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# Town of Bude

125 W. Railroad Ave. P.O. Box 448

Bude, Mississippi 39630

Phone 601-384-2600 Fax 601-384-4193

[townofbude@fcweb.net](mailto:townofbude@fcweb.net)

Linda Green, Mayor

Mary K. Williamson, Attorney

David Blackwell, Police Chief

Ellisha Ford, Clerk

Ann Newman, Deputy Clerk

Aldermen/Alderwoman

Grady Huff

Jeffery Quick

Tony Gibbs

John B. Knight

Norma J. Kelly

December 18, 2018

Office of the State Auditor

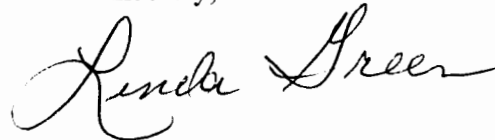
P. O. Box 956

Jackson, Mississippi 39205

RE: Annual Municipal Audit

Accompanying this letter is a copy of the annual Financial Statements of the Town of Bude, Mississippi, for the fiscal year ended September 30, 2018. A separate management letter was not written to the Town of Bude in connection with this audit.

Sincerely,



Mayor



**TOWN OF BUDE, MISSISSIPPI**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED SEPTEMBER 30, 2018**



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## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Board of Aldermen  
Town of Bude, Mississippi

Management is responsible for the accompanying financial statements of the Town of Bude, Mississippi for year ended September 30, 2018, as listed in the Table of Contents, in accordance with accounting principles generally accepted in the United States of America. I 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. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all disclosures required by accounting principles generally accepted in the United States of America, including a statement of cash flows for proprietary funds. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

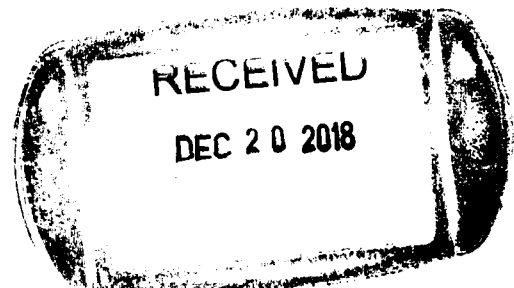
Management is also responsible for the Schedules as listed in the Table of Contents as required by the Mississippi Office of State Auditor. I compiled this information from information provided by management, but did not audit or review this supplementary information and do not express an opinion, a conclusion, or provide any assurance on the information.



CERTIFIED PUBLIC ACCOUNTANT

Bernell McGehee, CPA

November 30, 2018



**TOWN OF BUDE , MISSISSIPPI**  
**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**  
**(UNAUDITED)**  
**YEAR ENDED SEPTEMBER 30, 2018**

<u>Assets</u>	<u>Governmental Fund Types</u>	<u>Proprietary Fund Types</u>	<u>Total (Memorandum Only)</u>
Cash	\$21,450	\$57,310	\$78,760
Cash-Reserved	132,394	27,216	159,610
Accounts Receivable		21,043	21,043
Due from Water & Sewer	120,420		120,420
Fixed assets (net of accumulated depreciation)		2,388,056	2,388,056
Total Assets	<u>\$274,264</u>	<u>\$2,493,625</u>	<u>\$2,767,889</u>
 <b><u>Liabilities and Fund Equity</u></b>			
Accounts Payable	\$3,920	\$10,543	\$14,463
Due to General Fund		120,420	120,420
Notes Payable		1,010,660	1,010,660
Customer deposits		27,216	27,216
Total Liabilities	<u>\$3,920</u>	<u>\$1,168,839</u>	<u>\$1,172,759</u>
Retained Earnings:			
Unreserved		\$1,324,786	\$1,324,786
Fund balance:			
Unreserved	139,602		139,602
Reserved - Fire Fund	125,959		125,959
Reserved - unemployment benefits	4,783		4,783
Total Fund Equity	<u>\$270,344</u>	<u>\$1,324,786</u>	<u>\$1,595,130</u>
Total Liabilities and Fund Equity	<u>\$274,264</u>	<u>\$2,493,625</u>	<u>\$2,767,889</u>

The accompanying compilation report is an integral part of this balance sheet.

**TOWN OF BUDE, MISSISSIPPI**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS**  
**(UNAUDITED)**  
**YEAR ENDED SEPTEMBER 30, 2018**

Revenue:

Ad valorem	\$ 130,248
Licenses and Permits	25,596
Intergovernmental	183,463
Fines and Forfeits	11,587
Interest	290
Other	<u>42,754</u>

Total Revenue	<u>\$ 393,938</u>
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Expenditures:

General government	\$ 228,147
Public safety	74,718
Streets	<u>24,470</u>

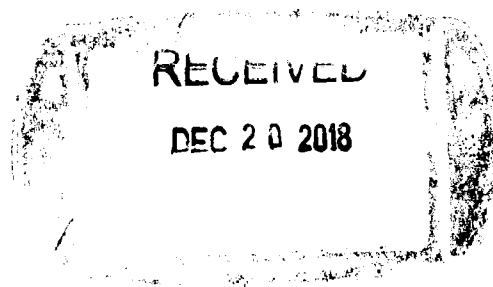
Total Expenditures	<u>\$ 327,335</u>
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Excess (deficiency) of revenues over expenditures	\$ 66,603
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Fund balance at beginning of year	<u>203,741</u>
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Fund balance at end of year	<u>\$ 270,344</u>
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The accompanying compilation report is an integral part of this financial statement



**TOWN OF BUDE, MISSISSIPPI  
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
RETAINED EARNINGS -- ALL PROPRIETARY FUND TYPES  
(UNAUDITED)  
YEAR ENDED SEPTEMBER 30, 2018**

**Water and Sewer**

Operating revenues:	
Charges for services	\$ 220,429
Operating expenses:	
Personal services	77,673
Other services and charges	151,246
Depreciation	<u>84,693</u>
Total operating expenses	<u>313,612</u>
Operating income	<u>(93,183)</u>
Non-operating revenues (expenses):	
CDBG Water Line Grant	174,771
Interest - net	106
Transfers in (out)	<u>-</u>
Total non-operating revenue (expense)	174,877
Net income (loss)	<u>81,694</u>
Retained earnings, beginning of year	<u>1,243,092</u>
Retained earnings, end of year	<u>\$ 1,324,786</u>

The accompanying compilation report is an integral part of this financial statement



**TOWN OF BUDE, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

**Note A: Summary of Significant Accounting Policies**

**General Information**

The town operates under the Mayor/Alderman form of government and provides services as authorized by law.

**Reporting Entity**

The financial statement of the town consists of all the funds of the town.

**Fund Accounting**

The accounts of the town are organized on the basis of funds, each of which is considered a separate accounting entity.

**Basis of Accounting**

The financial statements are prepared on an accrual basis.

**Note B: 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 BUDE, MISSISSIPPI  
SCHEDULE OF CAPITAL ASSETS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
<i>Note: Governmental asset details are currently unavailable.</i>				
<b>Business Type Activities:</b>				
Capital Assets				
Land		-	-	
Machinery and Equipment	1,435,207	1,532,697	-	2,967,904
Construction in Progress	<u>-</u>	<u>174,771</u>	<u>-</u>	<u>174,771</u>
<b>Total Business-type activities capital assets</b>	<b><u>\$ 1,435,207</u></b>	<b><u>\$ 1,707,468</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,142,675</u></b>

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**TOWN OF BUDE, MISSISSIPPI  
STATEMENT OF LONG-TERM DEBT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

<u>DEFINITION AND PURPOSE OF DEBT</u>	<u>BALANCE OUTSTANDING 10/01/2017</u>	<u>TRANSACTIONS DURING FISCAL YEAR</u>		<u>BALANCE OUTSTANDING 09/30/2018</u>
		<u>ISSUED</u>	<u>REDEEMED</u>	
Water and Sewer System General Obligation Notes: State of Mississippi - Department of Health: Drinking Water Systems Improvement Revolving Loan Fund Water Tank # 3 Water Well & Transmission System	\$ 1,029,103	\$ -	\$ 43,583	\$ 985,520
United Mississippi Bank Operating Loans	<u>35,175</u>	<u>25,140</u>	<u>35,175</u>	<u>25,140</u>
Total Long Term Debt	<u>\$ 1,064,278</u>	<u>\$ 25,140</u>	<u>\$ 78,758</u>	<u>\$ 1,010,660</u>
Population - 2010 Census	1,063			

**TOWN OF BUDE, MISSISSIPPI  
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICERS  
YEAR ENDED SEPTEMBER 30, 2018**

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Linda Green	Mayor	Travelers	\$25,000
Grady Huff	Alderman	Travelers	\$25,000
Jeffrey Quick	Alderman	Travelers	\$25,000
Norma Jean Kelly	Alderman	Travelers	\$25,000
Tommy Gibbs	Alderman	Travelers	\$25,000
John Knight	Alderman	Travelers	\$25,000
Elisha Ford	Clerk	Western Surity	\$50,000
Missy Newman	Asst Clerk	Brierfield	\$50,000
David Blackwell	Police Chief	Brierfield	\$50,000
Everitt Marshall	Deputy	Brierfield	\$50,000

**BERNELL McGEHEE, CPA**  
**P. O. BOX 410**  
**LIBERTY, MISSISSIPPI 39645**

Mayor and Board of Aldermen  
Bude, Mississippi

I have applied certain agreed upon procedures, as discussed below, to the accounting records of the Town of Bude, Mississippi as of September 30, 2018 and for the year then ended, as required by the office of the State Auditor. This is solely for the use of the governing body of the Town of Bude, Mississippi, and the office of the State Auditor. However, this report is a matter of public record, and its distribution is not limited. My procedures and findings are as follows:

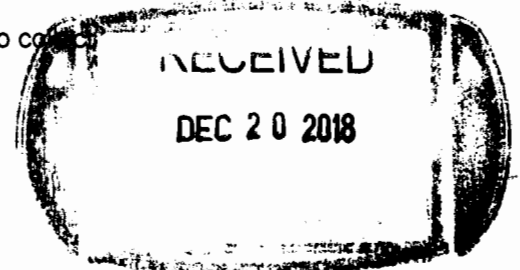
1. I reconciled cash on deposit with the following banks to balances in the respective fund accounts and obtained confirmation of the related balances from the banks.

<u>BANK</u>	<u>ACCOUNT NAME</u>	<u>BALANCE PER</u> <u>GENERAL LEDGER</u>	
United MS Bank	Paymode	\$ 48	
United MS Bank	Clearing Accounts	(3,621)	
United MS Bank	General	24,988	
N/A	Petty Cash	35	
United MS Bank	Fire-State Rebated	115,564	
United MS Bank	Fire-CD	10,395	
United MS Bank	Law Enforcement - CD	1,652	
Bank of Franklin	Employment Compensation	4,783	153,844
Bank of Franklin	Water and Sewer Revenue	25,899	
United MS Bank	Water and Sewer	53,131	
United MS Bank	Water and Sewer Contingency	3,842	
United MS Bank	Water and Sewer Depreciation	1,654	84,526
Total			<u>\$238,370</u>

2. As of September 30, 2018 the town held no investment securities.
3. I performed the following procedures with respect to taxes on real and personal property levied during the fiscal year.
  - a. Traced levies to governing body minutes.
  - b. Traced distribution of taxes collected to proper funds.
  - c. Analyzed increase in taxes for most recent period for completion 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. Ad Valorem tax collections were found to be within the limitations of sections 27-39-320 to 27-39-323, Miss Code Ann (1972).

Please note that the Town of Bude contracts with Franklin County, Mississippi to collect property taxes on its behalf.



4. I obtained a statement of payments made by the Mississippi Department of Finance and Administration to the town. The payments were traced to deposit in banks and recording in the general fund, except one. Payments to the Town of Bude were, as follows:

<u>PAYMENT PURPOSE</u>	<u>FUND</u>	<u>AMOUNT</u>
Sales Tax	General	\$ 145,567
Fire Protection Allocation	General	6,068
Grand Gulf Nuclear Plant	General	11,115
Homestead Exemption Reimbursement	General	13,427
Other Aid (Loans, included)	General	3,785
CDBG Water Line Grant	Water and Sewer	174,771
Water and Sewer Billings	Water and Sewer	2,370

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

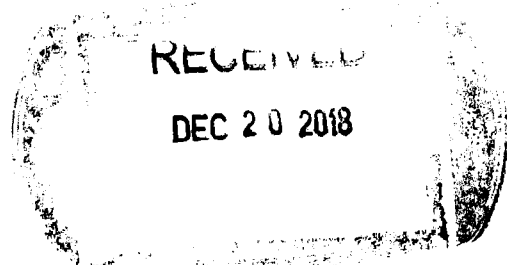
The sample consisted of the following:

Number of sample items	8
Dollar value of sample	\$179,235

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

6. I selected a sample of collection of fines and forfeitures and verified that the municipal court clerk had settled daily with the municipal clerk. I also selected a sample of state-imposed court assessments collected and determined that the municipal clerk had not settled monthly with the Department of Finance and Administration, but had paid all known assessments due by the end of the year.
7. I have read the Municipal Compliance questionnaire completed by the Town. The completed survey indicated and I have determined instances of non compliance with state requirements as follows:
- a. As noted above state imposed court assessments were not collected and paid timely during the year.
  - b. An annual inventory of General Fund assets was not made.
  - c. An annual land sale for delinquent ad valorem taxes was not conducted and it is not clear whether all fixed assets are properly tagged and accounted for.
  - d. It is unclear whether the previous year's audit report was published.

Also, it was noted that several months minutes were not properly signed.



Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, I do not express an opinion on any of the accounts or items referred to above. In connection with the procedures referred to above, no matters came to my attention that caused me to believe that the specified accounts or items should be adjusted. Had I performed additional procedures or had I conducted an audit on the financial statements in accordance with generally accepted auditing standards, matters might have come to my attention that would have been reported to you. This report relates only to the accounts and items specified above and does not extend to any financial statements of the Town of Bude, taken as a whole.

*Bernell M. Ghee*

CERTIFIED PUBLIC ACCOUNTANT

November 30, 2018

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