

BE IT REMEMBERED THAT THERE WAS BEGUN AND HELD THE REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI ON FEBRUARY 15 1994 AT 7:00 P.M. IN THE BOARD ROOM OF SAID CITY.

THOSE PRESENT	MAYOR JACK GAY
CITY ATTORNEY	THOMAS W TYNER
ALDERMEN	RAYMOND C. BRANDLE WILLIAM H. CAMPBELL REUBEN CLEPPER LEROY SCOTT
OTHERS PRESENT	BOB REEVES BILL DURHAM AUBRA EVANS WAYNE MURPHY JERRY CROWE

THE MAYOR DECLARED A QUORUM PRESENT AND DECLARED THE CITY COUNCIL IN SESSION.

THE INVOCATION WAS OFFERED BY W H CAMPBELL.

THE PLEDGE OF ALLEGIANCE WAS RECITED

WHEREAS, ALDERMAN BRANDLE MADE A MOTION THAT THE MINUTES OF THE REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI OF FEBRUARY 1, 1994 BE ACCEPTED AS WRITTEN. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C BRANDLE
ALDERMAN W H CAMPBELL
ALDERMAN REUBEN CLEPPER
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY CALLED FOR PUBLIC COMMENT.

THEREUPON, BOB REEVES ADDRESSED THE BOARD CONCERNING THE CUTTING OF THE TIMBER BY HERBIE CLEARMAN ON THE PROPERTY WHICH WAS TO REMAIN AS A BUFFER ZONE BETWEEN HIS HOME ON GADSBY ROAD AND MR. CLEARMAN'S COMMERCIAL PROPERTY ON HIGHWAY 42. MR. REEVES STATED THAT WHEN THE CITY GRANTED MR CLEARMAN THE ZONING CHANGE ON HIS PROPERTY, MR CLEARMAN GAVE THE CITY ASSURANCES THAT THE BUFFER ZONE WOULD BE MAINTAINED AND WITH THE CUTTING OF THE TIMBER THERE IS NO BUFFER ZONE.

THEREUPON, THOMAS TYNER, CITY ATTORNEY, STATED THAT THE ZONING ADMINISTRATOR, DAN TOLBERT, COULD WORK WITH MR REEVES AND HIS NEIGHBOR, ALTON DAVIS, TO GET MR CLEARMAN TO REPLANT THE BUFFER ZONE OR TO BUILD A FENCE.

THEREUPON, JERRY CROWE ADDRESSED THE BOARD ON HIS THOUGHTS FOR ADOPTING AN ORDINANCE TO BE PASSED SETTING SALARIES FOR ELECTED OFFICIALS PRIOR TO THE NEXT TERM OF OFFICE.

THEREUPON, BILL DURHAM STATED THAT HE HAS MOVED A TRAILER ONTO HIS PROPERTY TO REFURBISH FOR USE AS AN OFFICE FOR A PROPOSED CAR LOT, BUT HE HAS RECEIVED A LETTER FROM MR. TOLBERT STATING THAT HE HAS 10 DAYS TO REMOVE THE TRAILER BECAUSE IT IS IN VIOLATION OF THE CITY CODES. MR DURHAM STATED THAT HE BELIEVES HE IS BEING SINGLED OUT AND TOLD TO DO THINGS, SUCH AS PAVE HIS PARKING LOT FOR A CAR SALES WHEN OTHERS ARE NOT BEING MADE TO DO THE SAME.

THEREUPON, MAYOR GAY EXPLAINED TO MR DURHAM THAT ALL THE CITY EXPECTS IS FOR HIM TO FINISH HIS PROJECTS AS PRESENTED ON HIS PLANS SUBMITTED TO THE CITY WHEN HE APPLIED FOR THE BUILDING PERMITS. MAYOR GAY STATED THAT THE CITY HAS MADE OTHERS COMPLETE THEIR PROJECTS PER THE PLANS AND ACCORDING TO THE CITY'S CODES. MAYOR GAY ASKED MR DURHAM IF HE EXPECTS THE CITY TO VIOLATE ITS OWN CODES BY ALLOWING HIM TO LEAVE HIS PROJECTS IN A STATE OF NON-COMPLIANCE.

WHEREAS, MAYOR GAY PRESENTED THE ANNUAL AUDIT FOR THE FISCAL YEAR 1992-93.

SEE EXHIBIT "A"

FINANCIAL REPORT FY 1992-93

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO ADOPT THE FOREGOING RESOLUTION ACCEPTING THE AUDIT AND AUTHORIZING THE CITY CLERK TO PUBLISH NOTICE IN THE HATTIESBURG AMERICAN OF THE RECEIPT AND AVAILABILTIY OF THE REPORT. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C BRANDLE
ALDERMAN W H CAMPBELL
ALDERMAN REUBEN CLEPPER
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING LETTER OF RESIGNATION FROM JESSIE DICKERSON, STREET DEPARTMENT, EFFECTIVE FEBRUARY 21, 1994.

EXHIBIT "B"
LETTER

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ACCEPT JESSIE DICKERSON'S RESIGNATION. ALDERMAN CAMPBELL SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C BRANDLE
ALDERMAN W H CAMPBELL
ALDERMAN REUBEN CLEPPER
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED WRITTEN QUOTES FOR 50,000 UTILITY BILLS.

BBI, INC. P O BOX 6178 PEARL, MS. 39288-6178	17.00 M
OSCO P O BOX 1973 HATTIESBURG, MS. 39401	16.25 M

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO ACCEPT THE QUOTATION FROM OSCO. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C BRANDLE
ALDERMAN W H CAMPBELL
ALDERMAN REUBEN CLEPPER
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE LETTER FROM THE PLANNING COMMISSION RECOMMENDING THE DENIAL OF THE ZONING CHANGE REQUEST MADE BY RICHARD AND SARAH DAVIS.

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO ACCEPT THE RECOMMENDATION OF THE PLANNING COMMISSION AND DENY THE ZONING CHANGE REQUEST TO RICHARD AND SARAH DAVIS. ALDERMAN CAMPBELL SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C BRANDLE
ALDERMAN W H CAMPBELL
ALDERMAN REUBEN CLEPPER
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING QUOTATIONS FOR THE RATES FOR THE TWO (2) YEAR LEASE PURCHASE FOR ONE (1) POLICE CAR.

SEE EXHIBIT "C"

DEPOSIT GUARANTY NATIONAL BANK P O BOX 1200 JACKSON, MS. 39215-1200	4.23% ANNUAL PERCENTAGE \$594.45 MONTHLY PAYMENT 24 MONTHS
FIRST CONTINENTAL LEASING P O BOX 15097 HATTIESBURG, MS. 39402	5.0% ANNUAL PERCENTAGE \$596.67 MONTHLY PAYMENT 24 MONTHS

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ACCEPT THE LOWEST QUOTATION FROM DEPOSIT GUARANTY NATIONAL BANK. ALDERMAN CAMPBELL SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C BRANDLE
ALDERMAN W H CAMPBELL
ALDERMAN REUBEN CLEPPER
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE REVENUES AND EXPENDITURES REPORT FOR THE MONTH OF JANUARY.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ACCEPT THE REVENUE AND EXPENDITURE REPORT. ALDERMAN BRANDLE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C BRANDLE
ALDERMAN W H CAMPBELL
ALDERMAN REUBEN CLEPPER
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED A TRAVEL REQUEST FOR LEROY SCOTT AND THE MAYOR TO ATTEND THE 1994 ANNUAL CONFERENCE OF THE MS RURAL WATER ASSOCIATION MARCH 10 & 11, 1994 IN JACKSON, MS.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO AUTHORIZE THE MAYOR AND ALDERMAN SCOTT TO ATTEND THE MRWA CONFERENCE AND TO PAY THEIR EXPENSES. ALDERMAN BRANDLE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C BRANDLE
ALDERMAN W H CAMPBELL
ALDERMAN REUBEN CLEPPER
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS MAYOR GAY PRESENTED A TRAVEL REQUEST FOR THE CITY CLERK TO ATTEND THE MS. MUNICIPAL CLERKS ASSOCIATION'S XXIV ANNUAL CONFERENCE IN GREENVILLE, MS. MARCH 23-25, 1994.

THEREUPON, ALDERMAN BRANDLE MADE A MOTION TO AUTHORIZE THE CITY CLERK TO ATTEND THE CONFERENCE IN GREENVILLE, MS. AND TO PAY HER EXPENSES. ALDERMAN CLEPPER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C BRANDLE
ALDERMAN W H CAMPBELL
ALDERMAN REUBEN CLEPPER
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING ORDER HIRING ED WEST AS MAINTENANCE EMPLOYEE IN THE RECREATION DEPARTMENT EFFECTIVE FEBRUARY 17, 1994 AT A RATE OF \$5.50 PER HOUR.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN DO HEREBY DEEM IT NECESSARY DUE TO THE RESIGNATION OF KURT SCHROEDER TO FILL THE VACANCY IN THE RECREATION DEPARTMENT.

IT IS HEREBY ORDERED THAT ED WEST BE HIRED AS MAINTENANCE EMPLOYEE EFFECTIVE FEBRUARY 17, 1994 AT A RATE OF \$5.50 PER HOUR;

SO ORDERED ON THIS THE 15TH DAY OF FEBRUARY, A.D., 1994.

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN BRANDLE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C BRANDLE
ALDERMAN W H CAMPBELL
ALDERMAN REUBEN CLEPPER
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING CLAIMS RESULTING FROM BLOCKADES BEING KNOCKED DOWN AT A WATER LINE REPAIR POINT ON NORTH MAIN STREET AND TRAFFIC LATER NOT SEEING THE HOLE IN THE PAVEMENT AND HITTING IT, DOING DAMAGE TO THE VEHICLE:

SEE EXHIBIT "D"
CLAIMS

1) BOYD MURPHY	\$ 19.26
2) ERIC CROWE	\$ 23.54
3) BINH NGUYEN	\$ 139.28
4) ANDY CARTLIDGE	\$ 112.11
5) JENNY WALTERS	\$ 42.75

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO PAY FOR THE REPAIRS TO THE TIRES DAMAGED ON N. MAIN STREET AT THE SIGHT OF THE WATER LINE REPAIR. ALDERMAN CLEPPER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C BRANDLE
ALDERMAN W H CAMPBELL
ALDERMAN REUBEN CLEPPER
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE PRIVILEGE LICENSE REPORT FOR JANUARY FOR THE BOARD'S CONSIDERATION.

WHEREAS, MAYOR GAY STATED THAT FIRE CHIEF AUBRA EVANS HAS RECOMMENDED SUSPENSION WITHOUT PAY FOR ONE SHIFT FOR LT JOHN JEFF GAY FOR FAILURE TO ATTEND REQUIRED MEETINGS OF THE DEPARTMENT WITHOUT NOTICE.

THEREUPON, ALDERMAN BRANDLE MADE A MOTION TO SUSPEND LT GAY FOR ONE SHIFT WITHOUT PAY, UPON THE RECOMMENDATION OF CHIEF EVANS, AND TO AUTHORIZE THE MAYOR TO GIVE LT GAY NOTICE OF THIS SUSPENSION AND NOTICE OF HIS RIGHT TO APPEAL THIS DECISION OF THE MAYOR AND BOARD. ALDERMAN CLEPPER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C BRANDLE
ALDERMAN W H CAMPBELL
ALDERMAN REUBEN CLEPPER
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY STATED THAT THE DEADLINE FOR OBTAINING THE PROPERTY FOR THE WEST 1ST AVENUE PROJECT IS NEAR AND THAT RICHARD AND SARA DAVIS HAVE NOT ACCEPTED THE CITY'S OFFER TO PURCHASE THEIR LAND FOR THE SUM OF \$400.00. MAYOR GAY STATED THAT THIS LEAVES THE CITY WITH NO OPTION BUT TO FILE AN EMINENT DOMAIN SUIT AGAINST THE DAVIS'.

THEREUPON, ALDERMAN BRANDLE MADE A MOTION TO AUTHORIZE THE CITY ATTORNEY TO FILE THE EMINENT DOMAIN SUIT IF THE SITUATION SHOULD COME TO THAT. ALDERMAN CAMPBELL SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C BRANDLE
ALDERMAN W H CAMPBELL
ALDERMAN REUBEN CLEPPER
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY STATED THAT THE CITY WILL NEED TO BORROW \$125,000.00 PURSUANT TO SECTION 17-21-51 OF THE MISSISSIPPI CODE OF 1972, AS AMENDED FOR THE PAVING OF THE PARKING AREA AND OTHER FURNITURE AND EQUIPMENT FOR THE MULTI-PURPOSE CENTER.

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO ADOPT THE FOLLOWING RESOLUTION AUTHORIZING THE BORROWING OF \$125,000.00 FOR THE PAVING OF THE PARKING AREA AND OTHER FURNITURE AND EQUIPMENT FOR THE MULTI-PURPOSE CENTER PURSUANT TO SECTION 17-21-51 OF THE MISSISSIPPI CODE OF 1972, AS AMENDED. ALDERMAN CAMPBELL SECONDED THE MOTION.

SEE EXHIBIT "E"
RESOLUTION

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C BRANDLE
ALDERMAN W H CAMPBELL
ALDERMAN REUBEN CLEPPER
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO ADJOURN. ALDERMAN SCOTT SECONDED THE MOTION.

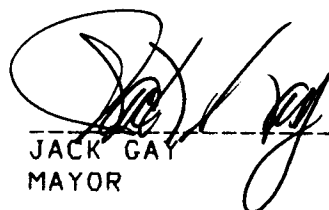
THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C BRANDLE
ALDERMAN W H CAMPBELL
ALDERMAN REUBEN CLEPPER
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE


THEREBEING NO FURTHER BUSINESS, THE REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI WAS ADJOURNED ON THIS THE 15TH DAY OF FEBRUARY, A.D., 1994.



JACK GAY
MAYOR

(SEAL)

ATTEST:



PRISCILLA C. DANIEL
CITY CLERK

CITY OF PETAL, MISSISSIPPI
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1993

CITY OF PETAL, MISSISSIPPI
GENERAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 1993

PUBLIC OFFICIALS

Jack Gray, Jr.
Mayor

Priscilla C. Daniel
City Clerk

Members of Board of Aldermen

William H. Campbell	Alderman, Ward 1
Raymond Brandle	Alderman, Ward 2
Bobby Runnels	Alderman, Ward 3
Leroy Scott	Alderman, Ward 4
Reuben Clepper	Alderman at Large

CITY OF PETAL, MISSISSIPPI
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1993

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EXHIBIT "A"

Wright, King and Company, P.A.

Chartered Public Accountants
810 Plaza Drive
P.O. Box 18433
Hattiesburg, MS 38402
601/268-3135

Douglas A. King, CPA
Walter C. Wright, CPA
Marion N. Wright, PA

Members
American Institute of
Chartered Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Mayor and Board of Aldermen
City of Petal, Mississippi

We have audited the accompanying general purpose financial statements of the City of Petal, Mississippi, as of September 30, 1993, and for the year then ended. These general purpose financial statements are the responsibility of the City of Petal, Mississippi, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Governmental Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128 "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Petal, Mississippi, is not in compliance with the requirements of the State Department of Audit, as set forth in the Municipal Compliance Questionnaire.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Petal, Mississippi, as of September 30, 1993, and the results of its operations and the cash flows of its enterprise funds for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements, and other financial information, including the

City of Petal, Mississippi
January 3, 1994
Page 2

Schedule of Federal Financial Assistance, listed in the table of contents are presented for the purpose of additional analysis and are not a part of the general purpose financial statements of the City of Petal, Mississippi. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Douglas A. King & Company, P.A.
WRIGHT, KING & COMPANY, P.A.
Hattiesburg, Mississippi
January 3, 1994

EXHIBIT A
CITY OF PETAL, MISSISSIPPI
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 1993

ASSETS	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Cash & other deposits	\$ 428,197	\$ 117,422	\$ 351,093	\$ 514,485
Cash held by fiscal agent			9,256	
Receivables (Net of allowance of \$2400)				
Other receivables				
Franchise fees receivable	41,689			
Interest receivable				
Prepaid expenses				
Due from other funds	40,367	1,310		
Due from other governments	77,279	924	4,792	
Inventory, at cost	1,536			
Notes receivable		284,432		
Restricted assets				
Property, plant & equipment (net)				
Other assets				
Amount available in debt service fund				
Amount to be provided for retirement of general long-term debt				
Total assets	\$ 589,068	\$ 404,088	\$ 365,141	\$ 514,485
Proprietary	Fiduciary	Account Groups		Total
Enterprise	Trust and Agency	General	General Long-Term Debt	(Memorandum Only)
\$ 370,458	\$ 50,935	Fixed Assets	0	\$ 1,832,590
	12,533		0	21,789
47,576				47,576
27,273				27,273
839				41,689
2,289				839
82,471				2,289
26,736				124,148
476,179				82,995
3,515,643		7,414,623		28,272
58,973				284,432
				476,179
			355,885	10,930,266
				58,973
				3,901,934
				3,901,934
\$4,608,437	\$ 63,468	\$ 7,414,623	\$ 4,257,819	\$ 18,217,129

CITY OF PETAL
MINUTE BOOK 14
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 SEPTEMBER 30, 1993

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES:				
Bills docketed	\$ 47,292	\$ 441	\$	\$
Due to other funds	56,243			
Other payable	42,255	442		
Deferred compensation payable				5,330
Accrued interest on bonds				5,330
Current portion of revenue bonds				
Current portion of general obligation bonds				
Current portion of notes payable				
Customer deposits				
Matured bond and interest payable			9,256	
Revenue bonds payable				
General obligation bonds payable				
Sewer abatement notes payable				
Refunding notes payable				
Capital leases				
Certificate of participation				
Total liabilities	<u>145,790</u>	<u>883</u>	<u>9,256</u>	<u>5,330</u>
FUND EQUITY:				
Contributed capital				
Investment in general fixed assets				
Retained earnings				
Reserved for debt service				
Reserved for facilities replacement				
Unreserved				
FUND BALANCES:				
Reserved for inventory	1,536			
Reserved for unemployment compensation				
Reserved for debt			355,885	
Unreserved	<u>441,742</u>	<u>403,205</u>	<u>355,885</u>	<u>509,155</u>
Total fund equity	<u>443,278</u>	<u>403,205</u>	<u>355,885</u>	<u>509,155</u>
Total liabilities and fund equity	<u>\$589,068</u>	<u>\$404,088</u>	<u>\$365,141</u>	<u>\$514,485</u>

See independent auditors' report.
 The notes to financial statements are an integral part of this statement.

Proprietary Fund Type	Fiduciary Fund Type Expendable Trusts	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Debt	
\$ 48,217	\$	\$	\$	\$ 95,950
67,834	71			124,148
10,276	37,700			90,673
	12,532			12,532
16,351				21,681
25,000				25,000
35,000				35,000
20,890				20,890
88,295				88,295
				9,256
740,000				740,000
545,000			3,645,000	4,190,000
233,882				233,882
			51,000	51,000
			11,819	11,819
			550,000	550,000
<u>1,830,745</u>	<u>50,303</u>	<u>0</u>	<u>4,257,819</u>	<u>6,300,126</u>
351,389				351,389
		7,414,623		7,414,623
121,425				121,425
211,066				211,066
2,093,812				2,093,812
				1,536
	13,165			13,165
				355,885
				<u>1,354,102</u>
<u>2,777,692</u>	<u>13,165</u>	<u>7,414,623</u>	<u>0</u>	<u>11,917,003</u>
\$4,608,437	\$ 63,468	\$ 7,414,623	\$ 4,257,819	\$18,217,129

CITY OF PETAL, MISSISSIPPI
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 1993

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
REVENUES:				
Property taxes	\$ 397,467		\$530,940	\$ 0
Penalties and interest on delinquent taxes	6,811		4,371	
Licenses and permits	30,181			
Franchise fees	160,737			
Homestead exemption	35,905			
State shared revenue				
Sales tax	776,087			
Other		50,457		
Alcoholic beverage levy	900			
Intergovernmental				
Gas tax	9,873			
Other		84,539		
Municipal aid	4,552			
Cultural/recreational fees	24,318			
Fines and forfeitures	60,626			
Charges for services	1,500			
Interest earnings	9,043	3,445	8,350	7,633
Prior year taxes	659		2,992	
Reimbursements	25,861			
Sale of equipment	300			
Other	5,669		110	150
Total revenues	<u>1,550,489</u>	<u>138,441</u>	<u>546,763</u>	<u>7,783</u>
EXPENDITURES:				
General government	351,872			
Public safety	730,695	66,535		
Public works	342,822	72,567		
Culture and recreation	69,727			
Health and welfare	22,572			
Debt service	21,607		521,911	
Capital outlay				48,778
Total expenditures	<u>1,539,295</u>	<u>139,102</u>	<u>521,911</u>	<u>48,778</u>
Excess (deficiency) of revenues over expenditures	<u>11,194</u>	<u>(661)</u>	<u>24,852</u>	<u>(40,995)</u>
Other financing sources (uses):				
Proceeds of debt				550,000
Discharge of debt per grant contracts		(35,772)		
Total other financing sources (uses)	<u>0</u>	<u>(35,772)</u>	<u>0</u>	<u>550,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>11,194</u>	<u>(36,433)</u>	<u>24,852</u>	<u>509,005</u>
Fund balance - 10/01/92	470,504	439,638	331,033	150
Residual equity transfer	(38,420)			
Fund balance - 9/30/93	<u>\$ 443,278</u>	<u>\$ 403,205</u>	<u>\$355,885</u>	<u>\$ 509,155</u>

See independent auditors' report.
 The notes to financial statements are an integral part of this statement.

EXHIBIT C-1
CITY OF PETAL, MISSISSIPPI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP) AND ACTUAL ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1993

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES:			
Property tax	\$ 406,093	\$ 397,467	\$ (8,628)
Penalties and interest	2,100	6,811	4,711
Licenses and permits	26,500	30,181	3,681
Franchise fees	143,000	151,068	8,068
Homestead exemption	35,905	35,905	0
State shared revenue			
Sales tax	750,000	768,983	18,983
Alcoholic beverage tax	900	900	0
Intergovernmental			
Gas tax	10,500	9,873	(627)
Municipal aid	4,500	4,552	52
Culture and recreation	21,300	24,318	3,018
Fines and forfeits	76,100	60,626	(15,474)
Charges for services	500	1,500	1,000
Interest earned	15,000	9,043	(5,957)
Prior year taxes	600	659	59
Reimbursements		25,861	25,861
Sale of equipment		300	300
Other income	8,300	5,669	(2,631)
Total revenues	1,501,300	1,533,716	32,416
EXPENDITURES:			
General government			
Personal services	206,460	200,466	5,994
Supplies	6,650	4,855	1,795
Other services and charges	148,073	127,574	20,499
Capital outlay	18,500	18,377	(123)
Total	379,683	351,272	28,411
Public safety			
Personal services	660,150	647,332	12,818
Supplies	16,575	12,414	4,161
Other services and charges	68,965	55,688	13,277
Capital outlay	13,042	15,261	(2,219)
Total	760,732	730,695	30,037
Public works			
Personal services	153,462	150,762	2,700
Supplies	38,800	36,569	2,231
Other services and charges	140,469	135,622	4,847
Capital outlay	22,662	19,869	2,793
Total	355,393	342,822	12,571
Health and welfare			
Personal services	16,362	16,214	148
Supplies	1,000	801	199
Other services and charges	5,700	5,557	143
Total	23,062	22,572	490
Cultural and recreational			
Personal services	29,944	26,628	3,316
Supplies	12,050	11,767	283
Other services and charges	21,320	20,402	(918)
Capital outlay	14,500	2,930	11,570
Total	77,814	69,727	8,087

Fiduciary Fund Type	Total
<u>Expendable Trust</u>	<u>(Memorandum Only)</u>
\$ 0	\$ 928,407
	11,182
	30,181
	160,737
	35,905
	776,087
	50,457
	900
	9,873
	84,539
	4,552
	24,318
	60,626
304	1,500
	28,775
	3,651
	25,861
	300
<u>304</u>	<u>5,929</u>
	<u>2,243,780</u>
	351,872
	797,230
	415,389
	69,727
	22,572
	543,518
<u>0</u>	<u>48,778</u>
	<u>2,249,086</u>
<u>304</u>	<u>(5,306)</u>
	550,000
	<u>(23,772)</u>
<u>0</u>	<u>514,228</u>
304	508,922
12,861	1,254,186
	<u>(29,420)</u>
<u>\$ 13,163</u>	<u>\$ 1,724,688</u>

EXHIBIT C-1 (CONTINUED)
CITY OF PETAL, MISSISSIPPI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP) AND ACTUAL ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1993

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Debt service			
Principal	17,000	17,000	0
Interest	4,870	4,607	263
Total	21,870	21,607	263
Total expenditures	1,628,554	1,539,293	89,261
Excess (deficiency) of revenues over expenditures	(127,254)	(5,579)	121,675
Other financing sources(uses):			
Operating transfers out	(9,500)		9,500
Total other financing sources(uses)	(9,500)	0	9,500
Excess(deficiency) of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$ (136,754)	(5,579)	\$ 131,175
Adjustments to GAAP basis:			
Increase(decrease) in accrued revenue		16,773	
Excess(deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP basis)		11,194	
Fund balance - unreserved October 1, 1992		470,504	
Residual equity transfer		(38,420)	
Fund balance - unreserved September 30, 1993		\$ 441,278	

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EXHIBIT C-2
CITY OF PETAL, MISSISSIPPI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET(NON-GAAP) AND ACTUAL ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1993

	Special Revenue Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES:			
State shared revenue	\$ 53,098	\$ 44,741	\$ (8,357)
Intergovernmental	71,000	90,256	19,256
Interest earned	4,840	3,445	(1,395)
Program income	7,632	2,824	(4,798)
Total revenues	<u>136,570</u>	<u>141,276</u>	<u>4,706</u>
EXPENDITURES:			
Public safety			(409)
Personal services	16,292	16,701	3,657
Supplies	4,000	343	10,812
Other services and charges	18,083	7,271	39,205
Capital outlay	81,425	42,220	53,265
Total	<u>119,800</u>	<u>66,535</u>	
Public Works			22,233
Other services and charges	94,800	72,567	6,000
Capital outlay	6,000	0	28,233
Total	<u>100,800</u>	<u>72,567</u>	
Total expenditures	<u>220,600</u>	<u>139,102</u>	<u>81,498</u>
Excess (deficiency) of revenues over expenditures	<u>(84,030)</u>	<u>2,174</u>	<u>86,204</u>
Other financing sources(uses):			(1,650)
Operating transfers in	1,650		2,000
Operating transfers out	(2,000)		
Total other financing sources(uses)	<u>(350)</u>	<u>0</u>	<u>350</u>
Excess(deficiency) of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	<u>\$ (84,380)</u>	<u>2,174</u>	<u>\$ 86,554</u>
Adjustments to GAAP basis:			
Reclassification of program income to receivable reduction		(2,834)	
Discharge of debt per grant agreement		(35,773)	
Excess(deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP basis)		(36,433)	
Fund balance - unreserved October 1, 1992		439,638	
Fund balance - unreserved September 30, 1993		<u>\$ 403,205</u>	

See independent auditors' report.
The notes to the financial statements are an integral part of these statements.

EXHIBIT C-3
CITY OF PETAL, MISSISSIPPI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET(NON-GAAP) AND ACTUAL ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1993

	Debt Service Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES:			
Property tax	\$ 552,000	\$ 540,390	\$ (11,610)
Prior year taxes		2,992	2,992
Penalties and interest		4,481	4,481
Interest earned	7,500	8,350	850
Total revenues	<u>559,500</u>	<u>556,213</u>	<u>(3,287)</u>
EXPENDITURES:			
Debt service			0
Principal	310,000	310,000	
Interest	241,570	201,762	39,808
Agent fees	3,910	10,149	(6,239)
Total	<u>555,480</u>	<u>521,911</u>	<u>33,569</u>
Total expenditures	<u>555,480</u>	<u>521,911</u>	<u>33,569</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 4,020</u>	<u>34,302</u>	<u>\$ 30,282</u>
Adjustments to GAAP basis:			
Increase(decrease) in accrued property taxes		(9,450)	
Excess(deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP basis)		24,852	
Fund balance - October 1, 1992		331,033	
Fund balance - September 30, 1993		<u>\$ 355,885</u>	

See independent auditors' report.
The notes to the financial statements are an integral part of these statements.

EXHIBIT C-4
CITY OF PETAL, MISSISSIPPI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET(NON-GAAP) AND ACTUAL ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1993

	Capital Projects Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES:			
Interest earned	\$ 8,000	\$ 7,633	\$ (367)
Miscellaneous	150	150	0
Total revenues	<u>8,150</u>	<u>7,783</u>	<u>(367)</u>
EXPENDITURES:			
Other services and charges	75,800	26,290	49,510
Capital outlay	487,650	22,488	465,162
Total expenditures	<u>563,450</u>	<u>48,778</u>	<u>514,672</u>
Excess (deficiency) of revenues over expenditures	<u>(555,300)</u>	<u>(40,995)</u>	<u>514,305</u>
Other financing sources(uses):			(5,300)
Debt proceeds	555,300	550,000	
Total other financing sources(uses)	<u>555,300</u>	<u>550,000</u>	<u>(5,300)</u>
Excess(deficiency) of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	<u>\$ 0</u>	<u>509,005</u>	<u>\$ 509,005</u>
Adjustments to GAAP basis:			
Excess(deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP basis)		509,005	
Fund balance - unreserved October 1, 1992		150	

CITY OF PETAL
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	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental	\$ 25,300	\$ 53,157	\$ 27,857
Charges for services	793,381	792,492	(889)
Miscellaneous	52,700	56,788	3,088
Total revenues	871,381	902,437	30,056
EXPENDITURES:			
Public works			
Personal services	311,276	316,093	(4,817)
Supplies	78,100	51,860	26,240
Other services and charges	366,645	361,466	5,179
Capital outlay	685,258	391,496	294,462
Total	1,441,979	1,120,915	321,064
Debt service	291,469	182,088	109,381
Total expenditures	1,733,448	1,303,003	430,445
Excess (deficiency) of revenues over expenditures	(862,067)	(400,566)	400,389
Other financing sources (uses):			
Operating transfers in	830,881		(830,881)
Operating transfers out	(596,700)		596,700
Total other financing sources (uses)	234,181	0	(234,181)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$ (626,886)	(400,566)	\$ 226,320
Adjustments to GAAP basis:			
Debt reduction		75,886	
Capital expenditures		79,417	
Depreciation		(173,769)	
(Increase) decrease in accrued expenses		123,795	
Increase in accounts receivable		13,830	
Total adjustments		119,159	
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP basis)		(281,407)	
Increase in reservation		420,572	
Net change unreserved		139,166	
Fund balance - unreserved October 1, 1992		1,924,646	
Fund balance - unreserved September 30, 1993		\$2,093,812	

See independent auditors' report. The notes to the financial statements are an integral part of these statements.

EXHIBIT D
CITY OF PETAL, MISSISSIPPI
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1993

	1993
Operating revenues:	
Charges for services	\$ 768,609
Tap fees	6,450
Connect fees	8,322
Treatment charges	39,216
Other income	20,073
	<u>832,670</u>
Operating expenses:	
Personal services	321,800
Supplies and materials	51,860
Contractual services	111,641
Repairs and maintenance	269,060
Utilities	54,762
Depreciation and amortization	173,769
Sewer treatment	100,312
General and administrative	10,670
Bad debts	1,505
	<u>1,025,379</u>
Operating income	(255,709)
Nonoperating revenues (expenses):	
Interest income	24,943
CDBG grant	53,157
Interest expense	(102,798)
Net income	(281,407)
Retained earnings - October 1	2,707,210
Retained earnings - September 30, 1993	<u>\$2,426,303</u>

EXHIBIT E
CITY OF PETAL, MISSISSIPPI
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1993

	1993
Cash flows from operating activities:	
Cash received from customers (excluding deposit)	\$ 824,337
Cash paid to suppliers	(628,924)
Cash paid to employees	(316,093)
Net cash provided by operating activities	(120,680)
Cash flows from capital and related financing activities:	
Grant proceeds	53,157
Contributed capital	14,900
Principal payments - bonds	(55,000)
Principal payments - notes	(20,886)
Interest paid	(106,202)
Purchase of fixed assets	(174,519)
Net cash (used) by capital and related financing activities	(288,550)
Cash flows from investing activities:	
Interest received	24,943
Net cash (used) provided by investing activities	24,943
Net cash increase (decrease) for the year	(384,287)
Cash at beginning of year	1,230,924
Cash at end of year (includes restricted cash)	<u>\$ 846,637</u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Operating income (loss)	\$ (255,709)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	173,769
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	(13,830)
Increase (decrease) in accounts payable	(34,674)
Increase in accrued expenses	9,764
Total adjustments	135,029
Net cash provided by operating activities	\$ (120,680)

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITY

Contribution of fixed assets from government	\$ 84,073
Other required disclosures:	
Interest paid	\$ 106,202
Interest expense	103,978

See independent auditors' report. The notes to the financial statements are an integral part of these statements.

(1) Summary of Significant Accounting Policies.

A. Financial Reporting EXHIBIT "A"

The accompanying financial statements are presented using the concepts of reporting promulgated in Statement 1 of the Governmental Accounting Standards Board. The General Purpose Financial Statements show the basic financial statements of the municipality by providing a combined overview of financial position and results of operations of the City. The total (memorandum only) columns in these statements are presented for overview information purposes and are not meant to present fairly financial position or results of operations for the City as a whole in conformity with generally accepted accounting principles.

B. Account Classifications

The account classifications used in the financial statements are in accordance with the classifications required by the Mississippi State Department of Audit.

C. Fund Accounting

The accounts of the City of Petal are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses. City of Petal 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 into generic fund types and broad categories as follows:

GOVERNMENTAL FUNDS

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

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1993

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 for specific expenditure purposes.

Debt Service Fund - The Debt Service Fund is 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.

PROPRIETARY FUNDS

Enterprise Funds - Enterprise Funds are used to account for operations which are intended to be self-supporting through user charges or where the board has determined that periodic determination of net income is appropriate for management control and accountability.

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations and/or other funds. Expendable Trust Funds are accounted for in essentially the same manner as governmental funds. Nonexpendable Trust Funds are used to account for the principal portion of trust funds, the part which cannot be expended. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. Fixed Assets and Long-term Liabilities.

The costs incurred for the purchase or construction of general fixed assets are recorded as capital outlay expenditures in the governmental funds. The fixed assets are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds.

Fixed assets are valued at cost or estimates of amounts spent for these purposes. No depreciation has been provided on general fixed assets.

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1993

The City has elected not to capitalize infrastructure and did not attempt to value said improvements during the fixed asset inventory. The City also does not capitalize items under \$500 in cost; however, equipment lists are maintained for these items.

The long-term liabilities incurred by the City which are to be financed from the governmental funds are accounted for in the General Long-term Debt Account Group, not in the governmental funds.

The two account groups are not funds. They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

E. Basis of Accounting.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements.

All governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

All proprietary fund types and similar trust funds (Non-expendable Trust Funds) are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

F. Deposits and Investments.

The City deposits funds in the 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.

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1993

Deposits

All deposits with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) must be collateralized in an amount equal to 105% of the uninsured deposit. All deposits with financial institutions insured by the Federal Savings and Loan Insurance Corporation (FSLIC) cannot exceed the amount insured by that agency (FSLIC).

Investments

The City is allowed, by statute, to invest excess funds in any bond or other direct obligations of the United States of America or the State of Mississippi, or of any financial institution approved for the deposit of state funds.

G. Fund Reserves.

Fund reserves are portions of fund equity that are legally segregated for a specific future use or are not available for current operations. Following is a description of all reserves approved by City policy:

Reserved for unemployment compensation - An account that represents the unemployment revolving fund balance which is legally restricted for the payment of unemployment benefits.

Reserved for debt service - An account used to segregate a portion of fund balance for debt service resources legally restricted to the payment of long-term debt principal and interest amount maturing in future years.

Reserved for inventory - An account used to segregate a portion of fund balance to indicate that inventory does not represent available, spendable resources even though it is a component of assets.

Reserved for facility replacement - An account used to separate a portion of the fund balance that is restricted by bond agreement to facility repair and replacement.

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1993

H. Compensated Absences.

Employees accumulate sick pay at an amount provided by City policy. The City does not provide for payment of accumulated sick leave or vacation upon termination.

J. This report includes all funds and account groups of the City. It includes all activities considered to be part of (controlled by or dependent on) the City under MGA Statement 3, Defining the Governmental Reporting Entity.

The Petal Municipal School District, although it receives significant revenues from the City, is considered to be substantially autonomous by virtue of the fact it is governed by its own board members.

(2) Interfund Receivables and Payables.

A. The following is a summary of Due To and From other funds:

	Due To	Due From
General Fund	\$ 56,243	\$ 40,367
Special Revenue Fund:		
Law Enforcement		1,310
Proprietary Fund:		
Water and Sewer	67,835	71,166
Solid Waste		11,305
Trust and Agency Fund:		
Clearing Fund	66	
Tax Collector's Fund	4	
Total	<u>\$124,148</u>	<u>\$124,148</u>

(3) Deposits

At year end, the carrying amount of the city's deposits was \$2,308,769 and the bank balance was \$2,462,709. The city's bank balance was covered by FDIC insurance of \$400,000 and collateral held by the Federal Reserve in the government's name as follows:

Total Bank Balance	\$ 2,462,709
FDIC Insurance	(400,000)
Uninsured Balance	2,062,709
Collateral Pledged	2,039,431
Uncollateralized Balance	<u>\$ 23,278</u>

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1993

(4) Accounts Receivable - Customers.

Customer accounts receivable in the Enterprise Fund are attributable to unpaid balances at year-end for charges for services. The Allowance for Doubtful Accounts balance at September 30, 1993 is \$2,400, which is computed at 5% of gross receivables at year-end. The 5% approximation is based on the City's history of collections.

Notes Receivable

The City of Petal participates in the Rental Rehabilitation Program of the Office of Housing and Urban Development. As a result, the City has \$284,430 in notes receivable from grant contracts. Repayment on these notes are available for use in the program. However, \$238,209 of the notes are being forgiven at 10% per year if grant conditions are met.

(5) Restricted Assets.

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by bond covenants.

(6) Fixed Assets.

The fixed assets recorded in the General Fixed Asset Group of Accounts are summarized as follows:

	Balance			Balance 9/30/93
	9/30/92	Additions	Deletions	
Land and easements	\$ 311,287			\$ 311,287
Buildings	524,045		49,803	474,242
Improvements	222,652			222,652
Equipment:				
Furniture	66,805	1,557	1,388	66,974
Motor vehicles	664,456	41,536	224,960	481,032
Other	264,801	24,419	64,763	224,457
Sewer system	5,562,775			5,562,775
Assets under				

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CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1993

Proprietary Fund Type fixed assets are recorded in the Enterprise Funds and are summarized as follows:

	Balance 9/30/92	Additions	Deletions	Balance 9/1/93
Land and easements	\$ 21,994			\$ 21,994
Buildings	64,088			64,088
Water/Sewer systems	3,478,157	1,076,216		4,554,373
Operating equipment	245,445	27,242	611	272,076
Under construction	1,024,041		1,024,041	0
Less: Accumulated depreciation	<u>(1,238,340)</u>	<u>(160,420)</u>	<u>(611)</u>	<u>(1,398,149)</u>
	3,595,385	943,038	1,024,041	3,514,382
Solid waste fund:				
Operating equipment	84,071			84,071
Less: accumulated depreciation	<u>(70,800)</u>	<u>(12,010)</u>	<u>0</u>	<u>(82,810)</u>
	13,271	(12,010)	0	1,261
Total	<u>\$3,608,656</u>	<u>\$ 931,028</u>	<u>\$1,024,041</u>	<u>\$ 3,515,643</u>

Fixed assets are stated at cost. Additions are capitalized while expenditures for maintenance and repairs are charged against revenues. Depreciation is not provided for in the General Fixed Asset Group. Depreciation is based upon the estimated useful life of the property under the straight-line method in Proprietary Fund Types.

(7) Bonds Payable

Presented below is Section 21-33-303 Mississippi Code: No municipality shall hereafter issue bonds secured by a pledge of its full faith and credit for the purposes authorized by law in an amount which, when added to the then outstanding bonded indebtedness of such municipality, shall exceed either (a) fifteen percent (15%) until September 30, 1993, and ten percent (10%) thereafter of the assessed value of the taxable property within such municipality, according to the last completed assessment for taxation, or (b) ten percent (10%) of the assessment upon which taxes were levied for its fiscal year ending September 30, 1984, whichever is greater. In computing such indebtedness, there may be deducted all bonds or other evidences of indebtedness, heretofore or hereafter issued, for school, water, sewerage systems, gas, and

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1993

light and power purposes and for the construction of special improvements primarily chargeable to the property benefited, or for the purpose of paying the municipality's proportion of any betterment program, a portion of which is primarily chargeable to the property benefited. However, in no case shall any municipality contract any indebtedness which, when added to all of the outstanding general obligation indebtedness, both bonded and floating, shall exceed either (a) twenty percent (20%) until September 30, 1993, and fifteen percent (15%) thereafter of the assessed value of all taxable property within such municipality according to the last completed assessment for taxation or (b) fifteen percent (15%) of the assessment upon which taxes were levied for its fiscal year ending September 30, 1984, whichever is greater. Nothing herein contained shall be construed to apply to contract obligations in any form heretofore or hereafter incurred by any municipality which are subject to annual appropriations therefor, or to bonds heretofore issued by any municipality for school purposes, or to contract obligations in any form heretofore or hereafter incurred by any municipality which are payable exclusively from the revenues of any municipally-owned utility, or to bonds issued by any municipality under the provisions of Sections 57-1-1 through 57-1-31, or to any special assessment improvement bonds issued by any municipality under the provisions of Sections 21-41-1 through 21-41-53.

All bonds issued prior to July 1, 1990, pursuant to this chapter by any municipality for the purpose of the constructing, replacing, renovating or improving wastewater collection and treatment facilities in order to comply with an administrative order of the Mississippi Department of Natural Resources issued pursuant to the Federal Water Pollution Control act and amendments thereto, are hereby exempt from the limitation imposed by this section, if the governing body of the municipality adopts an order, resolution or ordinance to the effect that the rates paid by the users of such facilities shall be increased to the extent necessary to provide sufficient funds for the payment of the principal of and interest on such bonds as each respectively becomes due and payable as well as the necessary expenses in connection with the operation and maintenance of such facilities.

CITY OF PETAL, MISSISSIPPI
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FOR THE YEAR ENDED SEPTEMBER 30, 1993

The following is a schedule of limitations on the indebtedness of the City at September 30, 1993:

Authorized Debt Limit:	15 Percent	20 Percent
Assessed valuation for fiscal year ended September 30, 1993 - \$21,751,978	\$ 3,262,797	\$ 4,350,396
Present debt subject to 15% limitation	(631,000)	
Present debt subject to 20% limitation including debt subject only 15% limitation		<u>(2,506,000)</u>
Margin for further debt under respective debt limits	<u>\$ 2,631,797</u>	<u>\$ 1,844,396</u>

(8) Changes in Long-Term Debt.

A schedule of changes in long-term debt is presented in the Other Supplemental Information section of this report.

Bonds and installment notes payable are comprised of the following:

GENERAL OBLIGATION BONDS:

\$3,750,000 Separate School District Bonds due in annual installments of \$80,000 in 1978 and 1979 increasing to \$85,000 in 1981, \$90,000 in 1982, \$95,000 in 1983, \$150,000 in 1984 through 1989, \$160,000 in 1990 through 1993, \$170,000 in 1994 through 1998, \$180,000 in 1999 through 2002, and \$200,000 in 2003, interest at 5.50% to 6.75%

\$1,770,000

TOTAL GENERAL OBLIGATION BONDS 1,770,000

Refunding note due in annual instalments of 17,000 beginning April 18, 1992 and bearing an interest rate of 6.6%

51,000

SEWER ABATEMENT NOTE PAYABLE:

\$417,827 Sewer Abatement Loan due in monthly installments of \$1,667 for 240 months at 0%

254,772

CERTIFICATES OF PARTICIPATION:

\$550,000 in Certificates of Participation due in annual installments of \$20,000 in 1994; \$25,000 in 1995 through 1997; \$30,000 in 1998 and 1999; \$35,000 in 2000 and 2001; \$40,000 in 2002 and 2003; \$45,000 in 2004 and 2005; \$50,000 in 2006, interest at 5.60% to 8.00%. 550,000

REVENUE BONDS:

\$825,000 Water and Sewer Series 1990 due in annual installments of \$20,000 from 1991 to 1993, \$25,000 in 1994 to 1996, \$30,000 in 1997 and 1998, \$35,000 in 1999 and 2000, and \$40,000 in 2001, \$45,000 in 2002 and 2003, \$50,000 in 2004, \$55,000 in 2005 and 2006, \$60,000 in 2007, \$65,000 in 2008, \$70,000 in 2009 and \$75,000 in 2010, interest at 6.6% to 9.4% 765,000

TOTAL REVENUE BONDS 765,000

GENERAL OBLIGATION ENTERPRISE BONDS:

\$2,500,000 Sewer Construction Bonds due in annual installments of \$95,000 in 1987, \$103,000 in 1988, \$110,000 in 1990, \$120,000 in 1990, \$135,000 in 1991, \$145,000 in 1992, \$155,000 in 1993, \$170,000 in 1994, \$185,000 in 1995, interest at 7.4% to 9.5% \$10,000

\$1,370,000 Water and Sewer Refunding Bonds due in annual installments of \$5,000 in 1992, \$25,000 in 1993 to 1995, \$20,000 in 1996, \$250,000 in 1997, \$255,000 in 1998, \$270,000 in 1999 and \$285,000 in 2000, interest at 3.0% to 5.3% 1,365,000

\$700,000 Water and Sewer Refunding Bonds due in annual installments of \$25,000 in 1990, \$30,000 in 1991 and 1992, \$35,000 in 1993 and 1994, \$40,000 in 1995 and 1996, \$45,000 in 1997, \$50,000 in 1998 and 1999, \$55,000 in 2000, \$60,000 in 2001, \$65,000 in 2002, \$70,000 in 2003 and 2004, interest at 7.1% to 10.0% 580,000

TOTAL GENERAL OBLIGATION ENTERPRISE BONDS \$2,455,000

CITY OF PETAL, MISSISSIPPI
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 1993

The annual requirements to amortize all bonded debt as of September 30, 1992 follows:

<u>\$1,750,000 SSD Bonds</u>		
<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>
1994	\$ 170,000	\$ 102,160
1995	170,000	92,300
1996	170,000	82,100
1997	170,000	71,900
1998	170,000	61,700
Thereafter	<u>920,000</u>	<u>165,350</u>
	<u>\$1,770,000</u>	<u>\$ 575,510</u>

<u>\$85,000 Refunding Notes</u>		
1994	17,000	3,366
1995	17,000	2,244
1996	17,000	1,122
	<u>\$ 51,000</u>	<u>\$ 6,732</u>

<u>\$2.5 Million Sewer Construction</u>		
<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>
1994	155,000	131,715
1995	170,000	119,195
1996	185,000	105,165
	<u>\$ 510,000</u>	<u>\$ 356,075</u>

<u>\$700,000 Water and Sewer Refunding Bond</u>		
<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>
1994	\$ 35,000	\$ 42,088
1995	40,000	38,813
1996	40,000	35,493
1997	45,000	32,275
1998	50,000	28,896
Thereafter	<u>370,000</u>	<u>84,671</u>
	<u>\$ 580,000</u>	<u>\$262,236</u>

<u>\$825,000 Series 1990 Revenue Bond</u>		
<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>
1994	\$ 25,000	\$ 54,635
1995	25,000	52,288
1996	25,000	49,944
1997	30,000	47,366
1998	30,000	44,970
Thereafter	<u>620,000</u>	<u>204,226</u>
	<u>\$ 765,000</u>	<u>\$ 553,429</u>

CITY OF PETAL, MISSISSIPPI
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 1993

<u>\$1,370,000 Refunding Series</u>		
<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>
1994	\$ 25,000	\$ 71,188
1995	25,000	70,358
1996	25,000	68,710
1997	250,000	58,243
1998	250,000	45,898
Thereafter	<u>810,000</u>	<u>51,570</u>
	<u>\$1,365,000</u>	<u>\$ 365,967</u>

<u>\$550,000 Certificates of Participation</u>		
<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>
1994	\$ 20,000	\$ 53,504
1995	25,000	33,603
1996	25,000	31,602
1997	25,000	29,603
1998	30,000	27,402
Thereafter	<u>425,000</u>	<u>146,056</u>
	<u>\$ 550,000</u>	<u>\$ 321,770</u>

(9) Capital Leases

The City is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the General Fixed Assets Account Group and the General Long-term Debt Account Group respectively. Assets under capital leases totaled \$66,321 at September 30, 1993. The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum lease payments as of September 30, 1993.

<u>Year Ending 9/30</u>	<u>General Long-term Debt Account Group</u>
1994	\$ 9,286
1995	4,925
Minimum lease payments	14,211
Less: Amount representing interest at City's incremental borrowing rate	(2,392)
Present value of minimum lease payments	<u>\$ 11,819</u>

(10) Defined Benefit Pension Plan

All eligible employees of the City of Petal, Mississippi participate in the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer defined benefit pension plan. The covered payroll for employees covered by PERS for the year ended September 30, 1993 was \$558,511; the City of Petal total payroll was \$980,042.

Membership in PERS is a condition of employment for all eligible employees of the State of Mississippi, public schools, institutions of higher learning, community and junior colleges, and eligible employees of municipalities, counties, and other political subdivisions and instrumentalities of municipal and county government that have entered into a Membership Agreement approved by PERS Board of Trustees (Board).

Participating employees who retire at or after age 60 with 4 years of credited service or those who retire regardless of age with at least 25 years of credited service are entitled to an annual retirement allowance payable monthly for life in an amount equal to 1-7/8% of their average compensation for each year of credited service up to and including 25 years and 2% for each year of credited service over 25 years. Average compensation is the average of the employee's earnings during the 4 highest compensated consecutive years of credited service. A member may elect an option for a reduced allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of 4 years of credited service. PERS also provides certain death and disability benefits.

All retirees and beneficiaries drawing an allowance from PERS as of December 1 of each year who have been retired for at least one full state fiscal year (July 1 through June 30) are eligible to receive a cost-of-living adjustment (COLA) payable on December 15. The amount of the payment is based upon the annualized benefit payment, the number of fiscal years retired, the percentage change in the Consumer Price Index, up to a maximum of 2-1/2%, plus any additional percentage the Board may grant up to a maximum of 1-1/2%. The base percentage used to compute this payment is

CITY OF PETAL, MISSISSIPPI
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 1993

cumulative. The Board may grant the additional percentage in increments of 1/4% if there are sufficient investment earnings in excess of the actuarial liabilities in reserves for retired members and beneficiaries. For the year ended June 30, 1993, PERS total cost-of-living payment to service, disability, and beneficiary retirees was \$45,544,748.

Covered employees as of June 30, 1993, of the City of Petal were required by statute to contribute 7.5% of their salary to PERS. If an employee leaves covered employment, accumulated employee contributions plus related investment earnings allocations may be refunded to the employee or designated beneficiary. Investment earnings allocations were 5% in 1993. Each participating employer is required by statute to contribute the remaining amounts necessary to finance the coverage of its own employees. Benefit and contribution provisions are established by State law and may be amended only by the State of Mississippi legislature. The contribution requirement for the year ended September 30, 1993, was \$145,947, which consisted of \$81,705 from the City of Petal and \$62,242 from employees. The employer and employee contributions represented 9.75% and 7.25% of covered payroll, respectively.

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the funding status of PERS on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. PERS does not make separate measurements of assets and pension benefit obligation for individual employers. The pension benefit obligation at June 30, 1993 for PERS as a whole, determined through an actuarial valuation performed as of that date, was \$7,821,504,000. PERS net assets available for benefits on that date (determined at book value) were \$5,612,666,000, leaving an unfunded pension benefit obligation of \$2,208,838,000. The City of Petal 1993 contribution represented less than 1.0 percent of total contributions required of all participating entities.

Ten-year historical trend information showing PERS progress in accumulating sufficient assets to pay benefits when due is presented in PERS June 30, 1993, Comprehensive Annual Financial Report.

CITY OF PETAL, MISSISSIPPI
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 1993

(11) Ad Valorem Taxes Levied for other Governmental Entities

As stated in Note 1, Summary of Significant Accounting Policies, this report has been prepared to include the funds and account groups of the City (i.e., the "Reporting Entity" as defined by Statement 3). Section 35-57-1 et seq., Mississippi Code 1972, requires that the City levy and collect all taxes for and on behalf of the municipal separate school district. Section 39-3-7, Mississippi Code 1972, authorizes the City to levy and collect a tax not in excess of three mills for the support of any public library system located within the municipality.

Ad valorem taxes collected and settled in accordance with the above-noted statutory authorities are not recognized as revenues and expenditures of the City with the exception of school bonded indebtedness issued prior to March 3, 1987. The accompanying supplemental information schedule "Reconciliation of Tax Assessments to Fund Collections" provides specific assessment and settlement information. For the reported fiscal year the following ad valorem tax levies were made in accordance with the applicable statutory requirements and authorizations:

Entity/Purpose of Levy	Applicable State Law	Mills Levied
School District:		
Minimum Education Program	37-57-1	2.53 mills
Operational Support	37-57-105	52.21 mills
School Bonded Indebtedness (for bonds issued subsequent to March 3, 1987)	37-59-23	2.64 mills

Taxes collected for School Bonded Indebtedness issued prior to March 3, 1987 and debt service expenditures attributable to such debt is reported in the City's School Bond and Interest Fund (accounted for as a debt service fund). In addition to recording these transactions in a separate debt service fund, the debt attributable to these issues is recorded in the City's Long-Term Debt Group of Accounts.

Due to certain statutory changes and interpretations issued by the State Attorney General's office, the City does not record debt service transactions attributable to school bonds issued subsequent to March 3, 1987. These bond issues are not reported in the City's Long-Term Debt Group of Accounts.

(12) Legal Compliance

A. Budget

The City of Petal has met all requirements set forth by law and prescribed by the State Department of Audit in preparation and monitoring of the budget for the governmental funds of the City of Petal.

B. Purchasing

The City of Petal has in place the procedures required by the State of Mississippi as set forth in Part III of the Municipal Compliance Questionnaire.

C. Property Tax

Property taxes are assessed by the City on a calendar year basis and are considered delinquent as of February 1.

State law provides for a 10 percent limitation on increased property tax revenue over the previous year and requires that any excess tax collections are to be placed in escrow and applied against the following years tax revenue.

The non-school tax levy set for the City was 35.75 mills for the fiscal year ended September 30, 1993.

D. Deposits

The city's bank balance at September 30, 1993 was \$2,462,709. Of this balance \$23,276 was not covered by FDIC insurance and pledged securities which is a violation of state statute.

(13) Receivables

Receivables at September 30, 1993 consist of the following:

Receivables	General	Special Revenue	Debt Service	Enterprise	Totals
Accounts				\$ 47,576	\$ 47,576
Franchise fees	41,689				41,689
Sales tax	66,618				66,618
Auto ad valorem	10,661		4,792		15,453
Totals	\$ 118,968	\$	\$ 4,792	\$ 47,576	\$171,336

CITY OF PETAL, MISSISSIPPI
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 1993

Customer accounts receivable in the Enterprise Fund are attributable to unpaid balances for charges through September 30, 1993.

(14) Payables from Restricted Assets

Certain assets of the Water and Sewer Enterprise Fund have been restricted for debt service, customer deposits and construction. These assets consist of cash and certificates of deposit restricted as follows:

Customer deposits	\$ 88,295
Accrued interest	16,351
Bonds and notes payable (current)	80,890
	<u>\$ 185,536</u>

(15) Deferred Charges

During the year ended September 30, 1993, the City issued \$825,000 of Water and Sewer Revenue Bonds to finance the extension of the City's sewer system. In connection with the issuance of these bonds the City incurred \$26,771 in legal and other issuance costs. These fees have been capitalized and are being amortized on the straight-line method over the life of the bonds.

(16) Contributed Capital

Contributed capital as of September 30, 1993 consists of:

Contributions from Customers	\$ 50,068
Contributions from Federal Government	78,882
Contributions from City of Petal	222,439
Total	<u>\$ 351,389</u>

(17) Inventory

The enterprise and general fund inventories are stated at cost. Cost is determined primarily under the first-in, first-out method.

(18) Interest Expense

The total amount of interest expense incurred by the Water and Sewer Enterprise Fund for the year ended September 30, 1992 is as follows:

Charged to expense	\$ 103,978
Paid	\$ 106,202

CITY OF PETAL, MISSISSIPPI
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 1993

(19) Construction Commitments

The City has a construction contract with Naples Construction Company, Inc. for construction of a multi-purpose center. The total contract was \$550,000 and as of September 30, 1993, \$0 had been completed.

(20) Residual Equity Transfer

On October 1, 1992, the City of Petal transferred its solid waste disposal operations from the general fund to a proprietary fund. As a result of this action a residual equity transfer of \$39,420 was made from the general fund to the Solid Waste Disposal proprietary fund.

(21) Solid Waste Disposal

Pursuant to Section 17-17-347 of the Mississippi Code Annotated (1972), the City of Petal, Mississippi began accounting for waste disposal and collection in a proprietary fund. The following information is provided pursuant to Section 17-17-347 of the Mississippi Code Annotated:

Direct Costs:	
Salary and fringe benefits	\$ 74,782
Oil, gas and fuel	5,667
Parts, supplies	3,785
Other repair costs	2,164
Insurance	1,077
Professional services	20,107
Scales/tipping fees	36,000
Depreciation	12,010
Indirect Costs	2,714
Total costs	<u>165,306</u>
Tons disposed	4,133
Cost per ton	<u>\$ 40</u>

Total cost	\$ 165,306
Number of households	2,475
Cost per household	<u>\$ 67</u>

Tipping fee/ton \$ 8.70

**CITY OF PETAL
MINUTE BOOK 14**

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1993

(22) Component Units

EXHIBIT "A"

In October of 1992 the City of Petal formed the Petal Public Improvement Corporation, a not-for-profit entity, for the purpose of issuing certificates of participation to finance the construction of a multi-purpose center to be leased by the City upon completion. The Board of Directors of the Corporation are the same as the Mayor and Board of Alderman of the City.

Since the management of the Petal Public Improvement Corporation is the same as the City and the Corporation exists only to benefit the City we used the blended method of reporting the activity of the corporation. The financial statements of the corporation are reported as Capital Project Funds in the general purpose financial statements of the City.

Financial statements of the Corporation may be obtained at Petal City Hall.

(23) Related Organizations

The City of Petal donates or has a financial commitment to the following entities that do not qualify as component units:

- Petal Police Auxillary
- Petal Volunteer Fire Department
- Pine Belt Regional Waste Authority
- Forrest County Area Development Partnership

(24) Deficit Fund Balance

The Solid Waste Fund had a deficit in retained earnings at September 30, 1993 of \$17,148 and expenditures exceeded revenues by \$17,148.

SUPPLEMENTAL INFORMATION

**SCHEDULE 1
CITY OF PETAL, MISSISSIPPI
GENERAL FUND
BALANCE SHEET
SEPTEMBER 30, 1993**

(With Comparative Totals for September 30, 1992)

	1993	1992
ASSETS		
Cash	\$ 428,197	\$ 450,142
Receivables:		
Franchise fees	41,689	32,020
Garbage fees	0	8,457
Due from:		
Other governments	77,279	70,175
Other funds	40,367	4,677
Other entity	1,536	1,536
Inventory at cost	<u>1,536</u>	<u>1,536</u>
Total assets	\$ 589,068	\$ 567,007
LIABILITIES:		
Bills docketed	\$ 47,292	\$ 56,554
Cash bonds	9,542	14,896
Tax overbids	32,713	25,052
Due to other funds	<u>56,243</u>	<u>96,502</u>
	<u>145,790</u>	<u>192,904</u>
FUND BALANCE		
Reserved for inventory	1,536	1,536
Unreserved	<u>441,742</u>	<u>468,969</u>
Total fund balance	443,278	470,505
Total liabilities and fund balance	\$ 589,068	\$ 567,007

The accompanying notes are an integral part of the financial statements.

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**SCHEDULE 2
CITY OF PETAL, MISSISSIPPI
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 1993**

(With Comparative Totals for the Year Ended September 30, 1992)

	1993	1992
REVENUES:		
Property tax	\$ 397,467	\$ 400,548
Penalties and interest on delinquent taxes	6,811	7,090
Licenses and permits	30,181	28,031
Franchise fees	160,737	141,668
Homestead exemption	35,905	33,873
State share revenue:		
Sales tax	776,087	692,518
Alcoholic beverage levy	900	900
Intergovernmental:		
Gasoline tax	9,873	9,877
Municipal aid	4,552	4,564
Cultural and recreational fees	24,318	21,988
Fines and forfeits	60,626	75,149
Charges for services	1,500	139,170
Interest earnings	9,043	15,458
Prior year taxes	659	2,246
Reimbursements	25,861	895
Sale of equipment	300	8,015
Miscellaneous	5,669	58,821
Total revenues	1,550,482	1,640,811
EXPENDITURES:		
General government	351,872	448,898
Public safety	730,695	722,269
Public works	342,822	445,462
Cultural and recreational	69,727	61,682
Health and welfare	22,572	21,408
Debt service	21,607	40,536
Total expenditures	1,539,295	1,740,255
Excess of revenues over (under) expenditures	11,194	(99,444)
Other financing sources (uses)		
Proceeds of debt	0	42,320
Total other financing sources	0	42,320
Excess of revenue and other financing sources over expenditures and other financing uses	11,194	(57,124)
Fund balance - October 1	470,504	527,628
Residual equity transfer	(38,420)	0
Fund balance - September 30	\$ 443,278	\$ 470,504

The accompanying notes are an integral part of the financial statements.

SCHEDULE 2-A
CITY OF PETAL, MISSISSIPPI
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 1993

	Municipal Fire Protection Fund	Law Enforce- ment Fund	Road Maint- enance Fund
ASSETS			
Cash	\$ 45,488	\$	\$ 50,737
Receivable			
Other			924
Due from other gov'ts			
Due from other funds		1,310	
Total assets	\$ 45,488	\$ 1,310	\$ 51,661
LIABILITIES			
Accounts payable	\$ 200	\$ 241	\$
Due to other funds			
Cash overdrafts		441	
Total liabilities	200	682	0
FUND BALANCES			
Unreserved	45,288	628	51,661
Total liabilities and fund balance	\$ 45,488	\$ 1,310	\$ 51,661

Multiple Buildings	Rental Rehab Fund	COBG Fund	SECB Fund	Loan Repayment Fund	Rental Rehab Loan Fund	Totals (Memorandum Only)
\$	\$	\$ 1	\$ 2,027	\$ 9,831	\$ 9,338	\$ 117,422
	199,465			1,327	83,640	284,432
						924
						1,310
\$ 0	\$ 199,465	\$ 1	\$ 2,027	\$ 11,158	\$ 92,978	\$ 404,088
						441
						1
						441
						883
	199,465		2,027	11,158	92,978	403,205
\$ 0	\$ 199,465	\$ 1	\$ 2,027	\$ 11,158	\$ 92,978	\$ 404,088

SCHEDULE 2-B
CITY OF PETAL, MISSISSIPPI
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR YEAR ENDED SEPTEMBER 30, 1993

	Municipal Fire Protection	Law Enforcement Fund	Road Maintenance Fund	Multiple Building Fund
REVENUES:				
Road maint funds	\$	\$	\$ 84,539	\$
Municipal fire funds	32,996			
Law enforcement		2,125		
Interest	829	150	1,140	
Metro reimbursement		9,619		
Other income	900		4,817	
Total revenues	34,725	11,894	90,496	0
EXPENDITURES:				
Public safety	47,968	18,567		
Public works			72,567	
Total expenditures	47,968	18,567	72,567	0
Excess (deficiency) of revenues over (under) expenditures:	(13,243)	(6,673)	17,929	0
Other financing sources (uses):				
Debt discharge				
Total Other Financing				
Excess (deficiency) of revenues and other sources over (under) expenditures and other financing uses	(13,243)	(6,673)	17,929	0
Fund balances, October 1	58,531	7,301	33,732	
Fund balances, September 30	\$ 45,288	\$ 628	\$ 51,661	\$ 0

The accompanying notes are an integral part of the financial statements.

Rental Rehab Fund	SECB Fund	Loan Repayment Fund	Rehab Loan Repayment Fund	Totals (Memorandum Only)
\$	\$	\$	\$	\$ 84,539
				32,996
		242	1,084	2,125
				3,445
				9,619
				5,717
0	0	242	1,084	138,441
				66,535
				72,567
0	0	0	0	139,102
0	0	242	1,084	(661)
(32,096)			(3,676)	(35,772)
(32,096)	0	0	(3,676)	(35,772)
(32,096)	0	242	(2,592)	(36,433)
231,561	2,027	10,916	95,570	439,638

SCHEDULE 4-A
CITY OF PETAL, MISSISSIPPI
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 1993
CITY OF PETAL
MINUTE BOOK 14

	2.5 Million Sewer Bond & Interest Fund	SSD Bond and Interest Fund	Total (Memorandum Only)
ASSETS			
Cash	\$ 270,608	\$ 80,485	\$ 351,093
Cash held by fiscal agent		9,256	9,256
Due from other governments		4,792	4,792
Total assets	\$ 270,608	\$ 94,533	\$ 365,141
LIABILITIES			
Matured bond and interest due	\$	\$ 9,256	\$ 9,256
Fund balance - reserved	270,608	85,277	355,885
Total liabilities and fund balance	\$ 270,608	\$ 94,533	\$ 365,141

EXHIBIT "A"

The accompanying notes are an integral part of the financial statements.

SCHEDULE 4-B
CITY OF PETAL, MISSISSIPPI
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 1993

	2.5 Million Sewer Bond and Interest Fund	SSD Bond and Interest Fund	Total (Memorandum Only)
REVENUES			
General property tax	\$ 257,177	\$ 273,763	\$ 530,940
Prior year tax		2,992	2,992
Penalty and interest	2,920	1,451	4,371
Interest earned	6,378	1,972	8,350
Other	110		110
Total revenue	266,585	280,178	546,763
EXPENDITURES			
Debt Service			
Principal	150,000	160,000	310,000
Interest	90,361	111,400	201,761
Professional fees	6,290		6,290
Agent fees	3,523	337	3,860
Total expenditures	250,174	271,737	521,911
Excess (deficiency) of revenues over expenditures	16,411	8,441	24,852
Fund balance, October 1, 1992	254,197	76,836	331,033
Fund balance, September 30, 1993	\$ 270,608	\$ 85,277	\$ 355,885

The accompanying notes are an integral part of the financial statements.

SCHEDULE 5-A
CITY OF PETAL, MISSISSIPPI
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 1993

	CLEANING FUND	BENEFIT FUND	INSURANCE REVOLVING FUND	TAX COLLECTOR'S FUND	DEFERRED COMPEN- SATION FUND	TOTALS (MEMORANDUM ONLY)
ASSETS						
Cash in bank	\$ 66	\$37,696	\$ 13,165	\$ 9	\$	\$ 50,936
Cash held by agent					12,532	12,532
	\$ 66	\$37,696	\$ 13,165	\$ 9	\$ 12,532	\$ 63,468
LIABILITIES						
Due to other governments	\$	\$	\$	\$ 4	\$	\$ 4
Due to other funds	66			5		71
Deferred benefits payable		37,696			12,532	50,228
Total liabilities	66	37,696	0	9	12,532	50,303
Fund Balance	0	0	13,165	0	0	13,165
Total liabilities and fund balance	\$ 66	\$37,696	\$ 13,165	\$ 9	\$ 12,532	\$ 63,468

The accompanying notes are an integral part of the financial statements.

SCHEDULE 5-B
CITY OF PETAL, MISSISSIPPI
TRUST AND AGENCY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 1993

REVENUES	BENEFIT FUND	INSURANCE REVOLVING FUND	TAX COLLECTOR'S FUND	DEFERRED COMPENSATION FUND	TOTALS (MEMORANDUM ONLY)
Interest earned	\$	\$ 304	\$	\$	\$ 304
EXPENDITURES		0			0
Excess of revenue over expenditures		304			304
Fund balance - October 1, 1992		12,861			12,861
Fund balance - September 30, 1993	\$ 0	\$ 13,165	\$ 0	\$ 0	\$ 13,165

The accompanying notes are an integral part of the financial statements.

SCHEDULE 6-A
CITY OF PETAL, MISSISSIPPI
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 1993

	Water & Sewer	Solid Waste Fund	Total (Memorandum Only)
Assets			
Cash	\$ 347,685	\$ 22,773	\$ 370,458
Accounts receivable	39,028	8,548	47,576
Accrued interest	839		839
Other	27,273		27,273
Inventory	26,736		26,736
Prepaid expense	2,289		2,289
Due from other funds	71,166	11,305	82,471
Restricted			
Debt service	74,941		74,941
Bond contingency	3,423		3,423
Bond depreciation	3,417		3,417
Bond cushion	54,258		54,258
Sewer escrow	167		167
Facility repair	339,973		339,973
Property, Plant & Equipment			
Land & easements	21,994		21,994
Buildings	49,803		49,803
Water & Sewer system	4,854,373		4,854,373
Machinery & equipment	286,360	84,073	370,433
Accumulated depreciation	(1,398,149)	(82,811)	(1,480,960)
Bond insurance cost	26,771		26,771
Accumulated amortization	(4,796)		(4,796)
Capitalized interest	36,228		36,228
Total Assets	\$4,564,549	\$ 43,888	\$ 4,608,437
Liabilities			
Accounts payable	\$ 37,124	\$ 11,093	\$ 48,217
Due to other funds	67,834		67,834
Customer deposits	88,295		88,295
Accrued interest	16,351		16,351
G.O. bonds payable	1,345,000		1,345,000
Abatement note payable	254,772		254,772
Accrued payroll	8,001	2,008	10,009
Sales tax payable	267		267
Total Liabilities	1,817,644	13,101	1,830,745
Fund Equity			
Contributed capital	303,454	47,935	351,389
Retained earnings			
Reserve for repairs & replacement	211,066		211,066
Reserved for debt service	121,425		121,425
Unreserved	2,110,240	(17,148)	2,093,092
Total Fund Equity	2,746,225	30,787	2,777,012
Total Liabilities & Fund Equity	\$4,564,549	\$ 43,888	\$ 4,608,437

The notes are an integral part of the financial statements.

SCHEDULE 6-B
CITY OF PETAL, MISSISSIPPI
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
SEPTEMBER 30, 1993

	Water & Sewer	Solid Waste Fund	Total (Memorandum Only)
Operating Revenues:			
Charges for services	\$ 620,342	\$ 148,067	\$ 768,609
Tap fees	6,450		6,450
Connect fees	5,322		5,322
Sewer treatment charges	39,216		39,216
Other income	20,073		20,073
Operating Revenues	691,603	148,067	839,670
Operating Expenses:			
Personal services	247,018	74,783	321,800
Supplies and materials	42,408	9,452	51,860
Contractual services	54,457	57,184	111,641
Repairs and maintenance	286,896	2,164	289,060
Utilities	54,762		54,762
Depreciation and amortization	161,759	12,010	173,769
Sewer treatment	100,312		100,312
General and administrative	956		956
Bad debts	1,505		1,505
Indirect costs		2,714	2,714
Operating Expenses	930,073	145,306	1,075,379
Operating income (loss)	(238,470)	(17,239)	(255,709)
Nonoperating Revenues (Expenses)			
Interest income	24,852	91	24,943
Grants	53,157		53,157
Interest expense	(103,798)		(103,798)
Net income (loss)	(264,259)	(17,148)	(281,407)
Retained earnings - October 1, 1992			

EXHIBIT "A"

SCHEDULE 6-C
CITY OF PETAL, MISSISSIPPI
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
SEPTEMBER 30, 1993

	Water & Sewer	Solid Waste Fund	Total (Memorandum Only)
Cash flows from operating activities:			
Cash received from customers	\$ 676,360	\$ 147,977	\$ 824,337
Cash paid to suppliers	(561,503)	(67,421)	(628,924)
Cash paid to employees	(243,319)	(72,774)	(316,093)
Net cash provided (used) by operating activities	(128,462)	7,782	(120,680)
Cash flows from capital and related financing:			
Grant proceeds	53,157		53,157
Contributed capital		14,900	14,900
Principal payments - bonds	(55,000)		(55,000)
Principal payments - notes	(20,886)		(20,886)
Interest paid	(106,202)		(106,202)
Purchase of fixed assets	(174,519)		(174,519)
Net cash provided (used) by capital and related financing activities	(303,450)	14,900	(288,550)
Cash flows from investing activities:			
Interest received	24,852	91	24,943
Net cash provided by investing activities	24,852	91	24,943
Net increase(decrease) in cash	(407,060)	22,773	(384,287)
Cash balance at October 1, 1992	1,230,924	0	1,230,924
Cash balance at September 30, 1993	\$ 823,864	\$ 22,773	\$ 846,637

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income (loss)	\$ (238,470)	\$ (17,239)	\$ (255,709)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	161,759	12,010	173,769
(Increase)decrease in accounts receivable	(13,740)	(90)	(13,830)

SCHEDULE 6-C (CONTINUED)
CITY OF PETAL, MISSISSIPPI
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
SEPTEMBER 30, 1993

	Water & Sewer	Solid Waste Fund	Total (Memorandum Only)
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES (CONTINUED)			
Adjustments to reconcile operating income to net cash provided by operating activities (continued):			
Increase(decrease) in accounts payable	(45,767)	11,093	(34,674)
Increase(decrease) in accrued expense	7,756	2,008	9,764
Total adjustments	110,008	23,091	133,099
Net cash provided (used) by operating activities	\$ (128,462)	\$ 7,782	\$ (120,680)

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Contribution of fixed assets from government		84,073	
Other required disclosures:			
Interest expenses	\$ 106,202	0	
Interest capitalized		0	
Interest paid	106,202	0	

OTHER SUPPLEMENTAL INFORMATION

CITY OF PETAL, MISSISSIPPI
SCHEDULE OF SURETY BONDS
SEPTEMBER 30, 1993

Name	Position	Company	Bond
Jack Gay, Jr.	Mayor	Aetna Life	10,000
Leroy Scott	Alderman Ward 4	Aetna Life	10,000
W. Campbell	Alderman Ward 1	Aetna Life	10,000
B. Runnels	Alderman Ward 3	Aetna Life	10,000
R. Brandle	Alderman Ward 2	Aetna Life	10,000
Reuben Clepper	Alderman At Large	Aetna Life	10,000
Priscilla C. Daniel	City Clerk	Aetna Life	50,000
Linda Sue Doggett	Deputy Clerk	Aetna Life	50,000
Cecelia A. Breland	Water Department Cashier	Aetna Life	10,000
Ava Pickett	Deputy Tax Collector	Aetna Life	10,000
Carolyn Graves	Deputy Tax Collector	Aetna Life	10,000

**CITY OF PETAL
MINUTE BOOK 14**

CITY OF PETAL, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 1993

DEFINITION AND PURPOSE	EXHIBIT "A" BALANCE OUTSTANDING 10/1/92			TRANSACTIONS DURING FISCAL YEAR	BALANCE OUTSTANDING 9/30/93
	ISSUED	REDEEMED			
General Obligation Bonds:					
Separate School District	\$1,930,000	\$	\$ 160,000	\$1,770,000	
Sever refunding	1,370,000		5,000	1,365,000	
Sever	655,000		145,000	510,000	
Refunding	615,000		35,000	580,000	
Total	4,570,000		345,000	4,225,000	
Revenue Bonds:					
Water & Sever Series 1993	785,000		20,000	765,000	
Total	785,000		20,000	765,000	
Official Long-term Debt:					
Certificates of participation		550,000		550,000	
Refunding notes payable	68,000		17,000	51,000	
Sever abatement note	275,658		29,886	245,772	
Total	343,658	550,000	46,886	855,772	
Capital Lease Payable:	22,884		22,045	11,839	
TOTAL	\$5,732,842	\$ 550,000	\$ 424,951	\$5,857,591	

CITY OF PETAL, MISSISSIPPI
RECONCILIATION OF ORIGINAL AD VALOREM TAX ROLLS TO FUND COLLECTIONS
YEAR ENDED SEPTEMBER 30, 1993

ADJUSTED ASSESSED VALUATION	ASSESSED VALUE	TAX	
City:			
Realty	\$12,874,716		
Personal - other than auto	1,567,644		
Public utilities	3,627,532		
Personal - auto (remitted by county)	3,882,086		
Total City at 35.75 mills	21,751,978	\$ 777,633	
Less: Homestead exemption allowed		(86,002) \$ 691,631	
Add: Homestead reimbursement		35,906	
Separate School District:			
Realty	24,290,966		
Personal - other than auto	4,955,227		
Public utilities	5,905,747		
Personal - auto (remitted by county)	9,726,612		
Total SSD at 64.22 mills	44,888,553	2,882,743	
Less: Homestead exemption allowed		(259,382) 2,624,361	
Deduct: Commission to county to be accounted for		(38,790) \$3,313,118	
		\$3,313,118	
CREDITS	TAXES	HOMESTEAD REIMBURSEMENT	TOTAL
Collections Allocated to:			
General fund	\$ 397,467	\$ 35,905	\$ 433,372
2.5 million sewer bond fund	257,177		257,177
SSD bond and interest fund	273,763		273,763
Library fund	23,729		23,729
School district	1,507,930		1,507,930
SSD school note	82,891		82,891
Totals	3,342,857	35,905	2,578,862
Balance represented by:			
Auto ad valorem remitted directly to schools by county		532,798	
Homestead exemption received directly by school district		193,471	
Unaccounted for		7,987	734,256
Total accounted for			\$3,313,118

CITY OF PETAL, MISSISSIPPI
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 1993

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Grant/Contract Number
U.S. Department of HUD		
CDBG - Rental Rehabilitation	14.230	R848G280103
CDBG - Rental Rehabilitation	14.230	R892G28010363A
CDBG - Rental Rehabilitation	14.230	R905G28010363A
CDBG - Rental Rehabilitation	14.230	R918G28010363A
CDBG - Small Cities Grant	14.228	0-1135-112-PP-01
Total Department of HUD		
Other Federal Assistance		
U.S. Department of Justice	N/A	N/A
Environmental Protection Agency	66.458	SRP-C280770-01-0
Total Federal Assistance		

Grant Funds Received FYE 9/30/93	Grant Funds Expended FYE 9/30/93	Other Revenue FYE 9/30/93
\$ 0	\$ 0	\$* 6,179
0	0	0
0	0	0
0	0	0
0	0	0
0	0	6,179
15,000	15,000	0
15,000	15,000	6,179
9,619	9,619	0
66,224	66,224	0
\$ 90,843	\$ 90,843	\$ 6,179

EXHIBIT "A"

Wright, King and Company, P.A.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE OR
BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Mayor and Board of Aldermen
Petal, Mississippi

We have audited the general purpose financial statements of the City of Petal, Mississippi, as of and for the year ended September 30, 1993, and have issued our report thereon dated January 3, 1994.

We have conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of City of Petal, Mississippi, for the year ended September 30, 1993, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of the City of Petal, Mississippi, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial

City of Petal, Mississippi
Page 2
January 3, 1994

statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

1. Revenue/receipts/receivables
2. Purchasing/disbursements/payables
3. Payroll and related liabilities
4. Grant administration
 - a) General requirements
 - b) Specific requirements

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. See the Schedule of Reportable Conditions for details of reportable conditions noted. Prior year reportable conditions have been corrected unless noted in the Schedule of Reportable Conditions.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

City of Petal, Mississippi
Page 3
January 3, 1994

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted a reportable condition that we believe is a material weakness, and it is detailed in the accompanying Schedule of Material Weaknesses.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of the City of Petal, Mississippi, in a separate letter dated January 3, 1994.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

Wright, King & Company, P.A.
Wright, King & Company, P.A.

Hattiesburg, Mississippi
January 3, 1994

EXHIBIT "A"

Wright, King and Company, P.A.

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**SINGLE AUDIT REPORT ON INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

To the Mayor and Board of Aldermen
City of Petal, Mississippi

We have audited the general purpose financial statements of the City of Petal, Mississippi, for the year ended September 30, 1993, and have issued our report thereon dated January 3, 1994.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and whether the City of Petal, Mississippi, complied with laws and regulation, noncompliance with which would be material to a federal financial assistance program.

In planning and performing our audits for the year ended September 30, 1993, we considered the City's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the City's general purpose financial statements and on its compliance with requirements applicable to major programs and not to provide assurance on the internal control structure. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated January 3, 1994.

City of Petal, Mississippi
Page 2
January 3, 1994

The management of the City of Petal, Mississippi, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Activity Cycles

1. Revenue/receipts
2. Purchasing/disbursements
3. Payroll/personnel

General Requirements

1. Political Activity
2. Davis-Bacon Act
3. Civil Rights
4. Cash Management
5. Allowable costs/cost principles
6. Drug-free Workplace
7. Administrative requirements

Specific Requirements

1. Types of services
2. Matching, level of effort and earmarking

City of Petal, Mississippi
Page 1
January 3, 1994

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended September 30, 1993, the City of Petal, Mississippi had no major programs and, expended 73% of its total federal financial assistance under the following nonmajor federal financial assistance programs:

Capitalizing Grants For State Revolving Funds

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the City's federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our considerations of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly,

City of Petal, Mississippi
Page 4
January 3, 1994

EXHIBIT "A"

However, we noted certain matters involving the internal control structure and its operations that we have reported to the management of the City of Petal, Mississippi, in a separate letter dated January 3, 1994.

This report is intended for the information of the management. However, this report is a matter of public record and its distribution is not limited.

Wright, King & Co., P.A.
Wright, King & Co., P.A.
Hattiesburg, Mississippi
January 3, 1994

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
BASED ON AN AUDIT OF THE GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Mayor and Board of Aldermen
City of Petal, Mississippi

We have audited the general purpose financial statements of the City of Petal, Mississippi as of and for the year ended September 30, 1993, and have issued our report thereon dated January 3, 1994.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments" and the "Compliance Supplements for Audits of Mississippi Municipalities". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the City of Petal, Mississippi, is the responsibility of the City of Petal, Mississippi, management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion. We also considered those compliance matters comprehended in the "Compliance Supplement for Audits of Mississippi Municipalities" as promulgated by the state Department of Audit.

The results of our tests indicate that with respect to the items tested, the City of Petal, Mississippi, complied in all material respects, with the provisions referred to in the preceding

City of Petal, Mississippi
Page 2
January 3, 1994

paragraph. However, we noted certain nonmaterial instances of noncompliance that were communicated to management in a separate letter dated January 3, 1994. With respect to items not tested, nothing came to our attention that caused us to believe that the City had not complied, in all material respects, with those provisions.

This report is intended for the information of management. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Wright, King & Company, P.A.
WRIGHT, KING & COMPANY, P.A.
Hattiesburg, Mississippi
January 3, 1994

Wright, King and Company, P.A.
Certified Public Accountants
#10 Plaza Drive
P.O. Box 18433
Hattiesburg, MS 39407
(601) 268-3136

Douglas A. King, CPA
Wesley C. Wright, CPA
Marion N. Wright, PA

Members
Membership Society Of
Certified Public Accountants
American Institute of
Certified Public Accountants

**SINGLE AUDIT REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

To the Mayor and Board of Alderman
Petal, Mississippi

We have audited the financial statements of the City of Petal, Mississippi, as of and for the year ended September 30, 1993, and have issued our report thereon dated January 3, 1994.

We have applied procedures to test the City of Petal, Mississippi, compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended, September 30, 1993.

1. Political activity
2. Davis-Bacon Act
3. Civil Rights
4. Cash Management
5. Allowable cost/cost principles
6. Drug-free Workplace
7. Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Petal, Mississippi, compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the

EXHIBIT "A"

City of Petal, Mississippi
Page 2
January 3, 1994

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

Wright, King & Co., P.C.
Wright, King & Co., P.A.

Hattiesburg, Mississippi.
January 3, 1994

Wright, King and Company, P.A.

Chartered (Under Accounting)
0011
P.O. Box 184222
Hattiesburg, MS 39402
MS 011 508-3136

Charles A. King, CPA
William C. Wright, CPA

Member of Wright, PA

SINGLE AUDIT REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

Member of
Mississippi Society of
Certified Public Accountants
American Institute of
Certified Public Accountants

To the Mayor and Board of Aldermen
Petal, Mississippi

We have audited the financial statements of the City of Petal, Mississippi, as of and for the year ended September 30, 1993, and have issued our report thereon dated January 3, 1994.

In connection with our audit of the 1993 general purpose financial statements of the City of Petal, Mississippi, and with our consideration of the City of Petal, Mississippi, internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended September 30, 1993.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; and cost allocation that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Petal, Mississippi, compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Petal, Mississippi, had not complied, in all material respects, with those requirements.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

Wright, King & Co., P.C.
Wright, King & Co., P.A.

Hattiesburg, Mississippi
January 3, 1994

CITY OF PETAL, MISSISSIPPI
SCHEDULE OF REPORTABLE CONDITIONS
SEPTEMBER 30, 1993

Findings

The following weaknesses were noted in the City's internal control structure that created a risk that errors or irregularities could have occurred and not been detected by city personnel during the normal course of their duties:

- A. Two of thirty building permits tested were miscalculated by misreading the fee schedule.
- B. A fee for storage sheds was added to the schedule of fees for building permits without amending the ordinance.
- C. There is not adequate duty segregation in the water and sewer department.

Recommendation

We recommend that the district take the following steps to help correct the weaknesses noted above:

- A. Exercise greater care in reading fee schedule and have the computation verified if possible.
- B. Make sure that all permit fees are approved by Board.
- C. Hire an additional employee for the water and sewer department.

Response

The city has agreed to implement all recommendations when possible to do so.

Finding

The following weaknesses were noted in the City's system of purchasing/expenditures/payables that created a risk that errors or irregularities could have occurred and not been detected during the normal course of employees duties:

- A. In 4 of 214 expenditures tested the purchase order was issued after the invoice.
- B. In 9 of 214 expenditures tested the warrant number was not recorded on the paid invoice.
- C. In 3 of 214 expenditures tested the receipt of the goods was not noted on the invoice.
- D. In 5 of 214 expenditures the purchase order was not signed.

CITY OF PETAL, MISSISSIPPI
SCHEDULE OF REPORTABLE CONDITIONS (CONTINUED)
SEPTEMBER 30, 1993

Recommendation

We recommend that the City take the following steps to help correct the weaknesses noted above:

- A. Emphasize that purchase orders are required prior to purchasing.
- B. Write in warrant number on paid invoices.
- C. Sign invoice or packing slips to denote that goods were received.
- D. Return unsigned purchase orders to department heads for signature.

Response

EXHIBIT "A"

CITY OF PETAL, MISSISSIPPI
SCHEDULE OF MATERIAL WEAKNESSES
SEPTEMBER 30, 1993

Finding

The following reportable condition noted in the Schedule of Reportable Conditions is considered a material weakness as defined in the Independent Auditors' Report on the Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance With Government Auditing Standards:

- A. The City does not have adequate segregation of duties in the Water and Sewer Department.

Recommendation

We recommend the City hire an assistant clerk for the Water and Sewer department.

Response

The City is currently looking for a clerk for the Water and Sewer Department.

Wright, King and Company, P.A.

Certified Public Accountants
#10 Park Drive
P.O. Box 164234
Hattiesburg, MS 39402
ISO 9001:2000-3135

Charles A. King, CPA
Wroughty C. Wright, CPA
Manda N. Wright, PA

Members
Mississippi Society of
Certified Public Accountants
American Institute of
Certified Public Accountants

Mayor and Board of Aldermen
City of Petal, Mississippi

We have audited the general purpose financial statements of the City of Petal, Mississippi, for the year ended September 30, 1993, and have issued our report thereon dated January 3, 1994.

We conducted our audit in accordance with generally accepted auditing standards and procedures prescribed by the State Auditor, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

During the course of our audit, we made suggestions and recommendations which management should consider to allow for better and more efficient operation. No matters were detected which would have a material effect on the financial statements or involve noncompliance with state laws and regulations, weaknesses in the City's system of internal controls and deviations from generally accepted accounting principles.

However, we noted the following non-material violation of state statutes:

Finding - The City's deposits at the Bank of Mississippi were undercollateralized by \$27,000.

Response - The City will monitor collateral pledged more closely in the future.

We appreciate the opportunity to provide your audit services and look forward to working with you throughout the year.

Wright, King & Co., P.A.
WRIGHT, KING & CO., P.A.

Hattiesburg, Mississippi
January 3, 1994

EXHIBIT "B"



CITY OF PETAL

POST OFFICE BOX 564
PETAL, MISSISSIPPI 39465
(601) 545-1776
Fax No. (601) 545-6685

FEBRUARY 15, 1994

JACK GAY
MAYOR

RAYMOND C. BRANDLE
WILLIAM H. CAMPBELL
REUBEN CLEPPER
BOBBY W. RUNNELS
LEROY SCOTT
ALDERMEN

PRISCILLA C. DANIEL
CITY CLERK

THOMAS W. TYNER
CITY ATTORNEY

TO: MAYOR GAY AND BOARD OF ALDERMEN

FROM:

Jessie Dickerson
JESSIE DICKERSON

RE: RESIGNATION OF EMPLOYMENT

I WOULD LIKE TO TAKE THIS MEANS TO ADVISE YOU THAT I AM RESIGNING FROM THE CITY EFFECTIVE FEBRUARY 21, 1994. I HAVE ENJOYED MY EMPLOYMENT.



February 10, 1994

Sent Via FAX# 601-545-6685

Ms. Priscilla Daniels, City Clerk
City of Petal
Petal, MS

Dear Ms. Daniels:

It is a pleasure to submit for your consideration the following proposal to provide lease-purchase financing based on the terms and conditions set forth below:

- 1. Lessor: First Continental Leasing, a division of Bank of Mississippi
- 2. Lessee: City of Petal
- 3. Equipment Description: 1-1994 Chevrolet Caprice
- 4. Equipment Cost: To be determined: 13,656.83
- 5. Lease Term: 2 Years
- 6. Lease Payments: To be determined: 596.67
- 7. Lease Rate: 5.0% - Rate factor .04369
- 8. Funding Date: February 1994
- 9. Purchase Option: Title is passed to Lessee at lease expiration for no further consideration.

10. Nonappropriation/Termination: The lease provides that Lessee is to make reasonable efforts to obtain funds to satisfy the obligation in each fiscal year. However, the lease may be terminated without penalty in the event of nonappropriation. In such event, the Lessee agrees to provide an attorney's opinion confirming the events of nonappropriation and Lessee's exercise of diligence to obtain funds. The Lease provides that if the lease is terminated, Lessee is precluded from replacing the equipment with equipment or services intended to perform a similar function.

City of Petal
Page 2
February 10, 1994

11. Bank Qualification: This lease-purchase financing shall be designated as a bank qualified tax-exempt transaction as per the 1986 Federal Tax Bill. This means that the Lessee's governing body will pass a resolution stating that it does not anticipate issuing more than \$10 million in General Obligation debt or other debt falling under the Tax Bill's definition of qualifying debt.

12. Tax Status: This proposal is subject to the Lessee being qualified as a governmental entity or "political subdivision" within the meaning of Section 103(a) of the Internal Revenue Code of 1954 as amended, within the meaning of said Section. Lessee agrees to cooperate with Lessor in providing evidence as deemed necessary or desirable by Lessor to substantiate such tax status.

13. Net Lease: This will be a net lease transaction whereby maintenance, insurance, taxes (if applicable), compliance with laws and similar expenses shall be borne by Lessee.

14. Financial Statements: Complete and current financial statements must be submitted to Lessor for review and approval of Lessee creditworthiness.

15. Lease Documentation: This equipment lease-purchase package is subject to the mutual acceptance of lease-purchase documentation within a reasonable time period, otherwise payments will be subject to market change.

If the foregoing is acceptable, please so indicate by signing this letter in the space provided below and returning it to First Continental Leasing. Once we have received the executed document, we will begin preparation of the lease documentation.

This proposal expires as of the close of business on February 28, 1994. Extensions must be approved by the undersigned.

Sincerely,

Elaine Temple
Elaine D. Temple
First Vice President

ACCEPTANCE

City of Petal

By: _____ Date: _____

EXHIBIT "C"

DEPOSIT GUARANTY NATIONAL BANK



Post Office Box 1200
Jackson, Mississippi 39215-1200

February 11, 1994

Ms Priscilla C. Daniel
City Clerk
City of Petal
P.O. Box 564
Petal, Mississippi 39465

Re: Bid for lease-purchase financing
One (1) 1994 Chevrolet Caprice Classic for use as a police car

Dear Ms Daniel:

Deposit Guaranty is pleased to submit a bid to the City of Petal for the lease-purchase financing of the above referenced equipment. We understand that the City would like to lease-purchase a police car which has a total cost of \$13,656.83. We also understand that the City desires to finance the total cost over a period of twenty-four months. Based upon these parameters, we can offer the following terms:

24 monthly payments
Location of equipment - Petal, MS
Amount = \$13,656.83
Number of payments each year = 12
Number of years = 2
Annual percentage rate = 12.75%
Monthly payment = \$594.45
Total interest cost = \$609.97

Under this lease-purchase agreement, the City would be allowed to prepay the lease in its entirety (without any prepayment penalty) on any payment date of the lease.

This bid is being offered contingent upon using documentation acceptable to Deposit Guaranty as well as the obligation being designated a qualified tax exempt obligation within the meaning of and for the purpose of Section 263(b)(3) of the Internal Revenue Code of 1986, as amended. Prior to the completion of this lease-purchase agreement, a full transcript of all proceedings had prior to and incident to this financial property offered is to be promptly furnished to us, without

City of Petal
February 11, 1994
Page 2



cost, satisfactorily evidencing to our attorney the unqualified legality of this lease purchase in all respects; and you agree to take such further action as may be required to establish the validity of said lease-purchase.

Prior to funding, the City would provide evidence of insurance coverage on the equipment with Deposit Guaranty shown as loss payee.

This bid is good if accepted within 15 days from the date of this bid and the lease-purchase is funded within 60 days from the date of this bid.

If you have any questions, please feel free to call me at 1-800-748-8500. We appreciate this opportunity to assist the City of Petal in its financing needs.

Respectfully submitted,

Deposit Guaranty National Bank

Ralph W. Reed, Jr.
Credit Officer

EXHIBIT "D"

PETAL TIRE & SERVICE CTR

217 CENTRAL AVE
PETAL, MS 39465
(601)583-3088

02/11/94 02/11/94
07:34 AM 08:19 AM
TERR: 7705
NONSIG: 169134

INVOICE
002214

PAGE: 01

BILL TO: ERIC CROKE
319 LYNN RAY RD
PETAL, MS 39465

PHONE 1..... (601)582-3830
PHONE 2.....
DATE REQUESTED 02/11/94
TIME REQUESTED
RETURN PARTS.. NO
SALESMAN..... 002 / 002

VEH YEAR/MAKE. 92 HONDA
VEHICLE MODEL. CIVIC
VEHICLE COLOR. GREEN
LICENSE/STATE. 47824 / MS
ODOMETR IN/OUT 45242 / 45242

ACCOUNT # COB TC CUST# TYPE/STATE PAYMENT METHOD
770500001 2 01 01188 0 MS CASH

SLSM	MECH	PRODUCT CODE	BC	QTY	DESCRIPTION	PARTS EACH	LBR/EXCISE	LINE TOTAL
002	001	044-263	R	4	WHEEL BALANCE - COMPUTER SPIN	1.50	4.00	22.00

CASH AMOUNT..... 23.54
TAXABLE AMOUNT 22.00

PARTS TOTAL..... 6.00
LABOR TOTAL..... 16.00
SUB TOTAL..... 22.00
SALES TAX..... 1.54

INVOICE TOTAL \$23.54

X-----
CUSTOMER AUTHORIZATION FOR TOTAL

SEE REVERSE SIDE FOR IMPORTANT SAFETY
WARNING AND WARRANTY INFORMATION

PETAL TIRE & SERVICE CTR

217 CENTRAL AVE
PETAL, MS 39465
(601)583-3088

ESTIMATE
000004

PAGE: 01

02/11/94
02:40 PM
TERR: 7705
NONSIG: 169134

*PRICE ESTIMATE*****DO NOT PAY*

BILL TO: MR. TANG
PETAL, MS 39465

PHONE 1.....
PHONE 2.....
DATE REQUESTED 02/11/94
TIME REQUESTED
RETURN PARTS.. NO
SALESMAN..... 006 / 006

VEH YEAR/MAKE. 89 NISSAN
VEHICLE MODEL. STANZA
VEHICLE COLOR.
LICENSE/STATE.
ODOMETR IN/OUT

ACCOUNT # COB TC CUST# TYPE/STATE
770500001 2 01 01198 0 MS

SLSM	MECH	PRODUCT CODE	BC	QTY	DESCRIPTION	PARTS EACH	LBR/EXCISE	LINE TOTAL
006		799-102-851-0	R	1	185/70R14 88S SI CORSA GT SBLRPTL This is your limited 0-Plus/Mileage Registration No. 7705000002213 You MUST Present this invoice in the case of a Limited Tire Warranty Adjustment.	52.78	.00	52.78
006		041-263	R	1	NEW VALVE STEM	1.50	.00	1.50
006		044-263	R	1	WHEEL BALANCE - COMPUTER SPIN	1.50	4.00	5.50
006		071	R	1	SCRAP TIRE DISPOSAL AUTO	1.50	.00	1.50
006		078-157	R	1	COMP WHL ALIGN-REF THRUST LINE NO REAR ADJ	.00	32.95	32.95
006		239 239-005-200-0	R	1	WHEEL USED	35.00	.00	35.00

STATE TIRE FEE 1.00
TAXABLE AMOUNT 129.23

PARTS TOTAL..... 92.28
LABOR TOTAL..... 36.95
SUB TOTAL..... 129.23
SALES TAX..... 9.05

INVOICE TOTAL \$139.28

X-----
CUSTOMER AUTHORIZATION FOR TOTAL

PRICE EXPIRATION DATE 03/03/94

SEE REVERSE SIDE FOR IMPORTANT SAFETY
WARNING AND WARRANTY INFORMATION

EXHIBIT "D"

SMITH TIRE STORE

#####



1508 W. Pine St.
Hattiesburg, MS 39401
Phone: (601) 582-2591

CUSTOMER'S ORDER NO.		Phone No.		Date	
ESTIMATE				2/11/94	
NAME		Boyd Murphy		582-9738	
ADDRESS		114 W. 1ST AVE.		PETAL, MS 39465	
QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT		
2	Wheels Straightened	4.00	8.00		
2	Wheels Balanced	5.00	10.00		
			18.00		
			7% Tax	1.26	
			TOTAL	\$19.26	
			TAX		
			TOTAL		

21748

All claims and returned goods MUST be accompanied by this bill

Thank You

NAME		Walters 2/11/94		TAX	
ADDRESS		Williamson Rd		MIKE'S TIRE & WHEEL COMPANY	
		MS 39401		1010 Hardy Street HATTIESBURG, MISSISSIPPI 39401 (601) 583-4343	
RECEIVED BY					
QUANTITY	PART NUMBER / DESCRIPTION	FED EX. TAX	TOTAL F.E.T.	PRICE	AMOUNT
3					
TOTAL MATERIAL					
TOTAL LABOR				3995	
TOTAL TAXES				280	
TOTAL				4275	
GRAND TOTAL				4275	

CUSTOMER COPY
SMITH TIRE STORE
1508 W. Pine Street (601) 582-2591
Hattiesburg, MS 39401

Customer's Order No.		Phone No.		Date	
Sold to		ANDY CARTLIDGE		2/11/93	
Address					
City					
QUANTITY	DESCRIPTION	PRICE	AMOUNT		
1	2185/70R14 Monarch Jet	47.95	47.95		
1	Wheel Balanced	5.00	5.00		
1	Valve Stem	1.00	1.00		
1	Front End Alignment (Front Wdy.)	48.95	48.95		
			7% Tax	7.21	
			Salvage Tax	110.11	
			TOTAL	\$112.11	
1989 Camry.					
Jesse M. Smith					
All claims and returned goods MUST be accompanied by this bill					
Tax					

RESOLUTION AUTHORIZING AND EMPOWERING THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL TO BORROW THE SUM OF \$125,000.00 TO BE EXPENDED ON THE GROUNDS, PARKING LOT, EQUIPMENT AND FURNITURE FOR THE PETAL COMMUNITY CENTER LOCATED ON SOUTH MAIN STREET IN PETAL, MISSISSIPPI, AND FOR RELATED PURPOSES

WHEREAS, the Mayor and Board of Aldermen of the City of Petal, Mississippi, are authorized pursuant to §17-21-51 of the Mississippi Code of 1972, as amended, to borrow money, in their discretion, to accomplish any purpose not otherwise prohibited by law, in sums not exceeding \$250,000.00; and

WHEREAS, the Mayor and Board of Aldermen of the City of Petal, Mississippi, have investigated and determined the reasonableness and necessity for borrowing the sum of \$125,000.00, to be expended on the grounds, parking lot, equipment and furniture for the Petal Community Center located on South Main Street in Petal, Mississippi; and

WHEREAS, the borrowing of said funds is within the borrowing limit of the City of Petal and said borrowing will be secured by the full faith, credit, and resources of the City of Petal, which are pledged as security for principal and interest on said note or notes; and

WHEREAS, repayment of the debt shall be in annual payments of \$25,000.00 each, plus accrued interest, the first payment being one year from date of issuance, such negotiable note or notes being in a form satisfactory to the lender and to the City of Petal.

NOW, THEREFORE, be it resolved:

1. That the Mayor and Board of Aldermen of the City of Petal, Mississippi, do find, adjudicate and declare that it is reasonable and necessary for the City of Petal, Mississippi to borrow the sum of \$125,000.00 to be expended on the grounds, parking lot, equipment and furniture for the Petal Community Center located on South Main Street in Petal, Mississippi;
2. That the borrowing of said funds be evidenced by negotiable note or notes, in a form acceptable to the lender and the City of Petal, providing for annual payments of \$25,000.00, principal, plus interest, the first payment to be made one year from issuance;
3. That the negotiable note or notes shall be offered at public sale after not less than ten days advertising in a newspaper having general circulation within the governing authority, said sale to be made to the bidder offering the lowest rate of interest or whose bid represents the lowest net cost to the City, provided, however, that said rate of interest shall not exceed that now or hereafter authorized in §75-17-101 of the Mississippi Code of 1972;
4. That the City of Petal will receive bids for the issuance of said negotiable note or notes at a regular meeting of the Mayor and Board of Aldermen to be conducted on March 15, 1994, at 7:00 p.m. in the City Hall of the City of Petal, Mississippi, and that upon acceptance of an appropriate bid, the Mayor and City Clerk of the City of Petal, Mississippi, shall be authorized and empowered to execute for and on behalf of the City of Petal, Mississippi, an appropriate negotiable note or notes in such form as might be satisfactory to the successful bidder and the City of Petal.

SO RESOLVED on this, the 15th day of February, A.D., 1994.

CITY OF PETAL

BY:

JACK GAY, MAYOR

ATTEST:

PRISCILLA DANIEL,

.THIS

PAGE

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INTENTIONALLY