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MAYOR



**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**

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

October 28, 2005

Mrs. Tonya Grindon, Chairman  
**Nashville Humane Association**  
211 Commerce Street, Suite 1000  
Nashville, TN 37201

Dear Mrs. Grindon:

Please find attached the Monitoring Report of the Nashville Humane Association 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 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 23, 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  
Director

cc: Mary Pat Boatfield, Executive Director  
David Manning, Director of Finance  
Talia Lomax-O'dneal, Deputy Director of Finance  
Kim McDoniel, Financial Operations/Internal Audit  
Don Dodson, Internal Audit  
Bryan Gleason, Office of Financial Accountability  
William Walker, Office of Financial Accountability



## Metropolitan Government of Nashville and Davidson County

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◆ Monitoring Report of ◆

# Nashville Humane Association



Issued by



## Office of Financial Accountability

October 28, 2005

Fred Adom, CPA  
Director

Bryan Gleason  
Lead Auditor

William Walker,  
Assistant

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

Monitoring Report  
for the  
Nashville Humane Association

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## OBJECTIVES, SCOPE AND METHODOLOGY

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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 Nashville Humane Association 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 Nashville Humane Association. 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 review was limited to the Metropolitan Government of Nashville and Davidson County grant **L-1357** in the amount of **\$12,500** to the Nashville Humane Association for the fiscal year ending June 30, 2005. The Nashville Humane Association is a nonprofit organization chartered in the State of Tennessee for the purpose of promoting the humane treatment of pets by finding good caretakers and homes for pets, educating the public about their responsibility to help control the pet population and providing treatment and care to ensure the well being of animals in the community. The agency used the grant funds to support operations covering salaries, benefits, professional fees, and supplies.

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 Nashville Humane Association and its compliance with the intended beneficiaries of the grant funds.
- Reviewed the financial stability of the Nashville Humane Association and its ability to continue to administer the grant program funded by Metro.
- Reviewed the agencies General Ledger to verify the accuracy of the agency's invoices submitted to Metro.

## **RESULTS OF MONITORING**

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The overall results of the monitoring review for the Nashville Humane Association 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 problem 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 Nashville Humane Association possesses the necessary resources and expertise to administer the grants funds. The agency's fiscal operations are handled by the operation manager and an outside bookkeeping agency both having several years of grant accounting experience. The Nashville Human Associations Board of Directors is active and meets bimonthly.

### **2. Allowable and Eligible costs and services**

The contract between Metropolitan Nashville Government and the Nashville Humane Association for the year ended June 30, 2005, required the Nashville Humane Association to use the grant funds to provide food, shelter and medical treatment to lost, abandoned or abused animals. The grant contract states that the NHA is to provide adoption services, a lost and found service and pet spaying, and neutering services and also providing general pet care information to the public.

Our review found the agency in compliance Metro grants policy prohibiting co-mingling of the Metro Funds with other sources of funding as stated in the Metro Grants Manual. The agency has established different revenue and expenditure classes to accurately track and report the sources and amounts of their funding. Our review covered all of the core compliance areas identified by OMB Circular 133 Audit of States, Local Government, and Non-Profit Organizations.

### **3. Program objectives being met**

The contract between Metropolitan Nashville Government and the Nashville Humane Association for the year ended June 30, 2005, stipulates that the Grantee is to use grant funds to cover salaries, benefits, professional fees, and supplies. Our tests reveal the program objectives were being met.

### **4. Reliability of financial and programmatic reporting**

The contract called for submission of an annual audit report performed by a Certified Public Accountant. The Nashville Humane Association is also required to submit to Metro reports of the program outcome and a final expenditures report within 45 days after the close of the contract. Our review determined that the Nashville Humane Association was in compliance with these requirements.

## **5. Reliability of internal controls**

Our review of the internal controls of the Nashville Humane Association did not reveal any significant weaknesses in the agency's internal controls. The Board of Directors provides close oversight and there appears to be adequate segregation of duties in the implementation of grant funds.

## **6. Civil rights requirements**

Our review revealed that the Nashville Humane Association appeared to be in compliance with civil rights requirements. The agency had not received any complaints regarding any form of discrimination and the agency had civil rights and ADA posting in public places. Although, the Nashville Humane Association does not have any posting up for public view, the agency does make their employees aware of their civil rights compliance as well as their support of the ADA. It is recommended by that the agency obtain the necessary postings for the viewing of visitors as well as employees of the agency.