



# City of Greensboro

Date: November 6, 2002  
To: Ed Kitchen, City Manager  
From: Internal Audit  
Subject: Berryman Square Limited Partnership 2001-2002

The Internal Audit Division has performed a program and compliance audit of the current year's operations of the Berryman Square Limited Partnership, which received a loan in the amount of \$765,000 from the City of Greensboro to help in the rehabilitation of 44 apartments on 200-208 Berryman Street for low-income individuals or families. These units are called Berryman Square and are managed by Affordable Housing Management, Incorporated.

We accompanied Mr. Bill Black, Rehabilitation Supervisor of Housing & Community Development as he inspected approximately 15% of the units and he noted a couple of minor repairs that needed to be performed. Overall he found the units to be in good condition and well maintained.

The loan shall terminate on January 1, 2010 and shall bear interest at the rate of 2.50%. Beginning January 1, 1996, .50% of the interest payments will be made in semi-annual payments of .25% on each December 31 and June 30. The remaining 2.00% will accrue. The repayment of the principal of \$765,000 will be based on 25% of the Net Operating Income less payments to Reserve Accounts and Debt Service. The agency is meeting the .25% interest payment requirements. There has been no Net Operating Income that would require the 25% payment. The balance of the principal and accrued interest will be due in full January 1, 2010.

We examined selected program documentation maintained by the agency for compliance with the loan agreement. Based on our review, it appears that the funds have been spent according to the terms of the loan agreement. We did note that this agency had net cash losses of \$5,781 in 2000 and \$6,184 in 2001 and Housing and CD Staff should monitor this property's financial position.

We would like to thank Ms. Carol Smith, Property Director; Ms. Debbie Osborne, Finance Director; Ms. Wanda Winchester, Property Manager and Mr. Robert Luney, Maintenance Technician 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  
David Levy, Executive Director of Affordable Housing Management