KARL DEAN
MAYOR

DEPARTMENT OF FINANCE

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

November 7, 2011

John Gawaluck, Board Chair
Adventure Science Center
800 Ft. Negley Blvd
Nashville, TN 37203

Dear Mr. Gawaluck:

Please find attached the Monitoring Report of the Adventure Science Center relating to the contract it had with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2011.

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 October 26, 2011.

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: 2011.11.07 09:53:45 -06'00'

Fred Adom, CPA
Director

cc: Susan Duvenhage, Executive Director
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Metropolitan Government of Nashville and Davidson County

ADVENTURE SCIENCE CENTER

♦ **Monitoring Report** ♦

Conducted by

Office of Financial Accountability

November 7, 2011

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The Office of Financial Accountability (hereinafter referred to as "OFA") has completed a monitoring review of Adventure Science Center. 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 Adventure Science Center 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 Direct 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-2491	Direct Appropriation	$200,000	July 1, 2010	June 30, 2011

Agency Background

The Adventure Science Center is a nonprofit corporation organized exclusively for charitable, educational and scientific purposes. The Center provides an exciting learning environment for visitors of all ages to better understand science, technology, engineering and health through participatory exhibits, demonstrations and a variety of educational activities and programs including Adventure Tower, BodyQuest and the Sudekum Planetarium. The Center receives funding from private contributions, local appropriations, grants, program fees and admissions.

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The objectives of our review were:

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, 2010 through June 30, 2011.

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 contracts L-2491. 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 Allowable and Eligible?	✓	
Program Objectives 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 Adventure Science Center shall use the funds to provide the following outcomes:

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- Provide approximately 11,000 Metro Nashville Public School students free admission to the Adventure Science Center
- Provide four (4) teacher development workshops designed to share new science education ideas for the classroom

Based on our review of program documentation and discussions with staff, program performance objectives were met and the agency was 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.

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

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regarding any form of discrimination. Further, civil rights and ADA postings are publicly displayed.

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