

BE IT REMEMBERED THAT THE RECESSED MEETING OF FEBRUARY 4,  
1997 WAS CALLED TO ORDER ON THIS THE 18TH DAY OF FEBRUARY, 1997, AT  
2:00 P.M. IN THE BOARD ROOM OF SAID CITY.

THOSE PRESENT

MAYOR JACK GAY

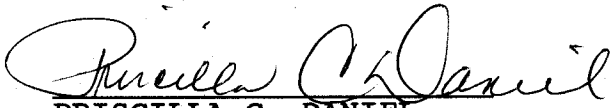
ALDERMEN

THE MEETING WAS ADJOURNED FOR A LACK OF A QUORUM.

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

(SEAL)

ATTEST:

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

THIS

PAGE

LEFT

BLANK

INTENTIONALLY

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 18, 1997 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 JOE C. MCMURRY LEROY SCOTT SHELBY TIMS
OTHERS	AUBRA EVANS WAYNE MURPHY MIKE SMITH DAN TOLBERT JERRY CROWE WILLOUGHBY WRIGHT KARA DRANE 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 FOLLOWING AMENDMENTS TO THE AGENDA:

ADD:

XI. SEMINAR & TRAVEL REQUEST

d) REQUEST FOR TWO (2) OFFICERS TO ATTEND THE STREET GANG IDENTIFICATION AND INTERVENTION SEMINAR IN LAUREL, MS.

XVI. CONSIDERATION OF COMMITTEE, COMMISSION AND BOARD MATTERS  
C) PERSONNEL - POLICE DEPARTMENT

THEREUPON, ALDERMAN TIMS MADE A MOTION THAT THE AGENDA WITH THE FOREGOING AMENDMENTS BE APPROVED. ALDERMAN BRANDLE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, ALDERMAN CAMPBELL MADE A MOTION THAT THE MINUTES OF THE REGULAR RECESSED MEETING OF FEBRUARY 4, 1997 AND THE SPECIAL MEETING OF FEBRUARY 12, 1997 BE ACCEPTED AS WRITTEN. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY CALLED FOR PUBLIC COMMENT.

THEREUPON, JERRY CROWE STATED THAT THE CURRENT BOARD SHOULD ADOPT AN ORDINANCE SETTING THE PAY FOR THE MAYOR AND ALDERMEN IN THE NEXT TERM. MR. CROWE STATED THAT THE SEWAGE USE FEE SHOULD BE ADJUSTED TO REFLECT THE FOUR WINTER MONTHS ON A YEAR-ROUND BASIS. MR. CROWE STATED THAT HE FEELS THAT THE AGENDA SHOULD BE PUBLISHED IN THE HATTIESBURG AMERICAN AND THE PETAL NEWS.

WHEREAS, THE HOUR OF 7:00 P.M. HAVING ARRIVED THE MAYOR AND BOARD OF ALDERMEN PROCEEDED TO PUBLICLY OPEN AND READ THE SEALED BIDS FOR A BACKHOE FOR THE WATER DEPARTMENT.

SEE EXHIBIT "A"

	ALT BID # 1	ALT BID # 2
CRAIN FORD TRACTOR SALES, INC 508 HIGHWAY 98 BYPASS COLUMBIA, MS. 39429	\$ 40,690.00	\$ 30,690.00
PUCKETT MACHINERY COMPANY 3263 HIGHWAY 80 WEST JACKSON, MS. 39207-3170	48,496.00	41,496.00
TUBB EQUIPMENT 2700 EAST LAKELAND DRIVE JACKSON, MS. 39296-4998	46,392.25	40,392.25
STRIBLING EQUIPMENT, INC. HWY 49 SOUTH JACKSON, MS. 39288-6038	47,937.77	NO BID
MAULDIN COMPANY 7355 US HWY 49 HATTIESBURG, MS. 39402	39,278.00	29,278.00

THEREUPON, ALDERMAN BRANDLE MADE A MOTION TO TAKE THE FOREGOING BIDS UNDER ADVISEMENT. ALDERMAN MCMURRY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MIKE SMITH, RECREATION DIRECTOR, REQUESTED THAT THE BOARD APPROVE THREE (3) PART-TIME POSITIONS FOR THE RECREATION DEPARTMENT FOR THE SUMMER PROGRAMS.

THEREUPON, ALDERMAN BRANDLE MADE A MOTION TO APPROVE THREE PART-TIME POSITIONS IN THE RECREATION DEPARTMENT. ALDERMAN CAMPBELL SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, WILLOUGHBY C. WRIGHT, CPA WITH WRIGHT & KING, PA,  
PRESENTED THE CITY'S FINANCIAL AUDIT REPORT FOR THE FISCAL YEAR  
1995-96 TO THE BOARD.

SEE EXHIBIT "B"

AUDIT REPORT  
95-96

THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO ACCEPT THE  
FOREGOING REPORT. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE RECOMMENDATION FROM THE  
PETAL PLANNING COMMISSION TO ACCEPT PLANS FOR THE PHASE II WATER  
CONSTRUCTION TO NORTHRIDGE SUBDIVISION.

SEE EXHIBIT "C"

LETTER - PLANNING COMMISSION

THEREUPON, ALDERMAN CAMPBELL MADE A MOTION TO ACCEPT THE  
PLANS FOR THE PHASE II WATER CONSTRUCTION TO NORTHRIDGE  
SUBDIVISION. ALDERMAN BRANDLE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED A CERTIFIED RESOLUTION FROM THE  
PINE BELT SOLID WASTE MANAGEMENT AUTHORITY WHICH AMENDS THE  
INCORPORATION AGREEMENT UNDER WHICH THE AUTHORITY WAS CREATED FOR  
THE PURPOSE OF 1) MAKING JONES COUNTY A LEGAL PARTICIPANT IN THE  
AUTHORITY; 2) DELETING LAMAR COUNTY AS A PARTICIPANT IN THE  
AUTHORITY; 3) CHANGING THE NAME AND ADDRESS OF THE REGISTERED  
AGENT OF THE AUTHORITY; 4) THE CHANGING OF THE ADDRESS OF THE  
PRINCIPAL OFFICE OF THE AUTHORITY AND CHANGING THE FISCAL YEAR OF  
THE AUTHORITY.

SEE EXHIBIT "D"

CERTIFIED RESOLUTION OF THE  
PINE BELT SOLID WASTE AUTHORITY

THEREUPON, ALDERMAN SCOTT MADE A MOTION THAT THE AMENDMENTS TO THE INCORPORATION AGREEMENT BE APPROVED AS SET FORTH IN THE RESOLUTION. ALDERMAN BRANDLE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING RECOMMENDATION FROM THE PETAL ELECTION COMMISSIONERS FOR A COMMISSIONER TO FILL THE UNEXPIRED TERM OF WILLIAM E. (BILL) BULLOCK.

SEE EXHIBIT "E"

LETTER

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO APPOINT BETH HAVARD TO FILL THE UNEXPIRED TERM OF WILLIAM E. (BILL) BULLOCK. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY STATED THAT CHIEF MURPHY HAS RECOMMENDED LISA M. SWILLEY FOR THE DISPATCHERS POSITION AT THE POLICE DEPARTMENT.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ADOPT THE FOLLOWING ORDER HIRING LISA M. SWILLEY AS A RECRUIT DISPATCHER AT A RATE OF \$6.082 PER HOUR EFFECTIVE FEBRUARY 24, 1997. ALDERMAN TIMS SECONDED THE MOTION.

**ORDER**

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

IT IS HEREBY ORDERED THAT LISA M. SWILLEY BE HIRED AS A DISPATCHER IN THE POLICE DEPARTMENT AT A RATE OF \$6.082 PER HOUR EFFECTIVE FEBRUARY 24, 1997.

SO ORDERED ON THIS THE 18TH DAY OF FEBRUARY, A.D., 1997.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

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

THEREUPON, ALDERMAN TIMS MADE A MOTION TO ACCEPT THE REVENUES AND EXPENDITURES REPORT FOR THE MONTH OF JANUARY. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING PROOFS OF PUBLICATION TO THE BOARD.

- A) TRAFFIC SIGNAL SIGNS - SUBCONTRACT #7-FR-321-1
- B) PUBLIC NOTICE - ZONE HEARING EDWARD KING

THEREUPON, ALDERMAN BRANDLE MADE A MOTION THAT THE FOREGOING PROOFS OF PUBLICATION BE ACCEPTED AND FILED. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, CHIEF MURPHY RECOMMENDED THAT THE BOARD PURCHASE A FORD TAURUS UNDER THE STATE CONTRACT PRICE OF \$14,126. WITH THE MONIES, \$15,133., RECEIVED FROM THE INSURANCE COMPANY FOR THE 1996 FORD CROWN VICTORIA WHICH WAS WRECKED. CHIEF MURPHY STATED THAT THE TAURUS WILL BE USED AS THE CHIEF'S CAR AND HIS CURRENT CAR, WHICH IS A POLICE PACKAGE VEHICLE WILL BE MARKED AND PUT INTO SERVICE AS A PATROL UNIT.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO PURCHASE THE FORD TAURUS AT \$14,136. FROM EAST FORD IN JACKSON AT THE STATE CONTRACT BID PRICE. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO OFFER THE INSURANCE COMPANY \$987.00 FOR THE SALVAGE VALUE OF THE WRECKED 1996 FORD CROWN VICTORIA. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE CONTRACT BETWEEN THE CITY OF PETAL AND NEEL-SCHAFFER, INC. FOR THE APPLICATION PREPARATION FOR THE 1997 COMMUNITY DEVELOPMENT BLOCK GRANT PROJECT.

SEE EXHIBIT "F"  
AGREEMENT

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO AUTHORIZE THE MAYOR TO EXECUTE THE FOREGOING AGREEMENT. ALDERMAN BRANDLE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED A LETTER OF RESIGNATION FROM ERNIE PIERCE IN THE STREET DEPARTMENT EFFECTIVE FEBRUARY 7, 1997.

THEREUPON, ALDERMAN TIMS MADE A MOTION TO ACCEPT MR. PIERCE'S RESIGNATION. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED A TRAVEL REQUEST FROM DAN TOLBERT TO ATTEND THE IAEI ELECTRICAL SEMINAR IN VICKSBURG, MS. ON MARCH 9-11, 1997.



THEREUPON, ALDERMAN BRANDLE MADE A MOTION TO AUTHORIZE MR. TOLBERT TO ATTEND THE IAEI SEMINAR AND TO PAY HIS EXPENSES. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED A TRAVEL REQUEST FOR MIKE SMITH AND KEITH BRADDOCK TO ATTEND THE GROUNDS MAINTENANCE SEMINAR IN PASCAGOULA, MS. ON FEBRUARY 28, 1997.

THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO AUTHORIZE MR. SMITH AND MR. BRADDOCK TO ATTEND THE SEMINAR AND TO PAY THEIR EXPENSES. ALDERMAN BRANDLE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED A TRAVEL REQUEST FROM PRISCILLA DANIEL, CITY CLERK, TO ATTEND THE MISSISSIPPI CLERK'S AND COLLECTOR'S ANNUAL CONFERENCE IN BAY ST. LOUIS, MS. MARCH 19-21, 1997.

THEREUPON, ALDERMAN BRANDLE MADE A MOTION TO AUTHORIZE MRS. DANIEL TO ATTEND THE CLERK'S CONFERENCE AND TO PAY HER EXPENSES. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE REQUEST FOR TWO (2) OFFICERS TO ATTEND THE SEMINAR STREET GANGS: HOW TO IDENTIFY AND INTERVENE OFFERED IN LAUREL, MS.

THEREUPON, ALDERMAN BRANDLE MADE A MOTION TO AUTHORIZE TWO (2) OFFICERS TO ATTEND THE SEMINAR IN LAUREL. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING ORDER HIRING KRISTY LYNN CANOVA AS A COUNSELOR IN THE AFTER SCHOOL PROGRAM BEGINNING FEBRUARY 20, 1997 AT \$5.50 PER HOUR.

**ORDER**

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY TO HIRE A PART-TIME COUNSELOR IN THE AFTER SCHOOL PROGRAM IN THE RECREATION DEPARTMENT.

IT IS HEREBY ORDERED THAT KRISTY LYNN CANOVA BE HIRED AS A PART-TIME COUNSELOR AT A RATE OF \$5.50 PER HOUR EFFECTIVE FEBRUARY 20, 1997.

SO ORDERED ON THIS THE 18TH DAY OF FEBRUARY, A.D., 1997.

THEREUPON, ALDERMAN SCOTT MADE A MOTION THAT THE FOREGOING ORDER BE ADOPTED. ALDERMAN MCMURRY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING RESOLUTION REQUESTING THE MISSISSIPPI LEGISLATURE TO ADOPT AND PROVIDE ADEQUATE FUNDS FOR THE MUNICIPAL CRIME PREVENTION PROGRAM OF 1997.

SEE EXHIBIT "G"

**RESOLUTION**

THEREUPON, ALDERMAN BRANDLE MADE A MOTION TO ADOPT THE FOREGOING RESOLUTION. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE PRIVILEGE LICENSE REPORT FOR THE MONTH OF JANUARY 1997 FOR THE CONSIDERATION OF THE BOARD.

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING REQUEST FROM JEAN MILLER THAT THE CORNER OF 128 EAST CENTRAL AVENUE AND MORRIS STREET BE NAMED "MILLER'S CORNER".

SEE EXHIBIT "H"

LETTER - MS. MILLER

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO TAKE THIS MATTER UNDER ADVISEMENT. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY CALLED FOR ANY CITIZENS' COMMENTS.

THEREUPON, JERRY CROWE STATED THAT THE BOARD SHOULD ADOPT AN ORDINANCE SETTING UP AN INDUSTRIAL DEVELOPMENT COMMITTEE TO PURSUE THE POSSIBILITY OF PURCHASING LAND FOR AN INDUSTRIAL SITE AND TO LOOK AT ANNEXING AN AREA SUITABLE FOR A SITE.

WHEREAS, MAYOR GAY STATED THAT THE POLICE CHIEF WAYNE MURPHY HAS A PERSONNEL MATTER TO DISCUSS WITH THE BOARD.

THEREUPON, ALDERMAN TIMS MADE A MOTION TO CLEAR THE ROOM TO DETERMINE IF AN EXECUTIVE SESSION IS NEEDED. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

THEREUPON, MAYOR GAY REOPENED THE MEETING.

WHEREAS, ALDERMAN TIMS MADE A MOTION TO ENTER INTO AN EXECUTIVE SESSION TO DISCUSS THE PERSONNEL PROBLEM IN THE POLICE DEPARTMENT. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ADJOURN THE EXECUTIVE SESSION. ALDERMAN TIMS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
ALDERMAN LEROY SCOTT  
ALDERMAN SHELBY L TIMS

THOSE PRESENT AND VOTING "NAY":

NONE

THEREUPON, ALDERMAN CAMPBELL MADE A MOTION TO ADJOURN.  
ALDERMAN BRANDLE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN RAYMOND C. BRANDLE  
ALDERMAN WILLIAM H. CAMPBELL  
ALDERMAN JOE C. MCMURRY, SR.  
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 WAS ADJOURNED ON THIS THE 18TH DAY OF  
FEBRUARY, A.D., 1997.

  
\_\_\_\_\_  
JACK EAY  
MAYOR

(SEAL)

ATTEST:

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

EXHIBIT "A"

SUPPLIER BID FORM

Name of bidder: PICKET MACHINERY Co. Inc.  
Address of bidder: HATTIESBURG MS  
Make of unit: CATERPILLAR  
Model of unit: 1997 916C  
Selling price of New unit: \$ 48,496.00  
anted buy back @ 36 months or 5000 hours \$ 32,500.00  
anted buy back @ 48 months or 6000 hours \$ 29,000.00  
Guaranteed buy back @ 60 months or 7500 hours \$ 26,000.00  
Distance from nearest facility Approx 10 miles Miles  
Delivery date 60-90 Days

Please mark one of the following:

ALTERNATE 1 (BID) \$ 48,496.00  
ALTERNATE 2 (BID) \$ 41,496.00

Exceptions and Justification to Specifications

NONE

representative Lonny Miller

EXHIBIT "A"

TUBB EQUIP & RENTAL CO TEL No.601-932-4838

Feb 17,97 16:18 No.008 P.03

P.01

SUPPLIER BID FORM

Name of bidder: Tubb Equipment & Rental Co., Inc.  
Address of bidder: Jackson, MS.  
Make of unit: Case  
Model of unit: 580 Super L  
Selling price of New unit: \$ 46,392.25  
Guaranteed buy back @ 36 months or 5000 hours \$34,794.19  
Guaranteed buy back @ 48 months or 6000 hours \$31,546.73  
Guaranteed buy back @ 60 months or 7500 hours \$27,835.35  
Distance from nearest facility 15 miles from Petal Miles  
Delivery date 0 to 30 days Days

Please mark one of the following:

ALTERNATE 1 (BID) \$46,392.25

ALTERNATE 2 (BID) \$40,392.25

Exceptions and Justification to Specifications

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

representative David Jordan

EXHIBIT "A"

SUPPLIER BID FORM

Name of bidder: Crain Ford Tractor Sales, INC.  
Address of bidder: P. O. Box 88, Columbia, MS 39429  
Make of unit: New Holland Backhoe Loader  
Model of unit: 575E  
Selling price of New unit: \$ 40,690.00  
Guaranteed buy back @ 36 months or 5000 hours NA  
Guaranteed buy back @ 48 months or 6000 hours NA  
Guaranteed buy back @ 60 months or 7500 hours NA  
Distance from nearest facility 35 Miles  
Delivery date 60 to 120 Days of Receipt of Purchase Order Days

Please mark one of the following:

ALTERNATE 1 (BID) \$40,690.00  
ALTERNATE 2 (BID) \$30,690.00

Exceptions and Justification to Specifications

NONE

Representative Jesse Ramshur, Manager

EXHIBIT "A"

SUPPLIER BID FORM

Name of bidder: STRIBLING EQUIPMENT, INC.  
Address of bidder: P.O. BOX 15608 HATTIESBURG, MS 39401  
Make of unit: JOHN DEERE  
Model of unit: 310D  
Selling price of New unit: \$ 47,937.77  
Guaranteed buy back @ 36 months or 3000 hours \$36,865.00  
Guaranteed buy back @ 48 months or 6000 hours \$35,448.00  
Guaranteed buy back @ 60 months or 7500 hours \$31,850.00  
NOTE: SEE ATTACHED BUY BACK CONDITIONS  
Distance from nearest facility 7 TO 8 Miles  
Delivery date 10 TO 15 DAY ARO Days

Please mark one of the following:

ALTERNATE 1 (BID) \$47,937.77

ALTERNATE 2 (BID) \_\_\_\_\_

Exceptions and Justification to Specifications

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Representative Rick Nobles



EXHIBIT "A"

SUPPLIER BID FORM

Name of bidder: Mauldin Company  
Address of bidder: 7355 Highway 49, Hattiesburg, MS 39402  
Make of unit: New Holland (Ford)  
Model of unit: 575E  
Selling price of New unit: \$ 39,278.00  
Guaranteed buy back @ ~~36~~<sup>48</sup> months or 5000 hours \$ 17,500.00  
Guaranteed buy back @ ~~48~~<sup>48</sup> months or 6000 hours \$ 14,500.00  
Guaranteed buy back @ ~~60~~<sup>48</sup> months or 7500 hours \$ 11,000.00  
Distance from nearest facility 7 Miles  
Delivery date \* See additional note at bottom 150 Days

The manufacturer's standard warranty is 12 full months of coverage.  
Extended service plans are available for up to 60 months.

Please mark one of the following:

ALTERNATE 1 (BID) \$ 39,278.00

ALTERNATE 2 (BID) \$ 29,278.00

Our tires will be 11Lx16, 10 ply, F3 fronts; 19.5x24, 10 ply, R4  
rears.

Exceptions and Justification to Specifications

Our windshield will be dealer installed instead of factory.  
Our unit does not have a converter oil temperature gauge.  
It does have a converter oil temperature warning light.  
We do not offer a voltmeter.

representative Richard N. Mauldin

\* In the interim we will repair the used JCB trade in (injection pump) at our cost, if you grant us 150 days for delivery.

**CITY OF PETAL  
MINUTE BOOK 16  
CITY OF PETAL, MISSISSIPPI**

**GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 1996**

**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, 1996**

**TABLE OF CONTENTS**

	PAGE
INDEPENDENT AUDITORS' REPORT .....	6
<b>FINANCIAL REPORT</b>	
Exhibit A - Combined Balance Sheet - All Fund Types and Account Groups .....	10
Exhibit B - Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds .....	12
Exhibit C-1 - Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP) and Actual - All Governmental & Proprietary Fund Types .....	14
Exhibit C-2 - Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP) and Actual - All Governmental & Proprietary Fund Types .....	18
Exhibit C-3 - Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP) and Actual - All Governmental & Proprietary Fund Types .....	19
Exhibit C-4 - Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP) and Actual - All Governmental & Proprietary Fund Types .....	20
Exhibit C-5 - Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP) and Actual - All Governmental & Proprietary Fund Types .....	21
Exhibit D - Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types .....	22
Exhibit E - Combined Statement of Cash Flows - All Proprietary Fund Types .....	23

**CITY OF PETAL, MISSISSIPPI  
TABLE OF CONTENTS CONTINUED**

	PAGE
NOTES TO FINANCIAL STATEMENTS .....	24
<b>SUPPLEMENTAL INFORMATION</b>	
General Fund:	
Schedule 1 - Balance Sheet .....	49
Schedule 2 - Statement of Revenues, Expenditures and Changes in Fund Balances .....	50
Special Revenue Funds:	
Schedule 3-A - Combining Balance Sheet .....	52
Schedule 3-B - Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	53
Debt Service Funds:	
Schedule 4-A - Combining Balance Sheet .....	55
Schedule 4-B - Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	56
Trust and Agency Funds:	
Schedule 5-A - Combining Balance Sheet .....	57
Schedule 5-B - Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	58
Enterprise Funds:	
Schedule 6-A - Combining Balance Sheet .....	59
Schedule 6-B - Combining Statement of Revenues, Expenditures and Changes in Retained Earnings .....	61
Schedule 6-C - Combining Statement of Cash Flows .....	62
<b>OTHER SUPPLEMENTAL INFORMATION</b>	
Schedule of Surety Bonds .....	65
Schedule of Long-term Debt .....	66
Reconciliation of Original Ad Valorem Tax Rolls to Fund Collections .....	67
Schedule to Federal Financial Assistance .....	68
Independent Auditors' Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	69

**CITY OF PETAL, MISSISSIPPI  
TABLE OF CONTENTS CONTINUED**

Independent Auditors' Report on Internal Control Structure Used in Administering Federal Financial Assistance Programs .....	72
Independent Auditors' Report on Compliance Based on an Audit of the General Purpose of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	76
Independent Auditors' Report on Compliance with the General Requirements Applicable to	

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 Aldermen  
City of Petal, Mississippi

We have audited the accompanying general purpose financial statements of the City of Petal, Mississippi, as of September 30, 1996, 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 16, 1997  
Page 2

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Petal, Mississippi, as of September 30, 1996, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements, and other financial information, including the 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 16, 1997 on our consideration of the City of Petal's internal control structure and a report dated January 16, 1997, on its compliance with laws and regulations.

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

WRIGHT, KING & COMPANY, P.A.  
Hattiesburg, Mississippi  
January 16, 1997

CITY OF PETAL, MISSISSIPPI

**CITY OF PETAL**  
**MINUTE BOOK 16**  
**EXHIBIT "B"**

	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)
<b>ASSETS</b>									
Cash & other deposits	\$ 570,456	\$ 221,828	\$ 541,290	\$	\$ 477,354	\$ 59,871	\$	\$	\$ 1,870,799
Cash held by fiscal agent						66,334			66,334
Receivables (Net)					64,584				64,584
Other receivables		147,118							183,552
Franchise fees receivable	35,564								35,564
Prepaid expenses					2,289				2,289
Due from other funds	4,677				76,601				81,278
Due from other governments	99,198	924	5,311						105,433
Inventory, at cost	3,309				29,949				33,258
Restricted assets					328,760				328,760
Fixed assets					3,859,803		8,199,460		12,059,263
Other assets					48,791				48,791
Available for debt service fund								546,601	546,601
Amount to be provided for retirement of general long-term debt								2,586,399	2,586,399
<b>Total Assets</b>	<b>\$ 713,204</b>	<b>\$ 369,870</b>	<b>\$ 546,601</b>	<b>\$</b>	<b>\$ 4,924,565</b>	<b>\$ 126,205</b>	<b>\$ 8,199,460</b>	<b>\$ 3,133,000</b>	<b>\$18,012,905</b>

<b>LIABILITIES</b>									
Bills docketed	45,587	656			73,353	2,044			121,640
Due to other funds	9,297		1		71,975	5			81,278
Other payable	48,151				9,980	43,836			101,967
Deferred compensation payable					66,334				66,334
Accrued interest on bonds					12,329				12,329
Current portion of revenue bonds					30,000				30,000
Current portion of general obligation bond					45,000				45,000
Current portion of notes payable					48,948				48,948
Customer deposits					100,135				100,135
Notes payable								103,000	103,000
Revenue bonds payable					660,000				660,000

**EXHIBIT A - CONTINUED**  
**CITY OF PETAL, MISSISSIPPI**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**SEPTEMBER 30, 1996**

	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)
<b>LIABILITIES (cont.)</b>									
General obligation bonds payable					420,000			2,550,000	2,970,000
Abatement notes payables					913,251				913,251
Certificate of participation								480,000	480,000
<b>Total Liabilities</b>	<b>103,035</b>	<b>657</b>			<b>2,384,971</b>	<b>112,219</b>		<b>3,133,000</b>	<b>5,733,882</b>
<b>FUND EQUITY:</b>									
Contributed capital					176,885				176,885
Investment in general fixed assets							8,199,460		8,199,460
Retained earnings									
Reserved for debt service					134,602				134,602
Reserved for facilities replacement					(777,350)				(777,350)
Unreserved					3,005,457				3,005,457
<b>FUND BALANCES:</b>									
Reserved for inventory	3,309								3,309
Reserved for unemployment							13,986		13,986
Reserved for debt service			546,601						546,601
Unreserved	606,860	369,213							976,073
<b>Total Fund Equity</b>	<b>610,169</b>	<b>369,213</b>	<b>546,601</b>		<b>2,539,594</b>	<b>13,986</b>	<b>8,199,460</b>		<b>12,279,023</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 713,204</b>	<b>\$ 369,870</b>	<b>\$ 546,601</b>	<b>\$</b>	<b>\$ 4,924,565</b>	<b>\$ 126,205</b>	<b>\$ 8,199,460</b>	<b>\$ 3,133,000</b>	<b>\$18,012,905</b>

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, 1996**

	Governmental Fund Types				Fiduciary Fund Types		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expensible Trust		
<b>REVENUES:</b>							
Property taxes	\$ 509,266		\$ 580,175	\$	\$		\$ 1,089,441
Penalties and interest	13,611						13,611
Licenses and permits	39,638						39,638
Franchise fees	163,895						163,895
Homestead exemption	42,455						42,455
State share revenue							
Sales tax	902,566						902,566
Other			83,188				83,188
Alcoholic Beverage Tax	900						900
Intergovernmental							
Gas tax	9,874						9,874
Other			40,444				40,444
Municipal aid	4,424						4,424
Culture and recreation	33,943						33,943
Fines and forfeits	63,926						63,926
Charges for services	1,941						1,941
Interest earned	13,954	4,757	9,623		249		28,583
Prior year taxes	2,819		713				3,532
Grants	58,627	675,630					734,257
Sale of equipment	3,132						3,132
Other	7,382						7,382
<b>Total Revenues</b>	<b>1,872,353</b>	<b>804,019</b>	<b>590,511</b>		<b>249</b>		<b>3,267,132</b>
<b>EXPENDITURES:</b>							
General government	378,622						378,622
Public safety	877,007	77,656					954,663
Public works	301,791	323,914					625,705
Culture and recreation	127,007	841					127,848
Health and welfare	22,948						22,948
Debt service	51,791	87,375	537,632				676,798
Capital outlay		202,006					202,006
<b>Total expenditures</b>	<b>1,759,166</b>	<b>691,792</b>	<b>537,632</b>				<b>2,988,590</b>

EXHIBIT B - CONTINUED  
**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, 1996**

	EXHIBIT B				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
PENDITURES (cont.)	113,187	112,227	52,879	249	278,542
Less (deficiency) of revenues over expenditures					(36,283)
Other financing sources (uses):		(36,283)			62,225
Discharge of debt per grant contracts		62,225			(260,725)
Transfers	(57,444)	(203,281)			(234,783)
Transfer	(57,444)	(177,339)			
Total other financing sources (uses)				249	43,759
Less (deficiency) of revenues and other sources over expenditures and other uses	55,743	(65,112)	52,879		1,494,674
End Balance - 10/01/95	552,890	434,325	493,722	13,737	(1,773)
Change in reserves	(1,773)				
End Balance - 9/30/96	\$ 606,860	\$ 369,213	\$ 546,601	\$ 13,986	\$ 1,536,660

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

**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, 1996**

	General Fund		
	Budget	Actual	Variance
<b>REVENUES:</b>			
Property tax	\$ 520,000	\$ 517,034	\$ (2,966)
Penalties and interest	7,000	8,471	1,471
Licenses and permits	33,000	39,638	6,638
Franchise fees	173,000	174,719	1,719
Homestead exemption		42,455	42,455
State share revenue	850,000	892,495	42,495
Sales tax	900	900	0
Alcoholic beverage tax			(626)
Intergovernmental	10,500	9,874	(76)
Gas tax	4,500	4,424	(76)
Municipal aid	30,300	33,943	3,643
Culture and recreation	52,500	63,266	10,766
Fines and forfeits	1,600	1,940	340
Charges for services	12,000	13,954	1,954
Interest earned	300	32	(268)
Prior year taxes	1,900	1,620	(280)
Reimbursements	55,400	53,788	(1,612)
Grants	6,000	6,403	403
Other income			
<b>Total Revenues</b>	<b>1,758,900</b>	<b>1,864,956</b>	<b>106,056</b>

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, 1996**

	General Fund		
	Budget	Actual	Variance
<b>EXPENDITURES</b>			
<b>General government</b>			
Personnel services	207,978	194,722	13,256
Supplies	8,210	4,324	3,886
Other services	188,115	172,354	15,761
Capital outlay	9,865	7,222	2,643
<b>Total</b>	<b>414,168</b>	<b>378,622</b>	<b>35,546</b>
<b>Public safety</b>			
Police	473,867	460,800	13,067
Personnel services	18,200	17,400	800
Supplies	37,250	27,118	10,132
Other services	10,256	4,845	5,411
Capital outlay			
<b>Total</b>	<b>539,573</b>	<b>510,163</b>	<b>29,410</b>
<b>Fire</b>			
Personnel services	307,123	304,466	2,657
Supplies	4,100	4,100	0
Other services	29,870	25,261	4,609
Capital outlays	0	0	0
<b>Total</b>	<b>341,093</b>	<b>333,827</b>	<b>7,266</b>
<b>Building inspection</b>			
Personnel services	30,511	30,385	126
Supplies	1,000	532	448
Other services	3,900	2,081	1,819
Capital outlay	500	0	500
<b>Total</b>	<b>35,911</b>	<b>33,018</b>	<b>2,893</b>

Public works			
Personnel services	175,721	158,881	16,840
Supplies	39,950	34,825	5,125
Other supplies	104,700	92,312	12,388
Capital outlay	22,200	13,770	8,430
<b>Total</b>	<b>342,571</b>	<b>301,791</b>	<b>40,780</b>
Health and welfare			
Personnel services	17,478	15,575	1,903
Supplies	1,540	1,171	223
Other services	6,130	6,056	94
<b>Total</b>	<b>25,168</b>	<b>22,948</b>	<b>2,220</b>
Culture and recreation			
Recreation department			
Personnel services	39,872	34,819	5,053
Supplies	12,050	9,578	2,472
Other services	28,210	24,910	3,300
Capital outlay	20,500	10,095	10,405
<b>Total</b>	<b>100,632</b>	<b>79,402</b>	<b>21,230</b>
Civic Center			
Personnel services	19,526	18,577	949
Supplies	5,600	4,251	1,349
Other supplies	24,975	21,636	3,339
Capital outlay	3,200	3,141	59
<b>Total</b>	<b>53,301</b>	<b>47,605</b>	<b>5,696</b>

CITY OF PETAL  
MINUTE BOOK 16

PAGE 270

EXHIBIT "B"

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, 1996

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Debt service	104,565	51,791	52,774
<b>Total Expenditures</b>	<b>1,956,982</b>	<b>1,759,167</b>	<b>197,815</b>
Excess (deficiency) of revenues over expenditures	(198,082)	105,789	303,871
Other financing sources (uses)			
Transfer out	(57,543)	(57,444)	99
<b>Total other financing uses</b>	<b>(57,543)</b>	<b>(57,444)</b>	<b>99</b>
Net Excess (deficiency) of revenues over expenditures and other financing uses	\$ (255,625)	48,345	\$ 303,970
Adjustments to GAAP Basis:			
Accrued revenues		7,398	
Net Excess - GAAP Basis		55,743	
Fund Balance - October 1, 1995		552,890	
Change in reserves		(1,773)	
Fund Balance - September 30, 1996		\$ 606,860	

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, 1996

	<u>Special Revenue Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES:</b>			
State shared revenues	\$ 45,800	\$ 46,762	\$ 962
Intergovernmental	504,266	487,911	(16,355)
Interest earned	2,650	4,365	1,715
Program income	17,504	16,718	(786)
<b>Total Revenue</b>	<b>570,220</b>	<b>555,756</b>	<b>(14,464)</b>
<b>EXPENDITURES:</b>			
Supplies	5,560	0	5,560
Other services	121,251	48,077	73,174
Capital outlay	333,186	202,006	74,275
Debt service	31,307	30,772	535
<b>Total Expenditures</b>	<b>491,304</b>	<b>280,855</b>	<b>153,544</b>
Excess (deficiency) of revenues over expenditures	78,916	274,901	139,080
Other sources (uses)			
Transfer out	(203,281)	(203,281)	0
Transfers in	4,781	4,781	0
<b>Total Other</b>	<b>(198,500)</b>	<b>(198,500)</b>	<b>0</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$ (119,584)	76,401	\$ 139,080
Adjustments to GAAP basis:			
Reclassification of program income to receivable reduction		(16,327)	
Discharge of debt per grant agreement		(36,283)	
Reclassification of grant income from liability		264,590	
Reclassification of grant expenditures from assets to expenditures		(410,937)	
Reclassification of transfers in		57,444	
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP basis)		(65,112)	
Fund balance - 10/01/95		434,325	
Fund balance - 09/30/96		\$ 369,213	

BUDGET (NON-GAAP) AND ACTUAL ALL GOVERNMENTAL  
AND PROPRIETY FUND TYPES  
FOR THE YEAR ENDED SEPTEMBER 30, 1996

**CITY OF PETAL**  
Special Revenue Fund  
**MINUTE BOOK 16**

	Budget	Actual	Variance
<b>REVENUES</b>			962
State shared revenues	\$ 45,800	\$ 46,762	(16,355)
Intergovernmental	504,266	487,911	1,715
Interest earned	2,650	4,265	(786)
Program income	17,504	16,718	(14,464)
<b>Total Revenue</b>	<b>570,220</b>	<b>555,756</b>	
<b>EXPENDITURES:</b>			5,560
Supplies	121,251	48,077	73,174
Other services	333,186	202,006	74,275
Capital outlay	31,307	30,722	535
Debt service	491,304	280,855	153,544
<b>Expenditures</b>	<b>78,916</b>	<b>274,901</b>	<b>139,080</b>
Excess (deficiency) of revenues over expenditures			0
Other sources (uses)	(203,281)	(203,281)	0
Transfer out	4,781	4,781	0
Transfers in	(198,500)	(198,500)	0
<b>Total Other</b>			0
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (budgetary basis)</b>	<b>\$ (119,584)</b>	76,401	<b>\$ 139,080</b>
<b>Adjustments to GAAP basis:</b>		(16,327)	
Reclassification of program income to receivable reduction		(36,283)	
Discharge of debt per grant agreement		264,590	
Reclassification of grant income from liability		(410,937)	
Reclassification of grant expenditures from assets to expenditures		57,444	
Reclassification of transfers in			
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP basis)		(65,112)	
Fund balance - 10/01/95		434,325	
<b>Fund balance - 09/30/96</b>		<b>\$ 369,213</b>	

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

EXHIBIT C-3  
CITY OF PETAL, MISSISSIPPI  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET (NON-GAAP) AND ACTUAL ALL GOVERNMENTAL  
AND PROPRIETY FUND TYPES  
FOR THE YEAR ENDED SEPTEMBER 30, 1996

	Debt Service Fund		Variance
	Budget	Actual	
<b>REVENUES:</b>			\$ 64,726
General property tax	\$ 517,000	\$ 581,726	3,063
Interest earned	5,600	8,663	67,789
<b>Total revenues</b>	<b>522,600</b>	<b>590,389</b>	
<b>EXPENDITURES:</b>			0
Debt service	380,000	380,000	48,883
Capital	202,768	153,885	703
fees	4,450	3,747	49,586
<b>Total expenditures</b>	<b>587,218</b>	<b>537,632</b>	
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$ (64,618)</b>	52,757	<b>\$ 117,375</b>
<b>Adjustment to GAAP basis:</b>		(122)	
Increase (decrease) in accrued property taxes		(122)	
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP basis)</b>		52,879	
Fund balance - 10/01/95		493,722	
<b>Fund balance - 09/30/96</b>		<b>\$ 546,601</b>	

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

EXHIBIT C-4  
CITY OF PETAL, MISSISSIPPI  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET (NON-GAAP) AND ACTUAL ALL GOVERNMENTAL  
AND PROPRIETY FUND TYPES  
FOR THE YEAR ENDED SEPTEMBER 30, 1996

	Capital Projects Fund		Variance
	Budget	Actual	
<b>REVENUES:</b>			\$ 535
Interest earned	\$ 535	\$ 535	535
Miscellaneous	535	535	
<b>Total revenues</b>	<b>535</b>	<b>535</b>	
<b>EXPENDITURES:</b>			535
Other services and charges	535	535	535
Capital outlay	535	535	
<b>Total expenditures</b>	<b>0</b>	<b>0</b>	
<b>Excess (deficiency) of revenues over expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Transfers out	0	0	
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (budgetary basis)</b>	<b>\$ 0</b>	<b>0</b>	<b>0</b>
<b>Adjustment to GAAP basis:</b>			
Increase (decrease) in accrued expenses			
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP basis)</b>		0	
Fund balance - 10/30/95		0	
<b>Fund balance - 09/30/96</b>		<b>\$ 0</b>	

Enterprise Fund

	Budget	Actual	Variance
--	--------	--------	----------

<b>REVENUES:</b>			
Interest earned	\$ 25,882	<b>CITY OF PETAL</b>	6,269
Charges for services	920,000	<b>MINUTE BOOK 16</b>	30,593
Grants	198,500		0
Miscellaneous	19,130	18,757	(373)
Total revenues	<u>1,163,512</u>	<u>1,220,001</u>	<u>56,489</u>
<b>EXPENDITURES:</b>			
<b>EXHIBIT "B"</b>			
Public works			
Personnel services	275,707	239,758	36,549
Supplies	60,500	48,897	11,603
Other services and charges	458,250	429,284	28,966
Capital outlay	474,530	433,386	41,144
Debt service	236,218	236,183	35
Total expenditures	<u>1,505,205</u>	<u>1,386,908</u>	<u>118,297</u>
Excess (deficiency) of revenues over expenditures	<u>(341,693)</u>	<u>(166,907)</u>	<u>174,786</u>
<b>Other financing sources (uses)</b>			
Transfers in	637,495	637,495	
Transfers out	(647,495)	(637,495)	10,000
Total other sources (uses)	<u>(10,000)</u>	<u>0</u>	<u>10,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (351,693)</u>	<u>(166,907)</u>	<u>\$ 184,786</u>
<b>Adjustments to GAAP basis:</b>			
Debt reduction		112,716	
Capital expenditures		17,141	
Depreciation		(183,915)	
(Increase) decrease in accrued expense		(6,142)	
Increase in accounts receivable		10,500	
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP basis)		(216,607)	
Retained earnings unreserved at 10/01/95		3,028,766	
Increase in reserves		193,298	
Retained earnings unreserved at 09/30/96		<u>\$ 3,005,457</u>	

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

**EXHIBIT D**  
**CITY OF PETAL, MISSISSIPPI**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN RETAINED EARNINGS**  
**ALL PROPRIETARY FUND TYPES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1996**

	September 30, 1996
<b>Operating revenues:</b>	
Charges for services	\$ 939,952
Tap fees	9,135
Connect fees	6,640
Treatment charges	40,202
Other income	36,072
	<u>1,032,001</u>
<b>Operating expenses:</b>	
Personal services	240,803
Supplies and materials	48,897
Repairs and maintenance	433,567
Utilities	57,258
Depreciation and amortization	183,915
Sewer treatment	54,105
General and administration	42,737
Contractual services	262,228
	<u>1,323,510</u>
Operating income	(291,509)
<b>Nonoperating revenues (expenses):</b>	
Interest expense	(123,597)
Transfer in	198,492
Net income (loss)	(216,607)
Retained earnings - October 1	3,028,766
Change in reserves	193,298
Retained earnings - September 30	<u>\$ 3,005,457</u>

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

**EXHIBIT E**  
**CITY OF PETAL, MISSISSIPPI**  
**COMBINED STATEMENT OF CASH FLOWS**  
**ALL PROPRIETARY FUND TYPES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1996**

	September 30, 1996
<b>Cash flow from operating activities:</b>	
Cash received from customers (excluding deposit)	\$ 982,665
Cash paid to suppliers	(888,269)
Cash paid to employees	(238,493)
Net cash provided (used) by operating activities	<u>(144,097)</u>
<b>Cash flow from non-capital financing activities:</b>	
Operating transfers in	198,492
Net cash provided by non-capital financing activities	<u>198,492</u>
<b>Cash flow from capital and related financing activities:</b>	
Sale of capital assets	13
Acquisition of capital assets	(17,141)
Principal paid on bonds	(65,000)
Principal paid on notes	(47,716)
Interest paid	(120,750)
Net cash (used) by capital and related financing activities	<u>(250,594)</u>
<b>Cash flow from investing activities:</b>	
Interest received	32,422
Net cash provided by investing activities	<u>32,422</u>
Net increase (decrease) in cash for the year	(163,770)
Cash and restricted cash - 10/01/95	969,884
Cash and restricted cash - 09/30/96	<u>\$ 806,114</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>	
Operating income	\$ (291,509)
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>	
Depreciation and amortization	183,915
(Increase) in accounts receivable	6,039
(Decrease) in accounts payable	(3,333)
Increase in accrued expenses	1,763
Interest revenue and deposits	(40,772)
Net cash provided by operating activities	<u>\$ (144,097)</u>
<b>Other required disclosures:</b>	
Interest expense	\$ 123,597
Interest paid	120,750
	0



**CITY OF PETAL  
MINUTE BOOK 16**

(1) 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

A. Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic - but not the only - criteria for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of the governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the City's reporting entity.

Excluded from the reporting entity:

- Petal Police Auxiliary
- Petal Volunteer Fire Department
- Pine Belt Regional Waste Authority
- Area Development Partnership
- Petal Municipal Separate School District

**CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1996**

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.

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, 1996**

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.

**EXHIBIT "B"**

**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, 1996**

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.

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

**F. Deposits and Investments.**

The City deposits funds in the financial institutions selected by the Board of Aldermen in accordance with state statutes. Furthermore, the City invests excess funds in various investment instruments that are allowed by statutes.

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

**Deposits**

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

**Investments**

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

**CITY OF PETAL, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1996**

**G. Fund Reserves**

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

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

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

Reserved for 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.

**CITY OF PETAL**  
**MINUTE BOOK 16**  
 CITY OF PETAL  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 1996

EXHIBIT "B"

- J. **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.
- K. **Cash**  
 The City considers any investment with a maturity of less than 90 days to be cash.

Interfund Receivables and Payables

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

	Due To	Due From
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	\$ 81,278	\$ 81,278

(3) Deposits

The carrying amount of the City's deposits with financial institutions was \$2,199,559, and the bank balance was \$2,216,949. The bank balance is categorized as follows:

**CITY OF PETAL, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED SEPTEMBER 30, 1996

Amount insured or collateralized with securities held by the City or its agent in the City's name	\$ 2,216,949
Amount collateralized with securities held by the pledging financial institution's trust department or agent in the City's name	0
Uncollateralized	0
Total Bank Balance	\$ 2,216,949

(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, 1996, 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 \$141,144 in notes receivable from grant contracts. Repayment on these notes are available for use in the program. However, \$128,720 of the notes are being forgiven at 10% per year if grant conditions are met.

**CITY OF PETAL, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
 FOR THE YEAR ENDED SEPTEMBER 30, 1996

(5) Fixed Assets

The following is a summary of the changes in general fixed assets:

	Balance 10/01/95	Additions	Deletions	Balance 9/30/96
Land and easements	\$ 311,287	\$	\$	\$ 311,287
Buildings	1,058,028			1,058,028
Improvements	244,553	21,979		266,532
Equipment:				75,787
Furniture	85,846		10,059	510,034
Motor vehicles	462,101	64,985	17,052	415,017
Other	336,911	93,731	15,625	5,562,775
Sewer system	5,562,775			0
Assets under capital lease	13,656		13,656	
Totals	\$ 8,075,157	\$ 180,695	\$ 56,392	\$ 8,199,460

EXHIBIT "B"

CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1996

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

	Balance 10/01/95	Additions	Deletions	Balance 9/30/96
<b>Water and Sewer Fund</b>				
Land and easements	\$ 21,994	\$	\$	\$ 21,994
Buildings	65,989	13,950		79,939
Water/Sewer systems	5,357,922			5,357,922
Operating equipment	311,196	3,191	3,663	310,724
Less: Accumulated depreciation	(1,729,872)	(183,915)	(3,011)	(1,910,776)
	<u>4,027,229</u>	<u>(166,774)</u>	<u>(652)</u>	<u>3,859,093</u>
<b>Solid Waste Fund</b>				
Operating equipment	84,071		40,315	43,756
Less: Accumulated depreciation	(84,071)		(40,315)	(43,756)
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<b>\$ 4,027,229</b>	<b>\$ (166,774)</b>	<b>\$ (652)</b>	<b>\$ 3,859,093</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, 1996

(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, 1999, 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, 1999, 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, 1996

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, 1996:

Authorized Debt Limit:	15 Percent	20 Percent
Assessed valuation for fiscal year ended September 30, 1996 - \$27,850,353	\$ 4,117,553	\$ 5,490,071
Present debt subject to 15% limitation	(480,000)	
Present debt subject to 20% limitation including debt subject only 15% limitation		(1,873,000)
Margin for further debt under respective debt limits	<u>\$ 3,637,553</u>	<u>\$ 3,617,071</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:

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 1990 through 2002, and \$200,000 in 2003, interest at 5.50% to 6.75%.	<u>1,260,000</u>
<b>TOTAL GENERAL OBLIGATION BONDS</b>	<u><b>1,260,000</b></u>

SEWER ABATEMENT NOTE PAYABLE:

\$417,827 Sewer Abatement Loan due in monthly installments of \$1,667 for 240 months at 0%.	<u>192,081</u>
---	----------------

CERTIFICATES OF PARTICIPATION:

\$550,000 in Certificates of Participation due in annual installments of \$20,000 in 1994; \$25,000 in 1995 through 1997; \$30,000 in 1998 and 1999; \$35,000 in 2000 and 2001; \$40,000 in 2002 and 2004; \$45,000 in 2004 and 2005; \$50,000 in 2008, interest at 5.60% to 8.00%.	<u>480,000</u>
---	----------------

REVENUE BONDS:

\$825,000 Water and Sewer Series 1990 due in annual installments of \$20,000 from 1991 to 1993, \$25,000 in 1994 to 1996, \$30,000 in 1997 and 1998, \$35,000 in 1999 and 2000, and \$40,000 in 2001, \$45,000 in 2002 and 2003, \$50,000 in 2004, \$55,000 in 2005 and 2006, \$60,000 in 2007, \$65,000 in 2008, \$70,000 in 2009 and \$75,000 in 2010, interest at 6.6% to 9.4%	<u>690,000</u>
<b>TOTAL REVENUE BONDS</b>	<u><b>690,000</b></u>

CITY OF PETAL, MISSISSIPPI  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 1996

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%	<u>690,000</u>
<b>TOTAL REVENUE BONDS</b>	<u><b>690,000</b></u>

GENERAL OBLIGATION ENTERPRISE BONDS:

\$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%.	<u>1,290,000</u>
\$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%.	<u>465,000</u>
<b>TOTAL GENERAL OBLIGATION ENTERPRISE BONDS</b>	<u><b>1,755,000</b></u>

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.	<u>770,118</u>
\$56,000 note due in two annual installments of \$28,000 plus interest.	<u>28,000</u>
\$125,000 five year note due in five installments of \$25,000 plus interest accrued at 3.99% annually.	<u>75,000</u>
<b>Total Other Long-term Debt</b>	<u><b>873,118</b></u>

CITY OF PETAL, MISSISSIPPI  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 1996

The annual requirements to amortize all bonded debt as of September 30, 1996 follows:

<u>Year Ending 9/30</u>	<u>\$3,750,000 SSD Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
1997	\$ 170,000	\$ 71,900
1998	170,000	61,700
1999	180,000	51,200
2000	180,000	40,400
2001	180,000	29,375
Thereafter	<u>380,000</u>	<u>44,375</u>
	<u>\$ 1,260,000</u>	<u>\$ 298,950</u>

<u>Year Ending 9/30</u>	<u>\$700,000 Water and Sewer Refunding Bond</u>	
	<u>Principal</u>	<u>Interest</u>
1997	\$ 45,000	\$ 32,275
1998	50,000	28,896
1999	50,000	25,315
2000	55,000	21,535
2001	60,000	17,365
Thereafter	<u>205,000</u>	<u>20,456</u>
	<u>\$ 465,000</u>	<u>\$ 145,842</u>

**EXHIBIT "B"**  
\$825,000 Series 1990 Revenue Bond

<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>
1997	\$ 30,000	\$ 47,366
1998	30,000	44,970
1999	35,000	42,825
2000	35,000	40,515
2001	40,000	38,020
Thereafter	<u>520,000</u>	<u>182,866</u>
	<u>\$ 690,000</u>	<u>\$ 396,562</u>

\$1,370,000 Refunding Series

<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>
1997	\$ 230,000	\$ 58,243
1998	250,000	45,898
1999	255,000	34,091
2000	270,000	21,285
2001	285,000	7,268
Thereafter	<u>0</u>	<u>0</u>
	<u>\$ 1,290,000</u>	<u>\$ 166,785</u>

**CITY OF PETAL, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1996**

\$550,000 Certificates of Participation

<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>
1997	\$ 25,000	\$ 29,603
1998	30,000	27,402
1999	30,000	25,198
2000	35,000	23,212
2001	35,000	21,226
Thereafter	<u>325,000</u>	<u>76,420</u>
	<u>\$ 480,000</u>	<u>\$ 203,061</u>

\$125,000 Five Year Notes

<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>
1997	\$ 25,000	\$ 2,993
1998	25,000	1,995
1999	<u>25,000</u>	<u>998</u>
	<u>\$ 75,000</u>	<u>\$ 5,986</u>

\$807,757 SRF Loan

<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>
1997	\$ 28,048	\$ 34,082
1998	29,337	32,793
1999	30,684	31,445
2000	32,094	30,036
2001	33,568	28,561
Thereafter	<u>616,387</u>	<u>201,654</u>
	<u>\$ 770,118</u>	<u>\$ 358,571</u>

**CITY OF PETAL, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1996**

\$56,000 General Obligation Note

<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>
1997	\$ 28,000	\$ 1,568
	<u>\$ 28,000</u>	<u>\$ 1,568</u>

(8) 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, 1996, 1995, and 1994 were \$98,656, \$91,521, and \$91,237, respectively, equal to the required contributions for each year.

(9) 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:

Entity/Purpose of Levy	Applicable State Law	Mills Levied
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.

(10) 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.

CITY OF PETAL, MISSISSIPPI  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 1996

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 did not exceed the 10 percent limitation for the year ended September 30, 1996.

D. Deposits

The City's bank balance at September 30, 1996, was \$2,216,949. This balance was fully collateralized by securities held by the City or the City's agent in the City's name.

(11) Receivables

Receivables at September 30, 1996 consist of the following:

Receivables	General	Special Revenue	Debt Service	Enterprise	Totals
Accounts	\$	\$	\$	\$ 101,018	\$ 101,018
Franchise fees	35,564				35,564
Sales tax	80,721				80,721
Auto ad valorem	18,477		5,311		23,788
Totals	\$ 134,762	\$ 0	\$ 5,311	\$ 101,018	\$ 241,091

Customer accounts receivable in the Enterprise Fund are attributable to unpaid balances for charges through September 30, 1996.

CITY OF PETAL, MISSISSIPPI  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 1996

(12) 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	\$ 100,135
Accrued interest	12,329
Bonds and notes payable (current)	123,948
	\$ 236,412

(13) 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.

(14) Contributed Capital

Contributed capital as of September 30, 1996 consists of:

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

**EXHIBIT "B"**

(15) Inventory

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

(16) Interest Expense

The total amount of interest expense incurred by the Water and Sewer Enterprise Fund for the year ended September 30, 1996 is as follows:

Charged to expense	\$ 123,597
Paid	\$ 120,750

(17) 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 \$235,940 during the year ended September 30, 1996.

(18) 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.

**CITY OF PETAL, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1996**

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.

(19) 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, 1996, assets held for participants employed by the City of Petal and reported in an Agency Fund totaled \$66,334. 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 due care that would be required of an ordinary prudent investor.

**CITY OF PETAL, MISSISSIPPI**

**SUPPLEMENTAL INFORMATION**



	<u>1996</u>	<u>1995</u>
<b>CITY OF PETAL</b>		
<b>MINUTE BOOK 16</b>		
<b>ASSETS</b>		
Cash	\$ 570,456	\$ 545,807
Receivables:		
Franchise fees	35,564	46,388
Due from:		
Other governments	99,198	84,129
Other funds	4,677	4,677
Inventory at cost	<u>3,309</u>	<u>1,536</u>
Total assets	<u>\$ 713,204</u>	<u>\$ 682,537</u>
=====		
<b>LIABILITIES</b>		
Bills docketed	\$ 45,587	\$ 54,360
Cash bonds	46,698	32,567
Tax overbids	1,453	1,586
Due to other funds	<u>9,297</u>	<u>9,297</u>
Total liabilities	<u>103,035</u>	<u>97,810</u>
=====		
<b>FUND BALANCE</b>		
Reserved for ad valorem		30,301
Reserved for inventory	3,309	1,536
Unreserved	<u>606,860</u>	<u>552,890</u>
Total fund balance	<u>610,169</u>	<u>584,727</u>
Total liabilities and fund balance	<u>\$ 713,204</u>	<u>\$ 682,537</u>
=====		

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, 1996  
(With Comparative Totals for the Year Ended September 30, 1995)

	<u>1996</u>	<u>1995</u>
<b>REVENUES</b>		
Property tax	\$ 509,266	\$ 524,266
Penalties and interest on delinquent taxes	13,611	6,979
Licenses and permits	39,638	39,305
Franchise fees	163,895	175,779
Homestead exemption	42,455	40,052
State share revenue:		
Sales tax	902,566	857,377
Alcoholic beverage levy	900	0
Intergovernmental:		
Gasoline tax	9,874	9,876
Municipal aid	4,424	4,448
Cultural and recreational fees	33,943	26,977
Fines and forfeits	63,926	62,266
Charges for services	1,941	400
Interest earnings	13,954	10,683
Prior year taxes	2,819	68,031
Grants	58,627	21,292
Sale of equipment	3,132	5,882
Miscellaneous	<u>7,382</u>	<u>21,072</u>
Total revenues	<u>1,872,353</u>	<u>1,874,685</u>
<b>EXPENDITURES</b>		
General government	378,622	367,543
Public safety	877,007	815,250
Public works	301,791	237,809
Cultural and recreational	127,007	114,631
Health and welfare	22,948	21,606
Debt service	<u>51,791</u>	<u>56,388</u>
Total expenditures	<u>1,759,166</u>	<u>1,613,227</u>

SCHEDULE 2 (CONT.)  
CITY OF PETAL, MISSISSIPPI  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 1996  
(With Comparative Totals for the Year Ended September 30, 1995)

	<u>1996</u>	<u>1997</u>
Excess of revenues over (under) expenditures	<u>113,187</u>	<u>261,458</u>
Other financing sources (uses)		
Transfers out	<u>(57,444)</u>	<u>(51,874)</u>
Total other financing uses	<u>(57,444)</u>	<u>(51,874)</u>
Excess of revenue and other financing sources over expenditures and other financing uses	55,743	209,584
Fund balance - October 1	552,890	343,306
Change in reserve for inventory balance - September 30	<u>(1,723)</u>	<u>343,306</u>
	<u>\$ 606,860</u>	<u>\$ 552,890</u>
=====		

es are an integral part of the financial statements.

EXHIBIT "B"

SCHEDULE 3-A  
CITY OF PETAL, MISSISSIPPI  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 1996

	Fire Protection Fund	Law Enforcement Fund	Road Maintenance Fund	Multi Building Fund	Rental Rehab Fund	MCCPP Law Enforcement Fund	CDBG Fund	SEECB Fund	Loan Repay Fund	Rental Rehab Loan Fund	1994 Home Program	1994 Home Program	Total
<b>ASSETS</b>													
Cash	\$ 77,971	\$ 8,754	\$ 71,534	\$ 555	\$	\$ 2,577	\$ 1	\$ 2,027	\$ 11,981	\$ 46,427	\$ 1	\$ 0	\$ 221,828
Receivables													
Accounts													
Accrued interest													
Other					103,157	5,974				37,987			147,118
Due from other governments			924										924
	<u>\$ 77,971</u>	<u>\$ 8,754</u>	<u>\$ 72,458</u>	<u>\$ 555</u>	<u>\$ 103,157</u>	<u>\$ 8,551</u>	<u>\$ 1</u>	<u>\$ 2,027</u>	<u>\$ 11,981</u>	<u>\$ 84,414</u>	<u>\$ 1</u>	<u>\$ 0</u>	<u>\$ 369,870</u>
<b>LIABILITIES</b>													
Accounts payable	\$ 200	\$ 456	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 656
Due to other funds							1						1
Total liabilities	<u>200</u>	<u>456</u>					<u>1</u>						<u>657</u>
<b>EQUITY</b>													
Unreserved	<u>77,771</u>	<u>8,298</u>	<u>72,458</u>	<u>555</u>	<u>103,157</u>	<u>8,551</u>		<u>2,027</u>	<u>11,981</u>	<u>84,414</u>	<u>1</u>	<u>0</u>	<u>369,213</u>
Total Equity	<u>77,771</u>	<u>8,298</u>	<u>72,458</u>	<u>555</u>	<u>103,157</u>	<u>8,551</u>	<u>0</u>	<u>2,027</u>	<u>11,981</u>	<u>84,414</u>	<u>1</u>	<u>0</u>	<u>369,213</u>
Total Liabilities and Equity	<u>\$ 77,971</u>	<u>\$ 8,754</u>	<u>\$ 72,458</u>	<u>\$ 555</u>	<u>\$ 103,157</u>	<u>\$ 8,551</u>	<u>\$ 1</u>	<u>\$ 2,027</u>	<u>\$ 11,981</u>	<u>\$ 84,414</u>	<u>\$ 1</u>	<u>\$ 0</u>	<u>\$ 369,870</u>

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

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, 1996

	Fire Protection Fund	Law Enforcement Fund	Road Maintenance Fund	Multi Building Fund	Rental Rehab Fund	MCCPP Law Enforcement Fund	1994 Home Program	Loan Repay Fund	Rehab Loan Repay Fund	1994 CDBG Program	SEECB Fund	Total
<b>REVENUES</b>												
Road maintenance funds	\$	\$	\$ 83,188	\$	\$	\$	\$	\$	\$	\$	\$	\$ 83,188
Municipal fire funds	34,782											34,782
Law enforcement funds		3,534				2,128						5,662
Interest	1,067	160	1,419	15		624		156	1,316			4,757
Metro reimbursement												
Grants		8,446	258,616			5,974	209,094			193,500		675,630
Other income												
Total revenues	<u>35,849</u>	<u>12,140</u>	<u>343,223</u>	<u>15</u>	<u>0</u>	<u>8,726</u>	<u>209,094</u>	<u>156</u>	<u>1,316</u>	<u>193,500</u>	<u>0</u>	<u>804,019</u>
<b>EXPENDITURES</b>												
Public safety	37,109	3,077				37,470						77,656
Public works			323,914									323,914
Recreation				841								841
Debt service			30,772	56,603								87,375
Capital outlay							202,006					202,006
Total expenditures	<u>37,109</u>	<u>3,077</u>	<u>354,686</u>	<u>57,444</u>	<u>0</u>	<u>37,470</u>	<u>202,006</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>691,792</u>
Excess (deficiency) of revenues over (under) expenditures:	<u>(1,260)</u>	<u>9,063</u>	<u>(11,463)</u>	<u>(57,429)</u>	<u>0</u>	<u>(28,744)</u>	<u>7,088</u>	<u>156</u>	<u>1,316</u>	<u>193,500</u>	<u>0</u>	<u>112,227</u>
Other financing sources (uses):												
Transfers in				57,444		4,781						62,225
Debt discharge					(32,106)				(4,177)			(36,283)
Transfers out			0							(198,500)		(203,281)
Total other financing	<u>0</u>	<u>(4,781)</u>	<u>0</u>	<u>57,444</u>	<u>(32,106)</u>	<u>4,781</u>	<u>0</u>	<u>0</u>	<u>(4,177)</u>	<u>(198,500)</u>	<u>0</u>	<u>(177,339)</u>

SCHEDULE 3-B  
CITY OF PETAL, MISSISSIPPI  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED SEPTEMBER 30, 1996

	Fire Protection Fund	Law Enforcement Fund	Road Maintenance Fund	Multi Building Fund	Rental Rehab Fund	MCCPP Law Enforcement Fund	1994 Home Program	Loan Repay Fund	Rehab Loan Repay Fund	1994 CDBG Program	SEECB Fund	Total
Excess (deficiency) of revenues and other sources over expenditures and financing uses	(1,260)	4,282	(11,463)	15	(32,106)	(23,963)	7,088	156	(2,861)	(5,000)	0	(65,112)
Fund balance 10/01/95	79,031	4,016	83,921	540	135,263	32,514	(7,087)	11,825	87,275	5,000	2,027	434,325
Fund balance 09/30/96	<u>\$ 77,771</u>	<u>\$ 8,298</u>	<u>\$ 72,458</u>	<u>\$ 555</u>	<u>\$ 103,157</u>	<u>\$ 8,551</u>	<u>\$ 1</u>	<u>\$ 11,981</u>	<u>\$ 84,414</u>	<u>\$ 0</u>	<u>\$ 2,027</u>	<u>\$ 369,213</u>

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

**CITY OF PETAL  
MINUTE BOOK 16  
SCHEDULE 4-A  
CITY OF PETAL, MISSISSIPPI  
DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET "B"  
SEPTEMBER 30, 1996**

	<u>2.5 Million Sewer Bond &amp; Interest Fund</u>	<u>SSD Bond and Interest Fund</u>	<u>Total (Memorandum Only)</u>
<b>ASSETS</b>			
Cash	\$ 364,147	\$ 177,143	\$ 541,290
Due from other governments		<u>5,311</u>	<u>5,311</u>
Total Assets	<u>\$ 364,147</u>	<u>\$ 182,454</u>	<u>\$ 546,601</u>
=====			
<b>LIABILITIES</b>			
Total Liabilities	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>
=====			
<b>EQUITY</b>			
Contributed capital			
Reserved for debt service	<u>364,147</u>	<u>182,454</u>	<u>546,601</u>
Total Equity	<u>364,147</u>	<u>182,454</u>	<u>546,601</u>
Total Liability and Fund Equity	<u>\$ 364,147</u>	<u>\$ 182,454</u>	<u>\$ 546,601</u>
=====			

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, 1996**

	<u>2.5 Million Sewer Bond &amp; Interest Fund</u>	<u>SSD Bond and Interest Fund</u>	<u>Total (Memorandum Only)</u>
<b>REVENUES</b>			
Property tax	\$ 300,020	\$ 280,155	\$ 580,175
Interest earned	6,219	3,404	9,623
Other year taxes		<u>713</u>	<u>713</u>
Total Revenues	<u>306,239</u>	<u>284,272</u>	<u>590,511</u>
<b>EXPENDITURES</b>			
Debt Service			
Principal	210,000	170,000	380,000
Interest	71,785	82,100	153,885
Agent fees	<u>3,410</u>	<u>337</u>	<u>3,747</u>
Total Expenditures	<u>285,195</u>	<u>252,437</u>	<u>537,632</u>
Excess (deficiency) of revenues over expenditures	21,044	31,835	52,879
Fund balance, October 1, 1995	<u>343,103</u>	<u>150,619</u>	<u>493,722</u>
Fund balance, September 30, 1996	<u>\$ 364,147</u>	<u>\$ 182,454</u>	<u>\$ 546,601</u>
=====			

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

**SCHEDULE 5-A  
CITY OF PETAL, MISSISSIPPI  
TRUST AND AGENCY FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 1996**

	<u>Clearing Fund</u>	<u>Benefit Fund</u>	<u>Insurance Revolving Fund</u>	<u>Tax Collector's Fund</u>	<u>Deferred Compensation Fund</u>	<u>Totals (Memorandum Only)</u>
<b>ASSETS</b>						
Cash in bank held by agent	\$ 2,006	\$ 43,836	\$ 13,986	\$ 43	\$	\$ 59,871
	<u>2,006</u>	<u>43,836</u>	<u>13,986</u>	<u>43</u>	<u>66,334</u>	<u>66,334</u>
	=====	=====	=====	=====	=====	=====
<b>LIABILITIES</b>						
Due to other governments	\$ 2,006	\$	\$	\$ 38	\$	\$ 2,044
Due to other funds				5		5
Deferred benefits payable		<u>43,836</u>			<u>66,334</u>	<u>110,170</u>
Total Liabilities	<u>2,006</u>	<u>43,836</u>		<u>43</u>	<u>66,334</u>	<u>112,219</u>
Fund balance			<u>13,986</u>			<u>13,986</u>
Total liabilities and fund balance	<u>\$ 2,006</u>	<u>\$ 43,836</u>	<u>\$ 13,986</u>	<u>\$ 43</u>	<u>\$ 66,334</u>	<u>\$ 126,205</u>
=====						

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

SCHEDULE 5-B  
**CITY OF PETAL, MISSISSIPPI**  
**TRUST ACCOUNT BOOK 16**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 1996**

**EXHIBIT "B"**

	Benefits Fund	Insurance Revolving Fund	Tax Collector's Fund	Deferred Compensation Fund	Totals (Memorandum Only)
<b>REVENUES</b>					
Interest earned	\$	\$ 249	\$	\$	\$ 249
<b>EXPENDITURES</b>					
Excess of revenue over expenditures		249			249
Fund balance - October 1, 1995		13,737			13,737
Fund balance - September 30, 1996	\$	\$ 13,986	\$ 0	\$ 0	\$ 13,986

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

**SCHEDULE 6-A**  
**CITY OF PETAL, MISSISSIPPI**  
**ENTERPRISE FUNDS**  
**COMBINING BALANCE SHEET**  
**SEPTEMBER 30, 1996**

	Water and Sewer Fund	Solid Waste Fund	Total (Memorandum Only)
<b>ASSETS</b>			
Cash	\$ 450,209	\$ 27,145	\$ 477,354
Receivables			
Accounts	48,155	16,429	64,584
Other	26,649	9,785	36,434
Inventory	29,949		29,949
Prepaid expense	2,289		2,289
Due from other funds	62,054	14,547	76,601
Restricted assets			
Debt service	38,674		38,674
Bond contingency	5,033		5,033
Bond depreciation	5,032		5,032
Bond cushion	79,547		79,547
Sewer escrow	0		0
Facility repair	200,474		200,474
Property, plant and equipment			
Land and easements	21,994		21,994
Improvements	241,961		241,961
Water and sewer systems	5,195,901		5,195,901
Machinery and equipment	310,723	43,758	354,481
Accumulated depreciation	(1,910,776)	(43,758)	(1,954,534)
Bond issuance cost	26,771		26,771
Accumulated amortization	(8,812)		(8,812)
Capitalized interest	30,832		30,832
<b>Total assets</b>	<b>\$ 4,856,659</b>	<b>\$ 67,906</b>	<b>\$ 4,924,565</b>

**SCHEDULE 6-A (Continued)**  
**CITY OF PETAL, MISSISSIPPI**  
**ENTERPRISE FUNDS**  
**COMBINING BALANCE SHEET**  
**SEPTEMBER 30, 1996**

	Water and Sewer Fund	Solid Waste Fund	Total (Memorandum Only)
<b>LIABILITIES</b>			
Accounts payable	\$ 53,052	\$ 20,301	\$ 73,353
Due to other funds	71,975		71,975
Customer deposits	100,135		100,135
Accrued interest	12,329		12,329
Revenue bonds payable	1,155,000		1,155,000
Abatement note payable	962,199		962,199
Accrued expenses	9,980		9,980
<b>Total Liabilities</b>	<b>2,364,670</b>	<b>20,301</b>	<b>2,384,971</b>
<b>Fund Equity</b>			
Contributed capital	128,950	47,935	176,885
Reserved for debt service	134,602		134,602
Reserved for repair and replacement	(777,350)	(330)	(777,350)
Unreserved	3,005,787		3,005,457
<b>Total Equity</b>	<b>2,491,989</b>	<b>47,605</b>	<b>2,539,594</b>
<b>Total Liabilities and Equity</b>	<b>\$ 4,856,659</b>	<b>\$ 67,906</b>	<b>\$ 4,924,565</b>

The notes are an integral part of the financial statements.

**SCHEDULE 6-B  
CITY OF PETAL, MISSISSIPPI  
MINUTE BOOK 16  
ENTERPRISE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN RETAINED EARNINGS**

SEPTEMBER 30, 1996  
**EXHIBIT "B"**

	Water and Sewer Fund	Solid Waste Fund	Total (Memorandum Only)
Operating Revenues:			
Charges for services	\$ 689,601	\$ 250,351	\$ 939,952
Tap fees	9,135		9,135
Connect fees	6,640		6,640
Sewer treatment charges	40,202		40,202
Interest earned	31,778	644	32,422
Income	3,650		3,650
Total revenue	<u>781,006</u>	<u>250,995</u>	<u>1,032,001</u>
Expenses:			
Professional services	226,891	13,912	240,803
Supplies and materials	47,010	1,887	48,897
Contractual services	26,288	235,940	262,228
Repairs and maintenance	433,567		433,567
Utilities	57,258		57,258
Depreciation and amortization	183,915		183,915
General and administrative	40,557	428	40,985
Bad debts	1,752		1,752
Sewer treatment	54,105		54,105
Total expense	<u>1,071,343</u>	<u>252,167</u>	<u>1,323,510</u>
Operating income (loss)	<u>(290,337)</u>	<u>(1,172)</u>	<u>(291,509)</u>
Other sources (uses)			
Transfers in	198,499		198,499
Interest expense	(123,597)		(123,597)
Total other sources (uses)	<u>74,902</u>	<u>0</u>	<u>74,902</u>
Excess (deficiency) of revenues and other sources	<u>(215,435)</u>	<u>(1,172)</u>	<u>(216,607)</u>
Retained earnings October 1, 1995	3,027,924	842	3,028,766
Change in reserves	193,298		193,298
Retained earnings September 30, 1996	<u>\$ 3,005,787</u>	<u>\$ (330)</u>	<u>\$ 3,005,457</u>

The notes are an integral part of these statements.

61

**SCHEDULE 6-C  
CITY OF PETAL, MISSISSIPPI  
PROPRIETARY FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
SEPTEMBER 30, 1996**

	Water and Sewer Fund	Solid Waste Fund	Total (Memorandum Only)
Cash flows from operating activities:			
Cash received from customers	\$ 734,744	\$ 247,921	\$ 982,665
Cash paid to suppliers	(650,437)	(237,832)	(888,269)
Cash paid to employees	(224,581)	(13,912)	(238,493)
Net cash provided (used) by operating activities	<u>(140,274)</u>	<u>(3,823)</u>	<u>(144,097)</u>
Cash flows from non-capital financing activities:			
Transfers in	198,499	0	198,499
Net cash provided by non-capital financing activities	<u>198,499</u>	<u>0</u>	<u>198,499</u>
Cash flows from capital and related financing activities:			
Sale of capital assets	13		13
Acquisition of capital assets	(17,141)		(17,141)
Principal paid on bonds	(65,000)		(65,000)
Principal paid on notes	(47,716)		(47,716)
Interest paid	(120,750)		(120,750)
Net cash provided (used) by capital and related financing activities	<u>(250,594)</u>	<u>0</u>	<u>(250,594)</u>
Cash flows from investing activities			
Interest received	31,778	644	32,422
Net cash provided by investing activities	<u>31,778</u>	<u>644</u>	<u>32,422</u>
Net increase (decrease) in cash	(160,591)	(3,179)	(163,770)
Cash balance - October 1, 1995	939,560	30,324	969,884
Cash balance - September 30, 1996	<u>\$ 778,969</u>	<u>\$ 27,145</u>	<u>\$ 806,114</u>

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, 1996**

**RECONCILIATION OF OPERATING INCOME TO NET CASH  
PROVIDED IN OPERATING ACTIVITIES**

	Water and Sewer Fund	Solid Waste Fund	Total (Memorandum Only)
Operating income (loss)	\$ (290,337)	\$ (1,172)	\$ (291,509)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	183,915		183,915
(Increase) decrease in accounts receivable	8,469	(2,430)	6,039
Increase (decrease) in accounts payable	(3,956)	423	(3,533)
Interest revenue	(35,428)	(644)	(36,072)
(Increase) decrease in customer deposits	(4,700)		(4,700)
Increase (decrease) in accrued expenses	1,763		1,763
Net cash provided (used) by operating activities	<u>\$ (140,274)</u>	<u>\$ (3,823)</u>	<u>\$ (144,097)</u>
Other required disclosures:			
Interest expended	\$ 123,597	\$	\$ 123,597
Interest capitalized	0		0
Interest paid	120,750		120,750

EXHIBIT "B"

CITY OF PETAL, MISSISSIPPI

OTHER SUPPLEMENTAL INFORMATION

CITY OF PETAL, MISSISSIPPI  
SCHEDULE OF SURETY BONDS  
SEPTEMBER 30, 1996

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
Billy Wayne Murphy	Police Chief	Aetna Life	50,000

CITY OF PETAL, MISSISSIPPI  
SCHEDULE OF LONG-TERM DEBT  
FOR THE YEAR ENDED SEPTEMBER 30, 1996

Definition and Purpose	Balance	Transactions		Balance
	Outstanding 10/01/95	During Fiscal Year		Outstanding 9/30/96
		Issued	Redeemed	
<b>General Obligation Bonds:</b>				
Separate School District	\$ 1,430,000	\$	\$ 170,000	\$ 1,260,000
Sewer refunding	1,315,000		25,000	1,290,000
Sewer bonds	185,000		185,000	0
Refunding	505,000		40,000	465,000
<b>Total</b>	<b>3,435,000</b>		<b>420,000</b>	<b>3,015,000</b>
<b>Revenue Bonds:</b>				
Water and Sewer Series 1993	715,000		25,000	690,000
<b>Official Long-term Debt:</b>				
Certificates of participation	505,000		25,000	480,000
Refunding notes	17,000		17,000	0
Sewer abatement note	212,991		20,900	192,091
Revolving fund loan	796,934		26,816	770,118
Five year note	100,000		25,000	75,000
Road improvement note	56,000		28,000	28,000
<b>Total</b>	<b>1,687,925</b>		<b>142,716</b>	<b>1,545,209</b>
<b>Capital Lease Payable</b>	<b>4,755</b>		<b>4,755</b>	<b>0</b>
<b>Total</b>	<b>\$ 5,842,680</b>	<b>\$ 0</b>	<b>\$ 592,471</b>	<b>\$ 5,250,209</b>

EXHIBIT "B"  
CITY OF PETAL, MISSISSIPPI  
RECONCILIATION OF ORIGINAL AD VALOREM TAX ROLLS TO FUND COLLECTIONS  
FOR THE YEAR ENDED SEPTEMBER 30, 1996

<u>ADJUSTED ASSESSED VALUATION</u>	<u>ASSESSED VALUE</u>	<u>TAX</u>	
City:			
Realty			
Personal-other than auto	\$ 14,649,458		
Utilities	4,019,867		
Auto and mobile home (remitted by county)	3,967,978		
Total City at 37.75 mills	<u>4,813,052</u>		
Less: Homestead exemption allowed	27,450,355	\$ 1,036,251	
Add: Homestead reimbursement		<u>(98,832)</u>	\$ 937,419
Separate School District:			42,455
Realty			
Personal-other than auto	31,979,830		
Utilities	9,638,168		
Auto and mobile home (remitted by county)	6,337,013		
Special homestead exemption	13,471,724		
Total SSD at 64.28 mills	<u>(4,493,237)</u>		
Less: Homestead exemption allowed	56,933,498	3,659,685	
Deduct: Commissions to county		<u>(444,234)</u>	3,215,451
Add: Homestead reimbursement			(52,757)
To be accounted for			<u>190,850</u>
			\$ 4,333,418
			=====
<b>CREDITS</b>			
Collections Allocated To:			
General fund			
2.5 million sewer bond fund	\$ 509,266	\$ 42,455	\$ 551,721
SSD school note	300,020		300,020
Library fund	280,155		280,155
SSD school note	48,869		48,869
School district	129,968		129,968
Totals	<u>3,110,320</u>		<u>3,110,320</u>
Balance represented by:	<u>4,378,598</u>	<u>42,455</u>	4,421,053
Escrow account			(30,300)
Prior year taxes			(21,755)
Uncollected real property taxes			6,100
Uncollected personal property taxes			13,441
Refunds to taxpayers			(3,430)
Over collected			(51,691)
Total accounted for			<u>\$ 4,333,418</u>
			=====

CITY OF PETAL, MISSISSIPPI  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 1996

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT/CONTRACT NUMBER</u>	<u>GRANT FUNDS RECEIVED 9/30/96</u>	<u>GRANT FUNDS EXPENDED 9/30/96</u>	<u>OTHER REVENUE 9/30/96</u>
<b>U.S. Department of HUD</b>					
Passed through the State of Mississippi:					
CDBG - Rental Rehabilitation	14.230	Various	\$	\$	\$ *
CDBG - Home Program	14.228	M94-SG-28-0158	209,094	209,094	0
CDBG - Public Facilities Grant	14.218	4-112-PF-01	<u>193,500</u>	<u>193,500</u>	0
Total Department of HUD			<u>402,594</u>	<u>402,594</u>	<u>17,189</u>
<b>Department of Transportation</b>					
Passed through the State of Mississippi:					
Federal Urban Aid	20.205	STP-9333	@ 258,616	258,616	65,297
FHWA - 1996	N/A	6-FE-321-1	<u>9,900</u>	<u>9,900</u>	<u>1,100</u>
Total Department of Transportation			<u>268,516</u>	<u>268,516</u>	<u>66,397</u>
<b>Department of Justice</b>					
Passed through the State of Mississippi:					
Metro Narcotics Assistance	N/A	N/A	31,388	31,388	0
<b>Direct Assistance</b>					
COPS/FAST Grant	16.710	95-CF-WX-0846	<u>17,339</u>	<u>17,339</u>	<u>5,780</u>
Total Department of Justice			<u>48,727</u>	<u>48,727</u>	<u>5,780</u>
Total Federal Assistance			\$ <u>719,837</u>	\$ <u>719,837</u>	\$ <u>89,366</u>
			=====	=====	=====

\* - Includes principal and interest on note repayments per grant agreements.  
 @ - Total funds received FYE 9/30/96 was \$431,739 which included \$107,825 accrued in FYE 9/30/95 leaving \$323,914 FYE 9/30/96. The total received of \$323,914 included \$65,297 in matching funds paid by Petal at the beginning of the project.

Loans outstanding:  
 The City has SRF loans outstanding under CFDA Number 66,458 totaling \$770,118 at 9/30/96.

CITY OF PETAL, MISSISSIPPI

CITY OF PETAL  
MINUTE BOOK 16  
Wright, King & Company, P.A.

PAGE 288

EXHIBIT "B"  
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 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, 1996, and have issued our report thereon dated January 16, 1997.

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 16, 1997

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, 1996, 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 an 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 16, 1997.

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 16, 1997

CITY OF PETAL, MISSISSIPPI

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



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

## EXHIBIT "B"

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

Members  
Mississippi Society Of  
Certified Public Accountants

Ann Scott Henderson, CPA

American Institute of  
Certified Public Accountants

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, 1996, and have issued our report thereon dated January 16, 1997.

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, 1996, 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 16, 1997.

City of Petal, Mississippi  
Page 2  
January 16, 1997

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
7. Drug Free Workplace

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 16, 1997

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, 1996, 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:

- \* CDBG Home Program
- \* 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 16, 1997

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

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 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, 1996, and have issued our report thereon dated January 16, 1997.

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, Mississippi  
Page 2  
January 16, 1997

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

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 16, 1997

EXHIBIT "B"

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

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 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, 1996, and have issued our report thereon dated January 16, 1997.

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, 1996:

- \* Political activity
- \* Davis-Bacon Act
- \* Civil rights
- \* Cash management
- \* Allowable costs/cost principles
- \* Administrative requirements
- \* Drug Free Workplace Act

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 16, 1997

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 16, 1997

CITY OF PETAL, MISSISSIPPI

EXHIBIT "B"  
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 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, 1996, and have issued our report thereon dated January 16, 1997.

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, 1996. 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. Also, the results of our procedures did not disclose any immaterial instances of non-compliance with those requirements.

City of Petal, Mississippi  
Page 2  
January 16, 1997

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 16, 1997

CITY OF PETAL, MISSISSIPPI

REPORT TO MANAGEMENT

EXHIBIT "B"

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

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, 1996, and have issued our report dated January 16, 1997.

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. Filing of documents in the court clerks office did not allow for easy retrieval of information. Additionally, the cash bonds account was not being reconciled monthly.

86

City of Petal, Mississippi  
Page 2  
January 16, 1997

3. Bank reconciliations are not reviewed by someone other than the preparer.
4. Ticket books are not being properly signed in and out by police officers.

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

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 16, 1997

87

EXHIBIT "B"

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

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

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

Ann Scott Henderson, CPA

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, 1996, and have issued our report dated January 16, 1997.

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. Filing of documents in the court clerks office did not allow for easy retrieval of information. Additionally, the cash bonds account was not being reconciled monthly.

86

City of Petal, Mississippi  
Page 2  
January 16, 1997

3. Bank reconciliations are not reviewed by someone other than the preparer.
4. Ticket books are not being properly signed in and out by police officers.

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

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 16, 1997

87

EXHIBIT "C"



**CITY OF PETAL**

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

JACK GAY  
MAYOR

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


PRISCILLA C. DANIEL  
CITY CLERK

THOMAS W. TYNER  
CITY ATTORNEY

February 17, 1997

To: Mayor and Board of Aldermen

From: Planning Commission

  
\_\_\_\_\_  
Verna Smith


The Planning Commission met on February 6, 1997, to review plans for phase 2 water construction plans of the North Ridge Subdivision. The Planning Commission would like to recommend to the Board of Aldermen that the Phase 2 plans be accepted.

EXHIBIT "D"

CERTIFICATE

I, Priscilla C. Daniel, City Clerk, of the City of Petal, Mississippi, do hereby certify that the attached Resolution was approved by the Mayor and Board of Aldermen in the Official minutes of the Board meeting held on February 18, 1997.

Witness my signature on this the 5th day of March, 1997.

  
Priscilla C. Daniel  
City Clerk

(SEAL)



EXHIBIT "D"

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY AMENDING THE INCORPORATION AGREEMENT UNDER WHICH THE AUTHORITY WAS CREATED FOR THE PURPOSE OF (i) MAKING JONES COUNTY, MISSISSIPPI A LEGALLY CONSTITUTED PARTICIPATING UNIT OF LOCAL GOVERNMENT OF THE AUTHORITY; (ii) DELETING LAMAR COUNTY, MISSISSIPPI AS A PARTICIPATING UNIT OF LOCAL GOVERNMENT OF THE AUTHORITY; (iii) CHANGING THE NAME AND ADDRESS OF THE REGISTERED AGENT OF THE AUTHORITY; (iv) CHANGING THE ADDRESS OF THE PRINCIPAL OFFICE OF THE AUTHORITY; (v) CHANGING THE FISCAL YEAR OF THE AUTHORITY; AND (vi) FOR OTHER RELATED PURPOSES, ALL AS AUTHORIZED BY SECTION 17-17-301, *ET SEQ.*, MISSISSIPPI CODE OF 1972, AS AMENDED.

WHEREAS, the Pine Belt Regional Solid Waste Management ("the Authority") was created pursuant to Section 17-17-301 *et seq.*, Mississippi Code of 1972, as amended (the "Act") and an Incorporation Agreement filed with the Secretary of State on May 14, 1992 (the "Incorporation Agreement");

WHEREAS, the original Units of Local Government, as defined in the Act, incorporating the Authority were the Cities of Petal, Laurel and Hattiesburg and the Counties of Jones, Lamar, Covington and Perry;

WHEREAS, Jones and Lamar Counties subsequently withdrew as participating Units of Local Government of the Authority which withdrawals were acknowledged by the Authority;

WHEREAS, Jones County has adopted a resolution requesting that the Board of Commissioners of the Authority amend the Incorporation Agreement to include Jones County as a participating Unit of Local Government of the Authority; and

WHEREAS, various provisions set forth in the Incorporation Agreement have changed since the Incorporation Agreement was approved and ratified by the participating Units of Local Government of Pine Belt and filed with the Secretary of State;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY AS FOLLOWS:

SECTION 1. That the Incorporation Agreement be amended as follows:

- (a) That Jones County be added as a participating Unit of Government of the Authority with full privileges, rights and obligations as set forth in the Incorporation Agreement and

EXHIBIT "D"

Section 1 of the Incorporation Agreement is hereby amended, subject to Section II hereof, to reflect such addition.

- (b) That Lamar County be deleted as a participating Unit of Local Government of Pine Belt and that Section 1 of the Incorporation Agreement is hereby amended, subject to Section II hereof, to reflect such deletion and withdrawal and that all references to Lamar County in the Incorporation Agreement shall be deleted, void and of no force and effect.
- (c) That the name and address of the registered agent of the service of process be changed to the Executive Director, 5274 Highway 29, Ovett, Mississippi 39464, and that Section 4 of the Incorporation Agreement is hereby amended, subject to Section 2 hereof, to reflect such change.
- (d) That the location of the principal office of Pine Belt shall be changed to 5274 Highway 29, Ovett, Mississippi 39464, and that Section 5 of the Incorporation Agreement is hereby amended, subject to Section II hereof, to reflect such change.
- (e) That the fiscal year of Pine Belt shall begin on July 1 of each year and end on June 30 of the next succeeding year and Section 16 of the Incorporation Agreement is hereby amended, subject to Section II hereof, to reflect such change.

**SECTION 2.** That the amendment set forth in Section 1 hereof shall become effective at such time as two-thirds (2/3rds) of the participating Units of Local Government approve any or all of such proposed amendments after publication of this resolution and the required filings of notice thereof with the Chancery Clerks of each participating county and Secretary of State.

**SECTION 3.** That the Chairman and Secretary shall

- (i) certify this resolution and transmit same to each participating Unit of Local Government for consideration; and
- (ii) cause this resolution to be published not less than two (2) times in a paper of general circulation throughout the Pine Belt service area.

EXHIBIT "D"

SECTION 4. Upon receipt of approval of at least two thirds (2/3rds) of the participating Units of Local Government to any or all of the proposed amendments set forth herein, the Executive Director shall cause a copy of such amendments and this resolution to be filed with the Chancery Clerks of Perry, Covington, Forrest and Jones Counties and the Secretary of State.

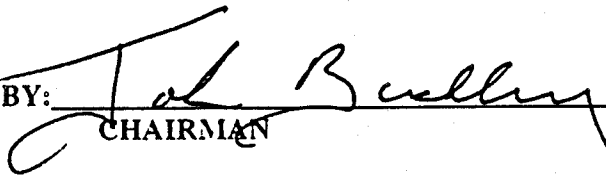
Commissioner Bell moved the adoption of the foregoing resolution.  
Commissioner Sanford seconded the motion.

A roll call vote of all Commissioners present was as follows:

Commissioner <u>Bell</u>	voted: <u>Aye</u>
Commissioner <u>Buckley</u>	voted: <u>Aye</u>
Commissioner <u>Creel</u>	voted: <u>Aye</u>
Commissioner <u>Gay</u>	voted: <u>Absent</u>
Commissioner <u>Holloway</u>	voted: <u>Absent</u>
Commissioner <u>Morgan</u>	voted: <u>Aye</u>
Commissioner <u>Rogers</u>	voted: <u>Aye</u>
Commissioner <u>Sanford</u>	voted: <u>Aye</u>
Commissioner <u>Vincent</u>	voted: <u>Absent</u>
Commissioner <u>Walley</u>	voted: <u>Absent</u>

A majority of the Commissioners present voted in favor of adoption of the resolution and the Chairman declared the resolution approved, this the 16th day of January, 1997.

PINE BELT REGIONAL SOLID WASTE  
MANAGEMENT AUTHORITY

BY:   
CHAIRMAN

ATTEST:

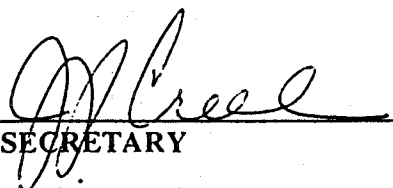
BY:   
SECRETARY

EXHIBIT "E"

TO: MAYOR AND BOARD OF ALDERMEN

FROM: CITY OF PETAL ELECTIONS COMMISSIONERS  
LESLIE W. LEE  
W. T. MCWILLIAMS

DUE TO THE RECENT AND UNTIMELY DEATH OF WILLIAM E. BULLOCK, IT WILL BE NECESSARY FOR THE BOARD TO APPOINT SOMEONE TO FILL MR. BULLOCK'S UNEXPIRED TERM AS ELECTION COMMISSIONER.

SINCE THIS IS AN ELECTION YEAR, WE FEEL THAT IT IS OF THE UTMOST IMPORTANCE TO FILL THIS VACANCY AS SOON AS POSSIBLE WITH A PERSON WHOM WE FEEL WE CAN HAVE CONFIDENCE IN AND BE COMFORTABLE WITH THEIR COMPETENCY TO SERVE IN THIS CAPACITY. THIS IS A SERIOUS CONSIDERATION BECAUSE OF THE PROBLEMS THAT CAN ARISE IS THE ELECTION PROCESS CAUSING EMBARRASSMENT TO THE CANDIDATES AS WELL AS THE CITY.

WE WOULD LIKE TO RECOMMEND THAT YOU CONSIDER BETH HAVARD AS YOUR APPOINTMENT TO THE ELECTION COMMISSION.

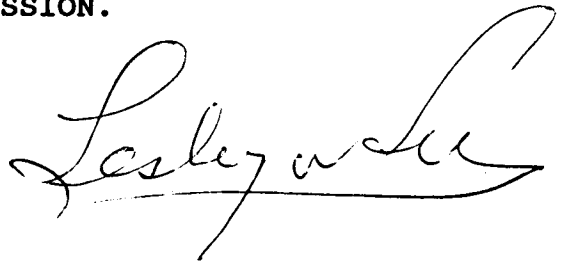
A handwritten signature in cursive script, appearing to read "Leslie W. Lee", written in black ink on a white background.

EXHIBIT "F"

**AGREEMENT BETWEEN OWNER AND CONSULTANT  
FOR PROFESSIONAL SERVICES**

This Agreement made on February 18<sup>th</sup>, 1997, between the CITY OF PETAL, 119 West 8th Avenue, Petal, Mississippi, (OWNER) and Neel-Schaffer, Inc., Post Office Box 982, Hattiesburg, Mississippi, (CONSULTANT).

OWNER and CONSULTANT agree:

**A. SCOPE OF SERVICES**

CONSULTANT shall perform professional services as stated in Exhibit A which is attached to and made part of this Agreement. These services are in connection with the 1997 Community Development Block Grant.

**B. COMPENSATION**

OWNER shall compensate CONSULTANT a lump sum of \$3,500.00 when services are completed.

**C. PERIOD OF SERVICES**

The service to be provided shall be completed by said application submitted to the Department of Economic and Community Development no later than March 24, 1997.

**D. OTHER PROVISIONS**

1. This Agreement is subject the following special provisions, which are attached to and made a part of this Agreement.

Exhibit A, Scope of Services

Exhibit B, Standard HUD Contractual Clauses

2. This Agreement, consisting of Pages One (1) to Six (6), inclusive, together with the Exhibits identified above, constitute the entire Agreement between the OWNER and CONSULTANT and supersede all prior written and oral understandings. This Agreement and said Exhibits may only be amended, supplemented, modified or canceled by duly executed written instrument.

EXHIBIT "F"

IN WITNESS WHEREOF, the parties below have executed this Agreement as of the day and year first written above.

OWNER:

CONSULTANT:

CITY OF PETAL

NEEL-SCHAFFER, INC.

BY:

  
\_\_\_\_\_

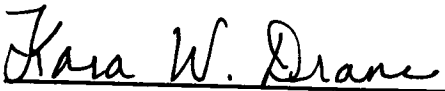
BY:

  
\_\_\_\_\_

ATTEST:

  
\_\_\_\_\_

ATTEST:

  
\_\_\_\_\_

**EXHIBIT "F"**

**EXHIBIT A**

**SCOPE OF SERVICES  
APPLICATION PREPARATION**

**GENERAL**

Neel-Schaffer, Inc. will provide the professional services required for application preparation of the City of Petal's 1997 Community Development Block Grant project application. The services are as follows:

1. Attend CDBG application preparation workshop conducted by State.
2. Attend one (1) public hearings, explain the State program final statement on program activities, design and funding levels.
3. Prepare all necessary public notices.
4. Meet with City Officials, discuss public input and proposed projects.
5. Prepare necessary resolutions, correspondence, public notices and certifications.
6. Coordinate the development of goals and method of procedures for involving Minority Business Enterprises and Women Business Enterprises.
7. Research and document any past performance in Minority Business Enterprises and Women Business Enterprises in previously funded CDBG projects.
8. Coordinate with federal, state and local agencies to document sources of leveraging funds and documented deficiencies.
9. Coordinate with engineer on quantities, cost estimates, and schedule of proposed project activities.
10. Conduct research of local government files on comprehensive plan, general taxing efforts, City operating costs, estimates of City's fiscal year per capita tax burden, local government financial commitment to the project and current status on any ongoing project the City must assist in providing base data.
11. Preparation of required maps of the proposed CDBG program and project area(s).
12. Prepare all narrative required in the application.

EXHIBIT "F"

13. Supervise any necessary door-to-door surveys in order to determine low and moderate income beneficiaries, female headed households, information on handicapped persons or calculate the City low and moderate income households from the 1990 census data if available. If a door-to-door survey becomes necessary, the City must provide the personnel to conduct the survey.
14. Combine all collected data in final form, type, copy and bind a minimum of five (5) complete sets of the completed final application.
15. Ensure on time delivery of application to the appropriate State agency.
16. Accompany State representatives on any project site visits.
17. If application is approved, assist the City in negotiations with the designated State agency.



EXHIBIT "F"

EXHIBIT B

STANDARD HUD CONTRACTUAL CLAUSES

1. **Audit and Inspection of Records** - The **PLANNER** shall permit the authorized representatives of the **OWNER**, the U. S. Department of Housing and Urban Development and the Comptroller General of the United States to inspect and audit all data and records of the **PLANNER** relating to his performance under the contract.
2. **Interest of Members of or Delegates to Congress** - No member of or delegate to the Congress of the United States shall be admitted to any share or part of this contract or to any benefit arising therefrom.
3. **Prohibited Interest** - No member, officer, or employee of the Public Body or of a local public body during his tenure or one year thereafter shall have any interest, direct or indirect, in this contract or the proceeds thereof.
4. **Equal Employment Opportunity** - In connection with the execution of this contract, the **PLANNER** shall not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin. The **PLANNER** shall take affirmative action to ensure that the applicants are employed, and that employees are treated during their employment without regard to their race, religion, color, sex or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff, or termination; rates of pay, or other forms of compensation; and selection for training, including apprenticeship.
5. **Minority Business Enterprise** - In connection with the performance of this contract, the **PLANNER** will cooperate with the project sponsor in meeting his commitments and goals with regard to the maximum utilization of minority business enterprises and will use its best efforts to ensure that minority business enterprises shall have maximum practicable opportunity to compete for subcontract work under this contract.
6. Nothing in this contract shall be construed as obligating the **PLANNER** to appear in litigation or prepare for such in behalf of the **OWNER** except in consideration of additional compensation.
7. This contract may be amended or terminated by written agreement of both parties. No oral representations by employees of the **PLANNER** shall affect or modify any of the terms or obligations contained in this contract and none of the provisions of this agreement shall be held to be waived or modified by reason of any act whatsoever except as mutually agreed in writing.
8. To the greatest extent feasible, the **PLANNER** shall provide opportunities for training and employment to low income residents of the project area; and shall award contracts for work in connection with the project to eligible business concerns in, or owned in substantial part by, persons residing in the area of the project.

EXHIBIT "F"

9. Access to and Retention of Records -

- 9.1 The **PLANNER** shall allow authorized representatives of the **OWNER** and appropriate and concerned agencies of the state and federal government access to any records of the **PLANNER** which are directly pertinent to the Project which is the subject of this Agreement for the purpose of making audits, examinations, excerpts and transcriptions.
- 9.2 All records pertinent to the Project shall be retained by the **PLANNER** for a period of three years from the date of completion of services provided under this Agreement.

EXHIBIT "G"

RESOLUTION

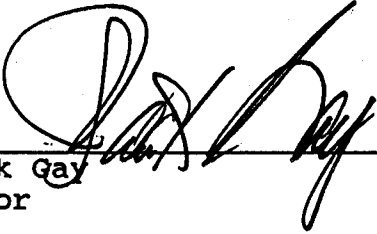
WHEREAS, the Mississippi Legislature recognized the importance of local crime prevention efforts when it funded the Municipal Crime Prevention Program in both 1995 and 1996; and,

WHEREAS, Mississippi's municipal officials have long been on the front lines of the fight against crime in our state's cities and towns; and

WHEREAS, Mississippi's cities and towns have stretched their budgets to fund the increasing costs of jailing prisoners, replacing antiquated equipment, and hiring enough Police Officers to protect their citizens; and,

WHEREAS, the Municipal Crime Prevention Program was funded in both 1995 and 1996 without a single dissenting vote,

THEN, THEREFORE BE IT RESOLVED, that the City of Petal joins with all of the cities and towns in the state to request the Mississippi Legislature to adopt and provide adequate fund for the Municipal Crime Prevention Program of 1997. Further, upon passage a certified copy of this resolution shall be provided to each Senator and Representative serving the citizens of our municipality.

  
\_\_\_\_\_  
Jack Gay  
Mayor

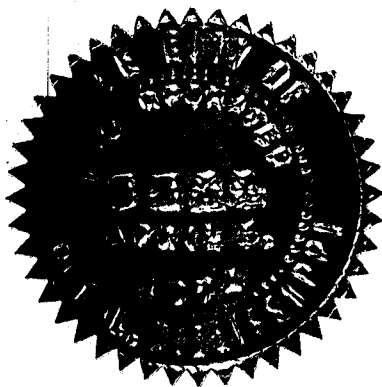


EXHIBIT "H"

City of Petal City Hall  
P.O. Box 564,  
Petal, Mississippi 39465

February 7, 1997  
Lost Creek, WV 26385-9743

Gentlemen:

The hamlet of Petal was about 14 years old when the family of my father, the late James Roy Miller, Sr., moved there from Jasper, Ala. My father, Roy, along with his brothers, Boge and John, established the Miller Brothers Garage, which was located where Buddy's U-Haul and Alignment Service is now.

In 1925, he married my mother, Vera Springer of Watertown, New York. They lived in a small frame house on what is currently 128 East Central Avenue. After it burned, they remodeled the old garage across the street and constructed a small complex large enough for our family of seven. Dad also added a small apartment and two small house trailers on adjacent land, which he and my mother maintained and kept rented during the great depression of the 1940s.

In 1947, he sold the service station to a Mr. Peck. It was at this time he had a new brick home built on the site of his original home across the street. This building is now occupied by Movie Time of Petal, owners are Roland and Kay Lightsey. The Miller children still own a small plot between it and Daughtrey's.

It was also on this corner of 128 East Central Avenue and Morris Street that my father eventually built one of the first small short-order restaurants in the village of Petal. (After my parents died, I had it torn down in 1973.)

I believe my parents accomplished a lot, serving the citizens of Petal, during their lifetime there on "the corner". Even though my father was a mechanic and restaurant owner for over 42 years, he and my mother worked **diligently**, seven days and nights a week. They did their civic duty for the hamlet, the village, the town of Petal.

Therefore, I ask that the City of Petal name the corner of Morris and 128 East Central Avenue Miller's Corner.

I would have asked this a long time ago. But since I am now retired, I have more time to concentrate on the consequential things that mean the most to me and rightfully so.

Sincerely,



Jean Miller  
RR 1 Box 202  
Lost Creek, West Virginia 26385-9743