



# CITY OF ST. LOUIS

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

**ST. LOUIS DEVELOPMENT CORPORATION  
CONTRACT #CDBG-5, #12-50-03, #12-50-06,  
#12-32-02, #12-70-35, AND 12-90-90  
CFDA #14.253 AND #14.218**

**FISCAL MONITORING REVIEW**

**JANUARY 1, 2012 THROUGH DECEMBER 31, 2012**

**PROJECT #2013-CDA39**

**DATE ISSUED: AUGUST 7, 2013**

**Prepared by:  
The Internal Audit Section**



**OFFICE OF THE COMPTROLLER**  
**HONORABLE DARLENE GREEN, COMPTROLLER**



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



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DR. KENNETH M. STONE, CPA  
Internal Audit Executive  
August 7, 2013

**FILE COPY**

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

RE: Community Development Block Grant (CDBG) (Project #2013-CDA39)

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, 2012 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 St. Louis Development Corporation. Fieldwork was completed on June 27, 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 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  
Cerese Pennington, Program Monitor, CDA

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## INTRODUCTION

### Background

**Contract Name:** St. Louis Development Corporation.

**Contract Numbers:** 12-50-03, 12-50-06, CDBGR-5, 12-32-02, 12-70-35 and 12-90-90

**Contract Period:** January 1, 2012 through December 31, 2012

**CFDA Numbers:** 14.218 and 14.253

**Contract Amounts:**

\$1,273,882	(12-50-03)
\$2,521,311	(12-50-06)
\$ 276,679	(CDBGR-5)
\$ 198,298	(12-32-02)
\$ 554,155	(12-70-35)
\$ 401,476	(12-90-90)

The contract provided Community Development Block Grant (CDBG) funds to the 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, 2012 through December 31, 2012, 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 the Community Development Administration (CDA). Evidence was tested supporting the reports the Agency submitted to CDA and other procedures were performed as considered necessary. Fieldwork was completed on June 27, 2013.

### Exit Conference

An exit conference was offered to the Agency on August 6, 2013, but the agency declined.

## SUMMARY OF OBSERVATION

### **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 #2012-CDA32 issued October 1, 2012, noted no observations.

### **A-133 Status**

The most recent A-133 audit report was dated December 7, 2012, and rendered unqualified opinions on the general purpose financial statements and compliance for major programs. There were no material weaknesses or significant deficiencies disclosed by the audit on the financial statements and major programs. There were no findings relating to the Financial Statements reported in accordance with Government Auditing Standards. There were no Findings and Questioned Costs Relating to Federal Awards.

The Agency did qualify as a low-risk auditee.

### **Summary of Current Observations**

There were no current observations.