

BE IT REMEMBERED THAT THERE WAS BEGUN AND HELD THE REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI ON TUESDAY JANUARY 18, 2000 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	WILLOUGHBY WRIGHT, CPA MR & MRS RON CORMIER DEBORAH REYNOLDS WILLIAM PAGE CHIEF RODNEY JARRELL MR & MRS DALE HENSARLING NETTIE FARRIS

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

THE INVOCATION WAS OFFERED BY WILLIE HINTON.

THE PLEDGE OF ALLEGIANCE WAS RECITED.

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

- ADD:
- X. GENERAL BUSINESS
    - 10) ACCEPT SERVICES AND FACILITIES PLAN
  - XII. ORDERS
    - E) RECOMMENDATION FOR CIVIC CENTER FACILITATOR
  - XVI. CONSIDERATION OF COMMITTEE, COMMISSION AND BOARD MATTERS
    - B) CHANGE DATE FOR THE MEETING ON JULY 4, 2000 TO JULY 5, 2000 AT 4:00 P.M.
  - XVIII. ADJOURNMENT
    - CHANGE TO RECESS UNTIL 4:00 P.M. JANUARY 25, 2000

CHANGE:

- XII. ORDERS
  - 1. CARL GRIFFIN - PROMOTE TO 3<sup>RD</sup> CLASS PATROLMAN
  - 2. TARA BARNES - PROMOTE TO 3<sup>RD</sup> CLASS DISPATCHER
  - 3. CHARLES SUGGS - PROMOTE TO 3<sup>RD</sup> CLASS DISPATCHER

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO ADOPT THE AGENDA WITH THE FOREGOING AMENDMENTS. ALDERMAN HOLBROOK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE MINUTES OF THE REGULAR MEETING OF JANUARY 4, 2000 AND THE PUBLIC HEARINGS HELD FOR DELTA FUND CORPORATION AND MAURICE D. CARLISLE PROPERTIES.

THEREUPON, ALDERMAN HINTON MADE A MOTION TO ACCEPT THE MINUTES OF THE REGULAR MEETING OF JANUARY 4, 2000 AND THE PUBLIC HEARING HELD ON THAT DATE AS WRITTEN. ALDERMAN LANGFORD SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY CALLED FOR PUBLIC COMMENT.

THEREUPON, RON CORMIER ADDRESSED THE BOARD CONCERNING THE HUNTING THAT IS GOING ON BEHIND HIS HOUSE. MR. CORMIER REQUESTED THAT THE BOARD ADOPT A NO HUNTING ORDINANCE TO PROTECT THE CITIZENS FROM THE "CRIMINALS" FIRING GUNS IN THE WOODS BEHIND HIS HOUSE.

THEREUPON, MAYOR GAY STATED THAT THE CHIEF OF POLICE IS STUDYING THE SITUATION AND REQUESTING ORDINANCES FROM OTHER CITIES THAT HAVE EXPERIENCED THE SAME PROBLEM. MAYOR GAY STATED THAT THE CITY WILL LOOK AT THE INFORMATION WHEN IT IS RECEIVED FROM THE CHIEF AND MAKE A DECISION AT THAT TIME.

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING WRITTEN QUOTES FOR ONE SUBMERSIBLE PUMP FOR LIFT STATION ON MITCHELL STREET:

SEE EXHIBIT "A"

DELTA PROCESS EQUIPMENT, INC. 5295 GALAXIE DRIVE JACKSON, MS. 39206	\$6,872.00
GENERAL PUMP AND EQUIPMENT CO. 5320 WEST LYNCH STREET JACKSON, MS. 39209	\$8,593.00
J. H. WRIGHT & ASSOCIATION EARL VOSS P O BOX 1085 DAPHNE AL 36526	\$6,623.00

THEREUPON, ALDERMAN LANGFORD MADE A MOTION TO ACCEPT THE LOWEST AND BEST QUOTE FROM DELTA PROCESS EQUIPMENT, INC. AT A COST OF \$6,872.00. ALDERMAN HOLBROOK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING QUOTATIONS FOR ONE (1) SUBMERSIBLE PUMP FOR THE LIFT STATION ON MCINNIS STREET:

SEE EXHIBIT "B"

DELTA PROCESS EQUIPMENT, INC. 5295 GALAXIE DRIVE JACKSON, MS. 39206	\$2,619.00
GENERAL PUMP AND EQUIPMENT CO 5320 WEST LYNCH STREET JACKSON, MS. 39209	\$3,881.00

J. H. WRIGHT & ASSOCIATES                     \$3,112.00  
EARL VOSS  
P.O. BOX 1085  
DAPHNE AL 36526

THEREUPON, ALDERMAN LANGFORD MADE A MOTION TO ACCEPT THE QUOTATION FROM DELTA PROCESS EQUIPMENT, INC. IN THE AMOUNT OF \$2,619.00. ALDERMAN HOLBROOK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY STATED THAT HE HAS COMPARED THE BIDS FOR THE SANITARY SEWER/STORM REPAIR THAT WERE RECEIVED AT THE REGULAR MEETING OF JANUARY 4, 2000 AND IT IS HIS RECOMMENDATION TO AWARD THE BID TO C. J. MORGAN.

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO AWARD THE BIDS FOR THE SANITARY SEWER/STORM REPAIR TO C. J. MORGAN, INC. ALDERMAN LANGFORD SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, WILLOUGHBY C. WRIGHT, CPA, PRESENTED THE CITY'S AUDIT REPORT FOR THE FISCAL YEAR 1998-1999.

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO ACCEPT THE REPORT AND TO MAKE THIS REPORT A PART OF THE OFFICIAL MINUTES BY ADOPTING THE FOLLOWING RESOLUTION. ALDERMAN ROWELL SECONDED THE MOTION.

SEE EXHIBIT "C"

RESOLUTION

AUDIT REPORT 98-99

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE GROUNDLEASE FROM MARTHA HAMILTON FOR THE PRACTICE BASEBALL FIELDS ON FAIRCHILD DRIVE.

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO PAY \$700.00 TO MARTHA HAMILTON FOR THE GROUNDLEASE ON THE PRACTICE FIELDS. ALDERMAN LANGFORD SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED A REQUEST FROM THE LE BONTE CLUB FOR THE CITY TO PURCHASE A \$75.00 AD IN SUPPORT OF THE PETAL JR. MISS PROGRAM.

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO PURCHASE THE \$75.00 AD FOR THE JR. MISS PROGRAM. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY STATED THAT THE ANNUAL CHAMBER BANQUET IS THURSDAY JANUARY 20, 2000.

THEREUPON, ALDERMAN LANGFORD MADE A MOTION TO PURCHASE TICKETS FOR THE CITY OFFICIALS THAT PLAN TO ATTEND. ALDERMAN ROWELL SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED A REQUEST FROM THE PETAL SOFTBALL ASSOCIATION FOR THE CITY TO PURCHASE 4 SIGNS AT \$100.00 APIECE.

THEREUPON, ALDERMAN HINTON MADE A MOTION FOR THE CITY TO PAY \$300.00 TO THE GIRLS SOFTBALL ASSOCIATION WHICH IS THE SAME AMOUNT AS THE CITY PAYS FOR THE SIGNS AT THE OPTIMIST CLUB. ALDERMAN LANGFORD SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

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

- A) NOTICE TO BIDDERS - SANITARY SEWER REPLACEMENT OR REPAIR
- B) PLANNING COMMISSION HEARING - ZERO LOT LINES
- C) PUBLIC HEARING NOTICE/ CDBG 2000

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

**THOSE PRESENT AND VOTING "YEA"**

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

**THOSE PRESENT AND VOTING "NAY"**

**NONE**

WHEREAS, MAYOR GAY PRESENTED A LIST OF THE ACCOUNTS AT THE PETAL BRANCH OF DEPOSIT GUARANTY NATIONAL BANK, WHICH WILL BE CLOSING ON FEBRUARY 4, 2000.

THEREUPON, ALDERMAN LANGFORD MADE A MOTION TO AUTHORIZE THE CITY CLERK TO MOVE THE ACCOUNTS TO THE OTHER BANKS' LOCAL BRANCHES. ALDERMAN SCOTT SECONDED THE MOTION.

**THOSE PRESENT AND VOTING "YEA"**

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

**THOSE PRESENT AND VOTING "NAY"**

**NONE**

WHEREAS, MAYOR GAY PRESENTED THE REVENUE AND EXPENDITURE REPORTS FOR THE MONTH OF DECEMBER TO THE BOARD.

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

**THOSE PRESENT AND VOTING "YEA"**

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

**THOSE PRESENT AND VOTING "NAY"**

**NONE**

WHEREAS, MAYOR GAY PRESENTED A REQUEST FROM CHIEF JARRELL FOR THE CITY TO ACCEPT THE FOLLOWING LIST OF GLOCK WEAPONS INTO THE CITY'S INVENTORY AND AUTHORIZE THE TRADE-IN OF THE SMITH AND WESSON WEAPONS TO GLOCK.

**SEE EXHIBIT "D"**

**INVENTORY OF GLOCK WEAPONS**

**INVENTORY OF SMITH AND WESSON WEAPONS**

THEREUPON, ALDERMAN HINTON MADE A MOTION TO AUTHORIZE THE SMITH AND WESSON WEAPONS FOR TRADE-INS ON THE GLOCK WEAPONS AND TO ACCEPT THE GLOCK WEAPONS INTO THE CITY OF PETAL INVENTORY. ALDERMAN LANGFORD SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE SERVICE AND FACILITY PLAN PRESENTED TO THE CITY NOVEMBER 22, 1999 BY THE FIRM OF BRIDGE AND SLAUGHTER.

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO ACCEPT THE SERVICE AND FACILITY PLAN. ALDERMAN LANGFORD SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING ORDER HIRING GREG CARTER IN THE WATER DEPARTMENT.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY TO HIRE A LABORER IN THE WATER DEPARTMENT IT IS HEREBY ORDERED THAT GREG CARTER BE HIRED AS A LABORER IN THE WATER DEPARTMENT AT A RATE OF \$6.75 PER HOUR EFFECTIVE JANUARY 24, 2000.

SO ORDERED ON THIS THE 18<sup>TH</sup> DAY OF JANUARY, 2000.

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

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING ORDER INCREASING KEN COOLEY TO \$7.00 PER HOUR EFFECTIVE JANUARY 13, 2000.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY, UPON THE RECOMMENDATION OF THE MAYOR, TO INCREASE KENNETH COOLEY'S PAY.

IT IS HEREBY ORDERED THAT KENNETH COOLEY'S RATE OF PAY BE INCREASED TO \$7.00 PER HOUR EFFECTIVE JANUARY 13, 2000.

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

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE RECOMMENDATION OF CHIEF JARRELL TO PROMOTE PATROLMAN CARL GRIFFIN TO 3<sup>RD</sup> CLASS PATROLMAN.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY, UPON THE RECOMMENDATION OF CHIEF RODNEY JARRELL, TO PROMOTE PATROLMAN CARL GRIFFIN TO PATROLMAN 3<sup>RD</sup> CLASS.

IT IS HEREBY ORDERED THAT PATROLMAN GRIFFIN BE PROMOTED TO 3<sup>RD</sup> CLASS PATROLMAN AND HIS SALARY BE INCREASED TO \$20,100.00 ANNUALLY EFFECTIVE JANUARY 30, 2000.  
SO ORDERED ON THIS THE 18<sup>TH</sup> DAY OF JANUARY AD, 2000.

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

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE RECOMMENDATION OF CHIEF JARRELL TO PROMOTE TARA BARNES TO 3<sup>RD</sup> CLASS DISPATCHER.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY, UPON THE RECOMMENDATION OF CHIEF RODNEY JARRELL, TO PROMOTE TARA BARNES TO 3<sup>RD</sup> CLASS DISPATCHER.

IT IS HEREBY ORDERED THAT TARA BARNES BE PROMOTED TO 3<sup>RD</sup> CLASS DISPATCHER AND HER PAY BE INCREASED TO \$7.28 PER HOUR EFFECTIVE JANUARY 25, 2000.

SO ORDERED ON THIS THE 18<sup>TH</sup> DAY OF JANUARY AD, 2000.

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

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE RECOMMENDATION OF CHIEF JARRELL TO PROMOTE CHARLES SUGGS TO 3<sup>RD</sup> CLASS DISPATCHER.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY, UPON THE RECOMMENDATION OF CHIEF RODNEY JARRELL, TO PROMOTE CHARLES SUGGS TO 3<sup>RD</sup> CLASS DISPATCHER.

IT IS HEREBY ORDERED THAT CHARLES SUGGS BE PROMOTED TO 3<sup>RD</sup> CLASS DISPATCHER AND HIS PAY BE INCREASED TO \$7.28 PER HOUR EFFECTIVE JANUARY 25, 2000.

SO ORDERED ON THIS THE 18<sup>TH</sup> DAY OF JANUARY AD, 2000.

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

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE RECOMMENDATION OF KEITH BRADDOCK, RECREATION DIRECTOR, TO INCREASE THE PAY OF TOM HARDGES, PART-TIME RECREATION EMPLOYEE.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY, UPON THE RECOMMENDATION OF THE RECREATION DIRECTOR, TO INCREASE TOM HARDGES PAY.

IT IS HEREBY ORDERED THAT TOM HARDGES PAY BE INCREASED TO \$6.50 PER HOUR EFFECTIVE JANUARY 13, 2000.

SO ORDERED ON THIS THE 18<sup>TH</sup> DAY OF JANUARY AD, 2000.

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

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE



WHEREAS, MAYOR GAY PRESENTED A RECOMMENDATION TO THE BOARD TO HIRE DEBORAH REYNOLDS AS THE FACILITATOR OF THE CIVIC CENTER AT A RATE OF \$10,000.00 PER YEAR AND TO PAY HER STATE RETIREMENT. MAYOR GAY ALSO RECOMMENDED THAT SHIRLEY DRAUGHN BE HIRED AS THE PART-TIME ASSISTANT TO MS. REYNOLDS.

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO ADOPT THE FOLLOWING ORDER HIRING DEBORAH REYNOLDS AS THE FACILITATOR OF THE CIVIC CENTER. ALDERMAN LANGFORD SECONDED THE MOTION.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY, DUE TO THE RESIGNATION OF HILDA PYRON, TO HIRE A FACILITATOR OF THE COMMUNITY CENTER.

IT IS HEREBY ORDERED THAT DEBORAH REYNOLDS BE HIRED AS THE FACILITATOR OF THE CIVIC CENTER AT A SALARY OF \$10,000.00 ANNUALLY EFFECTIVE JANUARY 30, 2000. SO ORDERED ON THIS THE 18<sup>TH</sup> DAY OF JANUARY, AD, 2000.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO ADOPT THE FOLLOWING ORDER HIRING SHIRLEY DRAUGHN AS PART-TIME EMPLOYEE AT A RATE OF \$7.50 PER HOUR. ALDERMAN LANGFORD SECONDED THE MOTION.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY TO APPOINT SHIRLEY DRAUGHN AS PART-TIME EMPLOYEE.

IT IS HEREBY ORDERED THAT SHIRLEY DRAUGHN IS APPOINTED AS A PART-TIME EMPLOYEE AT A RATE OF \$7.50 PER HOUR EFFECTIVE IMMEDIATELY. SO ORDERED ON THIS THE 18<sup>TH</sup> DAY OF JANUARY, AD, 2000.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE PRIVILEGE LICENSE REPORT FOR THE MONTH OF DECEMBER.

WHEREAS, MAYOR GAY STATED THAT THE FIRST MEETING IN JULY WILL FALL ON THE 4<sup>TH</sup> OF JULY AND STATE LAW PROVIDES THAT IF A MEETING FALLS ON A HOLIDAY THEN THE BOARD MEETING SHOULD BE HELD ON THE NEXT DAY.

THEREUPON, ALDERMAN HINTON MADE A MOTION THAT THE FIRST BOARD MEETING IN JULY BE HELD ON JULY 5, 2000 AT 4:00 P.M. ALDERMAN LANGFORD SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO RECESS THIS MEETING UNTIL TUESDAY JANUARY 25, 2000. ALDERMAN HOLBROOK SECONDED THE MOTION.

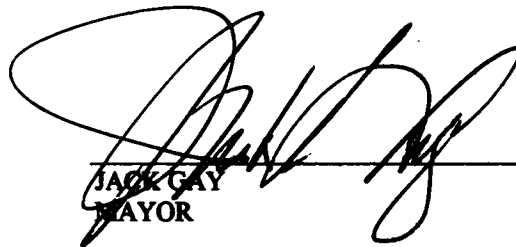
THOSE PRESENT AND VOTING "YEA"

ALDERMAN WILLIE W. HINTON  
ALDERMAN CHARLES E. HOLBROOK  
ALDERMAN ROBERT F. LANGFORD  
ALDERMAN DONALD 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 RECESSED ON THIS THE 18<sup>TH</sup> DAY OF JANUARY, AD, 2000 UNTIL 4:00 P.M. ON JANUARY 25, 2000.



JACK GAY  
MAYOR

(SEAL)

ATTEST:



PRISCILLA C. DANIEL  
CITY CLERK

EXHIBIT "A"

Jan 07 00 12:04p

Delta Process Equipment

601-362-9290

p. 1

01-07-2000 11:55AM

FROM CITY OF PETAL

TO

916013629290 P.02



**CITY OF PETAL**

WATER AND SEWER DEPT.  
P. O. BOX 405  
PETAL, MISSISSIPPI 39465  
PHONE: (601) 544-6881  
Fax: (601) 545-6885

To: Jack Gay

January 7, 2000

THE CITY OF PETAL WATER/SEWER DEPARTMENT IS REQUESTING QUOTES ON SUBMERSIBLE PUMPS AS DESCRIBED BELOW.

QTY (1) 1000 GPM AT 25' TDH, 25 HP, 1200 RPM, THREE (3) PHASE MOTOR, 6" DISCHARGE, PEDESTAL BASE (note: this pump replaces a Esco pump, model 6X12)

\$6,872.00 EACH, FREIGHT PAID

Gorman-Rupp JT6L60-E18, 3/64/230, 26ft power cord  
6" Flange discharge

QTY (2) 180 GPM AT 21' TDH, 3HP, 1800 RPM, 230 VOLT, SINGLE (1) PHASE MOTOR, 4" DISCHARGE, PEDESTAL BASE (note: these pumps replaces Esco pump, model 493)

\$2,619.00 EACH, FREIGHT PAID

Gorman-Rupp J53C-E2.7, 1/60/230, 26ft power cord  
4" Flange discharge

QUOTES CAN BE MAILED TO: CITY OF PETAL, WATER/SEWER DEPARTMENT  
P.O. BOX 564  
PETAL, MS 39465

Or

FAX TO: (601) 545-6885

PREPARED BY: JACK GAY & RALPH EDDLEMON

Delivery: 3-6 working days

Terms: NET 30 DAYS

E.O.B. S/P Freight Paid

Delta Process Equipment, Inc  
5295 Galaxie Dr.  
Jackson, Mo. 39206

P- 362-9977

F- 362-9290

*Charles Honey*

Quote # CH0004

EXHIBIT "A"

601-262-9288

QUOTATION

- GENERAL PUMP AND EQUIPMENT CO. TO: CITY OF PETAL  
5320 WEST LYNCH STREET  
JACKSON, MISSISSIPPI 39209  
P.O. BOX 126  
CLINTON, MISSISSIPPI 39060  
PHONE: 601-922-4716  
FAX: 601-922-6803

PROJECT: SUBMERSIBLE PUMPS

ENGINEER:

DATE: DECEMBER 21, 1999

Gentlemen:

We are pleased to quote the following on subject project:

SUBMERSIBLE PUMPS:

QTY (1) ESSCO PUMP MODEL 6X12 WITH THE CAPACITY OF 1000 GPM AT  
25' TDH, 25 HP 1200 RPM THREE PHASE MOTOR, 6"  
DISCHARGE, PEDESTAL BASE

\$ 8,593.00 EACH FREIGHT PAID

QTY (1) ESSCO PUMP MODEL 493 PEDESTAL BASE MOUNT, 3 HP 230 VOLT  
SINGLE PHASE MOTOR, 4" DISCHARGE

*P.P.M. 1800 T.P.H. 20' 180 G.P.M.  
10*

\$ 3,881.00 EACH FREIGHT PAID

PREPARED BY:

*Lesia Lamson-Rouse*  
LESIA LAMSON-ROUSE

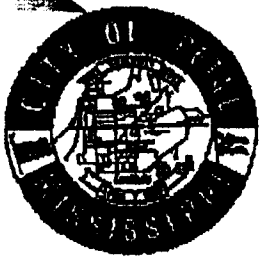
DATE: DECEMBER 21, 1999

EXHIBIT "A"

00 (MON) 12:15

P. 002

01-07-2000 02:12PM FROM CITY OF PETAL TO 913346218111 P.02



**CITY OF PETAL**

WATER AND SEWER DEPT.  
P. O. BOX 405  
PETAL, MISSISSIPPI 39465  
PHONE: (601) 544-6881  
FAX: (601) 545-6885

January 7, 2000

THE CITY OF PETAL WATER/SEWER DEPARTMENT IS REQUESTING QUOTES ON SUBMERSIBLE PUMPS AS DESCRIBED BELOW.

QTY (1) 1000 GPM AT 25' TDH, 25 HP, 1200 RPM; THREE (3) PHASE MOTOR, 6" DISCHARGE, PEDESTAL BASE (note: this pump replaces a Esco pump, model 6X12)  
\$ 8,823.00 EACH, FREIGHT PAID

\*\*Quotation is for Paco Pump. See attached data sheets.

QTY (2) 180 GPM AT 21' TDH, 1HP, 1800 RPM, 230 VOLT, SINGLE (1) PHASE MOTOR, 4" DISCHARGE, PEDESTAL BASE (note: these pumps replace Esco pump, model 493)  
\$ EACH, FREIGHT PAID

DELIVERY TIME: 4 weeks  
TERMS: Net 30 days

COMPANY NAME & SIGNATURE: J. H. Wright & Associates.

QUOTES CAN BE MAILED TO: CITY OF PETAL, WATER/SEWER DEPARTMENT  
P.O. BOX 564  
PETAL, MS 39465

Or  
FAX TO: (601) 545-6885

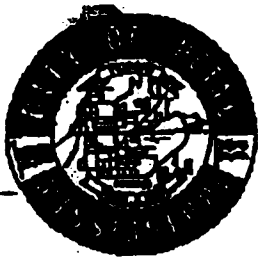
PREPARED BY: JACK GAY & RALPH BODLEMON

EXHIBIT "B"

01-07-2000 02:12PM FROM CITY OF PETAL

TU

913300210:11 11.00



**CITY OF PETAL**

WATER AND SEWER DEPT.  
P. O. BOX 406  
PETAL, MISSISSIPPI 39465  
PHONE: (601) 544-0981  
FAX: (601) 545-0885

January 7, 2000

THE CITY OF PETAL WATER/SEWER DEPARTMENT IS REQUESTING QUOTES ON  
SUBMERSIBLE PUMPS AS DESCRIBED BELOW.

QTY (1) 1000 GPM AT 25' TIDEL, 25 HP, 1200 RPM; THREE (3) PHASE MOTOR,  
6" DISCHARGE, PEDESTAL BASE (note: this pump replaces a Esco  
pump, model 6X12)  
\$ EACH, FREIGHT PAID

QTY (2) 180 GPM AT 21' TIDEL SEP, 1800 RPM, 230 VOLT, SINGLE (1) PHASE  
MOTOR, 4" DISCHARGE, PEDESTAL BASE (note: these pumps replace  
Esco pump, model 493)  
\$ 3,112.00 EACH, FREIGHT PAID

Pump quoted Mud Bug 4 x 4 3 HP 1200 RPM 230 volt 1 phase. This pump is 100%  
identical to the Esco Pumps that you are replacing. Mud Bug Pumps are manufactured  
in Mississippi. Cut sheets are attached.

DELIVERY TIME: 2 - 3 weeks  
TERMS: Net 30

COMPANY NAME & SIGNATURE: J. H. Wright & Associates, Inc.

QUOTES CAN BE MAILED TO: CITY OF PETAL, WATER/SEWER DEPARTMENT  
P.O. BOX 564  
PETAL, MS 39465

Or  
FAX TO: (601) 545-0885

PREPARED BY: JACK GAY & RALPH BOGGS

EXHIBIT "B"

Jan 07 00 12:04p

Delta Process Equipment

601-362-9290

p. 1

01-07-2000 11:55AM

FROM CITY OF PETAL

TO

916013629290 P.02



**CITY OF PETAL**

WATER AND SEWER DEPT.  
P. O. BOX 405  
PETAL, MISSISSIPPI 39465  
PHONE: (601) 544-6881  
Fax: (601) 545-6685

To: Jack Gray

January 7, 2000

THE CITY OF PETAL WATER/SEWER DEPARTMENT IS REQUESTING QUOTES ON  
SUBMERSIBLE PUMPS AS DESCRIBED BELOW.

- QTY (1) 1000 GPM AT 25' TDH, 25 HP, 1200 RPM, THREE (3) PHASE MOTOR,  
6" DISCHARGE, PEDESTAL BASE (note: this pump replaces a Esco  
pump, model 6X12)  
\$6,872.00 EACH, FREIGHT PAID  
*Gorman-Rupp JT6L60-E18, 3/60/230, 26ft power cord  
6" Flange discharge*
- QTY (2) 180 GPM AT 21' TDH, 3HP, 1800 RPM, 230 VOLT, SINGLE (1) PHASE  
MOTOR, 4" DISCHARGE, PEDESTAL BASE (note: these pumps replaces  
Esco pump, model 493)  
\$2,614.00 EACH, FREIGHT PAID  
*Gorman Rupp JS3C-EZ-7, 1/60/230, 26ft power cord  
4" Flange discharge*

QUOTES CAN BE MAILED TO: CITY OF PETAL, WATER/SEWER DEPARTMENT  
P.O. BOX 564  
PETAL, MS 39465  
Or  
FAX TO: (601) 545-6685

PREPARED BY: JACK GAY & RALPH EDDLEMON

Delivery: 3-6 working days  
Terms: NET 30 DAYS  
F.O.B. S/P Freight Paid

Delta Process Equipment, Inc  
5295 Galaxie Dr.  
JACKSON, MS. 39206  
P- 362-9977  
F- 362-4290

Quote # CH0004

*Charles Honey*

EXHIBIT "B"

QUOTATION

-GENERAL PUMP AND EQUIPMENT CO. TO: CITY OF PETAL  
5320 WEST LYNCH STREET  
JACKSON, MISSISSIPPI 39209  
P.O. BOX 126  
CLINTON, MISSISSIPPI 39060  
PHONE: 601-922-4716  
FAX: 601-922-6803

PROJECT: SUBMERSIBLE PUMPS

ENGINEER:

DATE: DECEMBER 21, 1999

Gentlemen:

We are pleased to quote the following on subject project:

SUBMERSIBLE PUMPS:

QTY (1) ESSCO PUMP MODEL 6X12 WITH THE CAPACITY OF 1000 GPM AT  
25' TDH, 25 HP 1200 RPM THREE PHASE MOTOR, 6"  
DISCHARGE, PEDESTAL BASE

\$ 8,593.00 EACH FREIGHT PAID

QTY (1) ESSCO PUMP MODEL 493 PEDESTAL BASE MOUNT, 3 HP 230 VOLT  
SINGLE PHASE MOTOR, 4" DISCHARGE

*P.P.M. 1800 T.P.H. 20' 180 G.P.M.  
10*

\$ 3,881.00 EACH FREIGHT PAID

PREPARED BY:

*Lesia Lamons-Rouse*  
LESIA LAMONS-ROUSE

DATE: DECEMBER 21, 1999



EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI  
GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

CITY OF PETAL, MISSISSIPPI  
GENERAL PURPOSE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 1999

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

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CITY OF PETAL, MISSISSIPPI

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EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI  
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CITY OF PETAL, MISSISSIPPI

INDEPENDENT AUDITORS' REPORT

5

Wright, King and Company, P.A.

*Certified Public Accountants*  
310 Plaza Drive  
P. O. Box 16433  
Hannaburg, MS 39402  
(601) 268-3135 (601) 261-3922 - Fax

Douglas A. King, CPA  
W. Douglas C. Wright, CPA  
Marcia S. Wright, CPA  
Ann Scott Henderson, CPA  
Suzanne J. Kerschbaum, 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, 1999, 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, 1999, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

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EXHIBIT "C"

Independent Auditors' Report  
Page Two  
December 21, 1999

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 21, 1999

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CITY OF PETAL, MISSISSIPPI

FINANCIAL REPORTS

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EXHIBIT A  
CITY OF PETAL, MISSISSIPPI  
COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
SEPTEMBER 30, 1999

	Governmental Fund Types			Proprietary	Fiduciary	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Debt	
<b>ASSETS</b>								
Cash & other deposits	\$ 741,007	\$ 199,486	\$ 788,047	\$ 511,694	\$ 64,921	\$ -	\$ -	\$ 2,305,155
Receivables (net of allowance)	-	-	-	118,359	-	-	-	118,359
Franchise fees receivable	43,615	-	-	-	-	-	-	43,615
Due from other governments	100,982	2,046	4,002	-	-	-	-	107,030
Due from other funds	4,677	-	-	106,868	-	-	-	111,545
Prepaid expenses	-	-	-	1,364	-	-	-	1,364
Inventory, at cost	1,536	-	-	35,512	-	-	-	37,048
Restricted assets	-	-	-	295,207	-	-	-	295,207
Fixed assets	-	-	-	3,451,603	-	8,492,075	-	11,943,678
Other assets	-	48,418	-	49,810	-	-	-	98,228
Amounts available for long-term debt	-	-	-	-	-	-	792,005	792,005
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	1,024,341	1,024,341
Capitalized interest and bond costs (net)	-	-	-	38,609	-	-	-	38,609
<b>Total Assets</b>	<b>\$891,817</b>	<b>\$ 249,950</b>	<b>\$ 792,049</b>	<b>\$4,609,026</b>	<b>\$ 64,921</b>	<b>\$8,492,075</b>	<b>\$1,816,346</b>	<b>\$16,916,184</b>
<b>LIABILITIES AND OTHER CREDITS</b>								
Accounts payable	\$ 70,648	\$ 86,012	\$ 44	\$ 87,720	\$ -	\$ -	\$ -	\$ 244,424
Due to other funds	9,297	-	-	102,243	5	-	-	111,545
Other payables	80,025	-	-	4,150	50,230	-	-	134,405
Accrued interest on bonds	-	-	-	8,615	-	-	-	8,615
Customer deposits	700	-	-	111,341	-	-	-	112,041
Revenue bonds payable	-	-	-	915,000	-	-	-	915,000
General obligation bonds payable	-	-	-	-	-	-	1,295,000	1,295,000
Ashatement notes payable	-	-	-	811,455	-	-	-	811,455
Certificate of participation	-	-	-	-	-	-	395,000	395,000
Obligations under capital lease	-	-	-	58,697	-	-	126,346	185,043
<b>Total Liabilities and Other Credits</b>	<b>160,670</b>	<b>86,012</b>	<b>44</b>	<b>2,099,221</b>	<b>50,235</b>	<b>-</b>	<b>1,816,346</b>	<b>4,212,528</b>

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EXHIBIT A (CONTINUED)  
CITY OF PETAL, MISSISSIPPI  
COMBINED BALANCE SHEET  
ALL FUND TYPES AND EXPENDABLE TRUST FUNDS  
SEPTEMBER 30, 1999

	Governmental Fund Types			Proprietary	Fiduciary	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Enterprise	Trust and Agency	Fixed Assets	General Long-Term Debt	
<b>FUND EQUITY</b>								
Contributed capital				176,886				176,886
Investment in general fixed assets						8,492,075		8,492,075
Retained earnings								
Reserved for debt service				443,385				443,385
Reserved for repair and replacement				122,957				122,957
Unreserved				1,766,577				1,766,577
<b>FUND BALANCES</b>								
Reserved for inventory	1,536							1,536
Reserved for ad valorem tax escrow	14,976							14,976
Reserved for unemployment					14,686			14,686
Reserved for debt service								
Unreserved	714,635	163,938	792,005					1,670,578
<b>Total Fund Equity</b>	<b>714,635</b>	<b>163,938</b>	<b>792,005</b>	<b>2,509,805</b>	<b>14,686</b>	<b>8,492,075</b>		<b>12,703,656</b>
Total Liabilities, Other Credits and Fund Equity	\$ 891,817	\$ 249,950	\$ 792,049	\$ 4,609,026	\$ 64,921	\$ 8,492,075	\$ 1,816,346	\$ 16,916,184

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

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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, 1999

	Governmental Fund Types			Fiduciary Fund Types		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Expendable Trust		
<b>REVENUES</b>						
Property taxes	\$ 587,495	\$ -	\$ 652,497	\$ -	\$ -	\$ 1,239,992
Penalties and interest	1,868					1,868
Licenses and permits	41,046					41,046
Franchise fees	190,926					190,926
Homestead exemption	48,654					48,654
State share revenue						
Sales tax	1,127,175					1,127,175
Alcoholic beverage tax	1,350					1,350
<b>Intergovernmental</b>						
Gasoline tax	9,874					9,874
Municipal aid	4,398					4,398
Other	38,961	150,294				179,255
Culture and recreation	58,840					58,840
Fines and forfeits	94,201					94,201
Charges for services	56,210					56,210
Interest earned	21,671	3,128	11,899	235		36,933
Grants	27,108	46,846				73,954
Prior year taxes	145,233					145,233
Other	8,945	10,851				19,796
<b>Total Revenues</b>	<b>2,453,952</b>	<b>311,121</b>	<b>664,396</b>	<b>235</b>		<b>3,329,702</b>
<b>EXPENDITURES</b>						
General government	484,862					484,862
Public safety	1,169,393	55,344				1,224,737
Public works	415,363	155,934				571,297
Culture and recreation	240,798					240,798
Health and welfare	32,309					32,309
Debt service						
Principal	25,000	48,622	435,000			508,622
Interest	992	33,418	85,291			119,701
Agent fees		799	2,080			2,879
<b>Total expenditures</b>	<b>2,368,717</b>	<b>294,117</b>	<b>522,371</b>			<b>3,185,205</b>

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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, 1999

	Governmental Fund Types			Fiduciary Fund Types		Total (Memorandum Only)
	General	Special Revenue	Debt Service	Expendable Trust		
Excess (deficiency) of revenues over expenditures	85,238	(82,996)	142,025	235		144,502
Other financing sources (uses)						
Donations	3,660					3,660
Transfers in		55,997				55,997
Transfers out	(55,997)					(55,997)
Expense reimbursements	6,194					6,194
Discharge of debts		(19,249)				(19,249)
<b>Total other financing sources (uses)</b>	<b>(46,143)</b>	<b>36,748</b>				<b>(9,395)</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	39,095	(46,248)	142,025	235		135,107
Fund Balance - 10/01/98	675,540	214,917	649,980	14,451		1,554,888
Prior period adjustment		(4,731)				(4,731)
Fund balance - 10/01/98, as restated	675,540	210,186	649,980	14,451		1,550,157
Fund Balance - 09/30/99	\$ 714,635	\$ 163,938	\$ 792,005	\$ 14,686		\$ 1,685,264

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, 1999

	General Fund		
	Budget	Actual	Variance
REVENUES:			
Property tax	\$ 601,346	\$ 587,495	\$ (13,851)
Penalties and interest	1,400	1,868	468
Licenses and permits	39,200	41,046	1,846
Franchise fees	190,500	192,439	1,939
Homestead exemption	48,654	48,654	-
State share revenue			
Sales tax	1,120,000	1,121,658	1,658
Alcoholic beverage tax	1,125	1,350	225
Intergovernmental			
Gas tax	10,000	9,874	(126)
Municipal aid	4,500	4,398	(102)
Other	33,911	33,911	-
Culture and recreation	66,400	60,465	(5,935)
Fines and forfeits	83,100	94,201	11,101
Charges for services	56,760	56,210	(550)
Interest earned	19,000	21,671	2,671
Grants	28,877	27,108	(1,769)
Other income	7,200	8,945	1,745
Prior year taxes	-	145,233	145,233
Total Revenues	<u>2,311,973</u>	<u>2,456,526</u>	<u>144,553</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, 1999

	General Fund		
	Budget	Actual	Variance
EXPENDITURES			
General government			
Personnel services	253,835	250,588	3,247
Supplies	7,800	6,419	1,381
Other services and charges	207,915	195,984	11,931
Capital outlay	34,050	31,871	2,179
Total	<u>503,600</u>	<u>484,862</u>	<u>18,738</u>
Public safety			
Police			
Personnel services	605,532	596,081	9,451
Supplies	27,800	27,880	(80)
Other services	58,590	53,060	5,530
Capital outlay	47,600	47,437	163
Total	<u>739,522</u>	<u>724,458</u>	<u>15,064</u>
Fire			
Personnel services	378,106	374,130	3,976
Supplies	7,300	5,032	2,268
Other services	31,600	29,546	2,054
Capital outlays	650	43	597
Total	<u>417,656</u>	<u>408,761</u>	<u>8,895</u>
Building inspection			
Personnel services	33,665	33,412	253
Supplies	850	586	264
Other services	2,550	2,176	374
Capital outlay	100	-	100
Total	<u>37,165</u>	<u>36,174</u>	<u>991</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, 1999

	General Fund		
	Budget	Actual	Variance
Public works			
Personnel services	253,337	240,244	13,093
Supplies	56,800	43,898	12,902
Other services and charges	133,475	117,774	15,701
Capital outlay	14,550	1,479	11,071
Total	<u>458,162</u>	<u>405,395</u>	<u>52,767</u>
Health and welfare			
Personnel services	20,666	20,447	219
Supplies	2,600	1,763	837
Other services and charges	11,650	9,667	1,983
Capital outlay	450	432	18
Total	<u>35,366</u>	<u>32,309</u>	<u>3,057</u>
Culture and recreation			
Recreation department			
Personnel services	106,137	94,133	12,004
Supplies	25,700	19,702	5,998
Other services and charges	54,436	46,764	7,672
Capital outlay	13,775	12,636	1,139
Total	<u>200,048</u>	<u>173,235</u>	<u>26,813</u>
Civic Center			
Personnel services	41,442	41,419	23
Supplies	5,000	3,566	1,434
Other services and charges	26,000	20,024	5,976
Capital outlay	3,035	2,553	482
Total	<u>75,477</u>	<u>67,562</u>	<u>7,915</u>

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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, 1999

	General Fund		
	Budget	Actual	Variance
Debt service	81,960	35,961	45,999
Total Expenditures	2,548,956	2,368,717	180,239
Excess (deficiency) of revenues over expenditures	(236,983)	87,809	324,792
Other financing sources (uses)			
Transfers out	-	(55,997)	(55,997)
Donations	4,000	3,660	(340)
Expense reimbursements	-	6,194	6,194
Total other financing sources (uses)	4,000	(46,143)	(50,143)
Excess (deficiency) of revenues and other sources over expenditures and other financing uses	\$ (232,983)	41,666	\$ 274,649
GAAP reconciliation:			
Accrued revenues	-	(2,571)	(2,571)
Fund Balance - 10/01/98	-	675,540	675,540
Fund Balance - 09/30/99	-	\$ 714,635	\$ 714,635

The notes are an integral part of these financial statements.

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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, 1999

	Social Revenue Fund		
	Budget	Actual	Variance
REVENUES			
State shared revenues		\$ 150,294	\$ 150,294
Intergovernmental		46,846	(139,948)
Program income	186,794	10,833	10,833
Interest earned	-	3,128	3,128
Total Revenue	186,794	211,121	24,327
EXPENDITURES			
Other services and charges	170,000	178,196	(8,196)
Capital outlay	87,529	31,082	56,447
Total Expenditures	257,529	211,278	46,251
Excess (deficiency) of revenues over expenditures	(70,735)	(157)	70,578
Other financing sources (uses)	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (70,735)	(157)	\$ 70,578
Adjustments to GAAP basis			
Discharge of debt per grant agreements	-	(19,249)	(19,249)
Reclassification of transfers in	-	55,997	55,997
Reclassification of debt service	-	(82,839)	(82,839)
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP basis)	-	(46,248)	(46,248)
Fund balance - October 1, 1998	-	214,917	214,917
Prior period adjustment	-	(4,731)	(4,731)
Fund balance as restated	-	210,186	210,186
Fund balance - September 30, 1999	-	\$ 163,938	\$ 163,938

The notes are an integral part of this statement.

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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, 1999

	Debt Service Fund		
	Budget	Actual	Variance
REVENUES			
Property tax	\$ 507,000	\$ 549,578	\$ 42,578
Interest earned	10,000	11,899	1,899
Prior year taxes	-	102,919	102,919
Total revenues	517,000	664,396	147,396
EXPENDITURES			
Debt service			
Principal	435,000	435,000	-
Interest	85,292	85,292	-
Agent fees	2,850	2,079	771
Total expenditures	523,142	522,371	771
Excess (deficiency) of revenues over expenditures	\$ (6,142)	142,025	\$ 148,167
Fund balance - October 1, 1998	-	649,980	649,980
Fund balance - September 30, 1999	-	\$ 792,005	\$ 792,005

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

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EXHIBIT "C"

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES BUDGET (NON-GAAP) AND ACTUAL ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES FOR THE YEAR ENDED SEPTEMBER 30, 1999

	Enterprise Fund		
	Budget	Actual	Variance
<b>REVENUES:</b>			
Charges for services	\$ 1,109,000	\$ 1,092,112	\$ (16,888)
Interest earned	15,912	32,696	16,784
Miscellaneous	20,450	29,638	9,188
Sewer treatment	100,000	98,861	(1,139)
Total revenues	1,245,362	1,253,307	7,945
<b>EXPENDITURES:</b>			
Public works			
Personnel services	287,377	270,046	17,331
Supplies	92,206	59,920	32,286
Other services and charges	814,190	739,729	74,461
Capital outlay	89,712	27,409	62,303
Debt service	238,870	238,839	31
Total expenditures	1,527,355	1,335,943	186,412
Excess (deficiency) of revenues over expenditures	(276,993)	(82,636)	194,357
Other financing sources (uses)			
Transfers in	767,530	999,511	231,981
Transfers out	(792,115)	(999,511)	(207,396)
Sale of equipment	-	12,140	12,140
Total other sources (uses)	(24,585)	12,140	36,725
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (301,578)	(70,496)	\$ 231,082
<b>Adjustments to GAAP basis:</b>			
Debt reduction		142,474	
Capital expenditures		85,475	
Depreciation		(185,512)	
(Increase) decrease in accrued expense		(45,894)	
Increase in accounts receivable		35,942	
Excess (deficiency) of revenues and other sources over expenditures and other financing uses (GAAP basis)		(38,008)	
Retained earnings unreserved at October 1, 1998		2,370,927	
Retained earnings unreserved at September 30, 1999		\$ 2,332,919	

The notes are an integral part of these financial statements.

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CITY OF PETAL, MISSISSIPPI  
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS ALL PROPRIETARY FUND TYPES FOR THE YEAR ENDED SEPTEMBER 30, 1999

	September 30, 1999
<b>Operating revenues:</b>	
Charges for services	\$ 1,118,892
Tap fees	11,845
Connect fees	6,224
Sewer treatment charges	100,761
Interest earned	28,935
Other income	22,595
	<u>1,289,252</u>
<b>Operating expenses</b>	
Personnel services	269,140
Supplies and materials	71,861
Contractual services	57,467
Repairs and maintenance	405,054
Utilities	158,430
Depreciation and amortization	185,512
General and administration	15,125
Sewer treatment	74,133
	<u>1,236,722</u>
Operating income	52,530
<b>Other sources (uses)</b>	
Gain on sale of fixed asset	12,230
Interest expense	(102,768)
Transfers in	999,511
Transfers out	(999,511)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(38,008)
Retained earnings - October 1	2,370,927
Retained earnings - September 30	<u>\$ 2,332,919</u>

The notes are an integral part of these financial statements.

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EXHIBIT E  
CITY OF PETAL, MISSISSIPPI  
COMBINED STATEMENT OF CASH FLOWS ALL PROPRIETARY FUND TYPES FOR THE YEAR ENDED SEPTEMBER 30, 1999

	September 30, 1999
<b>Cash flow from operating activities:</b>	
Cash received from customers (excluding deposit)	1,212,698
Cash paid to suppliers	(775,561)
Cash paid to employees	(269,924)
Net cash provided (used) by operating activities	<u>167,213</u>
<b>Cash flow from non-capital financing activities:</b>	
Operating transfers in	999,511
Operating transfers out	(999,511)
Net cash provided by non-capital financing activities	<u>-</u>
<b>Cash flow from capital and related financing activities:</b>	
Sale of capital assets	14,485
Proceeds of capital leases	36,147
Acquisition of capital assets	(59,414)
Principal paid on bonds	(85,000)
Principal paid on notes	(51,576)
Principal paid on capital lease	(8,910)
Interest paid	(105,446)
Net cash flows provided (used) by capital and related financing activities	<u>(259,714)</u>
Cash flow from investing activities	
Interest received	28,935
Net increase (decrease) in cash for the year	(63,566)
Cash and restricted cash - October 1, 1998	870,467
Cash and restricted cash - September 30, 1999	<u>\$ 806,901</u>

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EXHIBIT "C"

EXHIBIT E - Continued  
CITY OF PETAL, MISSISSIPPI  
COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

RECONCILIATION OF OPERATING INCOME TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES

Operating income (loss)	\$ 52,530
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	182,118
Interest earned	(28,935)
(Increase) decrease in accounts receivable	(38,337)
Increase (decrease) in accounts payable	512
Increase (decrease) in accrued expenses	(675)
Net cash provided by operating activities	<u>\$ 167,213</u>
Other Required Disclosures	
Interest expense	\$ 102,768
Interest paid	105,446

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, 1999

(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, 1999

(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.

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CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

(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:

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CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

(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.

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EXHIBIT C

CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

(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.

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CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

(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.

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CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

(1) Summary of Significant Accounting Policies (continued)

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.

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts for assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. Total Columns on General Purpose Financial Statements

The total columns presented in the general purpose financial statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis and do not purport to present financial position, results of operations or cash flows in conformity with generally accepted accounting principles.

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ENTERPRISE FUND, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

(2) Interfund Receivables and Payables

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

	Due To	Due From
General Fund	\$ 9,297	\$ 4,677
Proprietary Fund:		
Water and Sewer	102,243	92,321
Solid Waste	-	14,547
Trust and Agency Fund:		
Tax Collector's Fund	-	-
Total	<u>\$ 111,545</u>	<u>\$ 111,545</u>

(3) Deposits

The carrying amount of the City's deposits with financial institutions was \$2,600,362, and the bank balance was \$2,632,078. 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	\$ 2,344,116
Amount collateralized with securities held by the pledging financial institution's trust department or agent in the City's name	-
Uncollateralized	<u>287,962</u>
Total Bank Balance	<u>\$ 2,632,078</u>

The undercollateralization of uninsured deposits is a violation of state statutes, however, no penalty results from such violation.

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CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

(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, 1999, 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 \$48,418 in notes receivable from grant contracts. However, these 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:

	Balance 10/01/98	Additions	Deletions	Balance 9/30/99
Land and easements	\$ 311,287	\$ -	\$ -	\$ 311,287
Buildings	1,058,028	-	-	1,058,028
Improvements	266,532	3,650	-	270,182
Equipment:				
Furniture	81,266	2,948	16,109	68,105
Motor vehicles	530,159	31,100	32,816	528,443
Other	439,626	58,607	-	498,233
Sewer system	5,562,775	-	-	5,562,775
Assets held under capital lease	<u>195,022</u>	-	-	<u>195,022</u>
Totals	<u>\$8,444,695</u>	<u>\$ 96,305</u>	<u>\$ 48,925</u>	<u>\$ 8,492,075</u>

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CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

(5) Fixed Assets (continued)

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

	Balance 10/01/98	Additions	Deletions	Balance 9/30/99
<b>Water and Sewer Fund</b>				
Land and easements	\$ 21,994	\$ -	\$ -	\$ 21,994
Buildings	79,939	-	-	79,939
Water/Sewer systems	5,357,922	-	-	5,357,922
Operating equipment	321,342	16,775	12,993	325,124
Assets under capital lease	<u>40,392</u>	<u>36,147</u>	-	<u>76,539</u>
	5,821,589	52,922	(12,993)	5,861,518
Less: Accumulated depreciation	<u>(2,247,592)</u>	<u>(182,390)</u>	<u>20,067</u>	<u>(2,409,915)</u>
	<u>3,573,997</u>	<u>(129,468)</u>	<u>7,074</u>	<u>3,451,603</u>
<b>Solid Waste Fund</b>				
Operating equipment	6,682	-	-	6,682
Less: Accumulated depreciation	<u>(6,682)</u>	-	-	<u>(6,682)</u>
Total	<u>\$3,573,997</u>	<u>\$ (129,468)</u>	<u>\$ 7,074</u>	<u>\$ 3,451,603</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.

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EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

(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 any form heretofore or hereafter incurred 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.

The following is a schedule of limitations on the indebtedness of the City at September 30, 1999

Authorized Debt Limit - Assessed valuation for fiscal year ended	15 Percent	20 Percent
September 30, 1999 - \$31,998,093		
Present debt subject to 15% limitation	\$ 4,799,714	\$ 6,399,619
Present debt subject to 20% limitation including debt subject only 15% limitation	(195,000)	
Margin for further debt under respective debt limits	<u>\$ 4,407,714</u>	<u>(715,000)</u> \$ 5,684,619

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CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

(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%

\$ 740,000

SEWER ABATEMENT NOTE PAYABLE

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

\$ 129,406

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%

\$ 395,000

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CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

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

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%

\$ 595,000

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%

\$ 555,000

\$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%

320,000

TOTAL GENERAL OBLIGATION ENTERPRISE BONDS

\$ 875,000

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.

\$ 682,049

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EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

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

The annual requirements to amortize all bonded debt as of September 30, 1999 follows:

Year Ending 9/30	Principal	Interest
<b>\$3,750,000 SSD Bonds</b>		
2000	\$ 180,000	\$ 40,400
2001	180,000	29,375
2002	180,000	18,125
2003	200,000	6,250
	<u>\$ 740,000</u>	<u>\$ 94,150</u>
<b>\$700,000 Water and Sewer Refunding Bond</b>		
2000	\$ 55,000	21,535
2001	60,000	17,365
2002	65,000	12,803
2003	70,000	7,840
2004	70,000	2,625
	<u>\$ 320,000</u>	<u>\$ 62,168</u>
<b>\$825,000 Series 1990 Revenue Bond</b>		
2000	\$ 35,000	\$ 40,515
2001	40,000	38,020
2002	45,000	35,150
2003	45,000	32,068
2004	50,000	25,090
Thereafter	<u>380,000</u>	<u>20,558</u>
	<u>\$ 595,000</u>	<u>\$ 261,401</u>

CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

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

Year Ending 9/30	Principal	Interest
<b>\$1,370,000 Refunding Series</b>		
2000	\$ 270,000	\$ 21,285
2001	285,000	7,268
	<u>\$ 555,000</u>	<u>\$ 28,553</u>
<b>\$550,000 Certificates of Participation</b>		
2000	35,000	23,212
2001	35,000	21,226
2002	40,000	19,040
2003	40,000	16,660
2004	45,000	14,088
Thereafter	<u>200,000</u>	<u>26,632</u>
	<u>\$ 395,000</u>	<u>\$ 120,858</u>
<b>\$807,757 SRF Loan</b>		
2000	32,094	30,036
2001	35,568	28,561
2002	35,111	27,019
2003	36,724	25,406
2004	38,411	23,709
Thereafter	<u>504,141</u>	<u>125,520</u>
	<u>\$ 682,042</u>	<u>\$ 260,251</u>

CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

(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, 1999, 1998, and 1997, were \$132,765, \$115,737, and \$107,207, respectively, equal to the required contributions for each year.

(9) Ad Valorem Taxes Levied for Other Governmental Entities

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

Ad valorem taxes collected and settled in accordance with the above-noted statutory authorities are not recognized as revenues and expenditures of the City with the exception of school bonded indebtedness issued prior to March 3, 1987. The accompanying supplemental information schedule "Reconciliation of Tax Assessments to Fund Collections" provides specific assessment and

CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

(9) Ad Valorem Taxes Levied for Other Governmental Entities (continued)

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	2.05 mills
Operational Support	37-57-105	50.60 mills
School Bonded Indebtedness (for bonds issued subsequent to March 3, 1987)	37-59-23	5.46 mills

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

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

(10) Legal Compliance

A Budget

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

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CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

(10) Legal Compliance (continued)

B Purchasing

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

C Property Tax

Property taxes are assessed by the City on a calendar year basis and are considered delinquent as of February 1. Tax sales are held in April and August to recover unpaid property taxes at that date.

State law provides for a 10 percent limitation on increased property tax revenue over the previous year and requires that any excess tax collections are to be placed in escrow and applied against the following years tax revenue. The City exceeded the 10 percent limitation for the year ended September 30, 1999 by \$65,417 and was not escrowed in violation of the state statutes.

D Deposits

The City's bank balance at September 30, 1999, was \$2,632,078. This balance was undercollateralized by \$287,962 in violation of state statutes.

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CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

(11) Receivables

Receivables at September 30, 1999 consist of the following:

Receivables	General	Special Revenue	Debt Service	Enterprise	Totals
Accounts	\$ -	\$ -	\$ -	\$ 118,359	\$ 118,359
Franchise fees	43,615	-	-	-	43,615
Sales tax	82,907	-	-	-	82,907
Auto ad valorem	18,075	2,046	4,002	-	24,123
Totals	\$ 144,597	\$ 2,046	\$ 4,002	\$ 118,359	\$ 269,004

Customer accounts receivable in the Enterprise Fund are attributable to unpaid balances for charges through September 30, 1999.

(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	\$ 111,341
Accrued interest	8,615
Bonds and notes payable (current)	127,094
	<u>\$ 247,050</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.

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CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999  
**EXHIBIT C**

(14) **Contributed Capital**

Contributed capital as of September 30, 1999 consists of:

Contributions from Customers	\$ 50,068
Contributions from Federal Government	78,882
Contributions from City of Petal	<u>47,936</u>
Total	<u>\$ 176,886</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) **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 \$203,195. Pine Belt Solid Waste was paid \$139,939. Wade Disposal was paid \$8,722, and Enviro was paid \$1,424 during fiscal 1999.

(17) **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.

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CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

(17) **Risk Management (continued)**

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.

(18) **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, 1999.

Following is a summary of property under capital leases:

Model 580 Super L Loader	\$ 40,392
Less: accumulated depreciation	<u>(20,195)</u>
	<u>\$ 20,197</u>

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CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

(18) **Capital Leases (continued)**

Minimum future lease payments under capital leases as of September 30, 1999 for the next five years are as follows:

Year ended September 30	Amount
2000	7,311
2001	7,311
2002	<u>13,144</u>
Total minimum lease payments	27,766
Less: interest amount	<u>(2,328)</u>
Present value of net minimum lease payment	<u>\$ 25,438</u>

Interest rate of capital lease is 4.91%.

The City of Petal is the lessee of a New Holland, Model 4630 Tractor under a capital lease expiring December 10, 1999. The assets and liabilities under capital leases are recorded at the lower of the present value of minimum lease payments and the fair market value of the asset.

Following is a summary of property under capital leases:

Model 4630 Tractor	<u>\$ 15,274</u>
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EXHIBIT "C"  
CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

(18) Capital Leases (continued)

Minimum future lease payments under capital leases of September 30, 1999 are as follows:

<u>Year ended September 30</u>	<u>Amount</u>
2000	<u>\$ 1,424</u>
Total minimum lease payments	1,424
Less: Interest amount	<u>10</u>
Present value of net minimum lease payments	<u>\$ 1,414</u>

Interest rate is 5.5%

The City of Petal is the lessee of a 1998 Model Cyclone II fire truck under a capital lease expiring February 11, 2005. The assets and liabilities under capital lease are recorded at the lower of the present value of minimum lease payments or the fair value of the asset.

Following is a summary of property under capital leases

Model Cyclone II Fire Truck	<u>\$ 179,748</u>
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CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

(18) Capital Leases (continued)

Minimum future lease payments under capital leases of September 30, 1999 are as follows:

<u>Year ended September 30,</u>	<u>Amount</u>
2000	26,843
2001	26,843
2002	26,843
2003	26,843
2004	26,843
Thereafter	<u>11,544</u>

Total minimum lease payments 145,759

Less: interest amount 19,413

Present value of net minimum lease payments \$ 126,346

The City is the lessee of a 2000 International 4700 (2 x 4) with a dump body under a capital lease expiring on August 20, 2001. The asset and liability under a capital lease are recorded at the lower of the present value of minimum lease payments on the fair value of the asset. The asset is depreciated over the related lease term or its estimated useful life. Depreciation of assets held under capital leases is included in depreciation expense for September 30, 1999.

The following is a summary of property under capital lease:

2000 International 4700 (4 x 2)	\$ 36,147
Less: accumulated depreciation	<u>(1,807)</u>
	<u>\$ 34,340</u>

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CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

(18) Capital Leases (continued)

Minimum future lease payments as of September 30, 1999 are as follows

<u>Year ended September 30</u>	<u>Amount</u>
2000	\$18,072
2001	<u>15,060</u>
Total minimum lease payment	33,132
Less: interest amount	<u>(1,287)</u>
Present value of net minimum lease payments	<u>\$ 31,845</u>

Interest rate is 4.58%

(19) Year 2000 Issue

The year 2000 problem is the result of computer programs being written using two digits (rather than four) to define the applicable year. Any of the school district's programs that have time-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000, which could result in miscalculations or system failures. Significant amount of resources have been committed to address year 2000 issues for computer systems and other electronic equipment.

The following stages have been identified by the Governmental Accounting Standards Board (GASB) Technical Bulletin 98-1 (as revised to recognize the issuance of Technical Bulletin 99-1) as necessary to address year 2000 issues for computer systems and other electronic equipment.

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EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

(19) Year 2000 Issue (continued)

Awareness Stage - When the organization establishes a budget and project plan (for example, a timeline or chart noting major tasks and due dates) for dealing with the year 2000 issue.

Assessment Stage - When the organization begins the actual process of identifying all of its systems (preparing an inventory) and individual components of the systems. An organization may decide to review all system components for the year 2000 compliance or, through a risk analysis, identify only mission-critical systems and equipment-- systems and equipment critical to conducting operations-- to check for compliance.

Remediation Stage - When the organization actually makes changes to systems and equipment. This stage deals primarily with the technical issues of converting existing systems, or switching to compliant systems. During this stage, decisions are made on how to make the systems or processes year 2000 compliant, and the required system changes are made.

Validation/Testing Stage -- When the organization validates and tests the changes made during the conversion process. The development of test data and test scripts, the running of test scripts, and the review of test results are crucial for this stage of the conversion process to be successful. If the testing results show anomalies, the tested area needs to be corrected and retested.

As of September 30, 1999, the City is in the Remediation Stage and has completed the Awareness and Assessment Stages. Completion of the various stages of work is not a guarantee that systems and equipment will be year 2000 compliant.

Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure the City of Petal is or will be year 2000 ready, that the City of Petal's efforts will be successful in whole or in part, or that parties with which the City of Petal does business will be year 2000 ready.

(20) Prior Period Adjustment

A prior period adjustment was made to correct accrued revenues in the prior year

CITY OF PETAL, MISSISSIPPI

SUPPLEMENTAL INFORMATION

SCHEDULE 1  
CITY OF PETAL, MISSISSIPPI  
GENERAL FUND - BALANCE SHEET  
SEPTEMBER 30, 1999  
(With Comparative Totals for September 30, 1998)

	<u>1999</u>	<u>1998</u>
<b>ASSETS</b>		
Cash	\$ 741,007	\$ 707,123
Receivables		
Franchise fees	43,615	45,127
Due from:		
Other governments	100,982	98,691
Other funds	4,677	4,677
Inventory at cost	1,536	1,536
Total assets	<u>\$ 891,817</u>	<u>\$ 857,154</u>
<b>LIABILITIES</b>		
Bills docketed	\$70,648	\$ 74,479
Cash bonds	78,572	79,598
Tax overbids	1,453	1,453
Security deposits	700	275
Due to other funds	9,297	9,297
Total liabilities	<u>160,670</u>	<u>165,102</u>
<b>FUND BALANCE</b>		
Reserved for inventory	1,536	1,536
Reserved for over collection	14,976	14,976
Unreserved	<u>714,635</u>	<u>675,540</u>
Total fund balance	<u>731,147</u>	<u>692,052</u>
Total liabilities and fund balance	<u>\$ 891,817</u>	<u>\$ 857,154</u>

The notes are an integral part of the financial statements.

**CITY OF PETAL  
MINUTE BOOK 19**

SCHEDULE 2  
CITY OF PETAL, MISSISSIPPI  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 1999  
(With Comparative Totals for the Year Ended September 30, 1998)

	1999	1998
REVENUES		
Property tax	\$ 587,495	\$ 556,774
Penalties and interest on delinquent taxes	1,868	2,730
Licenses and permits	41,046	46,285
Franchise fees	190,926	188,894
Homestead exemption	48,654	45,998
State share revenue		
Sales tax	1,127,175	1,065,900
Alcoholic beverage levy	1,350	900
Intergovernmental:		
Gasoline tax	9,874	9,874
Municipal aid	4,398	4,398
Cultural and recreational fees	58,840	66,062
Fines and forfeits	94,201	79,779
Charges for services	56,210	1,976
Prior year taxes	145,233	-
Federal grant sources	27,108	53,182
State grants	28,961	24,597
Sale of equipment	-	4,628
Interest	21,671	24,120
Miscellaneous	8,945	27,434
Total revenues	<u>2,453,953</u>	<u>2,198,531</u>
EXPENDITURES		
General government	484,862	450,043
Public safety	1,169,393	979,193
Public works	415,363	387,811
Cultural and recreational	240,798	223,297
Health and welfare	32,309	29,465
Debt service	25,992	32,832
Total expenditures	<u>2,368,717</u>	<u>2,102,641</u>

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SCHEDULE 2 (CONT.)  
CITY OF PETAL, MISSISSIPPI  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 1999  
(With Comparative Totals for the Year Ended September 30, 1998)

	1999	1998
Excess of revenues over (under) expenditures	<u>85,238</u>	<u>95,890</u>
Other financing sources (uses)		
Donations	3,660	-
Expense reimbursements	6,194	-
Transfers out	(55,997)	-
Debt proceeds	-	(58,216)
Total other financing uses	<u>(46,143)</u>	<u>(47,942)</u>
Excess of revenue and other financing sources over expenditures and other financing uses	39,095	52,948
Fund balance - October 1	675,540	636,365
Change in reserve	-	(13,773)
Fund balance - September 30	<u>\$ 714,635</u>	<u>\$ 675,540</u>

The notes are an integral part of the financial statements.

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SCHEDULE 3-A  
CITY OF PETAL, MISSISSIPPI  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 1999

	Fire Protection Fund	Law Enforcement Fund	Road Maintenance Fund	Multi Building Fund	Rental Rehab Fund	MCPP Law Enforcement Fund	Loan Repayment Fund	Rental Rehab Loan Fund	1994 Home Ownership Fund	Totals
Cash	\$ 68,331	\$ 23,496	\$ 91,211	\$ 620	\$ -	\$ 1,048	\$ 3,743	\$ 11,036	\$ -	\$ 199
Receivables										
Other				23,840						48.4
Due from other governments			7,046					24,578		2.0
Total assets	<u>\$ 68,331</u>	<u>\$ 23,496</u>	<u>\$ 98,257</u>	<u>\$ 620</u>	<u>\$ 23,840</u>	<u>\$ 1,048</u>	<u>\$ 3,743</u>	<u>\$ 35,614</u>	<u>\$ -</u>	<u>\$ 249.5</u>
LIABILITIES										
Accounts payable	\$ 4,628	\$ 3,338	\$ 78,046	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86.0
EQUITY										
Unreserved	<u>63,703</u>	<u>20,158</u>	<u>15,211</u>	<u>620</u>	<u>23,840</u>	<u>1,048</u>	<u>3,743</u>	<u>35,614</u>	<u>-</u>	<u>163.5</u>
Total Liabilities and Equity	<u>\$ 68,331</u>	<u>\$ 23,496</u>	<u>\$ 98,257</u>	<u>\$ 620</u>	<u>\$ 23,840</u>	<u>\$ 1,048</u>	<u>\$ 3,743</u>	<u>\$ 35,614</u>	<u>\$ -</u>	<u>\$ 249.5</u>

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

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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, 1999

	Fire Protection Fund	Law Enforcement Fund	Road Maintenance Fund	Multi Building Fund	Rental Rehab Fund	MCPPLaw Enforcement Fund	Loan Repay Fund	Rental Rehab Loan Repay Fund	1994 Home Program	
<b>REVENUES</b>										
Road maintenance funds	\$ -	\$ -	\$ 110,361	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11
Municipal fire funds	35,714	-	-	-	-	-	-	-	-	3
Law enforcement funds	-	4,219	-	-	-	-	-	-	-	-
Grants	-	36,846	10,000	-	-	-	-	-	-	4
Program income	-	-	-	-	-	-	-	10,853	-	11
Interest	718	290	1,874	32	-	38	93	83	-	-
Total revenues	<u>36,432</u>	<u>41,355</u>	<u>122,235</u>	<u>32</u>	<u>-</u>	<u>38</u>	<u>93</u>	<u>10,936</u>	<u>-</u>	<u>21</u>
<b>EXPENDITURES</b>										
Public safety	18,103	34,200	-	-	-	3,041	-	-	-	55
Public works	-	-	155,933	-	-	-	-	-	-	155
Recreation	-	-	-	799	-	-	-	-	-	-
Debt service	26,843	-	-	55,198	-	-	-	-	-	8
Total expenditures	<u>44,946</u>	<u>34,200</u>	<u>155,933</u>	<u>55,997</u>	<u>-</u>	<u>3,041</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>294</u>
Excess (deficiency) of revenues over expenditures	<u>(8,514)</u>	<u>7,155</u>	<u>(33,698)</u>	<u>(55,965)</u>	<u>-</u>	<u>(3,003)</u>	<u>93</u>	<u>10,936</u>	<u>-</u>	<u>(82)</u>
<b>Other financing sources (uses):</b>										
Transfers in	-	-	-	55,997	-	-	-	-	-	55
Transfers out	-	-	-	-	-	-	-	-	-	-
Debt discharge	-	-	-	-	(15,072)	-	-	(4,177)	-	(19)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,997</u>	<u>(15,072)</u>	<u>-</u>	<u>-</u>	<u>(4,177)</u>	<u>-</u>	<u>36</u>

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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, 1999

	Fire Protection Fund	Law Enforcement Fund	Road Maintenance Fund	Multi Building Fund	Rental Rehab Fund	MCPPLaw Enforcement Fund	Loan Repay Fund	Rental Rehab Loan Repay Fund	1994 Home Program	
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(8,514)</u>	<u>7,155</u>	<u>(33,698)</u>	<u>32</u>	<u>(15,072)</u>	<u>(3,003)</u>	<u>93</u>	<u>6,759</u>	<u>-</u>	<u>(46)</u>
Fund balance October 1, 1998	72,217	13,003	48,909	588	38,912	8,782	3,650	28,855	1	214
Prior period adjustment	-	-	-	-	-	(4,731)	-	-	-	(4)
Fund balance - October 1, 1998, restated	<u>72,217</u>	<u>13,003</u>	<u>48,909</u>	<u>588</u>	<u>38,912</u>	<u>4,051</u>	<u>3,650</u>	<u>28,855</u>	<u>1</u>	<u>210</u>
Fund balance September 30, 1999	<u>\$ 63,703</u>	<u>\$ 20,158</u>	<u>\$ 15,211</u>	<u>\$ 620</u>	<u>\$ 23,840</u>	<u>\$ 1,048</u>	<u>\$ 3,743</u>	<u>\$ 35,614</u>	<u>\$ 1</u>	<u>\$ 163</u>

The accompanying notes are an integral part of the financial statements

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EXHIBIT "C"

SCHEDULE 4-A  
CITY OF PETAL, MISSISSIPPI  
DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 1999

	2.5 Million Sewer Bond & Interest Fund	SSD Bond and Interest Fund	Total (Memorandum Only)
<b>ASSETS</b>			
Cash			
Due from other governments	\$ 499,748	\$ 288,299	\$ 788,047
Total Assets	<u>499,748</u>	<u>4,002</u>	<u>4,002</u>
<b>LIABILITIES</b>			
Total Liabilities	\$ -	\$ 44	\$ 44
<b>EQUITY</b>			
Reserved for debt service		44	44
Total Equity	<u>499,748</u>	<u>292,257</u>	<u>792,005</u>
Total Liability and Fund Equity	<u>\$ 499,748</u>	<u>\$ 292,301</u>	<u>\$ 792,049</u>

The accompanying notes are an integral part of the financial statements

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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, 1999

	2.5 Million Sewer Bond & Interest Fund	SSD Bond and Interest Fund	Total (Memorandum Only)
<b>REVENUES</b>			
Property tax	\$ 374,155	\$ 278,342	\$ 652,497
Interest earned	<u>9,420</u>	<u>2,479</u>	<u>11,899</u>
Total Revenues	<u>383,575</u>	<u>280,821</u>	<u>664,396</u>
<b>EXPENDITURES</b>			
Debt Service			
Principal	255,000	180,000	435,000
Interest	34,091	51,200	85,291
Agent fees	<u>1,872</u>	<u>208</u>	<u>2,080</u>
Total Expenditures	<u>290,963</u>	<u>231,408</u>	<u>522,371</u>
Excess (deficiency) of revenues over expenditures	92,612	49,413	142,025
Fund balance, October 1, 1998	<u>407,136</u>	<u>242,844</u>	<u>649,980</u>
Fund balance, September 30, 1999	<u>\$ 499,748</u>	<u>\$ 292,257</u>	<u>\$ 792,005</u>

The accompanying notes are an integral part of the financial statements

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EXHIBIT "C"

SCHEDULE 5-A  
CITY OF PETAL, MISSISSIPPI  
TRUST AND AGENCY FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 1999

	Benefit Fund	Insurance Revolving Fund	Tax Collector's Fund	Payroll Clearing Fund	Totals (Memorandum Only)
<b>ASSETS</b>					
Cash in bank	\$ 45,233	\$ 14,686	\$ 1,939	\$ 3,063	\$ 64,921
<b>LIABILITIES</b>					
Due to other governments	\$ -	\$ -	\$ 1,934	\$ -	\$ 1,934
Due to other funds	-	-	5	-	5
Payroll taxes withheld	-	-	-	3,063	3,063
Deferred benefits payable	45,233	-	-	-	45,233
Total Liabilities	45,233	-	1,939	3,063	50,235
<b>FUND BALANCE</b>					
Reserved	-	14,686	-	-	14,686
Total liabilities and fund balance	\$ 45,233	14,686	\$ 1,939	\$ 3,063	\$ 64,921

The accompanying notes are an integral part of the financial statements

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SCHEDULE 5-B  
CITY OF PETAL, MISSISSIPPI  
TRUST AND AGENCY FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

	Insurance Revolving Fund
<b>REVENUES</b>	
Interest earned	\$ 235
<b>EXPENDITURES</b>	
Excess of revenue over expenditures	235
Fund balance - October 1, 1998	14,451
Fund balance - September 30, 1999	\$ 14,686

The accompanying notes are an integral part of the financial statements

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**CITY OF PETAL  
MINUTE BOOK 19**

**CITY OF PETAL, MISSISSIPPI  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 1999**

**EXHIBIT "C"**

	Water and Sewer Fund	Solid Waste Fund	Total (Memorandum Only)
<b>ASSETS</b>			
Cash	\$ 472,869	\$ 38,825	\$ 511,694
Receivables	81,366	36,993	118,359
Accounts	34,126	15,684	49,810
Other	35,512	-	35,512
Inventory	1,266	99	1,365
Prepaid expense	92,320	14,547	106,867
Due from other funds			
Restricted assets			
Debt service	79,543	-	79,543
Bond contingency	5,100	-	5,100
Bond depreciation	5,099	-	5,099
Bond cushion	82,804	-	82,804
Facility repair	122,661	-	122,661
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	325,123	6,684	331,807
Accumulated depreciation	(2,409,915)	(6,684)	(2,416,599)
Bond issuance cost	26,771	-	26,771
Accumulated amortization	(12,828)	-	(12,828)
Capitalized interest	24,666	-	24,666
Assets held under capital lease	76,539	-	76,539
<b>Total assets</b>	<b>\$ 4,502,878</b>	<b>\$ 106,148</b>	<b>\$ 4,609,026</b>

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**SCHEDULE 6-A (Continued)  
CITY OF PETAL, MISSISSIPPI  
ENTERPRISE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 1999**

	Water and Sewer Fund	Solid Waste Fund	Total Memorandum Only)
<b>LIABILITIES</b>			
Accounts payable	\$ 57,256	\$ 30,464	\$ 87,720
Due to other funds	102,243	-	102,243
Customer deposits	111,341	-	111,341
Accrued interest	8,615	-	8,615
Revenue bonds payable	915,000	-	915,000
Abatement note payable	811,455	-	811,455
Accrued expenses	3,920	230	4,150
Obligation under capital leases	58,697	-	58,697
<b>Total Liabilities</b>	<b>2,068,527</b>	<b>30,694</b>	<b>2,099,221</b>
<b>FUND EQUITY</b>			
Contributed capital	128,951	47,935	176,886
Reserved for debt service	443,385	-	443,385
Reserved for repair and replacement	122,957	-	122,957
Unreserved	1,739,058	27,519	1,766,577
<b>Total Fund Equity</b>	<b>2,434,351</b>	<b>75,454</b>	<b>2,509,805</b>
<b>Total Liabilities and Equity</b>	<b>\$ 4,502,878</b>	<b>\$ 106,148</b>	<b>\$ 4,609,026</b>

The notes are an integral part of the financial statements.

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**SCHEDULE 6-B  
CITY OF PETAL, MISSISSIPPI  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN RETAINED EARNINGS  
SEPTEMBER 30, 1999**

	Water and Sewer Fund	Solid Waste Fund	Total (Memorandum Only)
<b>Operating Revenues</b>			
Charges for services	\$ 744,321	\$ 374,571	\$ 1,118,892
Tap fees	11,845	-	11,845
Connect fees	6,224	-	6,224
Sewer treatment charges	100,761	-	100,761
Interest earned	28,142	793	28,935
Other income	72,595	-	72,595
<b>Total revenue</b>	<b>913,888</b>	<b>375,364</b>	<b>1,289,252</b>
<b>Operating Expenses</b>			
Personnel costs	253,068	16,072	269,140
Supplies and materials	70,215	1,646	71,861
Contractual services	51,677	353,377	405,054
Repairs and maintenance	158,430	-	158,430
Utilities	57,467	-	57,467
Depreciation and amortization	185,512	-	185,512
Sewer treatment	74,133	-	74,133
General and administration	15,084	41	15,125
<b>Total operating expense</b>	<b>865,586</b>	<b>371,136</b>	<b>1,236,722</b>
Operating income (loss)	48,302	4,228	52,530
Other sources (uses)			
Sale of fixed assets	12,230	-	12,230
Transfers in	999,511	-	999,511
Transfers (out)	(999,511)	-	(999,511)
Interest expense	(102,768)	-	(102,768)
<b>Total other sources (uses)</b>	<b>(90,538)</b>	<b>-</b>	<b>(90,538)</b>
(Operating income and other sources (uses))	(42,236)	4,228	(38,008)
Retained earnings October 1, 1998	2,347,636	21,291	2,370,927
Retained earnings September 30, 1999	<b>\$ 2,305,400</b>	<b>\$ 27,519</b>	<b>\$ 2,332,919</b>

The notes are an integral part of these statements.

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**EXHIBIT** SCHEDULE 6-C  
CITY OF PETAL, MISSISSIPPI  
PROPRIETARY FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
SEPTEMBER 30, 1999

	Water and Sewer Fund	Solid Waste Fund	Total (Memorandum Only)
Cash flows from operating activities:			
Cash received from customers	\$ 849,863	\$ 362,835	\$ 1,212,698
Cash paid to suppliers	(423,092)	(352,469)	(775,561)
Cash paid to employees	(253,852)	(16,072)	(269,924)
Net cash provided (used) by operating activities	<u>172,919</u>	<u>(5,706)</u>	<u>167,213</u>
Cash flows from non-capital financing activities:			
Operating transfers in	999,511	-	999,511
Operating transfers out	(999,511)	-	(999,511)
Net cash provided by non-capital financing activities	-	-	-
Cash flows from capital and related financing activities:			
Sale of capital assets	14,485	-	14,485
Acquisition of capital assets	(59,414)	-	(59,414)
Proceeds of capital leases	36,147	-	36,147
Principal paid on bonds	(85,000)	-	(85,000)
Principal paid on notes	(51,576)	-	(51,576)
Principal paid on capital lease	(8,910)	-	(8,910)
Interest paid	(105,446)	-	(105,446)
Net cash provided (used) by capital and related financing activities	<u>(259,714)</u>	-	<u>(259,714)</u>
Cash flows from investing activities:			
Interest received	28,142	793	28,935
Net increase (decrease) in cash	(58,653)	(4,913)	(63,566)
Cash balance - October 1, 1998	826,730	43,738	870,468
Cash balance - September 30, 1999	<u>\$ 768,077</u>	<u>\$ 38,825</u>	<u>\$ 806,902</u>

The notes are an integral part of these statements.

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SCHEDULE 6-C (continued)  
CITY OF PETAL, MISSISSIPPI  
PROPRIETARY FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
SEPTEMBER 30, 1999

RECONCILIATION OF OPERATING INCOME TO NET CASH  
PROVIDED IN OPERATING ACTIVITIES

	Water and Sewer Fund	Solid Waste Fund	Total (Memorandum Only)
Operating income (loss)	\$ 48,302	\$ 4,228	\$ 52,530
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	182,118	(793)	182,118
Interest earned	(28,142)	(11,736)	(28,935)
Increase (decrease) in accounts receivable	(26,601)	2,716	(23,885)
Increase (decrease) in accounts payable	(2,204)	(121)	(2,325)
Increase (decrease) in accrued expenses	(554)	-	(554)
Net cash provided (used) by operating activities	<u>\$ 172,919</u>	<u>\$ (5,706)</u>	<u>\$ 167,213</u>
Other required disclosures:			
Interest expense	\$ 102,768	-	\$ 102,768
Interest paid	105,446	-	105,446

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

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CITY OF PETAL, MISSISSIPPI

OTHER SUPPLEMENTAL INFORMATION

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EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI  
SCHEDULE OF SURETY BONDS  
SEPTEMBER 30, 1999

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
Priscilla C. Daniel	City Clerk	USF&G	50,000
Jean Marie Ishee	Accounting Clerk	Aetna Life	10,000
Cecelia A. Ireland	Water Department Cashier	Aetna Life	10,000
Ava Pickett	Deputy Clerk	Aetna Life	10,000
Rodney Jarrell	Police Chief	Aetna Life	50,000

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CITY OF PETAL, MISSISSIPPI  
SCHEDULE OF LONG-TERM DEBT  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

Definition and Purpose	Balance Outstanding	Transactions During Fiscal Year		Balance Outstanding
	10/01/98	Issued	Redeemed	9/30/99
General Obligation Bonds				
Separate School District	\$ 920,000	\$ -	\$ 180,000	\$ 740,000
Sewer refunding	810,000	-	255,000	555,000
Refunding	370,000	-	50,000	320,000
Total	<u>2,100,000</u>	-	<u>485,000</u>	<u>1,615,000</u>
Revenue Bonds				
Water and Sewer Series 1993	<u>630,000</u>	-	<u>35,000</u>	<u>595,000</u>
Official Long-term Debt:				
Certificates of participation	425,000	-	30,000	395,000
Sewer abatement note	150,297	-	20,891	129,406
Revolving fund loan	712,733	-	30,684	682,049
Five year note	<u>25,000</u>	-	<u>25,000</u>	-
Total	<u>1,313,030</u>	-	<u>106,575</u>	<u>1,206,455</u>
Capital Lease Payable	<u>187,794</u>	<u>36,147</u>	<u>37,165</u>	<u>186,776</u>
Total	<u>\$ 4,230,824</u>	<u>\$ 36,147</u>	<u>\$ 663,740</u>	<u>\$ 3,603,231</u>

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CITY OF PETAL, MISSISSIPPI  
RECONCILIATION OF ORIGINAL AD VALOREM TAX ROLLS TO FUND COLLECTIONS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999

ADJUSTED ASSESSED VALUATION	ASSESSED VALUE	TAX	
City			
Realty	\$ 17,494,448	\$ -	
Personal-other than auto	3,094,018	-	
Utilities	4,106,045	-	
Auto and mobile home (remitted by county)	-	-	
Total City at 34.01 mills	<u>31,998,093</u>	<u>1,088,735</u>	
Less: Homestead exemption allowed	-	<u>(109,113)</u>	
Add: Homestead reimbursement	-	-	
Total	-	<u>\$ 979,622</u>	
Separate School District			
Realty	42,562,139	-	
Personal-other than auto	15,794,255	-	
Utilities	7,192,790	-	
Auto and mobile home (remitted by county)	15,825,647	-	
Special homestead exemption	<u>(5,802,168)</u>	-	
Total SSD at 58.12 mills	<u>75,578,171</u>	<u>4,302,371</u>	
Less: Homestead exemption allowed	-	<u>(551,001)</u>	
Add: Homestead reimbursement	-	-	
Less: Commissions to county	-	<u>1,839,170</u>	
Total	-	<u>260,150</u>	
To be accounted for	-	<u>(80,785)</u>	
Total	-	<u>\$ 4,988,011</u>	
CREDITS	HOMESTEAD TAXES	REIMBURSEMENT	TOTAL
Collections Allocated To:			
General fund	\$ 586,213	\$ 49,936	\$ 636,149
2.5 million sewer bond fund	271,236	-	271,236
SSD school note	223,165	-	223,165
Library fund	50,668	-	50,668
SSD school note	178,203	-	178,203
School district	<u>1,660,084</u>	-	<u>1,660,084</u>
Totals	<u>\$ 4,249,569</u>	<u>\$ 49,936</u>	<u>4,999,505</u>
Balance represented by:			
Over collected	-	-	<u>(11,472)</u>
Total accounted for	-	-	<u>\$ 4,988,033</u>

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EXHIBIT "C"

CITY OF PETAL, MISSISSIPPI

REPORT TO MANAGEMENT

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Wright, King & Company, P.A.

Certified Public Accountants  
#10 Plaza Drive  
P.O. Box 16433  
Hattiesburg, MS 39402  
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Douglas A. King, CPA  
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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, 1999, and have issued our report thereon dated December 21, 1999. We conducted our audit in accordance with generally accepted auditing standards and the procedures prescribed by the Office of the State Auditor, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We noted certain matters including deficiencies over financial reporting that we do not consider to be reportable conditions. However we believe these matters require the attention of management and are therefore disclosed as follows.

A. Water and Sewer Department

The City did not take an annual inventory of parts and supplies at year-end. An inventory should be taken to insure adequate control over assets.

B. Civic Center

- 1) The cash receipts could not be reconciled to the contracts and deposits. Booking should be reconciled to cash receipts and deposits monthly to insure adequate control over assets.
- 2) The Civic Center director should submit a monthly report to the Board of Alderman detailing the month's activity.

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Management Report  
Page 2  
December 21, 1999

C. Legal Compliance

- 1) The City's cash balance was undercollateralized by \$287,962 in violation of state statute. No penalty, however, results from such violation.
- 2) State statutes provide for a ten percent limitation on increased property tax revenue over the prior years receipts. Should tax receipts exceed the ten percent cap, the excess collections should be escrowed and applied to the following years tax revenues. The City's tax revenues exceeded the cap for the year ended September 30, 1999 and was not escrowed.

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

Sincerely,

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

WRIGHT, KING & COMPANY, P.A.  
Hattiesburg, Mississippi  
December 21, 1999

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EXHIBIT "D"

# GUN INVENTORY

## GLOCK 21 45CAL PISTOLS

SERIAL NUMBERS	MAGS.	OFFICER	DATE
KS784US	3	HOWELL	12/15/99
KS785US	3	ELLIS	12/15/99
KS786US	3	BASSETT	12/15/99
KS787US	3	MCCREARY	12/15/99
KS788US	3	GRIFFIN	12/15/99
KS789US	3	KING	12/15/99
KS790US	3	HAITT	12/15/99
KS791US	3	SHELBOURN	12/15/99
KS792US	3	MCBRAYER	12/15/99
KS793US	3	KINSEY	12/15/99
KS794US	3	MORSE	12/17/99
KS795US	3	BLOUNT	12/17/99
KS796US	3	K. COURTNEY	12/22/99
KS797US	3	K.WADE	01/05/2000

EXHIBIT "D"

*Weapons Turned In*

GUNS

SERIAL NUMBER PAJ1401	TYPE AND MODLE S&W 40 CAL 40F	ASSIGNED TO TURNED IN 12-29-99
<del>SERIAL NUMBER TYF8616</del>	TYPE AND MODLE S&W 40CAL 4006	ASSIGNED TO TURNED IN 12-29-99
SERIAL NUMBER TYF8583	TYPE AND MODLE S&W 40CAL 4006	ASSIGNED TO KELLY COURTNEY
SERIAL NUMBER TYA5963	TYPE AND MODLE S&W 40CAL 4006	ASSIGNED TO MICHAEL BLOUNT
SERIAL NUMBER TYF8493	TYPE AND MODLE S&W 40CAL 4006	ASSIGNED TO TURNED IN 12-29-99
SERIAL NUMBER TYF8946	TYPE AND MODLE S&W 40CAL 4006	ASSIGNED TO TURNED IN 12-30-99
SERIAL NUMBER TYF8953	TYPE AND MODLE S&W 40CAL 4006	ASSIGNED TO TURNED IN 11-12-99
L NUMBER TYF8562	TYPE AND MODLE S&W 40 CAL 4006	ASSIGNED TO TURNED IN 12-31-99
SERIAL NUMBER TYF8532	TYPE AND MODLE S&W 40CAL 4006	ASSIGNED TO TURNED IN 12-29-99
SERIAL NUMBER TZK8957	TYPE AND MODLE S&W 40CAL 4006	ASSIGNED TO TURNED IN 12-29-99
SERIAL NUMBER PAZ7051	TYPE AND MODLE S&W 40CAL 40F	ASSIGNED TO TURNED IN
SERIAL NUMBER TYA5922	TYPE AND MODLE S&W 40CAL 4006	ASSIGNED TO
SERIAL NUMBER TYF8972	TYPE AND MODLE S&W 40CAL 4006	ASSIGNED TO TURNED IN 12-31-99
SERIAL NUMBER TYF8642	TYPE AND MODLE S&W 40CAL 4006	ASSIGNED TO

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