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MAYOR



METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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

March 2, 2005

Ms. Martha Ingram, Board Chair
Nashville Symphony
2000 Glen Echo Road, Suite 204
Nashville, TN 37215

Dear Ms. Ingram:

Please find attached the Monitoring Report of the Nashville Symphony relating to the contract it has with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2004.

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, 2004.

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: Alan Valentine, Executive Director
David Manning, Director of Finance
Talia Lomax-O'dneal, Deputy Director of Finance
Mitzi Martin, Division of Accounts
Kim McDoniel, Internal Audit
Kevin Brown, Office of Financial Accountability



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◆ Monitoring Report of ◆

Nashville Symphony



Issued by



Office of Financial Accountability

March 2, 2005

Fred Adom, CPA
Director

Kevin Brown,
Lead Auditor

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

Monitoring Report
for the
Nashville Symphony

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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 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 Symphony for the year ended June 30, 2004. 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 Symphony.

The review was limited to the Metropolitan Government of Nashville and Davidson County grant L-916 in the amount of \$15,000.00 to the Nashville Symphony for the fiscal year ending June 30, 2004. The Nashville Symphony performs more than 200 performances annually. The Symphony offers local audiences a range of [Classical](#), [Pops](#), [Pied Piper children's series](#) concerts, as well as a variety of special events at several venues including Tennessee Performing Arts Center, Ryman Auditorium, War Memorial Auditorium and the Grand Ole Opry . In 2003, the Symphony was also heard nationwide when its Fourth of July concert was broadcast on the A&E cable network and again in 2004 on the Great American Country cable network. Other national television appearances include "An Evening wit the Nashville Symphony", aired on the PBS network in 2001 and 2002, and "Martina McBride's Christmas" in 1998 on the TNN network. In Spring 2002, The Nashville Symphony launched its "A Time for Greatness" campaign, a landmark, \$120 million endowment and capital campaign which is designed to take the Symphony to the top tier of American Orchestras. To date, more than \$100 million of this target has been raised.

The 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

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

RESULTS OF MONITORING

Our review did not reveal any findings of noncompliance. The Results of Monitoring section presents brief summaries of results of the testing performed including conclusions regarding the key objectives, recommendations for improvement and an action plan for implementing the conclusions. The results of the monitoring are listed 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 Symphony possesses the necessary resources and expertise to administer the grants funds. The agency's accounting department has several employees with several years of grant accounting experience. The agency uses Greatplains accounting software. The Board of Directors is comprised of 60 plus members from different professional/community backgrounds.

2. Allowable and Eligible costs and services

The OFA normally reviews for the agency's compliance with any specific requirements outlined in the grant contract. The contract between Metropolitan Nashville Government and the Nashville Symphony for the year ended June 30, 2004, required the Nashville Symphony to use the grant funds to provide at least four free concerts open to the general public during the summer at Centennial and Shelby Parks. The expected audience was approximately 5,000 individuals,. Our review determined that the Nashville Symphony was in compliance with this requirement.

The Metro Nashville Government 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 the expenses supported by the Metro appropriation.

3. Program objectives being met

The contract between Metropolitan Nashville Government and the Nashville Symphony for the year ended June 30, 2004, stipulates that the Grantee is to provide "several free summer concerts which would be open to the general public and would serve approximately 5,000 individuals, including four (4) concerts in Centennial and Shelby Parks". Based on interviews with the Grantee's staff and the review of the agencies documentation, the Nashville Symphony appears to have diligently strived to achieve this goal.

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 Symphony 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 Nashville Symphony was in compliance with this requirement.

RESULTS OF MONITORING

5. Reliability of internal controls

Our review of the internal controls of the Nashville Symphony did not reveal any weaknesses in their internal controls. The controls over the receipt and disbursement of the Metro grant funds appeared adequate. The OFA did not identify any serious weaknesses in regards to the controls over management of the funds.

6. Contractual compliance

As stated earlier the Symphony met the minimum requirements for the grant funds by providing four free concerts in Centennial and Shelby parks during the summer of 2004.

7. Civil rights requirements

Our review did not reveal anything to indicate that the Nashville Symphony was not in compliance with civil rights requirements. The Nashville Symphony's CFO assured the OFA auditor that 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 Nashville Symphony's employee handbook addresses the agency's civil rights policy as well.