

# NEWTON COUNTY, MISSISSIPPI

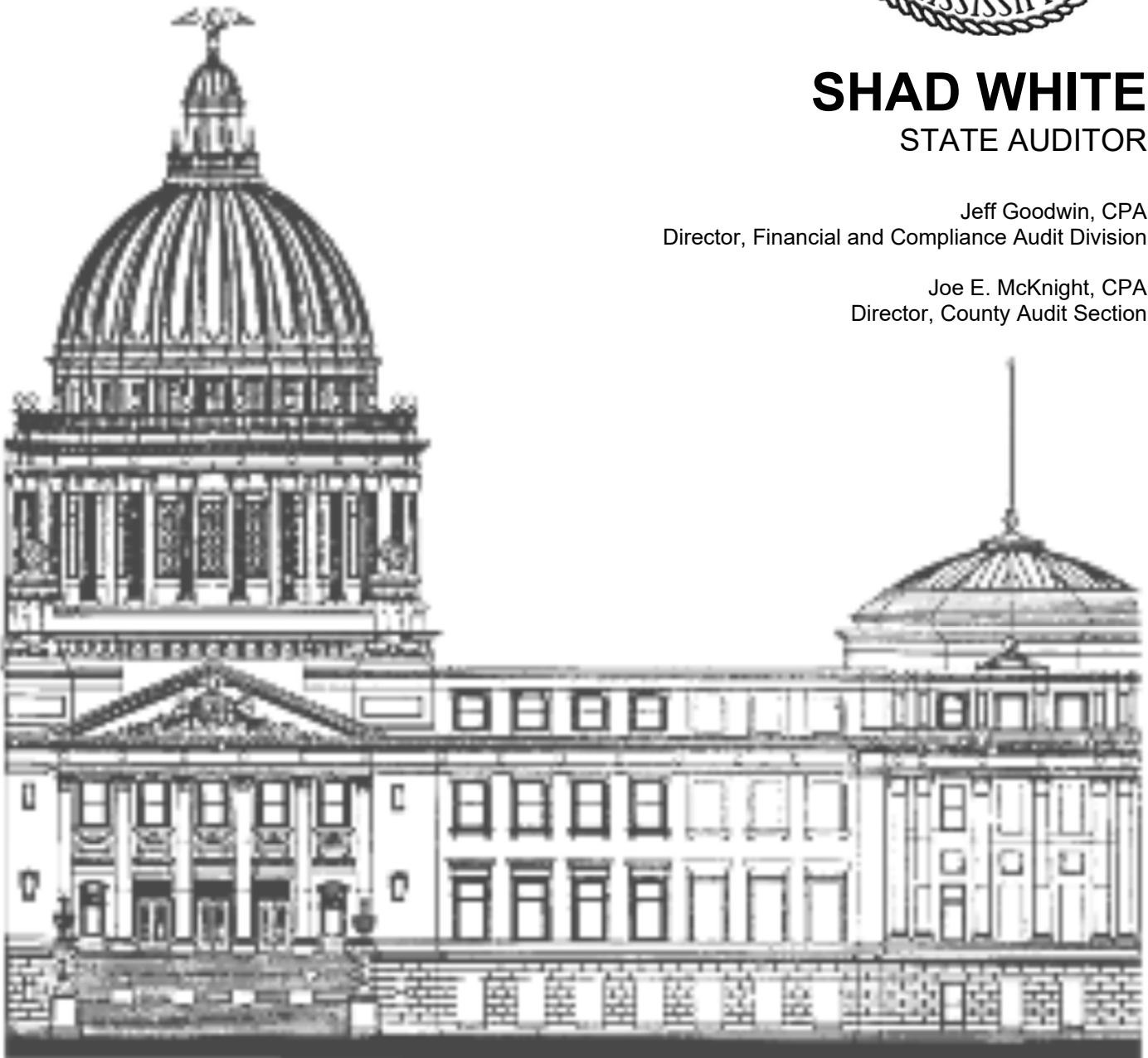
Audited Financial Statements and Special Reports  
For the Year Ended September 30, 2024



**SHAD WHITE**  
STATE AUDITOR

Jeff Goodwin, CPA  
Director, Financial and Compliance Audit Division

Joe E. McKnight, CPA  
Director, County Audit Section



A Report from the County Audit Section

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**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR**

**Shad White**  
AUDITOR

June 2, 2026

Members of the Board of Supervisors  
Newton County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2024 financial and compliance audit report for Newton County. This audit was performed pursuant to *Section 7-7-211(e), Mississippi Code Annotated (1972)*. The audit was performed 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.

I appreciate the cooperation and courtesy extended by the officials and employees of Newton County throughout the audit. Thank you for working to move Mississippi forward by serving as a supervisor for Newton County. If I or this office can be of any further assistance, please contact me or Joe McKnight of my staff at (601) 576-2674.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Shad White", is written over a horizontal line.

Shad White



NEWTON COUNTY

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NEWTON COUNTY

FINANCIAL SECTION

NEWTON COUNTY

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**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR  
SHAD WHITE  
AUDITOR**

**INDEPENDENT AUDITOR'S REPORT**

Members of the Board of Supervisors  
Newton County, Mississippi

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Newton County, Mississippi (the County), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Newton County, Mississippi, as of September 30, 2024, and the respective changes in cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 1.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 County, 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.

***Emphasis of Matter – Basis of Accounting***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

## ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting, as described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 the County'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 GAAS 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 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment 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 County'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County'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 Newton County, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis 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 basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the Budgetary Comparison Schedules, Schedule of Interfund Loans and Advances, Schedule of Capital Assets, Schedule of Changes in Long-term Debt, Schedule of Surety Bonds for County Officials and corresponding notes but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2026 on our consideration of Newton County, 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 Newton County, 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 Newton County, Mississippi's internal control over financial reporting and compliance.



JOE E. MCKNIGHT, CPA  
Director, County Audit Section

June 2, 2026

NEWTON COUNTY

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NEWTON COUNTY

FINANCIAL STATEMENTS

NEWTON COUNTY

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NEWTON COUNTY  
Statement of Net Position - Cash Basis  
September 30, 2024

Exhibit 1

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>ASSETS</b>			
Cash	\$ 9,467,507	516,391	9,983,898
Total Assets	<u>9,467,507</u>	<u>516,391</u>	<u>9,983,898</u>
<b>NET POSITION</b>			
Restricted:			
Expendable:			
General government	651,993		651,993
Public safety	680,638		680,638
Public works	5,825,490	516,391	6,341,881
Culture and recreation	40,054		40,054
Debt service	26,490		26,490
Unrestricted	2,242,842		2,242,842
Total Net Position	<u>\$ 9,467,507</u>	<u>516,391</u>	<u>9,983,898</u>

The notes to the financial statements are an integral part of this statement.

NEWTON COUNTY  
Statement of Activities - Cash Basis  
For the Year Ended September 30, 2024

Exhibit 2

Functions/Programs	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 3,544,195	504,775	54,419		(2,985,001)		(2,985,001)
Public safety	3,575,415	467,842	256,017		(2,851,556)		(2,851,556)
Public works	6,151,711		2,443,869	225,309	(3,482,533)		(3,482,533)
Health and welfare	189,981		16,955		(173,026)		(173,026)
Education	270,090				(270,090)		(270,090)
Conservation of natural resources	221,278				(221,278)		(221,278)
Economic development and assistance	47,228				(47,228)		(47,228)
Debt service:							
Principal	1,018,246				(1,018,246)		(1,018,246)
Interest	132,484				(132,484)		(132,484)
Total Governmental Activities	<u>15,150,628</u>	<u>972,617</u>	<u>2,771,260</u>	<u>225,309</u>	<u>(11,181,442)</u>		<u>(11,181,442)</u>
Business-type activities:							
Solid waste	<u>1,261,888</u>	<u>1,381,529</u>	<u>42,759</u>			<u>162,400</u>	<u>162,400</u>
Total Business-type Activities	<u>1,261,888</u>	<u>1,381,529</u>	<u>42,759</u>			<u>162,400</u>	<u>162,400</u>
Total Primary Government	<u>\$ 16,412,516</u>	<u>2,354,146</u>	<u>2,814,019</u>	<u>225,309</u>	<u>(11,181,442)</u>	<u>162,400</u>	<u>(11,019,042)</u>
General receipts:							
Property taxes					\$ 7,662,701		7,662,701
Road & bridge privilege taxes					264,332		264,332
Grants and contributions not restricted to specific programs					930,530		930,530
In lieu taxes - Biewer Sawmill					273,873		273,873
Unrestricted interest income					387,277	23,327	410,604
Miscellaneous					474,509	3,645	478,154
Proceeds from debt issuance					467,871	170,433	638,304
Sale of county property					210,467		210,467
Compensation for loss of county property					19,937		19,937
Transfers					(22,526)	22,526	0
Total General Receipts, Other Cash Sources and Transfers					<u>10,668,971</u>	<u>219,931</u>	<u>10,888,902</u>
Changes in Net Position					(512,471)	382,331	(130,140)
Net Position - Beginning					<u>9,979,978</u>	<u>134,060</u>	<u>10,114,038</u>
Net Position - Ending					<u>\$ 9,467,507</u>	<u>516,391</u>	<u>9,983,898</u>

The notes to the financial statements are an integral part of this statement.

NEWTON COUNTY  
Statement of Cash Basis Assets and Fund Balances -  
Governmental Funds  
September 30, 2024

Exhibit 3

	<u>Major Funds</u>		Other Governmental Funds	Total Governmental Funds
	General Fund	Use Tax Fund		
<b>ASSETS</b>				
Cash	\$ 2,795,393	1,390,358	5,281,756	9,467,507
Total Assets	<u>\$ 2,795,393</u>	<u>1,390,358</u>	<u>5,281,756</u>	<u>9,467,507</u>
<b>FUND BALANCES</b>				
Restricted for:				
General government	\$ 304,770		347,223	651,993
Public safety	247,781		432,857	680,638
Public works		1,390,358	4,435,132	5,825,490
Culture and recreation			40,054	40,054
Debt service			26,490	26,490
Unassigned	2,242,842			2,242,842
Total Fund Balances	<u>\$ 2,795,393</u>	<u>1,390,358</u>	<u>5,281,756</u>	<u>9,467,507</u>

The notes to the financial statements are an integral part of this statement.

NEWTON COUNTY  
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances -  
Governmental Funds  
For the Year Ended September 30, 2024

Exhibit 4

	Major Funds		Previous Major Fund	Other	Total
	General Fund	Use Tax Fund	American Rescue Plan Fund	Governmental Funds	Governmental Funds
<b>RECEIPTS</b>					
Property taxes	\$ 5,006,493			2,656,208	7,662,701
Road and bridge privilege taxes				264,332	264,332
Licenses, commissions and other receipts	293,103			7,030	300,133
Fines and forfeitures	311,360				311,360
In lieu taxes - Biewer Sawmill	187,561			86,312	273,873
Intergovernmental receipts	1,342,691	1,552,150		1,032,258	3,927,099
Charges for services	361,124				361,124
Interest income	123,016	59,090		205,171	387,277
Miscellaneous receipts	325,115			149,394	474,509
Total Receipts	<u>7,950,463</u>	<u>1,611,240</u>	<u>0</u>	<u>4,400,705</u>	<u>13,962,408</u>
<b>DISBURSEMENTS</b>					
General government	3,532,977			11,218	3,544,195
Public safety	3,460,792			114,623	3,575,415
Public works	300	2,082,138		4,069,273	6,151,711
Health and welfare	189,981				189,981
Education	270,090				270,090
Conservation of natural resources	221,278				221,278
Economic development and assistance	47,228				47,228
Debt service:					
Principal	80,097	195,000		743,149	1,018,246
Interest	8,090	94,675		29,719	132,484
Total Disbursements	<u>7,810,833</u>	<u>2,371,813</u>	<u>0</u>	<u>4,967,982</u>	<u>15,150,628</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>139,630</u>	<u>(760,573)</u>	<u>0</u>	<u>(567,277)</u>	<u>(1,188,220)</u>
<b>OTHER CASH SOURCES (USES)</b>					
Proceeds from long-term debt issuance	93,640			374,231	467,871
Sale of county property	11,258			199,209	210,467
Compensation for loss of county property	19,937				19,937
Transfers in	19,726			167,055	186,781
Transfers out	(58,867)			(150,440)	(209,307)
Total Other Cash Sources and Uses	<u>85,694</u>	<u>0</u>	<u>0</u>	<u>590,055</u>	<u>675,749</u>
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	<u>225,324</u>	<u>(760,573)</u>	<u>0</u>	<u>22,778</u>	<u>(512,471)</u>
Cash Basis Fund Balances - Beginning, as previously reported	2,570,069	2,150,931	1,575,415	3,683,563	9,979,978
Change within financial reporting entity (from major to nonmajor fund)			(1,575,415)	1,575,415	0
Cash Basis Fund Balances - Beginning, as restated	<u>2,570,069</u>	<u>2,150,931</u>	<u>0</u>	<u>5,258,978</u>	<u>9,979,978</u>
Cash Basis Fund Balances - Ending	\$ <u>2,795,393</u>	<u>1,390,358</u>	<u>0</u>	<u>5,281,756</u>	<u>9,467,507</u>

The notes to the financial statements are an integral part of this statement.

NEWTON COUNTY  
 Statement of Net Position - Cash Basis - Proprietary Fund  
 September 30, 2024

Exhibit 5

	Business-type Activities - Enterprise Fund
	<u>Solid Waste Services Fund</u>
ASSETS	
Cash	\$ 516,391
Total Assets	<u>516,391</u>
NET POSITION	
Restricted for:	
Public works	516,391
Total Net Position	<u>\$ 516,391</u>

The notes to the financial statements are an integral part of this statement.

Statement of Cash Receipts, Disbursements and Changes in Net Position - Proprietary Fund  
 For the Year Ended September 30, 2024

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Solid Waste Services Fund</u>
Operating Receipts	
Charges for services	\$ 1,381,529
Miscellaneous	3,645
Total Operating Receipts	<u>1,385,174</u>
Operating Disbursements	
Personal services	634,095
Contractual services	248,472
Materials and supplies	131,976
Indirect administrative cost	21,883
Capital outlay	170,433
Total Operating Disbursements	<u>1,206,859</u>
Operating Income (Loss)	<u>178,315</u>
Nonoperating Receipts (Disbursements)	
Interest income	23,327
Intergovernmental grants	42,759
Proceeds from debt	170,433
Principal paid	(46,020)
Interest expense	(9,009)
Net Nonoperating Receipts (Disbursements)	<u>181,490</u>
Net Income (Loss) Before Transfers	359,805
Transfers in	44,586
Transfers out	<u>(22,060)</u>
Changes in Net Position	382,331
Net Position - Beginning	<u>134,060</u>
Net Position - Ending	<u>\$ 516,391</u>

The notes to the financial statements are an integral part of this statement.

NEWTON COUNTY  
Statement of Fiduciary Net Position - Cash Basis  
September 30, 2024

Exhibit 7

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 58,412
Total Assets	<u>58,412</u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	58,412
Total Net Position	<u>\$ 58,412</u>

The notes to the financial statements are an integral part of this statement.

NEWTON COUNTY  
Statement of Changes in Fiduciary Net Position - Cash Basis  
For the Year Ended September 30, 2024

Exhibit 8

	<u>Custodial Funds</u>
<b>CASH ADDITIONS</b>	
Contributions:	
Tax collections for other governments	\$ 679,827
Fines and fees collected for State	<u>295,705</u>
Total Additions	<u>975,532</u>
<b>CASH DEDUCTIONS</b>	
Payments of tax to other governments	675,509
Payments of fines and fees to State	<u>298,162</u>
Total Deductions	<u>973,671</u>
Net increase (decrease) in fiduciary net position	1,861
Net Position - Beginning	<u>56,551</u>
Net Position - Ending	<u>\$ 58,412</u>

The notes to the financial statements are an integral part of this statement.

NEWTON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2024

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

Newton County, Mississippi (the County), is a political subdivision of the State of Mississippi. The County is governed by an elected five-member Board of Supervisors. The financial statements of the County are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board. These accounting principles require Newton County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County. There are no outside organizations that should be included as component units of the County's reporting entity.

State law pertaining to county government provides for the independent election of county officials. The following elected and appointed officials are all part of the County legal entity and therefore are reported as part of the primary government financial statements.

- Board of Supervisors
- Chancery Clerk
- Circuit Clerk
- Justice Court Clerk
- Purchase Clerk
- Tax Assessor-Collector
- Sheriff

B. Basis of Presentation.

The County's basic financial statements consist of government-wide statements, including a Statement of Net Position – Cash Basis and a Statement of Activities – Cash Basis, fund financial statements and accompanying note disclosures which provide a detailed level of financial information.

Government-wide Financial Statements:

The Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental receipts and other nonexchange receipts and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support.

The Statement of Net Position – Cash Basis presents the financial condition of the governmental activities and business-type activities of the County at year-end. The Government-wide Statement of Activities – Cash Basis presents a comparison between direct disbursements and program receipts for each function or program of the County's governmental activities and business-type activities. Direct disbursements are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other receipts not classified as program receipts are presented as general receipts of the County, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each business-type activity or governmental function is self-financing or draws from the general receipts of the County.

NEWTON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2024

Fund Financial Statements:

Fund financial statements of the County are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, fund balances, receipts and disbursements. Funds are organized into governmental, proprietary and fiduciary. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

C. Measurement Focus and Basis of Accounting.

The Government-wide, Governmental Funds, Proprietary Funds and Fiduciary Funds financial statements are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred. This cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual.

The County reports the following major Governmental Funds:

General Fund - This fund is used to account for and report all financial resources not accounted for and reported in another fund.

Use Tax Fund - This fund is used to account for monies from specific revenue sources that are restricted for road and bridge maintenance.

The County reports the following major Enterprise Fund:

Solid Waste Services Fund - This fund is used to account for the County's activities of disposal of solid waste within the County.

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

Special Revenue Funds - These funds are used to account for and report the proceeds of specific cash sources that are restricted or committed to disbursement for specified purposes other than debt service or capital projects.

Debt Service Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to disbursement for principal and interest.

Capital Projects Fund - These funds are used to account for and report financial resources that are restricted, committed, or assigned to disbursement for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

NEWTON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2024

PROPRIETARY FUND TYPE

Enterprise Fund - This fund is used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the County has decided that periodic determination of receipts collected, disbursements paid and/or net income is necessary for management accountability.

FIDUCIARY FUND TYPE

Custodial Funds - Custodial Funds are used to report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

D. Account Classifications.

The account classification used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2012 by the Government Finance Officers Association.

E. Deposits.

State law authorizes the County to invest in interest bearing time certificates of deposit for periods of fourteen days to one year with depositories and in obligations of the U.S. Treasury, State of Mississippi, or any county, municipality or school district of this state. Further, the County may invest in certain repurchase agreements.

Cash includes cash on hand, demand deposits, all certificates of deposit, and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less).

F. Equity Classifications.

Government-wide Financial Statements:

Equity is classified as net position and displayed in two components:

Restricted net position - Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position not meeting the definition of "restricted."

Net Position Flow Assumption:

When a disbursement is paid for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the County's general policy to use restricted resources first. When disbursements are paid for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the County's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

NEWTON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2024

Fund Financial Statements:

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the County:

*Restricted fund balance* includes amounts that have constraints placed upon the use of resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

*Unassigned fund balance* is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if disbursements paid for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Fund Balance Flow Assumption:

When a disbursement is paid for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the County's general policy to use restricted resources first. When disbursements are paid for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the County's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

G. Property Tax Receipts.

Numerous statutes exist under which the Board of Supervisors may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the County. Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount which resulted from the assessments of the previous year.

The Board of Supervisors, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. All property taxes are recognized as receipts when collected.

H. Changes in Accounting Standards.

GASB 100, *Accounting Changes and Error Corrections*, was implemented during the 2024 fiscal year. This Statement is an amendment of GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance*. The purpose of the standard is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability.

NEWTON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2024

(2) Adjustments and Restatements of Beginning Balances.

During fiscal year 2024, changes to or within the financial reporting entity resulted in adjustments to and restatements of beginning fund balance, as follows:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	American Rescue Plan Fund	Other Governmental Funds
9/30/2023, as previously reported	\$ 1,575,415	3,683,563
Change from major to nonmajor fund	(1,575,415)	1,575,415
9/30/2023, as adjusted or restated	\$ 0	5,258,978

(3) Deposits.

The carrying amount of the County's total deposits with financial institutions at September 30, 2024, was \$10,042,310, and the bank balance was \$10,181,728. The collateral for public entities' 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, Mississippi Code of 1972 Annotated*. 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 (FDIC).

**Custodial Credit Risk - Deposits.** Custodial credit risk is the risk that in the event of the failure of a financial institution, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. The County does not have a formal policy for custodial credit risk. 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 (FDIC). 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 County.

(4) Interfund Transfers.

The following is a summary of interfund transfers at September 30, 2024:

Transfers In/Out:

Transfers In	Transfers Out	Amount
General Fund	Solid Waste Services Fund	\$ 19,726
Other Governmental Funds	General Fund	36,984
Other Governmental Funds	Other Governmental Funds	127,737
Other Governmental Funds	Solid Waste Services Fund	2,334
Solid Waste Services Fund	General Fund	21,883
Solid Waste Services Fund	Other Governmental Funds	22,703
Total		\$ 231,367

NEWTON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2024

The principal purpose of interfund transfers was to provide funds for grant matches, to pay for capital outlay, to provide operating funds and to repay interfund loans and advances. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

(5) Claims and Judgments.

Risk Financing.

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2024, to January 1, 2025. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

(6) Leases.

These financial statements do not reflect leases in accordance with GASB 87 as these financial statements were prepared using the cash basis of accounting.

(7) Contingencies.

Federal Grants - The County has received federal grants for specific purposes that are subject to audit 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 disbursements of resources for allowable purposes. The County may be responsible for any disallowances.

Litigation - The County is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the County with respect to the various proceedings. However, the County's legal counsel believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the County.

(8) Joint Venture.

The County participates in the following joint venture:

Newton County is a participant with Kemper County in a joint venture, authorized by *Section 39-3-9, Mississippi Code of 1972 Annotated*, to operate the Kemper-Newton Regional Library System. The joint venture was created to provide free public library service to the citizens of the respective counties. The Newton County Board of Supervisors alternately appoints two or three of the five members of the board of directors. By contractual agreement, the County's contribution to the joint venture was \$90,000 in fiscal year 2024. Complete financial statements for the Kemper-Newton Regional Library System can be obtained from 101 Peachtree Street, Union, MS 39365.

## NEWTON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2024

#### (9) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Mid-Mississippi Development District operates in a district composed of the counties of Clarke, Jasper, Lauderdale, Newton, Scott and Smith. The district was organized to foster, encourage and facilitate economic development in member counties. The district's board of trustees is composed of 30 members, five each from the six member counties. The County contributed \$32,500 for support of the district in fiscal year 2024.

East Central Mississippi Planning and Development District operates in a district composed of the counties of Clarke, Jasper, Kemper, Lauderdale, Leake, Neshoba, Newton, Scott and Smith. The Newton County Board of Supervisors appoints one of the 15 members of the board of directors. The County contributed \$14,228 for support of the district in fiscal year 2024.

Region Ten Weems Community Mental Health operates in a district composed of the counties of Clarke, Jasper, Kemper, Lauderdale, Leake, Neshoba, Newton, Scott and Smith. The Newton County Board of Supervisors appoints one of the nine members of the board of commissioners. The County contributed \$29,500 for support of the commission in fiscal year 2024.

The Multi-County Community Service Agency operates in a district composed of the counties of Lauderdale, Newton, Wayne, Jasper, Kemper, Clarke, Smith, Scott and Neshoba. The entity was created to administer programs conducted by community action agencies, limited purpose agencies and related programs authorized by federal law. The Newton County Board of Supervisors appoints three of the 27 members of the board of directors. Most of the funding for the entity is derived from federal funds. Each County provides a modest amount of financial support when matching funds are required for federal grants. The County contributed \$6,000 for support of the agency in fiscal year 2024.

East Central Community College operates in a district composed of the counties of Leake, Neshoba, Newton, Scott and Winston. The Newton County Board of Supervisors appoints one of the 30 members of the college board of trustees. The County contributed \$675,510 for maintenance and support of the college in fiscal year 2024.

#### (10) Defined Benefit Pension Plan.

Plan Description. Newton County, 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. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by *Mississippi Code Annotated, Section 25-11-1 et seq., (1972, as amended)* 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 Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

Funding Policy. At September 30, 2024, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The rate at September 30, 2024 was 17.90% of annual covered payroll. This rate increased as of July 1, 2024 from 17.40%. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2024, 2023 and 2022 were \$692,505, \$709,889 and \$699,626, respectively, equal to the required contributions for each year.

NEWTON COUNTY

Notes to Financial Statements  
For the Year Ended September 30, 2024

These financial statements do not reflect pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources in accordance with GASB 67, 68 and 71 as these financial statements were prepared using the cash basis of accounting.

(11) Tax Abatements.

As of September 30, 2024, Newton County provided tax exempt status to a manufacturing company and a sawmill subject to the requirements of GASB Statement No. 77. These exemptions encourage businesses to locate or expand operations in the County and to create jobs. The amount of taxes abated during fiscal year 2024 totaled \$787,975.

The manufacturing company is exempt from twenty-five percent (25%) of real property taxes and personal property taxes except for levies for the school district, the state-mandated one mill and the community college levies. This exemption is authorized by *Section 27-31-105, Mississippi Code of 1972 Annotated*.

The sawmill is exempt from two-thirds (2/3) of the ad valorem taxes including those for the school district, the state-mandated one mill and the community college levies. This exemption is authorized by *Section 27-31-104, Mississippi Code of 1972 Annotated*.

NEWTON COUNTY

SUPPLEMENTARY INFORMATION

NEWTON COUNTY

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NEWTON COUNTY  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2024

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - Forest Service			
Passed-through the Mississippi State Treasurer's Office			
Forest service schools and roads cluster:			
Schools and roads - grants to states	10.665	Unknown	\$ 17,330
Total Forest service schools and roads cluster			<u>17,330</u>
Total U.S. Department of Agriculture			<u>17,330</u>
U.S. Department of Justice			
Passed-through the Mississippi Department of Public Safety			
Edward Byrne memorial justice assistance grant program	16.738	19LB1512	4,600
Edward Byrne memorial justice assistance grant program	16.738	22LB1511	5,021
Subtotal			<u>9,621</u>
Total U.S. Department of Justice			<u>9,621</u>
U.S. Department of the Treasury			
Coronavirus state and local fiscal recovery funds (Direct Award)*	21.027	N/A	1,046,355
Total U.S. Department of the Treasury			<u>1,046,355</u>
U.S. Elections Assistance Commission			
Passed-through the Mississippi Department of Public Safety			
Help America vote act requirements payments	90.401	Unknown	20,466
Total U.S. Elections Assistance Commission			<u>20,466</u>
U.S. Department of Homeland Security			
Passed-through the Mississippi Emergency Management Agency			
Disaster grants - public assistance (Presidentially declared disasters)	97.036	FEMA-4528-MS	6,616
Emergency management performance grants	97.042	Unknown	23,395
Emergency management performance grants	97.042	Unknown	23,000
Subtotal			<u>46,395</u>
Total U.S. Department of Homeland Security			<u>53,011</u>
Total Expenditures of Federal Awards			<u>\$ 1,146,783</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Newton County under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Newton County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Newton County.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note C - Indirect Cost Rate

Newton County has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note D - Schools and Roads - Grants to States - ALN 10.665

Of the federal expenditures presented in the Schedule, Newton County provided federal awards totaling \$8,665 to subrecipients during the year ended September 30, 2024.

\* Denotes major federal award program

NEWTON COUNTY

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NEWTON COUNTY

OTHER INFORMATION

NEWTON COUNTY

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NEWTON COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 General Fund  
 For the Year Ended September 30, 2024  
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Property taxes	\$ 5,018,390	5,006,493	5,006,493	
Licenses, commissions and other receipts	237,850	293,103	293,103	
Fines and forfeitures	344,500	311,360	311,360	
In-lieu taxes - Biewer Sawmill		187,561	187,561	
Intergovernmental receipts	1,215,150	1,342,691	1,342,691	
Charges for services	305,800	361,124	361,124	
Interest income	74,095	123,016	123,016	
Miscellaneous receipts	301,732	325,115	325,115	
Total Receipts	<u>7,497,517</u>	<u>7,950,463</u>	<u>7,950,463</u>	<u>0</u>
<b>DISBURSEMENTS</b>				
Current:				
General government	3,637,561	3,532,977	3,532,977	
Public safety	3,428,167	3,460,792	3,460,792	
Public works	300	300	300	
Health and welfare	119,865	189,981	189,981	
Culture and recreation	91,000			
Education	264,305	270,090	270,090	
Conservation of natural resources	205,448	221,278	221,278	
Economic development and assistance	48,228	47,228	47,228	
Debt service:				
Principal	91,547	80,097	80,097	
Interest	4,977	8,090	8,090	
Total Disbursements	<u>7,891,398</u>	<u>7,810,833</u>	<u>7,810,833</u>	<u>0</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>(393,881)</u>	<u>139,630</u>	<u>139,630</u>	<u>0</u>
<b>OTHER CASH SOURCES (USES)</b>				
Proceeds from long-term debt issuance	140,000	93,640	93,640	
Sale of county property	7,000	11,258	11,258	
Compensation for loss of county property	30,000	19,937	19,937	
Transfers in	1,207,708	19,726	19,726	
Transfers out	(88,000)	(58,867)	(58,867)	
Total Other Cash Sources and Uses	<u>1,296,708</u>	<u>85,694</u>	<u>85,694</u>	<u>0</u>
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	<u>902,827</u>	<u>225,324</u>	<u>225,324</u>	<u>0</u>
Cash Basis Fund Balances - Beginning	<u>2,570,069</u>	<u>2,570,069</u>	<u>2,570,069</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 902,827</u>	<u>2,795,393</u>	<u>2,795,393</u>	<u>0</u>

The accompanying notes to the Other Information are an integral part of this schedule.

NEWTON COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 Use Tax Fund  
 For the Year Ended September 30, 2024  
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Intergovernmental receipts	\$ 1,200,000	1,552,150	1,552,150	
Interest income	3,200	59,090	59,090	
Total Receipts	<u>1,203,200</u>	<u>1,611,240</u>	<u>1,611,240</u>	<u>0</u>
<b>DISBURSEMENTS</b>				
Current:				
Public works	2,435,932	2,082,138	2,082,138	
Debt service:				
Principal	195,000	195,000	195,000	
Interest	94,268	94,675	94,675	
Total Disbursements	<u>2,725,200</u>	<u>2,371,813</u>	<u>2,371,813</u>	<u>0</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>(1,522,000)</u>	<u>(760,573)</u>	<u>(760,573)</u>	<u>0</u>
Excess (Deficiency) of Receipts over (under) Disbursements	(1,522,000)	(760,573)	(760,573)	0
Cash Basis Fund Balances - Beginning	<u>1,522,000</u>	<u>2,150,931</u>	<u>2,150,931</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 0</u>	<u>1,390,358</u>	<u>1,390,358</u>	<u>0</u>

The accompanying notes to the Other Information are an integral part of this schedule.

NEWTON COUNTY  
 Schedule of Interfund Loans and Advances  
 For the Year Ended September 30, 2024  
 UNAUDITED

The following is a summary of interfund balances at September 30, 2024:

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	Balance at Sept. 30, 2024
General Fund	Solid Waste Services Fund	\$ <u>21,733</u>

The receivables represent unpaid solid waste indirect costs. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	Balance at Sept. 30, 2024
Other Governmental Funds	General Fund	\$ <u>37,199</u>

Advances were made to provide funds for operating purposes.

NEWTON COUNTY  
 Schedule of Capital Assets  
 For the Year Ended September 30, 2024  
 UNAUDITED

**Governmental activities:**

	Balance Oct. 1, 2023	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments*</u>	Balance Sept. 30, 2024
Land	\$ 358,411				358,411
Infrastructure	1,157,291				1,157,291
Buildings	5,092,840				5,092,840
Mobile equipment	12,505,635	787,867	432,636	97,823	12,958,689
Furniture and equipment	1,452,417	123,488	51,769	5,177	1,529,313
Total capital assets	\$ <u>20,566,594</u>	<u>911,355</u>	<u>484,405</u>	<u>103,000</u>	<u>21,096,544</u>

**Business-type activities:**

	Balance Oct. 1, 2023	<u>Additions</u>	<u>Adjustments*</u>	Balance Sept. 30, 2024
Land	\$ 102,005			102,005
Mobile equipment	1,441,841		(103,000)	1,338,841
Furniture and equipment	88,540	5,550		94,090
Total capital assets	\$ <u>1,632,386</u>	<u>5,550</u>	<u>(103,000)</u>	<u>1,534,936</u>

\*Adjustments are to correct prior year errors in the County's capital asset records.

These financial statements do not reflect leases in accordance with GASB 87 and/or SBITAs in accordance with GASB 96 as these financial statements were prepared using the cash basis of accounting.

NEWTON COUNTY  
Schedule of Changes in Long-term Debt  
For the Year Ended September 30, 2024  
UNAUDITED

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2024:

Description and Purpose	Issue Date	Maturity Date	Interest Rate	Balance Oct. 1, 2023	Issued	Principal Payments	Balance Sept. 30, 2024
<b>Governmental Activities:</b>							
<b>A. General Obligation Bonds:</b>							
District 4 Road & Bridge Bond 2012	10/2012	10/2027	2.30-2.70%	\$ 249,500		92,500	157,000
District 1 Road & Bridge Bond 2009	11/2009	11/2025	3.90%	70,000		35,000	35,000
GO Bond Series 2020	06/2020	09/2040	2.00-2.50%	4,450,000		195,000	4,255,000
<b>B. Financed Purchases:</b>							
Duffee VFS fire truck	08/2019	09/2024	3.44%	57,903		57,903	
911 equipment	12/2018	12/2023	3.68%	19,431		19,431	
(2) 2021 Dodge Chargers	03/2021	03/2024	1.24%	8,378		8,378	
2021 Dodge Ram 2500	03/2021	03/2026	1.43%	13,746		5,439	8,307
District 2 John Deere 310 SL backhoe	10/2020	10/2023	1.42%	1,496		1,496	
District 2 Sany SY95 mini excavator	02/2021	02/2024	1.24%	4,374		4,374	
District 2 2021 Kenworth T880	11/2020	11/2023	1.25%	82,188		82,188	
District 3 2021 Cat 930M wheel loader	01/2021	01/2026	1.49%	140,077		19,854	120,223
District 3 2021 Kenworth T880	11/2020	11/2023	1.25%	82,188		82,188	
District 3 2021 John Deere tractor w/ Samurai	08/2021	09/2026	1.69%	78,558		25,735	52,823
District 4 2021 Kenworth T370	11/2020	11/2023	1.25%	76,306		76,306	
District 4 2018 John Deere tractor w/ Alamo	04/2021	04/2024	1.25%	13,600		13,600	
District 5 Cat 12M3 motor grader	03/2021	03/2026	1.45%	102,012		20,507	81,505
2022 Dodge Ram 1500	08/2022	08/2025	3.58%	22,209		11,397	10,812
District 2 2017 Cat 326F excavator	04/2022	04/2026	2.32%	82,126		31,197	50,929
District 2 John Deere tractor w/ Samurai	11/2021	12/2024	1.28%	30,709		30,709	
District 3 2023 Kenworth T270 dump truck	03/2022	03/2027	2.36%	77,393		21,451	55,942
District 3 2019 Cat roller	04/2022	04/2027	2.36%	80,202		80,202	
District 5 2022 Kenworth T370 dump truck	11/2021	11/2027	1.73%	64,333		19,937	44,396
2022 Dodge Ram 1500	11/2022	11/2025	4.64%	24,062		10,799	13,263
2022 Dodge Charger	03/2023	03/2026	4.47%	12,971		5,017	7,954
2023 Chevy Silverado	11/2023	11/2027	5.64%		46,995	9,855	37,140
2023 Chevy Silverado	11/2023	11/2027	5.64%		46,645	9,781	36,864
District 4 2021 Kenworth T370 (Refinanced)	11/2023	11/2025	5.76%		75,000	33,307	41,693

NEWTON COUNTY  
Schedule of Changes in Long-term Debt (cont'd)  
For the Year Ended September 30, 2024  
UNAUDITED

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2024:

Description and Purpose	Issue Date	Maturity Date	Interest Rate	Balance Oct. 1, 2023	Issued	Principal Payments	Balance Sept. 30, 2024
<b>Governmental Activities:</b>							
B. Financed Purchases:							
District 2 2023 Ram 1500	04/2024	04/2028	5.23%		30,000	2,840	27,160
District 2 2024 Cat skid steer	06/2024	06/2029	5.11%		119,711	3,518	116,193
District 4 2024 wheel loader	06/2024	06/2028	5.19%		149,520	8,337	141,183
Total				\$ 5,843,762	467,871	1,018,246	5,293,387
<b>Business-type Activities:</b>							
A. Financed Purchases:							
Landfill dozer	04/2019	04/2024	3.74%	15,582		15,582	
2024 Western Star 47 chasis - Landfill	10/2023	10/2028	5.52%		121,433	21,687	99,746
2014 Western Star 4700	10/2023	10/2028	5.52%		49,000	8,751	40,249
Total				\$ 15,582	170,433	46,020	139,995

These financial statements do not reflect leases in accordance with GASB 87 or SBITAs in accordance with GASB 96 as these financial statements were prepared using the cash basis of accounting.

The accompanying notes to the Other Information are an integral part of this schedule.

NEWTON COUNTY  
Schedule of Surety Bonds for County Officials  
For the Year Ended September 30, 2024  
UNAUDITED

Name	Position	Company	Bond
Terry Frasier	Supervisor District 1	Travelers Casualty and Surety of America	\$100,000
Jeffery Harrison	Supervisor District 2	Travelers Casualty and Surety of America	\$100,000
Terry Wayne Vance	Supervisor District 3	Travelers Casualty and Surety of America	\$100,000
Charles Godwin	Supervisor District 4	Travelers Casualty and Surety of America	\$100,000
Aaron Clark	Supervisor District 5	Travelers Casualty and Surety of America	\$100,000
Steve Seale	County Administrator	Travelers Casualty and Surety of America	\$100,000
Chrissie Buffington	Chancery Clerk	Travelers Casualty and Surety of America	\$100,000
Tammy Thomas	Purchase Clerk	Travelers Casualty and Surety of America	\$100,000
Stephanie Scott	Assistant Purchase Clerk	Travelers Casualty and Surety of America	\$50,000
Ashley N. Hasenmueller	Receiving Clerk	Travelers Casualty and Surety of America	\$75,000
O'Neil Sanquez Broach	Assistant Receiving Clerk	Travelers Casualty and Surety of America	\$50,000
Bridget Cater	Assistant Receiving Clerk	Travelers Casualty and Surety of America	\$50,000
Jeff Cater	Assistant Receiving Clerk	Travelers Casualty and Surety of America	\$50,000
Thelma Evans	Assistant Receiving Clerk	Travelers Casualty and Surety of America	\$50,000
Billy Joe Everett	Assistant Receiving Clerk	Travelers Casualty and Surety of America	\$50,000
Penny Ford	Assistant Receiving Clerk	Travelers Casualty and Surety of America	\$50,000
Suzanne Gressett	Assistant Receiving Clerk	Travelers Casualty and Surety of America	\$50,000
Lolita Jordan	Assistant Receiving Clerk	Travelers Casualty and Surety of America	\$50,000
John L. Logan, Jr.	Assistant Receiving Clerk	Travelers Casualty and Surety of America	\$50,000
Wes Lamar Williams	Assistant Receiving Clerk	Travelers Casualty and Surety of America	\$50,000
Alyssa Middleton	Assistant Receiving Clerk	Travelers Casualty and Surety of America	\$50,000
Anthony Ryan Hanner	Assistant Receiving Clerk	Travelers Casualty and Surety of America	\$50,000
Stephanie Scott	Inventory Control Clerk	Travelers Casualty and Surety of America	\$75,000
Ashley N. Hasenmueller	Assistant Inventory Control Clerk	Travelers Casualty and Surety of America	\$50,000
Mark Spence	Constable	Travelers Casualty and Surety of America	\$50,000
William D. Collins	Constable	Travelers Casualty and Surety of America	\$50,000
Michael Butler	Circuit Clerk	Travelers Casualty and Surety of America	\$100,000
Penny Ford	Deputy Circuit Clerk	Travelers Casualty and Surety of America	\$50,000
Donna Hutchins	Deputy Circuit Clerk	Travelers Casualty and Surety of America	\$50,000
Joedy Pennington	Sheriff	Travelers Casualty and Surety of America	\$100,000
Justin Chaney	Justice Court Judge	Travelers Casualty and Surety of America	\$50,000
Scott Round	Justice Court Judge	Travelers Casualty and Surety of America	\$50,000
Sue Graham	Justice Court Clerk	Travelers Casualty and Surety of America	\$50,000
Lolita Jordan	Deputy Justice Court Clerk	Travelers Casualty and Surety of America	\$50,000
Ben Kelly	Tax Assessor-Collector	Travelers Casualty and Surety of America	\$100,000
Charnell Sharp	Deputy Tax Collector	Travelers Casualty and Surety of America	\$50,000
Debra Comans	Deputy Tax Collector	Travelers Casualty and Surety of America	\$50,000
Iva D. Smith	Deputy Tax Collector	Travelers Casualty and Surety of America	\$50,000
Sheila Johnson	Deputy Tax Collector	Travelers Casualty and Surety of America	\$50,000
Hollie Smith	Deputy Tax Collector	Travelers Casualty and Surety of America	\$50,000
Gina Brand	Deputy Tax Collector	Travelers Casualty and Surety of America	\$50,000
Cindy Horton	Deputy Tax Collector	Travelers Casualty and Surety of America	\$50,000

NEWTON COUNTY

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NEWTON COUNTY

Notes to the Other Information  
For the Year Ended September 30, 2024  
UNAUDITED

(1) Budgetary Comparison Information.

A. Budgetary Information.

Statutory requirements dictate how and when the County's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the County, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff and the Tax Assessor-Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of receipt, each general item of disbursement, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that budgetary estimates will not be met, it may make revisions to the budget.

The County's budget is prepared principally on the cash basis of accounting. All appropriations lapse at year end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

B. Basis of Presentation.

The Budgetary Comparison Schedule - Budget and Actual presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary basis and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and the major Special Revenue Fund.

(2) Long-term Debt Information:

A. Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the county. As of September 30, 2024, the amount of outstanding debt was equal to 2.60% of the latest property assessments.

NEWTON COUNTY

Notes to the Other Information  
For the Year Ended September 30, 2024  
UNAUDITED

B. Subsequent Events.

Subsequent to September 30, 2024, the County issued the following debt obligations:

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue</u>	<u>Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
12/02/2024	4.34%	\$	2,528,000	Financed purchase	Ad valorem taxes
03/14/2025	4.41%		49,420	Financed purchase	Ad valorem taxes
06/27/2025	4.31%		100,000	Financed purchase	Ad valorem taxes
06/27/2025	4.31%		86,500	Financed purchase	Ad valorem taxes
06/27/2025	4.36%		30,000	Financed purchase	Ad valorem taxes
07/09/2025	4.41%		52,774	Financed purchase	Ad valorem taxes
10/29/2025	4.08%		52,764	Financed purchase	Ad valorem taxes
10/29/2025	3.75%		118,038	Financed purchase	Ad valorem taxes
11/21/2025	3.80%		47,020	Financed purchase	Ad valorem taxes
12/01/2025	4.11%		56,896	Financed purchase	Ad valorem taxes
01/05/2026	4.24%		60,020	Financed purchase	Ad valorem taxes
04/06/2026	3.92%		50,000	Financed purchase	Ad valorem taxes

NEWTON COUNTY

SPECIAL REPORTS

NEWTON COUNTY

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**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**SHAD WHITE**  
AUDITOR

**INDEPENDENT AUDITOR'S 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**

Members of the Board of Supervisors  
Newton County, Mississippi

We have audited, 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 (*Government Auditing Standards*), the cash basis financial statements of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of Newton County, Mississippi (the County), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 2, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Newton County, Mississippi's internal control over financial reporting (internal control) as a basis for designing 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 Newton County, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider to be a material weakness.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Newton County, 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 financial statements. 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*.

We noted certain matters that we reported to the management of Newton County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated June 2, 2026, included within this document.

### Newton County's Response to Finding

*Government Auditing Standards* requires the auditor to perform limited procedures on Newton County, Mississippi's response to the finding identified in our audit and described in the accompanying Auditee's Corrective Action Plan. Newton County, Mississippi's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### 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 result 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. However, this report is a matter of public record and its distribution is not limited.



JOE E. MCKNIGHT, CPA  
Director, County Audit Section

June 2, 2026



**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR  
SHAD WHITE  
AUDITOR**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

Members of the Board of Supervisors  
Newton County, Mississippi

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited Newton County, Mississippi's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Newton County, Mississippi's major federal program for the year ended September 30, 2024. Newton County, Mississippi's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Newton County, Mississippi complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended September 30, 2024.

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Newton County, Mississippi and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of Newton County, Mississippi's compliance with the compliance requirements referred to above.

## **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Newton County, Mississippi's federal programs.

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Newton County, Mississippi's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Newton County, Mississippi's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Newton County Mississippi's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Newton County, Mississippi's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Newton County, Mississippi's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.



JOE E. MCKNIGHT CPA  
Director, County Audit Section

June 2, 2026

NEWTON COUNTY

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**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**SHAD WHITE**  
AUDITOR

INDEPENDENT ACCOUNTANT'S REPORT ON CENTRAL PURCHASING SYSTEM, INVENTORY CONTROL SYSTEM AND PURCHASE CLERK SCHEDULES  
(AS REQUIRED BY SECTION 31-7-115, MISSISSIPPI CODE OF 1972 ANNOTATED)

Members of the Board of Supervisors  
Newton County, Mississippi

We have examined Newton County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with *Sections 31-7-101 through 31-7-127, Mississippi Code of 1972 Annotated* and compliance with the purchasing requirements in accordance with the bid requirements of *Section 31-7-13, Mississippi Code of 1972 Annotated* during the year ended September 30, 2024. The Board of Supervisors of Newton County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Newton County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

Because of inherent limitations in any central purchasing system and inventory control system, errors or irregularities may occur and not be detected. Also, projection of any current evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

The results of our audit procedures disclosed a certain instance of noncompliance with the aforementioned code sections. This instance of noncompliance was considered in forming our opinion on compliance. Our finding and recommendation and your response are disclosed below:

**Inventory Control Clerk.**

1. The Inventory Control Clerk should maintain adequate capital asset subsidiary records.

**Repeat Finding**            Yes

**Criteria**                    *Section 31-7-107, Mississippi Code of 1972 Annotated*, requires the Inventory Control Clerk to maintain an inventory system to account for all capital assets of the County. An effective system of internal control over capital assets should include adequate subsidiary

records documenting the existence, completeness, and valuation of capital assets, as well as the depreciation of these assets.

<b>Condition</b>	As reported in the prior year's audit report, the County did not maintain adequate subsidiary records documenting the existence, completeness and valuation of capital assets or records documenting the County's capital assets, including infrastructure, or records documenting depreciation on applicable assets.
<b>Cause</b>	The Inventory Control Clerk lacked the necessary control procedures needed to accurately maintain inventory or subsidiary records.
<b>Effect</b>	The failure to maintain adequate subsidiary records increases the possibility of the loss or misappropriation of public funds.
<b>Recommendation</b>	The Inventory Control Clerk should establish adequate control procedures to maintain accurate inventory records documenting the existence, completeness and valuation of capital assets.

**Views of Responsible Official(s)**

The comptroller is coding 915-917 for inventory purchases. We will run this report after the docket. This should help maintain inventory.

In our opinion, except for the noncompliance referred to in the preceding paragraph, Newton County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2024.

The accompanying schedules of (1) Purchases Not Made from the Lowest Bidder, (2) Emergency Purchases and (3) Purchases Made Noncompetitively from a Sole Source are presented in accordance with *Section 31-7-115, Mississippi Code of 1972 Annotated*. The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned examination of the purchasing system and, in our opinion, is fairly presented when considered in relation to that examination.

Newton County's response to the finding included in this report was not audited, and accordingly, we express no opinion on it.

This report is intended for use in evaluating the central purchasing system and inventory control system of Newton County, Mississippi, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record and its distribution is not limited.



JOE E. MCKNIGHT, CPA  
Director, County Audit Section

June 2, 2026

NEWTON COUNTY  
Schedule of Purchases From Other Than the Lowest Bidder  
For the Year Ended September 30, 2024

Schedule 1

Our tests did not identify any purchases from other than the lowest bidder.

NEWTON COUNTY  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2024

Schedule 2

Our tests did not identify any emergency purchases.

NEWTON COUNTY  
Schedule of Purchases Made Noncompetitively From a Sole Source  
For the Year Ended September 30, 2024

Schedule 3

Our tests did not identify any purchases made noncompetitively from a sole source.

NEWTON COUNTY

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**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**SHAD WHITE**  
AUDITOR

**LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT**

Members of the Board of Supervisors  
Newton County, Mississippi

In planning and performing our audit of the cash basis financial statements of Newton County, Mississippi (the County) for the year ended September 30, 2024, we considered Newton County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to Newton County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated June 2, 2026, on the financial statements of Newton County, Mississippi.

Due to the reduced scope, these review procedures and compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with *Section 7-7-211, Mississippi Code of 1972 Annotated*, the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

The results of our review procedures and compliance tests identified certain immaterial instances of noncompliance with state laws and regulations that are opportunities for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

**Board of Supervisors.**

1. The Board of Supervisors should strengthen controls to ensure compliance of accounting for restricted funds.

**Repeat Finding** Yes

**Criteria** *Sections 19-5-313 and 19-5-333(c)(ii), Mississippi Code of 1972 Annotated*, require that 911 and E911 service fees be used to provide 911 and E911 service in the county. Therefore, these service fees should be accounted for in a separate fund so that disbursement of the fees can be specifically identified.

**Condition** As reported in the prior two years' audit reports, the Board of Supervisors deposited the 911 fees into the General Fund, which is considered unrestricted.

**Cause** The County did not comply with state laws.

**Effect** Failure to correctly record restricted funds could result in misappropriation of restricted funds.

**Recommendation** The Board of Supervisors should create a separate fund to account for monies received from the 911 service fees.

**Views of Responsible Official(s)** This has been corrected.

2. Additional privilege tax proceeds should be distributed to the County’s School District as if they were ad valorem taxes.

**Repeat Finding** Yes

**Criteria** *Section 27-19-11, Mississippi Code of 1972 Annotated*, requires counties to distribute additional privilege tax proceeds as they would if these collections were ad valorem tax proceeds.

**Condition** As reported in the prior two years’ audit reports, the County did not distribute additional privilege tax proceeds to the County’s School District in the same proportion as the County’s fiscal year 2024 ad valorem tax levy.

**Cause** The County lacked the necessary controls to ensure that additional privilege taxes were distributed in accordance with state law.

**Effect** Failure to correctly distribute the additional privilege taxes to the County’s School District resulted in the County being in direct violation of state law and could result in the misappropriation of public funds.

**Recommendation** The County should implement policies and procedures to ensure that additional privilege taxes are distributed to the County’s School District proportionately to the County’s tax levy.

**Views of Responsible Official(s)** This is being corrected in the 2026 year.

3. The Board of Supervisors should strengthen controls to ensure compliance of accounting for restricted funds.

**Repeat Finding** No

**Criteria** *Section 23-15-5(2)(a)(i), Mississippi Code of 1972 Annotated*, states monies distributed by the Secretary of State from the Election Support Fund shall be held in a separate fund solely for the purpose of acquiring, upgrading, maintaining or repairing voting equipment, systems and supplies, hiring temporary technical support, conducting elections using such voting equipment or systems, employing such personnel to conduct an election, and training election officials.

**Condition** The Board of Supervisors deposited Election Support Funds into the General Fund.

**Cause** The County did not comply with state laws.

**Effect** Failure to correctly record restricted funds could result in misappropriation of restricted funds.

**Recommendation**      The Board of Supervisors should create a separate fund to account for monies received from the Election Support Fund.

**Views of Responsible Official(s)**              This has been corrected.

Newton County's responses to the findings included in this report were not audited, and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Supervisors, and others within the entity and is not intended to be and should not be used by anyone other than these parties. However, this report is a matter of public record and its distribution is not limited.



JOE E. MCKNIGHT, CPA  
Director, County Audit Section

June 2, 2026

NEWTON COUNTY

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NEWTON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

NEWTON COUNTY

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NEWTON COUNTY

Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2024

Section 1: Summary of Auditor's Results

**Financial Statements:**

- 1. Type of auditor's report issued on the financial statements: Unmodified
- 2. Internal control over financial reporting:
  - a. Material weakness identified? Yes
  - b. Significant deficiency identified? None Reported
- 3. Noncompliance material to the financial statements noted? No

**Federal Awards:**

- 4. Internal control over major federal program:
  - a. Material weakness identified? No
  - b. Significant deficiency identified? None Reported
- 5. Type of auditor's report issued on compliance for major federal programs: Unmodified
- 6. Any audit finding(s) disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No
- 7. Identification of major federal programs:
  - a. ALN 21.027, Coronavirus state and local fiscal recovery funds
- 8. Dollar threshold used to distinguish between type A and type B programs: \$750,000
- 9. Auditee qualified as low-risk auditee? No
- 10. Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? Yes

Section 2: Financial Statement Findings

**Tax Assessor-Collector.**

**Material Weakness**

**2024-001.** The Tax Assessor-Collector should perform monthly bank reconciliations.

**Repeat Finding** Yes

**Criteria** An effective system of internal control over the collection, recording, and disbursement of cash in the Tax Collector's office should include a reconciliation of the bank account to the cash journal monthly.

NEWTON COUNTY

Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2024

<b>Condition</b>	As reported in the prior year's audit report, testing performed in the Tax Assessor-Collector's office revealed that the bookkeeper was not reconciling the bank account to the cash journal.
<b>Cause</b>	This was caused by the failure to maintain and properly post transactions to the cash journal.
<b>Effect</b>	Failure to reconcile to the bank account could result in the loss or misuse of public funds.
<b>Recommendation</b>	The Tax Collector should properly maintain a cash journal, ensuring that it reconciles to the bank account monthly.
<b>Views of Responsible Official(s)</b>	See Auditee's Corrective Action Plan.

Section 3: Federal Award Findings and Questioned Costs

The results of our tests did not disclose any findings and questioned costs related to federal awards.

NEWTON COUNTY

AUDITEE'S CORRECTIVE ACTION PLAN  
AND  
AUDITEE'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

NEWTON COUNTY

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# NEWTON COUNTY BOARD OF SUPERVISORS

P.O. Box 68 • Decatur, Mississippi 39327

## CORRECTIVE ACTION PLAN

April 14, 2026

Office of the State Auditor  
P.O. Box 956  
Jackson, MS 39205

Gentlemen:

Newton County respectfully submits the following corrective action plan for the year ended September 30, 2024.

The finding from the Schedule of Findings and Questioned Costs is discussed below. The finding is numbered consistently with the numbers assigned in the schedule. Section 1: Summary of Auditor's Results does not include findings and is not addressed.

### SECTION 2: FINANCIAL STATEMENT FINDINGS

2024-001. Corrective Action Planned: Several mistakes have been identified within our accounting system. The necessary corrections are being made.

Anticipated Completion Date: Unknown

Name of Contact Person  
Responsible for Corrective Action: Ben Kelly, Tax Assessor-Collector

### SECTION 3: FEDERAL AWARD FINDINGS

There are no current year findings and questioned costs related to federal awards.

Sincerely,

  
\_\_\_\_\_  
President, Board of Supervisors

### SUPERVISORS

DISTRICT 1  
Terry Frazier  
Tel. 769-219-8608

DISTRICT 2  
Jeffery Harrison  
Tel. 601-917-0356

DISTRICT 3  
Terry Wayne Vance  
Tel. 769-219-8322

DISTRICT 4  
Charles Godwin  
Tel. 601-917-4355

DISTRICT 5  
Aaron Clark  
Tel. 601-480-4890

**NEWTON COUNTY**  
**BOARD OF SUPERVISORS**  
P.O. Box 68 • Decatur, Mississippi 39327

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

April 14, 2026

Office of the State Auditor  
P.O. Box 956  
Jackson, MS 39205

Gentlemen,

Newton County respectfully submits the following Summary Schedule of Prior Audit Findings for the year ended September 30, 2024.

The findings from the prior year's Schedule of Findings and Questioned Costs are discussed below. The findings are numbered with the numbers assigned in the first year of issuance. Section 1: Summary of Auditor's Results does not include findings and is not addressed.

**SECTION 2: FINANCIAL STATEMENT FINDINGS**

- 2008-001. Warrants should not be signed without sufficient money in the funds.  
FULLY CORRECTED.
- 2018-002. Controls over repayment of interfund advances should be strengthened.  
FULLY CORRECTED
- 2017-004. Sheriff's Department should perform monthly bank reconciliations.  
FULLY CORRECTED
- 2023-004. The Tax Assessor-Collector should perform monthly bank reconciliations.  
NOT CORRECTED. Repeated as 2024-001.

**SUPERVISORS**

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**SECTION 3: FEDERAL AWARD FINDINGS**

There were no prior year findings and questioned costs related to federal awards.

Sincerely,

  
\_\_\_\_\_  
President, Board of Supervisors