KARL DEAN
MAYOR

DEPARTMENT OF FINANCE

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

March 29, 2011

Orrin Ingram, Board Chair
Alignment Nashville
421 Great Circle Road, Suite 100
Nashville, TN 37228

Dear Mr. Ingram:

Please find attached the Monitoring Report of the Alignment Nashville 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 is charged with the responsibility of monitoring grant funds, including Direct Appropriations, from Metropolitan Nashville Government to any nonprofit organization. Staff from the Office of Financial Accountability conducted the review on March 25, 2011.
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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

Digitally signed by Fred Adom
DN: CN = Fred Adom, C = US, O = Metro Nashville Department of Finance, OU = Office of Financial Accountability
Reason: I am approving this document
Date: 2011.03.29 11:26:48 -05'00'

Fred Adom, CPA
Director

cc: Sydney Rogers, Executive Director
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Metropolitan Government of Nashville and Davidson County

ALIGNMENT NASHVILLE

♦ **Monitoring Report** ♦

Conducted by

FINANCE

Office of Financial Accountability

March 29, 2011

TABLE OF CONTENTS

INTRODUCTION 5

OBJECTIVES, SCOPE AND METHODOLOGY 6

RESULTS OF REVIEW 7

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The Office of Financial Accountability (hereinafter referred to as "OFA") has completed a monitoring review of Alignment Nashville. 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 Alignment Nashville or any of its component units. The OFA is responsible for the internal monitoring of Metropolitan Government of Nashville and Davidson County (hereinafter referred to as "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:

Contract	Type	Amount	Contact Term	
L-2283	Direct Appropriations	$100,000	July 1, 2009	June 30, 2010

Agency Background

Alignment Nashville is a nonprofit organization whose purpose is to bring community organizations and resources into alignment so that their coordinated support of youth has a positive impact on public school success, children's health and the success of the community as a whole.

Alignment Nashville has developed a collaborative strategic model that aligns the resources of organizations with the Strategic Business Plan of Metro Nashville Public Schools (MNPS), thereby aligning city resources with common goals.

The objectives of our review were:

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1) To determine whether the agency had the resources and capacity to administer the grant funds.
2) To determine if costs and services were allowable and eligible.
3) To verify that program objectives were 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-2283. 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.

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SUMMARY OF RESULTS

Criteria	Yes	No
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?	✓	

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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*. 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 was 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 grant.

Based on our test work, costs and services during the period were allowable and eligible.

3. Program and Performance Objectives

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

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- The contract stipulates that agency will use the funds to coordinate participation of over 100 organizations in projects to align the city's resources toward improvement of student achievement for 74,000 MNPS students.

Based on our review of program documentation and interviews of staff personnel, the objective was 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. Based on our review, the agency 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

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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.

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