

City of Greensboro

Date: January 7, 2005

To: Andy Scott, Director of Housing & Community Development

From: Internal Audit

Subject: Community Foundation of Greater Greensboro, Incorporated (CFGG)

The Internal Audit Division has reviewed documentation relating to grants and loans from the City of Greensboro to the Community Foundation of Greater Greensboro, Incorporated for the years 1997-2004. The total amount of funding to CFGG dating back to 1990 was \$479,000.

These funds were specifically designated to be used to help support Homeowners Model Experiment, Incorporated's (HME, Inc.) revolving loan program. This program was designed as a partnership between the City, CFGG and HME, Inc. to help make homes affordable to qualifying families and individuals in the Greensboro area. Over 60 homes have been constructed by HME, Inc. and sold to homeowners.

The CFGG administered these funds on the City's behalf to help provide subsidies and assistance to first time homebuyers and their families. When funds were not in use, the foundation invested these funds along with other funds in order to maximize the City's return. This allowed the principal to remain intact.

We examined selected financial transactions and program documentation for compliance with the grant agreements. We found no issues of non-compliance on the documentation reviewed. The CFGG has since granted these funds back to the City on October 5, 2004 in the amount of \$425,000 and on December 28, 2004 in the amounts of \$50,000 and \$3,398.84 respectively.

We would like to thank Ms. Lisa Martin, Controller for the CFGG for her assistance during this review. If there are any questions or comments concerning the details of this review, we can be reached at 373-2823.



Len Lucas
Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development
H. Walker Sanders, President of the Community Foundation of Greater Greensboro, Inc.