

**WEAKLEY COUNTY, TENNESSEE  
AUDIT COMMITTEE MEETING**

**Thursday, April 29, 2021 – 9:00 a.m. Conference Room, Board of Education – Dresden, TN**

**Audit Committee Members Present:** Commissioner Larry Taylor, Mr. Jackie Reese, Mrs. Lee Young, and Mr. Chris Mathis

**Audit Committee Members Absent:** Ms. Bethany Elam

The Weakley County Audit Committee met on Thursday, April 29, 2021, at 9:00 a.m. in the conference room in the Board of Education in Dresden, Tennessee. Others present were Weakley County Mayor Jake Bynum, Director of Finance John Liggett, and representatives of the media.

**APPROVAL OF MINUTES:**

Chairperson Taylor called the meeting to order at 9:00 a.m. Commissioner Taylor made a motion to approve the committee minutes from June 2, 2020, and with a second from Mr. Reese, the motion passed unanimously.

**OLD BUSINESS:**

None.

**NEW BUSINESS:**

**Election of Recording Secretary:** Commissioner Taylor called for a recommendation for a recording secretary. Mrs. Lee Young recommended Kirsty-Rhe Janse to serve as the new recording secretary and with a second from Mr. Chris Mathis, Kirsty-Rhe Janse was unanimously appointed as recording secretary.

**REVIEW, DISCUSS, AND CONSIDER APPROVAL OF 2019-2020 FY AUDIT REPORT + DISCUSS RECOMMENDATIONS FOR WRITTEN AUDIT COMMITTEE REPORT**

Chairperson Taylor recognized Mayor Jake Bynum to explain the finding of the long term obligations agreement Weakley County entered into. Mayor Bynum explained that Weakley County and WK&T entered into an agreement. Weakley County applied for a grant through the state department of Economic and Community Development in broadband expansion, and was awarded the grant. The maximum amount that the state will afford in any grant areas is 2 million dollars, which is the amount that Weakley County applied for. The terms of the agreement stated that if the state awarded 2 million dollars WK&T would commit 2 million dollars and then Weakley County would also commit 2 million dollars, making it a six million dollar project. In order to get Weakley County's 2 million dollars to WK&T they would enter into an agreement that would provide free Wi-Fi in the grant billed area to community access points, for example churches and community centers. Weakley County would be paying them an annual fee for that obligation for up to 30 years. Weakley County took the amount and divided it up over 30 years and came up with \$132,139 per year. Mayor Bynum explained that last year, Weakley County received additional funding from the state and so an appropriation of \$500,000 was made in the budget to pay for that initial payment of that 2 million dollars. This was not addressed in the findings. In the course of the audit there were questions about this money, and when explained it was mentioned that Weakley County would prefer not to have that 30 year obligation and wanted to pay that out faster through some additional funds that were received. What Weakley County was unaware of, partially because counties all across the state enter into long term agreements regularly, was that the amount would cause red flags. Weakley County did not think of, or treat this agreement as a debt, instead it was paying for a service. The comptroller's office however, saw it as a long term agreement therefor a debt automation. In order to fix the finding Weakley County would have to take the 2 million dollars and reserve that in the general fund. Payments could be made for as long as Weakley County wanted to, but that amount would have to be reserved in the budget. Essentially Weakley County does not have 2 million dollars in the general fund, so a discussion was held about where money would be moved from. Since then, the federal government had passed the relief act and the county will receive almost 6 and a half million dollars. That money can specifically be used for broadband expansion and so a portion of those funds will be reserved in order to satisfy the comptroller's office as far as the obligation is concerned. Weakley County could pay WK&T the entire 2 million dollars, which will have to be discussed with the

full commission. However, the comptroller's office has mentioned not being fully supportive of that idea either, since its then prepaying for service. Due to the federal funding, Mayor Bynum voiced his confidence that this finding will go away. Another identical grant of 4 million dollar has also been received.

Director Liggett was then asked to explain the deficiencies in budget operations. Back in the 18-19 fiscal year, the department of finance went through a system upgrade. At the end of the year there is usually a mad dash to spend funds. On the old system they had the ability to back date purchase orders automatically, however when everything was upgraded no one was aware that the new system did not do this automatically. At the end of the 18-19 fiscal year, when the auditors came in they did not realize this so when they came during the 19-20 fiscal year it caused a problem This caused the county to go over budget on the school side. However, in reality the county did not overspend since it should've gone in the 18-19 report. Director Liggett also address the part of the findings that dealt with highway salaries. This year the first highway payroll date was July 2<sup>nd</sup>. The bank requires the department of finance to give the money two days prior to when the ACHC file originated, meaning the payroll was actually run on June 30<sup>th</sup>. In the rush to get things done it was not set up as a prepaid item.

The next finding, of duties not being segregated adequately at the Weakley County Solid Waste Management Convenience Center, was addressed by Mayor Bynum. About \$6,000 gets collected through the Solid Waste Activities Fund. The cost of one employee is barely getting covered much less a second employee. Part of the problem is that the solid waste functions happens on Thursday, Friday and Saturday and the highway department is on a 10 hour, 4 day a week schedule. The only other time that more employees are out there is on Thursday. On Friday and Saturday it is just the one person collecting the money. About the same amount of money is collected every year. The concern has been if you eliminated the fee they would potentially be overrun with people bringing trash and solid waste up there.

Commissioner Taylor recommended that the discussion be included in the written report that will be presented for approval to the Weakley County Commission. He also mentioned specifically the management's discussion and analysis along with the findings to be included. Mayor Bynum also recommended a written report of the meeting be included.

Commissioner Taylor asked for recommendations for a new chairman of the Audit committee. Mr. Reese recommended Mr. Chris Mathis and with a second from Mrs. Lee, Mr. Mathis was unanimously appointed as the new chairperson of the Audit Committee.

#### **OTHER BUSINESS**

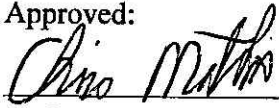
Having no other business, Mr. Mathis made the motion to adjourn, and with a second by Commissioner Taylor, the meeting adjourned at 9:28 a.m.

Respectfully Submitted,

  
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Kirsty-Rhe Tiffner, Secretary,

Audit Committee

Approved:



Chris Mathis, Chairperson  
Audit Committee

Date: 5.3.22