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Town of Bruce, Mississippi
Compiled Financial Statements
Year Ended September 30, 2007

RECEIVED
MAR 11 2008
STATE AUDITOR'S OFFICE

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, 2007, 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.

The Mayor and Aldermen have also elected to omit the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's cash receipts and disbursements. Accordingly, this financial statement is not designed for those who are not informed about such matters.

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

In accordance with the provisions of §21-35-31, Miss. Code Ann. (1972), I have also issued a report dated January 16, 2008, on the results of our agreed-upon procedures.



Gina Bridgman, CPA
January 16, 2008

TOWN OF BRUCE, MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)
For the Fiscal Year Ended September 30, 2007

	Business- Type			Totals (Memorandum only) 2007
	Governmental Activities		Other	
	General	Capital Projects	Fiduciary Fund	
Revenue Receipts:				
General property taxes	\$ 303,682	\$ -	\$ -	\$ 303,682
Franchise fees	51,178			51,178
Licenses and permits	5,708			5,708
Intergovernmental Revenues				
Federal Revenue				
Community facilities grant	52,429			52,429
USDA grant	14,051			14,051
Small municipal grant		146,527		146,527
Rural impact fund			15,943	15,943
CDBG grant			3,500	3,500
County Shared Revenues				
Fire protection	14,200			14,200
Road tax	55,137			55,137
State Shared Revenues				
Payments in lieu of taxes	51,481			51,481
Sales tax	430,614			430,614
Municipal aid	6,859			6,859
Homestead reimbursement	22,499			22,499
Fire protection	9,923			9,923
Police grant	4,185			4,185
Charges for Services				
Sewer				
Water		146,586		146,586
Late fees		171,253		171,253
Sanitation		12,192		12,192
Debris	94,036			94,036
Fines and forfeitures	750			750
Rent	95,559		49,400	95,559
Interest	80,702	113	1,852	86,262
Other	19,586	5,245	3,756	28,587
Total Revenue Receipts	\$ 1,312,579	\$ 113	\$ 74,451	\$ 1,872,541

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, 2007

	Business-					Totals (Memorandum only) 2007
	Governmental Activities		Type Activities		Other	
	General	Capital Projects	Proprietary Funds	Fiduciary Fund	Fund	
Receipts: Continued						
Other Receipts						
Utility deposits	\$ -	\$ -	\$ 925	\$ -	\$ -	\$ 925
Transfers	161,023			136,918		297,941
Bank loans	25,041		73,153			98,194
Total Other Receipts	<u>\$ 186,064</u>	<u>\$ -</u>	<u>\$ 74,078</u>	<u>\$ 136,918</u>	<u>\$ -</u>	<u>\$ 397,060</u>
Total Receipts	<u>\$ 1,498,643</u>	<u>\$ 113</u>	<u>\$ 559,476</u>	<u>\$ 211,369</u>	<u>\$ 2,269,601</u>	
Cash Balance - Beginning of Year	<u>707,428</u>	<u>44,574</u>	<u>225,146</u>	<u>872,374</u>	<u>1,849,522</u>	
TOTAL AMOUNT TO ACCOUNT FOR	<u>\$ 2,206,071</u>	<u>\$ 44,687</u>	<u>\$ 784,622</u>	<u>\$ 1,083,743</u>	<u>\$ 4,119,123</u>	

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, 2007

	Business- Type				Totals
	Governmental Activities		Activities		
	General	Capital Projects	Proprietary Funds	Fiduciary Fund	
Operating Disbursements:					
General government	\$ 231,202	\$ -	\$ -	\$ -	\$ 231,202
Public safety					
Police	351,003				351,003
Fire	34,393				34,393
Streets	298,598				298,598
Culture and recreation					
Parks	111,648				111,648
Libraries	85,812				85,812
Enterprise					
Water/sewer			315,356		315,356
Interest on notes			1,969		1,969
Other				28,439	28,439
Total Operating Disbursements	\$ 1,112,656	\$ -	\$ 317,325	\$ 28,439	\$ 1,458,420
Other Disbursements:					
Debt payments	\$ -	\$ -	\$ 24,307	\$ -	\$ 24,307
Capital outlay	198,352		227,580	177,694	603,626
Purchase of certificates of deposit	277,986		35,588		313,574
Transfers	296,918		1,023	700,000	997,941
Total Other Disbursements	\$ 773,256	\$ -	\$ 288,498	\$ 877,694	\$ 1,939,448
Total Disbursements	\$ 1,885,912	\$ -	\$ 605,823	\$ 906,133	\$ 3,397,868
Cash balance - End of Year	320,159	44,687	178,799	177,610	721,255
TOTAL AMOUNT ACCOUNTED FOR	\$ 2,206,071	\$ 44,687	\$ 784,622	\$ 1,083,743	\$ 4,119,123

See Accompanying Accountant's Compilation Report

SUPPLEMENTAL INFORMATION

TOWN OF BRUCE, MISSISSIPPI
SCHEDULE OF INVESTMENTS
September 30, 2007

OWNERSHIP	TYPE OF INVESTMENT	INTEREST RATE	ACQUISITION DATE	MATURITY DATE	OTHER INFORMATION	INVESTMENT COST/VALUE
General Fund	Certificate of Deposit	5.15%	07/18/06	03/22/08	State Depository	\$ 1,310
General Fund	Certificate of Deposit	5.01%	07/22/07	07/22/08	Unrestricted	277,984
Proprietary Fund	Certificate of Deposit	2.97%	07/02/07	07/02/08	Unrestricted	35,588
Trust & Agency Fund	Certificate of Deposit	5.01%	07/22/07	07/22/08	Unrestricted	<u>700,000</u>
Total						<u>\$ 1,014,882</u>

See Accompanying Accountant's Compilation Report

TOWN OF BRUCE, MISSISSIPPI

SCHEDULE OF LONG-TERM DEBT

For the Fiscal Year Ended September 30, 2007

ISSUE DATE	DEFINITION AND PURPOSE	Balance	Transactions During Fiscal Year		Balance
		Outstanding 10/01/06	Issued	Retired	Outstanding 09/30/07
		\$	\$	\$	\$
General Obligation Bonds:					
Revenue Bonds:					
Other Long-term Debt:					
05/01/97	Note payable-Alexander	6,817		6,817	
10/01/98	Mississippi Department of Economic and Community Development Fire Station	41,855		9,522	32,333
05/03/00	Merchants & Farmers Bank Fire Truck #2	56,072		12,753	43,319
01/01/02	Mississippi Department of Economic and Community Development Cap. Loan Sewer Imp	53,919		10,930	42,989
04/06/04	John Deere Credit-Tractor/Loader	3,044		3,044	
12/02/04	Merchants & Farmers Bank Leaf Blower	6,741		5,372	1,369
03/21/07	Merchants & Farmers Bank 2007 Crown Victoria		25,041	3,926	21,115
03/12/07	Merchants & Farmers Bank 2007 Ford P/UP		14,153	2,649	11,504
09/12/07	Horizon Keystone Financial Life Station		59,000	3,290	55,710
TOTAL		\$ 168,448	\$ 98,194	\$ 58,303	\$ 208,339

TOWN OF BRUCE, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
 September 30, 2007

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
John E. Armstrong	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
Stanley Evans	Chief of Police	Western Surety Company	50,000
Other specified city employees	Various	Western Surety Company	5,000

See Accompanying Accountant's Compilation Report

Town of Bruce, Mississippi
Independent Accountant's Report on Applying
Agreed-Upon Procedures
Year Ended September 30, 2007

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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 performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of Town of Bruce, Mississippi, solely to assist the Office of the State Auditor evaluate the Town of Bruce, Mississippi's compliance with certain laws and regulations as of September 30, 2007, and for the year then ended. This agreed-upon procedures engagement was performed 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 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	\$ 306,988
BancorpSouth	General	13,171
Total General Fund		<u>\$ 320,159</u>
Merchants & Farmers	Capital Projects	<u>\$ 44,687</u>
Merchants & Farmers	Trust & Agency	<u>\$ 177,610</u>
Merchants & Farmers	Proprietary	\$ 99,951
BancorpSouth	Proprietary	78,848
Total Proprietary Fund		<u>\$ 178,799</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>
Certificate of Deposit	General	\$ 1,310
Certificate of Deposit	General	277,984
Certificate of Deposit	Proprietary	35,588
Certificate of Deposit	Trust & Agency	700,000

3. I performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - a. Verified use of certified county assessment rolls and traced levies to governing body minutes;
 - b. Examined uncollected taxes for proper handling, including tax sales;
 - c. Traced distribution of taxes collected to proper funds; and
 - d. 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.

4. I reconciled debt payments with lender confirmations with no exceptions. The Municipality was found to be in compliance with debt requirements.
5. I reconciled utility billings with utility deposits and tested related utility fees. I determined utility collections to be correctly handled.

6. I proved mathematical accuracy of the following:

<u>Account</u>	<u>Balance per General Ledger</u>
Utility Deposits	\$ 39,041
Retirement Expenditures	55,356

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	\$ 22,499
Sales Tax Allocation	General Fund	430,614
General Municipal Aid	General Fund	1,093
TVA Pymts in Lieu of Taxes	General Fund	51,481
Gasoline Tax	General Fund	5,766
Fire Protection	General Fund	9,923
Other Aid to Municipalities	General Fund	7,185
Other Aid to Municipalities	Trust & Agency	6,672

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:

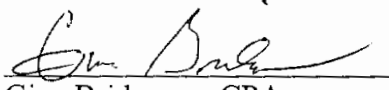
Number of Sample Items	29
Total Dollar Value of Sample	\$430,521

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.

I was not engaged to, and did not, perform 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 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 a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Gina Bridgman", written over a horizontal line.

Gina Bridgman, CPA

January 16, 2008