

## OFFICE OF THE STATE AUDITOR REPORT NOTE:

*Section 7-7-211, Mississippi Code Annotated (1972)* gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

**TOWN OF NEW AUGUSTA, MISSISSIPPI**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

**TOWN OF NEW AUGUSTA, MISSISSIPPI**  
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Certified Public  
Accountants

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**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and Board of Aldermen  
Town of New Augusta  
New Augusta, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of New Augusta, Mississippi, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of New Augusta, Mississippi, as of September 30, 2022 in accordance with the cash receipts and disbursements basis of accounting.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of New Augusta, Mississippi, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash receipts and disbursements basis of accounting, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of New Augusta, Mississippi's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of New Augusta, Mississippi's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of New Augusta, Mississippi's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of New Augusta, Mississippi's basic financial statements. The accompanying Schedule of Investments, Schedule of Capital Assets, Schedule of Long-Term Debt, and Schedule of Surety Bonds are presented for purposes of additional analysis as required by the State of Mississippi Office of the State Auditor, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Schedule of Investments, Schedule of Capital Assets, Schedule of Long-Term Debt, and Schedule of Surety Bonds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2023, on our consideration of the Town of New Augusta, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of New Augusta, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of New Augusta, Mississippi's internal control over financial reporting and compliance.



**KING CPA, PLLC**  
October 30, 2023

**TOWN OF NEW AUGUSTA**  
**Statement of Cash Receipts and Disbursements**  
**Governmental and Enterprise Funds**  
**For the Year Ended September 30, 2022**

	Governmental		Enterprise	Totals	
	General Fund	Special Revenue Fund	Water & Sewer Fund	2022	2021
<b>RECEIPTS:</b>					
General property taxes, penalties & interest	\$ 102,299	\$ -	\$ -	\$ 102,299	\$ 108,699
Franchise taxes, licenses and permits	34,157	-	-	34,157	33,779
State shared revenue:					
Sales tax	143,917	-	-	143,917	148,313
Modernization use tax	47,899	-	-	47,899	36,034
Homestead exemption	8,562	-	-	8,562	8,101
Fire	18,882	-	-	18,882	8,407
Grants	-	73,876	309,370	383,246	99,460
Other state revenue	2,045	-	-	2,045	936
County shared revenue:					
Fire	16,074	-	-	16,074	7,973
Other county revenue	9,833	-	-	9,833	5,000
Charges for services: water utility	-	-	182,933	182,933	182,486
Fines and forfeits	41,634	-	-	41,634	21,772
Interest on investments	528	31	19	578	896
Fire donations	10,929	-	-	10,929	-
Other local receipts	121	2,240	19,299	21,660	45,261
<b>Total receipts</b>	<b>436,880</b>	<b>76,147</b>	<b>511,621</b>	<b>1,024,648</b>	<b>707,117</b>
<b>DISBURSEMENTS:</b>					
General government	155,060	-	-	155,060	152,679
Court	68,133	-	-	68,133	55,547
Police	77,238	-	-	77,238	126,155
Fire	29,609	-	-	29,609	19,672
Public works - street	33,292	-	-	33,292	39,918
Library	8,595	-	-	8,595	3,708
Park	7,743	-	-	7,743	6,581
Enterprises:					
Water utility operations	-	-	207,879	207,879	201,210
Water capital outlay (grant)	-	-	309,370	309,370	10,607
<b>Total operating disbursements</b>	<b>379,670</b>	<b>-</b>	<b>517,249</b>	<b>896,919</b>	<b>616,077</b>
Excess (deficiency) of receipts over disbursements	<u>57,210</u>	<u>76,147</u>	<u>(5,628)</u>	<u>127,729</u>	<u>91,040</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Other Interfund	14,338	(12,268)	3,648	5,718	1,646
Total other financing resources (uses)	<u>14,338</u>	<u>(12,268)</u>	<u>3,648</u>	<u>5,718</u>	<u>1,646</u>
Increase (decrease) cash fund balance	71,548	63,879	(1,980)	133,447	92,686
<b>Cash basis fund balance - beginning</b>	<u>246,142</u>	<u>73,882</u>	<u>42,083</u>	<u>362,107</u>	<u>269,421</u>
<b>Cash basis fund balance - ending</b>	<u>\$ 317,690</u>	<u>\$ 137,761</u>	<u>\$ 40,103</u>	<u>\$ 495,554</u>	<u>\$ 362,107</u>

*See accompanying notes and independent auditors' report.*

**NOTES TO THE FINANCIAL STATEMENTS**

**TOWN OF NEW AUGUSTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General Information**

The Town of New Augusta operates under a Mayor-Alderman form of government and provides the following services:

- General Government
- Court
- Public Safety – Police
- Public Safety – Fire
- Public Works - Street
- Parks and Library
- Water and Sewer Utility

**Financial Reporting Entity**

The financial statements of the Town have been prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Account Classifications**

The account classifications used in the financial statements are in accordance with the classifications required by the Mississippi State Department of Audit.

**Fund Accounting**

Fund financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column. The various funds are grouped into generic fund types and broad categories as follows:

**GOVERNMENTAL FUNDS**

General Fund – The General Fund is the general operating fund of the municipality. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund – The Special Revenue Fund represents a federal grant received that will be used for future sewer improvement projects.

**PROPRIETARY FUNDS**

Enterprise Funds – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.



# TOWN OF NEW AUGUSTA

## NOTES TO THE FINANCIAL STATEMENTS

### SEPTEMBER 30, 2022

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Budgets

The budget is prepared on the cash basis as legally required by statute. The budget is adopted by the Board of Aldermen and filed with the taxing authority. Amendments can be made on the approval of the Board of Aldermen. By statute, final budget and tax levy must be adopted on or before September 15 for the following fiscal year.

##### Investments

The town is allowed, by statute, to invest excess funds in any bonds or other direct obligations of the United States of America or the State of Mississippi, or of any county or municipality of this state, when such county or municipal bonds have been properly approved; or in interest-bearing time certificates of deposit or interest-bearing accounts with any financial institution approved for the deposit of state funds; or in any type of investment permitted by Sections 27-105-33(d) and 27-105-33(e), Miss. Code Ann. (1972).

For reporting purposes, certificates of deposit with an original maturity date of more than three months are considered investments.

##### Property Tax Revenue

Property taxes are assessed by the Town on a calendar year basis. For 2022, the Town requested 32.25 mils for general revenues and 0.25 mils for the fire department. Property taxes are considered delinquent February 1 and a tax sale is held in August for unpaid taxes. Property Tax revenue is recognized when collected, due to the uncertainty of collecting property taxes after September 30.

##### Net Cash Basis Fund Balance

Governmental fund balances are classified as restricted, committed, assigned, or unassigned. Restricted fund balance has limitations imposed by creditors, grantors, or contributors, or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by a formal action of the Town Board. Assigned fund balance is a limitation imposed by the intent of the Town Board to use for a specific purpose, but are neither restricted nor committed. Unassigned fund balance is the net resources in excess of what can be properly classified in one of the above categories.

Proprietary fund net cash fund balance are classified the same as in the governmental fund statements.

The Town is reporting the following cash fund balances as of September 30, 2022:

	General Fund	Special Revenue Fund	Water & Sewer Fund
<b>Restricted</b>	217,818	137,761	19,378
<b>Assigned</b>	1,662	-	-
<b>Unassigned</b>	98,210	-	20,725
	317,690	137,761	40,103

**TOWN OF NEW AUGUSTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 2 - CASH AND CASH EQUIVALENTS**

The Town must advertise and accept bids for depositories no less than once every two years as required by Section 27-105-363 Miss. Code Ann. (1972). The collateral pledged for the Town's deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation.

**Cash and Cash Equivalents**

The carrying amount of the municipality's deposits with financial institutions reported in the governmental funds and business-type activities was \$463,985 and \$44,581, respectively. The bank balance was \$475,694 for governmental funds and \$44,501 for business-type activities.

**Custodial Credit Risk - Deposits.** Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the district will not be able to recover deposits or collateral securities that are in the possession of an outside party. The district does not have a deposit policy for custodial credit risk. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the Mississippi State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the district. As of September 30, 2022, none of the district's bank balance was exposed to custodial credit risk.

**NOTE 3 – CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, and infrastructure are reported in the Schedule of Capital Assets included in Supplemental Information. Capital assets, other than infrastructure assets, are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated life in excess of two years. The capitalization threshold for buildings and improvements other than buildings is \$50,000 and \$25,000, respectfully. The government reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported regardless of their amount.

**TOWN OF NEW AUGUSTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 4 – BONDS PAYABLE**

Presented below is Section 21-33-303 Mississippi Code:

No municipality shall hereafter issue bonds secured by a pledge of its full faith and credit for the purposes authorized by law in an amount which, when added to the then outstanding bonded indebtedness of such municipality, shall exceed either (a) fifteen percent (15%) of the assessed value of the taxable property within such municipality, according to the last completed assessment for taxation, or (b) ten percent (10%) of the assessment upon which taxes were levied for its fiscal year ending September 30, 1984, whichever is greater. In computing such indebtedness, there may be deducted all bonds or other evidences of indebtedness, heretofore or hereafter issued, for school, water, sewerage systems, gas, and light and power purposes and for the construction of special improvements primarily chargeable to the property benefited, or for the purpose of paying the municipality's proportion of any betterment program, a portion of which is primarily chargeable to the property benefited. However, in no case shall any municipality contract any indebtedness which, when added to all of the outstanding general obligation indebtedness, both bonded and floating, shall exceed either (a) twenty percent (20%) of the assessed value of all taxable property within such municipality according to the last completed assessment for taxation or (b) fifteen percent (15%) of the assessment upon which taxes are levied for its fiscal year ending September 30, 1984, whichever is greater. Nothing herein contained shall be construed to apply to contract obligations in any form heretofore or hereafter incurred by any municipality which are subject to annual appropriations therefore, or to bonds heretofore issued or hereafter incurred by any municipality for school purposes, or to contract obligations in any form heretofore or hereafter incurred by any municipality which are payable exclusively from the revenues of any municipally- owned utility, or to bonds issued by any municipality under the provisions of Section 57-1-1 through 57-1-51, or to any special assessment improvement bonds issued by any municipality under the provisions of Sections 21-41-1 through 21-41-53, or to any indebtedness incurred under Section 55-23-8.

The following is a schedule of limitations on the indebtedness of the Town at September 30, 2022:

<u>Authorized Debt Limit</u>	<u>15 Percent</u>	<u>20 Percent</u>
Assessed valuation of fiscal year ended September 30, 2022	\$ 3,794,771	\$ 569,216
Present debt subject to 15% limitation	-	-
Present debt subject to 20% limitation including debt subject to 15% limitation	-	(42,500)
Margin for further debt under respective debt limits	<u>\$ 569,216</u>	<u>\$ 716,454</u>

**TOWN OF NEW AUGUSTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 5 – DEFINED BENEFIT PENSION PLAN**

Plan Description: The Town of New Augusta, Mississippi contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employee Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201 or by calling (601)359-3589 or 1-800-444-PERS.

Funding Policy: PERS members are required to contribute 9.00% of their annual covered salary and the Town of New Augusta is required to contribute at an actuarial determined rate. The current rate is 17.40% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The Town's contributions to PERS for the years ending September 30, 2022, 2021, and 2020, were \$40,145, \$44,255, and \$39,736, respectively, which equaled the required contributions for each year.

Membership in PERS is a condition of employment for all eligible employees of the State of Mississippi, public schools, institutions of higher learning, community and junior colleges, and eligible employees of municipalities, counties and other political subdivisions and instrumentalities of municipal and county government that have entered into a Membership Agreement approved by the PERS Board of Trustees (Board).

**NOTE 6 – RISK MANAGEMENT**

The Town of New Augusta is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in two separate risk pools to provide coverage for possible losses due to these risks. These pools are described below:

A. Mississippi Municipal Workers' Compensation Group

This pool was formed under the Mississippi Workers' Compensation Act to provide coverage for claims arising from injuries to employees. The Town is jointly and severally liable for obligations of the group.

B. Mississippi Municipal Liability Plan

This pool was formed under inter-local agreements for the purpose of providing the liability coverage prescribed by the Plan for the member municipalities. The pool uses a "service company" to manage the plan's day to day activities.

The Town of New Augusta pays premiums based upon an actuarial assessment of the Town's loss experience rate and the plans overall financial condition. The Town may be assessed if, at any time, the assets of the plan, in the opinion of the Board of Trustees, are insufficient to discharge its obligations.

**TOWN OF NEW AUGUSTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2022**

**NOTE 7 – COMMITMENTS, CONTINGENCIES AND LITIGATION**

A. Compensated Absences

Upon termination employees are paid for accumulated vacation at their regular rate of pay.

As of September 30, 2022, the Town of New Augusta's liability for compensated absences is approximately \$12,322 based on 645 accumulated vacation hours.

Additionally, the Board reserves the right to pay accumulated sick time upon termination at their regular rate of pay.

As of September 30, 2022, the Town of New Augusta's liability for compensated absences related to sick time is approximately \$17,766 based on 890 accumulated sick hours.

B. Net Pension Liability

As of September 30, 2022, the Town of New Augusta's share of the total net pension liability is approximately \$1,058,906 based on a proportionate share of 0.003439%.

C. Federal Grant

The Town has received federal grants for specific purposes that are subject by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the Town.

**NOTE 8 – SUBSEQUENT EVENTS**

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure. Management evaluated the activity through October 30, 2023 and determined that no subsequent event has occurred that requires disclosure.

## **SUPPLEMENTAL INFORMATION**

**TOWN OF NEW AUGUSTA**  
Schedule of Investments  
For the Year Ended September 30, 2022

<u>Ownership</u>	<u>Type of Investment</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Other Information</u>	<u>Investment Cost/Value</u>
General Fund	Certificate of Deposit	0.10%	12 month	Trustmark Bank	\$ 45,084
General Fund	Certificate of Deposit	0.15%	12 month	Trustmark Bank	\$ 2,030
General Fund	Certificate of Deposit	0.20%	18 month	Trustmark Bank	<u>\$ 42,296</u>
<b>Total Investments</b>					<u><u>\$ 89,410</u></u>

*See accompanying notes and independent auditors' report.*

**TOWN OF NEW AUGUSTA**  
**Schedule of Capital Assets**  
**For the Year Ended September 30, 2022**

<b>Governmental Activities</b>	Balance 10/1/2021	Additions	Deletions	Balance 9/30/2022
Capital assets:				
Land	\$ 18,000	\$ -	\$ -	\$ 18,000
Buildings	245,163	-	-	245,163
Automobiles	263,199	-	-	263,199
Equipment	319,314	-	-	319,314
<b>Total Governmental Activities capital assets</b>	<b>\$ 845,676</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 845,676</b>
<b>Accumulated Depreciation</b>	<b>533,376</b>	<b>32,837</b>	<b>-</b>	<b>\$ 566,213</b>
<b>Total Governmental activities net assets</b>	<b>\$ 312,300</b>	<b>\$ 32,837</b>	<b>\$ -</b>	<b>\$ 279,463</b>
<b>Business-type Activities</b>				
Capital assets:				
Construction in Progress	\$ 10,607	\$ 309,370	\$ -	\$ 319,977
Water and Sewer System	2,185,091	-	-	2,185,091
Automobiles	28,914	-	-	28,914
Equipment	7,550	-	-	7,550
<b>Total Business-type activities capital assets</b>	<b>\$ 2,232,162</b>	<b>\$ 309,370</b>	<b>\$ -</b>	<b>\$ 2,541,532</b>
<b>Accumulated Depreciation</b>	<b>475,742</b>	<b>86,295</b>	<b>-</b>	<b>562,037</b>
<b>Total Business-type activities net assets</b>	<b>\$ 1,756,420</b>	<b>\$ 395,665</b>	<b>\$ -</b>	<b>\$ 1,979,495</b>

*See accompanying notes and independent auditors' report.*



**TOWN OF NEW AUGUSTA**  
Schedule of Long-Term Debt  
For the Year Ended September 30, 2022

	BALANCE <u>October 1, 2021</u>	<u>ISSUED</u>	<u>REDEEMED</u>	BALANCE <u>September 30, 2022</u>	INTEREST PAID	TOTAL PAYMENTS
<b>HANCOCK BANK</b>						
LEASE PURCHASE						
\$82,606, 60 MONTHS 2.460%, BEG 7/6/17						
MONTHLY PAYMENT \$799.56	\$ 47,961	\$ -	\$ 47,961	\$ -	\$ 759	\$ 48,720
BALLON PAYMENT \$42,500 7/7/2022						
<b>TRUSTMARK NATIONAL BANK</b>						
LEASE PURCHASE						
\$42,500, 60 MONTHS 4.470%, BEG 9/18/22						
MONTHLY PAYMENT \$791.75	-	42,500	-	42,500	-	-
	<u>\$ 47,961</u>	<u>\$ 42,500</u>	<u>\$ 47,961</u>	<u>\$ 42,500</u>	<u>\$ 759</u>	<u>\$ 48,720</u>

*See accompanying notes and independent auditors' report.*

**TOWN OF NEW AUGUSTA**  
**Schedule of Surety Bonds for Municipal Officials**  
**For the Year Ended September 30, 2022**

Presented below is Section 21-17-5 of Mississippi Code.

Unless otherwise provided by law, before entering upon the duties of their respective offices, the aldermen of every municipality of this state shall give bond, with sufficient surety, to be payable, conditioned and approved as provided by law, in a penalty equal to five percent (5%) of the sum of all municipal taxes shown by the assessment rolls and the levies to have been collectible in the municipality for the year immediately preceding the commencement of the term of office of said aldermen; however, such bond shall not exceed the amount of One Hundred Thousand Dollars (\$100,000).

<u>NAME</u>	<u>POSITION</u>	<u>COMPANY</u>	<u>BOND AMOUNT</u>
Steve Spicer	Mayor	NGM Insurance Company	\$ 50,000
Pam Brewer	Alderman	Old Republic Surety Company	\$ 10,000
David Gallaspy	Alderman	Old Republic Surety Company	\$ 10,000
John Proctor	Alderman	NGM Insurance Company	\$ 10,000
Billy W Murphy Jr	Alderman	NGM Insurance Company	\$ 10,000
Maxine T Bolton	Alderwoman	NGM Insurance Company	\$ 10,000
Sherry Burns	City Clerk Deputy Court Clerk	RLI Insurance Company RLI Insurance Company	\$ 50,000 50,000
Jessica Herring	Deputy City Clerk Court Clerk	Old Republic Surety Company Old Republic Surety Company	\$ 50,000 50,000
Danny Merritt III	Police Chief	RLI Insurance Company	\$ 50,000

*See accompanying notes and independent auditors' report.*

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

American Institute of  
Certified Public Accountants

# ***King CPA, PLLC***

206 E. Central Ave. P.O. Box 1182  
Petal, MS 39465  
Telephone 601-544-9795....Fax 601-544-9793

Mississippi Society of  
Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS  
BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PREFORMED IN ACCORDANCE WITH *GOVERNMENT  
AUDITING STANDARDS***

To the Honorable Mayor and Board of Aldermen  
Town of New Augusta, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the business-type activities of the Town of New Augusta, Mississippi as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of New Augusta, Mississippi's basic financial statements, and have issued our report thereon dated October 30, 2023.

## **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of New Augusta, Mississippi's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of New Augusta, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of New Augusta, Mississippi's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2022-1 that we consider to be material weaknesses.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of New Augusta, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was

not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "King CPA, PLLC". The signature is written in a cursive, flowing style.

**KING CPA, PLLC**  
October 30, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH STATE LAWS AND REGULATIONS**

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS**

Honorable Mayor and Board of Aldermen  
Town of New Augusta  
New Augusta, Mississippi

We have audited the basic financial statements of the Town of New Augusta, Mississippi as of and for the year ended September 30, 2022 and have issued our report dated October 30, 2023. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of those procedures and our audit of the general purpose financial statements disclosed no material instances of noncompliance with state laws and regulations.

*King CPA, PLLC*

**KING CPA, PLLC**  
October 30, 2023

## **SCHEDULE OF FINDINGS AND RESPONSES**



**TOWN OF NEW AUGUSTA  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Section 1: Financial Statement Findings

2022-01 – Segregation of duties

*Condition:* Management is responsible for establishing a proper internal control system to ensure strong financial accountability.

*Criteria:* Internal controls should be in place to establish proper segregation of duties.

*Effect:* Without proper segregation of duties, the Town of New Augusta increases the risk that unauthorized or inappropriate transactions could be processed and the Town's personnel would not detect the problem while performing their normal duties.

*Recommendation:* We recommend the Town revise its system of cash receipts/disbursements whereby duties would be divided to the greatest possible extent.

*Response:* We will continue to work to strengthen and improve segregation of duties in a cost efficient manner.