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TOWN OF BURNSVILLE, MISSISSIPPI

COMPILED FINANCIAL STATEMENT

Year Ended September 30, 2019

M. M. WINKLER & ASSOCIATES, PLLC
Certified Public Accountants
Tupelo, Mississippi

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Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Honorable Mayor and Board of Aldermen
Town of Burnsville
Burnsville, Mississippi

Management is responsible for the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities of the Town of Burnsville, Mississippi, for the year ended September 30, 2019, and the related notes to financial statement in accordance with the cash basis of accounting. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities.

The Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities and related notes to financial statement are intended to comply with the requirements of the Mississippi Office of the State Auditor, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities is prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis information and other required supplemental information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Supplementary Information

The supplementary information contained in pages 17 through 20 is presented in compliance with the requirements of the Mississippi Office of the State Auditor and for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been compiled from information that is the responsibility of management. This information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Other Information

In accordance with the provisions of Section 21-35-31, Miss. Code Ann. (1972), we have issued a report dated October 20, 2020, on the results of our agreed-upon procedures.

M. M. Winkler & Associates, PLLC

October 20, 2020

BASIC FINANCIAL STATEMENT

Town of Burnsville, Mississippi
Statement of Cash Receipts and Disbursements
Governmental and Business-Type Activities
For the Year Ended September 30, 2019

Receipts	Governmental Activities			Business-Type Activities				
	General	Special Revenue	Total	Water	Sewer	Garbage	Total	
Government Property Taxes	\$ 87,007	\$ -	\$ 87,007	\$ -	\$ -	\$ -	\$ -	-0-
Penalties and Interest on Delinquent Taxes	1,279	-0-	1,279	-0-	-0-	-0-	-0-	-0-
Licenses and Permits:								
Privilege Licenses	1,157	-0-	1,157	-0-	-0-	-0-	-0-	-0-
Franchise Charges - Utilities	17,831	-0-	17,831	-0-	-0-	-0-	-0-	-0-
Intergovernmental Revenues:								
Federal Revenues:								
Federal Payments in Lieu of Taxes	9,996	-0-	9,996	-0-	-0-	-0-	-0-	-0-
Federal Grants	30,503	-0-	30,503	-0-	-0-	-0-	-0-	-0-
State Revenues:								
State Grants	240,114	-0-	240,114	-0-	-0-	-0-	-0-	-0-
Homestead Exemption Reimbursement	6,971	-0-	6,971	-0-	-0-	-0-	-0-	-0-
General Sales Tax	173,617	-0-	173,617	-0-	-0-	-0-	-0-	-0-
Fire Protection Allocation	5,524	-0-	5,524	-0-	-0-	-0-	-0-	-0-
Gasoline Tax	2,866	-0-	2,866	-0-	-0-	-0-	-0-	-0-
Municipal Aid	467	-0-	467	-0-	-0-	-0-	-0-	-0-
Alcohol Beverage Licenses	1,350	-0-	1,350	-0-	-0-	-0-	-0-	-0-
Training Reimbursement	809	-0-	809	-0-	-0-	-0-	-0-	-0-
Fuel Tax Rebate	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Grants from Local Units:								
School District Interlocal Agreement	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Pro-Rata County Road Tax	20,455	-0-	20,455	-0-	-0-	-0-	-0-	-0-
Charges for Services:								
Water	-0-	-0-	-0-	308,312	-0-	-0-	308,312	
Sewer	-0-	-0-	-0-	-0-	104,869	-0-	104,869	
Garbage	-0-	-0-	-0-	-0-	-0-	57,094	57,094	
Fines and Forfeitures	35,097	-0-	35,097	-0-	-0-	-0-	-0-	-0-
Rents and Royalties	1,000	-0-	1,000	-0-	-0-	-0-	-0-	-0-
Sale of Equipment	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Insurance Proceeds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Miscellaneous	1,735	-0-	1,735	1,917	-0-	-0-	1,917	
Total Receipts	\$ 637,778	\$ -	\$ 637,778	\$ 310,229	\$ 104,869	\$ 57,094	\$ 472,192	

- Continued -

Town of Burnsville, Mississippi
Statement of Cash Receipts and Disbursements
Governmental and Business-Type Activities
For the Year Ended September 30, 2019

Disbursements	Governmental Activities			Business-Type Activities				
	General	Special Revenue	Total	Water	Sewer	Garbage	Total	
General Government								
Executive	\$ 93,061	\$ -0-	\$ 93,061	\$ -0-	\$ -0-	\$ -0-	\$ -0-	-0-
Judicial	9,586	-0-	9,586	-0-	-0-	-0-	-0-	-0-
Public Safety								
Police	101,786	-0-	101,786	-0-	-0-	-0-	-0-	-0-
Fire	14,776	-0-	14,776	-0-	-0-	-0-	-0-	-0-
Public Works	36,123	-0-	36,123	-0-	-0-	-0-	-0-	-0-
Culture and Recreation								
Park	24,507	-0-	24,507	-0-	-0-	-0-	-0-	-0-
Library	13,922	-0-	13,922	-0-	-0-	-0-	-0-	-0-
Enterprise								
Water	-0-	-0-	-0-	174,609	-0-	-0-	-0-	174,609
Sewer	-0-	-0-	-0-	-0-	81,640	-0-	-0-	81,640
Garbage	-0-	-0-	-0-	-0-	-0-	55,468	-0-	55,468
Interest Expense	-0-	-0-	-0-	-0-	6,167	-0-	-0-	6,167
Total Disbursements	\$ 293,761	\$ -0-	\$ 293,761	\$ 174,609	\$ 87,807	\$ 55,468	\$ 317,884	
Excess (Deficiency) of Receipts over Disbursements	\$ 344,017	\$ -0-	\$ 344,017	\$ 135,620	\$ 17,062	\$ 1,626	\$ 154,308	
Other Sources (Uses)								
Redemption of Principal	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ (15,030)	\$ -0-	\$ (15,030)	
Capital Outlay	(358,247)	-0-	(358,247)	-0-	(4,571)	-0-	(4,571)	
Loan Proceeds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	
Interest Income	854	115	969	2,698	943	176	3,817	
Operating Transfers In	6,740	-0-	6,740	-0-	7,352	-0-	7,352	
Operating Transfers Out	(6,740)	-0-	(6,740)	-0-	(7,352)	-0-	(7,352)	
Total Other Sources (Uses)	\$ (357,393)	\$ 115	\$ (357,278)	\$ 2,698	\$ (18,658)	\$ 176	\$ (15,784)	
Excess (Deficiency) of Receipts and Other Financing Sources over Disbursements and Other Financing Uses	\$ (13,376)	\$ 115	\$ (13,261)	\$ 138,318	\$ (1,596)	\$ 1,802	\$ 138,524	
Cash Balances - Beginning of Year	93,517	76,801	170,318	229,844	117,008	18,985	365,837	
Cash Balances - End of Year	\$ 80,141	\$ 76,916	\$ 157,057	\$ 368,162	\$ 115,412	\$ 20,787	\$ 504,361	

The accompanying notes and independent accountants' compilation report

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TOWN OF BURNSVILLE, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT
For the Year Ended September 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The financial statement of the Town of Burnsville, Mississippi (Town), consists of all the funds of the Town.

The Citizens of Burnsville have elected to operate under a Code Charter as permitted by Mississippi Statute 21-3-3, which prescribes a Mayor and Board of Aldermen form of government.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. The basic - but not only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government units for inclusion or exclusion from the reporting entity is the existence of special financial relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no includable or excludable potential component units.

Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statement in this report, into one generic fund type and one broad fund category as follows:

Governmental Funds

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

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted for specific expenditure purposes.

TOWN OF BURNSVILLE, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT
- Continued -

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Proprietary Funds

Water Fund - The Water Fund is used to account for the Town's water distribution system.

Sewer Fund - The Sewer Fund is used to account for the Town's sewer treatment system.

Garbage Fund - The Garbage Fund is used to account for the Town's garbage collection services.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Town uses the cash receipts and disbursements basis of accounting as prescribed by the Mississippi Office of the State Auditor.

In the fund financial statements, governmental activities are presented using the cash receipts and disbursements basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues and expenditures/expenses when they result from cash transactions.

This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

If the Town utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

Under the modified accrual basis revenues are recognized when measurable and available. Measurable means, being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

Under the accrual basis, revenues are recognized when earned. Expenses (including depreciation and amortization) are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange takes place.

NOTE 2. REPORT CLASSIFICATIONS

Receipts and disbursements were classified according to requirements for small towns in the State of Mississippi as prescribed by the Office of the State Auditor.

TOWN OF BURNSVILLE, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT
- Continued -

NOTE 3. LONG-TERM DEBT

The annual requirements to amortize all outstanding debt as of September 30, 2019, including interest of \$ 42,449, are as follows:

Year	Principal	Interest	Total
2020	\$ 15,485	\$ 5,712	\$ 21,197
2021	15,956	5,241	21,197
2022	15,510	4,751	20,261
2023	11,222	4,355	15,577
2024	11,570	4,007	15,577
2025 - 2029	63,546	14,341	77,887
2030 - 2034	59,438	3,994	63,432
2035	6,079	48	6,127
Total	\$ <u>198,806</u>	\$ <u>42,449</u>	\$ <u>241,255</u>

NOTE 4. SUBSEQUENT EVENTS

Management has evaluated all events and transactions that occurred after September 30, 2019 up through October 20, 2020, the date on which the Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities was available to be issued. No material subsequent events have occurred during this period that require recognition or disclosure in this financial statement.

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SUPPLEMENTARY INFORMATION

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TOWN OF BURNSVILLE, MISSISSIPPI
SCHEDULE OF INVESTMENTS
For the Year Ended September 30, 2019

The Town of Burnsville, Mississippi had no investments as of September 30, 2019.

See accompanying independent accountants' compilation report.

TOWN OF BURNSVILLE, MISSISSIPPI
SCHEDULE OF CAPITAL ASSETS
For the Year Ended September 30, 2019

Governmental Activities

The Town of Burnsville, Mississippi did not account for capital assets in the Governmental Activities funds as of September 30, 2019.

Business-Type Activities

The Town of Burnsville, Mississippi did not account for capital assets in the Business-Type Activities funds as of September 30, 2019.

See accompanying independent accountants' compilation report.

TOWN OF BURNSVILLE, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Year Ended September 30, 2019

The Town's long-term debt activity for the year ended September 30, 2019, is as follows:

<u>Definition and Purpose</u>	Balance Outstanding October 1, 2018	<u>Transaction During Fiscal Year</u>		Balance Outstanding September 30, 2019
		<u>Issued</u>	<u>Redeemed</u>	
Revenue Bonds				
Sewer - USDA	\$ 86,373	\$ -0-	\$ 4,429	\$ 81,944
Other Long-term Debt:				
Sewer - MDEQ Loan	107,133	-0-	5,521	101,612
Sewer - CAP Loan	<u>20,330</u>	<u>-0-</u>	<u>5,080</u>	<u>15,250</u>
 Total	 \$ <u>213,836</u>	 \$ <u>-0-</u>	 \$ <u>15,030</u>	 \$ <u>198,806</u>

See accompanying independent accountants' compilation report.

TOWN OF BURNSVILLE, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
September 30, 2019

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Amount</u>
David Nixon	Mayor	Travelers Casualty & Surety Co of America	\$ 50,000
Tracy Roaten	Town Clerk	Travelers Casualty & Surety Co of America	\$ 50,000
Sarah Beth Boyer	Deputy Clerk	Travelers Casualty & Surety Co of America	\$ 50,000
Tracy Roaten	Court Clerk	Travelers Casualty & Surety Co of America	\$ 50,000
Jason Blakney	Alderman	Travelers Casualty & Surety Co of America	\$ 25,000
Doyle Rorie	Alderman	Travelers Casualty & Surety Co of America	\$ 25,000
Niesha Carpenter	Alderman	Travelers Casualty & Surety Co of America	\$ 25,000
Billy Don Hamm	Alderman	Travelers Casualty & Surety Co of America	\$ 25,000
Robert Davis	Alderman	Travelers Casualty & Surety Co of America	\$ 25,000
Randy Trim	Police Chief	Travelers Casualty & Surety Co of America	\$ 50,000

See accompanying independent accountants' compilation report.

M. M. WINKLER & ASSOCIATES, PLLC

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**INDEPENDENT ACCOUNTANTS' REPORT
ON COMPLIANCE WITH STATE LAWS AND REGULATIONS**

Honorable Mayor and Board of Aldermen
Town of Burnsville
Burnsville, Mississippi

Management is responsible for the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities of the Town of Burnsville, Mississippi, for the year ended September 30, 2019, the related notes to the financial statement, and the accompanying supplementary information contained on pages 17 through 20 in accordance with the cash basis of accounting. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. The Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities has been prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

We have performed procedures to test compliance with certain state laws and regulations as described by the Municipal Compliance Questionnaire that is prescribed 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 Town's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures and our compilation of the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities, Schedule of Investments, Schedule of Capital Assets, Schedule of Long-Term Debt, and Schedule of Surety Bonds for Town Officials, of the Town of Burnsville, Mississippi (Town), for the year ended September 30, 2019, disclosed the following instances of noncompliance with state laws and regulations. Our findings and recommendations and your responses are as follows:

Board of Alderman

1. Capital Asset Ledger, tagging of all capital assets, and performance of an annual inventory of capital assets was not maintained as prescribed by MS state law.

Repeat Finding Yes

Criteria Section 21-17-5, Miss. Code Ann. (1972) states that the municipal governing authority is responsible for the custody of its assets. This protective custody or safeguarding of assets cannot be accomplished without complete and accurate records. Section II-C, Property Accounting System, in the Municipal Audit and Accounting Guide prescribes that the Town maintain a complete and accurate accounting of capital assets to adequately safeguard those asset and to allow for accurate financial reporting.

Condition	The Town failed to maintain a capital asset ledger, failed to tag all capital assets, and failed to perform an annual inventory of capital assets to adequately safeguard those assets.
Cause	The Town's capital asset ledger, tagging of all capital assets, and performance of an annual inventory of capital assets was not maintained.
Effect	The Town's failure to maintain a capital asset ledger, tag all capital assets, and perform an annual inventory of capital assets resulted in a failure to adequately safeguard those assets and a failure to provide information for the Schedule of Capital Assets.
Recommendation	The Town should maintain a capital asset ledger, tag all capital assets, and perform an annual inventory of capital assets to adequately safeguard those assets and to provide information for the Schedule of Capital Assets as prescribed by law.
Official Response	The Town is currently in the process of updating the capital assets ledger and performing an inventory.

The instances of noncompliance of the prior year have been corrected by management unless it is specifically stated otherwise in the findings and recommendations noted above.

This report is intended solely for the information and use of the Town of Burnsville, Mississippi's management and the Office of the State Auditor and is not intended to be used and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

M. M. Winkler & Associates, PLLC

October 20, 2020