



**A Report to the
Audit Committee**

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Megan Barry

Chief Operating Officer
Richard Riebeling

Audit Committee Members
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John Cooper
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Bob Mendes
Brack Reed

Audit of the Nashville Farmers' Market

August 18, 2016

Metropolitan
Nashville
Office of
Internal Audit

EXECUTIVE SUMMARY

August 18, 2016



Why We Did This Audit

The audit was initiated due to the role the Nashville Farmers' Market plays in enhancing the quality of life for the citizenry and the length of time that has elapsed since the last audit.

What We Recommend

The Nashville Farmers' Market should:

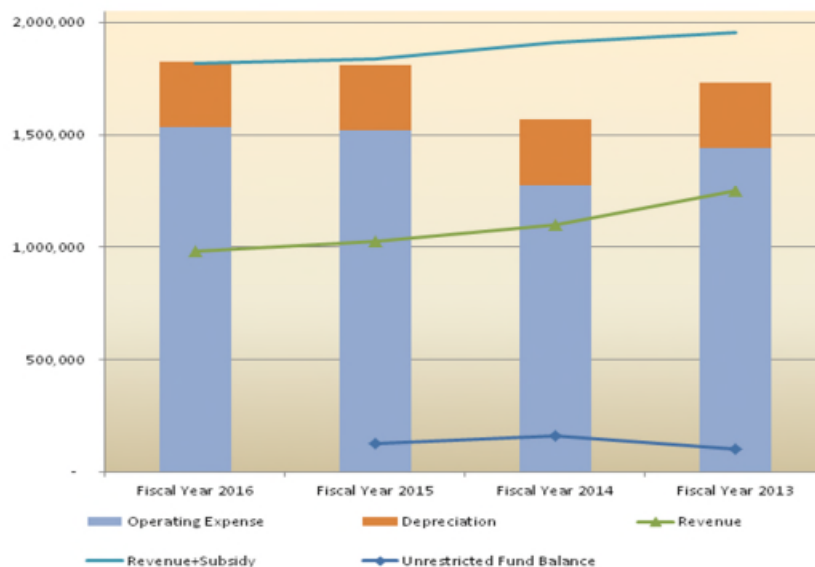
- Leverage technology to enhance financial and operational processes. Develop a more robust billing and accounts receivable system.
- Communicate aging reports and fee waivers to the Board.
- Establish a retention policy for original applications and other material documentation.

Audit of the Nashville Farmers' Market

BACKGROUND

The mission of the Nashville Farmers' Market is "to promote the Farmers' Market and provide retail space and educational products to the regional farmers, local food producers, and retail entrepreneurs so they can supply the highest quality products for the Nashville and regional shopping community".

Exhibit 1 – Financial Overview Fiscal Years 2016, 2015, 2014 and 2013



Source: *The Consolidated Annual Financial Report**

OBJECTIVES AND SCOPE

The objectives of this audit are to determine if:

- Existing controls provide assurance that the operational objectives and mission of the Nashville Farmers' Market are being achieved.
- Controls and procedures are in place to manage fiscal resources.

WHAT WE FOUND

The Nashville Farmers' Market has controls in place to help assure operational objectives are being met. However, the operational goal to be financially self-sufficient has yet to be met.

Control enhancements should be made for revenue and payroll activities, including implementing a more sophisticated document management, billing, and accounts receivable system. Maintenance of supporting documentation could be enhanced, particularly as it pertains to verification of merchant liability insurance.

* As of the date of this report, the fiscal year 2016 year end unrestricted fund balance was not available in the general ledger system.

GOVERNANCE

The Nashville Farmers' Market is governed by the Nashville Farmers' Market Board. This Board consists of five standing members who serve five-year staggered terms. Two formal documents exist to guide the operations of the Market consisting of the Board's Rules and the Executive Director's Policy. The Board's Rules delegate the general control, operations, and supervision of the Market to the Executive Director.

GENERAL OPERATIONS

The Nashville Farmers Market contains 146,000 square feet of rentable space. The operations of the Nashville Farmers' Market can be segregated into four broad areas.

- **North and South Sheds** - provide space for farmer, artisan, craft, and flea merchants throughout the year. The North and South sheds include 128,000 square feet of rentable space. It should be noted that the North Sheds will be unavailable for rent in the future due to the construction of the Tennessee State Museum. This represents 73,000 square feet of rentable space.
- **Market House** - enclosed area which is leased to 18 diverse restaurants and shops. The Market Houses include 18,000 square feet of rentable space.
- **Special Events** - events at the Grow Local Kitchen or other events whereby the facilities are rented.
- **Garden and Greenhouse Area** - open air and greenhouse area which is leased to one tenant. The area includes approximately 24, 000 square feet of rentable space.

FINANCIAL ENVIRONMENT

The Nashville Farmers' Market is an enterprise fund. Enterprise funds are used to account for services where the costs for those services are fully or partially funded by user fees and charges, similar to the operation of a commercial enterprise. Enterprise fund accounting allows the Nashville Farmers' Market to demonstrate to the public the total costs that are recovered through user charges and, if any, the portion that is subsidized by tax levy or other available funds.

One goal of the Nashville Farmers' Market Board and Metropolitan Nashville Government is to become financially self-sufficient. The Market has historically relied on government subsidies to support operations. The amount received in subsidies from the Metropolitan Nashville Government for fiscal years 2013, 2014 and 2015 are \$751,345, \$813,976¹, and \$897,273 respectfully.

A summary of significant financial information is presented in Exhibits 1 through 4.

¹ The Metropolitan Government appropriated an additional \$259,600 to the Farmers' Market in fiscal year 2014 to cover the annual lease payment to the State of Tennessee which was not included in the Farmers' Market Comprehensive Annual Financial Report financial statements.

Exhibit 2 – Top Five Expenditure Categories for Fiscal Years 2014, 2015, and 2016

Category	FY 2016	FY 2015	FY 2014
Salary	\$ 360,224	\$ 360,224	\$ 278,656
Depreciation	292,178	292,178	292,602
Security Services	306,321	306,321	255,420
Janitorial Services	295,147	295,147	244,613
Nashville Electric Service	214,440	214,440	183,602
Total	\$1,468,311	\$1,468,311	\$1,254,893

Source: Metro Nashville's EnterpriseOne Financial System

Exhibit 3 – Top Revenue Categories for Fiscal Years 2014, 2015, and 2016

Revenue Source	FY 2016	FY 2015	FY 2014
Market House	\$ 505,550	\$ 435,474	\$ 409,431
Sheds	349,085	433,373	538,097
Special Events	77,918	79,518	60,308
Total (without subsidy)	\$ 932,553	\$948,365	\$ 1,007,836
Subsidy	837,900	897,273	813,976
Total (with subsidy)	\$1,770,453	\$1,845,638	\$1,821,812

Source: Metro Nashville's EnterpriseOne Financial System

Exhibit 4 – Top Ten Vendors (by Amount Spent), July 1, 2013, to June 30, 2016

Vendor	Amount	Function
Archangel Protective Services	\$940,091	Security
Premiere Building Maintenance	757,206	Janitorial
Nashville Electric Service	618,238	Security
Piedmont Natural Gas	101,796	Utility
Metro Water Services	86,199	Utility
John Bouchard & Sons	84,496	Plumbing
Republic Services Nashville/Allied Waste	66,288	Utility
Southeast Electric	53,840	Maintenance
Gobbell Hays Partners	53,606	Maintenance
Beard Property Maintenance	46,115	Landscaping

Source: Metro Nashville's EnterpriseOne Financial System

FINANCIAL CHALLENGES FACING THE NASHVILLE FARMERS' MARKET

Market management along with the Board is diligently striving to become financially self-sufficient and are continually developing strategies to that end. Several significant challenges in meeting this operational goal are presented below:

- **Facility/Overhead Cost:** The operational structure of the Market is unique in that the Market manages approximately 37,500 square feet of an enclosed structure at the Market House. Expenses

pertaining to the Market House average approximately \$1.2 million while revenue for fiscal year 2015 totaled \$435,000. This structure significantly increases expenditures pertaining to janitorial services, utilities, security, repairs, and maintenance. A high-level summary of operating income for fiscal year 2015, excluding Market House related expenses and revenue is presented in Exhibit 5.

Exhibit 5 – Fiscal Year 2015 Revenue and Expense Excluding Market House Operations

Revenue	\$512,891
Expenses	321,726
Operating Income	\$191,165

Source: Metro Nashville’s EnterpriseOne Financial System

The Market also operates 7 days a week and every day of the year with the exception of three holidays which enhances overhead costs. Most peer Farmers’ Markets operate for a few hours a week on a few designated days. A significant portion of the Market’s expenditures pertain to utilities. The average utility cost for the past three years is approximately \$311,500 per year. The majority of these costs are tied to the Market House facilities.

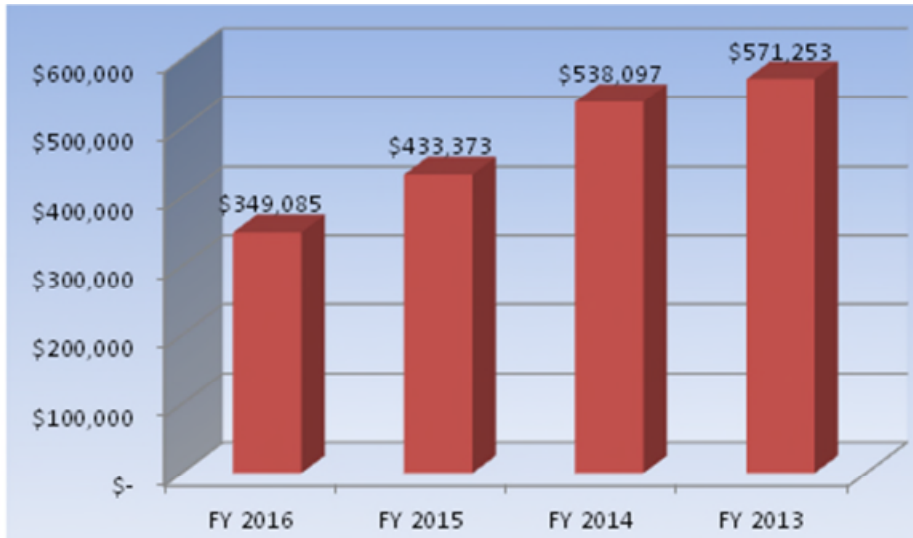
- **Fee Structure for the Market House:** The Market has designed a rate structure that attempts to ensure merchants are billed in a fair and consistent manner, as well as cover existing cost. The base fee is \$11.79 a square foot with a factor applied based on the type of equipment to be utilized by the merchant (tied to utility costs). The Market House has 18 merchants. The average price paid is \$13.88 a square foot due to several larger merchants with pre-existing lease terms prior to the current per square foot rate. The Market rate for this type venue is estimated to be approximately \$22 a square foot. Increasing the rate to \$22 a square foot could see a potential revenue enhancement of \$300,000 over a three-year period of time as lease renewals are negotiated.
- **Loss of the North Sheds and Parking:** The State of Tennessee will be utilizing the North Shed and approximately 155 out of 300 parking spaces for the upcoming State of Tennessee Museum. This represents approximately 73,000 square feet in rentable shed space. Parking has historically been an issue at the Market during peak hours such as lunch and weekends. The loss of half of these spaces will create a significant strain on the Market, its merchants, and its customer base. Moreover, revenue from the North Sheds will be lost.
- **Initial Transition to Producer Only:** In the spring of 2015, the Market implemented a producer only policy which requires merchants to produce their own products. Merchants who had been purchasing products from unknown sources and reselling them at the market could no longer utilize the Market sheds. The producer only policy conforms to best practices in accordance to the Farmers Market Coalition. Consequently, while the number of merchants utilizing the facility increased due to more farmer and artisan participation, the occupancy of these merchants included less days of the week resulting in decreased revenue.

It is important to note two aspects related to the decrease in revenue. The first impact is revenue will manifest negatively in the early phases of new policy adoption as resale merchants leave and the recruitment of producer only merchants is enhanced. The second aspect pertains to management of the Nashville Farmers’ Market stating the accounting of balances within the Enterprise One system could possibly be incorrect for years prior to fiscal year 2015 as the proper classification of revenue was not adequate. Thus revenue for this period for the sheds could possibly be understated/overstated. In addition, revenue prior to fiscal year 2016 included multiple special

events hosted in the North Shed area that could not be renewed due to a loss of these sheds for a portion of the fiscal year. They estimate the initial impact to be in the \$80,000 to \$100,000 range.

The initial, short-term financial effect of this policy is presented in Exhibit 6.

Exhibit 6 – North and South Sheds Revenue Summary Fiscal Years 2013 through 2016



Source: Metro Nashville's EnterpriseOne Financial System

- **Market Competition:** Citizens can choose to go to other area farmers' markets in surrounding counties. Stores such as Whole Foods also provide products similar to what is offered at the Nashville Farmers' Market.
- **Fire Suppression Unit/Capital Improvement Plans Not Realized:** The Nashville Farmers' Market fire suppression unit in the Market House and Sheds for the past few years has been inoperable. Recently approved funding has repaired the Market House fire suppression unit, with the Sheds fire suppression unit repair being delayed for a planned comprehensive Shed renovation. Because of the inoperable fire suppression units, the Fire Marshal requires personnel to monitor the market 24 hours a day, 7 days a week in the event of a fire. The Market utilizes a security firm to provide such services which increases operational costs.

OBJECTIVES AND CONCLUSIONS

1. *Do existing controls provide assurance that operational objectives and the mission of the Nashville Farmers' Market are achieved?*

Generally yes. The Nashville Farmers' Market has implemented a series of processes to provide assurance that key operational goals are being met. Specifically, the Market is governed by a five-member board which is actively engaged during monthly meetings. Set policies are in place to ensure that standards are in place, and merchants are treated in a fair and consistent manner. A methodology exists to ensure merchants have several avenues to address concerns and complaints. An operational goal that the market has been unable to achieve to date relates to being financially self-sufficient, see "Financial Challenges Facing the Nashville Farmer's Market on the previous page.

Supporting Objectives and Conclusions

- a) *Are controls in place to provide assurance that merchants' being treated in a fair and consistent manner?*

Generally yes. Policies, procedures, and rate structures are designed to ensure consistent and fair treatment of merchants. Merchant meetings occur on a regular basis whereby all merchants are invited to address any concerns or issues. Moreover, the Nashville Farmers' Market Board meets monthly with a portion of the meeting being set aside for public comment giving merchants an opportunity to address concerns. Moreover, announcements are made at each meeting advising those in attendance that should they be unsatisfied with any decisions made, a complaint can be filed with the Circuit Court. Compliance audits are being conducted to ensure that merchants are in compliance with the Producer Only policy.

Survey's received from a sample of merchants consistently stated concerns about access to the Executive Director in addressing concerns. The lack of access was typically a function of the Executive Director either being at another meeting or engaged in another activity. Documentation and transparency related to operations could be enhanced. (See Observation C.)

- b) *Is the Nashville Farmers' Market Board actively engaged in providing governance to the Nashville Farmers' Market?*

Yes. The Nashville Farmers' Market Board meets on a monthly basis. A sample of items discussed in calendar years 2014 and 2015 meetings include financial position, upcoming operational events, strategic operational plans, and performance review of the Executive Director. A quorum was met for each of the 24 meetings. We attended three meetings which demonstrated the Board is actively engaged and understood the items being discussed.

2. *Are controls in place to ensure proper managements of fiscal resources?*

Generally no. Staff is effectively managing procurement activities. However, controls pertaining to revenue and payroll transactions could be enhanced. Technology used to facilitate financial transactions could be enhanced. (See Observations A, B, C, D and E.)

It should be noted that many of the observations summarized throughout this report are linked to a heavy reliance on manual processes.

Supporting Objectives and Conclusions

- a) *Are reported revenues complete, accurate, properly secured, and recorded timely?*

Unable to determine. All revenue receipts are recorded into a spreadsheet. Collections recorded on this spreadsheet are deposited and recorded timely. Revenue collections are secured. However, it could not be determined if all revenue earned is actually recorded into the spreadsheet due to a lack of supporting documentation. (See Observations A, B, and C.)

The receipt process lacks segregation of duties. (See Observation D.)

- b) *Are payroll and timekeeping activities in accordance with management directives and prudent business practices?*

Yes. Controls are in place to provide assurance that employees are being paid the correct amounts, and payroll transactions only involve active employees. Leave balances appeared to be properly accrued, tracked and recorded. Leave request appeared to be properly approved by management.

- c) *Are reported disbursements complete and accurate?*

Yes. Procurement activities are complete, accurate, and reviewed for each disbursement. However, segregation of duties around the disbursement process could be improved. (See Observation D.)

AUDIT OBSERVATIONS

Internal control helps entities achieve important objectives and sustain and improve performance. The Committee of Sponsoring Organizations of the Treadway Commission (*COSO*), *Internal Control – Integrated Framework*, enables organizations to effectively and efficiently develop systems of internal control that adapt to changing business and operating environment, mitigate risks to acceptable levels, and support sound decision making and governance of the organization. The audit observations listed are offered to assist management in fulfilling their internal control responsibilities.

Observation A- Leveraging of Technology

Technology is not used to maximize effectiveness and efficiency of financial operations. Most of the processes are manual. Staff utilizes a series of spreadsheets to track payments received. Spreadsheets do not have adequate edit controls making the input of critical information to be inconsistent. Spreadsheets do not have sufficient audit capabilities to track changes, deletions, or provide accountability regarding who is inputting or modifying information. These spreadsheets are retained on a shared drive to which all employees have access.

Merchants are issued receipts when payments are received. Receipts are generated in a Microsoft Word document with the receipt number sequentially tracked in a spreadsheet. The lack of edit controls in Microsoft Word materially reduces the ability to ensure that all receipt numbers are properly accounted for.

The system in place makes it very challenging to generate and analyze information such as the number of days a particular merchant utilized the facilities, amounts paid for a specific facility use, outstanding balances, amounts waived, and so forth.

Merchants are unable to make payments online or complete applications.

The Nashville Farmers' Market does not accept cash; only checks or money orders. Check scanners or smart safes will reduce the time for deposit of daily collections.

Criteria:

COSO, Control Activities—Principle 10—The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

Recommendations for management of the Nashville Farmers' Market to:

1. Leverage technologies that will help maximize the efficiency and effectiveness of financial operations. This technology should have strong general and application controls, audit trails, and the ability to generate reports that facilitate financial and operational analysis.
2. Consider procuring check scanners or a smart safe for the deposit of daily collections.

Observation B- Lack of an Adequate Billing and Accounts Receivable System

An adequate billing or accounts receivable system ensuring all payments are collected did not exist. For billings related to the North and South sheds or special events, merchants are required to pay prior to using the facility. The Nashville Farmers' Market retains a daily facility map listing all stalls a merchant

can set up in. As merchants make payments, they are assigned a stall, and the map is updated. Twice a day, staff will tour both sheds and note any merchant who is not on the list. The map is then forwarded to a designated employee who will generate a bill and forward to the specific merchant.

Ten days of sitemaps reviewed showed 160 merchants using the facilities at the Nashville Farmers' Market. Payments for 67 (42 percent) of these merchants could not be traced to the spreadsheet used by staff to log payments.

Criteria:

COSO, Control Activities—Principle 10—The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

Recommendations for management of the Nashville Farmers' Market to:

1. Develop a billing and receivables system to ensure that all revenue earned by the market are being recorded, tracked, and collected.
2. Communicate to the Nashville Farmers' Market Board an aging report of all outstanding balances and or fee adjustments during monthly meetings.

Observation C - Maintenance of Supporting Documentation

Sufficient supporting documentation related to financial and operational activities is lacking. Specifically, applications and lease agreements are not being submitted to the Metropolitan Nashville Clerk's Office where such information can be viewed by the public. There are instances where daily site maps and copies of receipts could not be obtained. Supporting documentation for verification of merchant liability insurance is not available for several merchants sampled. Documentation is also not being retained on services received relative to a material anchor tenant agreement.

Criteria:

COSO, Control Activities—Principle 10—The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

Recommendations for management of the Nashville Farmers' Market to:

1. Create a retention policy for original applications and supporting documentation.
2. Ensure all applications, lease agreements, and relevant supporting documentation are submitted and filed with the Metropolitan Nashville Clerk's Office.

Observation D - Segregation of Duties for Revenue Collections

Effective segregation of duties related to revenue collections is not present. Segregation of duties includes separating the authorization, custody, and recording of assets. Revenue receipts are authorized, received, and recorded by one employee. There are times, given the small size of the office, that the same person who authorizes, receives, and records the receipts also makes the deposits.

Criteria:

COSO, Control Activities—Principle 10—The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

Recommendation for management of the Nashville Farmers’ Market to:

Ensure that incompatible revenue collection duties such as payment handling, deposit preparation, recordkeeping, and authorization are properly segregated.

Observation E – Greater Transparency and Clarification on Waiving Fees

Management is not communicating fee waivers to the Nashville Farmers’ Market Board. Formal rules and policies regarding who has the authority to waive fees are ambiguous.

Two formal documents exist to guide the operations, including fee waivers, of the Nashville Farmers’ Market. The first is the Nashville Farmers’ Market Rules, which are reviewed and approved by the Nashville Farmers’ Market Board. The second is the Nashville Farmers’ Market Policy, which was generated by the executive director. The Nashville Farmers’ Market Rules supersede the Policy as the Rules were formally approved by the Board. Ambiguity exists regarding who has the authority to waive fees and under what circumstances. Moreover, fee waivers are not being communicated to the Board. Consequently, the risk of fee waivers being made that exceed the Boards expectations of what it deems as prudent could occur.

Criteria:

- COSO, Control Activities—Principle 10—The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.
- Nashville Farmers’ Market Rules and Policy

Recommendations for management of the Nashville Farmers’ Market to:

1. Request the Nashville Farmers’ Market Board to review and approve Policies generated by the Executive Director or modify the Board’s Rules explicitly giving clarity on the party who has the authority to modify required fees.
2. Communicate to the Nashville Farmers’ Market Board during their monthly meetings a listing of all fee/receivable waivers or modifications that exceed a specific dollar threshold.

Observation F – Custody and Transfer of Revenue Collections

Formal documentation of ownership when revenue collections are transferred from one person to another does not exist. Accountability for custody of revenue was materially diminished due to this practice.

Criteria:

- COSO, Control Activities—Principle 10—The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.
- Internal Control Manual for Tennessee Municipalities, Title 5, Chapters 1 and 14

Recommendation for management of the Nashville Farmers' Market to:

Implement a procedure whereby revenue collections are retained in the custody of only one employee at a given time. When assets are transferred to another party, the verification of amounts transferred to the other person should be documented at the time of transfer.

GOVERNMENT AUDITING STANDARDS COMPLIANCE

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

METHODOLOGY

To accomplish our audit objectives, we performed the following steps:

- Interviewed key personnel within the Nashville Farmers' Market.
- Reviewed and analyzed documentation for compliance with the Tennessee Code Annotated, Metropolitan Nashville Code of Laws, and other applicable laws, regulations, and policies.
- Evaluated internal controls currently in place.
- Reviewed sample selections to determine the effectiveness of internal controls.
- Considered risk of fraud, waste, and abuse.

AUDIT TEAM

Bill Walker, CPA, CIA, In-Charge Auditor

Nan Wen, Staff Auditor

Mark Swann, CPA, CIA, CISA, ACDA, Metropolitan Auditor

APPENDIX A – MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

Metropolitan Government
of Nashville and Davidson County

Megan Barry, Mayor
Tasha Kennard, Executive Director



Nashville Farmers' Market
900 Rosa L. Parks Blvd.
Nashville, TN 37208
615-880-2001
farmersmarket@nashville.gov

August 11, 2016

Mark Swann, Metropolitan Auditor
Office of Internal Audit
404 James Robertson Parkway, Suite 190
Nashville, TN 37219

RE: Audit of the Nashville Farmers' Market

Dear Mr. Swann,

This letter acknowledges receipt and review of the audit report of the Nashville Farmers' Market. The audit confirmed that the Nashville Farmers' Market has controls in place to effectively manage resources, the facility, staff and programs, while also noting areas for improvement. Implementation of many of the audit recommendations has already been completed. Implementation in other areas is ongoing, and a priority for the management of the organization. As we have discussed, the organization's ability to increase and leverage the use of technology to improve financial controls, payment services, document retention and customer service is a high priority and is currently underway.

It has been a pleasure to work with you and your staff. We will continue to the process of improving our operations and controls to provide the most efficient, effective and quality service. Thank you for your feedback, cooperation and service.

Sincerely,

A handwritten signature in blue ink that reads "Tasha Kennard".

Tasha Kennard
Executive Director, Nashville Farmers' Market

APPENDIX A – MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

We believe that operational management is in a unique position to best understand their operations and may be able to identify more innovative and effective approaches, and we encourage them to do so when providing their response to our recommendations.

Recommendation	Concurrence and Corrective Action Plan	Proposed Completion Date
<i>Recommendation for management of the Nashville Farmers’ Market to:</i>		
A.1: Leverage technologies that will help maximize the efficiency and effectiveness of financial operations. This technology should have strong general and application controls, audit trails and the ability to generate reports that will enhance the ability to analyze financial and operational data.	Accept. NFM management accepts this recommendation and has requested and received a budgetary improvement to enhance and leverage technology to improve financial controls, payment systems, and analysis	March 2017
A.2: Consider procuring check scanners or a smart safe for the deposit of daily collections.	Accept. NFM management accepts this recommendation and is currently evaluating equipment to meet our needs.	September 2016
B.1: Develop a billing and receivables system to ensure that all revenue earned by the market are being recorded, tracked and collected.	Accept. NFM management accepts this recommendation and is in the process of hiring a Finance Officer to assist with improvements in this area	September 2016
B.2: Communicate to the Nashville Farmers’ Market Board an aging report of all outstanding balances and or fee adjustments during monthly meetings.	Accept. NFM management accepts this recommendation and has shared the recommendation with the Board. A new monthly report will begin in FY17.	July 2016
C.1: Create a retention policy for original applications and supporting documentation.	Accept. NFM management accepts this recommendation and has implemented improvements to document retention with the aide of the Program Manager position in FY16.	Completed
D.1: Ensure that incompatible revenue collection duties such as revenue handling, deposit preparation, recordkeeping, and authorization are properly segregated.	Accept. NFM management accepts this recommendation and will continue to evaluate how to segregate duties with limited staff size.	September 2016
E.1 Request the Nashville Farmers’ Market Board to review and approve Policies generated by the Executive Director or modify the Board’s Rules explicitly giving clarity on the party who has the authority to modify required fees.	Accept. NFM management accepts this recommendation and completed an additional review of the Rules and Policy documents in the Spring of 2016.	April 2016

APPENDIX A – MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

Recommendation	Concurrence and Corrective Action Plan	Proposed Completion Date
<p>E.2 Communicate to the Nashville Farmers' Market Board during their monthly meetings a listing of all fee/receivable waivers or modifications that exceed a specific dollar threshold.</p>	<p>Accept. NFM management accepts this recommendation and has shared the recommendation with the Board. A new monthly report will begin in FY17.</p>	<p>July 2016</p>
<p>F.1 Implement a procedure whereby revenue assets are retained in the custody of only one employee at a given time. When assets are transferred to another party, the verification of amounts transferred to the other person should be documented at the time of transfer.</p>	<p>Accept. NFM management accepts this recommendation and is in process of implementing a new procedure for revenue asset transfers.</p>	<p>September 2016</p>