

OFFICE OF THE STATE AUDITOR REPORT NOTE:

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

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

TOWN OF BURNSVILLE, MISSISSIPPI
COMPILED FINANCIAL STATEMENT

Year Ended September 30, 2023

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

DEC 26 2024

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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, 2023, and the related notes to the financial statement in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. 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. We do not express an opinion, a conclusion, nor provide any assurance on the Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities.

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.

The Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities and related notes to the 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.

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 19 through 22 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, Mississippi Code of 1972 Annotated*, we have issued a report dated November 25, 2024, on the results of our agreed-upon procedures.

M. M. Winkler & Associates, PLLC

November 25, 2024

BASIC FINANCIAL STATEMENT

Town of Burnsville, Mississippi
Statement of Cash Receipts and Disbursements
Governmental and Business-Type Activities
For the Year Ended September 30, 2023

Receipts	Governmental Activities			Business-Type Activities			
	General	Special Revenue	Total	Water	Sewer	Garbage	Total
Government Property Taxes	\$ 102,808	\$ -	\$ 102,808	\$ -	\$ -	\$ -	\$ -
Penalties and Interest on Delinquent Taxes	229	-	229	-	-	-	-
Licenses and Permits:							
Privilege Licenses	1,306	-	1,306	-	-	-	-
Franchise Charges - Utilities	27,481	-	27,481	-	-	-	-
Intergovernmental Revenues:							
Federal Revenues:							
Federal Payments in Lieu of Taxes	9,996	-	9,996	-	-	-	-
Federal Grants	-	-	-	-	-	-	-
State Revenues:							
State Grants	91,702	-	91,702	-	-	-	-
Homestead Exemption Reimbursement	9,545	-	9,545	-	-	-	-
General Sales Tax	425,256	-	425,256	-	-	-	-
Fire Protection Allocation	10,858	-	10,858	-	-	-	-
Gasoline Tax	2,658	-	2,658	-	-	-	-
Municipal Aid	434	-	434	-	-	-	-
Alcohol Beverage Licenses	1,800	-	1,800	-	-	-	-
Other Aid	-	-	-	-	-	-	-
Fuel Tax Rebate	-	-	-	-	-	-	-
Grants from Local Units:							
School District Interlocal Agreement	-	-	-	-	-	-	-
Pro-Rata County Road Tax	21,269	-	21,269	-	-	-	-
Charges for Services:							
Water	-	-	-	303,005	-	-	303,005
Sewer	-	-	-	-	131,342	-	131,342
Garbage	-	-	-	-	-	62,532	62,532
Fines and Forfeitures	18,436	-	18,436	-	-	-	-
Rents and Royalties	79	-	79	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-	-
Miscellaneous	256	-	256	1,541	-	-	1,541
Total Receipts	\$ 724,113	\$ -	\$ 724,113	\$ 304,546	\$ 131,342	\$ 62,532	\$ 498,420

- Continued -

Town of Burnsville, Mississippi
Statement of Cash Receipts and Disbursements
Governmental and Business-Type Activities
For the Year Ended September 30, 2023

Disbursements	Governmental Activities			Business-Type Activities			
	General	Special Revenue	Total	Water	Sewer	Garbage	Total
General Government							
Executive	\$ 96,542	\$ -	\$ 96,542	\$ -	\$ -	\$ -	\$ -
Judicial	15,156	-	15,156	-	-	-	-
Public Safety							
Police	103,453	-	103,453	-	-	-	-
Fire	25,781	-	25,781	-	-	-	-
Public Works	55,794	-	55,794	-	-	-	-
Culture and Recreation							
Park	24,284	-	24,284	-	-	-	-
Library	13,253	-	13,253	-	-	-	-
Enterprise							
Water	-	-	-	290,320	-	-	290,320
Sewer	-	-	-	-	100,928	-	100,928
Garbage	-	-	-	-	-	58,229	58,229
Interest Expense	-	-	-	-	4,355	-	4,355
Total Disbursements	<u>\$ 334,263</u>	<u>\$ -</u>	<u>\$ 334,263</u>	<u>\$ 290,320</u>	<u>\$ 105,283</u>	<u>\$ 58,229</u>	<u>\$ 453,832</u>
Excess (Deficiency) of Receipts over Disbursements	<u>\$ 389,850</u>	<u>\$ -</u>	<u>\$ 389,850</u>	<u>\$ 14,226</u>	<u>\$ 26,059</u>	<u>\$ 4,303</u>	<u>\$ 44,588</u>
Other Sources (Uses)							
Redemption of Principal	\$ -	\$ -	\$ -	\$ -	\$ (11,222)	\$ -	\$ (11,222)
Proceeds from Loan	-	-	-	246,005	-	-	246,005
Capital Outlay	(21,559)	-	(21,559)	(325,105)	(87,565)	-	(412,670)
Proceeds from Capital Asset Sales	-	-	-	-	-	-	-
Interest Income	9,235	609	9,844	6,320	438	618	7,376
Operating Transfers In	7,352	-	7,352	-	77,352	-	77,352
Operating Transfers Out	(77,352)	-	(77,352)	-	(7,352)	-	(7,352)
Total Other Sources (Uses)	<u>\$ (82,324)</u>	<u>\$ 609</u>	<u>\$ (81,715)</u>	<u>\$ (72,780)</u>	<u>\$ (28,349)</u>	<u>\$ 618</u>	<u>\$ (100,511)</u>
Excess (Deficiency) of Receipts and Other Financing Sources over Disbursements and Other Financing Uses	<u>\$ 307,526</u>	<u>\$ 609</u>	<u>\$ 308,135</u>	<u>\$ (58,554)</u>	<u>\$ (2,290)</u>	<u>\$ 4,921</u>	<u>\$ (55,923)</u>
Cash Balances - Beginning of Year	<u>462,017</u>	<u>77,263</u>	<u>539,280</u>	<u>441,045</u>	<u>45,891</u>	<u>36,869</u>	<u>523,805</u>
Cash Balances - End of Year	<u>\$ 769,543</u>	<u>\$ 77,872</u>	<u>\$ 847,415</u>	<u>\$ 382,491</u>	<u>\$ 43,601</u>	<u>\$ 41,790</u>	<u>\$ 467,882</u>

The accompanying notes and independent accountants' compilation report are an integral part of this statement.

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TOWN OF BURNSVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended September 30, 2023

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 Town 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 the 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 interdependence. 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. The second criterion used to evaluate 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 and is generally available to its citizens. A third criterion used to evaluate potential component 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 on application of these criteria, no potential component units should be included in the reporting entity.

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 generic fund types and broad fund categories 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.

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.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 which is a cash basis of accounting and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

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.

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.

Deposits

Cash includes cash on hand and demand deposits.

Property Tax Revenues

Numerous statutes exist under which the Board of Aldermen may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the Town. 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 Aldermen, each year at a meeting in September, levies property taxes for the subsequent 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 following 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, motor vehicle and mobile homes taxes are recognized as revenue in the year in which they are received from Tishomingo County, Mississippi.

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

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.

NOTE 3. DEPOSITS

The carrying amount of the Town's total deposits with financial institutions at September 30, 2023, was \$ 1,315,107, and the bank balance was \$ 1,323,915. The collateral for public entities' deposits in financial institutions are 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 Town'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 Town will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Town 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 Town.

NOTE 4. LONG-TERM DEBT

The annual requirements to amortize all outstanding debt as of September 30, 2023, including interest of \$ 22,387, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 11,570	\$ 4,007	\$ 15,577
2025	11,931	3,646	15,577
2026	12,306	3,271	15,577
2027	12,695	2,882	15,577
2028	13,098	2,479	15,577
2029 – 2033	65,770	5,878	71,648
2034 – 2038	13,257	223	13,480
	<u>140,627</u>	<u>22,386</u>	<u>163,013</u>

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

NOTE 4. LONG-TERM DEBT - Continued

The Town has received the third payment request of \$ 246,005 from the Drinking Water Systems Improvements Revolving Loan Fund Program (DWSIRLF) approved in the amount of \$ 500,000 for the construction of drinking water facilities known as the Surface Water project. The repayment schedule will be determined when the total loan proceeds have been received and other requirements have been met. As of September 30, 2023, \$420,900 has been received.

NOTE 5. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description. Town of Burnsville, 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 of 1972 Annotated Section 25-11-1 et seq.* 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.

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public-school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

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

NOTE 5. DEFINED BENEFIT PENSION PLAN - Continued

Contributions. At September 30, 2023, PERS members were required to contribute 9% of their annual covered salary, and the Town is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2023 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The Town's contributions (employer share only) to PERS for the years ended September 30, 2023, 2022, and 2021 were \$ 35,880, \$ 37,433, and \$ 34,006 respectively, equal to the required contributions for each year.

NOTE 6. CONTINGENCIES

Federal Grants - The Town 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 expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the Town.

NOTE 7. SUBSEQUENT EVENTS

Events that occur after the Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about transactions that existed at the Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities date are recognized in the accompanying financial statement. Subsequent events which provide evidence about conditions that existed after the Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities date require disclosure in the accompanying notes. Management of the Town of Burnsville, Mississippi, evaluated the activity of the Town through November 25, 2024, the date on which the financial statement was available to be issued, and determined that the following subsequent event occurred requiring disclosure in the notes to the financial statement.

On February 16, 2024, the Town finalized and issued the \$500,000 Drinking Water Systems Improvements Revolving Loan Fund Program (DWSIRLF) described in Note 4, at an interest rate of 1.95%.

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SUPPLEMENTARY INFORMATION

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**TOWN OF BURNSVILLE, MISSISSIPPI
SCHEDULE OF INVESTMENTS
For the Year Ended September 30, 2023**

The Town of Burnsville, Mississippi had no investments as of September 30, 2023.

See accompanying independent accountants' compilation report.

**TOWN OF BURNSVILLE, MISSISSIPPI
SCHEDULE OF CAPITAL ASSETS
For the Year Ended September 30, 2023**

Governmental Activities

The Town of Burnsville, Mississippi did not account for capital assets in the Governmental Activities funds as of September 30, 2023.

Business-Type Activities

The Town of Burnsville, Mississippi did not account for capital assets in the Business-Type Activities funds as of September 30, 2023.

See accompanying independent accountants' compilation report.

TOWN OF BURNSVILLE, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Year Ended September 30, 2023

The Town's long-term debt activity for the year ended September 30, 2023, is as follows:

<u>Definition and Purpose</u>	Balance Outstanding October 1, 2022	<u>Transactions During Fiscal Year</u>		Balance Outstanding September 30, 2023
		Issued	Redeemed	
Revenue Bonds				
Sewer - USDA	\$ 67,394	\$ -0-	\$ 5,301	\$ 62,093
Other Long-term Debt:				
Sewer - MDEQ Loan	84,455	-0-	5,921	78,534
Total	\$ 151,849	\$ -0-	\$ 11,222	\$ 140,627

See accompanying independent accountants' compilation report.

**TOWN OF BURNSVILLE, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
September 30, 2023**

<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
Sheila Hamrick	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
Denise Timbes	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, 2023, the related notes to the financial statement, and the accompanying supplementary information contained on pages 19 through 22 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, 2023, 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 were not maintained as prescribed by Mississippi state law.

Repeat Finding Yes

Criteria *Section 21-17-5, Mississippi Code of 1972 Annotated* states that the municipal governing authority is responsible for 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 assets 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. Sections of it are complete and need to be compiled into one document.
2.	A public depository was not selected for no more than a two-year term as prescribed by Mississippi state law.
Repeat Finding	Yes
Criteria	<i>Section 27-105-363, Mississippi Code of 1972 Annotated</i> states that the term of office of a municipal depository shall be two (2) years.
Condition	The Town failed to select a depository in 2022 after placing an advertisement for bids or proposals from financial institutions, in February 2022, as noted in the Board minutes. The last selection of a depository was made in 2020.
Cause	The Town failed to select a depository after advertising for such.
Effect	The Town's failure to select a depository every two years could result in the Town being noncompliant with State statute, as well as the Board of Alderman being personally liable for fines of up to \$5,000 each.
Recommendation	The Town should choose a public depository every two years as required by law.
Official Response	<p>The Town advertised for public depository bids to be reviewed at the April 2022 Board meeting. Letters were sent to all FDIC insured institutions with branches in Tishomingo County and the advertisement ran in the county-wide newspaper for two weeks.</p> <p>The Town received only one response and it was from the depository it was currently using. The proposal terms were found not to be satisfactory as they did not match the current operating terms. The Town chose to table the matter and did not accept the bid.</p> <p>The next opportunity for the Town to advertise for public depository will be July of 2025. The current Board cannot bind the next Board with less than a year left in the term.</p>

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

November 25, 2024

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TOWN OF BURNSVILLE, MISSISSIPPI
AGREED-UPON PROCEDURES
FOR SMALL MUNICIPALITIES (TOWNS)

September 30, 2023

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

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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR SMALL MUNICIPALITIES (TOWNS)**

Honorable Mayor & Board of Aldermen
Town of Burnsville, Mississippi

We have performed the procedures enumerated below related to the Town of Burnsville, Mississippi's compliance with specified requirements as prescribed by the Office of the State Auditor (under the provisions of *Section 21-35-31, Mississippi Code of 1972 Annotated*) in its Municipal Audit and Accounting Guide on compliance with certain procedures, laws and regulations of the Town of Burnsville, Mississippi, as of September 30, 2023, and for the year then ended. The Town of Burnsville, Mississippi's (the Town's) officials are responsible for the Town's accounting records, and the Town's compliance with certain procedures, laws and regulations.

The Town's officials have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in determining whether the entity complied with the specified requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and findings follow:

Cash (including investments)

1. Cash on deposit was confirmed and reconciled with the following bank balances in the respective general ledger fund accounts and the bank's collateralization of the deposits of the related balances from the bank through the State's Collateral Pool Program as of September 30, 2023:

<u>Bank</u>	<u>Fund</u>	<u>Type</u>	<u>Balance per General Ledger</u>
First American National	General	Checking	\$ 769,543
First American National	Special Revenue	Savings	77,872
First American National	Water	Checking	382,301
First American National	Sewer	Checking	43,601
First American National	Garbage	Checking	41,790
Total Cash on Deposit			<u><u>\$ 1,315,107</u></u>

2. The Town held no investments during the fiscal year ended September 30, 2023.

No exceptions were found as a result of applying the procedures.

Ad Valorem Taxes

3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - a. Traced levies to governing body minutes;
 - b. Traced settlements of taxes collected to the proper funds; and
 - c. Analyzed levy for increase in taxes for the most recent period for compliance with increase limitations of *Sections 27-39-320 to 27-39-323, Mississippi Code of 1972 Annotated*.

No exceptions were found as a result of applying the procedures.

State Receipts

4. We confirmed payments from the Department of Finance and Administration by obtaining the statement of statewide expenditures and revenue to cities/counties specifically for the Town from Mississippi's Accountability System for Government Information and Collaboration (MAGIC) Transparency website. Payments indicated were traced to deposit in the respective fund accounts and recorded in the general ledger without exception. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Fund</u>	<u>Amount</u>
TVA Payments in Lieu of Taxes	General Fund	\$ 9,996
Fire Protection Allocation	General Fund	10,858
Homestead Exemption Reimbursement	General Fund	9,515
Sales Tax Allocation	General Fund	417,904
Gasoline Tax	General Fund	2,658
General Municipal Aid	General Fund	433
Liquor Tax	General Fund	1,800
Other Aid	General Fund	92,518
Other Loans	Water Fund	246,005
		<hr/>
Total Payments Received		\$ 791,687
		<hr/>

No exceptions were found as a result of applying the procedures.

Disbursements

5. We selected a representative sample of purchasing transactions executed by the Town during the fiscal year ended September 30, 2023. Each item was evaluated for proper approval and compliance with purchasing requirements set forth in *Section 31, Chapter 7, Mississippi Code of 1972 Annotated*, if applicable.

Items tested consisted of the following:	
Number of Items Tested	25
Total Dollar Value of Sample	\$ 563,898

No exceptions were found as a result of applying the procedures.

State Court Fine Assessment

6. We selected a sample of the collection of fines and forfeitures and determined that the municipal court clerk had settled daily with the municipal clerk [*Sections 21-15-21, Mississippi Code of 1972 Annotated*].

Also, we selected a sample of state-imposed court assessments collected and determined that the municipal clerk had settled monthly with the Department of Finance and Administration [*Sections 99-19-72 & 83-39-31 Mississippi Code of 1972 Annotated*].

No exceptions were found as a result of applying the procedures.

Municipal Compliance Questionnaire

7. We have read the Municipal Compliance Questionnaire completed, signed and recorded in the board's minutes.

The following responses to the questionnaire indicated the following instances of noncompliance with state requirements:

- a. 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.
- b. Per review of the board minutes, the Town failed to select a depository upon completion of the two-year term of office for the depository.

No other exceptions were found as a result of applying the procedures.

We were engaged by the Town of Burnsville, Mississippi's officials to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records of the Town of Burnsville, Mississippi, as of September 30, 2023, and for the year then ended, or their compliance with certain procedures, laws and regulations. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town of Burnsville, Mississippi's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report should not be associated with the financial statement of the Town of Burnsville, Mississippi, for the year ended September 30, 2023.

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

M. M. Winkler & Associates, PLLC

November 25, 2024