

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**



January 24, 2011

Jerry Breast, Board Chair  
The YMCA of Middle Tennessee  
The Bridge Program  
1000 Church St  
Nashville, TN 37203

Dear Mr. Breast:

Please find attached the Monitoring Report of The YMCA of Middle Tennessee – The Bridge Program relating to the contract it has with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2010.

The Office of Financial Accountability (OFA) is charged with the responsibility of monitoring grant funds, including Community Enhancement Funds (CEF), from Metropolitan Nashville Government to any nonprofit organization. The OFA is also responsible for monitoring the federal and state grants to departments within the Metropolitan Nashville Government. Staff from the OFA conducted the review on November 3, 2010.

We appreciate the assistance provided by your agency during the course of the review. If you have any questions, please call me at 615-880-1035.

Sincerely,

Fred Adom, CPA  
Director

cc: Marcia Smith, Executive Director  
Richard M. Riebeling, Director of Finance  
Talia Lomax-O'dneal, Deputy Director of Finance  
Gene Nolan, Deputy Director of Finance  
Kim McDoniel, Chief of Accounts  
Mark Swann, Internal Audit  
Kevin Brown, Office of Financial Accountability  
Essie Robertson, Office of Financial Accountability  
Brad Thompson, Office of Financial Accountability



**Metropolitan Government of Nashville and Davidson County**

◆ **Monitoring Report of** ◆

# **The YMCA of Middle Tennessee- The Bridge Program**



**Conducted by**



**Office of Financial Accountability**

January 24, 2011

MONITORING REPORT

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## INTRODUCTION

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The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a monitoring review of The YMCA of Middle Tennessee – The Bridge Program. A monitoring review is substantially less in scope than an audit. The OFA did not audit the financial statements and, accordingly, does not express an opinion or any assurances regarding the financial statements of the Metropolitan Government of Nashville and Davidson County (hereinafter referred to as “Metro”) or any of its component units. The OFA is responsible for the internal monitoring of Metro agencies that receive federal and state financial assistance, including cooperative agreements and non-profit organizations that receive appropriations and Community Enhancement Funds from Metro government. In summary, any agreement(s) that imposes performance and/or financial requirements on Metro government is subject to review by the OFA.

The purpose of this review was to assess the agency’s compliance with contractual requirements set forth in the following contract with Metro Government:

| <b>Contract</b> | <b>Type</b>                       | <b>Grantor</b>   | <b>Amount</b> | <b>Contract Term</b> |               |
|-----------------|-----------------------------------|------------------|---------------|----------------------|---------------|
| L-2315          | Community Enhancement Funds (CEF) | Metro Government | \$32,600.00   | July 1, 2009         | June 30, 2010 |

### **Agency Background**

The Bridge Program is a separate non-profit entity under The YMCA of Middle of Tennessee. The agency maintains an afterschool and summer academic enrichment program for East Nashville middle and high school students. Its mission is to build relationships that inspire young people to discover the value of learning.

The Bridge Program runs six (6) weeks each summer crossing over the end/beginning of Metro Government’s fiscal year including a weekly after school mentoring and tutoring program called Cultivating Collegians. The Bridge program offers academic courses, college tours, career counseling, community service, sports, art enrichments and public speaking.

## **OBJECTIVES, SCOPE AND METHODOLOGY**

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The objectives of our review were:

- 1) To determine whether the agency has the resources and capacity to administer the grant funds.
- 2) To determine if costs and services are allowable and eligible.
- 3) To verify that program objectives are being met.
- 4) To test the reliability of the financial and programmatic reporting.
- 5) To verify contractual compliance.

The scope of our review was limited to the contract term July 1, 2009 through June 30, 2010.

Audit procedures included meeting with agency management and staff, reviewing the design of internal controls as a basis for establishing our testwork, reviewing Board minutes and obtaining written representations from management. In addition, we examined certain financial records and supporting documentation necessary to ensure compliance with contractual requirements set forth in Contract L-2315. Specific procedures included:

- Interviewing the employees responsible for grant management, financial reporting, and accountability.
- Reviewing supporting documentation of expenditures for allowability, necessity and reasonableness.
- Reviewing the agency's General Ledger and verifying the accuracy of all invoices submitted to Metro.
- Reviewing documentation to determine that funds were used for intended beneficiaries and expended in accordance with the Spending Plan of the contract.
- Reviewing documentation to support program activities for consistency with grant requirements.
- Assessing the financial stability of the agency and its ability to continue to administer the grant program funded by Metro.

## RESULTS OF REVIEW

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### Summary of Results

| Criteria   | Yes | No |
|--|-----|----|
| Agency in Compliance with Contract Requirements?       | ✓   |    |
| Sufficient Resources and Capacity to Administer Funds? | ✓   |    |
| Costs and Services are Allowable and Eligible?         | ✓   |    |
| Program Objectives being Met?                          | ✓   |    |
| Reporting Requirements Met?                            | ✓   |    |
| Sufficient Internal Control Environment?               | ✓   |    |
| Compliance with Civil Rights Requirements?             | ✓   |    |

## **RESULTS OF REVIEW**

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The overall results of the monitoring review are provided in this section. Results are based on testwork performed and include conclusions regarding specific review objectives and, if applicable, recommendations for improvement and an action plan for implementation. Where applicable, the Findings and Recommendations section of this report provides more insight into any issues identified below.

### **1. Sufficient Resources and Capacity to Administer Grant Funds**

Our review of the agency's accounting system and the qualifications of the individuals assigned to manage the accounting records indicate that the agency possesses the necessary resources and professional expertise to effectively administer the grant funds.

### **2. Allowable and Eligible Costs and Services**

Our review covered all of the core compliance areas identified by OMB Circular A- 133: *Audit of States, Local Government, and Non-Profit Organizations*. Based on our test work, costs and services during the period were allowable and eligible. Costs incurred by the agency complied with applicable guidelines stated in OMB Circular A-122.

Additionally, the Metro Grants Manual requires separate accounting of the Metropolitan Nashville Government grant funds to prevent co-mingling of Metro Funds with other sources of funding. The agency is in compliance with this requirement. Different revenue classes as well as expenditure classes have been established to separately track the sources and amounts of funding. Also, the agency can easily and accurately report their expenses supported by the Metro Appropriation.

### **3. Program and Performance Objectives**

The contract stipulates that the agency shall use the funds to provide the following outcomes:

## **RESULTS OF REVIEW**

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- 60 summer programs participates in the high school graduating classes of 2015, 2014, and 2013 who are provided academic instruction, athletics, service, arts, special events, and field trips, will have the following outcomes:
  - 80% will have 5 absences or less during July of 2009 and June of 2010;
  - 60% will have at least an 85% average in the 4 academic core courses, according to twice yearly report cards;
  - 60% will be involved in after school activities according to documented phone conversations with the students;
  - 80% will visit 2 colleges during Metro's fiscal year, according to field trip logs;
  - 80% will self report an active engagement in learning and positive view of their future, according to an online Asset Development survey.

Based on our review of program documentation and discussions with staff, the program performance objectives were met and the agency is in compliance with contractual program objectives.

### **4. Reliability of Financial and Programmatic Reporting**

The contract requires submission of an annual audit report performed by a Certified Public Accountant. The contract also requires the agency to submit to Metro year end reports of the program outcome and a final expenditures report, no more than 45 days after the close of the contract. We reviewed all applicable financial and programmatic reports required by the contract, including audited financial statements.

OFA reviewed all applicable financial and programmatic reports required by the contract, including audited financial statements. Based on our review, the agency

## RESULTS OF REVIEW

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complied with all financial and programmatic reporting requirements.

### **5. Internal Control Environment**

In order to determine the adequacy of the design of internal controls, we obtained and reviewed an independent auditor's report on internal control over financial Reporting and/or a completed internal control questionnaire. This audit procedure was performed solely as a basis for determining our test work and to assist us in making suggestions for improvement to management. We did not evaluate the operating effectiveness of internal controls over financial reporting.

Our review of the design of the agency's internal controls did not reveal any control deficiencies. Further, nothing came to our attention that would necessitate suggestions for improvement in internal control activities to management.

### **6. Civil Rights Requirements**

Our review did not reveal anything to indicate that the agency was noncompliant with civil rights requirements. The agency also has necessary written policies and procedures relating to civil rights. The agency has not received any complaints regarding any form of discrimination. Further, civil rights and ADA postings are publicly displayed.