



CITY OF ST. LOUIS
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**COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)**

**SHAW NEIGHBORHOOD HOUSING COPORATION
CONTRACT #12-31-24 AND #CDBG-8
CFDA #14.218 AND #14.253**

FISCAL MONITORING REVIEW

**JANUARY 1, 2012 THROUGH DECEMBER 31, 2012 (CDBG)
JANUARY 1, 2012 THROUGH SEPTEMBER 30, 2012 (ARRA)
PROJECT #2013-CDA34**

DATE ISSUED: MARCH 26, 2013

**Prepared by:
The Internal Audit Section**



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



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

Internal Audit Section

1520 Market St., Suite 3005
St. Louis, Missouri 63103-2630
(314) 657-3490
Fax: (314) 552-7670

DR. KENNETH M. STONE, CPA
Internal Audit Executive

March 26, 2013

FILE COPY

Sean Spencer, Executive Director
Shaw Neighborhood Housing Corporation
4103 Shenandoah
St. Louis, MO 63110

RE: Community Development Block Grant (CDBG) and American Recovery and
Reinvestment Act (ARRA) (Project #2013-CDA34)

Dear Mr. Spencer:

Enclosed is a report of the fiscal monitoring review of the Shaw Neighborhood Housing Corporation, a not-for-profit organization, CDBG and ARRA Programs, for the period January 1, 2012 through December 31, 2012 and January 1, 2012 through September 30, 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 Shaw Neighborhood Housing Corporation. Fieldwork was completed on March 14, 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: Shaw Neighborhood Housing Corporation.

Contract Number: 12-31-24 and CDBGR-8

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

CFDA Number: 14.218 and 14.253

Contract Amount: \$52,452 and \$100,000 **Revised (\$131,550)**

The contract provided Community Development Block Grant (CDBG) and (ARRA) fund to Shaw Neighborhood Housing Corporation (Agency) to combat physical deterioration in the Shaw neighborhood by purchasing abandoned / foreclosed properties for redevelopment and partnering with private developers to rehab derelict buildings and sell them to owner/ occupants, either immediately or subsequently through the use of federal and state historic tax credits.

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 March 14, 2013.

Exit Conference

The Agency was offered the opportunity for an exit conference on March 26, 2013, 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 #2012-CDA38 issued October 23, 2012, noted one observation.

- Opportunity to file IRS Form 990 in a timely manner. **(Resolved)**

A-133 Status

According to a letter received from the Agency dated February 25, 2013, it did not expend \$500,000 or more in federal funds in its fiscal year ended December 31, 2012, and was not required to have an A-133 audit.

Summary of Current Observations

There were no observations.