



Date: October 17, 2002
To: Ed Kitchen, City Manager
From: Internal Audit
Subject: Great Oaks Limited Partnership 2001-2002

The Internal Audit Division has completed a 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 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 also accompanied Mr. Bill Black, Rehabilitation Supervisor of Housing & Community Development Department, as he inspected approximately fifteen percent of the units and found these to be well maintained.

We examined selected financial transactions and program documentation maintained by the agency for compliance with the loan agreements. There are no payments due on the loan made by the City because the entire amount is due at the end of the loan term, October 31, 2028 as long as the apartments are occupied by low-income households. 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 also noted that an audit was performed by the North Carolina Housing Finance Agency and there were no exceptions.

We would like to thank Ms. Donna White, Property Manager 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, 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
George E. Carr III, President of Beacon Management Corporation
Donna White, Property Manager of St. Leo's Place at Great Oaks