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Town of Bruce, Mississippi
Compiled Financial Statements
Year Ended September 30, 2006

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Gina Bridgman
Certified Public Accountant
15 West Reynolds Street
Pontotoc, MS 38863

TOWN OF BRUCE, MISSISSIPPI

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ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Board of Aldermen
Town of Bruce
Bruce, Mississippi

I have compiled the accompanying statement of cash receipts and disbursements- governmental and business-type activities and other funds of the Town of Bruce, Mississippi for the year ended September 30, 2006, and the accompanying supplementary information contained in Schedules 1 through 3, which are presented only for supplementary analysis purposes, 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.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. I have not audited or reviewed the accompanying statement of cash receipts and disbursements- governmental and business-type activities and other funds and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

Management has not presented government-wide financial statements to display the cash basis financial position and changes in cash basis financial position of its governmental activities and business-type activities. Accounting principles generally accepted in the United States of America, as applied to the Town's cash basis of accounting, require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements resulting from the cash basis transaction for the Town's governmental activities and business-type activities are not reasonably determinable.

TOWN OF BRUCE, MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)
For the Fiscal Year Ended September 30, 2006

	Business-Type					Totals	
	Governmental Activities		Activities		Other	Fiduciary	(Memorandum Only)
	General	Capital Projects	Proprietary Funds	Funds			
Revenue Receipts:	\$	\$	\$	\$	\$	\$	2006
General Property Taxes	291,569	-	-	-	-	-	291,569
Franchise Fees	53,209						53,209
Licenses and Permits	6,831						6,831
Intergovernmental Revenues							
Federal Revenue							
Homeland Security			9,980				9,980
USDA Grant	13,705						13,705
Rural Impact Fund					123,107		123,107
CDBG Grant					45,107		45,107
County Shared Revenues							
Fire Protection	23,200						23,200
Road Tax	52,486						52,486
State Shared Revenues							
Payments in Lieu of Taxes	46,249						46,249
Sales Tax	428,827						428,827
Gasoline Tax	5,766						5,766
Municipal Aid	1,763						1,763
Homestead Reimbursement	21,226						21,226
Fire Protection	10,664						10,664
Charges for Services							
Sewer			141,984				141,984
Water			169,789				169,789
Late Fees			13,419				13,419
Sanitation	81,808						81,808
Debris	1,572						1,572
Fines and Forfeitures	109,868						109,868
Rent					46,200		46,200
Interest	4,383	112	431		3,289		8,215
Other	25,656		7,335		8,597		41,588
Total Revenue Receipts	\$ 1,178,782	\$ 112	\$ 342,938	\$	\$ 226,300	\$	\$ 1,748,132

See Accompanying Accountant's Compilation Report

TOWN OF BRUCE, MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)
For the Fiscal Year Ended September 30, 2006

	Business-Type					Totals (Memorandum Only) 2006
	Governmental Activities		Activities		Other	
	General	Capital Projects	Proprietary Funds	Fiduciary Fund		
Receipts: Continued						
Other Receipts:						
Utility Deposits	\$ -	\$ -	\$ 476	\$ -	\$ -	\$ 476
Transfers	172,560		27,700	170,000		370,260
Total Other Receipts	\$ 172,560	\$ -	\$ 28,176	\$ 170,000	\$ -	\$ 370,736
Total Receipts	\$ 1,351,342	\$ 112	\$ 371,114	\$ 396,300	\$ -	\$ 2,118,868
Cash Balance-Beginning of Year	\$ 804,419	\$ 44,611	\$ 202,740	\$ 688,317	\$ -	\$ 1,740,087
TOTAL AMOUNT TO ACCOUNT FOR	\$ 2,155,761	\$ 44,723	\$ 573,854	\$ 1,084,617	\$ -	\$ 3,858,955
Operating Disbursements:						
General Government	\$ 217,095	\$ -	\$ -	\$ -	\$ -	\$ 217,095
Public Safety	339,628					339,628
Police	54,106					54,106
Fire	238,785					238,785
Streets	72,045					72,045
Sanitation						
Culture and Recreation	112,167					112,167
Parks	72,096					72,096
Libraries						

TOWN OF BRUCE, MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)
For the Fiscal Year Ended September 30, 2006

	Business-Type					
	Governmental Activities		Activities		Other	
	General	Capital Projects	Proprietary Funds	Fiduciary Funds	(Memorandum Only)	
Disbursements: Continued						
Enterprise	\$ -	\$ -	\$ 285,290	\$ -	\$ -	\$ 285,290
Water/sewer			2,524			2,524
Interest on Notes					32,111	32,111
Other						
Total Operating Disbursements	\$ 1,105,922	\$ -	\$ 287,814	\$ 32,111	\$ 32,111	\$ 1,425,847
Other Disbursements:						
Debt	\$ -	\$ -	\$ 23,213		\$ -	\$ 23,213
Capital Outlay			9,980	180,132		190,112
Transfers	342,411	149	27,700		-	370,260
Total Other Disbursements	\$ 342,411	\$ 149	\$ 60,893	\$ 180,132	\$ 583,585	
Total Disbursements	\$ 1,448,333	\$ 149	\$ 348,707	\$ 212,243	\$ 2,009,432	
Cash Balance - End of Year	707,428	44,574	225,147	872,374		1,849,523
TOTAL AMOUNT ACCOUNTED FOR	\$ 2,155,761	\$ 44,723	\$ 573,854	\$ 1,084,617	\$ 3,858,955	

SUPPLEMENTAL INFORMATION

TOWN OF BRUCE, MISSISSIPPI

SCHEDULE OF INVESTMENTS

September 30, 2006

OWNERSHIP	TYPE OF INVESTMENT	INTEREST RATE	ACQUISITION DATE	MATURITY DATE	OTHER INFORMATION	INVESTMENT COST/VALUE
General Fund	Certificate of Deposit	5.15%	7/18/06	320 Days	State Depository	\$ 1,310

See Accompanying Accountant's Compilation Report

TOWN OF BRUCE, MISSISSIPPI

SCHEDULE OF LONG-TERM DEBT

For the Fiscal Year Ended September 30, 2006

ISSUE DATE	DEFINITION AND PURPOSE	Balance	Transactions During Fiscal Year		Balance
		Outstanding 10/01/05	Issued	Retired	Outstanding 09/03/06
	General Obligation Bonds:	\$ -	\$ -	\$ -	\$ -
	Revenue Bonds:	-			-
	Other Long-term Debt:				
05/01/97	Note payable-Alexander	17,729		10,912	6,817
10/01/98	Mississippi Department of Economic and Community Development Fire Station	53,385		11,531	41,855
05/03/00	Merchants & Farmers Bank Fire Truck #2	68,077		12,005	56,072
12/18/02	Merchants & Farmers Bank 2003 Chevrolet P/U	1,695		1,695	-
01/01/02	Mississippi Department of Economic and Community Development	64,526		10,606	53,919
04/06/04	Cap. Loan Sewer Imp	6,939		3,895	3,044
12/02/04	John Deere Credit-Tractor/Loader Merchants & Farmers Bank Leaf Blower	11,940		5,199	6,741
	TOTAL	<u>\$ 224,291</u>	<u>\$ -</u>	<u>\$ 55,843</u>	<u>\$ 168,448</u>

See Accompanying Accountant's Compilation Report

TOWN OF BRUCE, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
September 30, 2006

Name	Position	Surety	Bond Amount
Jesse Quillen	Mayor	Travelers Casualty & Surety Company	\$ 25,000
Johnny Armstrong	Alderman	Travelers Casualty & Surety Company	25,000
Alan Prestage	Alderman	Travelers Casualty & Surety Company	25,000
Richard Freelon	Alderman	Travelers Casualty & Surety Company	25,000
Jessey Higdon	Alderman	Travelers Casualty & Surety Company	25,000
Gary Edwards	Alderman	Travelers Casualty & Surety Company	25,000
Rita Talford	City Clerk	Western Surety Company	50,000
Rita Talford	Tax Collector	Western Surety Company	10,000
Paul Hendrix	Chief of Police	Western Surety Company	50,000
Other specified city employees	Various	Western Surety Company	5,000

See Accompanying Accountant's Compilation Report

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Town of Bruce, Mississippi
Independent Accountant's Report on Applying
Agreed-Upon Procedures
Year Ended September 30, 2006

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**Independent Accountant's Report on Applying
Agreed Upon Procedures**

The Mayor and Board of Aldermen
Town of Bruce
Bruce, Mississippi

I have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Bruce, Mississippi as of September 30, 2006, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss. Code Ann. (1972). It is understood the report is solely for the use of the governing body of the Town of Bruce, Mississippi, and the Office of the State Auditor and should not be used for any other purposes. My procedures and findings are as follows:

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

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
Merchants & Farmers	General	\$ 696,421
BancorpSouth	General	11,007
Total General Fund		<u>\$ 707,428</u>
Merchants & Farmers	Capital Projects	<u>\$ 44,574</u>
Merchants & Farmers	Trust & Agency	<u>\$ 872,374</u>
Merchants & Farmers	Proprietary	\$ 140,775
BancorpSouth	Proprietary	84,372
Total Proprietary Fund		<u>\$ 225,147</u>

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).

<u>General Security</u>	<u>Fund</u>	<u>Ledger Cost</u>
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Certificate of Deposit	General	\$ 1,310
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3. I performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
- Verified use of certified county assessment rolls and traced levies to governing body minutes;
 - 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)

There were no ad valorem tax collections for the retirement of General Obligation Debt.

- I reconciled debt payments with lender confirmations with no exceptions. The Municipality was found to be in compliance with debt requirements.
- I reconciled utility billings with utility deposits and tested related utility fees. I determined utility collections to be correctly handled.
- I proved mathematical accuracy of the following:

<u>Account</u>	<u>Balance per General Ledger</u>
Utility Deposits	\$ 38,615
Retirement Expenditures	51,208

7. 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:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Ledger Amount</u>
Homestead Exemption Reimb	General Fund	\$ 21,226
Sales Tax Allocation	General Fund	428,827
General Municipal Aid	General Fund	1,093
TVA Pymts in Lieu of Taxes	General Fund	46,249
Gasoline Tax	General Fund	5,766
Fire Protection	General Fund	10,664
Other Aid to Municipalities	General Fund	10,650
Other Aid to Municipalities	Trust & Agency	68,214

8. 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	26
Total Dollar Value of Sample	\$321,405

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

9. I have read the Municipal Compliance Questionnaire completed by the municipality. The following responses to the questionnaire indicate noncompliance with state requirements. – The municipality does not properly tag and account for fixed assets.

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 specific accounts or classes of transactions referred to above. In connection with the procedures referred to above, no matters came to my attention that caused me to believe the items specified in Paragraphs 1 through 6 should be adjusted. Had I performed additional procedures or had I conducted an audit of 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 should not be associated with the financial statements of the Town of Bruce, Mississippi, for the year ended September 30, 2006.



Gina Bridgman, CPA

January 18, 2007

CITY OF BRUCE
RECONCILIATION OF ORIGINAL AD VALOREM TAX ROLLS
TO FUND COLLECTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>Assessed Value</u>	<u>Tax</u>
Adjusted Assessed Valuation:		
City:		
Realty	\$5,923,122	
Personal - other than auto	4,113,771	
Personal - auto (remitted by county)	<u>2,080,969</u>	
Total City @ 26.40 Mills	<u>\$12,117,862</u>	\$319,912
Less: Commissions paid	\$ 2,747	
Homestead exemption allowed	<u>25,292</u>	(28,039)
Add: Actual homestead reimbursement	\$ 21,226	
Damages	2,669	
Prior year tax collections	<u>1,824</u>	<u>25,719</u>
<u>Total to Account For</u>		<u>\$317,592</u>

<u>Credits</u>	<u>Taxes</u>	<u>Reimbursement</u>	<u>Total</u>
Collections allocated to:			
General Fund	<u>\$291,569</u>	<u>\$ 21,226</u>	<u>\$312,795</u>
Totals	<u>\$291,569</u>	<u>\$ 21,226</u>	<u>\$312,795</u> \$312,795

<u>Balance Represented By</u>		
Unpaid realty and personal tax	\$ 4,766	
Unaccounted for – undersettled	<u>31</u>	<u>4,797</u>

<u>Total Accounted For</u>	<u>\$317,592</u>
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CITY OF BRUCE
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TO FUND COLLECTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

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CITY OF BRUCE

	9/30/06	9/30/05	Increase (Decrease)
Cash - General	\$ 705,118	\$ 689,202	\$ 15,916
General - Restricted	2,310	2,310	-
Utilities	225,147	212,762	12,385
	<u>\$ 932,575</u>	<u>\$ 904,274</u>	<u>\$ 28,301</u>

Debt - General	\$ 107,712	\$ 140,342	\$ (32,630)
Utilities	60,736	83,949	(23,213)
	<u>\$ 168,448</u>	<u>\$ 224,291</u>	<u>\$ (55,843)</u>

OPERATING EARNINGS (LOSSES)

General	<u>\$ 72,860</u>	<u>\$ 170,779</u>
Utilities	<u>\$ (24,736)</u>	<u>\$ (41,888)</u>