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CITY OF ST. LOUIS



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DR. KENNETH M. STONE, CPA, CGMA
Internal Audit Executive

October 9, 2013

Julie DeGraaf Velazquez, Vice President
North Sarah, LP
720 Olive, Suite 2500
St. Louis, MO 63101

FILE COPY

RE: North Sarah, LP (Project #2013-AHC02)

Dear Ms. Velazquez:

Enclosed is a report of our fiscal monitoring review of North Sarah, LP for the period May 1, 2011 through December 31, 2012. 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, LP. Fieldwork was completed on July 10, 2013.

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

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

Sincerely,

Dr. Kenneth M. Stone, CPA, CGMA
Internal Audit Executive

Enclosure

cc: April Ford- Griffin, Executive Director, Affordable Housing Commission



CITY OF ST. LOUIS

AFFORDABLE HOUSING COMMISSION (AHC)

**NORTH SARAH LIMITED PARTNERSHIP
LOAN AGREEMENT #03-11L**

**FISCAL MONITORING REVIEW
MAY 1, 2011 THROUGH DECEMBER 31, 2012**

PROJECT #2013-AHC02

DATE ISSUED: OCTOBER 9, 2013

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
AFFORDABLE HOUSING COMMISSION (AHC)
NORTH SARAH, LP
FISCAL MONITORING REVIEW
MAY 1, 2011 THROUGH JULY 31, 2012**

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INTRODUCTION

Background

Contract Name: North Sarah, LP

Contract Number: 03-11L

Contract Period: Beginning May 1, 2011

Contract Amount: \$400,000

The loan agreement provides funds from Affordable Housing Commission (AHC) to North Sarah, LP (Developer) to finance a portion of the construction of a hundred and twenty residential units located in the City. The agreement requires the units to be maintained as rental property. Four of the units are to be rented to extremely low income households and six 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 May 1, 2011 through December 31, 2012, and make recommendations for improvements, as considered necessary.

Scope and Methodology

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

Exit Conference

The Developer was informed that the review resulted in no observations and an exit conference was not necessary.

SUMMARY OF OBSERVATIONS

Conclusion

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

Status of Prior Observations

The Developer did not have any previous AHC fiscal monitoring reviews.

Summary of Current Observations

There were no current observations.