

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



March 22, 2019

Monica Fawknottson, Executive Director
Metropolitan Sports Authority
730 2nd Avenue South, Suite 103
Nashville, TN 37210

Dear Ms. Fawknottson:

Please find attached the final monitoring report for the Metropolitan Sports Authority. This report explains the results of the review of your agency's federal and state grants and other financial assistance for the fiscal years 2017 and 2018 listed in Appendix A. You previously reviewed and responded to a preliminary report. Your response to that report has been incorporated into this final report.

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

Sincerely,

Fred Adom, CPA, CGMA, CICA
Director

cc: Talia Lomax-O'dneal, Director of Finance, Department of Finance
Gene Nolan, Deputy Director of Finance, Department of Finance
Kim McDoniel, Deputy Director of Finance, Department of Finance
Chris Harmon, Budget Officer, Department of Finance
Phil Carr, Division of Accounts, Department of Finance
Mark Swann, Metropolitan Auditor, Office of Internal Audit
Kevin Brown, CMFO, CICA, CFE, Office of Financial Accountability
Essie Robertson, CPA, CMFO, CICA, Office of Financial Accountability
Dolly Cook, Office of Financial Accountability

This page was intentionally left blank



Metropolitan Government of Nashville and Davidson County

METROPOLITAN SPORTS AUTHORITY

◆ **Monitoring Report** ◆

Conducted by



Office of Financial Accountability

March 22, 2019

MONITORING REPORT

TABLE OF CONTENTS

INTRODUCTION	5
OBJECTIVES, SCOPE AND METHODOLOGY.....	7
RESULTS OF MONITORING.....	8
FINDINGS, RECOMMENDATIONS AND MANAGEMENT’S RESPONSE.....	9
APPENDIX A.....	10

INTRODUCTION

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 Metropolitan Sports Authority (hereinafter referred to as “Sports Authority”). The monitoring process included a review of the contracts in effect during the fiscal year ending June 30, 2017 and 2018. The contracts reviewed are listed in Appendix A. The OFA conducted the monitoring review along the major compliance areas identified in the Office of Management and Budget (hereinafter referred to as “OMB”) 2 CFR 200, “*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*”

Department Background

The mission of the Metropolitan Sports Authority is “to acquire, improve, repair, operate and maintain professional sports facilities and their surrounding campuses in Metro Nashville and Davison County, within the provisions of governing contracts.” The Metropolitan Sports Authority’s Board is comprised of 13 members, all of whom shall be a duly qualified voter of the municipality and shall serve six (6) year terms.

Per the FY 2019 Operating Budget, the Metropolitan Sports Authority had an operating budget of \$1,686,400 with three (3) total budgeted positions.

<u>Expenditures and Transfers:</u>	<u>2018-19</u>
GSD General Fund	\$843,200
Special Purpose Fund	\$843,200
Total Expenditures and Transfers	\$1,686,400

Source: Metro FY 2019 Operating Budget

Grants Reviewed:

The purpose of this review was to assess the Sports Authority’s compliance with contractual requirements set forth in the following grant contracts that provided approximately \$39,200.00 of financial assistance to the Sports Authority.

A Mother’s Place: Infrastructure for Breastfeeding Support Baby Co. 17-17

The Sports Authority was awarded \$3,500.00 from the Baby+Co. The grant was to provide assistance with the purchase, shipping, and design of two (2) Mamava suites.

A Mother’s Place: Infrastructure for Breastfeeding Support Titans 17-17

The Sports Authority was awarded \$12,350.00 from the Tennessee Titans. The grant was to provide assistance with the purchase, shipping, and design of two (2) Mamava suites.

A Mother’s Place: Infrastructure for Breastfeeding Support Southern Blood Services 17-17

OFFICE OF FINANCIAL ACCOUNTABILITY

INTRODUCTION

The Sports Authority was awarded \$1,000.00 from the Southern Blood Services. The grant was to provide assistance with the purchase, shipping, and design of two (2) Mamava suites.

A Mother's Place: Infrastructure for Breastfeeding Support Nashville Sounds 17-17

The Sports Authority was awarded \$12,350.00 from the Nashville Sounds Baseball Club. The grant was to provide assistance with the purchase, shipping, and design of two (2) Mamava suites.

Preds Sports Authority Special Event Program 17

The Sports Authority was awarded \$5,000.00 from the Nashville Predators. The grant was to provide assistance to the Sports Authority's Special Event Program.

Titans Sports Authority Special Event Program 17

The Sports Authority was awarded \$5,000.00 from the Tennessee Titans. The grant was to provide assistance to the Sports Authority's Special Event Program.

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 Sports Authority and, accordingly, does not express an opinion or any assurances regarding the financial statements of the Sports Authority 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 grantors and Metro guidelines, policies, rules, and regulations. Specifically, we reviewed for the following objectives:

- To determine whether activities and costs of the program were made in accordance with OMB Circular 2 CFR 200; the minimum federal, state and local requirements; and grantor guidelines.
- 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 grant funds were used exclusively during the period in which the funds were authorized.
- To determine the reliability and timeliness of the financial and programmatic reporting.
- To determine whether federal compliance requirements regarding sub-recipient oversight were met and whether the sub-recipient performed in accordance with the contract terms.
- To determine whether civil rights requirements are met.
- To determine whether program objectives were met.
- To determine whether the various Metro regulations were followed.

The scope of the work included the grants listed in Appendix A. The grant period reviewed was July 1, 2016 through June 30, 2018. 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 and programmatic files, including:

- Financial transactions and supporting documentation
- Contract agreements and related amendments
- Federal and/or state financial reports
- Program reports and supporting documentation
- Correspondence between related parties.

RESULTS OF MONITORING

Overall Findings and Major Review Highlights

Our review revealed one discrepancy with Metro policies and grant requirement guidelines. The Metropolitan Sports Authority:

1. Should improve compliance with Metro Finance Division of Accounts Policy #14: Capital Assets.

The section that follows provides more detailed information for the items listed above. Management is given an opportunity to respond to the findings.

FINDINGS, RECOMMENDATIONS & MANAGEMENT'S RESPONSE

1. Should improve compliance with Metro Finance Division of Accounts Policy #14: Capital Assets.

Finding

The Metropolitan Sports Authority failed to fully adhere to Metro Finance Policy #14: Capital Assets. The Sports Authority utilized the grant funding from multiple grantors to assist in the purchase, shipping, and design of two (2) Mamava lactation suites to be placed at First Tennessee Park and Nissan Stadium. The acquisition cost for each unit was \$18,525.00; therefore, exceeding the capitalization threshold of \$10,000, as defined by Metro Finance Policy #14: Capital Assets. The two lactation suites were added to the "Master Fixed Asset List" within Metro's centralized financial accounting system; however, the Sports Authority failed to affix an equipment tag upon the two suites for identification and tracking purposes as required by the Capital Assets Policy. Per Metro Finance Policy #14: Capital Assets under the general policies it states the following under item 10, *"Upon receipt of a capital asset, it is the department's responsibility to notify Division of Accounts within 5 business days, and to tag that asset within 5 days of receipt of a fixed asset numbers. Tags should never be removed from capital assets."*

Recommendation

The Metropolitan Sports Authority should immediately tag both Mamava lactation suites as required by Metro Finance Policy #14: Capital Assets.

Management Comments

We concur with the finding in the report.

APPENDIX A

Grant	Resolution #	Grant Period		Award Amount	Findings
A Mother's Place: Infrastructure for Breastfeeding Support Baby Co. 17-17	RS2017-695	05/01/2017	No expiration	\$3,500.00	Y
A Mother's Place: Infrastructure for Breastfeeding Support Titans 17-17	RS2017-698	05/01/2017	No expiration	\$12,350.00	Y
A Mother's Place: Infrastructure for Breastfeeding Support Southern Blood Services 17-17	RS2017-697	05/01/2017	No expiration	\$1,000.00	Y
A Mother's Place: Infrastructure for Breastfeeding Support Nashville Sounds 17-17	RS2017-696	05/01/2017	No expiration	\$12,350.00	Y
Preds Sports Authority Special Event Program 17	RS2016-490	12/01/2016	No expiration	\$5,000.00	N
Titans Sports Authority Special Event Program 17	RS2016-491	12/01/2016	No expiration	\$5,000.00	N