



City of Greensboro

Date: November 13, 2002
To: Ed Kitchen, City Manager
From: Internal Audit
Subject: Alexander Homes Apartments 2001-2002

The Internal Audit Division has performed a program and compliance audit of the current year's operations of Alexander Homes Apartments, which received a loan in the amount of \$797,000 in March 1995 to help in the rehabilitation of 40 apartments located on Bingham, Gant, York and Spencer Streets, and South O'Henry Boulevard. The unpaid balance of this loan is due in April 2025. Alexander Homes also entered into a Purchase Money Promissory Note with the Redevelopment Commission for \$67,500 on March 1995, and it is due in full in 2025. These apartments are rented to qualifying individuals and families in the Greensboro area, and are managed by Wynnefield Properties, Incorporated.

We accompanied Mr. Bill Black, Rehabilitation Supervisor of Housing & Community Development, as he inspected approximately 15 percent of the units and some minor repairs were noted. Overall the units visited appear to be well maintained.

We examined selected program documentation maintained by the agency for compliance with the loan agreement. Annual payments of 50% of gross receipts after deducting operating and capital expenses actually incurred are required on this loan. Currently there are no payments due on the loan made by the City because the revenue over expenses and principal payments are being transferred to the Reserve Account. 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. Trish Ragan, Property Management Division Head; Ms. Priscilla Walker, Property Manager; Mr. Donald Friend, Maintenance Supervisor and the staff of Alexander Apartments and Wynnefield Properties 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
Trish Ragan, Property Management Division Head