



Date: September 9, 2002
To: Ed Kitchen, City Manager
From: Internal Audit
Subject: New Garden Associates Limited Partnership 2001-2002

The Internal Audit Division has completed a program and compliance audit of New Garden Associates Limited Partnership for the current period of operations. This agency received a loan from the City of Greensboro in December 1992 for \$1,299,220 to help in the rehabilitation of 76 apartment units. These units are designed to provide housing for low-income individuals and families in the Greensboro area. These units are called New Garden Place Apartments and are managed by Wynnefield Properties, Incorporated.

We accompanied Mr. Bill Black, Rehabilitation Supervisor of Housing & Community Development, as he inspected 15 percent of the units. A list of repairs was made and has been forwarded to the site manger for compliance. Bill noted the exterior of the units looked very good, units observed were clean and appeared overall to be well taken care of.

We examined selected program documentation maintained by the agency for compliance with the loan agreement. Principal payments were to begin September 1, 1994 at 75% of gross receipts after deducting all normal and reasonable operating and capital expenses actually incurred and payments into the Reserve Account (limited to \$175,000). No payments have been made on the principle balance of \$1,299,220 at this time because of the transfers to the Reserve Account (current balance is \$93,457). 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. Barbara White-Tate, Area Operations Supervisor for Wynnefield Properties; Ms. Susan Peele, Site Manager and Mr. Robert Watts, Maintenance Technician of New Garden Place Apartments 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
Norwood Stone, President of Wynnefield Properties, Incorporated
Susan Peele, Site Manager of New Garden Place Apartments