



# City of Greensboro

Date: July 10, 2002  
 To: Ed Kitchen, City Manager  
 From: Internal Audit  
 Subject: Wynnefield-Lincoln Grove Limited Partnership

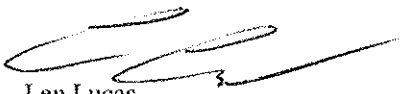
The Internal Audit Division has performed a program and compliance audit of the Wynnefield-Lincoln Grove Limited Partnership, which received a loan from the City of Greensboro in the amount of \$1,671,583 to help in the rehabilitation of 116 apartments for low-income residents. The unpaid balance on this loan is due in full April 2022. Additional funding for this project came from a Construction Loan from First Union for \$2,686,000 reduced to a Permanent Loan of \$821,000, North Carolina Housing Finance Agency for \$297,500 and a City of Greensboro Grant for \$100,000. These apartments are called Lincoln Grove Apartments and are managed by Wynnefield Properties, Incorporated.

We examined selected program documentation maintained by the agency for compliance with the loan agreement for the years ended December 1993 through December 2000. We also accompanied Mr. Bill Black, Rehabilitation Supervisor of Housing & Community Development, as he inspected 10% of the units and noted that several units needed minor repairs.

Principal payments equal to 75% of the gross receipts less operating and capital expenses actually incurred shall be made annually. There haven't been any payments made to the City for this loan but according to our calculations, the City is owed \$16,839.75 as of year ended December 2000. Internal Audit, Housing & Community Development, and Legal staff members met with the Management and Auditors of Wynnefield-Lincoln Grove Limited Partnership to discuss the calculated payment.

Based on our review it appears that the funds have been spent according to the terms of the loan agreement except for the aforementioned loan repayment of \$16,839.75.

We would like to thank Ms. Francine Bowers, Resident Manager and Mr. Frank McVay Maintenance Technician for Lincoln Grove Apartments and Ms. Melissa C. Pugliese Area Property Manager and Ms. Jeanette Gilmore, Area Operations Specialist for Wynnefield Properties, Incorporated 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  
 Linda Miles, City Attorney  
 Andy Scott, Director of Housing & Community Development  
 I. Norwood Stone, President of Wynnefield Properties, Incorporated