



City of Greensboro

Date: November 27, 2002
To: Ed Kitchen, City Manager
From: Internal Audit
Subject: Kingsgate Housing, LLC / Allen-Nussbaum Apartments 2001-2002

The Internal Audit Division has performed a financial and compliance audit for the current year's operations of Kingsgate Housing, LLC which received a loan from the City of Greensboro in the amount of \$451,000 to help in the rehabilitation of 37 apartments located at 537 through 605 West Terrell Street. These apartments called Allen-Nussbaum Apartments are designed for low-income families or individuals and are managed by Wynnefield Properties, Incorporated.

We accompanied Mr. Bill Black, Rehabilitation Supervisor of Housing & Community Development as he inspected approximately 15% of the units and found them to appear clean and well maintained. He noted some minor findings that the agency is correcting.

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 with the following exception:

- The loan from the City of Greensboro is to be repaid in monthly installments of \$1225.23 until May 1, 2018 at which time any remaining balance will become due in full. Currently payments to the City are in arrears for two months.

We would like a response from the Housing & Community Development Department within 45 days of the date of this letter, as to the status of the payments due to the City.

We would like to thank Ms. Priscilla Walker, Property Manager; Ms. Crystal Nesbit, Site Manager and Mr. Donald Friend, Maintenance Supervisor of Wynnefield Properties for their courtesy and cooperation shown us during this audit. If there are any questions 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
Linda Miles, City Attorney
Norwood Stone, President of Wynnefield Properties, Incorporated
Rev. Michael King, President of Project Homestead, Incorporated