

BE IT REMEMBERED THAT THERE IS BEGUN AND HELD THE REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI ON FEBRUARY 3, 1998 AT 7:00 P.M. IN THE BOARD ROOM OF SAID CITY.

THOSE PRESENT

MAYOR JACK GAY

CITY ATTORNEY

THOMAS W. TYNER

ALDERMEN

WILLIE W. HINTON
CHARLES E. HOLBROOK
ROBERT F. LANGFORD
DONALD H. ROWELL
LEROY SCOTT

OTHERS PRESENT

FIRE CHIEF AUBRA EVANS
POLICE CHIEF WAYNE MURPHY
CAPTAIN RODNEY JARRELL
MIKE SMITH
STANLEY CARPENTER
WILLOUGHBY C. WRIGHT

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

THE INVOCATION WAS OFFERED BY WILLIE W. HINTON.

THE PLEDGE OF ALLEGIANCE WAS RECITED.

WHEREAS, MAYOR GAY PRESENTED THE AGENDA TO THE BOARD.

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO ADOPT THE AGENDA AS PRESENTED. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE MINUTES OF THE REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF JANUARY 20, 1998 AND THE VARIANCE APPEAL HEARING HELD FOR STANLEY CARPENTER ON JANUARY 20, 1998 TO THE BOARD.

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO ACCEPT THE FOREGOING MINUTES AS WRITTEN. ALDERMAN HOLBROOK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY CALLED FOR PUBLIC COMMENT, BUT THERE WAS NONE.

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 ASPHALT AND OVERLY IN-PLACE.

	SEE EXHIBIT "A"	PER TON	
		FOB PLANT	IN-PLACE
DUNN & BUSH CONSTRUCTION P O BOX 6560 LAUREL, MS 39441-6560			\$ 37.50
DUNN & BUSH CONSTRUCTION P O BOX 6560 LAUREL, MS. 39441-6560		\$ 25.00	
WARREN PAVING, INC. P O BOX 572 HATTIESBURG, MS. 39403		\$ 24.65	\$ 34.50

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ACCEPT WARREN PAVINGS BID AND DUNN & BUSH AS AN ALTERNATE BID. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING ORDINANCE PROHIBITING THE POSTING OF SIGNS ON UTILITY POLES AND RIGHTS OF WAY.

SEE EXHIBIT "B"

ORDINANCE 1998 (92)

AN ORDINANCE PROHIBITING THE POSTING OF SIGNS ON UTILITY POLES AND RIGHTS OF WAY, PERMITTING THE POSTING OF SIGNS FOR LIMITED PURPOSES, AND PROVIDING PENALTIES FOR THE VIOLATION THEREOF.

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO ADOPT THE FOREGOING ORDINANCE. ALDERMAN HOLBROOK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY REQUESTED THE WISHES OF THE BOARD CONCERNING THE VARIANCE HEARING HELD JANUARY 20, 1998 ON THE STANLEY CARPENTER REQUEST.

THEREUPON, ALDERMAN ROWELL MADE A MOTION THAT THE MATTER BE TABLED UNTIL THE FEBRUARY 17, 1998 MEETING. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, WILLOUGHBY C. WRIGHT, CPA, OF WRIGHT, KING & ASSOCIATES PRESENTED THE CITY'S AUDIT FOR THE FISCAL YEAR 1996-97. MR. WRIGHT ALSO PRESENTED THE BOARD WITH AN OVERVIEW OF THE REVENUES AND EXPENDITURES OF THE CITY AND A COMPARISON OF THIS YEARS WITH PREVIOUS YEARS REVENUES AND EXPENDITURES.

SEE EXHIBIT "C"

AUDIT REPORT
1996-97

THEREUPON, ALDERMAN HINTON MADE A MOTION TO ACCEPT THE CITY'S AUDIT FOR THE FISCAL YEAR 1996-97. ALDERMAN LANGFORD SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY STATED THAT FED BARONA HAS AGREED TO PREPARE A WEB PAGE FOR THE CITY AT A COST OF \$100.00 PER PAGE.

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO CONTRACT WITH MR. BARONA TO PREPARE A WEB PAGE FOR THE CITY OF PETAL. ALDERMAN LANGFORD SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

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

- A) DENNIS CARPENTER - VARIANCE
- B) PUBLIC NOTICE - TAXPAYERS ZONING CHANGE
- C) ORDINANCE # 1979 (42-A96)

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

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE ZONING CHANGE REQUEST FROM LYNN RAY ROAD BAPTIST CHURCH.

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO SET THE ZONING HEARING FOR FEBRUARY 26, 1998 AT 7:00 P.M. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY STATED THAT THE WARD IV POSITION ON THE PLANNING COMMISSION IS VACANT BECAUSE OF ROBERT ODOM'S RESIGNATION.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO APPOINT EARL W. LEE TO AN UNEXPIRED TERM ON THE PLANNING COMMISSION ENDING JUNE 30, 1998. ALDERMAN HOLBROOK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS. MAYOR GAY PRESENTED A LETTER FROM THE PETAL PLANNING COMMISSION RECOMMENDING THAT THE BOARD OF ALDERMEN GRANT ALL OF THE ZONING CHANGES SUBMITTED AT THE JANUARY 29, 1998 HEARING.

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO ADOPT THE FOLLOWING ORDINANCE 1979 42 (A97) AMENDING AND CHANGING THE COMPREHENSIVE ZONING MAP OF THE CITY. ALDERMAN LANGFORD SECONDED THE MOTION.

SEE EXHIBIT "D"

ORDINANCE 1979 42 (A97)

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED A REQUEST FROM THE HATTIESBURG WOMEN'S BOWLING ASSOCIATION FOR THE CITY TO PURCHASE AN AD IN THE PROGRAM FOR THE 1998 MISSISSIPPI WOMEN'S BOWLING ASSOCIATION TOURNAMENT.

THERE WAS NO ACTION TAKEN.

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING ORDER TO HIRE RICHARD PERKINS AS A PART-TIME PROCESS SERVER, BAILIFF, AND DEPUTY COURT CLERK.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY TO HIRE A PART-TIME PERSON AS A PROCESS SERVER, BAILIFF AND DEPUTY COURT CLERK.

IT IS HEREBY ORDERED THAT RICHARD PERKINS BE HIRED AS A PART-TIME EMPLOYEE AT A SALARY OF \$499.00 PER MONTH EFFECTIVE FEBRUARY 4, 1998.

SO ORDERED ON THIS THE 3RD DAY OF FEBRUARY, A.D. 1998.

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED CLAIMS # 45774 - 46160 OF THE CITY OF PETAL GENERAL FUNDS AND THE PETAL WATER AND SEWER FUNDS.

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO PAY CLAIMS # 45774 - 46160 OF THE CITY OF PETAL GENERAL FUNDS AND THE PETAL WATER AND SEWER FUNDS. ALDERMAN HOLBROOK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING ORDER PROMOTING STEPHEN WYLES, DISPATCHER IN THE POLICE DEPARTMENT, TO 2ND CLASS DISPATCHER.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY, DUE TO THE RECOMMENDATION BY CHIEF MURPHY AND THE COMPLETION OF HIS QUALIFICATIONS TO PROMOTE STEPHEN WYLES TO 2ND CLASS DISPATCHER.

IT IS HEREBY ORDERED THAT STEPHEN WYLES' PAY BE INCREASED TO THE RATE OF \$7.00 PER HOUR EFFECTIVE FEBRUARY 12, 1998.

SO ORDERED ON THIS THE 3RD DAY OF FEBRUARY, A.D., 1998.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN HOLBROOK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING PROCLAMATION SETTING FEBRUARY 13, 1998 AS ARBOR DAY IN PETAL.

SEE EXHIBIT "E"

ARBOR DAY PROCLAMATION

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO ADOPT THE FOREGOING PROCLAMATION. ALDERMAN LANGFORD SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, CITY ATTORNEY THOMAS TYNER REQUESTED AN EXECUTIVE SESSION TO BRING ADDITIONAL INFORMATION REQUESTED BY THE BOARD ON POSSIBLE LITIGATION.

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

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

MAYOR GAY REOPENED THE MEETING.

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO ENTER INTO AN EXECUTIVE SESSION TO DISCUSS WITH THE CITY ATTORNEY THE POSSIBLE LITIGATION. ALDERMAN ROWELL SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

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

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

THERE WAS NO ACTION TAKEN IN THE EXECUTIVE SESSION

WHEREAS, MAYOR GAY REQUESTED THE WISHES OF THE BOARD CONCERNING THE ZONING ORDINANCE AND THE PLACEMENT OF MOBILE HOMES.

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO RETURN THE ZONING ORDINANCE TO THE PLANNING COMMISSION TO MAKE A RECOMMENDATION CONCERNING THE PLACEMENT OF MOBILE HOMES IN THE RURAL FRINGE DISTRICTS IN THE CITY. ALDERMAN ROWELL SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO ADJOURN. ALDERMAN HINTON SECONDED THE MOTION.

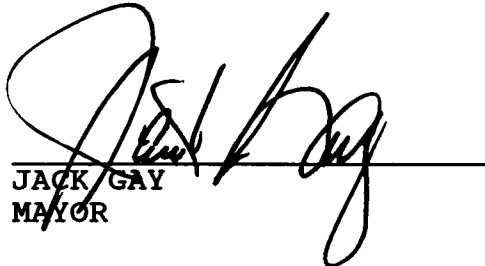
THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

THEREBEING NO FURTHER BUSINESS, THE REGULAR MEETING OF THE
MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI, WAS
ADJOURNED ON THIS THE 3RD DAY OF FEBRUARY, A.D., 1998.



JACK GAY
MAYOR

(SEAL)

ATTEST:



PRISCILLA C. DANIEL
CITY CLERK

EXHIBIT "A"

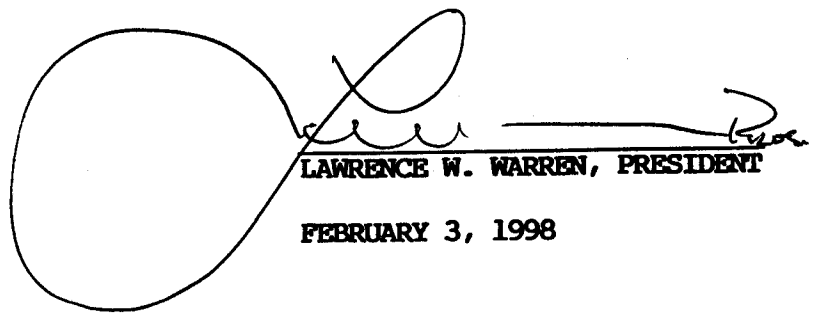
SPECIFICATIONS FOR ASPHALT AND ASPHALT OVERLAY IN PLACE

Contractor's Mix Asphalt FOB Plant per ton \$24.65

Contractor's Mix Asphalt and EA-4tack,
in place per ton at \$34.50

Sealed bids will be received until 7:00 P.M., Tuesday, February 3,
1998, in the Board Room of the City Hall at 119 West 8th Avenue,
Petal, MS.

WARREN PAVING, INC.
P.O. BOX 572
HATTIESBURG, MS 39403



LAWRENCE W. WARREN, PRESIDENT

FEBRUARY 3, 1998

CITY OF PETAL
DUNN ROADBUILDERS, L. L. C.

PAGE 154

bid on
BITUMINOUS MATERIALS
EXHIBIT A

DATE: FEBRUARY 3, 1998

TO: MAYOR AND BOARD OF ALDERMEN - TOWN OF PETAL

WE PROPOSE TO FURNISH TO TOWN OF PETAL, MISSISSIPPI, THE FOLLOWING MATERIALS FOR A PERIOD OF 6 MONTHS, BEGINNING JANUARY 1, 1998 AND ENDING JULY 1, 1998.

PART I, FOB PLANT: Bids shall be FOB PLANT, loaded in Town of Petal vehicles. All hot plantmix asphalt and equipment to make same shall meet the Mississippi Standard Specifications for State Aid Road and Bridge Construction, 1989 Edition per Sections 401 & 703, Tables A & B in Section 703.

BITUMINOUS MATERIALS

<u>PAY ITEM</u>	<u>ITEM</u>	<u>UNIT PRICE</u>
1. S-407-C	Emulsified Asphalt for Tack, less than transport quantity	\$ 1.50/Gal
2. S-301-A	Hot Bituminous Base Plantmix Asphalt (BB-1)	\$26.50/Ton
3. S-403-B	Hot Bituminous Binder Plantmix Asphalt (BC-1)	\$26.50/Ton
4. S-403-C	Hot Bituminous Surface Plantmix Asphalt (SC-1)	\$26.00/Ton
5. S-403-C	Hot Bituminous Surface Plantmix Asphalt (SC-2)	\$27.00/Ton
6. Alt.	Hot Bituminous Surface Plantmix Asphalt (Contractor Specification) to meet SC-1 or SC-2,	\$25.00/Ton

PART II, COST FOR PLACING MATERIALS. Bids are IN PLACE UNIT PRICES for materials purchased from Dunn Roadbuilders, L.L.C. and placed as directed by Town of Petal. All work and equipment will meet the Mississippi Standard Specifications for State Aid Road and Bridge Construction, 1989 Edition, for the applicable pay items listed above.

<u>PAY ITEM</u>	<u>ITEM</u>	<u>UNIT PRICE</u>
1. S-407-C	Emulsified Asphalt for Tack, SS-1	\$ 1.50/Gal
2. S-301-A	Hot Bituminous Asphalt (Under 300 Tons will need to be quoted per project conditions)	\$ 9.00/Ton
3. S-403-B	Haul of Hot Mix Asphalt (Min, Haul \$2.00/Ton)	\$.12/TMI

SUBMITTED BY:

DUNN ROADBUILDERS, L. L. C.

BY:


Title Vice President

CERTIFICATE OF RESPONSIBILITY #0009

EXHIBIT "A"
DUNN & BUSH CONSTRUCTION, L. L. C.
bid on
BITUMINOUS MATERIALS IN PLACE

DATE: JANUARY 5, 1998

TO: MAYOR AND BOARD OF ALDERMEN - TOWN OF PETAL

WE PROPOSE TO FURNISH TO TOWN OF PETAL, MISSISSIPPI, THE FOLLOWING MATERIALS FOR A PERIOD OF 12 MONTHS, ENDING DECEMBER 31 1998.

PART I, FOB PLANT: Bids shall be FOB PLANT, loaded in county vehicles. All hot plantmix asphalt and equipment to make same shall meet the Mississippi Standard Specifications for State Aid Road and Bridge Construction, 1989 Edition per Sections 401 & 703, Tables A & B in Section 703.

BITUMINOUS MATERIALS IN PLACE

<u>PAY ITEM</u>	<u>ITEM</u>	<u>UNIT PRICE</u>
EA-4	Emulsified Asphalt for Tack, less than transport quantity	\$ 1.50
G.	Hot Bituminous Base Plantmix Asphalt (BB-1)	\$26.50
H.	Hot Bituminous Binder Plantmix Asphalt (BC-1)	\$26.50
I.	Hot Bituminous Surface Plantmix Asphalt (SC-1)	\$26.00
	Hot Bituminous Surface Plantmix Asphalt (SC-2)	\$27.00
J.	Hot Bituminous Surface Plantmix Asphalt (Contractor Specification) to meet SC-1 or SC-2, using Class II Crushed Gravel without slag, limestone, or asphaltic limestone	\$23.50
L.	Cold Bituminous Plantmix (only at Laurel Plant)	\$38.00
	Cold Bituminous Plantmix delivered to county Barns (Minimum 20 Tons)	\$45.00
ALT.	Hot Bituminous Surface Plantmix Asphalt (Contractor Specs) without Class II Crushed Gravel, Slag, or Limestone	\$25.00

EXHIBIT "A"

Page 2 - BITUMINOUS MATERIALS

PART II, COUNTY FURNISHED MATERIALS IN PLACE: Bids are IN PLACE UNIT PRICES for materials purchased from Dunn & Bush Construction, L.L.C. and placed as directed by Supervisor or County Engineer. All work and equipment used must meet the Mississippi Standard Specifications for State Aid Road and Bridge Construction, 1989 Edition, for the applicable pay items.

<u>PAY ITEM</u>	<u>ITEM</u>	<u>UNIT PRICE</u>
S-408-B	Emulsified Asphalt for Tack, SS-1	\$ 1.50
A.	Hot Bituminous Asphalt (all mixes except sandmix) (Under 300 Tons will need to be quoted per project conditions)	\$ 9.00
B.	Haul of Hot Mix Asphalt (Min, Haul \$2.00/Ton)	\$.12/TMI

SUBMITTED BY:

DUNN & BUSH CONSTRUCTION, L. L. C.

BY:


Title/Vice President

CERTIFICATE OF RESPONSIBILITY #10635

~~CITY OF PETAL~~
~~EXHIBIT~~

ORDINANCE 1998 (92)

AN ORDINANCE PROHIBITING THE POSTING OF SIGNS ON
UTILITY POLES AND RIGHTS OF WAY, PERMITTING THE POSTING OF
SIGNS FOR LIMITED PURPOSES, AND PROVIDING PENALTIES FOR
THE VIOLATION THEREOF.

BE IT ORDAINED BY THE MAYOR AND BOARD OF ALDERMAN OF
THE CITY OF PETAL, MISSISSIPPI, as follows, to-wit:

SECTION 1: No person, firm, or corporation may post any sign or any other foreign material or matter on any utility poles within the City of Petal, Mississippi except such signs as may be posted by the utility company who owns the pole for their own purposes.

SECTION 2: No person, firm, or corporation may place or post any sign, poster, flyer, or other similar material within ten feet of the paved area of a roadway, except under the following conditions:

- a. A poster or sign advertising that the property is for sale, and posted by the owner or the owner's representative:
- b. Any sign no larger in size than three square feet, advertising any event, provided said sign is at least three feet from the roadway and gives the name, address and telephone number of the person posting the sign; the sign shall not be erected more than five days before the event, and the sign shall be removed within three days after the event.
- c. Any regulatory signs erected by the city, the county, or the state for the purpose of advising and directing traffic.
- d. Any sign otherwise in compliance with Article VII of the official zoning ordinance, 1979-42.

SECTION 3: Any person, firm or corporation found guilty of violating any provision of this ordinance shall be guilty of a misdemeanor, and shall be subject to a fine of \$100.00 for each day the violation occurs and/or incarceration for not more than five days for each day of violation. Each day of violation shall be considered a separate offense.

SECTION 4: This ordinance ^{EXHIBIT "B"} shall be in full force and effect 30 days from and after its passage.

The above and foregoing Ordinance having been reduced to writing, the same was first read and voted upon, first section by section, and then upon the Ordinance as a whole, with the following results:


Those present and voting "Aye" and in favor of the passage, adoption, and approval of Sections 1, 2, 3, and 4. of the foregoing Ordinance:

Willie W. Hinton
Charles E. Holbrook
Robert F. Langford
Donald H. Rowell
Leroy Scott

Those present and voting "Aye" and in favor of the passage, adoption and approval of the Ordinance as a whole:

Willie W. Hinton
Charles E. Holbrook
Robert F. Langford
Donald H. Rowell
Leroy Scott

The above and foregoing ordinance having received the unanimous approval of the Board of Aldermen, the same is hereby adopted on this, the 3rd day of February, A.D., 1998.



JACK GAY, JR., MAYOR

Attest:



PRISCILLA C. DANIEL, City Clerk

publish once - FEBRUARY 10, 1998

EXHIBIT "C"

Wright, King and Company, P.A.

Certified Public Accountants
#10 Plaza Drive
P. O. Box 16433
Hattiesburg, MS 39402
(601) 268-3135 (601) 261-3922 - Fax

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

Ann Scott Henderson, CPA
Samantha J. Kirschbaum, CPA
Angela T. Herzog, CPA

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

Information contained in this "FINANCIAL OVERVIEW" is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City of Petal, Mississippi. Such information has been subject to the auditing procedures applied in the examination of the general purpose financial statements and, based on our examination, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole. Those financial statements, also with the opinion letter expressed by our firm, Wright, King & Company, P.A., are available for public inspection pursuant to the applicable requirements of the Mississippi Code.

Wright, King & Co., P.A.
December 23, 1997

EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI
Financial Overview
For the Year Ended September 30, 1997

	1997 %	Year Ending September 30		
		Change	1997	1996
CITY WIDE REVENUES:				
Property taxes	(.9)	\$ 1,138,762	\$ 1,149,039	\$ 1,268,358
State shared revenues	.6	992,954	986,654	956,075
Charges for services	9.3	275,634	252,292	251,597
Licenses and permits	6.9	217,642	203,533	215,084
Fines and forfeits	8.5	69,338	63,926	62,266
Intergovernmental	(262.3)	227,169	822,942	367,108
Water and sewer revenue	1.0	788,793	781,006	743,528
Miscellaneous	211.9	<u>123,958</u>	<u>39,741</u>	<u>86,196</u>
Total revenue	(10.8)	<u>\$ 3,834,250</u>	<u>\$ 4,299,133</u>	<u>\$ 3,950,212</u>
CITY WIDE EXPENDITURES:				
General government	(8.8)	\$ 368,597	\$ 378,622	\$ 367,543
Public safety	2.7	970,777	954,663	844,709
Public works	(17.9)	720,727	877,872	723,381
Health and welfare	26.5	29,033	22,948	21,606
Culture and recreation	39.3	178,108	127,848	116,443
Debt service	(4.5)	646,176	676,798	664,507
Water and sewer services	(8.1)	815,348	887,428	787,754
Capital outlay	(94.9)	<u>10,157</u>	<u>202,006</u>	<u>95,494</u>
Total expenditures	(9.4)	<u>\$ 3,738,923</u>	<u>\$ 4,128,185</u>	<u>\$ 3,621,437</u>
GENERAL FUND REVENUES:				
Property taxes	(5.1)	\$ 539,133	\$ 568,151	\$ 592,297
Sales taxes	9.9	992,054	902,566	897,297
Charges for services	(24.9)	1,456	1,941	400
Licenses and permits	6.9	217,642	203,533	215,084
Fines and forfeits	8.5	69,338	63,926	62,266
Miscellaneous	46.4	<u>193,636</u>	<u>132,236</u>	<u>107,209</u>
Total	7.5	<u>\$ 2,013,259</u>	<u>\$ 1,872,353</u>	<u>\$ 1,874,553</u>
Petal's Total Tax Levy (Includes Schools)		102.03 mills	102.03 mills	101.44 mills
General Fund Tax Levy		21.91 mills	21.91 mills	21.91 mills
General Fund % of Levy		21.5%	21.5%	21.6%

EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI
Financial Overview
For the Year Ended September 30, 1997

	1997 %	Year Ending September 30		
		Change	1997	1996
GENERAL FUND EXPENDITURES:				
General government	(2.6%)	\$ 368,597	\$ 378,622	\$ 367,543
Public safety	9.2%	957,222	877,007	815,250
Public works	11.5%	341,109	301,791	237,809
Culture and recreation	40.2%	178,108	127,007	114,630
Health and welfare	26.5%	29,033	22,948	21,606
Debt service	(45.9%)	27,981	51,791	56,389
Capital outlay	0%	0	0	0
Total expenditures		<u>\$ 1,902,050</u>	<u>\$ 1,759,166</u>	<u>\$ 1,613,227</u>
Increase From Prior Years		142,884	145,939	(24,860)
Percentage Change		8.1%	9.0%	(1.5%)

		1997	1996	1995
Cost Center Analysis:				
Police:				
Personnel	3.8%	\$ 478,303	\$ 460,800	\$ 428,870
Supplies	14.9%	20,005	17,400	12,055
Other services and charges	59.3%	43,193	27,118	30,628
Capital outlays	88.8%	43,073	4,845	6,431
Total	14.6%	<u>\$ 584,574</u>	<u>\$ 510,163</u>	<u>\$ 477,984</u>
Fire:				
Personnel	4.1%	\$ 316,962	\$ 304,466	\$ 278,843
Supplies	14.6%	4,700	4,100	2,175
Other services and charges	37.3%	34,690	25,261	22,450
Capital outlays	N/A	0	0	799
Total	6.8%	<u>\$ 356,352</u>	<u>\$ 333,827</u>	<u>\$ 304,267</u>

EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI
Financial Overview
For the Year Ended September 30, 1997

	1997 %	Year Ending September 30		
		Change	1997	1996
WATER AND SEWER REVENUES:				
Water charges	1.2%	\$ 400,146	\$ 395,489	\$ 371,385
Sewer charges	2.2%	341,793	334,314	313,880
Tap fees	(4.5%)	8,725	9,135	7,280
Connect fees	(1.8%)	6,522	6,640	6,326
Interest	(23.3%)	24,516	31,778	36,232
Grant proceeds	N/A	0	0	105,344
Miscellaneous	94.3%	7,091	3,650	8,425
Total revenues	1.0%	<u>\$ 788,793</u>	<u>\$ 781,006</u>	<u>\$ 848,872</u>
WATER AND SEWER EXPENSES:				
Personnel	1.3%	\$ 229,749	\$ 226,891	\$ 231,696
Supplies	13.5%	53,374	47,010	34,403
Other services	(62.4%)	229,888	611,775	411,127
Capital outlay	288.2%	66,547	17,141	54,141
Total expenses prior to debt reduction	(35.8%)	<u>\$ 579,558</u>	<u>\$ 902,817</u>	<u>\$ 731,367</u>
Net Income Exclusive of Debt Reduction		<u>\$ 209,235</u>	<u>\$ (121,811)</u>	<u>\$ 117,505</u>

	%	General Fund	Water and Sewer	%
Personnel	68.6	\$ 1,304,669	\$ 229,749	26.5%
Supplies	7.3	138,320	53,374	6.2%
Other services	19.8	376,348	229,888	26.5%
Capital outlay	2.9	54,732	66,547	7.8%
Debt service	1.4	27,981	288,563	33.0%
	<u>100.0%</u>	<u>\$ 1,902,050</u>	<u>\$ 868,121</u>	<u>\$ 100.0%</u>

EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI
Financial Overview
For the Year Ended September 30, 1997

MISCELLANEOUS DATA

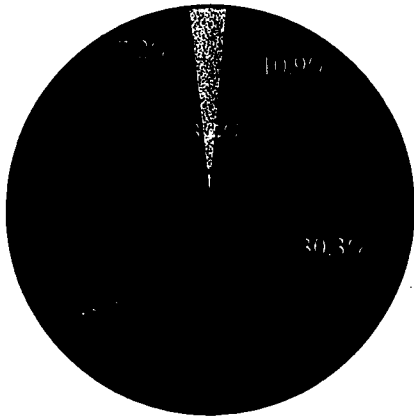
Current year sales tax growth	9.9%
Sales tax growth - 1990 thru 1997	50.5%
Average sales tax growth (90-97)	7.2%
Sales tax percentage of revenue - 1990	42.6%
Sales tax percentage of revenue - 1997	48.2%
Property tax percentage of revenue - 1990	29.4%
Property tax percentage of revenue - 1997	30.3%
Combined percentage of property sales tax revenues:	
1990	72.0%
1997	78.5%
Value of 1 mill - 1990	\$21,126
Value of 1 mill - 1997	\$25,931

Population per 1990 census: 7,883

<u>Service cost per person:</u>	<u>1997</u>	<u>1996</u>
Police	\$ 74.16	\$ 64.72
Fire	45.21	42.35
Street	38.28	43.27
Recreation	22.59	16.11

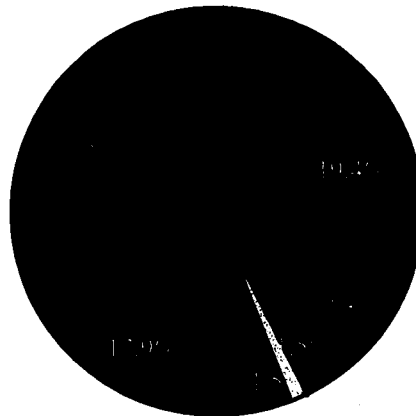
EXHIBIT "C"

Revenue Graph - General Fund

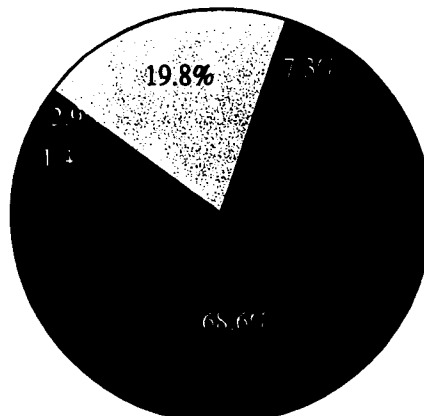


■ Property Tax	30.3%
■ Sales Tax	48.2%
■ Other	7.2%
■ Fines	3.4%
■ Licenses & Permits	10.9%

Expenditure Graph - General Fund



■ General Government	19.4%
■ Recreation	9.4%
■ Debt Service	1.5%
■ Other	1.5%
■ Public Works	17.9%
■ Public Safety	50.3%



■ Personnel	68.6%
■ Debt Service	1.4%
■ Capital Outlay	2.9%
■ Contract Services	19.8%
■ Supplies	7.3%

EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

CITY OF PETAL, MISSISSIPPI
GENERAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 1997

PUBLIC OFFICIALS

.....

Jack Gay, Jr.
Mayor

Priscilla C. Daniel
City Clerk

Members of Board of Aldermen

Robert F. Langford	Alderman, Ward 1
Donald H. Rowell	Alderman, Ward 2
Charles E. Holbrook	Alderman, Ward 3
Leroy Scott	Alderman, Ward 4
Willie W. Hinton	Alderman at Large

2

CITY OF PETAL, MISSISSIPPI

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	5
FINANCIAL REPORT	
Exhibit A - Combined Balance Sheet - All Fund Types and Account Groups	9
Exhibit B - Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds	11
Exhibit C-1 - Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP) and Actual - All Governmental and Proprietary Fund Types	13
Exhibit C-2 - Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP) and Actual - All Governmental and Proprietary Fund Types	17
Exhibit C-3 - Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP) and Actual - All Governmental and Proprietary Fund Types	18
Exhibit C-4 - Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP) and Actual - All Governmental and Proprietary Fund Types	19
Exhibit D - Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types	20
Exhibit E - Combined Statement of Cash Flows - All Proprietary Fund Types	21
NOTES TO FINANCIAL STATEMENTS	23
SUPPLEMENTAL INFORMATION	
General Fund:	
Schedule 1 - Balance Sheet	48
Schedule 2 - Statement of Revenues, Expenditures and Changes in Fund Balances	49
Special Revenue Funds:	
Schedule 3-A - Combining Balance Sheet	51
Schedule 3-B - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	52

3

EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI

TABLE OF CONTENTS

SUPPLEMENTAL INFORMATION (continued)	PAGE
Debt Service Funds:	
Schedule 4-A - Combining Balance Sheet	54
Schedule 4-B - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	55
Trust and Agency Funds:	
Schedule 5-A - Combining Balance Sheet	56
Schedule 5-B - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	57
Enterprise Funds:	
Schedule 6-A - Combining Balance Sheet	58
Schedule 6-B - Combining Statement of Revenues, Expenditures and Changes in Retained Earnings	60
Schedule 6-C - Combining Statement of Cash Flows	61
OTHER SUPPLEMENTAL INFORMATION	
Schedule of Surety Bonds	64
Schedule of Long-term Debt	65
Reconciliation of Original Ad Valorem Tax Rolls to Fund Collections	66
Report to Management	67

CITY OF PETAL, MISSISSIPPI

INDEPENDENT AUDITORS' REPORT

Wright, King and Company, P.A.

Certified Public Accountants
1140 Plaza Drive
P. O. Box 16433
Humboldt, MS 39452
(601) 268-3135 (601) 261-3922 - Fax

Douglas A. King, CPA
Wright, King and Company, P.A.
Marcia H. Wright, CPA

Ann Scott Henderson, CPA
Nananda J. Kirschbaum, CPA
Angela T. Herzog, CPA

Members
American Institute of
Certified Public Accountants
Mississippi Society 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 and for the year ended September 30, 1997, 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 purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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. An audit includes examining, on a test basis, evidence supporting the 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 evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, 1997, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

EXHIBIT "C"

Independent Auditors' Report
Page Two
December 23, 1997

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 schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required 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 presented in all material respects in relation to the general purpose financial statements taken as a whole.

Wright, King & Company, P.A.

WRIGHT, KING AND COMPANY, P.A.
Hattiesburg, Mississippi
December 23, 1997

7

CITY OF PETAL, MISSISSIPPI

FINANCIAL REPORTS

8

EXHIBIT A
CITY OF PETAL, MISSISSIPPI
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 1997

	Governmental Fund Types			Proprietary Capital Projects	Fiduciary Enterprise	Trust and Agency	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service				General Fixed Assets	General Long-Term Debt	
ASSETS									
Cash & other deposits	\$ 615,002	\$ 257,687	\$ 615,769	\$	\$ 489,443	\$ 58,975	\$	\$	\$ 2,036,876
Receivables (net of allowance)					106,441				106,441
Franchise fees receivable	40,929								40,929
Due from other governments	108,400	6,414	6,350						121,164
Due from other funds	4,677				76,601				81,278
Prepaid expenses					2,289				2,289
Inventory, at cost	2,738				35,512				38,250
Restricted assets					291,990				291,990
Other assets		103,984			45,398				149,382
Fixed assets					3,737,880		8,207,197		11,945,077
Available for debt service								622,119	622,119
Amount to be provided for retirement of general long-term debt								2,032,881	2,032,881
Total Assets	\$ 771,746	\$ 368,085	\$ 622,119	\$	\$ 4,785,554	\$ 58,975	\$ 8,207,197	\$ 2,655,000	\$17,468,676
LIABILITIES									
Bills docketed	\$ 52,904	\$ 2,083	\$	\$	\$ 65,132	\$ 25	\$	\$	\$ 120,144
Due to other funds	9,297				71,976	4			81,278
Other payables	70,442				7,222	44,722			122,386
Accrued interest on bonds					9,067				9,067
Current portion of revenue bonds					30,000				30,000
Current portion of general obligation bonds					50,000				50,000
Current portion of notes payable					57,538				57,538
Customer deposits					103,960				103,960
Notes payable								50,000	50,000
Revenue bonds payable					630,000				630,000
General obligation bonds payable					370,000			2,150,000	2,520,000
Abatement notes payable					863,032				863,032
Certificate of participation								455,000	455,000
Lease payable					29,765				29,765
Total Liabilities	132,643	2,084			2,287,692	44,751		2,655,000	5,122,170

9

EXHIBIT "C"
EXHIBIT A (CONTINUED)
CITY OF PETAL, MISSISSIPPI
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
SEPTEMBER 30, 1997

	Governmental Fund Types			Proprietary	Fiduciary	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Fixed Assets	
FUND EQUITY:								
Contributed capital					176,885			176,885
Investment in general fixed assets							8,207,197	8,207,197
Retained earnings								
Reserved for debt service					138,135			138,135
Reserved for replacement					(758,359)			(758,359)
Unreserved					2,941,201			2,941,201
FUND BALANCES:								
Reserved for inventory	2,738							2,738
Reserved for unemployment						14,224		14,224
Reserved for debt service			622,119					622,119
Unreserved	636,365	366,001						1,002,366
Total Fund Equity	639,103	366,001	622,119		2,497,862	14,224	8,207,197	12,346,506
Total Liabilities and Fund Equity	\$ 771,746	\$ 368,085	\$ 622,119		\$ 4,785,544	\$ 58,975	\$ 8,207,197	\$ 17,468,676

The notes to financial statements are an integral part of this statement.

10

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, 1997

	Governmental Fund Types				Fiduciary Fund Types	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expensible Trust	
REVENUES:						
Property taxes	\$ 492,859		\$ 599,629		\$	\$ 1,092,488
Penalties and interest	9,403					9,403
Licenses and permits	36,019					36,019
Franchise fees	181,623					181,623
Homestead exemption	44,818					44,818
State share revenue						
Sales tax	992,054					992,054
Alcoholic beverage tax	900					900
Other						
Intergovernmental						
Gasoline tax	9,874					9,874
Municipal aid	4,416					4,416
Other		137,451				137,451
Culture and recreation	75,132					75,132
Fines and forfeits	69,338					69,338
Charges for services	3,604					3,604
Interest earned	13,432	5,152	9,281		238	28,103
Prior year taxes	1,456					1,456
Grants	75,428					75,428
Sale of equipment	2,691					2,691
Other	212	65				277
Total Revenues	2,013,259	142,668	608,910		238	2,765,075
EXPENDITURES:						
General government	368,597					368,597
Public safety	957,222	13,555				970,777
Public works	341,109	56,502				397,611
Culture and recreation	178,108					178,108
Health and welfare	29,033					29,033
Debt service	27,981	84,803	533,392			646,176
Capital outlay			10,157			10,157
Total expenditures	1,802,050	164,017	533,392			2,600,459

11

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, 1997

	Governmental Fund Types				Fiduciary Fund Types	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expensible Trust	
Excess (deficiency) of revenues over expenditures	111,209	(22,349)	75,518		238	164,616
Other financing sources (uses):						
Transfers in		55,421				55,421
Transfers out	(90,141)					(90,141)
Discharge of debts		(36,283)				(36,283)
Donations	4,004					4,004
Expense reimbursement	3,864					3,864
Total other financing sources (uses)	(82,273)	19,138				(63,135)
Excess (deficiency) of revenues and other sources over expenditures and other uses	28,936	(3,211)	75,518		238	101,481
Fund Balance - 10/01/96	606,860	369,212	546,601		13,986	1,536,659
Change in reserves	569					569
Fund Balance - 9/30/97	\$ 636,365	\$ 366,001	\$ 622,119		\$ 14,224	\$ 1,638,709

The notes to financial statements are an integral part of this statement.

12

EXHIBIT "C"

EXHIBIT C-1
CITY OF PETAL, MISSISSIPPI
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP) AND ACTUAL ALL GOVERNMENTAL
AND PROPRIETY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1997

	General Fund		Variance
	Budget	Actual	
REVENUES:			
Property tax	\$ 520,000	\$ 492,859	\$ (27,141)
Penalties and interest	5,000	9,403	4,403
Licenses and permits	36,000	36,019	19
Franchise fees	175,000	176,258	1,258
Homestead exemption		44,818	44,818
State share revenue		992,054	67,054
Sales tax	925,000	900	0
Alcoholic beverage tax	900		
Intergovernmental		9,874	(126)
Gas tax	10,000	4,416	(84)
Municipal aid	4,500	75,132	14,332
Culture and recreation	60,800	69,338	3,338
Fines and forfeits	66,000	3,604	(996)
Charges for services	4,600	13,432	1,432
Interest earned	12,000	1,456	1,456
Prior year taxes		2,196	2,196
Reimbursements		75,428	(72)
Grants	75,500	5,884	380
Other income	5,304		
Total Revenues	<u>1,900,804</u>	<u>2,013,071</u>	<u>112,267</u>

13

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, 1997

	General Fund		Variance
	Budget	Actual	
EXPENDITURES			
General government			
Personnel services	202,595	199,940	2,655
Supplies	25,680	23,472	2,208
Other services	157,640	144,161	13,479
Capital outlay	5,125	1,024	4,101
Debt service	27,993	27,981	12
Total	<u>419,033</u>	<u>396,578</u>	<u>22,455</u>
Public safety			
Police			
Personnel services	492,613	478,303	14,310
Supplies	19,850	20,005	(155)
Other services	46,800	43,193	3,607
Capital outlay	28,338	43,073	(14,735)
Total	<u>587,601</u>	<u>584,574</u>	<u>3,027</u>
Fire			
Personnel services	316,962	309,157	7,805
Supplies	4,700	3,204	1,496
Other services	34,690	26,469	8,221
Capital outlays	0	0	0
Total	<u>356,352</u>	<u>338,830</u>	<u>17,522</u>
Building inspection			
Personnel services	30,850	30,959	(109)
Supplies	1,000	542	458
Other services	4,450	2,198	2,252
Capital outlay	650	119	531
Total	<u>36,950</u>	<u>33,818</u>	<u>3,132</u>

14

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, 1997

	General Fund		Variance
	Budget	Actual	
Public works			
Personnel services	188,212	178,625	9,587
Supplies	79,850	69,960	9,890
Other supplies	106,300	90,780	15,520
Capital outlay	8,600	1,743	6,857
Total	<u>382,962</u>	<u>341,108</u>	<u>41,854</u>
Health and welfare			
Personnel services	18,224	17,806	418
Supplies	1,540	1,120	420
Other services	10,300	10,107	193
Capital outlay			
Total	<u>30,064</u>	<u>29,033</u>	<u>1,031</u>
Culture and recreation			
Recreation department			
Personnel services	71,308	66,469	4,839
Supplies	19,600	17,109	2,491
Other services	37,970	35,397	2,573
Capital outlay	8,500	6,643	1,857
Total	<u>137,378</u>	<u>125,618</u>	<u>11,760</u>
Civic Center			
Personnel services	24,859	23,410	1,449
Supplies	4,600	2,908	1,692
Other supplies	30,792	24,043	6,749
Capital outlay	5,152	2,130	3,022
Total	<u>65,403</u>	<u>52,491</u>	<u>12,912</u>

15

EXHIBIT "C"

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, 1997

	General Fund		
	Budget	Actual	Variance
Total Expenditures	2,015,746	1,992,050	113,696
Excess (deficiency) of revenues over expenditures	(114,942)	111,021	225,963
Other financing sources (uses)			
Transfers out	(34,720)	(90,141)	(55,421)
Other		7,868	7,868
Total other financing uses	(34,720)	(82,273)	(47,553)
Net Excess (deficiency) of revenues over expenditures and other financing uses	\$ (149,662)	28,748	\$ 178,410
Accrued revenues		188	
Net Excess - GAAP Basis		28,936	
Fund Balance - October 1		606,860	
Change in reserves		569	
Fund Balance - September 30		\$ 636,365	

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, 1997

	Special Revenue Fund		
	Budget	Actual	Variance
REVENUES:			
State shared revenues	\$ 43,254	\$ 41,704	\$ (1,550)
Intergovernmental	83,000	96,233	13,233
Program income	3,552	1,026	(2,526)
Interest earned	3,550	5,217	1,667
Total Revenue	133,356	144,180	10,824
EXPENDITURES:			
Supplies	0	0	0
Other services	153,310	70,057	83,253
Capital outlay	120,484	10,158	110,326
Debt service	29,390	84,802	(55,412)
Total Expenditures	303,184	165,017	138,167
Excess (deficiency) of revenues over expenditures	(169,828)	(20,837)	148,991
Other sources (uses) - Transfers in	0	0	0
Excess (deficiency) of revenues and other financing sources over expenditures	\$ (169,828)	(20,837)	\$ 148,991
Adjustments to GAAP basis:			
Reclassification of program income to receivable		(1,026)	
Discharge of debt per grant agreement		(36,283)	
Accrued revenues		(486)	
Reclassification of transfers in		55,421	
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP basis)		(3,211)	
Fund balance - 10/01/96		369,312	
Fund balance - 09/30/97		\$ 366,101	

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, 1997

	Debt Service Fund		
	Budget	Actual	Variance
REVENUES:			
Property tax	\$ 527,000	\$ 598,625	\$ 71,625
Interest earned	5,800	9,282	3,482
Total revenues	532,800	607,907	75,107
EXPENDITURES:			
Debt service:			
Principal	400,000	400,000	0
Interest	129,585	129,585	0
Agent fees	4,350	3,802	548
Total expenditures	533,935	533,392	543
Excess (deficiency) of revenues over expenditures	\$ (1,135)	74,515	\$ 75,650
Adjustment to GAAP basis:			
Increase (decrease) in accrued property taxes		1,601	
Excess (deficiency) of revenues over expenditures - GAAP basis		75,518	
Fund balance - October 1		546,601	
Fund balance - September 30		\$ 622,119	

The notes to the financial statements are an integral part of these statements

EXHIBIT "C"

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, 1997

	Budget	Enterprise Fund Actual	Variance
REVENUES:			
Charges for services	\$ 980,658	\$ 1,008,305	\$ 27,647
Interest earned	25,070	25,000	(70)
Miscellaneous	17,240	23,188	5,948
Total revenues	<u>1,022,968</u>	<u>1,056,493</u>	<u>33,525</u>
EXPENDITURES:			
Public works			
Personnel services	258,644	245,118	13,526
Supplies	67,000	55,748	11,252
Other services and charges	573,133	533,856	39,277
Capital outlay	68,500	31,832	36,668
Debt service	237,672	288,563	(50,891)
Total expenditures	<u>1,204,949</u>	<u>1,155,117</u>	<u>49,832</u>
Excess (deficiency) of revenues over expenditures	<u>(181,981)</u>	<u>(98,624)</u>	<u>83,357</u>
Other financing sources (uses)			
Transfers in	708,720	875,487	166,767
Transfers out	(708,720)	(840,767)	(132,047)
Total other sources (uses)	<u>0</u>	<u>34,720</u>	<u>34,720</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ (181,981)</u>	<u>(63,904)</u>	<u>\$ 118,077</u>
Adjustments to GAAP basis:			
Debt reduction		174,685	
Capital expenditures		31,832	
Depreciation		(188,512)	
(Increase) decrease in accrued expense		(1,533)	
Increase in accounts receivable		5,664	
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses (GAAP basis)		(41,768)	
Retained earnings unreserved at October 1		3,005,457	
Change in reserves		(22,488)	
Retained earnings unreserved at September 30		<u>\$ 2,941,201</u>	

The notes are an integral part of these financial statements.

19

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, 1997

	September 30, 1997
Operating revenues:	
Charges for services	
Tap fees	\$ 973,265
Connect fees	8,725
Sewer treatment charges	6,522
Interest earned	40,704
Other income	25,000
	<u>7,091</u>
Total operating revenues	<u>1,061,307</u>
Operating expenses:	
Personal services	
Supplies and materials	246,848
Contractual services	55,748
Repairs and maintenance	331,396
Utilities	33,258
Depreciation and amortization	70,811
General and administration	188,512
Sewer treatment	35,071
	<u>63,355</u>
Total operating expenses	<u>1,024,999</u>
Operating income	36,308
Other sources (uses)	
Gain on sale of fixed asset	
Interest expense	669
Transfers in	(113,465)
Transfers out	875,487
	<u>(840,767)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(41,768)
Retained earnings - October 1	3,005,457
Change in reserves	(22,488)
Retained earnings - September 30	<u>\$ 2,941,201</u>

The notes are an integral part of these financial statements.

20

EXHIBIT E
CITY OF PETAL, MISSISSIPPI
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 1997

	September 30, 1997
Cash flow from operating activities:	
Cash received from customers (excluding deposit)	\$ 1,034,709
Cash paid to suppliers	(605,029)
Cash paid to employees	(246,848)
Net cash provided (used) by operating activities	<u>182,832</u>
Cash flow from non-capital financing activities:	
Operating transfers in (net)	<u>34,720</u>
Cash flow from capital and related financing activities:	
Sale of capital assets	850
Proceeds of capital leases	40,392
Acquisition of capital assets	(66,547)
Principal paid on bonds	(75,000)
Principal paid on notes	(48,940)
Principal paid on capital lease	(3,316)
Interest paid	(114,672)
Net cash flows provided (used) by capital and related financing activities	<u>(267,233)</u>
Cash flow from investing activities:	
Interest received	<u>25,000</u>
Net increase (decrease) in cash for the year	(24,681)
Cash and restricted cash - October 1	<u>806,114</u>
Cash and restricted cash - September 30	<u>\$ 781,433</u>

21

EXHIBIT "C"

EXHIBIT E (continued)
CITY OF PETAL, MISSISSIPPI
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES

Operating income	\$ 36,308
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	188,512
(Increase) decrease in accounts receivable	(5,423)
Increase (decrease) in accounts payable	(8,221)
Interest earned	(25,000)
(Increase) decrease in customer deposits	(3,825)
Increase (decrease) in accrued expenses	481
Net cash provided by operating activities	<u>\$ 182,832</u>
Other required disclosures:	
Interest expense	\$ 113,465
Interest paid	114,672

The notes to the financial statements are an integral part of these statements.

CITY OF PETAL, MISSISSIPPI

NOTES TO FINANCIAL STATEMENTS

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(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

EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(1) Summary of Significant Accounting Policies (continued)

A. Reporting Entity (continued)

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.

25

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(1) Summary of Significant Accounting Policies (continued)

C. Basis of Accounting (continued)

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.

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:

26

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(1) Summary of Significant Accounting Policies (continued)

D. Fund Accounting (continued)

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.

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.

27

EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(1) Summary of Significant Accounting Policies (continued)

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.

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.

28

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(1) Summary of Significant Accounting Policies (continued)

F. Deposits and Investments (continued)

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.

G. Fund Reserves

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

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

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

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

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

29

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(1) Summary of Significant Accounting Policies

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.

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.

30

EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(2) Interfund Receivables and Payables

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

	<u>Due To</u>	<u>Due From</u>
General Fund	\$ 9,297	\$ 4,677
Special Revenue Fund:		
CDBG Fund	1	
Proprietary Fund:		
Water and Sewer	71,976	62,054
Solid Waste		14,547
Trust and Agency Fund:		
Tax Collector's Fund	4	
Total	<u>\$ 81,278</u>	<u>\$ 81,278</u>

(3) Deposits

The carrying amount of the City's deposits with financial institutions was \$2,328,866, and the bank balance was \$2,332,997. The bank balance is categorized as follows:

Amount insured or collateralized with securities held by the City or its agent in the City's name	\$ 2,332,997
Amount collateralized with securities held by the pledging financial institution's trust department or agent in the City's name	0
Uncollateralized	<u>0</u>
Total Bank Balance	<u>\$ 2,332,997</u>

31

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(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, 1997, 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 \$103,983 in notes receivable from grant contracts. Repayment on these notes are available for use in the program. However, \$91,686 of the notes are being forgiven at 10% per year if grant conditions are met.

(5) Fixed Assets

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

	<u>Balance</u> <u>10/01/96</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/97</u>
Land and easements	\$ 311,287	\$	\$	\$ 311,287
Buildings	1,058,028			1,058,028
Improvements	266,532			266,532
Equipment:				
Furniture	75,787	2,476	207	78,056
Motor vehicles	510,034	33,419	42,389	501,064
Other	415,017	32,670	18,232	429,455
Sewer system	<u>5,562,775</u>			<u>5,562,775</u>
Totals	<u>\$ 8,199,460</u>	<u>\$ 68,565</u>	<u>\$ 60,828</u>	<u>\$ 8,207,197</u>

32

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(5) Fixed Assets (continued)

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

	<u>Balance</u> <u>10/01/96</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/97</u>
Water and Sewer Fund				
Land and easements	\$ 21,994	\$	\$	\$ 21,994
Buildings	79,939			79,939
Water/Sewer systems	5,357,922			5,357,922
Operating equipment	310,724	26,155	37,442	299,437
Assets under capital lease		40,392		40,392
Less: Accumulated depreciation	<u>(1,910,776)</u>	<u>(187,173)</u>	<u>(36,145)</u>	<u>(2,061,804)</u>
	<u>3,859,803</u>	<u>(120,626)</u>	<u>1,297</u>	<u>3,737,880</u>
Solid Waste Fund				
Operating equipment	43,756		37,074	6,682
Less: Accumulated depreciation	<u>(43,756)</u>		<u>(37,074)</u>	<u>(6,682)</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 3,859,803</u>	<u>\$ (120,626)</u>	<u>\$ 1,297</u>	<u>\$ 3,737,880</u>

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

33

EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(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 better 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.

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.

34

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(6) Bonds Payable (continued)

The following is a schedule of limitations on the indebtedness of the City at September 30, 1997:

Authorized Debt Limit:	15 Percent	20 Percent
Assessed valuation for fiscal year ended September 30, 1997 - \$27,879,638	\$ 4,181,946	\$ 5,575,928
Present debt subject to 15% limitation	(455,000)	
Present debt subject to 20% limitation including debt subject only 15% limitation		(1,565,000)
Margin for further debt under respective debt limits	<u>\$ 3,726,946</u>	<u>\$ 4,010,928</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>1,090,000</u>
TOTAL GENERAL OBLIGATION BONDS	<u>1,090,000</u>

35

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(7) Changes in Long-Term Debt (continued)

SEWER ABATEMENT NOTE PAYABLE:

\$417,827 Sewer Abatement Loan due in monthly installments of \$1,667 for 240 months at 0%.	<u>171,189</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>455,000</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>660,000</u>
TOTAL REVENUE BONDS	<u>660,000</u>

36

EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(7) Changes in Long-Term Debt

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%. 1,060,000

\$700,000 Water and Sewer Refunding Bonds due in annual installments of \$25,000 in 1990, \$30,000 in 1991 and 1992, \$35,000 in 1993 and 1994, \$40,000 in 1995 and 1996, \$45,000 in 1997, \$50,000 in 1998 and 1999, \$55,000 in 2000, \$60,000 in 2001, \$65,000 in 2002, \$70,000 in 2003 and 2004, interest at 7.1% to 10.0%. 420,000

TOTAL GENERAL OBLIGATION ENTERPRISE BONDS 1,480,000

OTHER LONG-TERM DEBT:

\$807,757 State Revolving Loan Fund loan due in monthly installments of \$5,532 for 237 months at 4.5% per annum. 742,070

\$125,000 five year note due in five installments of \$25,000 plus interest accrued at 3.99% annually. 50,000

Total Other Long-Term Debt 792,070

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(7) Changes in Long-Term Debt (continued)

The annual requirements to amortize all bonded debt as of September 30, 1997 follows:

<u>\$3,750,000 SSD Bonds</u>		
<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>
1998	\$ 170,000	\$ 61,700
1999	180,000	51,200
2000	180,000	40,400
2001	180,000	29,375
2002	180,000	18,125
Thereafter	<u>200,000</u>	<u>6,250</u>
	<u>\$ 1,090,000</u>	<u>\$ 207,050</u>
<u>\$700,000 Water and Sewer Refunding Bond</u>		
<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>
1998	\$ 50,000	\$ 28,896
1999	50,000	25,315
2000	55,000	21,535
2001	60,000	17,365
2002	65,000	12,803
Thereafter	<u>140,000</u>	<u>7,653</u>
	<u>\$ 420,000</u>	<u>\$ 113,567</u>
<u>\$825,000 Series 1990 Revenue Bond</u>		
<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>
1998	\$ 30,000	\$ 44,970
1999	35,000	42,825
2000	35,000	40,515
2001	40,000	38,020
2002	45,000	35,150
Thereafter	<u>475,000</u>	<u>147,716</u>
	<u>\$ 660,000</u>	<u>\$ 349,196</u>

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(7) Changes in Long-Term Debt

<u>\$1,370,000 Refunding Series</u>		
<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>
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>\$ 1,060,000</u>	<u>\$ 108,542</u>
<u>\$550,000 Certificates of Participation</u>		
<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>
1998	\$ 30,000	\$ 27,402
1999	30,000	25,198
2000	35,000	23,212
2001	35,000	21,226
2002	40,000	19,040
Thereafter	<u>285,000</u>	<u>57,380</u>
	<u>\$ 455,000</u>	<u>\$ 173,458</u>
<u>\$125,000 Five Year Notes</u>		
<u>Year Ending 9/30</u>	<u>Principal</u>	<u>Interest</u>
1998	\$ 25,000	\$ 1,995
1999	25,000	928
	<u>\$ 50,000</u>	<u>\$ 2,923</u>

EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(7) Changes in Long-Term Debt

Year Ending 9/30	<u>\$807,757 SRF Loan</u>	
	Principal	Interest
1998	\$ 29,337	\$ 32,793
1999	30,684	31,445
2000	32,094	30,036
2001	33,568	28,561
2002	35,111	27,019
Thereafter	<u>\$81,276</u>	<u>174,635</u>
	<u>\$ 742,070</u>	<u>\$ 324,489</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, 1997, 1996, and 1995 were \$107,207, \$98,656, and \$91,521, respectively, equal to the required contributions for each year.

40

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(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	\$4.01 mills
School Bonded Indebtedness (for bonds issued subsequent to March 3, 1987)	37-59-23	5.0 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.

41

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(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.

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, 1997.

D. Deposits

The City's bank balance at September 30, 1997, was \$2,332,997. This balance was fully collateralized by securities held by the City or the City's agent in the City's name.

42

EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(11) Receivables

Receivables at September 30, 1997 consist of the following:

Receivables	General	Special Revenue	Debt Service	Enterprise	Totals
Accounts	\$	\$	\$	\$ 106,441	\$ 106,441
Franchise fees	40,929				40,929
Sales tax	92,050				92,050
Auto ad valorem	16,347		6,350		22,697
Totals	\$ 149,326	\$ 0	\$ 6,350	\$ 106,441	\$ 262,117

Customer accounts receivable in the Enterprise Fund are attributable to unpaid balances for charges through September 30, 1997.

(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	\$ 103,960
Accrued interest	9,067
Bonds and notes payable (current)	134,337
	<u>\$ 247,364</u>

(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.

43

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(14) Contributed Capital

Contributed capital as of September 30, 1997 consists of:

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

(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, 1997 is as follows:

Charged to expense	\$ 113,465
Paid	\$ 114,672

(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. The City contracted with Eagle Waste, Inc. to provide waste disposal and collection services for the City. Eagle Waste, Inc. was paid \$303,486 during the year ended September 30, 1997.

44

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(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.

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) Capital Leases

The City is the lessee of Model 580 Super L Loader under a capital lease expiring on March 10, 2002. The assets and liabilities under capital leases are recorded at the lower of the present value of minimum lease payments or the fair value of the asset. The assets are depreciated over the lower of the related lease terms or their estimated useful lives. Depreciation of assets under capital leases is included in the depreciation expense for September 30, 1997.

45

EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

(19) Capital Leases (continued)

Following is a summary of property under capital leases:

Model 580 Super L Loader	\$40,392
Less: accumulated depreciation	<u>(4,039)</u>
	<u>\$36,353</u>

Minimum future lease payments under capital leases as of September 30, 1997 for the next five years are as follows:

Year ended September 30	Amount
1998	\$ 7,311
1999	7,311
2000	7,311
2001	7,311
2002	<u>13,144</u>
Total minimum lease payments	42,388
Less: interest amount	<u>(5,312)</u>
Present value of net minimum lease payment	<u>\$ 37,076</u>

Interest rate of capital lease is 4.91%.

46

CITY OF PETAL, MISSISSIPPI

SUPPLEMENTAL INFORMATION

SCHEDULE I
CITY OF PETAL, MISSISSIPPI
GENERAL FUND - BALANCE SHEET
SEPTEMBER 30, 1997
(With Comparative Totals for September 30, 1996)

	1997	1996
ASSETS	\$ 615,002	\$ 570,456
Cash	40,929	35,564
Receivables:		
Franchise fees	108,400	99,198
Due from:	4,677	4,677
Other governments	2,718	3,309
Other funds	<u>771,746</u>	<u>713,204</u>
Inventory at cost		
Total assets		
LIABILITIES	\$ 52,904	\$ 45,587
Bills docketed	68,649	46,698
Cash bonds	1,453	1,453
Tax overbids	340	
Security deposits	9,297	9,297
Due to other funds	<u>137,643</u>	<u>103,035</u>
Total liabilities		
FUND BALANCE	2,738	3,309
Reserved for inventory	636,365	606,860
Unreserved	<u>639,103</u>	<u>610,169</u>
Total fund balance	<u>\$ 771,746</u>	<u>\$ 713,204</u>
Total liabilities and fund balance		

The notes are an integral part of the financial statements.

EXHIBIT "C"

SCHEDULE 2
CITY OF PETAL, MISSISSIPPI
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 1997
(With Comparative Totals for the Year Ended September 30, 1996)

	<u>1996</u>	<u>1995</u>
REVENUES		
Property tax	\$ 492,859	\$ 509,266
Penalties and interest on delinquent taxes	9,403	13,611
Licenses and permits	36,019	39,638
Franchise fees	181,623	163,895
Homestead exemption	44,818	42,455
State share revenue:		
Sales tax	992,054	902,566
Alcoholic beverage levy	900	900
Intergovernmental:		
Gasoline tax	9,874	9,874
Municipal aid	4,416	4,424
Cultural and recreational fees	75,132	33,943
Fines and forfeits	69,338	63,926
Charges for services	3,604	1,941
Interest earnings	13,432	13,954
Prior year taxes	1,456	2,819
Grants	75,428	58,637
Sale of equipment	2,691	3,132
Miscellaneous	<u>212</u>	<u>2,182</u>
Total revenues	<u>2,013,259</u>	<u>1,872,353</u>
EXPENDITURES		
General government	368,597	378,622
Public safety	957,222	877,007
Public works	341,109	301,791
Cultural and recreational	178,108	127,007
Health and welfare	29,033	22,948
Debt service	<u>27,981</u>	<u>21,791</u>
Total expenditures	<u>1,902,030</u>	<u>1,759,166</u>

49

SCHEDULE 2 (CONT.)
CITY OF PETAL, MISSISSIPPI
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 1997
(With Comparative Totals for the Year Ended September 30, 1996)

	<u>1997</u>	<u>1996</u>
Excess of revenues over (under) expenditures	<u>111,209</u>	<u>113,187</u>
Other financing sources (uses)		
Donations	4,004	
Expense reimbursements	3,864	
Transfers out	<u>(90,141)</u>	<u>(57,444)</u>
Total other financing uses	<u>(82,273)</u>	<u>(57,444)</u>
Excess of revenue and other financing sources over expenditures and other financing uses	28,936	55,743
Fund balance - October 1	606,860	552,890
Change in reserve for inventory	<u>569</u>	<u>(1,773)</u>
Fund balance - September 30	<u>\$ 636,365</u>	<u>\$ 606,860</u>

The notes are an integral part of the financial statements.

50

SCHEDULE 3-A
CITY OF PETAL, MISSISSIPPI
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 1997

	Fire Protection Fund	Law Enforcement Fund	Road Maintenance Fund	Multi-Building Fund	Rental Rehab Fund	MCPPE Law Enforcement Fund	CDBG Fund	SEECB Fund	Loan Repay Fund	Rental Rehab Loan Fund	1994 Home Program	1994	Total
ASSETS													
Cash	\$103,113	\$ 4,516	\$ 84,337	\$ 570	\$	\$ 2,065	\$	\$ 2,027	\$ 12,311	\$ 48,747	\$ 1		\$237,687
Receivables													
Accounts													
Accrued interest													
Other					71,051					32,932			103,984
Due from other governments													
Total assets	<u>\$103,113</u>	<u>\$ 4,516</u>	<u>\$ 84,337</u>	<u>\$ 570</u>	<u>\$ 71,051</u>	<u>\$ 2,065</u>	<u>\$ 0</u>	<u>\$ 2,027</u>	<u>\$ 12,311</u>	<u>\$ 81,679</u>	<u>\$ 1</u>		<u>\$ 644</u>
LIABILITIES													
Accounts payable	\$ 1,280	\$ 329	\$ 474	\$	\$	\$	\$	\$	\$	\$	\$		\$ 2,083
Due to other funds													
Total liabilities	<u>1,280</u>	<u>329</u>	<u>474</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>		<u>2,084</u>
EQUITY													
Unreserved	101,833	4,186	85,547	570	71,051	6,797	2,027	12,311	81,679	1			366,001
Total equity	<u>101,833</u>	<u>4,186</u>	<u>85,547</u>	<u>570</u>	<u>71,051</u>	<u>6,797</u>	<u>2,027</u>	<u>12,311</u>	<u>81,679</u>	<u>1</u>			<u>366,001</u>
Total liabilities and equity	<u>\$103,113</u>	<u>\$ 4,516</u>	<u>\$ 84,337</u>	<u>\$ 570</u>	<u>\$ 71,051</u>	<u>\$ 6,797</u>	<u>\$ 0</u>	<u>\$ 2,027</u>	<u>\$ 12,311</u>	<u>\$ 81,679</u>	<u>\$ 1</u>		<u>\$368,085</u>

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

51

EXHIBIT "C"

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, 1997

	Fire Protection Fund	Law Enforcement Fund	Road Maintenance Fund	Multi Building Fund	Rental Rehab Fund	MCPP Law Enforcement Fund	SEECB Fund	Loan Repay Fund	Rental Rehab Loan Repay Fund	1994 Home Program	CDBG Fund	Total
REVENUES			\$ 96,990									\$ 96,990
Road maintenance funds												35,109
Municipal fire funds	35,109					4,732			1,443			5,352
Law enforcement funds		620		16		87		330				5,152
Interest	1,169	125	1,982									
Grants												61
Other income	61					4,810		330	1,443			142,668
Total revenues	<u>36,341</u>	<u>745</u>	<u>98,972</u>	<u>16</u>	<u>0</u>	<u>4,810</u>		<u>330</u>	<u>1,443</u>			
EXPENDITURES												13,555
Public safety	11,532	2,023										56,502
Public works			56,501									
Recreation												84,803
Debt service			29,382	55,421		6,572						18,157
Capital outlay	750	2,831				6,572						165,017
Total expenditures	<u>12,282</u>	<u>4,854</u>	<u>85,883</u>	<u>55,421</u>		<u>6,572</u>						
Excess (deficiency) of revenues over (under) expenditures:	<u>24,061</u>	<u>(4,113)</u>	<u>13,089</u>	<u>(55,405)</u>		<u>(1,753)</u>		<u>330</u>	<u>1,443</u>		<u>(1)</u>	<u>(22,348)</u>
Other financing sources (uses)				55,421					(4,177)			55,421
Transfers in					(32,106)							(36,283)
Debt discharge												
Transfers out				55,421	(32,106)				(4,177)			19,138
Total other financing												

52

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, 1997

	Fire Protection Fund	Law Enforcement Fund	Road Maintenance Fund	Multi Building Fund	Rental Rehab Fund	MCPP Law Enforcement Fund	SEECB Fund	Loan Repay Fund	Rental Rehab Loan Repay Fund	1994 Home Program	CDBG Fund	Total
Excess (deficiency) of revenues and other sources over expenditures and financing uses	24,061	(4,113)	13,089	16	(32,106)	(1,753)		330	(2,734)		(1)	(3,211)
Fund balance 10/01/96	<u>77,772</u>	<u>8,299</u>	<u>72,458</u>	<u>554</u>	<u>103,157</u>	<u>8,550</u>	<u>2,027</u>	<u>11,981</u>	<u>84,413</u>		<u>1</u>	<u>369,212</u>
Fund balance 09/30/97	<u>\$101,833</u>	<u>\$ 4,186</u>	<u>\$ 85,547</u>	<u>\$ 570</u>	<u>\$ 71,051</u>	<u>\$ 6,797</u>	<u>\$ 2,027</u>	<u>\$12,311</u>	<u>\$ 81,679</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$366,001</u>

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

53

SCHEDULE 4-A
CITY OF PETAL, MISSISSIPPI
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 1997

	2.5 Million Sewer Bond & Interest Fund	SSD Bond and Interest Fund	Total (Memorandum Only)
ASSETS			
Cash	\$ 385,858	\$ 229,911	\$ 615,769
Due from other governments		6,350	6,350
Total Assets	<u>\$ 385,858</u>	<u>\$ 236,261</u>	<u>\$ 622,119</u>
LIABILITIES	\$ _____	\$ _____	\$ _____
Total Liabilities			
EQUITY			
Reserved for debt service	<u>385,858</u>	<u>236,261</u>	<u>622,119</u>
Total Equity	<u>385,858</u>	<u>236,261</u>	<u>622,119</u>
Total Liability and Fund Equity	<u>\$ 385,858</u>	<u>\$ 236,261</u>	<u>\$ 622,119</u>

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

54

EXHIBIT "C"

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, 1997

	2.5 Million Sewer Bond & Interest Fund	SSD Bond and Interest Fund	Total (Memorandum Only)
REVENUES			
Property tax	\$ 306,471	\$ 293,158	\$ 599,629
Interest earned	6,407	2,874	9,281
Total Revenues	<u>312,878</u>	<u>296,032</u>	<u>608,910</u>
EXPENDITURES			
Debt Service			
Principal	230,000	170,000	400,000
Interest	57,685	71,900	129,585
Agent fees	3,482	325	3,807
Total Expenditures	<u>291,167</u>	<u>242,225</u>	<u>533,392</u>
Excess (deficiency) of revenues over expenditures	21,711	53,807	75,518
Fund balance, October 1, 1996	364,147	182,454	546,601
Fund balance, September 30, 1997	<u>\$ 385,858</u>	<u>\$ 236,261</u>	<u>\$ 622,119</u>

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

55

SCHEDULE 5-A
CITY OF PETAL, MISSISSIPPI
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 1997

	Benefit Fund	Insurance Revolving Fund	Tax Collector's Fund	Totals (Memorandum Only)
ASSETS				
Cash in bank	\$ 44,722	\$ 14,224	\$ 29	\$ 58,975
Total Assets	<u>\$ 44,722</u>	<u>\$ 14,224</u>	<u>\$ 29</u>	<u>\$ 58,975</u>
LIABILITIES				
Due to other governments	\$	\$	\$ 24	24
Due to other funds			5	5
Deferred benefits payable	44,722			44,722
Total Liabilities	<u>44,722</u>		<u>29</u>	<u>44,751</u>
FUND BALANCE				
		14,224		14,224
Total liabilities and fund balance	<u>\$ 44,722</u>	<u>\$ 14,224</u>	<u>\$ 29</u>	<u>\$ 58,975</u>

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

56

EXHIBIT "C"

SCHEDULE 6-A
CITY OF PETAL, MISSISSIPPI
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 1997

ASSETS	Water and Sewer Fund	Solid Waste Fund	Total (Memorandum Only)
Cash	\$ 473,940	\$ 15,503	\$ 489,443
Receivables			
Accounts	79,556	26,885	106,441
Other			
Inventory	35,512		35,512
Prepaid expense	2,289		2,289
Due from other funds	62,054	14,547	76,601
Restricted assets			
Debt service	47,342		47,342
Bond contingency	5,039		5,039
Bond depreciation	5,038		5,038
Bond cushion	80,716		80,716
Facility repair	153,855		153,855
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	299,527	6,684	306,211
Accumulated depreciation	(2,061,895)	(6,684)	(2,068,579)
Bond issuance cost	26,771		26,771
Accumulated amortization	(10,150)		(10,150)
Capitalized interest	28,777		28,777
Assets held under capital lease	40,392		40,392
Total assets	\$ 4,728,612	\$ 36,934	\$ 4,785,544

26

SCHEDULE 5-B
CITY OF PETAL, MISSISSIPPI
TRUST AND AGENCY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 1997

	Insurance Revolving Fund	Totals (Memorandum Only)
REVENUES	\$ 238	\$ 238
Interest earned		
EXPENDITURES		
Excess of revenue over expenditures	238	238
Fund balance - October 1, 1996	13,986	13,986
Fund balance - September 30, 1997	\$ 14,224	\$ 14,224

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

EXHIBIT "C"

SCHEDULE 6-A (Continued)
CITY OF PETAL, MISSISSIPPI
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 1997

	Water and Sewer Fund	Solid Waste Fund	Total (Memorandum Only)
LIABILITIES	\$ 39,920	\$ 25,212	\$ 65,132
Accounts payable	71,976		71,976
Due to other funds	103,960		103,960
Customer deposits	9,067		9,067
Accrued interest	1,080,000		1,080,000
Revenue bonds payable	913,259		913,259
Abatement note payable	7,222		7,222
Accrued expenses	<u>17,076</u>		<u>17,076</u>
Lease payable	<u>2,262,480</u>	<u>25,212</u>	<u>2,287,692</u>
Total Liabilities			
FUND EQUITY	128,950	47,935	176,885
Contributed capital	138,135		138,135
Reserved for debt service	(758,359)		(758,359)
Reserved for repair and replacement	<u>2,957,413</u>	<u>(16,212)</u>	<u>2,941,201</u>
Unreserved	<u>2,466,139</u>	<u>31,723</u>	<u>2,497,862</u>
Total Equity	<u>\$ 4,728,619</u>	<u>\$ 56,935</u>	<u>\$ 4,785,554</u>
Total Liabilities and Equity			

The notes are an integral part of the financial statements.

59

SCHEDULE 6-B
CITY OF PETAL, MISSISSIPPI
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
SEPTEMBER 30, 1997

	Water and Sewer Fund	Solid Waste Fund	Total (Memorandum Only)
Operating Revenues:			
Charges for services			
Tap fees	\$ 701,235	\$ 272,030	\$ 973,265
Connect fees	8,725		8,725
Sewer treatment charges	6,522		6,522
Interest earned	40,704		40,704
Other income	24,516		24,516
Total revenue	<u>7,091</u>	<u>484</u>	<u>7,575</u>
Operating Expenses:	<u>788,793</u>	<u>272,514</u>	<u>1,061,307</u>
Personnel costs			
Supplies and materials	229,749		229,749
Contractual services	53,734	17,099	70,833
Repairs and maintenance	27,910	2,014	29,924
Utilities	33,258	303,486	336,744
Depreciation and amortization	70,811		70,811
General and administrative	188,512		188,512
Sewer treatment	34,554		34,554
Total expense	<u>63,355</u>	<u>517</u>	<u>63,872</u>
Operating income (loss)	<u>701,883</u>	<u>323,116</u>	<u>1,024,999</u>
Other sources (uses)	<u>86,910</u>	<u>(50,602)</u>	<u>36,308</u>
Sale of fixed assets			
Transfers in	669		669
Transfers out	840,767		840,767
Interest expense	(840,767)	34,720	(806,047)
Total other sources (uses)	<u>(113,465)</u>		<u>(113,465)</u>
Excess (deficiency) of revenues and other sources	<u>(112,796)</u>	<u>34,720</u>	<u>(78,076)</u>
Retained earnings October 1, 1996	(25,886)	(15,882)	(41,768)
Change in reserves	3,005,787	(330)	3,005,457
Retained earnings September 30, 1997	<u>(22,488)</u>		<u>(22,488)</u>
	<u>\$ 2,957,413</u>	<u>\$ (16,212)</u>	<u>\$ 2,941,201</u>

The notes are an integral part of these statements.

60

EXHIBIT "C"

SCHEDULE 6-C
CITY OF PETAL, MISSISSIPPI
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
SEPTEMBER 30, 1997

	Water and Sewer Fund	Solid Waste Fund	Total (Memorandum Only)
Cash flows from operating activities:			
Cash received from customers	\$ 763,359	\$ 271,359	\$ 1,034,709
Cash paid to suppliers	(383,923)	(381,186)	(605,009)
Cash paid to employees	(229,292)	(117,822)	(347,114)
Net cash provided (used) by operating activities	<u>229,678</u>	<u>(46,846)</u>	<u>182,832</u>
Cash flows from non-capital financing activities:			
Operating transfers in (out)	0	34,720	34,720
Cash flows from capital and related financing activities:			
Sale of capital assets	850		850
Acquisition of capital assets	(66,547)		(66,547)
Principal paid on bonds	(75,000)		(75,000)
Principal paid on notes	(48,940)		(48,940)
Principal paid on capital lease	(3,316)		(3,316)
Proceeds of capital lease	40,392		40,392
Interest paid	(114,672)		(114,672)
Net cash provided (used) by capital and related financing activities	<u>(267,233)</u>	<u>0</u>	<u>(267,233)</u>
Cash flows from investing activities:			
Interest received	24,516	484	25,000
Net increase (decrease) in cash	(13,039)	(11,642)	(24,681)
Cash balance - October 1, 1996	778,969	27,145	806,114
Cash balance - September 30, 1997	<u>\$ 765,930</u>	<u>\$ 15,503</u>	<u>\$ 781,433</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, 1997

RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED IN OPERATING ACTIVITIES

	Water and Sewer Fund	Solid Waste Fund	Total (Memorandum Only)
Operating income (loss)	\$ 86,910	\$ (50,602)	\$ 36,308
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	188,512	(671)	188,512
(Increase) decrease in accounts receivable	(4,752)	4,911	(8,221)
Increase (decrease) in accounts payable	(13,132)	(484)	(25,000)
Interest earned	(24,516)		(3,825)
(Increase) decrease in customer deposits	(3,825)		481
Increase (decrease) in accrued expenses	481		
Net cash provided (used) by operating activities	<u>\$ 229,678</u>	<u>\$ (46,846)</u>	<u>\$ 182,832</u>
Other required disclosures:			
Interest expense	\$ 113,465	\$	\$ 113,465
Interest paid	114,672		114,672

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

CITY OF PETAL, MISSISSIPPI

OTHER SUPPLEMENTAL INFORMATION

EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI
SCHEDULE OF SURETY BONDS
SEPTEMBER 30, 1997

Name	Position	Company	Bond
Jack Gay, Jr.	Mayor	USF&G	10,000
Leroy Scott	Alderman Ward 4	USF&G	10,000
Robert F. Langford	Alderman Ward 1	USF&G	10,000
Charles E. Holbrook	Alderman Ward 3	USF&G	10,000
Donald H. Rowell	Alderman Ward 2	USF&G	10,000
Willie W. Hinton	Alderman at Large	USF&G	10,000
Priacilla C. Daniel	City Clerk	USF&G	50,000
Jean Marie Ishee	Accounting Clerk	Aetna Life	10,000
Cecelia A. Breland	Water Department Cashier	Aetna Life	10,000
Ava Pickett	Deputy Clerk	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, 1997

Definition and Purpose	Balance	Transactions		Balance
	Outstanding 10/01/96	Issued	Redeemed	Outstanding 9/30/97
General Obligation Bonds:				
Separate School District	\$ 1,260,000	\$	\$ 170,000	\$ 1,090,000
Sewer refunding	1,290,000		230,000	1,060,000
Refunding	465,000		45,000	420,000
Total	3,015,000		445,000	2,570,000
Revenue Bonds:				
Water and Sewer Series 1993	690,000		30,000	660,000
Official Long-term Debt:				
Certificates of participation	480,000		25,000	455,000
Sewer abatement note	192,091		20,902	171,189
Revolving fund loan	770,118		28,048	742,070
Five year note	75,000		25,000	50,000
Road improvement note	28,000		28,000	0
Total	1,545,209		126,950	1,418,259
Capital Lease Payable		40,392	3,316	37,076
Total	\$ 5,250,209	\$ 40,392	\$ 605,266	\$ 4,685,335

CITY OF PETAL, MISSISSIPPI
RECONCILIATION OF ORIGINAL AD VALOREM TAX ROLLS TO FUND COLLECTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 1997

ADJUSTED ASSESSED VALUATION	ASSESSED VALUE	TAX
City:		
Realty		
Personal-other than auto	\$ 14,749,822	
Utilities	4,354,369	
Auto and mobile home (remitted by county)	3,967,978	
Total City at 37.75 mils	4,807,462	
Less: Homestead exemption allowed	37,879,638	\$ 1,052,456
Add: Homestead reimbursement		(57,903)
		\$ 994,553
		45,002
Separate School District:		
Realty		
Personal-other than auto	33,120,028	
Utilities	9,515,822	
Auto and mobile home (remitted by county)	6,337,013	
Special homestead exemption	13,213,810	
Total SSD at 64.28 mils	(8,681,691)	
Less: Homestead exemption allowed	57,504,982	3,696,420
Deduct: Commissions to county		(455,136)
Add: Homestead reimbursement		3,241,284
To be accounted for		(28,133)
		125,500
		\$ 4,418,206
CREDITS	TAXES	HOMESTEAD REIMBURSEMENT
Collections Allocated To:		
General fund	\$ 492,859	\$ 44,818
2.5 million sewer bond fund	306,471	
SSD school note	293,158	
Library fund	50,707	
SSD school note	134,943	
School district	3,307,692	
Totals	4,585,837	44,818
Balance represented by:		
Penalties and interest		
Prior year taxes		(45,858)
Over collected		(3,180)
Total accounted for		(163,401)
		\$ 4,418,206

EXHIBIT "C"
CITY OF PETAL, MISSISSIPPI

REPORT TO MANAGEMENT

67

Wright, King & Company, P.A.

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

Douglas A. King, CPA
Wiloughby C. Wright, CPA
Marta N. Wright, CPA

Ann Scott Henderson, CPA
Samantha J. Kirschbaum, CPA
Angela T. Herzig, CPA

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

MANAGEMENT REPORT

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, 1997, and have issued our report dated December 23, 1997, thereon.

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 deemed necessary.

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.

We would like to make the following suggestions to the City in the area of accounting control and procedures:

A. Water and Sewer Department

- 1) Check with BBI about interfacing the billing process with the general ledger so that the accounts receivable balance in financial statements will be current and reconcilable.
- 2) Go to online processing of cash receipts at teller window in the same manner as is currently being done for permits and tax receipts.

68

Management Report
Page Two
December 23, 1997

B. Court Clerk

- 1) Go to online issuance of cash receipts and updating of outstanding fines.
- 2) File all documents relating to one case in one file by case number.
- 3) Collect fines at court date if possible.

C. Civic Center

- 1) Develop online calendar for booking rooms.
- 2) Develop log of deposits in conjunction with calendar.

D. Recreation

- 1) Cash out concessions on a daily basis and reduce inventories to minimal quantities.
- 2) Limit access to concession areas.

E. Financial

- 1) All cash receipts should be examined for alteration, footed, and tied to daily reports and deposits.
- 2) Police background and credit checks should be performed prior to hiring new employees.

We hope that the Board will consider these suggestions and will be happy to assist the City in implementing any and all of the suggestions.

Sincerely,

Wright, King & Company, P.A.
WRIGHT, KING & COMPANY, P.A.
Hattiesburg, Mississippi
December 23, 1997

69

AN ORDINANCE ~~CHANGING~~ ^{MINUTE BOOK 17} AND AMENDING THE COMPREHENSIVE ZONING ORDINANCE NO 1979 (42) OF THE CITY OF PETAL, MISSISSIPPI, AS AMENDED BY ORDINANCE NUMBERS ~~1979 (42-1)~~ ^{EXHIBIT 79 "D"} THROUGH 1979 (42-A96) SO AS TO CHANGE THE ZONING CLASSIFICATION OF SAID SECTIONS OF CERTAIN LAND IN SAID CITY

BE IT ORDAINED BY THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI:

SECTION 1. That the Comprehensive Zoning District Map, adopted as part of the Comprehensive Zoning Ordinance Number 1979 (42) of the City of Petal, Mississippi, as amended by Ordinance Numbers 1979 (42-1) through 1979 (42-A96) be and the same is hereby changed and amended as per petition filed in connection therewith so that the land described as listed below.

Said land being more particularly described as follow, to wit:

Change from C-I (Neighborhood Commercial) to R-2 (Low to Medium Density Residential District)

BEG SWC SW 1/4 SW 1/4 AND RUN N 114 FT TH E 150 FT TH NE 619.3 FT TO P O B TH S 210 FT TH NE 203.5 FT TH NELY ALG RD 135.4 FT TH SW 166 FT TH S 36.5 FT TO POB

Change from C-I (Neighborhood Commercial) to R-I (Low Density Residential District)

BEG 87FT W SE COR SW 1/4 SW 1/4 W 400FT TO AUGUSTA RD NW 125 FT E 454FT S 100 FT TO BEG

Change from C-3 (Central Business District) to C-I (Neighborhood Commercial)

LOT 7 AND PT LOT 6 BEG SWC LOT 7 SWLY 43.4 FT NLY 113.2 FT TO HOLLY DR E 24.4 FT SELY 94 FT TO BEG BLK 4 MANASCO S/D

Change from R-4 (High Density Residential District) to R-2 (Low to Medium Density Residential District)

COM AT THE NE/COR OF SE 1/4 S 399 FT TO THE S MARGIN LINE OF W CHERRY ST W ALG CHERRY ST 43 DEG TO P O B S 98.96 FT W 74.96 FT N 99.35FT E 75 FT BACK TO POB

COM AT THE NE/CORNER 1/4" OF S E 1/4 S
399 FT TO THE S MARGIN LINE OF CHERRY ST
W ALG CHERRY ST 518 FT TO P O B S 99.35
FT E 74.96 FT 127 FT W 100 FT N 225 FT E
25 FT TO P O B

Change from C-I (Neighborhood Commercial)
to R-3 (Medium Density Residential
District)

BEG 856 FT S AND 955 FT W NEC NE 1/4 S
134 FT W 65 FT N 134 FT E 65 FT TO BEG

Change from R-4 (High Density Residential
District) to R-3 (Medium Density
Residential District)

BEG 680 FT AND 890 FT W NEC NE 1/4 W 200
FT S 310 FT E 70 FT N 134 FT E 130 FT N
176 FT TO BEG LESS PT 70 X 134

COM AT THE NEC OF THE NE 1/4 OF NE 1/4 TH
S ALG THE E LN OF SD FORTY 660 FT THE W
890 FT THE S 196 FT TH W 130 FT TO POB
THE W 70 FT THE CONT W 70 FT TO THEE LN
OF PAVED DR TH S 134 FT TH E 70 FT THE N
134 FT

Change from R-4 (High Density Residential
District) to R-2 (Low to Medium Density
Residential District)

LOT 7 BLK 1 WOODSIDE S/D

LOT 8 BLK 1 WOODSIDE S/D

as per map or plat thereof on file in the office of the
Chancery Clerk of Forrest County, Mississippi, is hereby
classified and placed in the proper classification of said
City.

SECTION 2. Except as hereby expressly changed and amended,
the aforesaid Comprehensive Zoning Ordinance No. 1979 (42)
of the City of Petal, Mississippi, as amended by Ordinance
Numbers 1979 (42-A96) shall be and remain in full force and
form as adopted on February 3, 1998.

SECTION 3. That this Ordinance take effect and be in full
force from and after its passage as provided by law.

The foregoing Ordinance having been reduced to writing,
the same was introduced and read, and a vote was taken
thereon, first section by section and then upon the
Ordinance as whole with the following results:

Those present and voting "AYE" and in favor of the passage,
adoption and approval of Sections 1, 2, and 3 of the
foregoing Ordinance:

Alderman Willie W. Hinton
Alderman Charles E. Holbrook
Alderman ROBERT F. LANGFORD
Alderman DONALD H. ROWELL
Alderman Leroy Scott

PAGE 191

Those present and voting "NAY" or against the adoption of any section of the foregoing Ordinance.

None

Those present and voting "AYE" and in favor of the adoption of the foregoing Ordinance as a whole:

Alderman Willie W. Hinton
Alderman Charles E. Holbrook
Alderman Robert F. Langford
Alderman Donald H. Rowell
Alderman Leroy Scott

Those present and voting "NAY" or against the adoption of the foregoing ordinance as a whole:

None

WHEREUPON, the foregoing ordinance be, and the same is hereby passed, adopted and approved on this the 3rd day of February 1998.


Jack Gay
Mayor

(SEAL)

ATTEST:


PRISCILLA C. DANIEL
CITY CLERK

publish 1 one time: February 12, 1998

EXHIBIT "E"

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

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

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

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

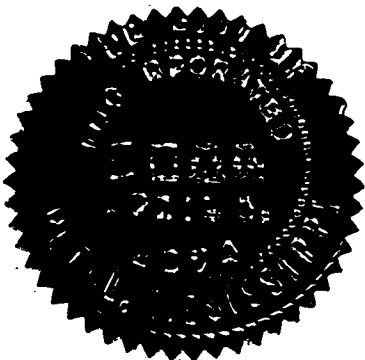
WHEREAS, trees, wherever they are planted are a source of joy and spiritual renewal, and

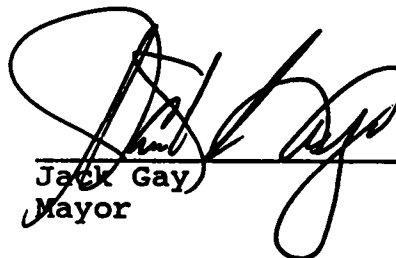
WHEREAS, Petal desires to continue its tree planting ways,

NOW, THEREFORE, the Board of Aldermen and I, Jack Gay, Mayor of the city of Petal, Mississippi, do hereby proclaim February 13th, 1998 as

ARBOR DAY

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





Jack Gay
Mayor