



City of Greensboro  
North Carolina

September 18, 2002

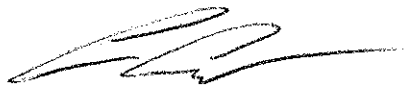
Reverend Michael King, President  
Project Homestead, Incorporated  
640 Martin Luther King, Jr., Drive  
Greensboro, NC 27406

Dear Reverend King:

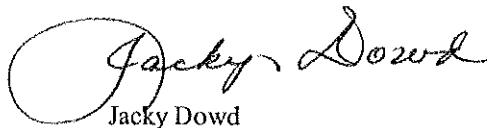
The Internal Audit Division will be performing a compliance audit on Program Income generated by Project Homestead's use of HOME Funds, Housing Partnership Funds, Bond Funds and any other funds used to generate program income, for the years ended 1997 thru 2001.

Please provide us a schedule of the sources and applications of program income for each of the years 1997-2001. We will select a sample from these schedules to test the supporting documentation and required approvals by the City.

We will be contacting you in the next few days to set a date to start this audit process. If you have any questions please contact me at 373-2821.



Len Lucas  
Internal Auditor



Jacky Dowd  
Internal Audit Director

Cc: Ed Kitchen, City Manager  
Mitchell Johnson, Assistant City Manager  
Linda Miles, City Attorney  
Andy Scott, Director of Housing & Community Development  
David Delman, CPA - Project Homestead, Incorporated