

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 6, 1996 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  
SHELBY L. TIMS

OTHERS PRESENT

TIM & LINDA PLEDGER  
JENNY KING  
BELINDA RUNNELS  
JIMMY DALE ODOM  
J. PAUL DUNBAR  
AND MANY OTHERS

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

THE INVOCATION WAS OFFERED BY THOMAS W. TYNER.

THE PLEDGE OF ALLEGIANCE WAS RECITED.

WHEREAS, MAYOR GAY PRESENTED THE AGENDA WITH THE FOLLOWING AMENDMENTS:

X. GENERAL BUSINESS

- 19. RESIGNATION - WM. GARY HOLLINGSWORTH
- 20. RESIGNATION - CHARLIE DAW
- 21. PAYMENT OF ENGINEERING SERVICES TO FRANK DUNAWAY

XVI. CONSIDERATION OF COMMITTEE, COMMISSION AND BOARD MATTERS

- D) HOWARD EDWARDS - DEEDING LAND TO CITY
- E) SET PLANNING COMMITTEE MEETING 2/22/96 7:00 P.M.

THEREUPON, ALDERMAN TIMS MADE A MOTION TO ADOPT THE AGENDA WITH THE FOREGOING AMENDMENTS. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, ALDERMAN BRANDLE MADE A MOTION TO ACCEPT THE MINUTES OF THE REGULAR MEETING OF JANUARY 16, 1996 AS WRITTEN. ALDERMAN CAMPBELL SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY CALLED FOR PUBLIC COMMENT.

THEREUPON, LINDA PLEDGER ADDRESSED THE BOARD CONCERNING THE SEWER FEES BEING CHARGED TO RESIDENTS THAT HAVE NOT HOOKED UP TO THE NEW SEWER LINES. MRS. PLEDGER STATED THAT SHE IS BEING CHARGED BY THE AMOUNT OF THE WATER CONSUMPTION, THEREFORE SHE IS PAYING SEWER FEES FOR WATER THAT IS NOT GOING THROUGH THE SEWER SYSTEM. MRS. PLEDGER STATED THAT SHE WOULD NOT MIND PAYING A FLAT SEWER FEE.

WHEREAS, RECREATION DIRECTOR CRAIG FLETCHER PRESENTED THE FOLLOWING WRITTEN QUOTATIONS FOR A WATER ABSORBING MATERIAL TO BE USED ON THE BASEBALL FIELDS. MR. FLETCHER STATED THAT THE HIGH SCHOOL BOOSTER CLUB AND THE DIXIE YOUTH SUMMER LEAGUE HAVE OFFERED TO PAY A TOTAL OF \$600.00 TOWARD THE PURCHASE OF THE MATERIAL.

SEE EXHIBIT "A"

CRIMSON STONE, INC.	\$1,250.00
6510 KEENES MILL ROAD	
COTTONDALE, AL 35453	

FIELD OF DREAMS	\$1,295.00
TURF & FIELD MAINTENANCE	
407 JAMES CAMPBELL BLVD.	
COLUMBIA, TN 38401	

THEREUPON, ALDERMAN CLEPPER MADE A MOTION FOR THE MAYOR, ALDERMAN TIMS AND RECREATION DIRECTOR CRAIG FLETCHER TO OBSERVE THE PERFORMANCE OF THIS MATERIAL ON THE USM BASEBALL FIELD DURING AND AFTER THEIR GAME AND IF THE USE OF THE MATERIAL PROVED SUCCESSFUL TO AUTHORIZE THE PURCHASE OF THE MATERIAL. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY STATED THAT THE PAY PHONE HAS BEEN INSTALLED AT THE CIVIC CENTER BY BELLSOUTH, FREE OF CHARGE, AS A PUBLIC SERVICE.

WHEREAS, JENNY KING, BELINDA RUNNELS, JIMMY DALE ODOM AND J. PAUL DUNBAR ADDRESSED THE BOARD CONCERNING RESIDENTIAL DEVELOPMENT IN THE CITY OF PETAL.

THEREUPON, JENNY KING, PRESIDENT OF THE PETAL CHAMBER OF COMMERCE, STATED THAT SHE IS HEARING ALOT OF NEGATIVE COMMENTS CONCERNING THE CITY OF PETAL AND THE SUBDIVISION ORDINANCE. MRS. KING STATED THAT THE ORDINANCE IS TOO RESTRICTIVE AND IS NOT BUILDER FRIENDLY. MRS. KING STATED THAT THERE IS TOO MUCH BICKERING AMONG THE BOARD AND THAT THE BOARD NEEDS TO GET PAST THE SUBDIVISION ORDINANCE AND MOVE ON.

THEREUPON, JIMMY DALE ODOM STATED THAT HE WOULD LIKE TO SEE THE CITY ABANDON THE SUBDIVISION ORDINANCE AND ADOPT THE ORDINANCE USED BY FORREST COUNTY.

THEREUPON, BELINDA RUNNELS STATED THAT SHE IS SADDENED BY THE NEGATIVE NEWS ITEMS BEING PUBLISHED AND THAT THEY ARE A DETERRENT TO BUILDERS TO COME TO PETAL AND BUILD. MRS. RUNNELS STATED THAT NEW CONSTRUCTION ADDS TO THE CITY'S TAX BASE AND NOT ONLY BRINGS NEW RESIDENTS TO PETAL IT ADDS NEW BUSINESSES WHICH PROVIDE JOB OPPORTUNITIES FOR THE YOUTH OF THE CITY.

THEREUPON, MAYOR GAY STATED THAT THE BOARD HAS SETTLED SOME DISAGREEMENTS AND ARE MOVING FORWARD. MAYOR GAY STATED THAT THE BOARD DOES NOT WANT TO SELL THE CITY SHORT AND FOR THAT REASON WILL HAVE TO CONTINUE TO HAVE SOME REGULATIONS BUT THAT THERE ARE SOME AREAS OF THE CURRENT SUBDIVISION REGULATIONS THAT MAY HAVE TO BE AMENDED.

THEREUPON, J. PAUL DUNBAR, BUILDING CONTRACTOR, STATED THAT HE HAS NO INCENTIVE TO BUILD IN PETAL. DUNBAR STATED THAT FOR THE DEVELOPER THE SLIGHTEST RESISTANCE WILL SEND HIM ELSEWHERE TO BUILD, ESPECIALLY WHEN HE CAN BUILD IN THE COUNTY AND NOT HAVE THE COST OF PERMITS AND OTHER REQUIREMENTS PLACED ON HIM BY THE CITY.

THEREUPON, MAYOR GAY STATED THAT THE CITY WILL ADDRESS THESE PROBLEMS AND TRY TO PROVIDE INCENTIVES FOR THE DEVELOPERS AND BUILDERS IN THE CITY.

WHEREAS, RAYMOND DEARMAN PRESENTED THE COST ESTIMATES FOR PROVIDING A 12" SEWER FORCE MAIN FROM TRAILWOOD SUBDIVISION TO THE CITY'S SEWER SYSTEM.

THEREUPON, MAYOR GAY STATED THAT THE BOARD WOULD TAKE THIS MATTER UNDER ADVISEMENT.

WHEREAS, WILLOUGHBY C. WRIGHT OF THE FIRM OF WRIGHT, KING AND COMPANY, P.A. PRESENTED THE AUDITED FINANCIAL STATEMENT FOR THE FISCAL YEAR 1994-95 TO THE BOARD.

SEE EXHIBIT "B"

RESOLUTION

AUDIT

THEREUPON, ALDERMAN TIMS MADE A MOTION TO ADOPT THE FOREGOING RESOLUTION ACCEPTING THE AUDIT REPORT AND AUTHORIZING THE CITY CLERK TO PUBLISH THE PUBLIC NOTICE. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L. TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING PROCLAMATION PROCLAIMING FEBRUARY 9, 1996 AS ARBOR DAY.

SEE EXHIBIT "C"

PROCLAMATION

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO PROCLAIM FEBRUARY 9, 1996 AS ARBOR DAY. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L. TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING ORDER HIRING SCOTT SHERMAN IN THE STREET DEPARTMENT.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY TO HIRE A LABORER IN THE STREET DEPARTMENT.

IT IS HEREBY ORDERED THAT SCOTT SHERMAN BE HIRED AS A LABORER IN THE STREET DEPARTMENT AT A RATE OF \$5.50 PER HOUR EFFECTIVE JANUARY 25, 1996.

SO ORDERED ON THIS THE 6TH DAY OF FEBRUARY, A.D., 1996.

THEREUPON, ALDERMAN CAMPBELL MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING ORDER HIRING VAN TATE IN THE STREET DEPARTMENT.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY TO HIRE A LABORER IN THE STREET DEPARTMENT.

IT IS HEREBY ORDERED THAT VAN TATE BE HIRED AS A LABORER IN THE STREET DEPARTMENT AT A RATE OF \$5.50 PER HOUR EFFECTIVE JANUARY 25, 1996.

SO ORDERED ON THIS THE 6TH DAY OF FEBRUARY, A.D., 1996.

THEREUPON, ALDERMAN CAMPBELL MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING ORDER HIRING GARRY FOGLE IN THE WATER DEPARTMENT.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY TO HIRE A LABORER IN THE WATER DEPARTMENT.

IT IS HEREBY ORDERED THAT GARRY FOGLE BE HIRED AS A LABORER IN THE WATER DEPARTMENT AT A RATE OF \$5.50 PER HOUR EFFECTIVE JANUARY 25, 1996.

SO ORDERED ON THIS THE 6TH DAY OF FEBRUARY, A.D., 1996.

THEREUPON, ALDERMAN CAMPBELL MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY REQUESTED THE WISHES OF THE BOARD CONCERNING THE APPOINTMENT TO THE PETAL SCHOOL BOARD OF TRUSTEES.

THEREUPON, ALDERMAN CAMPBELL MADE A MOTION TO APPOINT DANA THAMES TO THE PETAL SCHOOL BOARD OF TRUSTEES FOR A TERM OF 5 YEARS TO EXPIRE FEBRUARY 2001. ALDERMAN BRANDLE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED A REQUEST FROM THE FIRE CHIEF TO PURCHASE 60 SECTIONS OF 3" FIRE HOSE AND 12 SECTIONS OF 1 3/4" FIRE HOSE ON THE STATE CONTRACT BID AT A TOTAL COST OF \$9,294.00.

SEE EXHIBIT "D"

LETTER

THEREUPON, ALDERMAN BRANDLE MADE A MOTION TO PURCHASE THE 3" FIRE HOSE AT THE STATE CONTRACT BID FROM SUNBELT FIRE APPARATUS AT A COST OF \$8,394.00 AND THE 1 3/4" FIRE HOSE AT THE STATE CONTRACT BID FROM CASCO INDUSTRIES AT A COST OF \$900.00. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED A REQUEST FOR THE CITY TO PURCHASE A \$30.00 AD FOR THE KIWANIS "PANCAKE DAY".

THEREUPON, ALDERMAN CLEPPER MADE A MOTION FOR THE CITY TO PURCHASE \$30.00 AD FOR THE KIWANIS "PANCAKE DAY". ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED ESTIMATE # 8 FOR THE WEST 1ST AVENUE PROJECT CONTRACTOR ESTIMATE IN THE AMOUNT OF \$73,780.00 AND THE ENGINEER'S ESTIMATE IN THE AMOUNT OF \$5,522.00.

THEREUPON, ALDERMAN CAMPBELL MADE A MOTION TO PAY BUSH CONSTRUCTION COMPANY \$73,780.00 AND SHOWS, DEARMAN AND WAITS, INC. \$5,522.00. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED SUPPLEMENTAL AGREEMENT NO. 1 TO THE CONTRACT ENTERED INTO BETWEEN THE CITY OF PETAL AND BUSH CONSTRUCTION COMPANY, INC. FOR THE CONSTRUCTION OF WEST FIRST AVENUE PROJECT NO 49-9333-00-002-10 WHICH WOULD ALLOW THE CONTRACTOR FIFTEEN (15) ADDITIONAL CALENDAR DAYS TO COMPLETE THE CONTRACT BECAUSE OF A DELAY DUE TO THE RELOCATION OF THE WATERLINE BY THE CITY.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO AUTHORIZE THE MAYOR TO EXECUTE THE SUPPLEMENTAL AGREEMENT NO. 1. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED A LETTER FROM WASTE MANAGEMENT OF MISSISSIPPI, INC. ADVISING THAT THE NEW RATE FOR THE ROLL-OFF SERVICE HAS BEEN INCREASED TO \$128.70 EFFECTIVE JANUARY 1996.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ACCEPT THE NEW RATE AND TO AUTHORIZE THE MAYOR TO EXECUTE A CONTRACT REFLECTING THIS RATE FOR A PERIOD OF ONE YEAR WITH WASTE MANAGEMENT OF MISSISSIPPI, INC. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY STATED THAT WHEN HE WAS APPOINTED TO THE PINE BELT REGIONAL SOLID WASTE AUTHORITY THE TERM WAS FOR TWO (2) YEARS, JUNE 30, 1992 - JUNE 30, 1994, AND WHEN HE WAS REAPPOINTED THE TERM WAS FOR TWO (2) YEARS, JUNE 2, 1994 - JUNE 2, 1996. MAYOR GAY STATED THAT THE REAPPOINTMENT SHOULD HAVE BEEN FOR FOUR (4) YEARS OR UNTIL JUNE 30, 1998.

THEREUPON, ALDERMAN CAMPBELL MADE A MOTION TO MAKE THE MAYOR'S APPOINTMENT TO THE PINE BELT REGIONAL SOLID WASTE AUTHORITY FOR AN ADDITIONAL TWO (2) YEARS UNTIL JUNE 30, 1998. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED A REQUEST FROM RONALD RILEY FOR A REFUND OF \$57.00 THAT HE PAID FOR A BUILDING PERMIT HE DID NOT USE.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO REFUND RONALD RILEY \$57.00. ALDERMAN CLEPPER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED INVOICE # 512574 IN THE AMOUNT OF \$500.00 FROM NEEL-SCHAFER, INC. FOR GENERAL ADMINISTRATION OF THE 1994 HOME PROGRAM.

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO PAY INVOICE # 512574 IN THE AMOUNT OF \$500.00 TO NEEL-SCHAFER, INC. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED INVOICE # 512575 IN THE AMOUNT OF \$2,268.00 FROM NEEL-SCHAFFER, INC. FOR HOUSING INSPECTION FOR THE 1994 HOME PROGRAM.

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO PAY INVOICE # 512575 IN THE AMOUNT OF \$2,268.00 TO NEEL-SCHAFFER, INC. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED INVOICE # 512578 IN THE AMOUNT OF \$1,440 FROM NEEL-SCHAFFER, INC FOR GENERAL ADMINISTRATION OF THE 1994 CDBG PROJECT.

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO PAY \$1,440. TO NEEL SCHAFFER, INC. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED A REQUEST FROM PETRO SOURCE FOR A REFUND IN THE AMOUNT OF \$2,565.79 FOR TAXES PAID ON PERSONAL PROPERTY PARCEL NO. P1473 FOR 1994 DUE TO A CLERICAL ERROR IN THE TAXING DISTRICT.

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO REFUND PETRO SOURCE \$2,429.85 AND THE BALANCE \$135.94 TO FORREST COUNTY TO MAKE UP THE DIFFERENCE IN THE COUNTY TAXES OWED BY PETRO SOURCE. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED CLAIMS #36909 - 37287 OF THE CITY OF PETAL GENERAL FUND AND THE PETAL WATER AND SEWER FUNDS TO THE BOARD.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO PAY CLAIMS # 36909 - 37287 OF THE CITY OF PETAL GENERAL FUNDS AND THE PETAL WATER AND SEWER FUNDS. ALDERMAN CLEPPER SECONDED THE MOTION.



THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED A LETTER OF RESIGNATION FROM WM GARY HOLLINGSWORTH, ACCOUNTING CLERK, EFFECTIVE FEBRUARY 16, 1996.

THEREUPON, ALDERMAN CAMPBELL MADE A MOTION TO ACCEPT MR HOLLINGSWORTH'S LETTER OF RESIGNATION. ALDERMAN BRANDLE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED A LETTER OF RESIGNATION FROM POLICE OFFICER CHARLIE DAW TO BE EFFECTIVE FEBRUARY 18, 1996.

THEREUPON, ALDERMAN BRANDLE MADE A MOTION TO ACCEPT OFFICER DAW'S LETTER OF RESIGNATION. ALDERMAN CLEPPER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED A STATEMENT FOR ENGINEERING SERVICES FOR THE TRAFFIC SAFETY STUDY FROM FRANK DUNAWAY, CIVIL ENGINEER IN THE AMOUNT OF \$11,000.00.

THEREUPON, ALDERMAN BRANDLE MADE A MOTION TO PAY THE STATEMENT FROM MR. DUNAWAY. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED A REQUEST FROM FIRE CHIEF AUBRA EVANS TO PROMOTE BRIAN TOWNSEND FROM SIX MONTH RECRUIT TO FIREFIGHTER EFFECTIVE FEBRUARY 15, 1996.

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO ADOPT THE FOLLOWING ORDER PROMOTING BRIAN TOWNSEND TO FIREFIGHTER. ALDERMAN CAMPBELL SECONDED THE MOTION.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY UPON THE RECOMMENDATION OF THE FIRE CHIEF TO PROMOTE BRIAN TOWNSEND AFTER THE SUCCESSFUL COMPLETION OF HIS SIX MONTH PROBATIONARY PERIOD.

IT IS HEREBY ORDERED THAT BRIAN TOWNSEND BE PROMOTED TO FIREFIGHTER AT A RATE OF \$7.202 PER HOUR EFFECTIVE FEBRUARY 25, 1996.

SO ORDERED ON THIS THE 6TH DAY OF FEBRUARY, A.D., 1996.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY STATED THAT HE WAS NOTIFIED THIS AFTERNOON OF A SEWER CAVE-IN ON FAIRCHILD DRIVE CAUSING A HAZARDOUS CONDITION FOR THE SAFETY OF THE CITIZENS OF PETAL.

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO AUTHORIZE THE MAYOR TO PROCEED UNDER AN EMERGENCY SITUATION TO HAVE THIS PROBLEM CORRECTED. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY STATED THAT THE BOARD HAS BUDGETED THIS YEAR FOR THE CONSTRUCTION OF A UTILITY BUILDING FOR THE WATER DEPARTMENT.

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO PROCEED WITH THE PREPARATION OF THE PLANS AND SPECIFICATIONS BY THE CITY ENGINEER AND TO AUTHORIZE THE ADVERTISEMENT FOR BIDS ON THE BUILDING. ALDERMAN CAMPBELL SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY STATED THAT THE COST OF A 3/4 TON FORD PICK-UP ON THE STATE CONTRACT IS APPROXIMATELY \$14,600.00 FOR A REPLACEMENT VEHICLE IN THE STREET DEPARTMENT.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO PURCHASE THE 1996 FORD 3/4 TON PICK-UP AT THE STATE CONTRACT. ALDERMAN CAMPBELL SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY STATED THAT A TV/VCR AND STAND ARE NEEDED FOR INSTRUCTIONAL PURPOSES AT THE CIVIC CENTER.

THEREUPON, ALDERMAN SCOTT MADE A MOTION THAT THE MAYOR PURCHASE THESE ITEMS AT THE LOWEST AND BEST PRICES. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY STATED THAT HOWARD EDWARDS HAS STATED THAT HE WOULD LIKE TO DEED AN EXTENSION OF NAPOLEON AVENUE TO THE CITY.

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO ACCEPT THIS PROPERTY WHEN DEEDED TO THE CITY AND TO ADVISE MR. EDWARDS THAT THE CITY WILL NOT ACCEPT THE MAINTENANCE OF A STREET THAT IS NOT BROUGHT UP TO THE CITY'S STANDARDS. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY STATED THAT IT WILL BE NECESSARY TO SET A PLANNING COMMITTEE MEETING OF 7:00 P.M. ON FEBRUARY 22, 1996 TO DISCUSS THE BUILDING OF A HOUSE ON A PARCEL OF LAND ON OLIVER LANE.

THEREUPON, ALDERMAN BRANDLE MADE A MOTION TO SET THIS MEETING FOR FEBRUARY 22, 1996 AT 7:00 P.M. ALDERMAN CAMPBELL SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

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

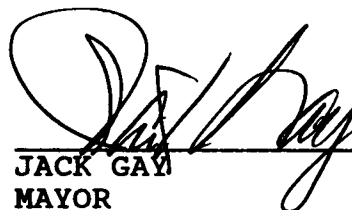
THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN REUBEN CLEPPER  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

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 6TH DAY OF FEBRUARY, A.D., 1996.

  
\_\_\_\_\_  
JACK GAY  
MAYOR

(SEAL)

ATTEST:

  
\_\_\_\_\_  
PRISCILLA C. DANIEL  
CITY CLERK

**PAGE 383**

# Invoice

1163



# TURFACE

407 James Campbell Blvd.  
Columbia, TN 38401  
(615) 381-5100

DATE 1-14-96

P.O. # \_\_\_\_\_

**SOLD TO:**

0: PETAL HIGH SCHOOL

PETAL, MISS 39465

SHIP TO:

BID QUOTE  
% LARRY WATKINS

**TERMS: NET 30 Days**

**PLEASE PAY FROM THIS INVOICE**

QTY.	DESCRIPTION	PRICE	AMOUNT
18	TONS ULTIMATE I	45 <sup>00</sup>	810 <sup>00</sup>
4	TONS ULTIMATE 19	25 <sup>00</sup>	100 <sup>00</sup>
	FREIGHT		385 <sup>00</sup>
	FAX# 601-545-1229		
	SUB-TOTAL		1295 <sup>00</sup>
	TAX		—
	TOTAL		1295 <sup>00</sup>

CRIMSON STONE

CRIMSON STONE, INC.  
6510 KEENES MILL RD  
COTTONDALE, AL. 35453  
205-553-4430

QUOTE

DATE: 1 - 26 - 96

BY:

CUSTOMER:

City of Petal

PO Box 561

Petal, ms  
39465

DELIVER TO:

STOPE #

ATTENTION: Craig Fletcher

PHONE # 601 544 6060  
FAX # 601 545 6075

FAX # 601 545-6685

### DESCRIPTION

18 tons of  $u_3^{(a) 35}$  - 647.10

4 Bulk. # 19 @ 70 - 280.00

927.10

freight 322.90

P.O.#

SUB-TOTAL \$ 1250.<sup>00</sup>

TAX #

TAX \$

TOTAL

QUOTE REC. BY

DATE \_\_\_\_\_

QUOTE VALID FOR

DAYS

AUTHORIZED BY

DATE \_\_\_\_\_

TERMS (NET)

**EXHIBIT "B"**  
**PUBLIC OFFICIALS**

\*\*\*\*\*

Jack Gay, Jr.  
Mayor  
  
Priscilla C. Daniel  
City Clerk

**Members of Board of Aldermen**

William H. Campbell	Alderman, Ward 1
Raymond Brandle	Alderman, Ward 2
Shelby Tims	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, 1995**

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EXHIBIT "B"

CITY OF PETAL, MISSISSIPPI

INDEPENDENT AUDITORS' REPORT

Wright, King & Company, P.A.

Certified Public Accountants  
#10 Plaza Drive  
P.O. Box 16433  
Hattiesburg, MS 39402  
(601) 238-3135 - (601) 261-3922 - Fax

Douglas A. King, CPA  
Willoughby C. Wright, CPA  
Marcia N. Wright, CPA

Ann Scott Henderson, CPA

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

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of the City of Petal, Mississippi, as of September 30, 1995, and for the year then ended, as listed in the table of contents. 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 financial statements based on our audit.

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." 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.

City of Petal, Mississippi  
January 11, 1996  
Page 2

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 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 11, 1996 on our consideration of the City of Petal's internal control structure and a report dated January 11, 1996, on its compliance with laws and regulations.

*Wright, King & Company, P.A.*  
WRIGHT, KING & COMPANY, P.A.  
Hattiesburg, Mississippi  
January 11, 1996

CITY OF PETAL, MISSISSIPPI

EXHIBIT A  
CITY OF PETAL, MISSISSIPPI  
COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
SEPTEMBER 30, 1995  
CITY OF PETAL  
MINUTE BOOK 15

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	Governmental Fund Types				Proprietary	Fiduciary	Account Groups		Total
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Debt	(Memorandum Only)
ASSETS									
Cash & other deposits	\$ 545,807	\$ 197,330	\$ 488,533	\$	\$ 398,118	\$ 55,407	\$	\$	\$ 1,685,195
Cash held by fiscal agent						48,477			48,477
Receivables (Net)					87,763				87,763
Other receivables					3,360				3,360
Franchise fees receivable	46,388								46,388
Interest receivable									
Prepaid expenses					2,289				2,289
Due from other funds	4,677				76,601				81,278
Due from other governments	84,129	108,750	5,188						198,067
Inventory, at cost	1,536				29,949				31,485
Notes receivable		193,754							193,754
Restricted assets					571,766				571,766
Fixed assets					4,026,869		8,075,157		12,102,026
Other assets		65,297			52,184				117,481
Available for debt service fund								493,721	493,721
Amount to be provided for retirement of general long-term debt								3,119,536	3,119,536
Total Assets	\$ 682,537	\$ 565,131	\$ 493,721	\$	\$ 5,248,899	\$ 103,884	\$ 8,075,157	\$ 3,613,257	\$18,782,586
LIABILITIES									
Bills docketed	54,360	114,807			74,832	445			244,444
Due to other funds	9,297	1			71,975	5			81,278
Other payable	34,153				7,670	41,220			83,043
Deferred compensation payable						48,477			48,477
Accrued interest on bonds					12,876				12,876
Current portion of revenue bonds					25,000				25,000
Current portion of general obligation bond					40,000				40,000
Current portion of notes payable					47,706				47,706
Retainage payable		16,001							16,001
Customer deposits					95,435				95,435
Notes payable								156,000	156,000
Revenue bonds payable					675,000				675,000

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EXHIBIT A - CONTINUED  
CITY OF PETAL, MISSISSIPPI  
COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
SEPTEMBER 30, 1995

	Governmental Fund Types				Proprietary	Fiduciary	Account Groups		Total
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Debt	(Memorandum Only)
LIABILITIES (cont.)									
General obligation bonds payable					480,000			2,930,000	3,410,000
Abatement notes payables					962,209				962,209
Refunding notes payable								17,000	17,000
Capital leases								5,257	5,257
Certificate of participation								505,000	505,000
Total Liabilities	97,810	130,809			2,492,703	90,147		3,613,257	6,424,726
FUND EQUITY:									
Contributed capital					176,885		8,075,157		176,885
Investment in general fixed assets									8,075,157
Retained earnings					129,389				129,389
Reserved for debt service					(578,844)				(578,844)
Reserved for facilities replacement					3,028,766				3,028,766
Unreserved									1,536
FUND BALANCES:									
Reserved for inventory	1,536					13,737			13,737
Reserved for unemployment									30,301
Reserved for Ad Valorem	30,301								493,721
Reserved for debt service			493,721						987,212
Unreserved	552,890	434,322							
Total Fund Equity	584,727	434,322	493,721		2,756,196	13,737	8,075,157		12,357,860
Total Liabilities and Fund Equity	\$ 682,537	\$ 565,131	\$ 493,721	\$	\$ 5,248,899	\$ 103,884	\$ 8,075,157	\$ 3,613,257	\$18,782,586

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

EXHIBIT B  
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, 1995

	Governmental Fund Types				Fiduciary Fund Types	Total
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	(Memorandum Only)
REVENUES:						
Property taxes	\$ 524,266		\$ 629,122	\$	\$	\$ 1,153,388
Penalties and interest	6,979					6,979
Licenses and permits	39,305					39,305
Franchise fees	175,779					175,779
Homestead exemption	40,052					40,052
State share revenue						
Sales tax	857,377					857,377
Other			58,646			58,646
Intergovernmental						
Gas tax		9,876				9,876
Other			34,378			34,378
Municipal aid		4,448				4,448
Culture and recreation		26,977				26,977
Fines and forfeits		62,266				62,266
Charges for services		400				400
Interest earned		10,683	4,303	7,784	293	23,063
Prior year taxes		68,031		46,939		114,970
Grants		21,292	297,115			318,407
Sale of equipment		5,882				5,882
Other		21,072	1,250			22,322



EXHIBIT B - CONTINUED  
CITY OF PETAL, MISSISSIPPI  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
ALL GOVERNMENTAL FUND TYPES AND PROPRIETARY TRUST FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

Governmental Fund Types

Fiduciary Fund Types

Total  
(Memorandum Only)

General Special Debt Capital  
Revenue Service Projects  
Expendable Trust

EXHIBIT "B"

EXPENDITURES (cont.)						
Excess (deficiency) of revenues over expenditures	261,458	(19,996)	135,030		293	376,785
Other financing sources (uses):						
Proceeds of debt		56,000				56,000
Discharge of debt per grant contracts		(36,283)				(36,283)
Transfers in		51,874				51,874
Payment to refund bond escrow						
Transfers out	(51,874)					(51,874)
Total other financing sources (uses)	(51,874)	71,591				19,717
Excess (deficiency) of revenues and other sources over expenditures and other uses	209,584	51,595	135,030		293	396,502
Fund Balance - 10/01/94	375,143	374,351	358,691	8,376	13,444	1,130,005
Residual Equity Transfer		8,376		(8,376)		
Fund Balance - 9/30/95	\$ 584,727	\$ 434,322	\$ 493,721	\$	\$ 13,737	\$ 1,526,507

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 PROPRIETY FUND TYPES  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

	General Fund		
	Budget	Actual	Variance
REVENUES:			
Property tax	\$ 487,316	\$ 524,266	\$ 36,950
Penalties and interest	3,500	6,979	3,479
Licenses and permits	27,000	39,305	12,305
Franchise fees	163,000	167,997	4,997
Homestead exemption		40,052	40,052
State share revenue			
Sales tax	825,000	856,788	31,788
Intergovernmental			
Gas tax	10,500	9,876	(624)
Municipal aid	4,500	4,448	(52)
Culture and recreation	21,600	26,977	5,377
Fines and forfeits	46,300	62,266	15,966
Charges for services	1,500	400	(1,900)
Interest earned	8,000	10,683	2,683
Prior year taxes	68,000	68,031	31
Reimbursements	1,900		(1,100)
Sale of equipment		5,882	5,882
Other income	37,907	42,364	4,457
Total Revenues	1,706,023	1,866,314	160,291

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 PROPRIETY FUND TYPES  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

	General Fund		
	Budget	Actual	Variance
EXPENDITURES			
General government			
Personnel services	218,961	207,067	11,894
Supplies	7,310	6,525	785
Other services	167,202	148,633	18,569
Capital outlay	7,250	5,319	1,931
Total	400,723	367,544	33,179
Public safety			
Police			
Personnel services	452,832	428,870	23,962
Supplies	12,600	12,055	785
Other services	38,500	30,628	7,872
Capital outlay	14,240	6,431	7,809
Total	518,172	477,984	40,188
Fire			
Personnel services	286,712	278,843	7,869
Supplies	3,900	2,175	1,725
Other services	30,495	22,450	8,045
Capital outlays	1,275	799	476
Total	322,382	304,267	18,115
Building inspection			
Personnel services	30,003	29,562	441
Supplies	1,000	485	515
Other services	3,250	2,952	298
Capital outlay			
Total	34,253	32,999	1,254

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 PROPRIETY FUND TYPES  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

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	General Fund		
	Budget	Actual	Variance
Public works	141,423	125,474	15,949
Personnel services	36,500	28,160	8,340
Supplies	93,500	80,345	13,155
Other supplies	22,177	3,830	18,347
Capital outlay			
Total	293,600	237,809	55,791
Health and welfare	16,613	14,916	1,697
Personnel services	1,000	817	183
Supplies	6,200	5,873	327
Other services			
Total	23,813	21,606	2,207
Culture and recreation			
Recreation department	33,931	32,258	1,673
Personnel services	13,050	9,124	3,926
Supplies	25,660	21,327	4,333
Other services	11,500	17,925	(6,425)
Capital outlay			
Total	84,141	80,634	3,507
Civic Center	12,219	10,428	1,791
Personnel services	8,050	5,770	2,280
Supplies	19,245	16,902	2,343
Other supplies	2,000	896	1,104
Capital outlay			
Total	41,514	33,996	7,518

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 PROPRIETY FUND TYPES  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

	General Fund		
	Budget	Actual	Variance
Debt service			
Debt service	101,477	56,389	45,088
Total Expenditures	1,820,075	1,613,228	206,847
Excess (deficiency) of revenues over expenditures	(114,052)	253,086	367,138
Other financing sources (uses)			
Transfer out		(51,874)	(51,874)
Total other financing uses		(51,874)	(51,874)
Net Excess (deficiency) of revenues over expenditures and other financing uses	\$ (114,052)	201,212	\$ 315,264
Adjustments o GAAP Basis:			
Accrued revenues		8,372	
Net Excess - GAAP Basis		209,584	
Fund Balance - October 1, 1994		375,143	
Fund Balance - September 30, 1995		\$ 584,727	

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

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 PROPRIETY FUND TYPES  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

	Special Revenue Fund		
	Budget	Actual	Variance
REVENUES:			
State shared revenues	\$ 38,700	\$ 58,646	\$ 19,946
Intergovernmental	465,899	330,292	(135,607)
Interest earned	3,200	4,308	1,108
Program income	7,121	6,856	(265)
Total Revenue	514,920	400,102	(114,818)
EXPENDITURES:			
Supplies	50	48	2
Other services	77,194	10,388	66,806
Capital outlay	537,553	345,949	191,604
Debt service		59,303	(59,303)
Total Expenditures	614,797	415,688	199,109
Excess (deficiency) of revenues over expenditures	(99,877)	(15,586)	84,291
Other sources (uses)			
Debt proceeds	56,000	56,000	
Transfers in		51,874	51,874
Total Other	56,000	107,874	51,874
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$ (43,877)	92,288	\$ 136,165
Adjustments to GAAP basis:			

COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET (NON-GAAP) AND ACTUAL ALL GOVERNMENTAL  
AND PROPRIETY FUND TYPES  
CITY OF PETAL  
MINUTE BOOK 15  
THE YEAR ENDED SEPTEMBER 30, 1995

PAGE 389

	Budget	Actual	Variance
REVENUES:			
General property tax	\$ 549,600	\$ 676,654	\$ 127,054
Interest earned	5,109	7,784	2,684
Total revenues	554,709	684,438	129,738
EXPENDITURES:			
Debt service			
Principal	365,000	365,000	
Interest	179,440	179,440	
Agent fees	4,850	4,375	475
Total expenditures	549,290	548,815	475
Excess (deficiency) of revenues over expenditures	\$ 5,410	135,623	\$ 130,213
Adjustment to GAAP basis:			
Increase (decrease) in accrued property taxes		(593)	
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP basis)		135,030	
Fund balance - 10/01/94		358,691	
Fund balance - 09/30/95		\$ 493,721	

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

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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 PROPRIETY FUND TYPES  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

	Budget	Actual	Variance
REVENUES:			
Interest earned	\$ 114,203	\$	\$ (114,203)
Miscellaneous	114,203		(114,203)
Total revenues	114,203		
EXPENDITURES:			
Other services and charges	14		14
Capital outlay	1,800		1,800
Total expenditures	1,814		1,814
Excess (deficiency) of revenues over expenditures	112,389		(116,017)
Other financing sources (uses)			
Transfers out	(112,389)		112,389
Total other financing sources (uses)	(112,389)		112,389
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$ 0		\$ 0
Adjustment to GAAP basis:			
Increase (decrease) in accrued expenses			
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP basis)		0	
Fund balance - 10/30/94		8,376	
Residual equity transfer		(8,376)	
Fund balance - 09/30/95		\$ 0	

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

EXHIBIT C-5  
CITY OF PETAL, MISSISSIPPI  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES BUDGET (NON-GAAP) AND  
ACTUAL ALL GOVERNMENTAL AND PROPRIETY FUND TYPES  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

	Budget	Actual	Variance
REVENUES:			
Interest earned	\$ 25,426	\$ 45,629	\$ 20,203
Charges for services	947,000	921,739	(25,261)
Miscellaneous	19,680	19,584	(96)
Total revenues	992,106	986,952	(5,154)
EXPENDITURES:			
Public works	266,922	249,825	17,097
Personnel services	60,500	41,341	19,159
Supplies	496,550	423,046	73,504
Other services and charges	428,500	89,754	338,746
Capital outlay	201,761	207,234	(5,473)
Debt service	1,454,233	1,011,200	443,033
Total expenditures	(462,127)	(24,248)	437,879
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses)			
Debt proceeds	106,000	119,280	13,280
Transfers in	642,467	925,427	282,960
Transfers out	(642,467)	(925,427)	(282,960)
Total other sources (uses)	106,000	119,280	13,280
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (356,127)	95,032	\$ 451,159
Adjustments to GAAP basis:			

**CITY OF PETAL  
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September 30, 1995

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**EXHIBIT "B"**

Operating revenues:	
Charges for services	\$ 896,350
Tap fees	7,280
Connect fees	6,326
Treatment charges	40,112
Other income	<u>45,629</u>
	<u>995,697</u>
Operating expenses:	
Personal services	247,942
Supplies and materials	36,976
Repairs and maintenance	17,767
Utilities	57,009
Depreciation and amortization	168,659
Sewer treatment	51,370
General and administration	41,847
Contractual services	<u>311,609</u>
	<u>933,179</u>
Operating income	62,518
Nonoperating revenues (expenses):	
Interest expense	<u>(110,528)</u>
Net income (loss)	(48,010)
Retained earnings - October 1	2,977,982
Change in reserves	89,014
Prior period adjustment	<u>9,780</u>
Retained earnings - September 30	<u>\$ 3,028,766</u>

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

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**EXHIBIT E  
CITY OF PETAL, MISSISSIPPI  
COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED SEPTEMBER 30, 1995**

	September 30, 1995
Cash flow from operating activities:	
Cash received from customers (excluding deposit)	\$ 941,323
Cash paid to suppliers	(517,432)
Cash paid to employees	<u>(249,825)</u>
Net cash provided (used) by operating activities	<u>174,066</u>
Cash flow from noncapital financing activities:	
Operating transfers in	<u>0</u>
Net cash provided by noncapital financing activities	<u>0</u>
Cash flow from capital and related financing activities:	
Sale of capital assets	4,000
Acquisition of capital assets	(54,141)
Principal paid on bonds	(65,000)
Principal paid on notes	(31,363)
Debt proceeds	119,280
Interest paid	<u>(106,525)</u>
Net cash (used) by capital and related financing activities	<u>(133,749)</u>
Cash flow from investing activities:	
Interest received	<u>45,629</u>
Net cash provided by investing activities	<u>45,629</u>
Net increase (decrease) in cash for the year	85,946
Cash and restricted cash - 10/01/94	<u>883,938</u>
Cash and restricted cash - 09/30/95	<u>\$ 969,884</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 62,518
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	168,659
(Increase) in accounts receivable	(12,790)
(Decrease) in accounts payable	(1,383)
Increase in accrued expenses	2,691
Other income	<u>(45,629)</u>
Net cash provided by operation activities	<u>\$ 174,066</u>
Other required disclosures:	
Interest expense	\$ 110,528
Interest paid	106,525
Interest capitalized	0

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

**CITY OF PETAL, MISSISSIPPI**

**CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1995**

(I) Summary of Significant Accounting Policies.

The City of Petal was incorporated in 1974 and operates under a Mayor-Alderman form of government and provides the following services:

Public Safety  
Public Works  
Health and Welfare  
Culture and Recreation  
General Administration

The City of Petal donates to or has a financial commitment to these entities but does not appoint management or exert significant control over these organizations.

**CITY OF PETAL  
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Blended with the reporting entity:  
-Petal Public Improvement Corporation

The Petal Public Improvement Corporation is a not-for-profit entity formed to finance the construction of a multi-purpose center to be leased to the City. The Board of Directors of the Petal Public Improvement Corporation is composed of the Mayor and Aldermen of the City of Petal.

The financial statements of the Petal Public Improvement Corporation are reported as a Special Revenue Fund, using the blended method of reporting, in the general purpose financial statements of the City of Petal.

**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. Basis of Accounting**

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheets. Fund equity is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases and decreases in net total assets.

**CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1995**

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, interest revenue and charges for services. Sales taxes collected and held by the state at year end on behalf of the City are recognized as revenue.

The accrual basis of accounting is utilized by proprietary fund types and nonexpendable trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**D. 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.

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.

**CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1995**

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

**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 individual, 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.

**E. 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, 1995**

The City has elected not to capitalize infrastructure and did not attempt to value said improvements during the fixed assets 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.

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 the fund reserves established by City policy:

CITY OF PETAL, MISSISSIPPI  
EXHIBIT "B"

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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 ad valorem - An account used to record the ad valorem taxes collected in excess of legal limitations for the current fiscal year.

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.

H. Inventories

Inventories are valued at cost, which approximate market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

I. 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.

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CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1995J. Compensated Absences

Employees accumulate sick leave at an amount provided by the City policy. Accumulated sick leave or vacation is not paid upon termination of employment.

(2) Interfund Receivables and Payables

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

	<u>Due To</u>	<u>Due From</u>
General Fund	\$ 9,297	\$ 4,677
Special Revenue Fund:		
CDBG Fund	1	
Proprietary Fund:		
Water and Sewer	71,975	62,054
Solid Waste		14,547
Trust and Agency Fund:		
Tax Collector's Fund	5	
Total	<u>\$ 81,278</u>	<u>\$ 81,278</u>

(3) Deposits

The carrying amount of the City's deposits with financial institutions was \$2,256,961, and the bank balance was \$2,310,436. The bank balance is categorized as follows:

CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

Amount insured or collateralized with securities held by the City or its agent in the City's name	\$ 1,957,073
Amount collateralized with securities held by the pledging financial institution's trust department or agent in the City's name	0
Uncollateralized	<u>353,363</u>
Total Bank Balance	<u>\$ 2,310,436</u>

The uninsured bank balance at September 30, 1995, was \$1,896,521. As described in Note 1, this uninsured bank balance was required to be collateralized in the amount of 105%. The uninsured bank balance at September 30, 1995, was undercollateralized by \$353,363. This undercollateralization is a violation of state law. However, the City has no liability associated with this violation.

(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, 1995, 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 \$193,754 in notes receivable from grant contracts. Repayment on these notes are available for use in the program. However, \$193,254 of the notes are being forgiven at 10% per year if grant conditions are met.

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

	Balance 10/01/94	Additions	Deletions	9/30/95
<b>Water and Sewer Fund</b>	\$ 21,994	\$	\$	\$ 21,994
Land and easements	64,088	1,901		65,989
Buildings	4,554,373	803,550	1	5,357,922
Water/Sewer systems	292,285	19,835	924	311,196
Operating equipment	689,592	34,484	724,076	
Under construction	(1,562,018)	(168,659)	(445)	(1,730,232)
Less: Accumulated depreciation	4,060,314	691,111	724,556	4,026,869
<b>Solid Waste Fund</b>	84,071		40,315	43,756
Operating equipment	(84,071)		(40,315)	(43,756)
Less: Accumulated depreciation	0	0	0	0
<b>Total</b>	<b>\$ 4,060,314</b>	<b>\$ 691,111</b>	<b>\$ 724,556</b>	<b>\$ 4,026,869</b>

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.

CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

(6) 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, 1995, 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, hereafter issued, for school, water, sewerage systems, gas, and 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, 1995, 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 which are subject to annual appropriations therefore, 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 municipality-owned utility, or to bonds issued by any municipality under the provisions of Sections 57-1-1 through 57-1-51, or to any special assessment improvement bonds issued by any municipality under the provisions of Sections 21-41-1 through 21-41-53.

CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

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 waste water 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 for 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.

The following is a schedule of limitations on the indebtedness of the City at September 30, 1995:

	15 Percent	20 Percent
Authorized Debt Limit:		
Assessed valuation for fiscal year ended September 30, 1995 - \$26,503,188	\$ 3,975,478	\$ 5,300,638
Present debt subject to 15% limitation	(522,000)	
Present debt subject to 20% limitation including debt subject only 15% limitation		(2,178,000)
Margin for further debt under respective debt limits	<u>\$ 3,453,478</u>	<u>\$ 3,122,638</u>

(7) 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:

CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

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%.

# CITY OF PETAL

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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%

## EXHIBIT "B"

### TOTAL REVENUE BONDS

715,000  
715,000

### GENERAL OBLIGATION ENTERPRISE BONDS:

\$2,500,000 Sewer Construction Bonds due in annual installments of \$95,000 in 1987, \$105,000 in 1988, \$110,000 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%.

185,000

\$1,370,000 Water and Sewer Refunding Bonds due in annual installments of \$5,000 in 1992, \$25,000 in 1993 to 1995, \$230,000 in 1996, \$250,000 in 1997, \$225,000 in 1998, \$270,000 in 1999 and \$285,000 in 2000, interest at 3.0% to 5.3%.

1,315,000

\$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%.

505,000

### TOTAL GENERAL OBLIGATION ENTERPRISE BONDS

2,005,000

### OTHER LONG-TERM DEBT:

\$807,757 State Revolving Loan Fund loan due in monthly installments of \$5,532 for 237 months at 4.5% per annum.

797,294

\$56,000 note due in two annual installments of \$28,000 plus interest.

56,000

\$125,000 five year note due in five installments of \$25,000 plus interest accrued at 3.99% annually.

100,000

### Total Other Long-term Debt

953,294

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## CITY OF PETAL, MISSISSIPPI NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 1995

The annual requirements to amortize all bonded debt as of September 30, 1995 follows:

Year Ending 9/30	\$3,750,000 SSD Bonds	
	Principal	Interest
1996	\$ 170,000	\$ 82,100
1997	170,000	71,900
1998	170,000	61,700
1999	180,000	51,200
2000	180,000	40,400
Thereafter	560,000	73,750
	\$ 1,430,000	\$ 381,050

\$85,000 Refunding Notes		
1996	\$ 17,000	\$ 1,122

Year Ending 9/30	\$2.5 Million Sewer Construction	
	Principal	Interest
1996	\$ 185,000	\$ 105,165

## CITY OF PETAL, MISSISSIPPI NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 1995

Year Ending 9/30	\$700,000 Water and Sewer Refunding Bond	
	Principal	Interest
1996	40,000	35,493
1997	45,000	32,275
1998	50,000	28,896
1999	50,000	25,315
2000	55,000	21,535
Thereafter	265,000	37,821
	\$ 505,000	\$ 181,335

Year Ending 9/30	\$825,000 Series 1990 Revenue Bond	
	Principal	Interest
1996	25,000	49,944
1997	30,000	47,366
1998	30,000	44,970
1999	35,000	42,825
2000	35,000	40,515
Thereafter	560,000	220,886
	\$ 715,000	\$ 446,506

## CITY OF PETAL, MISSISSIPPI NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 1995

Year Ending 9/30	\$1,370,000 Refunding Series	
	Principal	Interest
1996	25,000	68,710
1997	230,000	58,243
1998	250,000	45,898
1999	255,000	34,091
2000	270,000	21,285
Thereafter	285,000	7,268
	\$ 1,315,000	\$ 235,495

Year Ending 9/30	\$550,000 Certificates of Participation	
	Principal	Interest
1996	25,000	31,602
1997	25,000	29,603
1998	30,000	27,402
1999	30,000	25,198
2000	35,000	23,212
Thereafter	360,000	97,646
	\$ 505,000	\$ 234,663

Year Ending 9/30	\$125,000 Five Year Notes	
	Principal	Interest
1996	25,000	3,990
1997	25,000	2,993
1998	25,000	1,995
1999	25,000	998



EXHIBIT "B"

CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

<u>\$807,757 SRF Loan</u>		
<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>
1996	28,816	35,513
1997	28,048	34,082
1998	29,337	32,793
1999	30,684	31,445
2000	32,094	30,036
Thereafter	<u>648,315</u>	<u>230,215</u>
	\$ 797,294	\$ 394,084
	=====	=====

<u>\$56,000 General Obligation Note</u>		
<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>
1996	28,000	3,136
1997	<u>28,000</u>	<u>1,568</u>
	\$ 56,000	\$ 4,704
	=====	=====

(8) 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 \$13,656 at September 30, 1995. 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, 1995.

CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

(8) Capital Leases (cont.)

<u>Year Ending 9/30</u>	<u>General Long-term Debt Account Group</u>
1996	<u>\$ 5,351</u>
Minimum lease payments	5,351
Less: Amount representing interest at City's incremental borrowing rate	<u>(93)</u>
Present value of minimum lease payments	\$ 5,258
	=====

(9) Defined Benefit Pension Plan

**Plan Description:** The City of Petal, Mississippi contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employee Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800 444 PERS.

**Funding Policy:** PERS members are required to contribute 7.25% of their annual covered salary and the City of Petal is required to contribute at an actuarial determined rate. The current rate is 9.75% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City's contributions to PERS for the years ending September 30, 1995, 1994, and 1993 were \$91,521, \$91,237, and \$83,705, respectively, equal to the required contributions for each year.

CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

(10) 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. 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:

<u>Entity/Purpose of Levy</u>	<u>Applicable State Law</u>	<u>Mills Levied</u>
School District:		
Minimum Education Program	37-57-1	2.65 mills
Operational Support	37-57-105	53.10 mills
School Bonded Indebtedness (for bonds issued subsequent to March 3, 1987)	37-59-23	5.5 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 General 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.

CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

(11) 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. Tax sales are held in April and August to recover unpaid property taxes at that date.

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 City exceeded the 10 percent limitation for the year ended September 30, 1995.

D. Deposits

The City's bank balance at September 30, 1995, was \$2,310,436. This balance was collateralized for \$1,957,073 and uncollateralized by \$353,363 in violation of state statutes.

EXHIBIT "B"

CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

(12) Receivables

Receivables at September 30, 1995 consist of the following:

Receivables	General	Special Revenue	Debt Service	Enterprise	Totals
Accounts	\$	\$	\$	\$ 87,763	\$ 87,763
Franchise fees	46,388				46,388
Sales tax	70,650				70,650
Auto ad valorem	13,479		5,188		18,667
Totals	\$ 130,517	\$ 0	\$ 5,188	\$ 87,763	\$ 223,468

Customer accounts receivable in the Enterprise Fund are attributable to unpaid balances for charges through September 30, 1995.

(13) 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	\$ 95,435
Accrued interest	12,876
Bonds and notes payable (current)	112,706
	\$ 221,017

(14) Deferred Charges

During the year ended September 30, 1992, 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.

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CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

(15) Contributed Capital

Contributed capital as of September 30, 1995 consists of:

Contributions from Customers	\$ 50,068
Contributions from Federal Government	78,882
Contributions from City of Petal	47,935
Total	\$ 176,885

(16) Inventory

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

(17) Interest Expense

The total amount of interest expense incurred by the Water and Sewer Enterprise Fund for the year ended September 30, 1995 is as follows:

Charged to expense	\$ 110,528
Paid	\$ 106,525

(18) 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. Beginning October 1, 1993, the City contracted with Waste Management, Inc. to provide waste disposal and collection services for the City. Waste Management, Inc. was paid \$235,993 during the year ended September 30, 1995.

CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

(19) Risk Management

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

- A. Mississippi Municipal Workers' Compensation Group  
This pool was formed under the Mississippi Workers' Compensation Act to provide coverage for claims arising from injuries to employees. The City is jointly and severally liable for obligations of the group.
- B. Mississippi Municipal Liability Plan  
This pool was formed under inter-local agreements for the purpose of providing the liability coverage prescribed by the Plan for the member municipalities. The pool uses a "service company" to manage the plan's day to day activities.  
  
The City of Petal pays premiums based upon an actuarial assessment of the City's loss experience rate and the plans overall financial condition. The City may be assessed if, at any time, the assets of the plan, in the opinion of the Board of Trustees, are insufficient to discharge its obligations.

(20) Prior Period Adjustments

- A. Reclassify fund types - An adjustment was made to reclassify a Capital Projects Fund to a Special Revenue fund after construction was completed. A residual equity transfer of \$8,376 was made.
- B. An adjustment of \$9,780 was made in the Proprietary Funds to book unbilled revenues at October 1, 1994 in the Solid Waste Fund.

CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

(21) Deferred Compensation Plan

The City, through the Mississippi Public Employees' Retirement System (PERS), offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City subject only to the claims of the City's general creditors. Participants rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

As of June 30, 1995, assets held for participants employed by the City of Petal and reported in an Agency Fund totaled \$48,477. The City believes that it is unlikely that it will use the assets to satisfy the claims of the general creditors in the future. The City of Petal has no liability for losses under the plan, but the Board of Trustees of the Mississippi Public Employees' Retirement System, as plan administrator, does have the duty of disclosure that it will be required to make to the participants.

## EXHIBIT "B"

## CITY OF PETAL, MISSISSIPPI

SCHEDULE 1  
CITY OF PETAL, MISSISSIPPI  
GENERAL FUND - BALANCE SHEET  
SEPTEMBER 30, 1995  
(With Comparative Totals for September 30, 1994)

	1995	1994
ASSETS		
Cash	\$ 545,807	\$ 344,578
Receivables:		
Franchise fees	46,388	38,606
Due from:		
Other governments	84,129	80,881
Other funds	4,677	4,677
Inventory at cost	1,536	1,536
Total assets	\$ 682,537	\$ 470,278
LIABILITIES		
Bills docketed	\$ 54,360	\$ 56,022
Cash bonds	32,567	19,902
Tax overbids	1,586	9,914
Due to other funds	9,297	9,297
Total liabilities	97,810	95,135
FUND BALANCE		
Reserved for ad valorem	30,301	
Reserved for inventory	1,536	1,536
Unreserved	552,890	373,607
Total fund balance	584,727	373,143
Total liabilities and fund balance	\$ 682,537	\$ 470,278

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

SCHEDULE 2  
CITY OF PETAL, MISSISSIPPI  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 1995  
(With Comparative Totals for the Year Ended September 30, 1994)

	1995	1994
REVENUES		
Property tax	\$ 524,266	\$ 405,170
Penalties and interest on delinquent taxes	6,979	11,025
Licenses and permits	39,305	30,187
Franchise fees	175,779	159,192
Homestead exemption	40,052	37,845
State share revenue:		
Sales tax	857,377	855,738
Alcoholic beverage levy	0	900
Intergovernmental:		
Gasoline tax	9,876	9,869
Municipal aid	4,448	4,531
Cultural and recreational fees	26,977	16,819
Fines and forfeits	62,266	45,119
Charges for services	400	0
Interest earnings	10,683	7,750
Prior year taxes	68,031	19
Grants	21,292	0
Sale of equipment	5,882	2,930
Miscellaneous	21,072	6,542
Total revenues	1,874,685	1,593,636
EXPENDITURES		
General government	367,543	373,223
Public safety	815,250	782,236
Public works	237,809	272,618
Cultural and recreational	114,631	76,905
Health and welfare	21,606	22,920
Debt service	56,388	110,185
Total expenditures	1,613,227	1,638,087
Excess of revenues over (under) expenditures	261,458	(44,451)
Other financing sources (uses)		
Transfers out	(51,874)	(23,989)
Total other financing uses	(51,874)	(23,989)
Excess of revenue and other financing sources over expenditures and other financing uses	209,584	(68,440)
Fund balance - October 1	375,143	443,583
Fund balance - September 30	\$ 584,727	\$ 375,143

The notes are an integral part of the financial statements.

SCHEDULE 3-A  
CITY OF PETAL, MISSISSIPPI  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 1995

	Fire Protection Fund	Law Enforcement Fund	Road Maintenance Fund	Multi Building Fund	Rental Rehab Fund	MCPP Law Enforcement Fund	CDBG Fund	SEECB Fund	Loan Repay Fund	Rental Loan Fund	Rehab Loan Fund	1994 Home Program	1994 Home Program	Total
ASSETS														
Cash	\$ 80,787	\$ 5,257	\$ 17,699	\$ 539	\$	\$ 36,498	\$ 1	\$ 2,027	\$ 11,373	\$ 29,235	\$	\$ 8,913	\$ 5,000	\$ 197,330
Receivables														
Accounts														
Accrued interest														
Other				1		135,263				452	58,039			193,755
Due from other governments			108,749											108,749
Inventory														65,297
Prepaid expense			65,297											
	\$ 80,787	\$ 5,257	\$ 191,746	\$ 539	\$ 135,263	\$ 36,498	\$ 1	\$ 2,027	\$ 11,825	\$ 87,275	\$	\$ 8,913	\$ 5,000	\$ 565,131
LIABILITIES														
Accounts payable	\$ 1,756	\$ 1,241	\$ 107,825	\$	\$	\$ 3,985	\$	\$	\$	\$	\$	\$	\$	\$ 114,807
Due to other funds														16,001
Contractor Retainage payable												16,001		16,001
Total liabilities	1,756	1,241	107,825			3,985	1					16,001		130,809
EQUITY														
Unreserved	79,031	4,016	83,921	539	135,263	32,513		2,027	11,825	87,275		(7,088)	5,000	434,322
Total Equity	79,031	4,016	83,921	539	135,263	32,513		2,027	11,825	87,275		(7,088)	5,000	434,322
Total Liabilities and Equity	\$ 80,787	\$ 5,257	\$ 191,746	\$ 539	\$ 135,263	\$ 36,498	\$ 1	\$ 2,027	\$ 11,825	\$ 87,275	\$	\$ 8,913	\$ 5,000	\$ 565,131

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

EXHIBIT "B"

SCHEDULE 3-B  
CITY OF PETAL, MISSISSIPPI  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR YEAR ENDED SEPTEMBER 30, 1995

	Fire Protection Fund	Law Enforcement Fund	Road Maintenance Fund	Multi Building Fund	Rental Rehab Fund	MCPP Law Enforcement Fund	1994 Home Program	Loan Repay Fund	Rehab Loan Repay Fund	1994 CDBG Program	SEECB Fund	Total
REVENUES												
Road maintenance funds			\$ 58,646									\$ 58,646
Municipal fire funds	33,177											33,177
Law enforcement funds		1,201										1,201
Interest	1,212	142	883	157				372	1,538			4,304
Metro reimbursement			167,210			36,498	88,406			5,000		297,114
Grants				1,250								1,250
Other income				1,407		36,498	88,406	372	1,538	5,000		395,692
Total revenues	34,389	1,343	226,739	1,407	0	36,498	88,406	372	1,538	5,000		
EXPENDITURES												
Public safety	21,938	3,536				3,985						29,459
Public works			229,619									229,619
Recreation				1,813								1,813
Debt service				59,304								59,304
Capital outlay							95,494					95,494
Total expenditures	21,938	3,536	229,619	61,117	0	3,985	95,494	0	0	0		415,682
Excess (deficiency) of revenues over (under) expenditures	12,451	(2,193)	(2,880)	(59,710)	0	32,513	(7,088)	372	1,538	5,000		(19,997)
Other financing sources (uses):												
Transfers in				51,874								51,874
Debt discharge					(32,106)				(4,177)			(36,283)
Debt proceeds			56,000									56,000
Total other financing Excess (deficiency) of revenues and other sources over expenditures	0	0	56,000	51,874	(32,106)	0	0	0	(4,177)	0		71,591
Fund balance 10/01/94	66,580	6,209	30,801	8,375	167,369	0	0	11,453	89,914	5,000	2,027	382,728
Fund balance 09/30/95	79,031	4,016	83,921	539	135,263	32,513	(7,078)	11,825	87,275	5,000	2,027	\$434,322

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

SCHEDULE 4-A  
CITY OF PETAL, MISSISSIPPI  
DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 1995

	2.5 Million Sewer Bond & Interest Fund	SSD Bond and Interest Fund	Total (Memorandum Only)
ASSETS			
Cash	\$ 343,103	\$ 145,430	\$ 488,533
Due from other governments		5,188	5,188
Total Assets	\$ 343,103	\$ 150,618	\$ 493,721
LIABILITIES			
Total Liabilities	\$	\$	\$
EQUITY			
Contributed capital	\$	\$	\$
Reserved for debt service	343,103	150,618	493,721
Total Equity	343,103	150,618	493,721
Total Liability and Fund Equity	\$ 343,103	\$ 150,618	\$ 493,721

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, 1995

	2.5 Million Sewer Bond & Interest Fund	SSD Bond and Interest Fund	Total (Memorandum Only)
REVENUES			
Property tax	\$ 323,785	\$ 305,337	\$ 629,122
Interest earned	5,412	2,372	7,784
Prior year taxes	46,939		46,939
Total Revenues	376,136	307,709	683,845
EXPENDITURES			
Debt Service			
Principal	195,000	170,000	365,000
Interest	87,140	92,300	179,440
Agent fees	4,047	328	4,375
Total Expenditures	286,187	262,628	548,815
Excess (deficiency) of revenues over expenditures	89,949	45,081	135,030
Fund balance, October 1, 1994	253,154	105,537	358,691
Fund balance, September 30, 1995	\$ 343,103	\$ 150,618	\$ 493,721

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

**CITY OF PETAL  
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SCHEDULE 5-A  
CITY OF PETAL, MISSISSIPPI  
TRUST AND AGENCY FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 1995  
**EXHIBIT "B"**

	Cleaning Fund	Benefit Fund	Insurance Revolving Fund	Tax Collector's Fund	Deferred Compensation Fund	Totals (Memorandum Only)
<b>ASSETS</b>						\$ 55,407
Cash in bank	\$ 350	\$ 41,220	\$ 13,737	\$ 100	\$ 48,477	48,477
Cash held by agent	\$ 350	\$ 41,220	\$ 13,737	\$ 100	\$ 48,477	\$ 103,884
<b>LIABILITIES</b>						\$ 445
Due to other governments	\$ 350	\$	\$	\$ 95	\$	5
Due to other funds		41,220			48,477	89,697
Deferred benefits payable				100	48,477	90,147
Total Liabilities	350	41,220				13,737
Fund balance			13,737			
Total liabilities and fund balance	\$ 350	\$ 41,220	\$ 13,737	\$ 100	\$ 48,477	\$ 103,884

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

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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, 1995

	Benefits Fund	Insurance Revolving Fund	Tax Collector's Fund	Deferred Compensation Fund	Totals (Memorandum Only)
<b>REVENUES</b>					\$ 293
Interest earned	\$	\$ 293	\$	\$	
<b>EXPENDITURES</b>					
Excess of revenue over expenditures		293			293
Fund balance - October 1, 1994		13,444			13,444
Fund balance - September 30, 1995	\$	\$ 13,737	\$ 0	\$ 0	\$ 13,737

SCHEDULE 6-A  
CITY OF PETAL, MISSISSIPPI  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 1995

	Water and Sewer Fund	Solid Waste Fund	Total (Memorandum Only)
<b>ASSETS</b>	\$ 367,794	\$ 30,324	\$ 398,118
Cash			87,763
Receivables	63,979	23,784	3,360
Accounts	3,360		29,949
Other	29,949		2,289
Inventory	2,289		76,601
Prepaid expense	62,054	14,547	
Due from other funds			39,724
Restricted assets	39,724		5,022
Debt service	5,022		5,021
Bond contingency	5,021		78,327
Bond depreciation	78,327		179
Bond cushion	179		443,493
Sewer escrow	443,493		
Facility repair			21,994
Property, plant and equipment	21,994		228,011
Land and easements	228,011		5,195,901
Improvements	5,195,901		354,683
Water and sewer systems	310,925	43,758	(1,773,720)
Machinery and equipment	(1,729,962)	(43,758)	26,771
Accumulated depreciation	26,771		(7,473)
Bond issuance cost	(7,473)		32,886
Accumulated amortization	32,886		\$ 5,248,899
Capitalized interest	\$ 5,180,244	\$ 68,655	
Total assets			

SCHEDULE 6-A (Continued)  
CITY OF PETAL, MISSISSIPPI  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 1995

	Water and Sewer Fund	Solid Waste Fund	Total (Memorandum Only)
<b>LIABILITIES</b>	\$ 54,954	\$ 19,878	\$ 74,832
Accounts payable	71,975		71,975
Due to other funds	95,435		95,435
Customer deposits	12,876		12,876
Accrued interest	1,220,000		1,220,000
Revenue bonds payable	1,009,915		1,009,915
Abatement note payable	7,670		7,670
Sales tax payable	2,472,823	19,878	2,492,703
Total Liabilities			
Fund Equity	128,950	47,935	176,885
Contributed capital	129,389		129,389
Reserved for debt service	(578,844)		(578,844)
Reserved for repair and replacement	3,027,924	842	3,028,766
Unreserved	2,707,412	48,777	2,756,196
Total Equity			
Total Liabilities and Equity	\$ 5,180,244	\$ 68,655	\$ 5,248,899

The notes are an integral part of the financial statements.

## EXHIBIT "B"

SCHEDULE 6-B  
CITY OF PETAL, MISSISSIPPI  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN RETAINED EARNINGS  
SEPTEMBER 30, 1995

	Water and Sewer Fund	Solid Waste Fund	Total (Memorandum Only)
Operating Revenues:			
Charges for services	\$ 645,153	\$ 251,197	\$ 896,350
Tap fees	7,280		7,280
Connect fees	6,326		6,326
Sewer treatment charges	40,112		40,112
Other income	44,657	972	45,629
Total revenue	743,528	252,169	995,697
Operating Expenses:			
Personal services	231,696	16,246	247,942
Supplies and materials	34,403	2,573	36,976
Contractual services	75,616	235,993	311,609
Repairs and maintenance	17,225	542	17,767
Utilities	57,009		57,009
Depreciation and amortization	168,659		168,659
General and administrative	41,248	599	41,847
Sewer treatment	51,370		51,370
Total expense	677,226	255,953	933,179
Operating income (loss)	66,302	(3,784)	62,518
Other sources (uses)	(110,528)		(110,528)
Interest expense	(110,528)		(110,528)
Total other sources (uses)	(44,226)	(3,784)	(48,010)
Excess (deficiency) of revenues over and other uses	2,983,136	(5,154)	2,977,982
Retained earnings October 1, 1994	89,014		89,014
Change in reserves		9,780	9,780
Prior period adjustment	\$ 3,027,924	\$ 842	\$ 3,028,766
Retained earnings September 30, 1995			

SCHEDULE 6-C  
CITY OF PETAL, MISSISSIPPI  
PROPRIETARY FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
SEPTEMBER 30, 1995

	Water and Sewer Fund	Solid Waste Fund	Total (Memorandum Only)
Cash flows from operating activities:			
Cash received from customers	\$ 699,605	\$ 241,718	\$ 941,323
Cash paid to suppliers	(278,635)	(238,797)	(517,432)
Cash paid to employees	(233,463)	(16,362)	(249,825)
Net cash provided (used) by operating activities	187,507	(13,441)	174,066
Cash flows from noncapital financing activities:			
Operating transfers in	0	0	0
Net cash provided by noncapital financing activities	0	0	0
Cash flows from capital and related financing activities:			
Sale of capital assets	(54,141)	4,000	(50,141)
Acquisition of capital assets	(65,000)		(65,000)
Principal paid on bonds	(31,363)		(31,363)
Principal paid on notes	119,280		119,280
Debt proceeds	(106,525)		(106,525)
Interest paid			
Net cash provided (used) by capital and related financing activities	(137,749)	4,000	(133,749)
Cash flows from investing activities			
Interest received	44,657	972	45,629
Net cash provided by investing activities	44,657	972	45,629
Net increase (decrease) in cash	94,415	(8,469)	85,946
Cash balance - October 1, 1994	845,145	38,793	883,938
Cash balance - September 30, 1995	\$ 939,560	\$ 30,324	\$ 969,884

The notes are an integral part of these statements.

SCHEDULE 6-C (Continued)  
CITY OF PETAL, MISSISSIPPI  
PROPRIETARY FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
SEPTEMBER 30, 1995RECONCILIATION OF OPERATING INCOME TO NET CASH  
PROVIDED IN OPERATING ACTIVITIES

	Water and Sewer Fund	Solid Waste Fund	Total (Memorandum Only)
Operating income (loss)	\$ 66,302	\$ (3,784)	\$ 62,518
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	168,659		168,659
(Increase) decrease in accounts receivable	(3,231)	(9,559)	(12,790)
Increase (decrease) in accounts payable	(2,373)	990	(1,383)
Other income	(44,657)	(972)	(45,629)
Increase (decrease) in accrued expenses	2,807	(116)	2,691
Net cash provided (used) by operating activities	\$ 187,507	\$ (13,441)	\$ 174,066
Other required disclosures:			
Interest expended	\$ 110,528	\$	\$ 110,528
Interest capitalized	0		0
Interest paid	106,525		106,525

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

EXHIBIT "B"

CITY OF PETAL, MISSISSIPPI

CITY OF PETAL, MISSISSIPPI  
SCHEDULE OF SURETY BONDS  
SEPTEMBER 30, 1995

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
S. Tims	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
Jean Marie Ishee	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
William Gary Hollingsworth	Deputy Tax Collector	Aetna Life	10,000
Billy Wayne Murphy	Police Chief	Aetna Life	50,000

CITY OF PETAL, MISSISSIPPI  
SCHEDULE OF LONG-TERM DEBT  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

Definition and Purpose	Balance Outstanding 10/01/94	Transactions During Fiscal Year		Balance Outstanding 9/30/95
		Issued	Redeemed	
General Obligation Bonds:				
Separate School District	\$ 1,600,000	\$	\$ 170,000	\$ 1,430,000
Sewer refunding	1,340,000		25,000	1,315,000
Sewer bonds	355,000		170,000	185,000
Refunding	545,000		40,000	505,000
Total	3,840,000		405,000	3,435,000
Revenue Bonds:				
Water and Sewer Series 1993	740,000		25,000	715,000
Official Long-term Debt:				
Certificates of participation	530,000		25,000	505,000
Refunding notes	34,000		17,000	17,000
Sewer abatement note	233,881		20,890	212,991
Revolving fund loan	688,477	119,280	10,463	797,294
Five year note	125,000		25,000	100,000
Road improvement note		56,000		56,000
Total	1,611,358	175,280	98,353	1,688,285
Capital Lease Payable	12,012		6,755	5,257
Total	\$ 6,203,370	\$ 175,280	\$ 535,108	\$ 5,843,542

CITY OF PETAL, MISSISSIPPI  
RECONCILIATION OF ORIGINAL AD VALOREM TAX ROLLS TO FUND COLLECTIONS  
FOR THE YEAR ENDED SEPTEMBER 30, 1995

ADJUSTED ASSESSED VALUATION	ASSESSED VALUE	TAX	
City:	\$ 14,679,139		
Realty	3,477,887		
Personal-other than auto	3,833,801		
Utilities	4,512,361		
Auto and mobile home (remitted by county)	26,503,188	\$ 1,000,495	\$ 905,722
Total City at 37.75 mills		(94,773)	40,052
Less: Homestead exemption allowed			
Add: Homestead reimbursement			
Separate School District:	27,761,135		
Realty	8,146,991		
Personal-other than auto	6,113,276		
Utilities	12,500,868		
Auto and mobile home (remitted by county)	54,524,785	3,472,684	3,020,651
Total SSD at 63.69 mills		(452,033)	(48,049)
Less: Homestead exemption allowed			190,971
Deduct: Commissions to county			\$ 4,109,437
Add: Homestead reimbursement			
To be accounted for			
CREDITS	TAXES	HOMESTEAD REIMBURSEMENT	TOTAL
Collections Allocated To:	\$ 524,266	\$ 40,052	\$ 564,318
General fund	323,785		323,785
2.5 million sewer bond fund	305,337		305,337
SSD school note	56,068		56,068
Library fund	107,066		107,066
SSD school note	1,982,621		1,982,621
School district	3,299,143	40,052	3,339,195
Totals			642,518
Balance represented by:			190,971
Auto ad valorem remitted directly to schools by county			6,132
Homestead exemption received directly by school district			12,353
Uncollected real property taxes			(53,989)
Uncollected personal property taxes			(27,743)
Refunds to taxpayers			\$ 4,109,437
Overcollected			
Total accounted for			

CITY OF PETAL

GRANTOR/PROGRAM TITLE	MINUTE BOOK 15	NUMBER	9/30/95	9/30/95	PAGE 402
U.S. Department of HUD					
Passed through the State of Mississippi:					
CDBG - Rental Rehabilitation	14.230	Various	\$ 88,406	\$ 88,406	\$ * 6.856
CDBG - Home Program	14.228	M94-SG-28-0158	5,000	5,000	
CDBG - Public Facilities Grant	14.228	4-112-PF-01			
Total Department of HUD			93,406	93,406	6.856
Environmental Protection Agency					
Passed through the State of Mississippi:					
DEQ - State Revolving Loan Fund	66.458	SRF-C780770-01-0	105,444	** 105,444	
Department of Transportation					
Passed through the State of Mississippi:					
Federal Urban Aid	20.205	STP-9333	@ 107,825	107,825	
Department of Justice					
Passed through the State of Mississippi:					
Metro Narcotics Assistance	N/A	N/A	21,292	21,292	
Total Federal Assistance			\$ 327,967	\$ 327,967	\$ 6.856

\* - Includes principal and interest on note repayments per grant agreements.  
 \*\* - State revolving loan funds  
 @ - Includes accrual of \$107,825

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CITY OF PETAL, MISSISSIPPI

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

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

Mayor and 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, 1995, and have issued our report thereon dated January 11, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the City of Petal, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements 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 general purpose financial statements in

Petal, Mississippi  
 Page 2  
 January 11, 1996

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.

In planning and performing our audit of the general purpose financial statements of the City of Petal, for the year ended September 30, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide and opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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 and 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of Petal, Mississippi, in a separate letter dated January 11, 1996.

This report is intended for the information of the management and The Board of Aldermen. 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 11, 1996



CITY OF PETAL, MISSISSIPPI  
EXHIBIT "B"

INDEPENDENT AUDITORS' REPORT ON THE INTERNAL  
CONTROL STRUCTURE USED IN ADMINISTERING  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Wright, King & Company, P.A.

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Ann Scott Henderson, CPA

INDEPENDENT AUDITORS' REPORT ON THE INTERNAL  
CONTROL STRUCTURE USED IN ADMINISTERING  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Mayor and 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, 1995, and have issued our report thereon dated January 11, 1996.

We conducted our audit in accordance with generally accepted 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.

In planning and performing our audit for the year ended September 30, 1995, we considered the internal control structure of the City of Petal, Mississippi, in order to determine our auditing procedures for the purpose of expressing our opinion on the City of Petal's general purpose financial statements and to report on the internal control structure in accordance with OMB Circular A-128. 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 internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated January 11, 1996.

City of Petal  
Page 2  
January 11, 1996

The management of the City of Petal, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements 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, 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 into the following categories:

General Requirements

1. Political activity
2. Davis Bacon Act
3. Civil rights
4. Cash management
5. Allowable costs/cost principles
6. Administrative requirements

Specific Requirements

1. Types of services allowed
2. Eligibility
3. Matching, level of effort
4. Claims for advances and reimbursements
5. Amounts claimed or used for matching

City of Petal  
Page 3  
January 11, 1996

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, 1995, the City of Petal, and no major federal financial assistance programs and expended sixty-five percent of its total federal financial assistance under the following nonmajor federal financial assistance programs:

- \* Capitalization Grants for State Revolving Funds
- \* Highway Planning and Construction

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 have 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 the aforementioned nonmajor programs. 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.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

This report is intended for the information of management and the board of aldermen. 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 11, 1996

EXHIBIT "B"

CITY OF PETAL, MISSISSIPPI

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

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

Mayor and 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, 1995, and have issued our report thereon dated January 11, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed test of the City of Petal's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

City of Petal  
Page 2  
January 11, 1996

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain immaterial instances of noncompliance that we have reported to the management of the City of Petal in a separate letter dated January 11, 1996.

This report is intended for the information of the management and the Board of Aldermen. 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 11, 1996

CITY OF PETAL, MISSISSIPPI

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH THE GENERAL REQUIREMENTS APPLICABLE TO  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

EXHIBIT "B"

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH THE GENERAL REQUIREMENTS APPLICABLE TO  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Mayor and 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, 1995, and have issued our report thereon dated January 11, 1996.

We have applied procedures to test the City of Petal's compliance with the following requirements applicable to its federal assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended September 30, 1995:

- \* Political activity
- \* Davis-Bacon Act
- \* Civil rights
- \* Cash management
- \* Allowable costs/cost principles
- \* 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 Government". Our procedures were substantially less in scope than an audit, the objective of which is the

City of Petal, Mississippi  
Page 2  
January 11, 1996

expression of an opinion of the City of Petal's 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 requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Petal had not complied, in all material respects, with those requirements.

This report is intended for the information of management and the Board of Aldermen. 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 11, 1996

CITY OF PETAL, MISSISSIPPI

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR  
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR  
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

Mayor and 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, 1995, and have issued our report thereon dated January 11, 1996.

In connection with our audit of the general purpose financial statements of the City of Petal, Mississippi, and with our consideration of the City of Petal's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) 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, 1995. 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 special test and provisions 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's 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. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying Schedule of Findings and Questioned Costs.

EXHIBIT "B"

City of Petal, Mississippi  
Page 2  
January 11, 1996

This report is intended for the information of management and the board of aldermen. 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 11, 1996

CITY OF PETAL, MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SEPTEMBER 30, 1995

Finding:

The City has entered into a revolving loan agreement with the State of Mississippi under the Environmental Protection Agency's Capitalization Grants for State Revolving Funds program. A condition of this loan was that the City obtain a seventy-five percent hook-up rate to the new sewer lines. However, the City has only been able to obtain a forty-one percent rate.

Questioned Cost:

We were not able to calculate the questioned cost amount.

Response:

The City has in place a sewer use ordinance requiring connection to a sewer line if it is available within 90 days. The City intends to enforce this ordinance.

CITY OF PETAL, MISSISSIPPI

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Mayor and Board of Aldermen  
City of Petal, Mississippi

We have audited the general purpose financial statements of the City of Petal for the year ended September 30, 1995, and have issued our report dated January 11, 1996.

Our audit was conducted in accordance with generally accepted auditing standards and procedures prescribed by the State Department of Audit, and accordingly included such other auditing procedures as we considered necessary in the circumstances.

During the course of our audit we detected no matters that would have a material effect on the financial statements or deviations from generally accepted accounting principles.

Our review of the City's system of internal control revealed some minor problems that should be addressed by management. The problem areas noted were as follows:

1. Purchase orders were being signed at the same time the invoices were approved for payment.
2. Cash receipts are not reconciled to deposits or general ledger posting but are entered from receipts.

City of Petal, Mississippi  
Page 2  
January 11, 1996

3. Water and sewer accounts receivable are not reconciled to billings and cash receipts on a monthly basis.
4. Fixed assets are not being reported as destroyed or missing in a timely manner.
5. Bank reconciliations are not reviewed by someone other than the preparer.
6. Access to the vault is not closely monitored.
7. Ticket books are not being properly signed in and out by police officers.
8. Cash bonds are not being reconciled to subsidiary records monthly.

We have made recommendations to the City Clerk to address the above weaknesses and implementation is in process.

Our audit also revealed immaterial instances of violation of state statutes. These violations are detailed below:

1. Bank balances at two financial institutions did not meet the required collateralization amount of 105% of the uninsured balance.
2. The City exceeded the ten percent cap in increased ad valorem collections for the year ended September 30, 1995. A reserve for ad valorem was established to restrict these excess collections.

We appreciate the opportunity to provide audit service to the City of Petal.

Sincerely,

*Wright, King & Company, P.A.*  
WRIGHT, KING & COMPANY, P.A.  
January 11, 1996

EXHIBIT "C"

City of Petal  
Petal, Mississippi  
**Proclamation**



WHEREAS, in 1872 Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees, and

WHEREAS, this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska, and

WHEREAS, trees are a valuable resource giving us paper, wood for our homes, fuel for our fires and countless other wood products, and

WHEREAS, trees in our City increase property values, enhance the economic vitality of business areas and beautify our community, and

WHEREAS, trees, wherever they are planted are a source of joy and spiritual renewal, and

WHEREAS, Petal desires to continue its tree planting ways,

NOW, THEREFORE, the Board of Aldermen and I, Jack Gay, Mayor of the City of Petal, Mississippi, do hereby proclaim February 9th, 1996, as

ARBOR DAY

in the City of Petal, and urge all citizens to support efforts to protect our trees and woodlands and to support our City's Urban Forestry Program.

*In witness whereof I have hereunto set my hand and caused this seal to be affixed.*

ATTEST

DATE

*Francis O'Donnell*  
*February 6, 1996*

EXHIBIT "D"

JANUARY 30, 1996

MAYOR & BOARD OF ALDERMEN  
CITY OF PETAL  
PETAL MS. 39465

GENTLEMEN;

AT THIS TIME I AM REQUESTING TO PURCHASE 60 SECTIONS OF 3" FIRE HOSE AND 12 SECTIONS OF 1 3/4" FIRE HOSE. THIS FIRE HOSE CAN BE PURCHASE AT STATE CONTRACT PRICE.  
(THE COST IS AS FOLLOWS)

60 SECTIONS 3" 50' LONG CONTRACT PRICE \$ 139.90 EA. TOTAL \$ 8,394.00

12 SECTIONS 1 3/4" 50' LONG CONTRACT PRICE \$ 75.00 EA. TOTAL \$ 900.00

TOTAL PURCHASE PRICE WILL BE: \$ 9,294.00

PROFESSIONALLY;



CHIEF AUBRA EVANS  
PETAL FIRE DEPARTMENT