

BILL PURCELL
MAYOR



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DEPARTMENT OF FINANCE
OFFICE OF FINANCIAL ACCOUNTABILITY
222 THIRD AVENUE NORTH, SUITE 315
NASHVILLE, TENNESSEE 37201

June 4, 2004

Mr. Jeff Medford,
Greater Nashville Regional Community Foundation
4805 Park Avenue, Suite 211
Nashville, TN 37209

Dear Mr. Medford:

Staff from the Office of Financial Accountability (OFA), formerly the Division of Grants Monitoring, conducted an onsite review of the expenditures incurred by the Greater Nashville Regional Community Foundation (hereinafter referred to as the Foundation) towards hosting the National League of Cities 2003 Congress of Cities and Exposition from December 9th through December 13th, 2003.

Background Information

The National League of Cities (NLC) is the oldest and largest national organization that represents municipal governments in the United States. Its mission is to strengthen and promote cities as centers of opportunities, leadership, and governance. The NLC serves over 18,000 cities, villages, and towns. Each year, the NLC holds a Congress of Cities and Exposition in various cities. This conference provides a wide range of educational and training opportunities for municipal officials. The conference also establishes policies and programs for the NLC and its members. The conference typically attracts between 7,500 and 10,000 guests was held event each year. For 2003, this conference was held in Nashville.

To support this event, the Metropolitan Government of Nashville and Davidson County agreed to contribute a maximum of \$660,000 to cover cost incurred to host the event in

Nashville. Under a separate agreement, Metro awarded the Ingram Group a contract to manage and coordinate all activities related to the conference. In addition Metro also contracted with The Greater Nashville Regional Community Foundation to act as fiscal agent responsible for the receipt and disbursement of funds approved by the Ingram Group, for the National League of Cities conference. Metro disbursed \$363,826.00 to the Foundation.

Scope of the Review

A monitoring review is substantially less in scope than an audit. The OFA did not audit the Greater Nashville Regional Community Foundation's financial statements and, accordingly, does not express an opinion or any assurances regarding the financial statements of Metro or the Greater Nashville Regional Community Foundation.

The OFA reviewed 100% of the expenditures incurred by the Foundation for the conference. The review covered only the funds awarded to the Foundation by the Metropolitan Government of Nashville and Davidson County (Metro) for the period July 16th 2003 through March 31st, 2004:

<u>Contract No.</u>	<u>Contract Award</u>
L-843	\$361,748

The monitoring review was conducted in accordance with the Metro Grants Manual. Our monitoring objectives were as follows:

- To ascertain if funds provided to the Greater Nashville Regional Community Foundation by Metro were expended appropriately, in accordance with provisions set forth by Metro.
- To assess the internal controls established to ensure proper accountability for the funds.
- To ensure the funds were disbursed as directed by the Ingram Group
- To verify the Foundation's compliance with the requirements for supporting documentation.
- To verify that any additional funds received toward the National League of Cities 2003 Congress of Cities and Exposition was appropriately accounted for.
- To assess the status of any outstanding balances as of the end of the project

Conclusions:

The OFA reviewed 100 % of the charges to the grant. **There were no instances of noncompliance identified during the monitoring review.** Based on the test work conducted, the OFA concluded that the Foundation maintained sufficient supporting documentation for each disbursement. The documentation appeared appropriate, reasonable, and applicable to the conference. The OFA also noted that each disbursement had physical evidence that the expenses had been reviewed and approved by Ingram Group before payment.

Finally, the OFA noted that the Foundation received \$363,826 from Metro and \$486,635.67 from other parties, totaling **\$850,461.67** to cover costs related to the conference. The Foundation spent only **\$620,834.32** on the event leaving an excess balance of **\$229,627.35**.

Recommendation(s)

Considering that this is a one-time event and the fact all related obligations and costs incurred have been fully paid, we recommend the Foundation return the excess funds to Metro to defray part of the public funds Metro expended toward the conference.

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

Sincerely,

Fred Adom, CPA
Director

cc: David L. Manning, Director of Finance
Jane Alvis, Mayor's Office
David Jarrard, President, Ingram Group
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