

KARL DEAN
MAYOR



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

December 6, 2007

Samuel E. Stumpf, Jr., Chair
Watkins College
2298 Metro Center Blvd.
Nashville, TN 37223

Dear Mr. Bradley:

Staff from the Office of Financial Accountability (OFA) conducted an onsite review of the supporting documentation and the compliance with the provisions of the contract of the Council Initiative award to the Watkins College, on October 11, 2007. Our review covered only the expenditures for following contracts with the Metropolitan Government of Nashville and Davidson County (Metro) for the fiscal year ending June 30, 2007:

<u>Contract No.</u>	<u>Contract Award</u>	<u>Purpose</u>
L-1702	\$1,500	Provide portion of the salary cost of instructors.

Our monitoring objectives were as follows:

- To verify the organization's compliance with the contract requirements of the Council Initiative Awards.
- To verify compliance with Metro requirements for allowable and eligible costs of the Council Initiative Awards.
- To obtain assurance of the organization's compliance with Metro's reporting requirements of the Council Initiative Awards.

A monitoring review is substantially less in scope than an audit. The OFA did not audit the Watkins College's financial statements and, accordingly, does not express an opinion or any assurances regarding the financial statements of Metro or the Watkins College. The monitoring review was conducted in accordance with the Metro Grants Manual and was limited to the specific expenditures of the Council Initiative awards. The OFA did not review the agency's expenditures and operations that do not relate to the Council award.

The OFA noted that the agency did not use the grant funds for the specified purpose as stated in the grant contract; however the agency used the funds to provide a scholarship to an individual in the Young Artist Program. The contract states "The grantee shall use the funds to provide for a portion of the salary cost for the instructors." Although the OFA did not issue a finding for not using the grant funds as specified, it is important that the agency notes to comply with the specific requirements in the future or request specific approval for any desired changes.

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

Fred Adom, CPA
Director

cc: Cathy Snyder, Director of External Affairs
Diane Neighbors, Vice Mayor
Richard M. Riebeling, Director of Finance
Gene Nolan, Deputy Director of Finance
Talia Lomax-O'dneal, Deputy Director of Finance
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