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TOWN OF BUDE, MISSISSIPPI

COMPILATION REPORT

SEPTEMBER 30, 2013

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TOWN OF BUDE, MISSISSIPPI

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ACCOUNTANT'S COMPILATION REPORT

VERBALEE B. WATTS
CERTIFIED PUBLIC ACCOUNTANT
602 W. CONGRESS ST.
P. O. BOX 226 TELEPHONE 833-8683
BROOKHAVEN, MISSISSIPPI 39601

*Member of Mississippi Society
Of Certified Public Accountants*

November 29, 2013

*Member of American Institute
Of Certified Public Accountants*

ACCOUNTANT'S COMPILATION REPORT

Mayor and Board of Aldermen
Town of Bude, Mississippi

We have compiled the accompanying Combined Statement of Cash Receipts and Disbursements, of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Bude, Mississippi, as of and for the year ended September 30, 2013, as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the Cash Receipts and Disbursements basis of accounting.

The management of the Town of Bude, Mississippi is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

As described in Note 1 to the financial statements, the Town of Bude, Mississippi, prepares its financial statements on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

Management also has not presented the management's discussion and analysis and other required supplemental information that Governmental Accounting Standards Boards has determined is required to supplement, although not required to be a part of the basic financial statements.

VERBALEE B. WATTS & ASSOCIATES



Verbalee B. Watts
Certified Public Accountant

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FINANCIAL STATEMENTS

TOWN OF BUDE, MISSISSIPPI

COMBINED STATEMENT OF
CASH RECEIPTS AND CASH DISBURSEMENTS - ALL FUNDS
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2013

	--- Governmental Activities	---- Business-Type	- - - - Memorandum Only - - -	
	<u>General</u>	<u>Water</u>	<u>Totals</u>	
		<u>Fund</u>	<u>2013</u>	<u>2012</u>
<u>REVENUE RECEIPTS</u>				
General Property	\$ 132,763	\$ -	\$ 132,763	\$ 133,066
Licenses and Permits	2,085	-	2,085	3,057
Franchise Tax	34,137	-	34,137	32,707
Railroad Revenue	3,389	-	3,389	3,393
Intergovernmental Revenues:				
General Municipal Aid (From State)	18,502	-	18,502	6,006
Franklin County	3,500	-	3,500	3,500
State Shared Revenues:				
Grand Gulf	13,836	-	13,836	14,568
Sales Tax	133,235	-	133,235	115,716
Homestead Exemption Reimbursement	13,836	-	13,836	13,438
Charges for Services:				
Water/Sewer Utility	-	137,477	137,477	139,581
Fines and Forfeitures	4,896	-	4,896	9,313
<u>TOTAL REVENUE RECEIPTS</u>	<u>360,179</u>	<u>137,477</u>	<u>497,656</u>	<u>474,345</u>
<u>OTHER RECEIPTS</u>				
Sale of Gas Lines	145,000	-	145,000	-
Other Fund Transfers In	-	2,297	2,297	3,586
Rents	26,500	-	26,500	23,200
Interest	4,264	665	4,929	6,516
Miscellaneous	3,458	1,002	4,460	4,740
<u>TOTAL OTHER RECEIPTS</u>	<u>179,222</u>	<u>3,964</u>	<u>183,186</u>	<u>38,042</u>
<u>TOTAL RECEIPTS</u>	<u>539,401</u>	<u>141,441</u>	<u>680,842</u>	<u>512,387</u>
<u>CASH BALANCE -</u>				
<u>BEGINNING OF YEAR</u>	<u>391,903</u>	<u>192,581</u>	<u>584,484</u>	<u>583,095</u>
<u>TOTAL AMOUNT</u>				
<u>TO ACCOUNT FOR</u>	<u>\$ 931,304</u>	<u>\$ 334,022</u>	<u>\$ 1,265,326</u>	<u>\$ 1,095,482</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF BUDE, MISSISSIPPI

COMBINED STATEMENT OF
CASH RECEIPTS AND CASH DISBURSEMENTS - ALL FUNDS
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2013

	--- Governmental Activities ---	--- Business-Type ---	--- Memorandum Only ---	
	<u>General</u>	<u>Water Fund</u>	<u>2013</u>	<u>Totals</u> <u>2012</u>
<u>CASH DISBURSEMENTS</u>				
Dues and Memberships	\$ 3,889	\$ 325	\$ 4,214	\$ 8,115
Salaries	215,810	-	215,810	183,656
Retirement	29,842	-	29,842	22,515
Payroll Taxes	16,510	-	16,510	14,046
Repairs	10,271	23,391	33,662	37,059
Supplies	12,016	28,510	40,526	22,440
Insurance	53,416	-	53,416	61,183
Gas & Oil	927	13,483	14,410	19,462
Legal and Professional	16,296	2,880	19,176	26,480
Equipment	-	25,253	25,253	9,350
Utilities	21,566	29,792	51,358	42,196
Library Expense	-	-	-	17,448
Interest on Notes	-	24	24	428
Note Payable CAP Loan	-	2,869	2,869	5,153
Telephone	4,784	-	4,784	4,323
Travel Expense	9,915	1,299	11,214	10,580
Waste Water Operator	-	6,600	6,600	6,600
Interest Expense	-	-	-	172
Election Expense	2,989	-	2,989	675
Other Fund Transfers	125	-	125	266
State Assessments Paid	2,689	-	2,689	3,577
Sales Tax	-	2,890	2,890	2,254
Other Miscellaneous Expense	6,258	7,170	13,428	13,020
<u>TOTAL DISBURSEMENTS</u>	<u>407,303</u>	<u>144,486</u>	<u>551,789</u>	<u>510,998</u>
<u>CASH BALANCE-END OF YEAR</u>	<u>524,001</u>	<u>189,536</u>	<u>713,537</u>	<u>584,484</u>
<u>TOTAL AMOUNT ACCOUNTED FOR</u>	<u>\$ 931,304</u>	<u>\$ 334,022</u>	<u>\$ 1,265,326</u>	<u>\$ 1,095,482</u>

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The accompanying notes are an integral part of these financial statements.

TOWN OF BUDE, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

(1) **Summary of Significant Accounting Policies**

The Town of Bude operates under a Mayor/Alderman form of government and provides services as authorized by law.

A. Reporting Entity

The financial statements of the Town consist of all the funds of the Town.

B. 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, 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 means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into the following categories:

GOVERNMENTAL FUNDS

GENERAL FUND

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. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs not paid through other funds are paid from the General Fund.

PROPRIETARY FUNDS

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

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted for specific expenditure purposes. Special Revenue Funds include the CDBG and Home Grant Program.

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. This includes an Expendable Trust Fund. Expendable Trust Funds are accounted for in essentially the same manner as governmental funds.

TOWN OF BUDE, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Basis of Accounting

The financial statements are prepared on a cash receipts and disbursements basis, as prescribed by the Mississippi State Department of Audit. Consequently, certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred.

D. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, and changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to consolidation. Interfund eliminations have not been made in the aggregation of this data.

E. Cash

The Town deposits excess funds in the financial institution selected by the board of aldermen in accordance with state statutes.

Cash consists of amounts on deposit with a financial institution, all of which are in interest bearing demand accounts and saving accounts.

Various restrictions on these deposits are imposed by State statutes. These restrictions are summarized as follows:

All deposits with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance (FSLIC) must be collateralized in an amount equal to 105% of the uninsured amount. The collateral must be on deposit with the Town Clerk.

F. Investments

The Town is allowed, by statute, to invest excess funds in any bonds or other direct obligations of the United States of America or the State of Mississippi, or of any county or municipality of this state, when such county or municipal bonds have been properly approved; or in interest-bearing time certificates of deposit with any financial institution approved for the deposit of state funds.

(2) **Report Classification**

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

(3) **Property Tax**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied as of January 1 and payable on or before February 1. The county tax collector prepares, collects and transmits both real estate and personal property tax receipts to the Town of Bude each month. The cover sheet attached details type of tax, etc. being transmitted. The millage rate for the Town of Bude for January through December, 2013 was 34.00 mills, broken down as follows:

TOWN OF BUDE, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Fund</u>	<u>Mills</u>
General Fund (Includes fire)	31.15
Special Street Fund	<u>2.85</u>
	34.00

Restrictions associated with property tax levies are established by state law which provides that the tax levy for general purposes shall produce no more than 110% of the amount which results from those levies' assessments of the previous year.

(4) **Defined Benefit Pension Plan**

Plan Description - The Town of Bude contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employee Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444 PERS.

Funding Policy - PERS members were required to contribute 9% and the Town of Bude 14.26% of covered salaries thru June 30, 2013. Effective July 1, 2013 the Town of Bude contributes 15.75% of covered salaries. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The Town of Bude's contributions to PERS for the years ending September 30, 2013, 2012, and 2011 were \$29,916, \$22,515, and \$19,697 respectively, equal to the required contributions for each year. There were errors in some of the current year reports. These have been corrected with the payments being made in the 2014 year.

(5) **Cash and Investments**

The collateral for public entities' deposits in financial institutions are now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

(6) **Long - Term Commitment**

There were no Long - Term Commitments.

(7) **Commitments and Contingencies**

The town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town of Bude carries commercial insurance.

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TOWN OF BUDE, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
(Continued)

(8) **Interfund Receivables/Payables**

The following is a summary of Interfund receivables and payables as of September 30, 2013:

<u>Amount</u>	<u>Due To</u>	<u>Due From</u>
\$ 537.88	General Fund	Clearing Fund
50.13	General Fund	CDBG Fund
3,090.75	General Fund	Water & Sewer
461.13	Water & Sewer	Clearing Fund
<u>\$ 4,139.89</u>	Total	

(9) **Subsequent Events**

There were no subsequent events that would affect these financial statements.

SUPPLEMENTAL INFORMATION

TOWN OF BUDE, MISSISSIPPI
SCHEDULE OF TAX LEVIES (COMPARATIVE)
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>2012</u>		<u>2013</u>	
	<u>Mills</u>	<u>Percent</u>	<u>Mills</u>	<u>Percent</u>
General Fund	31.65	90.43	31.15	91.62
Special Street Fund	<u>3.35</u>	<u>9.57</u>	<u>2.85</u>	<u>8.38</u>
	<u>35.00</u>	<u>100.00</u>	<u>34.00</u>	<u>100.00</u>

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TOWN OF BUDE, MISSISSIPPI
SCHEDULE OF INVESTMENTS – ALL FUNDS
SEPTEMBER 30, 2013

GENERAL FUND:

Certificate of Deposit

General Improvement

Issued October 07, 2013 – Matures April 07, 2014
 #8384 @ .35% Interest \$ 15,275

General Improvement

Issued October 07, 2013 – Matures April 07, 2014
 #8391 @ .35% Interest 10,184

General Fund

February 4, 2013 – Due 12 months after deposit
 #4636 @ .65% Interest 12,159

Law Enforcement

Issued October 07, 2013 – Matures April 07, 2014
 #8387 @ .35% Interest 1,628

Special Street Improvement

Issued October 07, 2013 – Matures April 07, 2014
 #8388 @ .35% Interest 10,184

Fire Department

Issued October 07, 2013 – Matures April 07, 2014
 #8390 @ .35% Interest 10,247

Issued October 07, 2013 – Matures April 07, 2014
 #8389 @ .35% Interest 10,206

TOTAL GENERAL FUND \$ 69,883

DEBT SERVICE FUND:

Certificate of Deposit - #4355

Gas System Construction Fund

The Town no longer has any debts to service,
 therefore this CD was cashed and deposited
 into the General Fund. \$ 0

TOTAL DEBT SERVICE FUND \$ 0

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TOWN OF BUDE, MISSISSIPPI
SCHEDULE OF INVESTMENTS – ALL FUNDS
SEPTEMBER 30, 2013

(CONTINUED)

ENTERPRISE FUND:

Certificate of Deposit

Water and Sewer Fund – Depreciation & Contingent

Issued October 07, 2013 – Matures April 07, 2014

#8386 @ .35% Interest

\$ 10,184

TOTAL ENTERPRISE FUND

\$ 10,184

TRUST AND AGENCY FUND:

Certificate of Deposit

Employment Compensation Revolving Fund

April 25, 2013 - Due 12 months after deposit

#4608 @ .35% Interest

\$ 4,687

TOTAL TRUST AND AGENCY FUND

\$ 4,687

TOTAL INVESTMENTS – ALL FUNDS

\$ 84,754

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TOWN OF BUDE, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
SEPTEMBER 30, 2013

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Thomas Earl Case	Mayor	Western Surety Co. MS Municipalities Bond Program (4 Year Bond – 7/1/13 – 7/1/17)	\$ 206,000 \$ 25,000
Marilyn Faust	Tax Collector Town Clerk	Western Surety Co. Brierfield Insurance Co.	\$ 206,000 \$ 50,000
Gordon Dover	Marshall	Brierfield Insurance Co.	\$ 50,000
Everette Marshall	Deputy Police Chief	Brierfield Insurance Co.	\$ 50,000
Roy O'Neal, Jr.	Peace Officer	Brierfield Insurance Co.	\$ 25,000
Fannie Brown, Grady Huff, John Knight, Norma Jean Kelly, and Tommy Gibbs, Sr.	Aldermen/woman	MS Municipalities Bond Program c/o Scott Insurance (4 Year Bond – 7/1/13 – 7/1/17)	\$ 25,000

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STATE AUDITOR COMPLIANCE

VERBALEE B. WATTS
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November 29, 2013

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**REPORT ON COMPLIANCE WITH STATE
LAWS AND REGULATIONS**

To the Mayor and Board of Aldermen
Town of Bude, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements – Governmental and Business-type Activities, Schedule of Tax Levies, Schedule of Investments and Schedule of Surety Bonds for the year ended September 30, 2013, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

We have performed procedures to test compliance with certain state laws and regulations as described in 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.

This report is intended for the information and use of management and is not intended to be 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.

VERBALEE B. WATTS & ASSOCIATES


Verbalee B. Watts
Certified Public Accountant

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