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**CITY OF LUMBERTON, MISSISSIPPI**

**COMPILED STATEMENT OF CASH RECEIPTS,  
DISBURSEMENTS AND SUPPLEMENTAL INFORMATION  
YEAR ENDED SEPTEMBER 30, 2008**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>COMPILATION REPORT</b>	
Accountant's Report on Applying Agreed-Upon Procedures	1
<b>FINANCIAL SECTION</b>	
Statement of Cash Receipts and Disbursements Governmental and Business-Type Activities	4
<b>NOTES TO FINANCIAL STATEMENTS</b>	5
<b>SUPPLEMENTAL INFORMATION</b>	
Budget and Actual With Variances – General Fund	16
Schedule of Long-Term Debt	17
Schedule of Surety Bonds for Municipal Officials	18

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**ACCOUNTANTS' REPORT ON  
 APPLYING AGREED-UPON PROCEDURES**

Mayor and Board of Aldermen  
 City of Lumberton, Mississippi  
 Lumberton, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the City of Lumberton, Mississippi, as of September 30, 2008, 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 City of Lumberton, Mississippi, and the Office of the State Auditor and should not be used for any other purposes. Our procedures and findings are as follows:

1. We reconciled cash on deposit with the following banks to balances in the respective general ledger accounts and verified the related balance from the banks:

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
BancorpSouth	General Fund - Various	\$ 310,285
BancorpSouth	General Fund - Airport Improvement	26,987
	Total General Fund	<u>337,272</u>
BancorpSouth	Asset Forfeiture Fund	9,076
BancorpSouth	Water & Sewer O & M Fund	236,769
BancorpSouth	WSOM Fund - Customer Deposits	54,150
BancorpSouth	WSOM Fund - Bond & Interest	31,785
BancorpSouth	CDBG Project Fund	30,504

Mayor and Board of Aldermen  
 City of Lumberton, Mississippi  
 Lumberton, Mississippi

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
BancorpSouth	Solid Waste Fund	\$ 20,549
BancorpSouth	Unemployment Compensation Fund	960
BancorpSouth	Accounts Payable Clearing Fund	12,615
BancorpSouth	Payroll Clearing Fund	<u>24,781</u>
	Total Other Funds	<u>421,189</u>
	Total All Funds	<u><u>\$ 758,461</u></u>

2. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
- a. Verify use of certified county assessment rolls and trace levies to governing body minutes;
  - b. Examined remittances from Lamar and Pearl River Counties for proper receipt of taxes collected;
  - c. Traced distribution of taxes collected to proper funds; and
  - d. 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, 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).

3. We obtained a statement of payments made by the Department of Finance and Administration to the City of Lumberton, Mississippi. Payments indicated were traced to deposit 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>
Sales Tax Allocation	General Fund	\$ 184,927
Community Development Block Grant Funds	Capital Project Fund	96,036
CAP Loan Funds	Capital Project Fund	88,124

Mayor and Board of Aldermen  
City of Lumberton, Mississippi  
Lumberton, Mississippi

	<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Ledger Amount</u>
	Homestead Exemption Reimbursement	General Fund	\$ 31,514
	Fire Protection Allocation	General Fund	11,539
	Gasoline Tax Allocation	General Fund	6,263
	Health Department Grant	General Fund	1,325
	Water & Sewer Fees	WSOM Fund	4,078
	General Municipal Aid	General Fund	1,161
	Salvage Demolition & Removal Fees	Solid Waste Fund	455
4.	We selected a sample of purchases made by the City of Lumberton, Mississippi 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	49
Total Dollar Value of Sample	\$632,000

We found the City of Lumberton, Mississippi's purchasing procedures to be in agreement with the requirements of the above-mentioned sections.

5. We have read the City of Lumberton, Mississippi's Compliance Questionnaire completed by the City of Lumberton, Mississippi. The completed survey indicated no instances of noncompliance with state requirements.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, we 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 our attention that caused us to believe the items specified in Paragraphs 1, 2 and 3 should be adjusted. Had we performed additional procedures or had we conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you. This report should not be associated with the financial statements of the City of Lumberton, Mississippi for the year ended September 30, 2008.

*Nicholson & Company, PLLC*

Hattiesburg, Mississippi  
July 21, 2009



***NOTES TO FINANCIAL STATEMENTS***

## CITY OF LUMBERTON, MISSISSIPPI

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2008

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Lumberton, Mississippi (the "City") was incorporated in 1895. The City operates under a Mayor-Aldermen form of government and provides the following services as authorized by its charter: general administration, public safety (police and fire), public works, parks and recreation, and the water and sewer utility.

The accounting policies of the City conform to the cash basis of accounting, which is an other comprehensive basis of accounting as permitted by accounting practices prescribed by the Office of the State Auditor of the State of Mississippi. This method of accounting is permitted for Mississippi municipalities with a population of less than 3,000. The cash basis method differs from generally accepted accounting principles in that revenues and expenses are recorded when received or paid rather than when earned or incurred, respectively. These statements also do not include certain reporting elements and required supplemental information mandated by *Governmental Accounting Standards Board (GASB) Statement No. 34*. The following is a summary of the more significant policies.

#### **A. Reporting Entity**

For financial reporting purposes, the reporting entity includes all funds that are covered by the oversight responsibility of the City's Board of Aldermen. In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles (GAAP). The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the reporting entity.

**CITY OF LUMBERTON, MISSISSIPPI**

**NOTES TO THE FINANCIAL STATEMENTS**

**PAGE TWO**

**YEAR ENDED SEPTEMBER 30, 2008**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

- *City of Lumberton Housing Authority*

The City of Lumberton appoints members to serve on the governing board of the Housing Authority and pays their monthly per diem of Forty Dollars (\$40.00). The City has no authority or control over the Housing Authority's budget or operations. As a result, this entity is excluded from the reporting entity.

**B. Financial Reporting**

The only financial statement presented is a compiled statement of cash receipts and disbursements. It is prepared on the cash basis, which is the basis of accounting prescribed by the Office of the State Auditor. Consequently, revenues are recognized when received, and expenditures are recognized when legally charged to the budget when issued up to thirty (30) days after year end.

**C. Basis of Accounting**

Financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into major and nonmajor funds and four broad fund categories, when applicable, as follows:

*General Fund* - The *General Fund* is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

*Special Revenue Funds* - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

**CITY OF LUMBERTON, MISSISSIPPI**

**NOTES TO THE FINANCIAL STATEMENTS**

**PAGE THREE**

**YEAR ENDED SEPTEMBER 30, 2008**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

*Debt Service Funds* - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue source is local property taxes levied specifically for debt service.

*Capital Projects Funds* - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

- ***Proprietary Funds (Business-Type Activities)***

*Enterprise Funds* - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses of providing goods and services to the general public on a continuing basis be financed and recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The City follows Financial Accounting Standards Boards (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

- ***Internal Service Funds***

*Unemployment Fund* - The City uses an internal service fund to account for its unemployment benefits.

**CITY OF LUMBERTON, MISSISSIPPI**

**NOTES TO THE FINANCIAL STATEMENTS**

**PAGE FOUR**

**YEAR ENDED SEPTEMBER 30, 2008**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

- ***Fiduciary Funds***

*Agency Funds* - Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations. For reporting purposes, the agency funds have been grouped with the fund they support.

In keeping with GAAP governmental accounting principles, the emphasis for the financial statements is on major funds within the governmental and propriety fund types. The general fund is always to be reported as a major fund. Other major funds are determined annually based on the following criteria:

- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental funds and enterprise funds combined.

For the current year, the City reports the following major governmental fund:

- General Fund - to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

For the current year, the City reports the following major enterprise funds:

- Water and Sewer - to account for the provision for water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and debt related service, and billing and collection.
- Solid Waste - to account for the collection and disposal of solid waste to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and debt related service, and billing and collection.

**CITY OF LUMBERTON, MISSISSIPPI**

**NOTES TO THE FINANCIAL STATEMENTS**

**PAGE FIVE**

**YEAR ENDED SEPTEMBER 30, 2008**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

All nonmajor funds are reported in the aggregate on the financial statements.

**D. Fixed Assets and Long-Term Liabilities**

Ordinarily, capital outlays are recorded as expenditures of the General, Special Revenue, and Capital Projects Funds, and capital outlays of the Proprietary Funds are recorded as fixed assets and depreciated over their estimated useful lives on a straight-line basis. However, under the cash basis of accounting, all capital outlays are reported as expenditures irrespective of the fund type. For internal tracking, all fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated. The City does not capitalize historical treasures or works of art. The City maintains many items and buildings of historical significance. The City does not require that the proceeds from the sale of historical treasures or works of art be used to acquire other items for collection.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts, and any resulting gain or loss is included in the results of operations.

Similarly, debt principal payments of both government and business-type activities are reported as expenditures when paid. Under generally accepted accounting principles, debt principal payments should be reflected as a reduction of the associated liability for proprietary funds.

Property, plant, and equipment of the primary government, as well as the component unit, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20 – 50 years
Infrastructure	18 – 50 years
Machinery and equipment	5 – 7 years

**CITY OF LUMBERTON, MISSISSIPPI**

**NOTES TO THE FINANCIAL STATEMENTS**

**PAGE SIX**

**YEAR ENDED SEPTEMBER 30, 2008**

***NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)***

***E. Budgets and Budgetary Accounting***

In accordance with Mississippi State Law, the City budgets for the upcoming year on a cash basis, which includes liabilities that will be paid within thirty (30) days of the fiscal year end. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the City Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1.
2. Public hearings are conducted at the City Hall to obtain taxpayer comments.
3. The budget, as submitted, is reviewed by the Mayor and Board of Aldermen, and necessary revisions are made to the budget. Then the budget is approved prior to September 15.
4. The budget is formally revised during July of each year or anytime a deficit is indicated.
5. Budgetary comparisons are employed by management as a management control device during the year. The budget and actual comparisons are formally presented to the Mayor and Board of Aldermen throughout the year.
6. The budgets adopted are on a modified cash (non-GAAP) basis. Revenues are recognized when receipted (cash basis) from October 1 through September 30. Expenditures are recognized when legally budgeted and disbursed throughout the fiscal year or within thirty (30) days thereafter. However, expenditures for uncompleted improvements in progress of construction may be charged to the budget at any time.

All annual appropriations lapse at fiscal year end.

**CITY OF LUMBERTON, MISSISSIPPI**

**NOTES TO THE FINANCIAL STATEMENTS**

**PAGE SEVEN**

**YEAR ENDED SEPTEMBER 30, 2008**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**F. Cash and Investments**

The City does not have a formal policy on managing credit risks. The City deposits funds in financial institutions selected by the Board of Aldermen in accordance with state statutes. Furthermore, the City invests excess funds in various investment instruments that are allowed by statutes.

Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below.

- **Cash**

All deposits with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC), or any successors to such insurance corporations must be collateralized in an amount equal to 105% of the uninsured amount.

- **Investments**

The City 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 interest-bearing time certificates of deposit or interest-bearing accounts with any financial institution have been approved for the deposit of state funds.

Investments are stated at cost or amortized cost.

**G. Interfund Transfers**

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers.

**CITY OF LUMBERTON, MISSISSIPPI**

**NOTES TO THE FINANCIAL STATEMENTS**

**PAGE EIGHT**

**YEAR ENDED SEPTEMBER 30, 2008**

**NOTE 2 - CASH, OTHER DEPOSITS AND INVESTMENTS**

Cash and Other Deposits

The collateral for public entities' deposits in financial institutions is 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 (FDIC).

The carrying amount of the City's deposits with financial institutions was \$759,484, and the bank balance was \$966,619, including one certificate of deposit for \$1,023 held in the City's name.

**NOTE 3 - LONG-TERM DEBT**

Debt outstanding as of September 30, 2008, consists of the following:

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>	<u>Final Maturity Date</u>
Business-type Activities:			
1979 Water and Sewer Bonds	<u>\$ 106,798</u>	5.00%	2/27/2014
State Revolving Fund Loan - Water and Sewer	<u>\$ 1,115,559</u>	4.50%	9/8/2015
CAP Loan - Water and Sewer	<u>\$ 165,712</u>	2.00%	2/1/2028

Annual debt service requirements to maturity for the following debt reported as business-type activities are as follows:

(See Table on Next Page)

CITY OF LUMBERTON, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

PAGE NINE

YEAR ENDED SEPTEMBER 30, 2008

NOTE 3 - LONG-TERM DEBT (Cont.)

<u>Year Ending September 30</u>	<u>1979 Water and Sewer Bonds</u>	<u>Interest</u>
2009	\$ 17,668	\$ 4,832
2010	18,582	3,918
2011	19,522	2,978
2012	20,622	1,878
2013	21,822	678
2014	8,582	429
<i>Total at present value</i>	<u>\$ 106,798</u>	<u>\$ 14,713</u>

  

<u>Year Ending September 30</u>	<u>State Revolving Fund Loan</u>	<u>Interest</u>
2009	\$ 140,602	\$ 47,302
2010	147,062	40,843
2011	153,818	34,087
2012	160,884	27,021
2013	168,275	19,630
2014 - 2015	344,918	15,712
<i>Total at present value</i>	<u>\$ 1,115,559</u>	<u>\$ 184,595</u>

  

<u>Year Ending September 30</u>	<u>CAP Loan</u>	<u>Interest</u>
2009	\$ 7,056	\$ 3,250
2010	7,198	3,107
2011	7,344	2,962
2012	7,492	2,814
2013	7,643	2,663
2014 - 2018	40,592	10,936
2019 - 2023	44,858	6,671
2024 - 2028	43,529	1,986
<i>Total at present value</i>	<u>\$ 165,712</u>	<u>\$ 34,389</u>

**CITY OF LUMBERTON, MISSISSIPPI**

**NOTES TO THE FINANCIAL STATEMENTS**

**PAGE TEN**

**YEAR ENDED SEPTEMBER 30, 2008**

**NOTE 3 - LONG-TERM DEBT (Cont.)**

***Limitations and Restrictions***

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

The following is a schedule of limitation of the bonded indebtedness of the City at September 30, 2008:

Assessed valuation for fiscal year ended September 30, 2008	\$ 10,539,320
Percent limitation	15%
Authorized debt limit	<u>1,580,898</u>
Present debt service subject to 15% limitation	<u>-</u>
Margin for further indebtedness under 15% limitation	<u>\$ 1,580,898</u>

**NOTE 4 - PROPERTY TAX**

Property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September and payable on or before February 1. All property taxes are collected and remitted to the City by the appropriate county tax collectors (the City of Lumberton resides in Lamar, Forest, and Pearl River Counties). The millage rate for the City for January through December 2008 was 47.28 mills.

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 resulted from those levies' assessments of the previous year.

**NOTE 5 - RETIREMENT PLANS**

Plan Description - The City 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, Mississippi 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

**CITY OF LUMBERTON, MISSISSIPPI**

**NOTES TO THE FINANCIAL STATEMENTS**

**PAGE ELEVEN**

**YEAR ENDED SEPTEMBER 30, 2008**

**NOTE 5 - RETIREMENT PLANS (Cont.)**

Funding Policy - PERS members are required to contribute 7.25% of their annual covered salary, and the City is required to contribute at an actuarially determined rate. The rate in effect for the fiscal year ended September 30, 2008 was 10.75% until June 30 and 11.30% after that date of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City's contributions to PERS for the years ended September 30, 2008, 2007 and 2006 were \$60,019, \$69,279, and \$62,620, respectively, equal to or greater than the required contributions for each year.

**NOTE 6 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the following two risk pools to provide coverage for possible losses due to these risks.

- *Mississippi Municipal Workers' Compensation Group* - This pool was formed under the Mississippi Worker's Compensation Act to provide coverage for claims arising from injuries to employees. The City is jointly and severable liable for obligation of the group.
- *Mississippi Municipal Liability Plan* - This pool was formed under inter-local agreements for the purpose of providing the liability coverage prescribed by the Plan for member municipalities. The pool uses a service company to manage the Plan's day-to-day activities.

The City pays premiums based upon an actuarial assessment of the City's loss experience rate and the Plan's overall financial condition. The City may be assessed if, at any time, the assets of the Plan, in the opinion of the Board of Trustees, are insufficient to discharge its obligations.

***SUPPLEMENTAL INFORMATION***

**CITY OF LUMBERTON, MISSISSIPPI**

**BUDGET AND ACTUAL WITH VARIANCES - GENERAL FUND  
YEAR ENDED SEPTEMBER 30, 2008**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts, Budgetary Basis</u>	<u>Variance With Final Budget - Positive (Negative)</u>
<b>REVENUES</b>				
Ad valorem taxes	\$ 505,950	\$ 505,950	\$ 451,317	\$ (54,633)
Fees and fines	52,000	52,000	68,447	16,447
Licenses and permits	165,483	165,483	147,977	(17,506)
Intergovernmental	283,455	535,204	546,041	10,837
Investment earnings	-	-	11,019	11,019
Miscellaneous	8,000	8,000	7,137	(863)
Total revenues	<u>1,014,888</u>	<u>1,266,637</u>	<u>1,231,938</u>	<u>(34,699)</u>
<b>EXPENDITURES</b>				
Current:				
General government	367,918	367,918	294,921	72,997
Public safety	452,299	452,299	444,834	7,465
Public works	207,001	455,466	427,232	28,234
Culture and recreation	71,061	70,761	57,510	13,251
Economic development	250	250	-	250
Capital outlay	41,359	44,943	47,149	(2,206)
Total expenditures	<u>1,139,888</u>	<u>1,391,637</u>	<u>1,271,646</u>	<u>119,991</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(125,000)	(125,000)	(39,708)	85,292
<b>OTHER FINANCING SOURCES (USES):</b>				
Other sources	-	-	742	742
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>742</u>	<u>742</u>
<b>NET CHANGE IN CASH</b>	(125,000)	(125,000)	(38,966)	<u>\$ 86,034</u>
<b>Fund Balance - beginning of year</b>	<u>125,000</u>	<u>125,000</u>	<u>252,711</u>	
<b>Fund Balance - end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213,745</u>	

See accountant's compilation report.

**CITY OF LUMBERTON, MISSISSIPPI**

**SCHEDULE OF LONG-TERM DEBT  
SEPTEMBER 30, 2008**

	<u>Balance at 01-Oct-07</u>	<u>Proceeds</u>	<u>Redemptions</u>	<u>Balance at 30-Sep-08</u>
<b>Revenue Bonds</b>				
1979 Water and Sewer Bond	\$ 123,606	\$ -	\$ 16,808	\$ 106,798
<b>Other Long-term Debt</b>				
State Revolving Loan Fund - Water and Sewer	1,249,986	-	134,427	1,115,559
CAP Loan	-	169,763	4,051	165,712
	<u>\$ 1,373,592</u>	<u>\$ 169,763</u>	<u>\$ 155,286</u>	<u>\$ 1,388,069</u>

See accountant's compilation report.

**CITY OF LUMBERTON, MISSISSIPPI**

**SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS  
SEPTEMBER 30, 2008**

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>
Larry Strahan	Mayor	St. Paul's St. Paul's	\$ 78,000 50,000
Vacant	City Clerk	St. Paul's St. Paul's	78,000 50,000
Eva Nell Busby	Alderman	St. Paul's	25,000
Terry Cannaday	Alderman	St. Paul's	25,000
Miriam Holder	Alderman	St. Paul's	25,000
Stanley Rayborn	Alderman	St. Paul's	25,000
Quincy Rogers	Alderman	St. Paul's	25,000
Stephanie Mullins	Deputy Clerk	St. Paul's	10,000
Susan Guidry	Deputy Court Clerk	St. Paul's	10,000
Maurice Hammonds	Chief of Police	St. Paul's	50,000
Vacant	Assistant Chief of Police	St. Paul's	25,000
Various	Police Officers	St. Paul's	25,000

See accountant's compilation report.