

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**



August 11, 2015

Tommy Lynch, Director  
Metro Parks and Recreation  
Centennial Park Office  
511 Oman Street  
Nashville, TN 37203

Dear Mr. Lynch:

Please find attached the Monitoring Report for the Metropolitan Parks and Recreation. This report explains the results of the agency's federal and state grant and other financial assistance for the fiscal year 2014. Staff from the Office of Financial Accountability began the fieldwork for this review on May 22, 2015.

The report does not include a finding but notes an observation that should be addressed. You do not have to provide an official response to the observation. Our office will follow up to verify whether the recommended actions have been taken to address the observation.

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*

Fred Adom, CPA, CGMA  
Director

cc: Monique Odom, Metropolitan Parks and Recreation  
Richard M. Riebeling, Director of Finance  
Talia Lomax-O'dneal, Deputy Director of Finance  
Gene Nolan, Deputy Director of Finance  
Kim McDoniel, Chief of Accounts  
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**Metropolitan Government of Nashville and Davidson County**

# **METROPOLITAN PARKS AND RECREATION**

**◆ Monitoring Report ◆**

Conducted by



**Office of Financial Accountability**

August 11, 2015

# MONITORING REPORT

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## INTRODUCTION

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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 Parks and Recreation (hereinafter referred to as “Metro Parks”). The monitoring process included a review of the contracts in effect during the fiscal year ending June 30, 2014. 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 (OMB) Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations.” and in compliance with the OMB Circular A-87, “Cost Principles for State, Local and Indian Tribal Governments.”

### About the Metropolitan Parks and Recreation

Metro Parks strives to provide diversified recreational facilities and programs across Davidson County. Metro Parks offers everything from art classes and galleries, to sports leagues, golf courses, and special population programs.

It is the purpose of the Metropolitan Board of Parks and Recreation to provide and maintain sufficient acreage and facilities to effectively offer the most diversified recreational services possible. In doing so we are to insure that all citizens, regardless of income level, have equal opportunity and choice of participation.

We selected and reviewed 6 grants with total financial awards of approximately \$11,554,740.00. The grants reviewed included the following:

### Grants Reviewed

#### ARRA TSU Connector Greenway 09-15

The Metro Parks was awarded \$1,074,608.00 from the U.S. Department of Transportation which was passed through the Tennessee Department of Transportation for the construction of the TSU Connector for the Cumberland River Greenway, beginning at the end of the Ted Rhoades Golf Course and terminating at the Boyd-Taylor Park.

#### Cumberland River Greenway 07-13

The Metro Parks was awarded \$1,344,796.00 from the U.S. Department of Transportation which was passed through the Tennessee Department of Transportation for the Cumberland River Greenway system’s Downtown to Metro Center Levee greenway project. The project would connect the existing Downtown Greenway’s terminus immediately south of the Jefferson Street Bridge to the existing Metro Center Levee Greenway trailhead at Great Circle Road and would include a spur trail to Morgan Park in Germantown.

## INTRODUCTION

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### Greenways Development Coordinator

The Metro Parks was awarded \$60,600.00 from the Greenways for Nashville to fund the salary and benefits for a greenway coordinator position.

### Growing Right Onto Wellness (GROW) 10-15

The Metro Parks was awarded \$802,189.00 from the Vanderbilt University Medical Center to collaborate on the Growing Right Onto Wellness (GROW) project to stop obesity in preschoolers.

### Riverside Drive Connect or Trail II-14

The Metro Parks was awarded \$72,547.00 from the U.S. Department of Transportation passed through the Tennessee Department of Environment and Conservation to construct the Riverside Drive Connector Trail. The trail is a 550 foot trail segment at the southern terminus of Riverside Drive that will connect multiple neighborhoods to the north with the 810 acre Shelby Bottoms Greenway and nature center.

### Stones River Greenway

The Metro Parks was awarded \$8,200,000.00 from the U.S. Department of Transportation passed through the Tennessee Department of Transportation to construct an 11 mile greenway trail system from Percy Priest Dam to Shelby Bottom.

## OBJECTIVES, SCOPE AND METHODOLOGY

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A monitoring review is substantially less in scope than an audit. The OFA did not audit the financial statements for the Metropolitan Parks and Recreation and, accordingly, does not express an opinion or any assurances regarding the financial statements of the Metropolitan Parks and Recreation 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 grantor 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 A-87; 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 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 REVIEW**

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### Overall Results and Major Review Highlights

The Office of Financial Accountability's review did not reveal any discrepancies or instances of non-compliance with grant requirement guidelines. However, the OFA noted that the Metropolitan Parks and Recreation needed to improve its accounting of the grant activity associated with the Cumberland River Greenway Grant.

The section that follows provides more detailed information for the items listed above.

## OBSERVATION AND RECOMMENDATION

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During the course of the review, the OFA noted that the Metro Parks and Recreation needed to improve its accounting of grant activity for the Cumberland River Greenway Grant. The Metro Parks utilized multiple business units to account for the grant activity associated with the Cumberland River Greenway project.

The Metro Parks followed the proper procedures by obtaining a business unit for the grant as required by the Metro's Grants Management Policies and Procedures, upon Metro Council's approval to accept the grant. However, the business unit was set up with the wrong fund number. As a result, the Metro Parks was instructed to account for the grant activity within the business unit titled "PAR MasterPlanGreenwayACTIVE" associated with the "GSD FY07 Capital Plan-Co" fund. Within the grant period, that business unit was closed and the Parks could no longer record the grant activity within that particular account. Therefore, the Metro Parks began recording grant activity within business unit "PAR Greenway Downtown" associated with fund "GSD FY10 Capital Projects.

Tests revealed that the grant reimbursements were recorded as revenue within two (2) other business units, neither of which was related to the Cumberland River Greenway Project nor within the same accounting ledger as the grant expenditures. Better business practices dictate that grant reimbursements and/or revenue received are to be recorded in the same account ledgers as the grant expenditures in order to reflect full accounting of the grant activity.

### Recommendation

The Metro Parks should ensure that the accounting records properly reflect the grant activities by recording grant expenditures and grant revenue within the same general ledger account. The Metro Parks should further ensure that business units established to account for grant activity are associated with the proper fund and are utilized to record the grant activity.

## APPENDIX A

Grant	Grant/Resolution #	Grant Period		Award Amount	Findings
ARRA TSU Connector Greenway 09-15	090214	6/1/2009	9/30/2015	\$1,074,608	No
Cumberland River Greenway 07-13	70002	2/1/2007	2/1/2013	\$1,344,796	No
Greenways Development Coordinator	RS2013-752	7/1/2013	6/30/2014	\$60,600	No
Growing Right Onto Wellness (GROW) 10-15	VUMC37648	8/20/2010	5/31/2014	\$802,189	No
Riverside Drive Connector Trail 11-14	RS2011-1615	6/1/2011	5/31/2014	\$72,547	No
Stones River Greenway	98-314-HPP-9312-28	6/15/1999	No end Date	\$8,200,000	No