

BILL PURCELL
MAYOR



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

DEPARTMENT OF FINANCE
222 THIRD AVENUE NORTH, SUITE 650
NASHVILLE, TENNESSEE 37201

August 31, 2005

Mr. Sam Thompson
Community Access Corporation
120 White Bridge Rd. #45
Nashville, TN 37209

Dear Mr. Thompson:

Please find attached the Monitoring Report of the Community Access Corporation, Inc. relating to the contract it has with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2005.

The Office of Financial Accountability (OFA) is charged with the responsibility of monitoring grant funds from Metropolitan Nashville Government to any nonprofit organizations. 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 August 24, 2005.

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
Director

cc: Jim Gilchrist, Executive Director Community Access Corporation
David Manning, Director of Finance
Talia Lomax-O'dneal, Deputy Director of Finance
Mitzi Martin, Division of Accounts
Kim McDoniel, Internal Audit
Kevin Brown, Office of Financial Accountability
Bryan Gleason, Office of Financial Accountability



Metropolitan Government of Nashville and Davidson County

222 3rd Ave. N.
Suite 650
Nashville, TN 37201

615-862-6170 office
615-862-6175 fax

www.nashville.gov/finance

◆ Monitoring Report of ◆

Community Access Corporation, Inc.



Issued by



Office of Financial Accountability

August 31, 2005

Fred Adom, CPA
Director

Kevin Brown,
Lead Auditor
Bryan Gleason,
Assistant Auditor

Our Vision: To be excellent and proficient in monitoring and management services.

Monitoring Report
for the
Community Access Corporation, Inc.

Table of Contents

	Pages
Monitoring Objectives, Scope and Methodology	4
Results of Monitoring	5
Finding and Recommendation	7

OBJECTIVES, SCOPE AND METHODOLOGY

The Office of Financial Accountability (herein after referred to as OFA) is charged with the responsibility of monitoring grant funds from Metropolitan Nashville Government to any nonprofit organizations, which receive appropriations from the Metropolitan Nashville and Davidson County government. The OFA is also responsible for monitoring the federal and state grants to departments within the Metropolitan Nashville Government.

We have completed a monitoring review of the Metropolitan Nashville Government grant to the Community Access Corporation, Inc. for the year ended June 30, 2005. 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 assurance regarding the financial statements of the Community Access Corporation. Our objectives for this review were:

- 1) To determine whether the agency has the resources and capacity to administer the grant funds
- 2) To test if costs and service 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 test the reliability of internal controls
- 6) To verify contractual compliance

The review was limited to the Metropolitan Government of Nashville and Davidson County grant L-1310 in the amount of \$66,500.00 to the Community Access Corporation for the fiscal year ending June 30, 2005. The Community Access Corporation was to utilize the grant funds from Metro to facilitate the production of Community Programs by providing free access to camcorders, studio and editing facilities. The Community Access Corporation shall manage channel 19 and the programming presented on channel 19 shall be provided by residents of Nashville and Davidson County and serve as a first amendment forum for non-commercial expression. The Community Access Corporation shall also provide classes in video production and editing every month. The Community Access Corporation (originally called Community Access Television Corporation) was created in 1984. Everyone, from international groups to not-for-profit organizations; from youth groups and governmental agencies; to just an interested individual with a special idea for a program, can produce a television program at the Community Access Corporation. Since the new PEG studio opened in March 2001, the Community Access Corporation has supervised over 5,200 residents of Nashville and Davidson County as they produced over 2,200 hours of programming. To accomplish our objectives of the monitoring review we:

- Interviewed the officials responsible for the grant management, financial reporting, and accountability.
- Reviewed controls and supporting documentation of expenditures for allowability, necessity and reasonableness of the costs incurred.
- Reviewed operations and activities offered by the Community Access Corporation and its compliance with the intended beneficiaries of the grant funds.
- Reviewed the financial stability of the Community Access Corporation and its ability to continue to administer the grant program funded by Metro.
- Reviewed the general ledger to verify the accuracy of the agency's invoices submitted to Metro.

RESULTS OF MONITORING

The overall results of the monitoring review for the Community Access Corporation, Inc. are provided in this section. The results are based on tests performed and include conclusions regarding the specific review objectives and, if applicable, recommendations for improvement and an action plan for implementing the conclusions. Where applicable, the Findings and Recommendations section of the report provides more insight into the problem identified in the results below.

1. Possess necessary resources and capacity to administer the grant funds

Our review of the agency's accounting system, the qualification of the individuals assigned to manage the accounting records, and other available resources, indicates that the Community Access Corporation possesses the necessary resources and expertise to administer the grants funds. The agency's staff has over ten years of experience with grants.

The agency's Board of Directors is comprised of thirteen members with diverse professional backgrounds. The Board of Directors meets every third Thursday of the month and takes an active role in the operations of the Community Access Corporation.

2. Allowable and Eligible costs and services

The contract between Metropolitan Nashville Government and the Community Access Corporation for the year ended June 30, 2005, required the agency to use the grant funds to facilitate the production of Community programs by providing free access to camcorders, studio and editing facilities, and to maintain channel 19, which is the designated public access channel for the Metro area.

The grants manual specifies for the separate accounting of the Metropolitan Nashville Government grant funds to prohibit co-mingling of the Metro Funds with other sources of funding. The agency is in compliance with this requirement of the grants manual. The agency has established different revenue and expenditure classes to track the sources of funding and related expenditures accordingly.

3. Program objectives being met

The contract between Metropolitan Nashville Government and the Community Access Corporation, Inc. for the year ended June 30, 2005, stipulates that the Grantee is to facilitate the production of Community programs by providing free access to camcorders, studio and editing facilities, and to maintain channel 19, which is the designated public access channel for the Metro area. Our review revealed that the program objectives were being met.

4. Reliability of financial and programmatic reporting

The Community Access Corporation is also required to submit to Metro reports of the program outcome and a final expenditures report 45 days after the close of the contract. Our review revealed that the Community Access Corporation did not complete the final expenditures and final program reports as required by the grant contract. Finding #1 in the Finding and Recommendation Section provides further discussion on the agency not completing the final expenditures and final program reports as required by the grant contract.

RESULTS OF MONITORING

5. Reliability of internal controls

Our review of the internal controls of the Community Access Corporation did not reveal any weaknesses in their internal controls. The agency requires approval from the Board Chair for transactions above \$300 and the agency also requires approval from the entire Board of Directors for transactions above \$1,000.00. Tests indicate the agency is in compliance with these internal controls.

6. Contractual compliance

Due to the specific program objectives that were outlined in the grant, we determined that Community Access Corporation was not fully in compliance with the grant contract. The discrepancy is discussed further in the Findings and Recommendation section.

7. Civil rights requirements

Our review did not reveal anything to indicate that the Community Access Corporation was not in compliance with civil rights requirements. The agency has not received any complaints regarding any form of discrimination and the agency has civil rights and ADA posting in public places.

FINDINGS AND RECOMMENDATIONS

1. Financial and programmatic reporting efforts needs improvement.

Finding

Tests performed on 100% of the financial and programmatic reports to Metro revealed that the agency did not complete and submit the Final Expenditures Report and the Final Program Report within 45 days of the close of the grant as required by the contract. On page 2 of the grant contract under C.4 it states, “the recipient shall submit a final grant expenditures report within 45 days of the end of the grant contract. The grant contract also states on page 4 under D.9, “the recipient shall submit a final program report within 45 days of the end of the grant contract.” The Community Access Corporation failed to submit the required reports with the stipulated timeframe.

Recommendation

The Community Access Corporation should review the grant contract and ensure that all financial and programmatic reports required by the grantor are completed accurately and submitted within the required time.