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Town of Bude
Bude, Mississippi
Financial Statements
September 30, 2014

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TOWN OF BUDE, MISSISSIPPI

TABLE OF CONTENTS

	<u>PAGE</u>
<u>INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES</u>	1-4
<u>INDEPENDENT ACCOUNTANT'S REPORT</u>	5
<u>FINANCIAL STATEMENTS</u>	
Combined Statement of Cash Receipts and Cash Disbursements, All Funds for the Fiscal Year Ended September 30, 2014	6-7
Notes to Financial Statements	8-10
<u>SUPPLEMENTAL INFORMATION</u>	
Schedule of Tax Levies (Comparative)	11
Schedule of Investments - <i>All Funds</i>	12 - 13
Schedule of Surety Bonds for Town Officials	14
<u>STATE AUDITOR COMPLIANCE</u>	
Report on Compliance with State Laws and Regulations	15

Town of Bude, Mississippi
Independent Accountant's Report on Applying
Agreed-Upon Procedures
Year Ended September 30, 2014

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VERBALEE B. WATTS
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 P. O. BOX 226 TELEPHONE 833-8683
 BROOKHAVEN, MISSISSIPPI 39601

*Member of Mississippi Society
 Of Certified Public Accountants*

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November 17, 2014

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
 AGREED-UPON PROCEDURES**

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The Mayor and Board of Alderpersons
 Town of Bude
 Bude, Mississippi 39630

I have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of Town of Bude, Mississippi, solely to assist the Office of the State Auditor evaluate the Town of Bude, Mississippi's compliance with certain laws and regulations as of September 30, 2014, and for the year then ended. This agreed-upon-procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Office of the State Auditor, State of Mississippi. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

My procedures and findings are as follows:

1. I reconciled cash on deposit with the following bank to balances in the respective general ledger accounts and obtained confirmation of the related balances from the bank:

Bank	Fund	Balance Per General Ledger
United MS Bank	General Fund	\$ 107,477
United MS Bank	General Fund	44
United MS Bank	General Fund	92,209
United MS Bank	General Fund	15,743
United MS Bank	General Fund	36,321
United MS Bank	General Fund	54,990
United MS Bank	General Fund	10,670
	Total General Fund	\$ 317,454
United MS Bank	Water & Sewer Fund	17,538
United MS Bank	Water & Sewer Fund	9,703
United MS Bank	Water & Sewer Fund	2,615
Bank of Franklin	Water & Sewer Fund	35,571
	Total Water & Sewer Fund	\$ 65,427
United MS Bank	Special Fund	\$ 500

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2. I physically examined securities held for investment. Securities held in trust were confirmed directly with respective trustees. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Miss. Code Ann. (1972).

Bank	Fund	Balance Per General Ledger
United MS Bank	General Fund	\$ 27,557
United MS Bank	General Fund	20,519
United MS Bank	General Fund	1,634
United MS Bank	General Fund	10,216
United MS Bank	General Fund	10,216
	Total General Fund	<u>\$ 70,142</u>
United MS Bank	Water & Sewer Fund	10,216
Bank of Franklin	Water & Sewer Fund	101,376
	Total Water & Sewer Fund	<u>\$ 111,592</u>
Bank of Franklin	Special Fund	<u>\$ 4,710</u>

3. I performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
- Examined uncollected taxes for proper handling, including tax sales;
 - Traced distribution of taxes collected to proper funds; and
 - Analyzed increase in taxes for most recent period for compliance with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

The distribution of taxes to funds was found to be in accordance with prescribed tax levies, and uncollected taxes were determined to be properly handled.

Ad valorem tax collections were found to be within the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

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4. I obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced to deposits in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

Payment Purpose	Receiving Fund	Amount
Fire Protection Allocation	General Fund	\$ 5,793
Gasoline Tax	General Fund	2,973
Homestead Exemption Reimb.	General Fund	13,714
Sales Tax Allocation	General Fund	140,480
General Municipal Aid	General Fund	530
Grand Gulf Settlement	General Fund	13,524
Health & Transportation	Water & Sewer	720
	Total	<u>\$ 177,734</u>

5. I selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for compliance with purchasing requirements set forth in Title 31, Chapter 7, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of Sample Items	12
Dollar Value of Sample	\$ 7,241

I found the municipality's purchasing procedures to be in agreement with the requirements of the above mentioned sections.

6. I selected a sampled of collections of fines and forfeitures to verify that the municipal court clerk had settled daily with the municipal clerk. I also selected a sample of state-imposed court assessments collected to determine that the municipal clerk had settled monthly with the Department of Finance and Administration.

I found the municipality to not be in agreement with the requirements of the abovementioned sections.

7. I have read the Municipal Compliance Questionnaire completed by the Municipality. The completed survey indicated one instance of noncompliance with state requirements, which is noted in item 6.

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I was not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on management's compliance with laws and regulations. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of Town of Bude and the Office of the State Auditor, State of Mississippi and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is not intended to be and should not be used by anyone other than those specified parties.

VERBALEE B. WATTS & ASSOCIATES



Verbalee B. Watts
Certified Public Accountant

November 17, 2014

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Accountant's Compilation Report

VERBALEE B. WATTS
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November 17, 2014

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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, 2014, 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



Verbaelee B. Watts
Certified Public Accountant

TOWN OF BUDE, MISSISSIPPI

COMBINED STATEMENT OF
CASH RECEIPTS AND CASH DISBURSEMENTS - ALL FUNDS
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2014

	--- Governmental Activities ---	---- Business-Type ----	- - - Memorandum Only - - -	
	<u>General</u>	<u>Water Fund</u>	<u>Totals</u>	
			<u>2014</u>	<u>2013</u>
<u>REVENUE RECEIPTS</u>				
General Property	\$ 127,847	\$ -	\$ 127,847	\$ 132,763
Licenses and Permits	2,074	-	2,074	2,085
Franchise Tax	25,136	-	25,136	34,137
Railroad Revenue	4,217	-	4,217	3,389
Intergovernmental Revenues:				
General Municipal Aid (From State)	9,296	-	9,296	18,502
Franklin County	3,500	-	3,500	3,500
State Shared Revenues:				
Grand Gulf	13,524	-	13,524	13,836
Sales Tax	140,480	-	140,480	133,235
Homestead Exemption Reimbursement	13,714	-	13,714	13,836
Charges for Services:				
Water/Sewer Utility	-	134,285	134,285	137,477
Fines and Forfeitures	2,441	-	2,441	4,896
<u>TOTAL REVENUE RECEIPTS</u>	<u>342,229</u>	<u>134,285</u>	<u>476,514</u>	<u>497,656</u>
<u>OTHER RECEIPTS</u>				
Sale of Gas Lines and Equipment	1,000	-	1,000	145,000
Other Fund Transfers In	-	-	-	2,297
Rents	21,500	-	21,500	26,500
Interest	3,268	1,602	4,870	4,929
Miscellaneous	911	957	1,868	4,460
<u>TOTAL OTHER RECEIPTS</u>	<u>26,679</u>	<u>2,559</u>	<u>29,238</u>	<u>183,186</u>
<u>TOTAL RECEIPTS</u>	<u>368,908</u>	<u>136,844</u>	<u>505,752</u>	<u>680,842</u>
<u>CASH BALANCE -</u>				
<u>BEGINNING OF YEAR</u>	<u>524,001</u>	<u>189,536</u>	<u>713,537</u>	<u>584,484</u>
<u>TOTAL AMOUNT TO ACCOUNT FOR</u>	<u>\$ 892,909</u>	<u>\$ 326,380</u>	<u>\$ 1,219,289</u>	<u>\$ 1,265,326</u>

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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, 2014

	--- Governmental Activities	--- Business-Type	--- Memorandum Only ---	
	<u>General</u>	<u>Water Fund</u>	<u>Totals</u>	
			<u>2014</u>	<u>2013</u>
<u>CASH DISBURSEMENTS</u>				
Dues and Memberships	\$ 3,419	\$ 275	\$ 3,694	\$ 4,214
Salaries	277,206	-	277,206	215,810
Retirement	41,128	-	41,128	29,842
Payroll Taxes	21,207	-	21,207	16,510
Repairs	9,934	16,594	26,528	33,662
Supplies	8,336	30,872	39,208	40,526
Insurance	68,821	-	68,821	53,416
Gas & Oil	514	20,728	21,242	14,410
Legal and Professional	23,964	5,400	29,364	19,176
Equipment	-	23,580	23,580	25,253
Utilities	24,257	32,495	56,752	51,358
Interest on Notes	-	-	-	24
Note Payable CAP Loan	-	-	-	2,869
Telephone	5,963	-	5,963	4,784
Travel Expense	12,464	150	12,614	11,214
Waste Water Operator	-	6,600	6,600	6,600
Interest Expense	-	46	46	-
Election Expense	-	-	-	2,989
Other Fund Transfers	-	-	-	125
State Assessments Paid	815	-	815	2,689
Sales Tax	-	1,728	1,728	2,890
Other Miscellaneous Expense	6,285	10,893	17,178	13,428
<u>TOTAL DISBURSEMENTS</u>	504,313	149,361	653,674	551,789
<u>CASH BALANCE-END OF YEAR</u>	388,596	177,019	565,615	713,537
<u>TOTAL AMOUNT ACCOUNTED FOR</u>	\$ 892,909	\$ 326,380	\$ 1,219,289	\$ 1,265,326

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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, 2014

(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.

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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, 2014 was 34.00 mills, broken down as follows:

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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, 2014. Effective July 1, 2014 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, 2014, 2013, and 2012 were \$41,128, \$29,842, and \$22,515 respectively, equal to the required contributions for each 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.

(8) **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, 2014

	<u>2013</u>		<u>2014</u>	
	<u>Mills</u>	<u>Percent</u>	<u>Mills</u>	<u>Percent</u>
General Fund	31.15	91.62	31.15	91.62
Special Street Fund	<u>2.85</u>	<u>8.38</u>	<u>2.85</u>	<u>8.38</u>
	<u>34.00</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, 2014

GENERAL FUND:

Certificate of Deposit

General Improvement

Issued October 07, 2014 – Matures April 07, 2015
#8384 @ .25% Interest

\$ 15,324

General Improvement

Issued October 07, 2014 – Matures April 07, 2015
#8391 @ .25% Interest

10,216

General Fund

February 4, 2014 – Due 12 months after deposit
#4636 @ .25% Interest

12,233

Law Enforcement

Issued October 07, 2014 – Matures April 07, 2015
#8387 @ .2% Interest

1,634

Special Street Improvement

Issued October 07, 2014 – Matures April 07, 2015
#8388 @ .25 Interest

10,216

Fire Department

Issued October 07, 2014 – Matures April 07, 2015
#8390 @ .25 Interest

10,280

Issued October 07, 2014 – Matures April 07, 2015
#8389 @ .25 Interest

10,239

TOTAL GENERAL FUND

\$ 70,142

TOWN OF BUDE, MISSISSIPPI
SCHEDULE OF INVESTMENTS – ALL FUNDS
SEPTEMBER 30, 2014

(CONTINUED)

ENTERPRISE FUND:

Certificate of Deposit

Water and Sewer Fund – Depreciation & Contingent

Issued October 07, 2014 – Matures April 07, 2015

#8386 @ .25% Interest

\$ 10,216

TOTAL ENTERPRISE FUND

\$ 10,216

TRUST AND AGENCY FUND:

Certificate of Deposit

Employment Compensation Revolving Fund

April 25, 2014 - Due 12 months after deposit

#4608 @ .25% Interest

\$ 4,710

TOTAL TRUST AND AGENCY FUND

\$ 4,710

TOTAL INVESTMENTS – ALL FUNDS

\$ 85,068

TOWN OF BUDE, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
SEPTEMBER 30, 2014

<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/women	MS Municipalities Bond Program c/o Scott Insurance (4 Year Bond - 7/1/13 - 7/1/17)	\$ 25,000

State Auditor Compliance

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VERBALEE B. WATTS
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**REPORT ON COMPLIANCE WITH STATE
LAWS AND REGULATIONS**

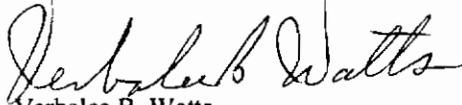
To the Mayor and Board of Alderpersons
Town of Bude
Bude, Mississippi 39630

We have compiled the accompanying Accountant's Report on Applying Agreed-Upon Procedures and Statement of Cash Receipts and Disbursements – Governmental and Business-type Activities, for the year ended September 30, 2014, 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


Verbaelee B. Watts
Certified Public Accountant

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