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TOWN OF BUDE, MISSISSIPPI
FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

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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 years ended September 30, 2021 and September 30, 2020, 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 I did not audit or review this supplementary information and I do not express an opinion, a conclusion, or provide any assurance on the information.



CERTIFIED PUBLIC ACCOUNTANT

Bernell McGehee, CPA

December 22, 2021

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

<u>Assets</u>	<u>Governmental Fund Types</u>	<u>Proprietary Fund Types</u>	<u>Total (Memorandum Only)</u>	
			<u>2021</u>	<u>2020</u>
Cash	\$115,747	\$124,189	\$239,936	\$205,918
Cash-Reserved	318,927	27,702	346,629	190,273
Accounts Receivable		36,905	36,905	21,348
Due from Water & Sewer	242,735		242,735	120,430
Fixed assets (net of accumulated depreciation)		2,304,201	2,304,201	2,264,318
Total Assets	\$677,409	\$2,492,997	\$3,170,406	\$2,802,287
 <u>Liabilities and Fund Equity</u>				
Accounts Payable	\$19,081	\$8,942	\$28,023	\$16,542
Due to General Fund		242,735	\$242,735	120,430
Notes Payable		996,402	\$996,402	895,763
Customer deposits		27,702	27,702	28,636
Total Liabilities	\$19,081	\$1,275,781	\$1,294,862	\$1,061,371
Retained Earnings:				
Unreserved		\$1,217,216	\$1,217,216	\$1,283,034
Fund balance:				
Unreserved	339,401		\$339,401	296,245
Reserved- ARPA Recovery Fund	122,923		122,923	-
Reserved - Modernization Fund	49,811		\$49,811	27,440
Reserved - Fire Fund	141,350		141,350	129,380
Reserved - Unemployment benefits	4,843		4,843	4,817
Total Fund Equity	\$658,328	\$1,217,216	\$1,875,544	\$1,740,916
Total Liabilities and Fund Equity	\$677,409	\$2,492,997	\$3,170,406	\$2,802,287

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)
YEARS ENDED SEPTEMBER 30

	<u>2021</u>	<u>2020</u>
Revenue:		
Ad valorem	\$ 130,990	\$ 136,115
Licenses and Permits	2,212	25,754
Intergovernmental	388,294	208,766
Fines and Forfeits	22,454	12,103
Interest	4,271	2,526
Other	<u>21,310</u>	<u>31,554</u>
Total Revenue	<u>\$ 569,531</u>	<u>\$ 416,818</u>
Expenditures:		
General government	\$ 245,446	\$ 205,182
Public safety	106,019	97,420
Streets	<u>17,620</u>	<u>14,733</u>
Total Expenditures	<u>\$ 369,085</u>	<u>\$ 317,335</u>
Excess (deficiency) of revenues over expenditures	\$ 200,446	\$ 99,483
Fund balance at beginning of year	<u>457,882</u>	<u>358,399</u>
Fund balance at end of year	<u>\$ 658,328</u>	<u>\$ 457,882</u>

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)
YEARS ENDED SEPTEMBER 30

	<u>Water and Sewer</u>	
	<u>2021</u>	<u>2020</u>
Operating revenues:		
Charges for services	\$ 279,115	\$ 257,170
Operating expenses:		
Personal services	91,901	79,211
Other services and charges	135,178	124,977
Depreciation	<u>99,608</u>	<u>87,042</u>
Total operating expenses	<u>326,687</u>	<u>291,230</u>
Operating income	<u>(47,572)</u>	<u>(34,060)</u>
Non-operating revenues (expenses):		
Sewer project grant	196,654	
Interest Sewer project costs	(196,654)	
Interest - net	<u>(18,247)</u>	<u>(17,507)</u>
Total non-operating revenue (expense)	<u>(18,247)</u>	<u>(17,507)</u>
Net income (loss)	<u>\$ (65,819)</u>	<u>\$ (51,567)</u>
Retained earnings, beginning of year	<u>1,283,035</u>	<u>1,334,602</u>
Retained earnings, end of year	<u>\$ 1,217,216</u>	<u>\$ 1,283,035</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, 2021**

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, 2021**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
<i>Note: Governmental asset details are currently unavailable.</i>				
Business Type Activities:				
Capital Assets				
Land		-		
Machinery and Equipment	<u>3,193,021</u>	<u>139,491</u>	<u>34,638</u>	<u>3,297,874</u>
Total Business-type activities capital assets	<u>\$ 3,193,021</u>	<u>\$ 139,491</u>	<u>\$ 34,638</u>	<u>\$ 3,297,874</u>

TOWN OF BUDE, MISSISSIPPI
STATEMENT OF LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

<u>DEFINITION AND PURPOSE OF DEBT</u>	<u>BALANCE OUTSTANDING 10-01-2020</u>	<u>TRANSACTIONS DURING FISCAL YEAR ISSUED REDEEMED</u>	<u>BALANCE OUTSTANDING 09/30/2021</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	\$ 895,764	\$ - \$ 45,315	\$ 850,449
United MS Bank Water Meter Loan	-	175,000 28,153	146,847
Total Long Term Debt	\$ 895,764	\$ 175,000 \$ 73,468	\$ 997,296

Population - 2010 Census

984

**TOWN OF BUDE, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICERS
YEAR ENDED SEPTEMBER 30, 2021**

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Linda G. Green	Mayor	Travelers	\$25,000
James Griffffin, Jr.	Alderman	Travelers	\$25,000
Jeffrey Quick	Alderman	Travelers	\$25,000
Norma Jean Kelly	Alderman	Travelers	\$25,000
Jillian Dunmore	Alderman	Travelers	\$25,000
John Knight	Alderman	Travelers	\$25,000
Elisha Ford	Clerk	Western Surety	\$50,000
Ann C, Newman	Asst Clerk	Brierfield	\$50,000
Reginald Cain	Police Chief	Western Surety	\$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, 2021 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 GENERAL LEDGER</u>	
United MS Bank	Paymode	\$ 60	
United MS Bank	Clearing Accounts	2,350	
United MS Bank	General	229,681	
N/A	Petty Cash	35	
United MS Bank	Fire-State Rebated	130,811	
United MS Bank	Fire-CD	10,539	
United MS Bank	Law Enforcement - CD	169	
United MS Bank	Rural Development	6,375	
United MS Bank	Modernization	49,811	
Bank of Franklin	Employment Compensation	4,843	434,674
Bank of Franklin	Water and Sewer Revenue	\$ 28,626	
United MS Bank	Water and Sewer	123,265	151,891
	Total		<u>\$586,565</u>

2. As of September 30, 2021 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	\$ 164,901
Modernization (Internet Use Tax)	General	22,107
Fire Protection Allocation	General	-
Grand Gulf Nuclear Plant	General	9,232
Homestead Exemption Reimbursement	General	11,124
Police Grant	General	30,027
ARPA Recovery Funds	General	122,923
Other Aid	General	5,635
MS Development Authority	Water and Sewer	196,653
Water and Sewer Billings	Water and Sewer	2,046

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	5
Dollar value of sample	\$308,097

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. There was no municipal compliance questionnaire available at the time of the audit. Town officials plan to complete a questionnaire for the January, 2022 meeting. Nevertheless, items from the questionnaire and related for which non-compliance was observed are as follows:
- An annual inventory of General Fund assets was not made.
 - Minutes were not up to date and/or signed.
 - Recovery Funds from the American Rescue Plan Act were not in a separate bank account as it appears is required. Town officials have indicated these funds will be transferred to a separate account in the near future.

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. Lhee

CERTIFIED PUBLIC ACCOUNTANT

December 22, 2021