

BILL PURCELL
MAYOR



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

November 18, 2005

Ron Samuels, Board Chair
Adventure Science Center
800 Fort Negley Blvd.
Nashville, TN 37203

Dear Mr. Samuels:

Please find attached the Monitoring Report of the Adventure Science Center relating to the contract it has with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2005.

The Office of Financial Accountability (OFA) is charged with the responsibility of monitoring grant funds from Metropolitan Nashville Government to any nonprofit organizations. The OFA is also responsible for monitoring the federal and state grants to departments within the Metropolitan Nashville Government. Staff from the OFA conducted the review on September 27, 2005.

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
Director

cc: Ralph Schulz, Executive Director
Belinda Dinwiddie, Director of Development and Community Relations
David Manning, Director of Finance
Talia Lomax-O'dneal, Deputy Director of Finance
Kim McDoniel, Assistant Director of Finance
Don Dodson, Internal Audit
Kevin Brown, Office of Financial Accountability
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◆ Monitoring Report of ◆

Adventure Science Center



Issued by



Office of Financial Accountability

November 18, 2005

Fred Adom, CPA
Director
Kevin Brown,
Lead Auditor
Bryan Gleason,
Assistant Auditor

Our Vision: To be excellent and proficient in monitoring and management services.

Monitoring Report
for the
Adventure Science Center

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OBJECTIVES, SCOPE AND METHODOLOGY

The Office of Financial Accountability (herein after referred to as OFA) is charged with the responsibility of monitoring grant funds from Metropolitan Nashville Government to any nonprofit organizations, which receive appropriations from the Metropolitan Nashville and Davidson County government. The OFA is also responsible for monitoring the federal and state grants to departments within the Metropolitan Nashville Government.

We have completed a monitoring review of the Metropolitan Nashville Government grant to the Adventure Science Center for the year ended June 30, 2005. 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 assurance regarding the financial statements of the Adventure Science Center. Our objectives for this review were:

- 1) To determine whether the agency has the resources and capacity to administer the grant funds
- 2) To test if costs and service are allowable and eligible
- 3) To verify that program objectives are being met
- 4) To test the reliability of the financial and programmatic reporting
- 5) To test the reliability of internal controls
- 6) To verify contractual compliance

The Adventure Science Center provides entertaining and educational experiences to kids and their families. The Adventure Science Center also presents critically important educational programs that compliment the classroom experience. The Adventure Science Center provides hands-on science programs built around inquiry approach to teaching and learning. All programs that are offered by the Adventure Science Center are based on science standards. The review was limited to the Metropolitan Government of Nashville and Davidson County grant L-1174 in the amount of \$265,300.00 to the Adventure Science Center for the fiscal year ending June 30, 2005. To accomplish our objectives of the monitoring review we:

- Interviewed the officials responsible for the grant management, financial reporting, and accountability.
- Reviewed controls and supporting documentation of expenditures for allowability, necessity and reasonableness of the costs incurred.
- Reviewed operations and activities offered by the Adventure Science Center and its compliance with the intended beneficiaries of the grant funds.
- Reviewed the financial stability of the Adventure Science Center and its ability to continue to administer the grant program funded by Metro.
- Reviewed the agency's general ledger to verify the accuracy of the agencies invoices submitted to Metro.

RESULTS OF MONITORING

The overall results of the monitoring review for the Adventure Science Center are provided in this section. The results are based on tests performed and include conclusions regarding the specific review objectives and, if applicable recommendations for improvement and an action plan for implementing the conclusions. Where applicable, the Findings and Recommendations section of the report provides more insight into the problems identified in the results below.

1. Possess necessary resources and capacity to administer the grant funds

Our review of the agency's accounting system, the qualification of the individuals assigned to manage the accounting records, and other available resources, indicates that the Adventure Science Center possesses the necessary resources and expertise to administer the grants funds. The agency has two employees in the accounting department that have several years of grant accounting experience. The agency uses MIP accounting software from Best Software. The Board of Directors is comprised of 36 members from different professional/community backgrounds and meets on a quarterly basis.

2. Allowable and Eligible costs and services

The contract between Metropolitan Nashville Government and the Adventure Science Center for the year ended June 30, 2005, required the Adventure Science Center to use the grant funds to provide entertaining and educational experiences to children and their families while presenting critically important educational programs that compliment the classroom experience. Also, the grant required Adventure Science Center to admit Metro students free of charge. Our review determined that the Adventure Science Center was in compliance with this requirement.

The grants manual specifies for the separate accounting of the Metropolitan Nashville Government grant funds to prohibit co-mingling of the Metro Funds with other sources of funding. The agency is compliance with this requirement of the grants manual. The agency has established different revenue classes as well as expenditure classes, so the agency can accurately track the sources and amounts of their funding. Also, the agency can easily and accurately report their expenses supported by the Metro Appropriation.

3. Program objectives being met

The contract between Metropolitan Nashville Government and the Adventure Science Center for the year ended June 30, 2005, stipulates that the Grantee is to provide "entertaining and educational experiences to children and their families while presenting critically important educational programs that complement the classroom experience". Based on interviews with the Grantee's staff and the review of the agencies documentation, the Adventure Science Center appears to have diligently strived to achieve this goal. The agency has sent out letters and conducted meetings to try and inform the principals of Metro Schools of the services they offer.

4. Reliability of financial and programmatic reporting

The contract called for submission of an annual audit report performed by a Certified Public Accountant. The Adventure Science Center is required to submit to Metro reports of the program outcome and a final expenditures report 45 days after the close of the contract. Our review determined that the Adventure Science Center was not in compliance with this requirement. The Finding and Recommendation section provides further discussion on the agency's failure to submit the required reports.

RESULTS OF MONITORING

5. Reliability of internal controls

Our review of the internal controls of the Adventure Science Center revealed that the agency appears to be well managed and incorporate strong internal controls. The Board of Directors provides oversight and there appears to be adequate segregation of duties in the implementation of grant funds.

6. Civil rights requirements

Our review did not reveal anything to indicate that the Adventure Science Center was not in compliance with civil rights requirements. The Adventure Science Center's Director of Operations also serves as the agency's coordinator for Civil Rights and ADA compliance and the agency has not received any complaints regarding any form of discrimination and the agency has civil rights and ADA posting in public places. The Adventure Science Center's employee handbook addresses the agency's civil rights policy as well.

FINDINGS AND RECOMMENDATIONS

1. Financial and programmatic reporting efforts need improvement.

Finding

Tests of reporting requirements revealed that the Adventure Science Center failed to complete and submit the final expenditures report and program report within 45 days of the close of the grant as required by the contract. Page 2 Section C.4 of the grant contract states, the recipient shall submit a final grant expenditures and program reports within 45 days of the end of the grant contract. The Adventure Science Center did not submit the required reports within the required period.

Recommendation

The Adventure Science Center should review the grant contract and ensure that all financial and programmatic reports required by the grantor are completed accurately and submitted within the required time.