

BILL PURCELL  
MAYOR



**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**

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

August 18, 2006

Reginald Coopwood, CEO  
Metropolitan Hospital Authority  
Knowles Home  
1010 Camilla Caldwell Lane  
Nashville, TN 37218

Dear Dr. Coopwood:

Please find attached the Monitoring Report for the Knowles Home. This report explains the results of the monitoring review of the agency's federal and state grants and other financial assistance for the fiscal year ending June 30, 2005. Staff from the Office of Financial Accountability conducted the fieldwork for this review on June 14, 2006.

We appreciate the cooperation and assistance provided us during the course of the review. We hope you find the results of the review useful for administering grants for the Knowles Home Care. If you have any questions, please call me at (615) 880-1035.

Sincerely,

*Fred Adom*

Fred Adom  
Director

cc: Randy Pirtle, CFO Metropolitan Hospital Authority  
Jan Henderson, Finance Director of Bordeaux Long Term Care and Knowles Home  
David Manning, Director of Finance  
Talia Lomax-O'dneal, Deputy Director of Finance  
Kim McDoniel, Assistant to the Director of Finance  
Don Dodson, Audit Manager  
Kevin Brown, Office of Financial Accountability



## Metropolitan Government of Nashville and Davidson County

222 3<sup>rd</sup> Ave. N.  
Suite 650  
Nashville, TN 37201

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

[www.nashville.gov/finance](http://www.nashville.gov/finance)

◆ Monitoring Report of ◆

# Knowles Home



Issued by



## Office of Financial Accountability

August 18, 2006

Fred Adom, CPA  
Director

Kevin Brown,  
Lead Auditor

Monitoring Report  
for the  
Knowles Home

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## **EXECUTIVE SUMMARY**

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The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a monitoring review of the Federal and State grants and contracts administered by the Knowles Home (hereinafter referred to as “Knowles” or “department”). The monitoring process included a review of those contracts in effect during the fiscal year ending June 30, 2005. The contracts reviewed are listed in Appendix A. The OFA conducted its monitoring review along the major compliance areas identified in the Office of Management and Budget (OMB) Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations.” The review was performed in accordance with Generally Accepted Government Auditing Standards and in compliance with the OMB Circular A-87, “Cost Principles for State, Local and Indian Tribal Governments.”

### **Overview of the Department**

Knowles Homes is a 100 bed assisted living facility and an adult day care center. It is a division of the Hospital Authority, committed to providing innovative care and support to the aging adults of Davidson County. Knowles Home promotes quality living for aging adults challenged by economic, social, physical, and cognitive issues by helping them live in the most independent environment possible. Knowles Homes also assists in life’s transition to appropriate levels of care by linking people, information, and resources.

During FY 05, the average operating cost per patient per day at Knowles Home was \$76.00. The Knowles Home overall satisfaction from its residents and its residents’ family was 90% and 84% respectively. The Knowles Home’ Adult Day Care program had 55 participants during FY 2005.

### **Objectives, Scope, and Methodology**

A monitoring review is substantially less in scope than an audit. The OFA did not audit the financial statements for the Knowles Home and, accordingly, does not express an opinion or any assurances regarding the financial statements of Knowles or the Metropolitan Government of Nashville and Davidson County (hereinafter referred to as “Metro”). 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 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 overall monitoring objective was to determine the department’s compliance with grantor guidelines, rules, and regulations. Specifically, we reviewed for the following objectives:

- To determine whether the activities and costs of the programs are allowable under the program regulations and provisions of the grant agreement
- To determine whether costs reported under the grant program are consistent with provisions of grantor guidelines and OMB Circular A-87
- To determine whether civil rights requirements are met
- To determine whether the minimum requirements for local matching contributions and/or adequate level of expenditures by other sources of funds are met
- To determine whether the department adheres to grantor guidelines for equipment purchases
- To determine whether grant funds were used exclusively during the period in which the funds were authorized
- To determine whether purchases were made in accordance with OMB Circular A-87, the minimum federal, state and local requirements, and grantor guidelines
- To determine whether grant financial reports are reliable and timely
- To determine whether Federal compliance requirements regarding subrecipient oversight were met and whether the subrecipient performed in accordance with the contract terms.

The scope of the work included the grants listed in Appendix A. The grant period was July 1, 2004 through June 30, 2005. Although the review focused on this specific time period, certain analyses required the consideration of financial transactions outside of this time period.

The methodology adopted by the OFA encompassed various interviews and an objective review of fiscal files, including:

- Financial transactions and supporting documentation,
- Contract agreements and related amendments,
- Federal and/or State financial reports, and
- Internal and external correspondence.

### **Overall Findings and Major Review Highlights**

Based on our review, the staff from the Knowles Home appeared to be very knowledgeable about the program requirements and, based on our review, appeared to work diligently towards compliance with all grant requirements. Our review **did not** reveal any findings of non-compliance.

**APPENDIX A:  
GRANTS REVIEWED FOR FY 2005**

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According to the Division of Grants Coordination Grants Database, there were 2 active grants for the Knowles Home for FY 05. The table below lists the 2 grants that were included in our monitoring review:

<b>FEDERAL &amp; STATE GRANTS AND FINANCIAL ASSISTANCE</b>						
<b>Grantor</b>	<b>Grant</b>	<b>Contract Number</b>	<b>Grant Period</b>		<b>Grant Award</b>	<b>Findings</b>
TN Department of Human Services	SSBG	Z-04-015730	10/01/2004	06/30/2005	\$123,450.00	NO
TN Department of Human Services	CACFP	03 47 40036 00 5	07/01/2004	06/30/2005	NA	NO