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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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Comptroller

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DR. KENNETH M. STONE, CPA
Internal Audit Executive

December 31, 2008

Alana Butler, Assistant Program Director
DeSales Community Housing Corporation
2759 Russell
St. Louis, MO 63104

RE: DeSales Community Housing Corporation; Community Development Block Grant (CDBG); Contract #08-31-09; CFDA #14.218 (Project #2009-CDA5)

Dear Ms. Butler:

Enclosed is a report of our fiscal monitoring review of DeSales Community Housing Corporation, CDBG, for the period January 1, 2008 through May 31, 2008. The scope of a fiscal monitoring review is substantially less than an audit, and as such, we do not express an opinion on the financial operations of the DeSales Community Housing Corporation. Our fieldwork was completed on June 19, 2008.

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 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) 622-4723.

Sincerely,

A handwritten signature in black ink that reads "Kenneth M. Stone".

Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

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



CITY OF ST. LOUIS

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

**DESALES COMMUNITY HOUSING CORPORATION
CONTRACT #08-31-09
CFDA #14.218**

FISCAL MONITORING REVIEW

JANUARY 1, 2008 THROUGH MAY 31, 2008

PROJECT #2009-CDA5

DATE ISSUED: DECEMBER 31, 2008

**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)
DESALES COMMUNITY HOUSING CORPORATION
FISCAL MONITORING REVIEW
JANUARY 1, 2008 THROUGH MAY 31, 2008**

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**CITY OF ST.LOUIS
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
DESALES COMMUNITY HOUSING CORPORATION
FISCAL MONITORING REVIEW
JANUARY 1, 2008 THROUGH MAY 31, 2008**

INTRODUCTION

Contract Name: DeSales Community Housing Corporation
Contract Number: 08-31-09
Contract Period: January 1, 2008 through December 31, 2008
Contract Amount: \$115,000
CFDA Number: 14.218

This contract provided Community Development Block Grant (CDBG) funds to DeSales Community Housing Corporation (Agency) to provide housing primarily to low and moderate-income persons through Fox Grove Management, a subsidiary of DeSales Community Housing Corporation, and to assist the Fox Park and Tower Grove East neighborhoods in their community development and marketing efforts.

Purpose

The purpose was to determine the Agency's compliance with federal, state and local CDBG requirements for the period January 1, 2008 through May 31, 2008 and make recommendations for improvements as necessary.

Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to the grants administered by the Community Development Administration (CDA), evidence tested supporting the reports the Agency submitted to CDA and other procedures performed as considered necessary. The fieldwork was completed on June 19, 2008.

Exit Conference

No observations noted in our report; therefore, exit conference is not necessary.

**CITY OF ST.LOUIS
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
DESALES COMMUNITY HOUSING CORPORATION
FISCAL MONITORING REVIEW
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CONCLUSION AND SUMMARY OF OBSERVATIONS

Conclusion

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

Status of Prior Observations

The Agency's previous fiscal monitoring report dated September 7, 2007 contained one observation:

- The Agency did not use two duly authorized signatures for checks. **(Resolved.)**

A-133 Status

According to a letter received from the Agency dated March 5, 2008, it was not required to have an A-133 audit because it did not expend \$500,000 or more in federal funds for the year ended December 31, 2007.

Summary of Current Observations

There were no observations