



# City of Greensboro

Date: August 19, 2002  
To: Ed Kitchen, City Manager  
From: Internal Audit  
Subject: Southwoods Limited Partnership 2001-2002

The Internal Audit Division has performed our annual program and compliance audit of the Southwoods Limited Partnership for the current period of operations. This agency received a loan from the City of Greensboro in November 1996 for \$550,000 to help in financing the construction of 59 studio apartments on Columbus and Kirkman Streets for low-income individuals. These units are called Southwoods Apartments and are managed by Affordable Housing Management, Incorporated.

The current balance due to the City on this loan is \$543,339 due to payments being made. This loan is non-interest bearing and principal payments are based upon a percentage of cash flow after deducting all operating expenses actually incurred; payment of debt service and funding of the reserve accounts. No payments are due for the year ended December 2001 and the reserves are fully funded. The North Carolina Housing Finance Agency also performed a review of the property on May 23, 2002. No areas of noncompliance were noted in their letter dated June 24, 2002.

We examined selected program documentation maintained by the agency for compliance with the contract. We also accompanied Mr. Bill Black, Rehabilitation Supervisor of Housing & Community Development as he inspected 15 percent of the units, and found these to be well maintained and in good working order. 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. Carol Shepherd, Property Site Manager and Mr. Robert Luney, Maintenance Technician of Southwoods; Ms Debora Osborne, Finance Director and Ms. Carol Smith, Property Director of Affordable Housing Management 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  
David Levy, Executive Director of Affordable Housing Management, Incorporated