



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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Comptroller

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December 28, 2015

Michael C. Duffy, Vice President
North Sarah II Limited Partnership
720 Olive Street, Suite 2500
St. Louis, MO 63101

RE: North Sarah II Limited Partnership (Project #2015-AH10)

Dear Mr. Duffy:

Enclosed is a report of the fiscal monitoring review of North Sarah II Limited Partnership for the period December 27, 2012 through November 30, 2015. The scope of a fiscal monitoring review is less than an audit, and as such, we do not express an opinion on the financial operations of North Sarah II Limited Partnership. Fieldwork was completed on December 18, 2015.

This review was made under the authorization contained in Section 2, Article XV, of the Charter, City of Saint Louis, as revised and through an agreement with the Affordable Housing Commission to provide fiscal monitoring for all grant/loan sub-recipients. The review was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

If you have any questions, please contact the Internal Audit Section at (314) 657-3490.

Respectfully,

Dr. Ishmael Ikpeama
Internal Audit Supervisor

Enclosure

CC: April Ford-Griffin, Executive Director - Affordable Housing Commission
Julie Velazquez, Senior Vice President - McCormack Baron Salazar Inc.
Emily Bernstein, Project Manager - McCormack Baron Salazar, Inc.



CITY OF ST. LOUIS

CITY OF ST. LOUIS

AFFORDABLE HOUSING COMMISSION (AHC)

**NORTH SARAH II LIMITED PARTNERSHIP
CONTRACT #05-12L**

**FISCAL MONITORING REVIEW
DECEMBER 27, 2012 THROUGH NOVEMBER 30, 2015**

PROJECT #2015-AH10

DATE ISSUED: DECEMBER 28, 2015

**Prepared by:
The Internal Audit Section**



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HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
AFFORDABLE HOUSING COMMISSION (AHC)
NORTH SARAH II LIMITED PARTNERSHIP
FISCAL MONITORING REVIEW
DECEMBER 27, 2012 THROUGH NOVEMBER 30, 2015**

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CITY OF ST. LOUIS
AFFORDABLE HOUSING COMMISSION (AHC)
NORTH SARAH II LIMITED PARTNERSHIP
FISCAL MONITORING REVIEW
DECEMBER 27, 2012 THROUGH NOVEMBER 30, 2015

SUMMARY

Background

Contract Name: North Sarah II Limited Partnership
Contract Number: 05-12L
Contract Period: December 27, 2012 through December 27, 2042
Contract Amount: \$475,000

The loan agreement provided funds from the Affordable Housing Commission (AHC) to North Sarah II Limited Partnership (Developer) to finance a portion of the construction of one hundred three (103) residential dwelling units located in the City. The agreement requires the units to be maintained as rental property. Five (5) of the units were to be rented to extremely low income households and eight (8) units to low and moderate income households.

Purpose

The purpose of the review was to determine the Developer's compliance with federal, State, and local AHC requirements for the period of December 27, 2012 through November 30, 2015, and make recommendations for improvements, as considered necessary.

Scope and Methodology

Inquiries were made regarding the Developer's internal controls related to the agreement administered by AHC. Evidence supporting the reports the Developer submitted was tested and other procedures were performed, as considered necessary.

Status of Prior Observations

There were no observations in the previous fiscal monitoring review issued October 9, 2013.

Summary of Observations

There were no current observations.

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AFFORDABLE HOUSING COMMISSION (AHC)
NORTH SARAH II LIMITED PARTNERSHIP
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SUMMARY

Conclusion

No evidence was found to suggest that the Developer did not fully comply with federal, State, and local AHC requirements.

Exit Conference

An exit conference was not considered necessary since there were no observations.