OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS

DARLENE GREEN
Comptroller

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June 4, 2014

FILE COPY

Stephen Acree, President
Southtowne Apartments, L.P.
611 Olive Street, Suite 1641
St. Louis, MO 63101

RE: Southtowne Apartments (Project #2014-AHC02)

Dear Mr. Acree:

Enclosed is a report of our fiscal monitoring review of Southtowne Apartments project for the period of August 7, 2012 through September 30, 2013. 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 Southtowne Apartments, L.P. Fieldwork was completed on June 2, 2014.

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.

Respectfully,

Kenneth M. Stone

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)

SOUTHTOWNE APARTMENTS ASSOCIATES, LP
CONTRACTS #04-10L

FISCAL MONITORING REVIEW
AUGUST 7, 2012 THROUGH SEPTEMBER 30, 2013

PROJECT #2014-AHC02

DATE ISSUED: JUNE 4, 2014

Prepared by:
The Internal Audit Section

OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

CITY OF ST. LOUIS
AFFORDABLE HOUSING COMMISSION (AHC)
SOUTHTOWNE APARTMENTS ASSOCIATES, L.P.
FISCAL MONITORING REVIEW
AUGUST 7, 2012 THROUGH SEPTEMBER 30, 2013

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INTRODUCTION

Background

Contract Name: Southtowne Apartments Associates, L.P.

Contract Number: 04-10L

Contract Period: August 7, 2012 through September 30, 2013

Contract Amount: $400,000

The contract provides funds from Affordable Housing Commission (AHC) to Southtowne Apartments Associates, L.P., (Developer) to finance a portion of the construction and rehabilitation of forty 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 low-to moderate income households whose incomes do not exceed 50% of median family income for the area. Thirty-six of the units are to be rented to low-to moderate income households whose incomes do not exceed 60% median family income for the area.

Purpose

The purpose of the review was to determine the Developer's compliance with federal, state, and local AHC requirements for the period August 7, 2012 through September 30, 2013, 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 review resulted in no observations and an exit conference was not necessary with the Developer.

SUMMARY OF OBSERVATIONS

Conclusion

No evidence was found to suggest that the Developer 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.