



**DATE:** July 14, 2020  
**TO:** Larry Davis, Assistant City Manager  
**FROM:** Internal Audit Division  
**SUBJECT:** Piedmont Business Capital Compliance Review  
(No Response Required)

The Internal Audit Division has completed our compliance review of Piedmont Business Capital. Attached you will find our review report; the agency response and our replies to their responses. We feel that our concerns have been sufficiently addressed as we move forward. If you have any questions or need additional information, please let us know. Thanks.

Len Lucas  
Internal Audit Director

cc: Jon Decker, Director of Budget & Evaluation  
Kathi Dubel, Economic Development & Business Support Manager



**DATE:** May 19, 2020  
**TO:** Kathi Dubel, Economic Development & Business Support Manager  
**FROM:** Internal Audit Division  
**SUBJECT:** Piedmont Business Capital  
(Written Response Required by June 2, 2020)

The Internal Audit Division has completed our compliance review of Piedmont Business Capital (PBC) (formerly known as Greensboro Community Development Fund) on April 30, 2020 which received a funding allocation from the City of Greensboro in the amount of \$400,000.

This grant is designed to assist PBC in providing debt financing (including subordinated debt) to minority–or female-owned businesses. These loans assists those businesses in obtaining conventional commercial loans, allowing new and expanding businesses to grow and prosper.

We tested documentation maintained by the entity for the 2019-2020 fiscal year. These transactions tested by us were selected from the records provided to us without limitation such as: promissory notes; financial statements; business plans and board of directors meeting minutes who approves all loans provided by PBC. These loans range from \$5,000 to \$25,000 for Small Business Loans; and \$10,000 to \$50,000 for Contract Loans. The financial statements were due to us on March 31, 2020. The entity requested and receive approval from the CMO for an extension to April 30, 2020. To-date, we have not received the financial statements. Please provide a written response by June 2, 2020.

We would like to thank Mr. Wilson Lester, Executive Director; and Ms. Linda Comstock, Business Manager of PBC for their courtesy and cooperation shown to us during this visit. If there are any questions or comments concerning the details of this visit, we can be reached at 373-2823.

Len Lucas  
Internal Audit Director

Cc: Larry Davis, Assistant City Manager  
Wilson Lester, Executive Director of Piedmont Business Capital  
Linda Comstock, Business Manager of Piedmont Business Capital

# **P** **PIEDMONT** BUSINESS CAPITAL

June 3, 2020

Len Lucas, Internal Audit Director  
Internal Audit Division  
City of Greensboro  
Phone: 336-373-2823; Fax: 336-373-4387  
P.O. Box 3136  
Greensboro, NC 27402-3136

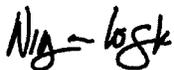
Dear Mr. Lucas:

Routinely, we transition our legal counsel and external audit firm for a new and fresh perspective on our operations. In early 2019 we decided to transition our previous auditor to a contract Chief Financial Officer/Advisor and contract a new auditing team. We needed a firm that could advise us on how to enhance our systems as we added staff to increase our effectiveness and capacity. Our future opportunities included higher capitalization from the Department of Treasury. The Board wanted to work with a firm that could perform a yellow-book audit and prepare us for the expectations and rigor of those times.

In 2020 we began the audit later than planned, and the timeline collided with COVID-19 and shifted our focus to relief for small businesses and the capital resources they needed. The Audit team completed its work and presented it to the Board of Directors. The Finance Committee will convene once more on tentatively on Thursday, June 11, 2020, to approve and release the audit with the authority of the Board.

Thank you for your professionalism and for keeping lines of communication open.

Best,



Wilson Lester  
Executive Director

Cc:

Karl Robinson, Chair  
Rudy Clark, Treasurer  
Patrick Freeman, Leeper, Kean & Rumley  
Larry Davis, Assistant City Manager



**DATE:** July 13, 2020  
**TO:** Wilson Lester, Executive Director of Piedmont Business Capital  
**FROM:** Internal Audit Division  
**SUBJECT:** Piedmont Business Capital Review Response

The Internal Audit Division has reviewed your response to the Piedmont Business Capital Review and we have received the IRS-990 on July 10, 2020, which was the last outstanding item. We find the response sufficient and no further action is required.

We would like to thank Piedmont Business Capital for their assistance and cooperation during this review. If there are any questions concerning the details of this review, please call us at (336) 373-2823.

Len Lucas  
Internal Audit Director

Cc: Larry Davis, Assistant City Manager  
Kathi Dubel, Economic Development & Business Support Manager  
Linda Comstock, Business Manager of Piedmont Business Capital