban Development. Professional Realty and Management Company manages these units.

We accompanied the property manager and visually viewed approximately 15% of the units and we did note some repairs needed in some of the units. Management has indicated that these repairs will be completed. The exterior of the buildings and the grounds were well maintained.

We examined selected program documentation and financial transactions maintained by the agency for compliance with the loan agreement. The City's loan is non-interest bearing. Repayment of the loan is based upon a percentage of cash flows, and any unpaid balance is due in full October 1, 2018. Currently there are no payments due on the loan made because the revenue over expenses and principal payments are being transferred to the Reserve Accounts. 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 Mr. W.G. Nelson, President of Professional Realty and Management Company; Ms. Michelle Thomas, Property Manager and Ms. Tracy Rogers, Administrative Assistant of Trinity Gardens Apartments 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
Internal Auditor

Jacky Dowd
Internal Audit Director

Cc: Mitchell Johnson, Assistant City Manager
Andy Scott, Director of Housing & Community Development
W.G. Nelson, President of Professional Realty and Management Company
Michelle Thomas, Property Manager of Trinity Gardens Apartments