



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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DR. KENNETH M. STONE, CPA
Internal Audit Executive

September 23, 2010

Gregory B. Vatterott, Sr., President
Etzel Place I, L.P.
10449 St. Charles Rock Rd.
St. Ann, MO 63074

RE: Etzel Place Apartments (Project # 2010-AHC12)

Dear Mr. Vatterott:

Enclosed is a report of the fiscal monitoring review of Etzel Place I, L.P. for the period January 1, 2009 through June 30, 2009. 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 Etzel Place I, L.P. Fieldwork was completed on June 18, 2010.

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 or loan recipients.

If you have any questions, please contact the Internal Audit Section at (314) 622-4723.

Sincerely,

Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

cc: Angela Morton Conley, Executive Director, AHC



CITY OF ST. LOUIS

AFFORDABLE HOUSING COMMISSION (AHC)

**ETZEL PLACE I, L.P.
LOAN AGREEMENT #01-06L**

**FISCAL MONITORING REVIEW
JANUARY 1, 2009 THROUGH JUNE 30, 2009**

PROJECT #2010-AHC12

DATE ISSUED: SEPTEMBER 23, 2010

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
AFFORDABLE HOUSING COMMISSION (AHC)
ETZEL PLACE I, L.P.
FISCAL MONITORING REVIEW
JANUARY 1, 2009 THROUGH JUNE 30, 2009**

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INTRODUCTION

Background

Contract Name: Etzel Place I Apartments Loan Agreement

Contract Number: 01-06L

Contract Period: October 29, 2008 through 30 years after date rehabilitated property is placed into service.

Contract Amount: \$400,000

The contract provided funds from the Affordable Housing Commission (AHC) to Etzel Place, L.P. (Developer) for rehabilitation of the Etzel Place I Apartments. The contract is a 30-year repayable loan agreement for rehabilitation of 63 rental units. The units were restricted for rental to households earning at or below 60% of the St. Louis Area Median Income (AMI) for the entire 30-year term of the loan agreement.

Purpose

The purpose of the review was to determine the Developer's compliance with federal, state and local AHC requirements for the period January 1, 2009 through June 30, 2009 and make recommendations for improvements as considered necessary.

Scope and Methodology

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

Exit Conference

The Agency 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 the Developer did not fully comply with AHC's contract requirements.

Status of Prior Observations

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

Summary of Current Observations

There are no current observations.