



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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DR. KENNETH M. STONE, CPA
Internal Audit Executive

FILE COPY

October 1, 2012

Patrick Bannister, Executive Director
St. Louis Development Corporation
1520 Market St.
St. Louis, MO 63103

RE: Community Development Block Grant (CDBG) (Project #2012-CDA32)

Dear Mr. Bannister:

Enclosed is a report of the fiscal monitoring review of the St. Louis Development Corporation, a not-for-profit organization, CDBG Programs, for the period January 1, 2011, through December 31, 2011. 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 St. Louis Development Corporation. Fieldwork was completed on April 16, 2012.

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 City of St. Louis, Community Development Administration (CDA) 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,


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

Enclosure

cc: Jill Claybour, Acting Executive Director, CDA
Lorna Alexander, Special Assistant for Development, CDA



CITY OF ST. LOUIS

**COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

**ST. LOUIS DEVELOPMENT CORPORATION
CONTRACT #CDBG-5, #11-50-03, #11-50-06,
#11-33-55, #11-32-02, #11-70-35, AND #11-90-90
CFDA #14.253 AND #14.218**

FISCAL MONITORING REVIEW

JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

PROJECT #2012-CDA32

DATE ISSUED: OCTOBER 1, 2012

**Prepared by:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

CITY OF ST. LOUIS
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
ST. LOUIS DEVELOPMENT CORPORATION
FISCAL MONITORING REVIEW
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

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INTRODUCTION

Background

Contract Name: St. Louis Development Corporation.

Contract Numbers: CDBG-5, 11-50-03, 11-50-06, 11-33-55, 11-32-02, 11-70-35, 11-90-90

Contract Periods: January 1, 2011 through December 31, 2011

CFDA Numbers: 14.253 & 14.218

Contract Amounts: \$200,000, \$1,496,250, \$480,763, \$65,228, \$282,150, \$320,000, \$344,520

These contracts provided Community Development Block Grant (CDBG) fund to St. Louis Development Corporation (Agency) to undertake activities that assisted in economic development within the City of St. Louis. These activities included but were not limited to business loan packaging, economic development financing, real estate development, minority business development, business assistance, and public improvements.

Purpose

The purpose of the review was to determine the Agency's compliance with federal, state and local Community Development Administration (CDA) requirements for the period January 1, 2011, through December 31, 2011, and make recommendations for improvements as considered necessary.

Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to the grant administered by CDA. Evidence was tested supporting the reports the Agency submitted to CDA and other procedures were performed as considered necessary. Fieldwork was completed on April 16, 2012.

Exit Conference

The Agency was offered for an exit conference on October 3, 2012, but the Agency declined.

SUMMARY OF OBSERVATIONS

Conclusion

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

Status of Prior Observations

The Agency's previous fiscal monitoring report, Project #2011-CDA18 issued November 17, 2011, noted two observations.

1. Opportunity to ensure compliance with terms and conditions of contract agreement (Questioned costs \$43,095) **(Resolved)**
2. Opportunity to improve internal controls over cash retention **(Resolved)**

A-133 Status

The Agency expended \$500,000 or more in federal funds in its fiscal year ended June 30, 2011; therefore, it was required to have a single audit in accordance with OMB Circular A-133.

The report was dated December 9, 2011 and rendered unqualified opinions on the general purpose financial statements and regarding compliance with the major federal awards. There were no major weaknesses or significant deficiencies identified in the audit of the general purpose financial statements and major federal awards. There were no Findings and Questioned Costs Relating to Federal Awards

The Agency did not qualify as a low-risk auditee.

Summary of Current Observations

There were no observations.