

# HARTSVILLE/TROUSDALE COUNTY METROPOLITAN GOVERNMENT

*Beverly Atwood, Chair*  
*Will Dennis, Vice Chair*  
*Jerry Ford, Secretary*

*Chris Gregory*  
*Judy Kerr*  
*Lesley Overman*

*Amy Thomas, Admin Ofcr*

## **AUDIT COMMITTEE**

FEBRUARY 20, 2025 | 6:00PM | MAYOR'S OFFICE

### **Agenda**

1. Open Meeting
2. Review Minutes of November 12, 2024
3. General Discussion
  - A. FY 2024 Audit Review
  - B. Fund Balance Statement
  - C. Other
4. Public Comment
5. Adjourn

References: [2024 Audit Report for Trousdale County](#)

HARTSVILLE/TROUSDALE COUNTY METROPOLITAN GOVERNMENT

**AUDIT COMMITTEE**

NOVEMBER 12, 2024 | 5:00PM | MAYOR'S OFFICE

**MINUTES**

Members Present: 7/7

Beverly Atwood

Chris Gregory

Amy Thomas

Will Dennis

Judy Kerr

Jerry Ford

Lesley Overman

Madam Chairman Beverly Atwood called the meeting to order at 5pm. A quorum was determined to be present with all members in attendance.

Minutes from the June 6, 2024 meeting were reviewed.

Motion to accept as presented by C Gregory; second by Ford.

**MINUTES APPROVED**

**Elect Officers**

Chris Gregory motioned to keep officers in place; seconded by Kerr.

**MOTION APPROVED**

- Chair – Beverly Atwood
- Vice Chair – Will Dennis
- Secretary – Jerry Ford

**General Discussion**

Madam Chair reviewed the purpose of the committee which includes reviewing the annual audit, county policies, internal controls, departmental issues, complaints, and other items that warrant a policy to be considered.

Committee is required to meet at least one time a year to review the annual audit report.

Atwood stated she would like this committee to be the driving force on the Commissioner obtaining their annual continuing education credits. She referred to the list published by the Comptroller's office of commissioners who have not satisfied this requirement. Classes can be taken through the CTAS training portal, or you can submit an outside training to CTAS for approval/eligibility.

**Adjourn**

Motion to adjourn by Dennis, seconded by Gregory.

Meeting adjourned at 5:25pm.



# ANNUAL FINANCIAL REPORT SUMMARY

## Hartsville/Trousdale County Government, Tennessee

FOR THE YEAR ENDED • JUNE 30, 2024

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### SCOPE

We have audited the basic financial statements of Hartsville/Trousdale County Government as of and for the year ended June 30, 2024.

To see the full financial report click here.

### RESULTS

Our report on Hartsville/Trousdale County Government's financial statements is unmodified.

Our audit resulted in **three findings** and recommendations, which we have reviewed with Hartsville/Trousdale County Government County management. The detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

### FINDINGS BY OFFICE

The following are summaries of the audit findings:

#### Offices of County Mayor and Building and Codes

- Some funds were not deposited within three days of collection.

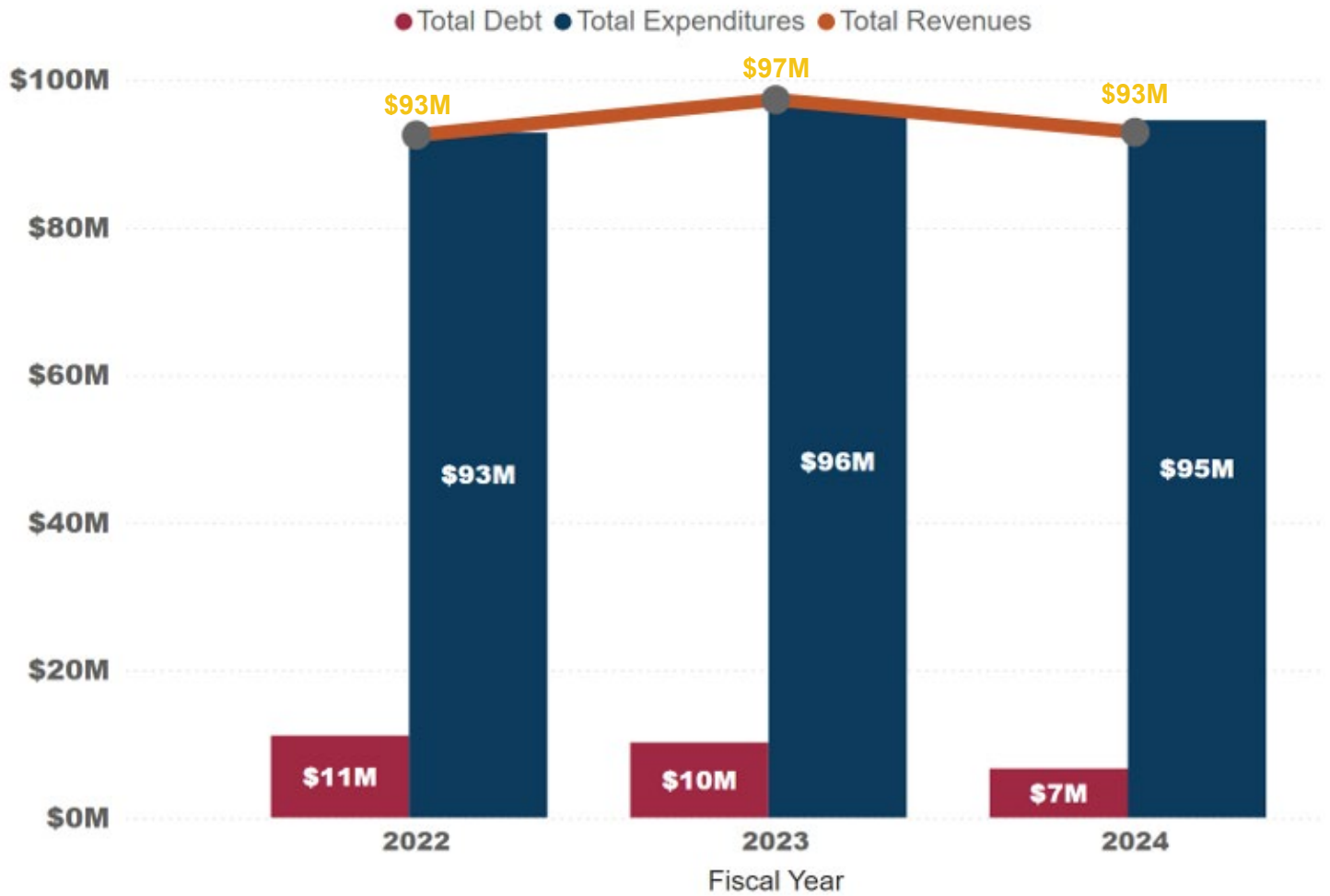
#### Water and Sewer Utility Department

- The office failed to properly issue purchase orders.

#### Office of Director of Schools

- The School Federal Projects Fund had a cash overdraft of \$2,106 on June 30, 2024.

## DATA SNAPSHOT



## HARTSVILLE/TROUSDALE COUNTY GOVERNMENT DEMOGRAPHICS • FY 2024...

**\$572**  
Avg. Debt per Capita

**3**  
Active Certified County  
Financial Officers

To see the Transparency and Accountability for Governments in Tennessee (TAG) page, please visit:

<https://tncot.cc/tag>



## Fund Balances per FY2024 Audit

Fund	Beginning Balance	Net Change	Ending Balance		Projected Ending Balances per Budget	Projected Net Change per Budget
	7/1/2023		6/30/2024		6/30/2024	6/30/2024
101 - General Fund	4,799,371	↓ (422,400)	<b>4,376,971</b>	pg 24	1,961,325	(2,838,046)
111 - Urban Services	2,186,647	↓ (183,815)	<b>2,002,832</b>	pg 121	1,240,550	(946,097)
116 - Solid Waste	1,170,423	↓ (390,975)	<b>779,448</b>	pg 122	284,843	(885,580)
118 - Ambulance Services	444,360	↑ 189,870	<b>634,230</b>	pg 123	215,838	(228,522)
122 - County Drug Fund	110,472	↑ 10,597	<b>121,069</b>	pg 124	72,229	(38,243)
151 - Debt Services	561,310	↑ 117,466	<b>678,776</b>	pg 127	675,949	114,639
131 - Highway Fund	1,792,458	↑ 22,046	<b>1,814,504</b>	pg 126	418,595	(1,373,863)
141 - General Purpose School	4,555,810	↑ 3,203,532	<b>7,759,342</b>	pg 135	1,169,521	(3,386,289)
<b>Total Fund Balance</b>	<b>15,620,851</b>	<b>2,546,321</b>	<b>18,167,172</b>		6,038,850	(9,582,001)

**HARTSVILLE/TROUSDALE COUNTY GOVERNMENT, TENNESSEE**

**Summary Schedule of Prior-year Findings**

**For the Year Ended June 30, 2024**

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Hartsville/Trousdale County Government, Tennessee, for the year ended June 30, 2024.

**Prior-year Financial Statement Findings**

Fiscal Year	Page Number	Finding Number	Title of Finding	ALN	Current Status
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**OFFICE OF COUNTY MAYOR**

2023	226	2023-001	The office had deficiencies in budget operations.	N/A	Corrected
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**WATER AND SEWER UTILITY DEPARTMENT**

2023	227	2023-002	The office failed to properly issue purchase orders.	N/A	Not Corrected - See Explanation on Corrective Action Plan
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**Prior-year Federal Awards Findings**

There were no prior-year federal award findings to report.

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**HARTSVILLE/TROUSDALE COUNTY GOVERNMENT, TENNESSEE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2024**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

1. Our report on the financial statements of Hartsville/Trousdale County Government is unmodified.
  
2. Internal Control Over Financial Reporting:
  - \* Material weakness identified? **NO**
  
  - \* Significant deficiency identified? **YES**
  
3. Noncompliance material to the financial statements noted? **NO**

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  
  - \* Significant deficiency identified? **NONE REPORTED**
  
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
  
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
  
7. Identification of Major Federal Programs:
  - \* Assistance Listing Numbers: 10.553  
and 10.555 Child Nutrition Cluster:  
School Breakfast Program  
National School Lunch Program
  
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
  
9. Auditee qualified as low-risk auditee? **YES**

## PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

### OFFICES OF COUNTY MAYOR AND BUILDING AND CODES

FINDING 2024-001

#### **SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION**

(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for obtaining reasonable assurance that funds were deposited within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*, we judgmentally selected receipts issued by the library and building and codes during the months of September and October to trace to deposits. The testing revealed 20 of 34 library receipts were held between four and ten days and nine of 61 building and codes receipts were held between four and twelve days before being deposited in the trustee's office. This deficiency was the result of a lack of management oversight. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

#### RECOMMENDATION

All funds should be deposited within three business days of collection as required by state statute.

#### MANAGEMENT'S RESPONSE

The County concurs with the finding. Administration has consulted with the directors responsible for overseeing these departments and has thoroughly reviewed the existing policies and procedures for receiving and depositing funds. As a corrective measure, all funds will be turned over to the Trustee within three (3) business days of collection.

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### WATER AND SEWER UTILITY DEPARTMENT

FINDING 2024-002

#### **THE OFFICE FAILED TO PROPERLY ISSUE PURCHASE ORDERS**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 27 disbursements totaling \$138,737 from a population of approximately 2,882 vendor checks totaling \$2,805,122. In lieu of issuing formal purchase orders, the office allowed employees to record their estimated purchases in a logbook. Office personnel stated the general manager would review the logbook; however, approval was not documented. Our examination revealed that several entries were dated on or after the date of the invoice. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. This practice defeats the purpose of the purchase order and increases the risks of unauthorized purchases. This deficiency is the result of a lack of management oversight and failure to follow county purchasing policies.

## RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, the office should issue purchase orders for all applicable purchases before purchases are made.

## MANAGEMENT'S RESPONSE

We concur.

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## OFFICE OF DIRECTOR OF SCHOOLS

*FINDING 2024-003*

**THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT OF \$2,106 ON JUNE 30, 2024**

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The School Federal Projects Fund had a cash overdraft of \$2,106 on June 30, 2024. The cash overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee. Sound business practices dictate that expenditures be held within available funds. The cash overdraft was liquidated subsequent to June 30, 2024.

## RECOMMENDATION

The school department should not issue checks exceeding cash on deposit with the county trustee.

## MANAGEMENT'S RESPONSE

We hesitantly concur with this finding. The cash overdraft was liquidated on July 2, 2024, when \$105,924.68 was received from the State of Tennessee for funds requested for reimbursement on June 25, 2024. Additionally, the trustee's cash balance was never in jeopardy of being overdrawn because \$39,086.44 of payroll checks written in June were not scheduled to direct deposit until July 15, August 1 and August 15, 2024.

### **PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs related to federal awards for the year ended June 30, 2024.

**HARTSVILLE/TROUSDALE COUNTY GOVERNMENT, TENNESSEE**  
**MANAGEMENT'S CORRECTIVE ACTION PLAN**  
**For the Year Ended June 30, 2024**

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented in this section and have been indexed below. The corrective action plans were prepared by management and have been presented as they were submitted.

Finding Number	Title of Finding	Corrective Action Plan Page Number
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**OFFICE OF COUNTY MAYOR**

2024-001	Some funds were not deposited within three days of collection at the library.	217
2024-001	Some funds were not deposited within three days of collection at the office of building and codes.	218

**WATER AND SEWER UTILITY DEPARTMENT**

2024-002	The office failed to properly issue purchase orders.	219
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**OFFICE OF DIRECTOR OF SCHOOLS**

2024-003	The School Federal Projects Fund had a cash overdraft of \$2,106 on June 30, 2024.	220
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# HARTSVILLE/TROUSDALE COUNTY METROPOLITAN GOVERNMENT

328 Broadway, Room 6 | Hartsville, Tennessee 37074  
Telephone: (615) 374-2461 | Fax: (615) 374-3948

**JACK MCCALL, MAYOR**

Jack.McCall@trousdalecountyttn.gov

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**Amy Thomas, CCFO**

*Administrative Officer / Budget Dir*  
amy.thomas@trousdalecountyttn.gov

**Amy Yates**

*Human Resources and Payroll*  
amy.yates@trousdalecountyttn.gov

**René Pridemore**

*Accounts Payable*  
rene.pridemore@trousdalecountyttn.gov

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## CORRECTIVE ACTION PLAN – FY 2024

### **FINDING 2024-001 SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION AT THE LIBRARY**

Response and Corrective action Plan Prepared by: **Amy Thomas, Administrative Officer**

Person Responsible for Implementing the Corrective Action: **Library Director, Megan Lee**

Anticipated Completion Date of Corrective Action: **Immediate**

Repeat Finding: **NO**

Planned Corrective Action:

**The County concurs with the finding. Administration has consulted with the director responsible for overseeing this department and has thoroughly reviewed the existing policies and procedures for receiving and depositing funds. As a corrective measure, all funds will be turned over to the Trustee within three (3) business days of collection.**

**This updated procedure will be strictly adhered to moving forward to ensure compliance and improve the efficiency of fund management.**

  
Amy Thomas, CCFO  
*Administrative Officer*



# HARTSVILLE/TROUSDALE COUNTY METROPOLITAN GOVERNMENT

328 Broadway, Room 6 | Hartsville, Tennessee 37074  
Telephone: (615) 374-2461 | Fax: (615) 374-3948

**JACK MCCALL, MAYOR**

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**René Pridemore**

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## CORRECTIVE ACTION PLAN – FY 2024

### **FINDING 2024-002 SOME FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION AT THE OFFICE OF BUILDING AND CODES**

Response and Corrective action Plan Prepared by: **Amy Thomas, Administrative Officer**

Person Responsible for Implementing the Corrective Action: **Building Official Rosalie Myhan**

Anticipated Completion Date of Corrective Action: **Immediate**

Repeat Finding: **NO**

Planned Corrective Action:

**The County concurs with the finding. Administration has consulted with the director responsible for overseeing this department and has thoroughly reviewed the existing policies and procedures for receiving and depositing funds. As a corrective measure, all funds will be turned over to the Trustee within three (3) business days of collection.**

**This updated procedure will be strictly adhered to moving forward to ensure compliance and improve the efficiency of fund management.**

Amy Thomas, CCFO  
*Administrative Officer*



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# Hartsville/Trousdale Water/Sewer Utility District

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P. O. Box 66 • 322 Broadway • Hartsville, Tennessee 37074-0066

Phone: 615.374.3484 • Fax: 615.374.0558

<https://hartsville.utilitydistrict.com/>

FINDING :2024-002- The office failed to properly issue purchase orders.

Response and Corrective Action Plan Prepared by: Emily Walker, Bookkeeper

Person Responsible for Implementing Corrective Action: Tony Crook

Anticipated Completion Date of Corrective Action: 01/01/2025

All utility purchases will be based on the county's departmental policies.

*Emily Walker*

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Emily Walker, Bookkeeper

## COMMISSIONERS

Heather Bay  
Chairman

Mark White  
Co-Chairman

Board Member

Jack McCall  
Board Member

Lonnie Taylor  
Board Member

Elizabeth Harper  
Secretary

# TROUSDALE COUNTY BOARD OF EDUCATION

*Dr. Clint Satterfield, Director of Schools*

[www.tcschools.org](http://www.tcschools.org)

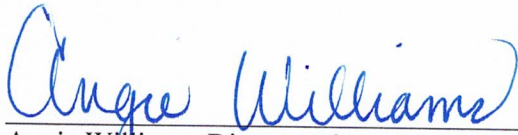
## Management's Corrective Action Plan

**Prepared by:** Angie Williams, Director of Finance

**Person Responsible for Implementing the Corrective Action Plan:** Angie Williams, Director of Finance

**Corrective Action:** The school department will not issue checks exceeding cash on deposit with the county trustee. This finding was due in large part to Summer Learning Camp, which ended June 28, payroll being funded by the federal ESSER 3.0 Grant. With ESSER 3.0 funds fully liquidated, this will no longer be an issue. Summer Learning Camp will be funded through the General Purpose School Fund in subsequent years. Also, federal funds in the amount of \$105,924.68 were requested on June 25; however, they were not received until July 2, so timing of requests will be monitored to ensure sufficient time is available for receipt of reimbursements prior to year end. Additionally, the trustee's cash balance was never in jeopardy of being overdrawn because \$39,086.44 of payroll checks written in June were not scheduled to direct deposit until July 15, August 1 and August 15, 2024.

**Anticipated Date of Completion:** December 31, 2024

  
\_\_\_\_\_  
Angie Williams, Director of Finance

## **BEST PRACTICE**

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Hartsville/Trousdale County Government.

### **HARTSVILLE/TROUSDALE COUNTY GOVERNMENT SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

Hartsville/Trousdale County Government does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the board of metropolitan commissioners resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of the Hartsville/Trousdale County Government. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.