

BE IT REMEMBERED THAT THERE WAS BEGUN AND HELD THE REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI ON FEBRUARY 18, 2003 AT 7:00 P.M. IN THE BOARDROOM OF SAID CITY.

THOSE PRESENT	MAYOR TONY PHILLIPS
CITY ATTORNEY	THOMAS W TYNER
ALDERMEN	MICHAEL W DRAUGHN WILLIE W HINTON JOE C MCMURRY, SR STEVE STRINGER WILLIAM A TRAVIS
OTHERS PRESENT	RANDY MEADOWS BRENDA TURNER JOEY ROBERTS TRUMAN ROBERTS MELISSA SCOTT

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

THE INVOCATION WAS OFFERED BY ALDERMAN JOE C MCMURRY, SR.

WHEREAS, MAYOR PHILLIPS PRESENTED THE AGENDA WITH THE FOLLOWING CHANGES:

VII. OLD BUSINESS

1. REQUEST TO REFUND TOMMY HILL FOR OVERPAYMENT OF JUDICIAL BOND
2. RANDY MEADOR'S REQUEST TO ADDRESS THE BOARD ON STORMWATER PHASE II

XI. ORDERS AND ORDINANCES

8. REQUEST TO REASSIGN JOEY SCOTT TO METRO DIVISION EFFECTIVE MARCH 5, 2003
9. REQUEST TO HIRE KENNY ANDREWS AS A LABORER IN THE STREET DEPARTMENT AT \$6.25 PER HOUR

THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO ADOPT THE AGENDA AS AMENDED. ALDERMAN TRAVIS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS PRESENTED THE MINUTES OF THE REGULAR MEETING OF FEBRUARY 4, 2003 AND SPECIAL MEETING OF FEBRUARY 11, 2003.

THEREUPON, ALDERMAN STRINGER MADE A MOTION THAT THE MINUTES OF THE REGULAR MEETING OF FEBRUARY 4, 2003 AND SPECIAL MEETING OF FEBRUARY 11, 2003 BE ACCEPTED AS WRITTEN. ALDERMAN MCMURRY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS CALLED FOR PUBLIC COMMENT.

THERE WAS NONE.

WHEREAS, MAYOR PHILLIPS PRESENTED A REQUEST FROM THE JUDICIAL DEPARTMENT TO REFUND TOMMY HILL \$35.00 FOR OVERPAYMENT.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO REFUND TOMMY HILL \$35.00 FOR OVERPAYMENT TO THE JUDICIAL DEPARTMENT. ALDERMAN MCMURRY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

THEREUPON, RANDY MEADOR'S , NEEL-SCHAFFER, INC., ADDRESSED THE BOARD ON THE STORMWATER PHASE II.

THEREUPON, DIANE MCCARDLE ADDRESSED THE BOARD TO PRESENT PROPOSALS FROM THE MACEDONIA VOLUNTEER FIRE DEPARTMENT TO PURCHASE OR LEASE THE FIRE DEPARTMENT BUILDING ON HWY 42.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO TAKE THE MATTER UNDER ADVISEMENT. ALDERMAN MCMURRY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

THEREUPON, BRENDA BATES TURNER ADDRESSED THE BOARD ON APPOINTING A SCHOOL BOARD MEMBER. SHE JUST WANTED THE BOARD TO LOOK AT THE APPLICATIONS AND MAKE THE RIGHT DECISION ON APPOINTING A NEW SCHOOL BOARD MEMBER.

THEREUPON, HOWELL STEPHENS ADDRESSED THE BOARD ON LEAVING HIS FIREWORK STANDS IN THE CITY LIMITS NOW THAT SPRINGFIELD ROAD IS IN THE ANNEXED AREA. HE WOULD LIKE TO HAVE AT LEAST TWO YEARS SO HE CAN FIND ANOTHER LOCATION FOR HIS FIREWORK STANDS.

THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO TAKE THE MATTER UNDER ADVISEMENT UNTIL THEY CAN GO AND LOOK AT THE SITUATION ON HWY 42. ALDERMAN DRAUGHN SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

THEREUPON, JOEY ROBERTS ADDRESSED THE BOARD CONCERNING ZERO LOT LINE IN THE SUBDIVISION HE IS DEVELOPING IN TRAIL WOOD SUBDIVISION.

THEREUPON, JEAN HOLLINGSWORTH ADDRESSED THE BOARD IN REFERENCE TO PUTTING A DOUBLE-WIDE MOBILE HOME ON THE PROPERTY AT 226 CEDAR STREET. THE HOUSE THEY ARE LIVING IN AT THAT LOCATION IS FALLING IN.

THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO TAKE UNDER ADVISEMENT UNTIL DAN TOLBERT, BUILDING INSPECTOR, CAN GO AND LOOK AT THE HOUSE. ALDERMAN STRINGER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

WILLIE W HINTON
ABSENT

ALDERMAN MICHAEL W DRAUGHN

WHEREAS, MAYOR PHILLIPS PRESENTED A REQUEST FROM PETAL UNITED METHODIST CHURCH TO HOST 4TH OF JULY COMMUNITY PATRIOTIC CELEBRATION AT RELAY PARK ON JULY 1, 2003.

THEREUPON, ALDERMAN STRINGER MADE A MOTION FOR PETAL UNITED METHODIST CHURCH TO HOST A 4TH OF JULY COMMUNITY PATRIOTIC CELEBRATION AT RELAY PARK ON JULY 1, 2003. ALDERMAN MCMURRY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIAM A TRAVIS

WHEREAS, DOUG KING, CPA, WRIGHT & KING, CPA, PRESENTED THE CITY'S AUDITOR REPORT FOR THE FISCAL YEAR 2001-2002.

SEE EXHIBIT "A"

AUDIT REPORT

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

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

ABSENT

ALDERMAN JOE C MCMURRY, SR

WHEREAS, MAYOR PHILLIPS PRESENTED A REQUEST TO EXTEND SYLVIA TRUITT'S SERVICE ON THE SCHOOL BOARD FOR THE MONTH OF MARCH.

THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO EXTEND SYLVIA TRUITT'S SERVICE ON THE SCHOOL BOARD FOR THE MONTH OF MARCH, 2003. ALDERMAN DRAUGHN SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS PRESENTED A REQUEST TO PURCHASE A \$100.00 AD FROM THE AMERICAN LEGION AUXILIARY FOR THE GIRLS STATE PROGRAM.

NO ACTION TAKEN.

WHEREAS, MAYOR PHILLIPS PRESENTED A REQUEST FROM THE PETAL GIRLS SOFTBALL ASSOCIATION FOR THE CITY TO RENEW THE FOUR SIGNS ON THE SOFTBALL FIELDS AT SUNRISE FOR \$100.00 EACH.

THEREUPON, ALDERMAN MCMURRY MADE A MOTION FOR THE CITY TO PAY \$300.00 TO THE PETAL GIRLS SOFTBALL ASSOCIATION TO RENEW THE SIGNS AT SUNRISE. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR

THOSE PRESENT AND VOTING "NAY"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIAM A TRAVIS

ABSENT

ALDERMAN STEVE STRINGER

THEREUPON, THE VOTE HAVING BEEN TWO (2) FOR AND TWO (2) AGAINST THE RENEWING OF THE SIGNS AT SUNRISE COMPLEX, THE MAYOR CAST A VOTE IN FAVOR OF RENEWING THE SIGNS TO BREAK THE TIE VOTE; AND THEREFORE, THE MOTION HAVING RECEIVED THE AFFIRMATIVE VOTE OF A MAJORITY OF THE MEMBERS PRESENT, THE MAYOR DECLARED THE MOTION CARRIED.

WHEREAS, MAYOR PHILLIPS PRESENTED A REQUEST FROM PEARL RIVER COMMUNITY COLLEGE TO PURCHASE AN AD IN 2003 RIVER EXTRAVAGANZA COOKBOOK.

NO ACTION TAKEN.

WHEREAS, MAYOR PHILLIPS PRESENTED THE FOLLOWING PROOFS OF PUBLICATIONS:

- A. NOTICE TO BIDDERS—FIRETRUCK
- B. REQUEST FOR PROPOSAL TO PROVIDE APPLICATION PREPARATION AND ADMINISTRATIVE SERVICE FOR 2003 HOME PROGRAM
- C. ORDINANCE NO 1979 (42-A118) MOBILE HOME ORDINANCE
- D. RESOLUTION AUTHORIZING EMINENT DOMAIN
- E. H C CLEARMAN ZONING HEARING
- F. ORDINANCE NO 1984 (57) G RECONNECT AND RETURN CHECK FEES
- G. SCHOOL BOARD NOMINATION APPLICATIONS
- H. HOME PROGRAM PUBLIC HEARING NOTICE

THEREUPON, ALDLERMAN MCMURRY MADE A MOTION THAT THE FOREGOING PROOFS OF PUBLICATION BE ACCEPTED AND FILED. ALDERMAN DRAUGHN SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS PRESENTED THE PRIVILEGE LICENSE REPORT FOR THE MONTH OF JANUARY 2003.

THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO ACCEPT THE PRIVILEGE LICENSE REPORT FOR THE MONTH OF JANUARY 2003. ALDERMAN STRINGER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS PRESENTED A REQUEST FROM CITY CLERK TO WRITE OFF SOME OLD CHECKS.

SEE EXHIBIT "B"

LIST OF OLD CHECKS

THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO AUTHORIZE CITY CLERK TO WRITE OFF CERTAIN OLD CHECKS. ALDERMAN STRINGER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS PRESENTED A REQUEST TO ACCEPT A \$10,000.00 DONATION FROM FORREST COUNTY BOARD OF SUPERVISORS LYNN CARTLIDGE FOR PETAL SOFTBALL/BASEBALL FIELDS IMPROVEMENT.

THEREUPON, ALDERMAN DRAUGHN MADE A MOTION TO ACCEPT THE DONATION FOR \$10,000.00 FROM FORREST COUNTY BOARD OF SUPERVISORS LYNN CARTLIDGE TO BE USED ON IMPROVEMENTS OF THE PETAL BASEBALL/SOFTBALL FIELDS AT CITY PARK. ALDERMAN TRAVIS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS PRESENTED A REQUEST TO DISCUSS NOT ALLOWING PETS AT THE RELAY PARK.

NO ACTION TAKEN.

WHEREAS, MAYOR PHILLIPS PRESENTED A REQUEST FOR OFFICERS DANIEL BENOIT AND DARIN MCCREARY TO ATTEND THE USPCA NARCOTICS AND PATROL CERTIFICATION TRIALS IN BROOKHAVEN, MS MARCH 9-14, 2003.

THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO AUTHORIZE OFFICERS DANIEL BENOIT AND DARIN MCCREARY TO ATTEND THE USPCA NARCOTICS AND PATROL CERTIFICATION TRIALS IN BROOKHAVEN, MS MARCH 9-14, 2003 WITH NO COST TO THE CITY. ALDERMAN DRAUGHN SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS PRESENTED THE FOLLOWING ORDER INCREASING RICKY WALLEY'S PAY.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN, UPON THE RECOMMENDATION OF DALE NUTTING, DO HEREBY DEEM IT NECESSARY TO GIVE RICKY WALLEY HIS ANNUAL RAISE.

IT IS HEREBY ORDERED THAT RICKY WALLEY BE GIVEN A RAISE TO \$8.92 PER HOUR EFFECTIVE FEBRUARY 27, 2003.

SO ORDERED ON THIS THE 18TH DAY OF FEBRUARY, 2003.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN MCMURRY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

ALDERMAN MICHAEL W DRAUGHN

WHEREAS, MAYOR PHILLIPS PRESENTED THE RESIGNATION OF ANN BURCH, PAYROLL CLERK, EFFECTIVE FEBRUARY 4, 2003.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ACCEPT THE RESIGNATION OF ANN BURCH, PAYROLL CLERK. ALDERMAN MCMURRY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS PRESENTED THE FOLLOWING ORDERS HIRING TWO OFFICERS IN THE POLICE DEPARTMENT.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN, UPON THE RECOMMENDATION OF CHIEF LEE SHELBOURN, DO HEREBY DEEM IT NECESSARY TO HIRE A FULL TIME POLICE

OFFICER IN THE POLICE DEPARTMENT.

IT IS HEREBY ORDERED THAT BRIAN
AUST BE HIRED AS 1ST CLASS OFFICER IN THE
POLICE DEPARTMENT AT A RATE OF \$23,600.00
ANNUAL EFFECTIVE MARCH 5, 2003.

SO ORDERED ON THIS THE 18TH DAY OF
FEBRUARY, 2003.

ORDER

WHEREAS, MAYOR AND BOARD OF
ALDERMAN OF THE CITY OF PETAL, MISSISSIPPI
DO HEREBY DEEM IT NECESSARY TO HIRE A FULL
TIME POLICE OFFICER IN THE POLICE DEPARTMENT.

IT IS HEREBY ORDERED THAT DAVID
WARD BE HIRED AS 3RD CLASS OFFICER IN THE
POLICE DEPARTMENT AT A RATE OF \$21,600.00
ANNUAL EFFECTIVE MARCH 5, 2003.

SO ORDERED ON THIS THE 18TH DAY OF
FEBRUARY, 2003.

THEREUPON, ALDERMAN DRAUGHN MADE A MOTION TO ADOPT THE FOREGOING
ORDER. ALDERMAN TRAVIS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS PRESENTED A REQUEST FROM TOM HARDGES,
RECREATION DIRECTOR, TO GIVE DEXTER BENDER A RAISE.

ORDER

WHEREAS, MAYOR AND BOARD OF
ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI
DO HEREBY DEEM IT NECESSARY TO GIVE DEXTER
BENDER A SALARY INCREASE OF .24 PER HOUR.

IT IS HEREBY ORDERED THAT DEXTER BENDER
BE GIVEN A RAISE TO \$6.49 PER HOUR EFFECTIVE
FEBRUARY 19, 2003.

SO ORDERED ON THIS THE 18TH DAY OF
FEBRUARY, 2003.

THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO ADOPT THE FOREGOING
ORDER. ALDERMAN STRINGER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

ALDERMAN MICHAEL W DRAUGHN

WHEREAS, MAYOR PHILLIPS PRESENTED A REQUEST FROM TOM HARDGES,
RECREATION DIRECTOR, TO GIVE A J HOLMES A RAISE BASED ON PERFORMANCE.

NO ACTION TAKEN.

WHEREAS, MAYOR PHILLIPS PRESENTED A REQUEST FROM TOM HARDGES,
RECREATION DIRECTOR, TO GIVE LURA HUFFMAN A RAISE BASED ON PERFORMANCE.

NO ACTION TAKEN.

WHEREAS, MAYOR PHILLIPS PRESENTED A REQUEST FROM TOM HARDGES, RECREATION DIRECTOR, TO GIVE MARLON RICHARDSON A RAISE BASED ON PERFORMANCE.

NO ACTION TAKEN.

WHEREAS, MAYOR PHILLIPS PRESENTED A REQUEST TO TRANSFER OFFICER JOEY SCOTT TO THE METRO UNIT.

ORDER

WHEREAS, MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY TO TRANSFER 3RD CLASS OFFICER JOEY SCOTT TO THE METRO NARCOTIC UNIT.

IT IS HERBY ORDERED THAT 3RD CLASS OFFICER JOEY SCOTT BE TRANSFERRED TO THE METRO NARCOTICS UNIT AT A RATE OF \$25,100.00 EFFECTIVE MARCH 5, 2003.

SO ORDERED ON THIS THE 18TH DAY OF FEBRUARY, 2003.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ADOPT THE FOREGOING ORDER TRANSFERRING OFFICER JOEY SCOTT TO THE METRO NARCOTICS UNIT. ALDERMAN TRAVIS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS PRESENTED THE FOLLOWING ORDER HIRING KENNY ANDREWS IN THE STREET DEPARTMENT.

ORDER

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

IT IS HEREBY ORDERED THAT KENNY ANDREWS BE HIRED IN THE STREET DEPARTMENT AS A LABORER AT A RATE OF \$6.25 PER HOUR.

SO ORDERED ON THIS THE 18TH DAY OF FEBRUARY, 2003.

THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN DRAUGHN SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS PRESENTED THE FOLLOWING RESOLUTION FOR THE LEASE-PURCHASE AGREEMENT WITH FIRST CONTINENTAL LEASING.

SEE EXHIBIT "C"

RESOLUTION AUTHORIZING AND APROVING EXECUTION
OF AN EQUIPMENT LEASE-PURCHASE AGREEMENT WITH
FIRST CONTINENTAL LEASING, A DIVISION OF BANK OF
MISSISSIPPI FOR THE PURPOSE OF LEASE-PURCHASING
CERTAIN EQUIPMENT

THREEUPON, ALDERMAN TRAVIS MADE A MOTION TO TAKE UNDER ADVISEMENT.
ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS PRESENTED A RESOLUTION FOR CERTIFICATION FOR
COMPLIANCE WITH THE MISSISSIPPI UNIFIED CERTIFICATION PROGRAM.

SEE EXHIBIT "D"

RESOLUTION FOR CERTIFICATION FOR COMPLIANCE
WITH THE MISSISSIPPI UNIFIED
CERTIFICATION PROGRAM

THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO ADOPT THE FOREGOING
RESOLUTION. ALDERMAN STRINGER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS PRESENTED A PROCLAMATION DECLARING
FEBRUARY 28, 2003 AS "NEA'S READ ACROSS AMERICA."

SEE EXHIBIT "E"

PROCLAMATION

THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO ADOPT THE FOREGOING
PROCLAMATION. ALDERMAN DRAUGHN SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS REQUESTED AN EXECUTIVE SESSION TO DISCUSS
PERSONNAL MATTERS.

THEREUPN, ALDERMAN STRINGER MADE A MOTION TO CLEAR THE ROOM IN
ORDER TO DECIDE IF AN EXECUTIVE SESSION IS NEEDED. ALDERMAN TRAVIS SECONDED
THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

MAYOR PHILLIPS REOPENED THE MEETING.

THEREUPON, ALDERMAN HINTON MADE A MOTION TO ENTER INTO EXECUTIVE SESSION TO DISCUSS PERSONNEL MATTERS. ALDERMAN MCMURRY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

THEREUPON, ALDERMAN TRAVIS MADE A MOTION TO ADJOURN THE EXECUTIVE SESSION. ALDERMAN STRINGER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

NO ACTION TAKEN IN EXECUTIVE SESSION.

THEREUPON, ALDERMAN HINTON MADE A MOTION TO RECESS THIS MEETING UNTIL 4:30 P.M., THURSDAY, FEBRUARY 20, 2003. ALDERMAN TRAVIS SECONDED THE MOTION.


THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

THEREBEING NO FURTHER BUSINESS OF THE REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI WAS RECESSED ON THIS THE 18TH DAY OF FEBRUARY, UNTIL 4:30 P.M. ON FEBRUARY 20, 2003.



TONY PHILLIPS
MAYOR

SEAL

ATTEST:



JEAN ISHEE
CITY CLERK

EXHIBIT "A"

CITY OF PETAL, MISSISSIPPI
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

CITY OF PETAL, MISSISSIPPI
GENERAL PURPOSE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2002

PUBLIC OFFICIALS

Tony Phillips
Mayor

Jean Ishee
City Clerk

Members of Board of Aldermen
Willie Hinton - Alderman at Large
William A. Travis - Alderman, Ward I
Steve Stringer - Alderman, Ward II
Joe C. McMuery, Sr. - Alderman, Ward III
Michael W. Draughn - Alderman, Ward IV

CITY OF PETAL, MISSISSIPPI
TABLE OF CONTENTS

Trust and Agency Funds	
Schedule 3-A - Combining Balance Sheet	48
Schedule 3-B - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	49
Enterprise Funds	
Schedule 4-A - Combining Balance Sheet	50
Schedule 4-B - Combining Statement of Revenues, Expenditures and Changes in Retained Earnings	52
Schedule 4-C - Combining Statement of Cash Flows	53
Schedule of Surety Bonds	56
Reconciliation of Original Ad Valorem Tax Rolls to Fund Collections	57
Independent Auditors' Report on Compliance and Internal Control Over Financial Reporting Based on an Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards	58
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	61
Independent Auditor's Report on Compliance with State Laws and Regulations	64
Schedule of Findings and Questioned Costs	67
Auditor's Reports	
Auditor's Corrective Action Plan	69
Auditor's Summary of Prior Audit Plan	71
Report to Management	73

CITY OF PETAL, MISSISSIPPI

FINANCIAL AUDIT REPORT

CITY OF PETAL, MISSISSIPPI
TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT	6
FINANCIAL REPORT	
Exhibit A - Combined Balance Sheet - All Fund Types and Account Groups	9
Exhibit B - Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds	11
Exhibit C-1-C Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP) and Actual-All Governmental and Proprietary Fund Types	13
Exhibit C-2-C Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP) and Actual-All Governmental and Proprietary Fund Types	16
Exhibit C-3-C Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP) and Actual-All Governmental and Proprietary Fund Types	17
Exhibit C-4-C Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP) and Actual-All Governmental and Proprietary Fund Types	18
Exhibit C-5-C Combined Statement of Revenues, Expenditures and Changes in Fund Balances Budget (Non-GAAP) and Actual-All Governmental and Proprietary Fund Types	19
Exhibit D - Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types	20
Exhibit E - Combined Statement of Cash Flows - All Proprietary Fund Types	21
NOTES TO FINANCIAL STATEMENTS	23
SUPPLEMENTAL INFORMATION	
Special Revenues Funds	
Schedule 1-A - Combining Balance Sheet	22
Schedule 1-B - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	23
Debt Service Funds	
Schedule 2-A - Combining Balance Sheet	24
Schedule 2-B - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	25
Capital Projects Funds	
Schedule 3-A - Combining Balance Sheet	26
Schedule 3-B - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	27



American Institute of Certified Public Accountants #10 Plaza Drive - P. O. Box 16433 - Hattiesburg, MS 39404-6433
Phone 801-268-2135 - Fax 801-261-3922
www.wrightking.com

INDEPENDENT AUDITOR'S REPORT

January 9, 2003

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, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. 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 statements 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, 2002, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

EXHIBIT "A"

Independent Auditors' Report
Page Two
January 9, 2003

In accordance with Government Auditing Standards, we have also issued our report dated January 9, 2003 on our consideration of the City of Petal's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the City of Petal, Mississippi. Such information has been 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

WRIGHT & KING, CPA's
Hattiesburg, Mississippi
January 9, 2003

CITY OF PETAL, MISSISSIPPI

GENERAL PURPOSE FINANCIAL STATEMENTS

EXHIBIT A
CITY OF PETAL, MISSISSIPPI
COMBINED BALANCE SHEET
SEPTEMBER 30, 2002

	Capital	Special Revenue	Debt Proceeds	Federal Grants	Estimates	Trust and Assets	General Fund Assets	General Fund Liabilities	Fund Balances
ASSETS AND OTHER DEBITS									
Cash and other deposits	\$ 422,662	\$ 152,007	\$ 21,000	\$ 162,500	\$ 224,408	\$ 60,000			\$ 1,042,577
Investments		1,000,000	200,000	200,000					1,400,000
Accounts receivable					30,000				30,000
Unmatured Income					492,216				492,216
Franchise fees receivable	39,415								39,415
Other receivables		2,315				2,310			4,625
Due from other governments	129,740								129,740
Due from other funds	76,196				140,129				216,325
Inventory, at cost					10,000				10,000
Restricted assets					461,547				461,547
Fund assets					2,866,508		1,280,000		11,253,499
Other assets									
Amounts available for long-term debt								273,900	273,900
Amounts to be provided for retirement of general long-term debt								1,482,400	1,482,400
Capitalized interest and bond costs (net)					28,327				28,327
Total Assets and Other Debits	\$ 883,612	\$ 1,154,014	\$ 212,000	\$ 362,500	\$ 3,522,596	\$ 660,000	\$ 1,280,000	\$ 1,756,300	\$ 13,011,706
LIABILITIES AND OTHER CREDITS									
Accounts payable	83,678	13,671		5,000	82,120				184,469
Due to other funds	9,455	1	30	1,571	110,578	46,440			181,575
Other payables	3,497				647				4,144
Customer deposits					20,555				20,555
Unmatured bonds payable					473,000				473,000
General obligation bonds payable					740,000		1,345,000		1,485,000
Negotiable notes payable							63,000		63,000
Advance notes payable					642,997				642,997
Certificate of participation							283,390		283,390

EXHIBIT "A"

EXHIBIT A
CITY OF PETAL, MISSISSIPPI
COMBINED BALANCE SHEET
SEPTEMBER 30, 2002

	General	Special Accounts	Debt Service	Capital Projects	Expendable Trusts	Capital Projects	Expendable Trusts	Total (Memorandum Only)
Severance pay								\$1,000
Changements under capital lease								\$1,100
Total Liabilities and Other Credits	\$ 1,067,752	\$ 1,128,272	\$ 1,100	\$ 1,128,272	\$ 1,068,000	\$ 1,068,000		\$ 1,726,796
FUND ASSETS								
Investment capital				\$ 1,128,272				\$ 1,128,272
Investment in general fund assets					\$ 276,901			\$ 276,901
Unearned earnings								276,901
Accumulated for debt service			276,901					276,901
Accumulated for other purposes			1,068,000					1,068,000
Unassigned			1,068,000					1,068,000
FUND BALANCES								
Reserve for contingencies					18,425			18,425
Reserve for debt service		276,901						276,901
Reserve for other projects			1,068,000					1,068,000
Unassigned	300,000	293,812						593,812
Total Fund Assets	\$ 1,068,000	\$ 293,812	\$ 276,901	\$ 1,128,272	\$ 18,425	\$ 276,901		\$ 1,726,796
Total Liabilities, Other Credits and Fund Assets	\$ 1,068,000	\$ 1,422,084	\$ 276,901	\$ 1,128,272	\$ 18,425	\$ 276,901		\$ 1,726,796

The notes are an integral part of these statements

EXHIBIT B
CITY OF PETAL, MISSISSIPPI
COMBINED STATEMENT OF REVENUES, EXPENDITURES CHANGES IN FUND BALANCE
SEPTEMBER 30, 2002

	General	Special Accounts	Debt Service	Capital Projects	Expendable Trusts	(Memorandum Only)
REVENUES						
Property taxes	\$ 846,001		\$ 281,711			\$ 1,127,714
Fees and charges	2,000					2,000
Licenses and permits	50,248					50,248
Franchise fees	234,797					234,797
Homebased exemption	54,226					54,226
State share revenue						
Sales tax	1,171,018					1,171,018
Intergovernmental						
Gasoline tax	9,735					9,735
Municipal aid	3,950					3,950
Other	7,019	32,284				39,303
Culture and recreation	62,232					62,232
Fees and forfeits	206,057					206,057
Charges for services	3,600					3,600
Interest earned	3,404	2,191	2,055	18,190	776	26,616
Grants	72,077	549,247				621,324
Prior year taxes			13,758			13,758
Other	42,223	129,197				171,420
Total Revenues	2,789,496	812,919	297,524	18,190	776	3,818,905
EXPENDITURES						
General government	\$ 470,898					\$ 470,898
Public safety	1,484,721	31,531				1,516,252
Public works	398,551	4,824				403,375
Health and welfare	36,776					36,776
Culture and recreation	293,193					293,193
Capital Projects		359,135		220,312		579,447
Debt service						
Principal	40,000	21,353	235,400			296,753
Interest	39,769	3,490	74,617			117,876
Agent fees	777		1,878			2,655

EXHIBIT B
CITY OF PETAL, MISSISSIPPI
COMBINED STATEMENT OF REVENUES, EXPENDITURES CHANGES IN FUND BALANCE
SEPTEMBER 30, 2002

Total expenditures	2,762,865	422,335	311,515	220,312		3,717,027
Excess (deficiency) of revenues over expenditures	26,631	390,584	(13,991)	(201,922)	776	(86,943)
Other financing sources (uses)						
Transfers in	1,210	10,000	699			11,909
Transfers out	(10,000)	(3,234)				(13,234)
Proceeds of debt						
Discharge of debt		(7,017)				(7,017)
Insurance proceeds	2,129					2,129
Total other financing sources	(4,661)	(251)	699			(4,213)
Excess (deficiency) of revenues and other sources over expenditures and other uses	21,074	387,333	(13,292)	(201,922)	776	(89,033)
Fund Balance - October 1	567,606	203,477	287,194	801,908	15,649	1,875,834
Fund Balance - September 30	\$ 588,680	\$ 293,812	\$ 273,901	\$599,986	\$ 16,425	\$ 1,770,804

The notes are an integral part of these statements

EXHIBIT "A"

EXHIBIT C-1
CITY OF PETAL, MISSISSIPPI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE
BUDGET (NON-GAAP) AND ACTUAL
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2002

REVENUES	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Property taxes	\$ 859,100	\$ 859,419	\$ 319
Penalties and interest	2,000	2,696	696
Licenses and permits	47,355	50,349	2,994
Franchise fees	230,323	230,322	(1)
Homestead exemption	-	64,888	64,888
State share revenue	-	-	-
Sales tax	1,120,000	1,155,749	35,749
Intergovernmental	-	-	-
Gasoline tax	10,800	9,326	(1,474)
Municipal aid	4,500	1,950	(2,550)
Other	1,125	1,125	-
Culture and recreation	66,355	62,232	(4,123)
Fines and forfeits	126,900	144,516	17,616
Charges for services	7,043	7,381	338
Interest earned	6,800	3,404	(2,396)
Grants	81,000	70,113	(10,887)
Prior year taxes	-	-	-
Other	86,327	78,971	(7,356)
Total Revenues	\$ 2,648,208	\$ 2,714,840	\$ 66,632
EXPENDITURES			
General government			
Personnel services	241,448	252,598	(11,150)
Supplies	21,350	8,003	13,267
Other services and charges	216,000	204,623	11,388
Capital Outlay	7,150	5,317	1,833
Public safety-Police Department			
Personnel services	645,859	652,290	(6,431)
Supplies	52,220	51,039	1,181
Other services and charges	98,050	88,555	9,495
Capital Outlay	59,790	65,361	(5,571)
Public safety-Fire Department			
Personnel services	498,516	492,486	6,030
Supplies	10,650	7,742	2,908
Other services and charges	45,854	42,731	3,123
Capital Outlay	30,008	38,668	(8,660)
Public safety-Building Inspection			
Personnel services	30,549	39,520	(8,971)
Supplies	1,650	620	1,030
Other services and charges	3,302	2,810	492

13

EXHIBIT C-2
CITY OF PETAL, MISSISSIPPI
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP) AND ACTUAL ALL GOVERNMENTAL
AND PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2002

REVENUES	Special Revenue Funds		Variance Favorable (Unfavorable)
	Budget	Actual	
Intergovernmental revenue	\$ 148,300	\$ 160,360	\$ 12,060
Interest earned	636	2,186	1,550
Other	-	1,124	1,124
Total Revenues	148,936	163,670	14,734
EXPENDITURES			
Supplies	2,500	2,449	51
Other services and charges	237,867	27,352	210,515
Capital Outlay	45,100	43,108	1,992
Total expenditures	285,467	73,088	212,379
Excess (deficiency) of revenues over expenditures	(136,531)	90,581	227,092
Other financing sources (uses):			
Transfers In	10,000	10,024	(24)
Total other financing sources	10,000	10,024	(24)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (126,531)	100,606	\$ 227,116
Fund Balance - October 1		203,476	
Net audit adjustments/accruals		(10,270)	
Fund Balance - September 30		\$ 293,212	

The notes are an integral part of these statements

15

EXHIBIT C-3
CITY OF PETAL, MISSISSIPPI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE
BUDGET (NON-GAAP) AND ACTUAL
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2002

REVENUES	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Public works			
Personnel services	229,843	226,528	3,315
Supplies	81,750	60,582	21,168
Other services and charges	104,100	94,449	9,651
Capital Outlay	20,757	17,009	3,748
Health and welfare			
Personnel services	23,038	22,288	750
Supplies	1,465	1,378	87
Other services and charges	11,663	11,611	52
Capital Outlay	1,500	1,499	1
Culture and recreation			
Personnel services	147,165	143,970	3,196
Supplies	31,180	28,451	2,729
Other services and charges	112,739	107,113	5,626
Capital Outlay	14,800	14,350	450
Debt service	67,135	90,705	(23,570)
Total expenditures	2,817,243	2,775,374	41,870
Excess (deficiency) of revenues over expenditures	(189,036)	(60,535)	(128,501)
Other financing sources (uses):			
Proceeds of debt	5,000	2,129	(2,871)
Total other financing sources	5,000	2,129	(2,871)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (184,036)	(58,406)	\$ 125,630
Fund Balance - October 1		565,606	
Net audit adjustments/accruals		105,778	
Fund Balance - September 30		\$ 671,384	

The notes are an integral part of these statements.

14

EXHIBIT C-4
CITY OF PETAL, MISSISSIPPI
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP) AND ACTUAL ALL GOVERNMENTAL
AND PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2002

REVENUES	Debt Service Funds		Variance Favorable (Unfavorable)
	Budget	Actual	
Property taxes	\$ 8,000	\$ 2,056	\$ (5,944)
Interest earned	-	25,716	25,716
Prior year taxes	-	13,259	13,259
Total Revenues	8,000	41,031	33,031
EXPENDITURES:			
Debt Service			
Principal	320,000	235,000	85,000
Interest	91,580	74,638	16,942
Agent fees	2,838	1,879	959
Total expenditures	414,418	311,517	102,901
Excess (deficiency) of revenues over expenditures	(406,417)	(269,986)	(136,432)
Other financing sources (uses):			
Transfers Out	(1,045)	-	(1,045)
Total other financing sources	(1,045)	-	(1,045)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (407,462)	(269,986)	\$ 137,476
Fund Balance - October 1		287,193	
Net audit adjustments/accruals		256,694	
Fund Balance - September 30		\$ 543,887	

16

EXHIBIT "A"

EXHIBIT C-3
CITY OF PETAL, MISSISSIPPI
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP) AND ACTUAL, ALL GOVERNMENTAL
AND PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2002

The notes are an integral part of these statements

	Capital Projects Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
REVENUES:			
Grants	\$741,000	\$ 67,004	\$ (673,996)
Interest earned	30,000	18,199	(11,801)
Other	75	-	(75)
Total Revenues	771,075	85,202	(685,873)
EXPENDITURES:			
Supplies	\$8,000	44,480	36,480
Other services and charges	284,000	117,760	166,240
Capital outlay	455,210	114,879	340,332
Total expenditures	797,210	277,119	520,092
Excess (deficiency) of revenues over expenditures	(20,135)	(201,916)	(181,781)
Other financing sources (uses)	(1,605)	(2,548)	(943)
Total other financing sources	(2,605)	(2,548)	(57)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (22,740)	(204,464)	\$ (181,724)
Fund Balance - October 1		287,231	
Net audit adjustments/accruals		517,218	
Fund Balance - September 30		\$504,449	

The notes are an integral part of these statements

EXHIBIT D
CITY OF PETAL, MISSISSIPPI
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2002

Operating revenues	
Charges for services	\$1,123,094
Fees	9,705
Connect fees	5,328
Sewer treatment charges	29,990
Interest earned	18,172
Other income	9,701
	<u>1,235,990</u>
Operating expenses	
Personnel services	201,134
Supplies and materials	62,941
Contractual services	475,183
Repairs and maintenance	54,859
Utilities	53,085
Depreciation and amortization	194,398
Sewer treatment	92,496
	<u>1,218,306</u>
Operating income (loss)	17,684
Other sources (uses)	
Agent fees	(3,119)
Interest expense	(81,668)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(67,004)
Retained earnings - October 1	2,319,188
Prior period adjustments	
sales tax due others	13,443
accounts receivable	(22,856)
Retained earnings - September 30	<u>\$2,260,671</u>

The notes are an integral part of these statements

EXHIBIT E
CITY OF PETAL, MISSISSIPPI
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2002

Cash flow from operating activities	
Cash received from customers (excluding deposits)	1,237,494
Cash paid to suppliers	(725,361)
Cash paid to employees	(301,138)
Net cash provided (used) by operating activities	210,995
Cash flow from non-capital financing activities	
Operating transfers in	731,640
Operating transfers out	(731,640)
Net cash provided by non-capital financing activities	0
Cash flow from capital and related financing activities	
Principal paid on bonds	(110,000)
Principal paid on notes	(83,613)
Principal paid on capital lease	(12,863)
Agent fees paid	(3,119)
Interest paid	(83,646)
Net cash flows provided (used) by capital and related financing activities	(293,261)
Cash flow from investing activities	
Interest received	18,172
Net increase (decrease) in cash for the year	(64,094)
Cash and restricted cash - October 1, 2001	790,449
Cash and restricted cash - September 30, 2002	726,355

EXHIBIT D
CITY OF PETAL, MISSISSIPPI
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	Enterprise Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Operating Revenue			
Charges for services	\$ 1,187,000	\$ 1,111,581	\$ (75,419)
Tap fees	9,500	9,705	205
Connect fees	8,200	10,975	2,775
Sewer treatment charges	135,946	91,809	(44,138)
Interest earned	8,900	8,693	(207)
Other income	1,800	2,438	638
	<u>1,351,246</u>	<u>1,247,202</u>	<u>(104,044)</u>
Operating Expenses			
Personnel services	311,876	301,144	10,732
Supplies and materials	77,324	82,715	5,391
Contractual services	613,081	619,164	6,083
Capital Outlay	158,500	98,529	60,000
Debt Service	118,609	284,511	165,902
	<u>1,280,990</u>	<u>1,376,063</u>	<u>95,073</u>
Excess (deficiency) of revenues over expenditures	\$ 2,056	(134,746)	(136,802)
Other financing sources (uses)			
Insurance proceeds	6,673	6,673	0
Transfers in	660,295	719,974	59,679
Transfers out	(706,500)	(731,641)	(25,141)
Total other financing sources	(209,536)	(1,994)	(207,542)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ (207,480)	(139,740)	\$ (67,740)
Fund Balance - October 1		2,381,537	
Net audit adjustments/accruals		18,851	
Fund Balance - September 30		\$ 2,260,671	

The notes are an integral part of these statements

EXHIBIT "A"

EXHIBIT E - Continued
CITY OF PETAL, MISSISSIPPI
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2002

RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES

Operating income (loss)	37,682
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	195,259
Interest earned	(18,172)
(Increase) decrease in accounts receivable	4,472
Increase (decrease) in accounts payable	(1,464)
Increase (decrease) in accrued expenses	(3,455)
Net cash provided by operating activities	214,318

The notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

(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. Financial Reporting Entity.

For financial reporting purposes, the reporting entity includes all funds that are covered by the oversight responsibility of the city's board of Aldermen. In evaluating how to define the City for financial reporting purpose, 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
 - Arca Development Partnership
 - Petal Municipal Separate School District

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 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.

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

(1) Summary of Significant Accounting Policies (continued)

B. Financial Reporting

The accompanying financial statements are presented using the concepts of reporting promulgated in Statement 1 of the Governmental Accounting Standards Board. The general purpose financial statements show the basic financial statements of the city by providing a combined overview of financial position and results of operations of the city and the cash flows of the Proprietary Fund Types. The total (memorandum only) columns in these statements are presented for overview information purposes and are not meant to present fairly the financial position and results of operations or consolidated financial information for the city as a whole in conformity with accounting principles generally accepted in the United States of America.

C. Account Classifications

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

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 resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into generic fund types and broad categories as follows:

GOVERNMENTAL FUNDS

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted for specific expenditure purposes.

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

(1) Summary of Significant Accounting Policies (continued)

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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 (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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. These include Expendable Trust and Agency Funds. Expendable Trust Funds are accounted for in essentially the same manner as governmental funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations.

E. Fixed Assets and Long-term Liabilities

The cost incurred for the purchase or construction of general fixed assets is 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. Donated fixed assets are valued at the fair market value or estimates of the fair market value on the date of donation. Infrastructure fixed assets, such as roads, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar assets are not capitalized, as these assets are immovable and of value only to the municipality. No depreciation has been provided on general fixed assets.

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.

EXHIBIT "A"

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

(I) Summary of Significant Accounting Policies (continued)

The account groups are not funds. The concern is only with the measurement of financial position and not the measurement of results of operations.

F. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual or accrual basis of accounting, as appropriate, is used in measuring financial position and operating results.

Governmental fund revenues and expenditures are recognized on the modified accrual basis. Revenues are recognized in the accounting period in which they become available and incurred, if measurable, except for interest on general long-term debt, which is recognized when due.

Proprietary fund revenues and expenses are recognized on the accrual basis. Revenues are recognized in the accounting period in which they are earned and become measurable; expenses are recognized in the period incurred, if measurable.

Fiduciary fund revenues and expenses (as appropriate) are recognized on the basis consistent with the fund's accounting measurement objective. Non-expendable Trust Funds are accounted for on the accrual basis. Expendable Trust Funds are accounted for on the modified accrual basis. Agency Fund assets and liabilities are accounted for on the modified accrual basis.

Transfers are recognized in the accounting period in which the interfund receivable and payable arise.

G. Budgets

The budget is adopted by the Board of Aldermen and filed with the taxing authority. Amendments can be made on the approval of the Board of Aldermen. By statute, final budget and tax levy must be adopted on or before September 15 for the following fiscal year.

For reporting purposes, all budgeted funds are included and are presented on the same basis of accounting as the budget which is consistent with accounting principles generally accepted in the United States of America.

27

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

(I) Summary of Significant Accounting Policies (continued)

H. Cash and Other Deposits

The city deposits excess funds in the financial institutions selected by the Board of Aldermen. Statutes specify how these depositories are to be selected.

Cash consists of amounts on deposit in demand accounts. Other deposits consist of certificates of deposit. Cash and other deposits are valued at cost.

Various restrictions on these deposits are imposed by state statutes. These restrictions are summarized as follows:

All deposits with financial institutions must be collateralized in an amount at least equal to 110% of the amount not insured by the Federal Deposit Insurance Corporation (FDIC) or by the Federal Savings and Loan Insurance Corporation (FSLIC), or any successors to such insurance corporations.

For purposes of the combined statement of cash flows, the city considers the following to be cash equivalents if they have maturity of three months or less when acquired: all highly liquid investments and certificates of deposit.

I. Investments

The city is allowed, by statute, to invest excess funds in any bonds or other direct obligations of the United States of America or the State of Mississippi, or of any county or municipality of this state, when such county or municipal bonds have been properly approved, or in interest-bearing time certificates of deposit or interest-bearing accounts with any financial institution approved for the deposit of state funds; or in any type of investment permitted by Sections 27-105, 134d and 27-105.1 of the Miss. Code Ann. (1972).

For accounting purposes, certificates of deposit and interest-bearing accounts are classified as cash and other deposits.

J. Interfund Loans

Short-term (due within one year) interfund loan receivables are reported as "due from other funds" and are considered available expendable resources.

K. 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 fund reserves used by the city:

28

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

(I) Summary of Significant Accounting Policies (continued)

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

Reserved for repair and replacement - An account that represents the portion of fund balance that is legally restricted for capital improvements.

Reserved for capital projects - An account that represents the portion of fund balance that is legally restricted for capital projects.

Reserved for debt service - An account that represents the fund balance for the Debt Service Fund resources which are legally restricted for the payment of general long-term debt principal and interest amount maturing in future years.

L. 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.

M. 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.

N. 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.

O. 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.

29

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

(2) Cash and Other Deposits

Cash and Other Deposits

The collateral for public entities' deposits in financial institutions is now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105.5 Miss. Code Ann. (1972). Under this program, the city's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

The carrying amount of the city's deposits with financial institutions was \$1,802,369, and the bank balance was \$1,880,016.

Investments

Investments made by the city that are included in the balance sheet are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the categories below:

Category 1 - Insured or registered or for which the securities are held by the municipality or its agent in the municipality's name.

Category 2 - Uninsured and unregistered for which the securities are held by the broker or dealer's trust department or agent in the municipality's name.

Category 3 - Uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent but not in the municipality's name.

All investments with maturity date of 90 days or less are considered cash equivalents and are included in cash totals. As of September 30, 2002 the City of Petal had certificates of deposits with original maturity of greater than 90 days totaling \$600,000.

30

EXHIBIT "A"

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

(3) Interfund Assets/Liabilities

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

	Due From	Due To
General Fund		
General Operations	\$ 76,198	\$ 9,455
Total	76,198	9,455
Special Revenue Funds		
CDBG Loan Fund		1
Total		1
Debt Service Funds		
School Bond & Interest Fund		38
Total		38
Capital Projects Funds		
Total		9,525
Proprietary Funds		
CDBG Loan Fund		9,525
Water Revenue Fund		
Water O & M Fund	50,239	11,987
Sewer R & E Fund	1,174	4,513
Sewer O & M Fund	38,966	13,815
Meter Deposit Fund	490	111
Solid Waste Fund		69,214
Total	18,258	20,698
Trust and Agency Funds		
Accounts Payable Clearing Fund		46,440
Tax Collector Fund		
Total		46,440
Total	\$ 185,225	\$ 185,225

31

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

(4) General Fixed Assets (continued)

Adjustments:

As detailed in Note 18, all previously reported assets below the threshold amounts have been deleted for financial statement reporting purposes. The city maintains a subsidiary ledger detailing these assets for fiscal accountability purposes.

(5) General Long-term Debt and Other Obligations

The following is a summary of changes in general long-term debt and other obligations:

Definition and Purpose	Balance 10/1/01	Additions	Deletions	Balance 9/30/02
GENERAL OBLIGATION BONDS				
\$3,750,000 School District Bonds, 5.5% to 6.75% interest, matures 2003				
\$1,200,000 C.D. Bonds, Series 2001, 5.20% to 5.50% interest, matures 2016	180,000		180,000	200,000
\$300,000 W & S Refunding Bonds, 7.00% to 10.00% interest, matures 2004	1,200,000		55,000	1,145,000
	550,000		65,000	140,000
	1,785,000		300,000	1,485,000
NEGOTIABLE NOTE				
\$82,000 Negotiable Note	82,000		16,400	65,600
	42,000		16,400	63,600
CERTIFICATES OF PARTICIPATION				
\$550,000 Certificates of Participation, 5.60% to 8.00% interest, matures 2008	325,000		49,000	281,000
	325,000		49,000	281,000
REVENUE BONDS PAYABLE				
\$825,000 W & S Series 1990, 6.60% to 9.40% interest, matures 2016	520,000		45,000	475,000
	120,800		45,000	475,000

33

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

(4) General Fixed Assets

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

	Balance 10/1/2001	Additions	Deletions	Other Adjustments	Balance 9/30/2002
Land and easements	\$ 260,397	\$ 8,260	\$ -	\$ -	\$ 268,657
Buildings	1,154,072	54,999	-	-	1,209,071
Improvements other than buildings	222,189	14,043	-	-	236,232
Equipment					
Furniture	82,441	427	-	(42,876)	39,992
Motor vehicles	484,165	77,896	-	(26,421)	535,640
Other	554,640	56,922	-	(164,290)	207,278
Sewer system	5,562,775	-	-	-	5,562,775
Assets held under capital lease	229,548	-	-	-	229,548
Totals	\$ 8,550,223	\$ 212,347	\$ -	\$ (473,567)	\$ 8,288,983

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

	Balance 10/1/2001	Additions	Deletions	Other Adjustments	Balance 9/30/2002
Water and Sewer Fund					
Land and easements	\$ 21,994	\$ -	\$ -	\$ -	\$ 21,994
Buildings	79,939	-	-	-	79,939
Water/Sewer systems	5,393,838	42,086	-	(6,684)	5,429,040
Operating Equipment	330,063	15,792	-	76,539	422,394
Assets held under capital lease	76,539	-	-	(76,539)	-
Less: Accumulated Depreciation	5,902,173	57,848	-	(6,684)	5,953,337
	(2,736,256)	(250,573)	-	-	(2,986,829)
	\$ 3,165,917	\$ (192,725)	\$ -	\$ (6,684)	\$ 2,966,508
Solid Waste Fund					
Operating Equipment	6,684	-	-	-	6,684
Less: Accumulated Depreciation	(6,684)	-	-	-	(6,684)
Total	3,165,917	(192,725)	-	(6,684)	2,966,508

32

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

(5) General Long-term Debt and Other Obligations (continued)

ABATMENT NOTES PAYABLE			
\$417,837 Sewer Abatement Loan 0.00% interest, matures 2005	87,634	20,000	66,724
\$800,757 State Refunding Loan, 3.75% interest, matures 2005	816,286	35,111	381,725
	728,652	55,111	647,997
SEWER TREATMENT NOTE			
\$138,000 Sewer Treatment Loan	118,400	27,600	62,800
	119,400	27,600	87,800

GENERAL OBLIGATION BONDS PAYABLE:

General obligation bonds are direct obligations and pledge the full faith and credit of the City of Petal. The following is a schedule by years of the total payments due on this debt:

\$3,250,000 School District Bonds		
Year Ending September 30	Principal	Balance
2003	200,000	
2004	-	
2005	-	
2006	-	
2007	-	
Thereafter	-	
Total	200,000	
\$1,200,000 General Obligation Bonds		
Year Ending September 30	Principal	Balance
2003	60,000	
2004	80,000	
2005	65,000	
2006	70,000	
2007	70,000	
Thereafter	820,000	
	1,145,000	

34

EXHIBIT "A"

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

(5) General Long-term Debt and Other Obligations (continued)

\$700,000 W & S Refunding Bonds

Year Ending September 30	Principal
2003	70,000
2004	70,000
2005	-
2006	-
2007	-
Thereafter	140,000

\$12,000 Negotiable Notes

Year Ending September 30	Principal
2003	16,400
2004	16,400
2005	16,400
2006	16,400
2007	-
Thereafter	65,800

\$550,000 Certificates of Participation

Year Ending September 30	Principal
2003	40,000
2004	45,000
2005	45,000
2006	50,000
2007	50,000
Thereafter	255,000

\$700,000 W & S Refunding Bonds

Year Ending September 30	Principal
2003	70,000
2004	70,000
2005	-
2006	-
2007	-
Thereafter	140,000

35

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

(5) General Long-term Debt and Other Obligations (continued)

\$425,000 Water & Sewer Series

Year Ending September 30	Principal
2003	45,000
2004	50,000
2005	55,000
2006	55,000
2007	60,000
Thereafter	210,000
	475,000

\$417,827 Sewer Abatement Loan

Year Ending September 30	Principal
2003	20,891
2004	20,891
2005	20,891
2006	-
2007	-
Thereafter	36,724

\$807,757 Sewer Abatement Loan

Year Ending September 30	Principal
2003	38,724
2004	38,411
2005	40,326
2006	42,021
2007	43,861
Thereafter	279,595
	587,279

\$138,000 Sewer Treatment Loan

Year Ending September 30	Principal
2003	27,600
2004	27,600
2005	27,600
2006	-
2007	-
Thereafter	55,800

36

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

(6) 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 or by calling (601)339-1589 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, 2002, 2001, and 2000, were \$144,010, \$143,467 and \$139,999, respectively, equal to the required contributions for each year.

(7) 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, 2002, 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 is Petal participates in the Rental Rehabilitation Program of the Office of Housing and Urban Development. As a result, the City has \$2,515 in notes receivable from grant contracts. However, these notes are being forgiven at 10% per year if grant conditions are met.

(8) 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%) of the assessed value of the taxable property within such municipality, according to the last completed assessment for taxation, or (b) ten percent (10%) of the assessment upon which taxes were levied for its fiscal year ending September 30, 1984, whichever is greater. In computing such indebtedness, there may be deducted all bonds or other evidence of indebtedness, heretofore or hereafter issued, for school, water, sewerage systems, gas, and light and power purposes and for the construction of special improvements primarily chargeable to the property benefited, or for the purpose of paying the municipality's proportion of any betterment program, a portion of which is primarily chargeable to the property benefited. However, in no case shall any municipality contract any indebtedness which, when added to all of the outstanding general obligation indebtedness, both bonded and

37

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

(8) Bonds Payable (continued)

floating, shall exceed either (a) twenty percent (20%) 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 are levied for its fiscal year ending September 30, 1984, whichever is greater. Nothing herein contained shall be construed to apply to contract obligations in any form heretofore or hereafter incurred by any municipality which are subject to annual appropriations therefor, or to bonds heretofore issued by any municipality for school purposes, or to contract obligations in any form heretofore or hereafter incurred by any municipality which are payable exclusively from the revenues of any municipally-owned utility, or to bonds issued by any municipality under the provisions of Section 27-1-1 through 27-1-5, or to any special assessment improvement bonds issued by any municipality under the provisions of Section 21-41-1 through 21-41-5, or to any indebtedness incurred under Section 55-23-8.

The following is a schedule of limitations on the indebtedness of the City at September 30, 2002:

Outstanding Debt Limit	15 Percent	20 Percent
Assessed value of fiscal year ended September 30, 2002 (\$32,357,198)	4,853,580	6,471,440
Present debt subject to 15% limitation	(1,495,600)	
Present debt subject to 20% limitation including debt subject to 15% limitation		(1,835,600)
Margin for further debt under respective debt levels	3,357,980	4,635,840

(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 33-57-1 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 1, 1987. The accompanying supplemental information schedule "Reconciliation of Tax Assessments to Fund Collections" provides specific assessment and settlement information. For the reported fiscal year the following ad valorem tax levies were made in accordance with the applicable statutory requirements and authorizations:

38

EXHIBIT "A"

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

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

Entity/Purpose of Levy	Applicable State Law	Mills Levied
School District:		
Minimum Education Program	37-57-1	1.70 mills
Operational Support	37-57-105	53.54 mills
School Bonded Indebtedness (for bonds issued subsequent to March 3, 1987)	37-59-23	1.75 mills
School Building Program Fund	37-59-105	1.80 mills
Library	39-3-7	2.00 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) Receivables

Receivables at September 30, 2002 consist of the following:

Receivables	General	Enterprise	Total
Accounts	\$ 39,994	\$ 39,994	\$ 79,988
Franchise fees	54,432		54,432
Sales tax	103,774		103,774
Auto ad valorem	22,413		22,413
Miscellaneous	3,871		3,871
Total	\$184,581	\$ 39,994	\$224,585

Customer accounts receivable in the Enterprise Fund are attributable to unpaid balances for charges through September 30, 2002.

(11) 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.

39

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

(12) Contributed Capital

Contributed capital as of September 30, 2002 consists of:

Contributions from Customers	\$ 50,067
Contributions from Federal Government	78,882
Contributions from City of Petal	42,936
Total	\$ 171,885

(13) Inventory

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

(14) 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 \$207,164, Pine Belt Solid Waste was paid \$129,266 and Enviro, Inc. was paid \$10,991 during fiscal 2002.

(15) Other Individual Fund Disclosures

A generic fund type listing of the individual fund that have an excess of expenditures over budget, including amounts of the excess, is as follows:

Fund Type/Fund	Amount
General Fund	\$13,569

The general fund is in violation of state law. However, the city has no liability associated with these violations.

(16) 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.

40

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

(16) Risk Management (continued)

D. 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 plan's 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.

(17) Capital Leases

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 \$ 122,238

Minimum future lease payments under capital leases of September 30, 2002 are as follows:

Year Ending	Principal
September 30, 2003	\$4,480
2004	25,860
2005	13,816
2006	-
2007	-
Thereafter	-
	\$3,756

41

CITY OF PETAL, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

(18) Change in accounting principle

In preparation of the Governmental Accounting Standard Board's Statement 34 requirements, the thresholds for reporting general fixed assets have been modified. The following schedule details those modifications.

	Previous threshold	Threshold amounts at September 30, 2002
Land	\$0	\$0
Buildings	\$500	\$10,000
Improvements other than buildings	\$500	\$25,000
Mobile equipment	\$500	\$5,000
Furniture and equipment	\$500	\$5,000
Leased property under capital leases	\$500	-

(*) The threshold amount will correspond with the amounts for the asset classifications as listed above.

(19) Contingencies

The City of Petal is a party in an annexation case that is presently on appeal with the Supreme Court of the State of Mississippi. The case is expected to have a significant effect on the city's financial position, regardless of outcome.

42

EXHIBIT "A"

CITY OF PETAL, MISSISSIPPI

SUPPLEMENTAL INFORMATION

TABLE E-1
CITY OF PETAL, MISSISSIPPI
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2002

	11/2000 Management Fund	1/01 Projects Fund	1/01 Construction Fund	Road Maintenance Fund	Other Total of Revenue Funds	Total
ASSETS AND OTHER DEBITS						
Cash and other deposits	\$ 76.46	\$ 46.94	\$ 4,116.4	\$ 222.19	\$	\$ 4,861.99
Other assets				12.12	2.82	14.94
Total Assets and Other Debits	76.46	46.94	4,116.4	234.31	3.64	4,877.75
LIABILITIES AND OTHER CREDITS						
Accounts payable Due to other funds	9.96	1.96	8.3			11.22
Total Liabilities and Other Credits	9.96	1.96	8.3			11.22
FUND BALANCES						
Unreserved	66.50	45.98	4,108.1	222.27	2.84	7,045.7
Total Liabilities, Other Credits and Fund Balances	76.42	48.90	4,126.4	234.27	2.84	4,877.83

TABLE E-2
CITY OF PETAL, MISSISSIPPI
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
SEPTEMBER 30, 2002

	11/2000 Management Fund	1/01 Projects Fund	1/01 Construction Fund	Road Maintenance Fund	Other Total of Revenue Funds	Total
REVENUES						
Intergovernmental						
Municipal fire protection	\$	\$ 32,264	\$	\$	\$	\$ 32,264
Road improvement funds				113,391		113,391
Interest earned	107	204	64	1,288		2,663
Grants				349,247	349,247	349,247
Other				17,268	1,889	19,157
Total Revenues	107	32,468	164	114,646	351,136	5,079
EXPENDITURES						
Public safety		10,436	2,695			13,131
Public works	4,888			4,824	349,247	358,959
Capital projects					29,817	29,817
Debt service		26,841	12,281	4,824	499,664	633,610
Total expenditures	4,888	37,277	14,976	9,648	499,664	666,453
Excess (deficiency) of revenues over expenditures	(4,781)	(4,809)	(14,312)	(8,362)	(149,528)	(177,792)
Other financing sources (uses)						
Transfers in	18,411				49,817	68,228
Transfers out					(2,148)	(2,148)
Discharge of debt					(1,817)	(1,817)
Total other financing sources	18,411				(4,148)	62,253
Excess (deficiency) of revenues and other sources over expenditures and other uses	13,630	(4,809)	(14,312)	(8,362)	(150,681)	(64,534)
Fund Balance - October 1	52,834	48,661	4,108.1	222.19	2.84	105,939
Fund Balance - September 30	66,464	44,852	4,122.1	234.27	2.84	115,682

TABLE E-3
CITY OF PETAL, MISSISSIPPI
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2002

	1.17 Million Sewer Refunding Bond Fund	SSD Bond and Interest Fund	\$1.2 Million General Obligation Bond	Total (Memorandum Only)
ASSETS AND OTHER DEBITS				
Cash and other deposits	\$ 366	\$ 242,426	31,147	\$ 279,939
Total Assets and Other Debits	366	242,426	31,147	279,939
LIABILITIES AND OTHER CREDITS				
Due to other funds		39		39
Total Liabilities and Other Credits		39		39
FUND BALANCES				
Unreserved	366	242,387	31,147	279,900
Total Liabilities, Other Credits and Fund Balances	366	242,426	31,147	279,939

TABLE E-4
CITY OF PETAL, MISSISSIPPI
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
SEPTEMBER 30, 2002

	1.17 Million Sewer Refunding Bond Fund	SSD Bond and Interest Fund	\$1.2 Million General Obligation Bond	Total (Memorandum Only)
REVENUES				
Property taxes		\$ 139,148	\$ 142,563	\$ 281,711
Interest earned	2	1,917	96	2,095
Prior year loans		13,758		13,758
Total Revenues	2	154,823	142,659	297,524
EXPENDITURES				
Debt Service				
Principal		180,000	35,000	215,000
Interest		18,125	36,512	54,637
Admin fees	1,587	291		1,878
Total expenditures	1,587	198,416	111,512	311,515
Excess (deficiency) of revenues over expenditures	(1,585)	(43,593)	31,147	(13,031)
Other financing sources (uses)				
Transfers in	698			698
Total other financing sources	698			698
Excess (deficiency) of revenues and other sources over expenditures and other uses	113	(43,593)	31,147	(12,333)
Fund Balance - October 1	1,233	263,941		265,174
Fund Balance - September 30	1,346	220,348	31,147	252,841

TABLE E-5
CITY OF PETAL, MISSISSIPPI
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2002

	1.2 Construction Fund
ASSETS AND OTHER DEBITS	
Cash and other deposits	\$ 614,560
Total Assets and Other Debits	614,560
LIABILITIES AND OTHER CREDITS	
Accounts payable	5,000
Due to other funds	9,574
Total Liabilities and Other Credits	14,574
FUND BALANCES	
Unreserved	599,986
Total Liabilities, Other Credits and Fund Balances	614,560

EXHIBIT "A"

SCHEDULE 3-B
CITY OF PETAL, MISSISSIPPI
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
SEPTEMBER 30, 2002

	2 Construction Fund
REVENUES:	
Interest earned	\$ 18,190
Total Revenues	18,190
EXPENDITURES:	
Capital Projects	220,111
Total expenditures	220,111
Excess (deficiency) of revenues over expenditures	(201,921)
Fund Balance - October 1	891,908
Fund Balance - September 30	\$ 599,987

SCHEDULE 4-B
CITY OF PETAL, MISSISSIPPI
TRUST & AGENCY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
SEPTEMBER 30, 2002

	Tax Collector's Fund	Insurance Resolving Fund	Total (Memorandum Only)
REVENUES:			
Interest earned	\$ 690	\$ 86	\$ 776
EXPENDITURES:			
Excess (deficiency) of revenues over expenditures	690	86	776
Fund Balance - October 1		15,649	15,649
Fund Balance - September 30	\$ 690	\$ 15,735	\$ 16,425

49

51

SCHEDULE 4-A
CITY OF PETAL, MISSISSIPPI
TRUST & AGENCY FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2002

	Tax Collector's Fund	Insurance Resolving Fund	Leasing Fund	Total (Memorandum Only)
ASSETS AND OTHER DEBITS:				
Cash and other deposits	\$ 690	\$ 15,735	\$ 44,044	\$ 60,469
Other receivables			2,380	2,380
Total Assets and Other Debits	690	15,735	46,424	62,849
LIABILITIES AND OTHER CREDITS:				
Other payables			46,440	46,440
Due to other funds			46,440	46,440
Total Liabilities and Other Credits			92,880	92,880
FUND BALANCES:				
Unreserved	690	15,735		16,425
Total Liabilities, Other Credits and Fund Balances	\$ 690	\$ 15,735	\$ 92,880	\$ 109,305

50

SCHEDULE 2-A Continued
CITY OF PETAL, MISSISSIPPI
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2002

	Water and Sewer Fund	Solid Waste Fund	Total
ASSETS AND OTHER DEBITS:			
Cash and other deposits	\$ 307,917	\$ 16,871	\$ 324,788
Customer receivables	25,866	14,388	40,254
Unbilled income	55,135	14,041	69,176
Due from other funds	90,869	18,258	109,127
Inventory, at cost	10,000		10,000
Restricted Assets	401,545		401,545
Fixed assets	2,966,508		2,966,508
Capitalized interest and bond costs (net)	28,365		28,365
Total Assets and Other Debits	3,896,095	63,558	3,959,653
LIABILITIES AND OTHER CREDITS:			
Accounts Payable	50,410	11,711	62,121
Due to other funds	99,680	39,094	138,774
Other payables	647		647
Customer deposits	120,555		120,555
Revenue bonds payable	515,000		515,000
Abatement notes payable	644,589		644,589
Sewer treatment note	20,750		20,750
Total Liabilities and Other Credits	1,871,631	51,805	1,923,436
FUND BALANCES:			
Contributed capital	176,885		176,885
Reserved for debt service	270,549		270,549
Reserved for repair and replacement	130,998		130,998
Unreserved	1,710,120	(28,000)	1,682,120
Total Fund Equity	3,288,552	(28,000)	3,260,552
Total Liabilities, Other Credits and Fund Balances	3,905,831	23,718	3,929,549

52

EXHIBIT "A"

SCHEDULE 3-B
CITY OF PETAL, MISSISSIPPI
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
SEPTEMBER 30, 2002

	Water and Sewer Fund	Solid Waste	Total
Operating revenues			
Charges for services	744,270	144,824	1,131,094
Tap fees	6,705		6,705
Connect fees	5,376		5,376
Sewer treatment charges	89,990		89,990
Interest earned	17,961	211	18,172
Other income	6,701		6,701
	<u>966,913</u>	<u>145,035</u>	<u>1,255,988</u>
Operating expenses			
Personnel services	283,152	18,076	401,138
Supplies and materials	61,022	925	61,947
Contractual services	95,127	179,956	275,083
Repairs and maintenance	54,839		54,839
Utilities	13,085		13,085
Depreciation and amortization	196,598		196,598
Sewer treatment	82,496		82,496
	<u>819,419</u>	<u>198,857</u>	<u>1,218,306</u>
Operating income (loss)	77,534	(148,822)	37,682
Other sources (uses)			
Agent fees paid	73,119		(73,119)
Interest expense	(83,666)		(83,666)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(9,251)	(148,822)	(149,103)
Retained earnings - October 1	2,307,426	(1,762)	2,319,188
Prior period adjustments	(9,413)		(9,413)
Retained earnings - September 30	<u>\$2,288,762</u>	<u>\$ (1,762)</u>	<u>\$ 2,290,612</u>

53

SCHEDULE 3-C
CITY OF PETAL, MISSISSIPPI
COMBINES STATEMENT OF CASH FLOWS
SEPTEMBER 30, 2002

RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES

	Water and Sewer Fund	Solid Waste Fund	Total
Operating income (loss)	77,534	(148,822)	37,682
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	196,598		196,598
Increase (decrease) in accounts receivable	(17,961)	(211)	(18,172)
Increase (decrease) in accounts payable	8,484	(1,933)	6,551
Increase (decrease) in accrued expenses	(5,451)		(5,451)
Net cash provided by operating activities	<u>264,304</u>	<u>(149,815)</u>	<u>214,519</u>
Other Required Disclosures			
Interest expense	83,666		83,666

55

CITY OF PETAL, MISSISSIPPI

SCHEDULE 3-D
CITY OF PETAL, MISSISSIPPI
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
SEPTEMBER 30, 2002

	Water and Sewer Fund	Solid Waste Fund	Total
Cash flow from operating activities			
Cash received from customers (including deposit)	878,676	158,874	1,131,094
Cash paid to suppliers	(142,746)	(162,611)	(305,357)
Cash paid to employees	(281,152)	(118,089)	(400,241)
Net cash provided (used) by operating activities	<u>254,778</u>	<u>(121,765)</u>	<u>233,013</u>
Cash flow from non-capital financing activities			
Operating transfers in	711,640		711,640
Operating transfers out	(711,640)		(711,640)
Net cash provided by non-capital financing activities			
Cash flow from capital and related financing activities			
Acquisition of capital assets			
Principal paid on bonds	(110,000)		(110,000)
Principal paid on notes	(83,813)		(83,813)
Principal paid on capital lease	(12,363)		(12,363)
Agent fees paid	(5,119)		(5,119)
Interest paid	(83,666)		(83,666)
Net cash flow provided (used) by capital and related financing activities	<u>(295,261)</u>		<u>(295,261)</u>
Cash flow from investing activities			
Interest received	17,961	211	18,172
Net increase (decrease) in cash for the year	<u>(22,519)</u>	<u>(61,584)</u>	<u>(64,098)</u>
Cash and restricted cash - October 1, 2001	79,224	(1,773)	77,451
Cash and restricted cash - September 30, 2002	<u>56,705</u>	<u>(18,357)</u>	<u>38,348</u>

54

OTHER SUPPLEMENTAL INFORMATION

CITY OF PETAL, MISSISSIPPI
SCHEDULE OF SURETY BONDS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

Presented below is Section 21-17.5 of Mississippi Code:
Unless otherwise provided by law, before entering upon the duties of their respective offices, the alderman or councilman of every municipality of this state shall give bond, with sufficient surety, to be payable, conditioned and approved as provided by law, in a penalty equal to five percent (5%) of the sum of all municipal taxes shown by the assessment rolls and the taxes to have been collectible in the municipality for the year immediately preceding the commencement of the term of office of said alderman or councilman; however, such bond shall not exceed the amount of One Hundred Thousand Dollars (\$100,000.00)

Name	Position	Company	Bond Amount
Tony Phillips	Mayor	Scott Municipal Insurance	50,000
Willy Hanson	Alderman Ward	Scott Municipal Insurance	30,000
Joe McMurry, Sr	Alderman Ward	Scott Municipal Insurance	30,000
William Travis	Alderman Ward	Scott Municipal Insurance	30,000
Steven Stringer	Alderman Ward	Scott Municipal Insurance	30,000
Michael Draughn	Alderman Ward	Scott Municipal Insurance	30,000
Jean Ishae	City Clerk	USF&G	50,000
Lee Shelbourn	Police Chief	USF&G	50,000
Others Handling Cash	Various	USF&G	10,000

57

EXHIBIT "A"

CITY OF PETAL, MISSISSIPPI
RECONCILIATION OF ORIGINAL AD VALOREM
TAX ROLLS TO FUND COLLECTIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

	CITY	SCHOOL	TAX
ADJUSTED ASSESSED VALUATION			
REAL PROPERTY - FOREST COUNTY	19,246,000	48,419,897	
PERSONAL PROPERTY - FOREST COUNTY	2,549,150	16,232,515	
PUBLIC UTILITIES			
MOTOS	4,302,866	7,733,738	
MOBILE HOMES	4,029,202	19,245,110	
GRAV ROLLS	125,954	728,253	
LESS SPECIAL HOMESTEAD	7,404	117,404	
TOTAL ASSESSED VALUATION	32,286,272	108,882,626	
	29,084,320	87,181,868	
TOTAL MILLAGE FOR MUNICIPALITY	36.66		1,088,613
TOTAL MILLAGE FOR SCHOOL DISTRICT		58.78	5,100,897
DEDUCT			
COUNTY TAX COLLECTOR COMMISSION			(93,692)
SCHOOL REGULAR HOMESTEAD CREDIT			(869,773)
ADD			
CITY HOMESTEAD REIMBURSEMENT			54,226
SCHOOL HOMESTEAD REIMBURSEMENT			201,450
PRIOR YEAR TAX COLLECTIONS			77,491
RENALTES & INTEREST			47,022
IN-LIEU TAXES			0
OTHER			(13,592)
TOTAL TO BE ACCOUNTED FOR			5,628,840
COLLECTIONS			
GENERAL FUND	860,081	54,226	0
PENALTIES AND INTEREST	7,865	0	914,307
LIBRARY FUND	58,184	0	2,995
7.5 MILLION SEWER BOND	12,754	0	58,184
12 MILLION BOND	142,564	0	690
SCHOOL DISTRICT (referred to school)	434,301	3,892,182	4,426,493
SCHOOL NOTE (referred to school)	14,182	128,704	132,886
SCHOOL B & I	130,148	0	130,148
PRIOR YEAR TAXES	1,718,817	4,131,896	0
UNPAID PERSONAL PROPERTY TAXES (OVER) UNDER COLLECTED			0
TOTAL ACCOUNTED FOR			5,628,840

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133



American Institute of
Certified Public Accountants

110 Plaza Drive • P. O. Box 16433 • Hattiesburg, MS 39404-8433
Phone 601-268-3135 • Fax 601-261-3922
www.wright-king.com

Mississippi Society of
Certified Public Accountants

January 9, 2003

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

Compliance

We have audited the compliance of the City of Petal with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended September 30, 2002. The city's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the school district's management. Our responsibility is to express an opinion on the city's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the city's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the city's compliance with those requirements.

In our opinion, City of Petal complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2002.



American Institute of
Certified Public Accountants

110 Plaza Drive • P. O. Box 16433 • Hattiesburg, MS 39404-8433
Phone 601-268-3135 • Fax 601-261-3922
www.wright-king.com

Mississippi Society of
Certified Public Accountants

January 9, 2003

INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the general purpose financial statements of The City of Petal, as of and for the year ended September 30, 2002, and have issued our report thereon dated January 9, 2003. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We did not note any matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.

60

Internal Control Report
Page Two
January 9, 2003

This report is intended solely for the information and use of the board of aldermen and management, entities with accreditation overview, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

WRIGHT & KING, CPA
Hattiesburg, Mississippi

Major Federal Program Compliance Report
January 9, 2003
Page Two

Internal Control Over Compliance

The management of the City of Petal is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the city's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We did not note any matters involving internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of aldermen and management, entities with accreditation overview, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

WRIGHT & KING, CPA
Hattiesburg, Mississippi

64

EXHIBIT "A"

CITY OF PETAL, MISSISSIPPI

CITY OF PETAL, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH STATE LAWS AND REGULATIONS



American Institute of
Certified Public Accountants

710 Plaza Drive • P. O. Box 16433 • Hattiesburg, MS 39404-6433
Phone 601-268-3135 • Fax 601-261-3922
www.wright-king.com

Mississippi Board
Certified Public Acc.

January 9, 2003

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

We have audited the general purpose financial statements of the City of Petal, Mississippi as of and for the year ended September 30, 2002 and have issued our report thereon dated January 9, 2003. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and accordingly, we do not express such an opinion.

The results of those procedures and our audit of the general purpose financial statements disclosed the following immaterial instances of noncompliance with state laws and regulations. Our findings and recommendations and your responses are as follows:

1. Finding (Purchasing Law, Section 31-7-13)

The City made a payment in the amount of \$5,000 to the Petal Pension Committee. The City did not obtain at least two competitive written quotes for this expenditure.

Recommendation

We recommend all purchases payments be reviewed for compliance with state law.

Response

The city agrees with this finding and will strengthen procedures to ensure compliance with state law.

2. Finding (Surety Bonds, Section 21-17-5)

The Board of Aldermen are required to be bonded in an amount equal to the lesser of \$100,000 or 5% of the sum of all the municipal taxes shown by the assessment rolls and licenses to have been collectible for the year immediately preceding the term of office. This is a violation of Section 21-17-5, Miss. Code Ann (1972).

66

Compliance with State Laws and Regulations

Page Two
January 9, 2003

Recommendation

We recommend that the city comply with Section 21-17-5, Miss. Code Ann (1972), which requires sufficient bonding amounts for the Board of Aldermen and the Municipal Mayor.

Response

The city agrees with this finding and bonds will be increased to sufficiently cover the legal requirements of Section 21-17-5, Miss. Code Ann (1972).

3. Finding (Budgeting, Section 21-35-17)

Debt service expenditures in the general fund exceeded the amount budgeted by \$23,469.

Recommendation

We recommend that the city comply with Section 21-35-17, Miss. Code Ann (1972), which requires that actual expenditures do not exceed budgeted amounts.

Response

The city agrees with the finding and will comply with Section 21-35-17.

The Office of the State Auditor or a public accounting firm will review, on the subsequent year's audit engagement, the findings in this report to ensure that corrective action has been taken.

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

WRIGHT & KING
Hattiesburg, Mississippi

67

Section 1. Summary of Auditor's Results

Financial Statements:

1. Type of auditor's report issued on the general purpose financial statements: UNQUALIFIED
2. Material noncompliance relating to the general purpose financial statements? NO
3. Internal control over financial reporting:
 - a. Material weakness (es) identified? NO
 - b. Reportable condition(s) identified that are not considered to be material weakness? NO

Federal Awards:

4. Type of auditor's report issued on compliance for major federal programs: UNQUALIFIED
5. Internal control over major programs:
 - a. Material weakness (es) identified? NO
 - b. Reportable condition(s) identified that are not considered to be material weaknesses? NO
6. Any audit finding(s) reported as required by section 310(a) of OMB Circular A-133? NO
7. Federal programs identified as major programs:
 - a. Community Development Block Grants/ State's Program CFDA# 14.228
 - b. The dollar threshold used to distinguish between Type A and Type B programs: \$300,000
 9. Auditee qualified as a low-risk auditee? YES

68

CITY OF PETAL, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2002

10. Prior fiscal year audit finding(s) and questioned cost relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings as discussed in Section 315(b) of OMB Circular A-133? NO

Section 2. Financial Statements Findings

The results of our tests did not disclose any findings related to the financial statements that are required to be reported by Government Auditing Standards.

Section 3. Federal Award Findings and Questioned Costs

The results of our tests did not disclose any findings and questioned costs related to federal awards.

69

EXHIBIT "A"

CITY OF PETAL, MISSISSIPPI

Management Letter
Page 2
January 9, 2003

Continued

The Governmental Accounting Standards Board (GASB) issued Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. This is effective for fiscal year beginning October 1, 2003 for The City of Petal. The statement significantly changes the current reporting and presentation requirements for municipal governments. We recommend the City begin planning for this change early and allocate the necessary time and resources for financial reporting and year end procedures. Some of the more significant areas will include: management discussion and analysis section of the audit report, valuation and depreciation of all infrastructure including roads, bridges, sidewalks, etc., recording of bad debts for court fines and depreciation of all buildings and assets.

The comments in this report came to our attention as a result of the audit procedures and tests that we applied. Other than those comments mentioned above, the district complied with state laws and regulations for the items tested.

As always, we wish to express our appreciation to you and your staff for all the courtesy and assistance we received during this year's audit. Your past history of giving serious consideration to our findings and recommendations are a strong indication of your desire to enhance the City's financial management function and achieve your goals toward your stewardship over the City resources and assets. We hope this year's comments and recommendations will further assist you in these efforts.

WRIGHT & KING, CPA's
Hattiesburg, Mississippi

AUDITEE'S CORRECTIVE ACTION PLAN

AUDITEE'S CORRECTIVE ACTION PLAN

As required by Section 315(b) of OMB Circular A-133, the City of Petal has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Questioned Costs for the year ended September 30, 2002.

Finding: Corrective Action Plan Details

Note:

CITY OF PETAL, MISSISSIPPI

76

AUDITEE'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

AUDITEE'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

As required by Section 315(b) of OMB Circular A-133, the City of Petal has prepared and hereby submits the following summary schedule of prior audit findings as of September 30, 2002.

Finding: Corrective Action Plan Details

There are no unaddressed prior audit findings.

CITY OF PETAL, MISSISSIPPI

City of Petal, Mississippi

Financial Overview

September 30, 2002

CITY OF PETAL, MISSISSIPPI
FINANCIAL OVERVIEW - SEPTEMBER 30, 2002

	1997	1991	2002
PMU Separate School District:			
Assessed Valuation	62,188,873	15,730,418	94,466,902
Millage Rate	34.28	61.56	38.29
Value of One Mill	662,086	185,230	187,782
City of Petal:			
Assessed Valuation	77,874,438	10,869,813	32,370,866
Millage Rate	37.75	29.86	36.68
Value of One Mill	527,880	130,870	133,220

	1997	1991	1992	%
City-Wide Analysis:				
Local Sources:				
Property Taxes	1,103,891	966,378	1,130,499	24%
Franchise Fees, Licenses, Permits	237,842	270,963	285,145	6%
Police Fines	49,318	172,688	208,057	4%
Interest Earnings	53,101	43,486	44,788	1%
Other Local Sources	83,186	175,765	251,110	5%
Water and Sewer Charges	1,636,501	1,852,230	1,497,816	32%
Total Local Sources	2,561,441	2,811,510	3,195,325	68%
State Sources:				
Sales Tax	982,054	1,000,113	1,171,018	26%
Homestead Exemption Reimbursement	44,616	44,484	36,226	1%
Other State Revenue	908	0	0	0%
Total State Sources	1,037,772	1,044,697	1,207,244	27%
Intergovernmental Sources:				
Gas Tax	9,874	9,872	9,723	0%
Municipal Aid	4,416	4,798	3,950	0%
Other Intergovernmental Revenue	137,454	162,236	29,323	1%
Total Intergovernmental Sources	151,744	177,007	52,996	1%
Federal Grants:				
	25,428	149,647	421,324	9%
Total City-Wide Revenue	3,876,387	4,281,211	4,874,891	100%

REPORT TO MANAGEMENT



American Institute of Certified Public Accountants
100 Plaza Drive • P. O. Box 16433 • Hattiesburg, MS 38902-6433
Phone 601-268-3135 • Fax 601-261-3922
www.wrightking.com

Mississippi State Certified Public Accountant

January 9, 2003

MANAGEMENT REPORT

Mayor and Board of Aldermen
Petal, Mississippi

We have audited the general purpose financial statements of the City of Petal for the year ended September 30, 2002 and have issued our report thereon dated January 9, 2003.

During the course of our audit, we noted several matters that we feel should be brought to the City's attention. These matters are opportunities for improving your accounting and reporting procedures and thereby reducing possible problems in future audits. The following comments and recommendations are intended solely for use by management:

Comment 1

You can improve your bookkeeping efficiency and financial reporting system by classifying certain funds and bank accounts and consolidating others. You have made significant progress in this area and we will continue to assist by providing a list of funds and bank accounts for consideration of closing or consolidating.

Comment 2

We have recommended additional monitoring procedures be implemented for water and sewer billings and collections. We also recommended all water bill adjustments be reported to the board.

Comment 3

We have recommended additional monitoring procedures be implemented for court fines and collections. We believe this will strengthen the reporting of court fine receivables required under the new reporting standards effective October 1, 2003. We recommend this report be given to the board monthly.

Comment 4

We recommend adopting a fixed asset capitalization policy from the State Auditors Office. Valuation of streets and other infrastructure should be completed by October 1, 2003. We also recommend adopting an accountability policy for fixed assets under the capitalization threshold. You should consider some method of holding responsible persons accountable for missing assets.

City-Wide Revenues By Source

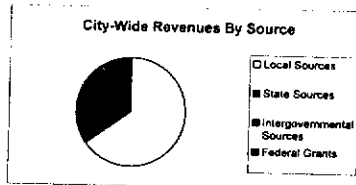


EXHIBIT "A"

CITY OF PETAL, MISSISSIPPI
FINANCIAL OVERVIEW - SEPTEMBER 30, 2002

EXPENDITURES BY CLASSIFICATION	1997	2001	2002
Payroll and related costs	1,548,787	2,087,808	2,135,817
Supplies	149,088	208,899	223,780
Other Charges and Services	385,485	1,151,177	1,207,820
Capital Outlay	96,722	368,380	281,751
Capital Project	0	401,812	387,418
Debt Service	634,738	783,548	888,752
Total City-wide Expenditures	3,769,810	4,960,582	4,832,538

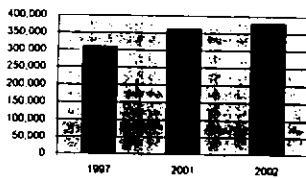
2002 Expenditures by Category - City-Wide



CITY OF PETAL, MISSISSIPPI
FINANCIAL OVERVIEW - SEPTEMBER 30, 2002

EXPENDITURES BY DEPARTMENT	1997	2001	2002
General Government	388,147	632,848	675,421
Capital Projects	14,201	624,278	6,689
Downtown Enhancement			
Debt Service	646,178	788,882	402,222
Public Safety			
Police Department	828,007	803,181	819,120
Fire Department	361,112	500,070	418,888
Building Inspection			
Street	33,818	52,523	42,850
Recreation	126,818	247,808	268,588
Civic Center	52,487	82,541	79,088
Water & Sewer	842,147	844,885	1,075,741
Solid Waste	318,205	380,178	388,876
Total Expenditures by Department	3,769,810	4,960,582	4,832,538

Average Cost per Month for Operations



CITY OF PETAL, MISSISSIPPI
FINANCIAL OVERVIEW - SEPTEMBER 30, 2002

Cash Position By Fund	1997	2001	2002
General Fund	615,012	851,878	468,161
Special Revenue Funds			
Downtown Enhancement Fund		18,551	26,441
Fire Protection Fund	103,211	50,277	46,941
Law Enforcement Fund	1,516	20,115	9,197
Road Maintenance Fund	84,317	111,592	222,168
Other Special Revenue Funds	65,223	3,247	0
Total Special Revenue Fund Cash	253,687	203,782	304,767
Debt Service Funds			
1.125 Million Sewer Refunding	585,858	1,251	665
550 Bond and Interest Fund	219,911	285,979	242,427
1.2 Million Bond	0	0	11,187
Total Debt Service Fund Cash	805,769	287,231	253,979
Trust and Agency Funds			
Benefit Fund	41,722	0	0
Insurance Revolving Fund	11,224	15,449	11,711
Clearing Funds	29	5,446	42,748
Total Trust and Agency Fund Cash	52,975	21,895	54,466
Capital Projects Fund	0	801,907	614,560
Total Capital Projects Fund	0	801,907	614,560
Enterprise Funds			
Water and Sewer Fund	473,940	420,950	307,811
Bond Reserves	291,990	340,840	401,547
Solid Waste Fund	15,503	28,699	16,871
Total Enterprise Funds	781,433	790,489	726,229
TOTAL CASH AND INVESTMENTS	2,328,866	2,556,342	2,448,670
AVAILABLE FUND BALANCE	1,104,443	903,487	791,171
NUMBER OF MONTHS RESERVE:	1.6	1.5	2.1
Average Monthly Operating Cost	198,692	360,531	178,381

CITY OF PETAL, MISSISSIPPI
FINANCIAL OVERVIEW - SEPTEMBER 30, 2002

Debt Issues	Principal Balance Sept. 30, 1997	Principal Balance Sept. 30, 2001	Debt Principals	Debt Payments	Principal Balance Sept. 30, 2002
\$125,000 Five Year Note Payable 7.99% interest, matures 1999	0	0	0	0	0
\$1,750,000 School District Bonds 5.1% to 4.75% interest, matures 2011	1,750,000	140,000	0	180,000	200,000
\$1,370,000 1997 Sewer Refunding, 1.07% to 5.18% interest, matures 2009	1,460,000	0	0	0	0
\$1,284,000 G.O. Bonds, Series 2001, 1.20% to 5.35% interest, matures 2016	0	1,280,000	0	55,000	1,145,000
\$82,000 Negotiable Note	0	82,000	0	16,400	65,600
\$350,000 Certificates of Participation, 1.40% to 8.00% interest, matures 2018	455,000	125,000	0	40,000	283,000
\$700,000 W. & S Refunding Bonds, 7.10% to 11.00% interest, matures 2014	270,000	305,000	0	65,000	140,000
\$275,000 W. & S Series 1990, 6.40% to 9.40% interest, matures 2011	440,000	320,000	0	45,000	475,000
\$417,827 Sewer Abatement Loan, 0.10% interest, matures 2005	171,189	27,634	0	20,900	66,724
\$801,757 State Revolving Loan, 5.70% interest, matures 2005	742,030	616,386	0	15,111	581,274
\$188,000 Sewer Treatment Loan	0	118,480	0	27,600	82,880
	4,648,256	3,326,810	0	485,011	3,841,799

EXHIBIT "B"

ACCOUNT NUMBER	NAME	TYPE	NUMBER	DATE	AMOUNT
18818	REFUND TO CUSTOMER	CHECK	101	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	102	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	103	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	104	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	105	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	106	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	107	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	108	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	109	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	110	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	111	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	112	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	113	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	114	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	115	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	116	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	117	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	118	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	119	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	120	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	121	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	122	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	123	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	124	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	125	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	126	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	127	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	128	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	129	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	130	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	131	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	132	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	133	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	134	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	135	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	136	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	137	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	138	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	139	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	140	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	141	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	142	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	143	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	144	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	145	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	146	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	147	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	148	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	149	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	150	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	151	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	152	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	153	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	154	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	155	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	156	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	157	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	158	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	159	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	160	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	161	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	162	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	163	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	164	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	165	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	166	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	167	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	168	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	169	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	170	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	171	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	172	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	173	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	174	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	175	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	176	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	177	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	178	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	179	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	180	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	181	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	182	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	183	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	184	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	185	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	186	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	187	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	188	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	189	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	190	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	191	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	192	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	193	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	194	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	195	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	196	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	197	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	198	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	199	02/22/2002	7.00
18818	REFUND TO CUSTOMER	CHECK	200	02/22/2002	7.00

*Note Above
write off*

576.01

CITY OF PETAL
OUTSTANDING CHECK REGISTER

ACCOUNT NUMBER	NAME	TYPE	NUMBER	DATE	AMOUNT
2005	LEAH L WHITE	CHECK	2735	10/22/2002	87.42
18000	LEAH L WHITE	CHECK	2740	11/14/2001	71.37
18057	TRIP	CHECK	2744	02/22/2002	21.27
18052	TRIP	CHECK	2747	02/22/2002	21.27
58020	JUSTICE WAY OF SOUTHDALE PS.	CHECK	2748	02/22/2002	20.61
2004	TRACY MICHAELSON	CHECK	2752	10/22/2002	91.05
2004	LEAH L WHITE	CHECK	2752	10/22/2002	87.42
58020	LEAH L WHITE	CHECK	2757	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2758	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2759	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2760	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2761	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2762	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2763	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2764	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2765	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2766	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2767	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2768	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2769	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2770	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2771	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2772	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2773	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2774	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2775	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2776	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2777	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2778	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2779	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2780	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2781	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2782	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2783	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2784	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2785	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2786	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2787	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2788	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2789	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2790	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2791	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2792	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2793	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2794	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2795	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2796	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2797	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2798	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2799	10/22/2002	101.92
58020	LEAH L WHITE	CHECK	2800	10/22/2002	101.92

Payroll

\$205.48

CITY OF PETAL
OUTSTANDING CHECK REGISTER

ACCOUNT NUMBER	NAME	TYPE	NUMBER	DATE	AMOUNT
17233	PRESIDENT CASINO HOTEL	CHECK	3488	01/07/1987	10.00
17233	PRESIDENT CASINO HOTEL	CHECK	3489	01/07/1987	10.00
17233	PRESIDENT CASINO HOTEL	CHECK	3490	01/07/1987	10.00
3062	COAST COLUMBIAN & PANG	CHECK	3901	01/07/1987	10.00
18019	SHIMMOM AMERICAN CORP.	CHECK	4036	02/04/1987	10.00
20020	SUNFLOWER FOOD STORE 128	CHECK	5247	02/04/1987	81.10
24024	HICK VALLEY HOLLAND & TOWNE	CHECK	7370	2/10/1988	10.00
16022	CASPER EDGAR & BUSINESS PANG	CHECK	8366	05/09/1988	10.00
4017	BANK OF MISSISSIPPI	CHECK	8551	05/25/1988	10.00
10005	JACKSON STATE UNIVERSITY	CHECK	9704	02/07/1990	10.00
432	WHITE BROTHERS TRACTOR CO	CHECK	9843	03/10/1990	778.76
14014	HICK VALLEY HOLLAND & TOWNE	CHECK	10258	04/10/1990	10.00
16166	12344	CHECK	09/10/1991	10.00	
14011	SCORCE & SONS BACKDOOR	CHECK	12669	10/10/1991	53.50
14011	MS. PUBLIC UTILITY	CHECK	12634	11/10/1991	100.00
21147	14381	CHECK	11/10/1992	23.00	
21147	15648	CHECK	05/21/1993	10.00	
2149	MUSON SAVINGS CENTER	CHECK	16022	07/07/1993	0.98
12072	MG PROP. & SUNBURST BANK	CHECK	16553	10/06/1993	3.72
13110	PETAL TOWN CENTER	CHECK	16991	12/08/1993	32.46
3020	17729	CHECK	05/04/1994	17.55	
6047	18020	CHECK	06/08/1994	10.00	
21090	BILL POLLOCK'S TIRE STATION	CHECK	18759	10/06/1994	10.00
3023	CIVIC CENTER REFUNDS	CHECK	19208	12/12/1994	50.00
2100	BRIDGE IDEAS	CHECK	19325	04/05/1995	742.90
17078	PANTHER PET HOSPITAL	CHECK	20093	05/01/1995	53.90
16021	OFFICE DEPOT	CHECK	20111	06/08/1995	89.15
8143	HOLIDAY INN	CHECK	20310	06/23/1995	150.00
1003	CIVIC CENTER REFUNDS	CHECK	20754	08/31/1995	50.00
20014	SHEDD, CHARLES & EATELLE	CHECK	22148	04/02/1996	10.00
4009	DAUGHTERS, TOM	CHECK	22437	06/10/1996	20.00
10					

EXHIBIT "C"

**RESOLUTION AUTHORIZING AND APPROVING EXECUTION
OF AN EQUIPMENT LEASE-PURCHASE WITH
FIRST CONTINENTAL LEASING, A DIVISION OF BANCORPSOUTH
BANK FOR THE PURPOSE OF LEASE-PURCHASING CERTAIN
EQUIPMENT**

WHEREAS, the Mayor and Board of Aldermen the Governing Body (the "Governing Body") of the City of Petal, Mississippi (the "Lessee"), acting for and on behalf of the Lessee hereby finds, determines and adjudicates as follows:

1. The Lessee desires to enter into an Equipment Lease-Purchase Agreement with the Exhibits attached thereto in substantially the same form as attached hereto as Exhibit "A" (the "Agreement") with First Continental Leasing, a division of BancorpSouth Bank (the "Lessor") for the purpose of presently purchasing the equipment as described therein for the total cost specified therein (collectively the "Equipment") and to purchase such other equipment from time to time in the future upon appropriate approval;
2. The Lessee is authorized pursuant to Section 31-7-13(e) of the Mississippi Code of 1972, as amended, to acquire equipment and furniture by Lease-Purchase agreement and pay interest thereon by contract for a term not to exceed 5 years;
3. It is in the best interest of the residents served by Lessee that the Lessee acquire the Equipment pursuant to and in accordance with the terms of the Agreement; and
4. It is necessary for the Lessee to approve and authorize the Agreement.
5. The Lessee desires to designate the Agreement as a qualified tax-exempt obligation of Lessee for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986 (the "Code")

NOW, THEREFORE, BE IT RESOLVED by this Governing Body for and on behalf of the Lessee as follows:

Section 1. The Agreement and Exhibits attached thereto in substantially the same form as attached hereto as Exhibit "A" by and between the Lessor and the Lessee is hereby approved and Mayor Tony Phillips (the "Authorized Officer") is hereby authorized and directed to execute said Agreement on behalf of the Lessee.

Section 2. The Agreement is being issued in calendar year 2003.

Section 3. Neither any portion of the gross proceeds of the Agreement nor the Equipment identified to the Agreement shall be used (directly or indirectly) in a trade or business carried on by any person other than a governmental unit, except for such use as a member of the general public.

Section 4. No portion of the rental payments identified in the Agreement (a) is secured, directly or indirectly, by property used or to be used in a trade or business carried on by a person other than a governmental unit, except for such use as a member of the general public, or by payments in respect of such property; or (b) is to be derived from payments (whether or not to Lessee) in respect of property or borrowed money used or to be used for a trade or business carried on by any person other than a governmental unit.

Section 5. No portion of the gross proceeds of the Agreement are used (directly or indirectly) to make or finance loans to persons other than governmental units.

Section 6. Lessee hereby designates the Agreement as a qualified tax-exempt obligation for purposes of Section 265(b) of the Code.

Section 7. In calendar year 2003, Lessee has designated \$15,821.28 of tax-exempt obligations (including the Agreement) as qualified tax-exempt obligations. Including the Agreement herein so designated, Lessee will not designate more than \$10,000,000 of obligations issued during calendar year 2003 as qualified tax-exempt obligations.

EXHIBIT "C"

Section 8. Lessee reasonably anticipates that the total amount of tax-exempt obligations (other than private activity bonds) to be issued by Lessee during calendar year 2003 will not exceed \$10,000,000.

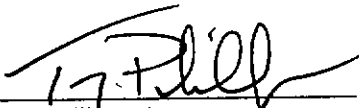
Section 9. For purposes of this resolution, the amount of Tax-exempt obligations stated as either issued or designated as qualified tax-exempt obligations includes tax-exempt obligations issued by all entities deriving their issuing authority from Lessee or by an entity subject to substantial control by Lessee, as provided in Section 265(b)(3)(E) of the Code.

Section 10. The Authorized Officer is further authorized for and on behalf of the Governing Body and the Lessee to do all things necessary in furtherance of the obligations of the Lessee pursuant to the Agreement, including execution and delivery of all other documents necessary or appropriate to carry out the transactions contemplated thereby in accordance with the terms and provisions thereof.

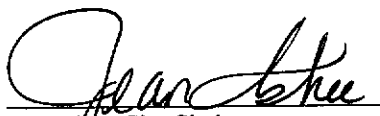
Following the reading of the foregoing resolution, Alderman Hinton moved that the foregoing resolution be adopted, Alderman Draughn seconded the motion for its adoption. The Mayor put the question to a roll call vote and the result was as follows:

Alderman Michael Draughn	Voted: YEA
Alderman Willie Hinton	Voted: YEA
Alderman Joe McMurry, Sr.	Voted: YEA
Alderman Steve Stringer	Voted: YEA
Alderman William Travis	Voted: YEA

The motion having received the affirmative vote of all members present, the Mayor declared the motion carried and the resolution adopted this the 25th day of February, 2003.


Tony Phillips, Mayor

ATTEST:


Jean Ishée, City Clerk

(SEAL)

EXHIBIT "D"

CERTIFICATION FOR COMPLIANCE
WITH THE
MISSISSIPPI UNIFIED CERTIFICATION PROGRAM

WHEREAS, A final rule revising the USDOT's regulations for its Disadvantaged Business Enterprise (DBE) Program was published in the *Federal Register* on February 2, 1999, and

WHEREAS, These regulations contained in 49 CFR Part 26.81, as amended, became effective March 4, 1999, and

WHEREAS, 49 CFR Part 26.81, Subpart E, as amended, of the Regulation details the requirements for a Unified Certification Program (UCP) including a "one-stop shopping" certification provision intended to enable DBE's once certified by any one recipient of USDOT funds, to participate in the programs of other recipients, and

WHEREAS, All USDOT recipients within each state must be agree to comply with the UCP prior to approval by the Secretary of the USDOT, and

WHEREAS, The Mississippi Unified Certification Program (MUCP) is established for all USDOT recipients within the State of Mississippi to comply with the requirements contained in 49 CFR Part 26.81, Subpart E, as amended.

NOW, THEREFORE, It is understood and agreed that the undersigned, a recipient of Federal Aviation Administration funds, agrees with and will comply with all of the provisions of 49 CFR Part 26.81, Subpart E, as amended, and the Mississippi Unified Certification Program *and further agrees to cooperate fully with the MUCP and be bound by its decisions or actions concerning this program.*


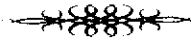
By: Mayor Tony Phillips
Signature: 
Title: Mayor
Agency: City of Petal
Location: Petal, Mississippi, Forrest County

EXHIBIT "E"

City of Petal

Mississippi

Proclamation



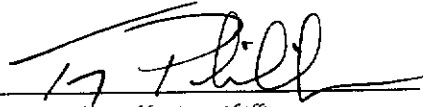
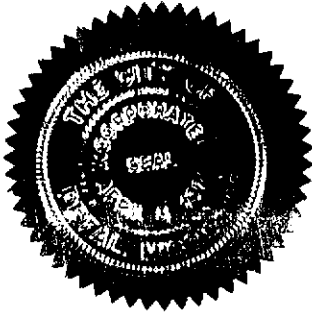
WHEREAS, the citizens of Petal stand firmly committed to promoting reading as the catalyst for our students' future academic success, their preparation for America's jobs of the future, and their ability to compete in a global economy; and

WHEREAS, the Petal School District and the Petal Parenting Center have provided significant leadership in the area of community involvement in the education of our youth, grounded in the principle that educational investment is key to the community's well being and long-term quality of life; and

WHEREAS, "NEA's Read Across America," a national celebration of Dr. Seuss's birthday, promotes reading and adult involvement in the education of our community's students;

THEREFORE BE IT RESOLVED that the Mayor of Petal, Tony Phillips, calls on the citizens of Petal to assure that every child is in a safe place reading together with a caring adult on February 28, 2003.

AND BE IT FURTHER RESOLVED that this body enthusiastically endorses "NEA's Read Across America" and recommits our community to engage in programs and activities to make America's children the best readers in the world.



Honorable Tony Phillips
Mayor, City of Petal

THIS PAGE

LEFT BLANK

INTENTIONALLY!