

**STATE OF MISSISSIPPI
COUNTY OF PEARL RIVER
CITY OF PICAYUNE**

Be It Remembered that the Mayor and City Council of the City of Picayune, Pearl River County, Mississippi, met at City Hall, 203 Goodyear Blvd., in said City, Tuesday, February 18, 2014, at 5:00 p.m. in regular session with the following officials present: Mayor Ed Pinero, Council Members Tammy Valente, Lynn Bumpers Jan Stevens, Larry Breland and Wayne Gouguet, City Manager Jim Luke and City Clerk Amber Hinton.

It Being Determined a quorum was present, the following proceedings were held.

Opening prayer was given by Rev. Greg Walls, followed by the Pledge of Allegiance led by Mayor Ed Pinero.

ORDER TO APPROVE MINUTES

Motion was made by Council Member Gouguet, seconded by Council Member Bumpers to approve the Minutes for the City of Picayune dated February 4, 2014.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Bumpers, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ACKNOWLEDGE RECEIPT OF MONTHLY PRIVILEGE LICENSE REPORT

Motion was made by Council Member Gouguet, seconded by Council Member Bumpers to acknowledge receipt of monthly Privilege License report for the month of January 2014.

Receipt#	Date	Deposit To	Drawer	Type	Reference	Lookup	Citation	Name	Description	Received	Deposit Date
Def: 397999	1/02/2014	GENERAL FUND -Mail - Is OPERATING	GENERAL FUND -Mail - Is	Cash		30208		SHABBY CHIC ETC.,	2013-2014 PRIV LICENSE	20.00	1/03/2014
Def: 398052	1/02/2014	GENERAL FUND -Mail - Is OPERATING	GENERAL FUND -Mail - Is	Check	0001163	25737		GENE'S TIRE CENTERS	2013-2014 priv license	25.00	1/03/2014
Def: 398087	1/03/2014	GENERAL FUND -Mail - Is OPERATING	GENERAL FUND -Mail - Is	Cash		30209		AEROBICS WORLD	2013-2014 PRIVILEGE	20.00	1/10/2014
Def: 398249	1/03/2014	GENERAL FUND -Mail - Is OPERATING	GENERAL FUND -Mail - Is	Check	0032127	00052		WESTERN AUTO STORE	2012-2013 priv license	48.40	1/10/2014
Def: 398251	1/03/2014	GENERAL FUND -Mail - Is OPERATING	GENERAL FUND -Mail - Is	Check	0032127	00052		WESTERN AUTO STORE	2013-2014 priv license	46.40	1/10/2014
Def: 398919	1/07/2014	GENERAL FUND -Mail - Is OPERATING	GENERAL FUND -Mail - Is	Cash		30217		EXPRESS TAX SERVICE	2013-2014 PRIV LICENSE	20.00	1/10/2014
Def: 399133	1/08/2014	GENERAL FUND -Mail - Is OPERATING	GENERAL FUND -Mail - Is	Check	0018169	00102		CAMELLIA HOME HEALTH & HOSPICE	2013-2014 PRIV LICENSE	57.00	1/10/2014
Def: 400361	1/10/2014	GENERAL FUND -Mail - Is OPERATING	GENERAL FUND -Mail - Is	Check	0001311	28364		B.F.O. BUDGET FURNITURE OUTLETS	2013-2014 priv license	28.25	1/10/2014
Def: 400643	1/13/2014	GENERAL FUND -Mail - Is OPERATING	GENERAL FUND -Mail - Is	Check	0001426	28796		AMC HYDRAULICS	2013-2014 priv license	22.60	1/21/2014
Def: 400644	1/13/2014	GENERAL FUND -Mail - Is OPERATING	GENERAL FUND -Mail - Is	Cash		17274		LAWRENCE'S BARBER SHOP	2013-2014 priv license	22.60	1/21/2014
Def: 400848	1/13/2014	GENERAL FUND -Mail - Is OPERATING	GENERAL FUND -Mail - Is	Check	0000002	30230		EASY MONEY PAWN, LLC	2013-2014 PRIV LICENSE	500.00	1/21/2014
Def: 401046	1/14/2014	GENERAL FUND -Mail - Is OPERATING	GENERAL FUND -Mail - Is	Check	0000507	30232		CUSTOM VAPES	2013-2014 PRIV LICENSE	20.00	1/21/2014
Def: 401651	1/16/2014	GENERAL FUND -Mail - Is OPERATING	GENERAL FUND -Mail - Is	Cash		29223		SHAY'S	2013-2014 PRIV LICENSE	22.60	1/21/2014
Def: 402851	1/22/2014	GENERAL FUND -Mail - Is OPERATING	GENERAL FUND -Mail - Is	Cash		30262		YOUR TAX PROFESSIONALS	2013-2014 PRIV LICENSE	20.00	1/24/2014
Def: 402874	1/22/2014	GENERAL FUND -Mail - Is OPERATING	GENERAL FUND -Mail - Is	Check	0002020	28680		SPENCE MEDICAL RESEARCH, LLC	2013-2014 PRIV LICENSES	20.00	1/24/2014
Def: 402875	1/22/2014	GENERAL FUND -Mail - Is OPERATING	GENERAL FUND -Mail - Is	Check	0002020	19781		SPENCE MEDICAL RESEARCH LLC	2013-2014 PRIV LICENSES	30.00	1/24/2014
Def: 402878	1/22/2014	GENERAL FUND -Mail - Is OPERATING	GENERAL FUND -Mail - Is	Check	0000196	30263		PARTY TYME!	2013-2014 PRIV LICENSE	20.00	1/24/2014
Def: 403137	1/23/2014	GENERAL FUND -Mail - Is OPERATING	GENERAL FUND -Mail - Is	Check	0001683	14876		BEAUTY SHOPPE, THE	2013-2014 PRIV LICENSE	22.60	1/24/2014
Def: 403203	1/23/2014	GENERAL FUND -Mail - Is OPERATING	GENERAL FUND -Mail - Is	Cash		30270		NICK'S MEAT MARKET AND DELI	2013-2014 PRIV LICENSE	20.00	1/24/2014
Def: 403229	1/23/2014	GENERAL FUND -Mail - Is OPERATING	GENERAL FUND -Mail - Is	Check	0013378	28204		CARTERS JEWELRY	2013-2014 priv license	20.00	1/24/2014
										1,005.45	

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Bumpers, Stevens, Breland and Gougnet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ACKNOWLEDGE RECEIPT OF MONTHLY PUBLIC RECORDS REQUEST REPORT

REGULAR MEETING FEBRUARY 18, 2014

Motion was made by Council Member Gouguet, seconded by Council Member Bumpers to acknowledge receipt of monthly Public Records Request report for the month of January 2014.

CITY OF PICAYUNE REPORT OF PUBLIC RECORDS REQUESTS JANUARY 2014				
<u>DATE</u>	<u>PERSON REQUEST</u>	<u>SUBJECT MATTER</u>	<u>DATE FILLED/ DENIED</u>	<u>ACTION</u>
01/31/14	PICAYUNE HOUSING AUTHORITY	FINGERPRINTS	01/31/14	APPROVED
01/30/14	LEXIS NEXIS	ACCIDENT REPORT # 2014-01-0664	01/30/14	APPROVED
01/31/14	JENNIFER SAVOIE	RECORD'S CHECK X 3	01/31/14	APPROVED
01/31/14	ROLANDO ESPINO	ACCIDENT REPORT # 201-01-1776	01/31/14	APPROVED
01/31/14	LEONARD DAVID	ACCIDENT REPORT # 2014-01-1763	01/31/14	APPROVED
01/31/14	MIKE BEECH	ACCIDENT REPORT # 2014-01-1761	01/31/14	APPROVED
01/31/14	MYRA ESKUE	ACCIDENT REPORT # 2013-12-2215	01/31/14	APPROVED
01/31/14	FBI NICS	RECORD'S CHECK	01/31/14	APPROVED
01/27/14	JUSTIN M CHAMPLIN	ACCIDENT REPORT # 2014-01-1565	01/27/14	APPROVED
01/30/14	LEXIS NEXIS	ACCIDENT REPORT # 2014-01-1465	01/30/14	APPROVED
01/30/14	LEXIS NEXIS	ACCIDENT REPORT # 2014-01-0244	01/30/14	APPROVED
01/27/14	MORRIS BART LTD	ACCIDENT REPORT # 2014-01-1171	01/27/14	APPROVED
01/27/14	METROPOLITAN REPORTING BUREAU	ACCIDENT REPORT # 2014-01-0630	01/27/14	APPROVED
01/27/14	METROPOLITAN REPORTING BUREAU	ACCIDENT REPORT # 2014-01-0534	01/27/14	APPROVED
01/27/14	THE HAUG LAW FIRM	ACCIDENT REPORT # 2014-01-0736	01/27/14	APPROVED
01/27/14	METROPOLITAN REPORTING BUREAU	ACCIDENT REPORT # 2014-01-0736	01/27/14	APPROVED
01/30/14	ALANA CAMPO	ACCIDENT REPORT # 2014-01-1776	01/30/14	APPROVED
01/27/14	MELISSA WALLER	ACCIDENT REPORT # 2014-01-1770	01/27/14	APPROVED
01/27/14	RONALD SCHRODER	ACCIDENT REPORT # 2014-01-1770	01/27/14	APPROVED
01/24/14	F.B.I. NICS	INCIDENT REPORT	01/24/14	APPROVED
01/24/14	HANCOCK COUNTY YOUTH COURT	RECORD'S CHECK	01/24/14	APPROVED
01/24/14	BONNIE A BY	RECORD'S CHECK	01/24/14	APPROVED
01/24/13	JANICE SPIERS	ACCIDENT REPORT # 2014-01-1565	01/24/13	APPROVED
01/23/14	METROPOLITAN REPORTING BUREAU	ACCIDENT REPORT # 2013-12-1396	01/23/14	APPROVED
01/23/14	METROPOLITAN REPORTING BUREAU	ACCIDENT REPORT # 2013-12-1624	01/23/14	APPROVED
01/23/14	MCDONALD, PATCH & BRYAN LLC	ACCIDENT REPORT # 2013-07-1033	01/23/14	APPROVED
01/23/14	LEXIS NEXIS	ACCIDENT REPORT # 2014-01-1055	01/23/14	APPROVED
01/23/14	ELYSE M KINDER	ACCIDENT REPORT # 2010-10-1945	01/23/14	APPROVED
01/23/14	FORD EVENS JR	ACCIDENT REPORT # 2014-01-1102	01/23/14	APPROVED
01/23/14	LEXIS NEXIS	ACCIDENT REPORT # 2013-12-0443	01/23/14	APPROVED
01/23/14	LEXIS NEXIS	ACCIDENT REPORT # 2014-01-0630	01/23/14	APPROVED
01/23/14	ANGELIKA TREADWAY	ACCIDENT REPORT # 2014-01-0937	01/23/14	APPROVED
01/23/14	LEXIS NEXIS	ACCIDENT REPORT # 2013-11-0057	01/23/14	APPROVED
01/23/14	LEXIS NEXIS	ACCIDENT REPORT # 2014-01-1102	01/23/14	APPROVED
01/23/14	LEXIS NEXIS	ACCIDENT REPORT # 2013-01-1283	01/23/14	APPROVED
01/23/14	ELYSE M KINDER	ACCIDENT REPORT # 2010-10-1945	01/23/14	APPROVED
01/23/14	USDC SOUTHERN DISTRICT	RECORD'S CHECK	01/23/14	APPROVED
01/22/14	DEPT OF PUBLIC SAFETY & CORRECTIONS	RECORD'S CHECK	01/22/14	APPROVED
01/22/14	CHRISTINA SMITH	ACCIDENT REPORT # 2014-01-1055	01/22/14	APPROVED
01/22/14	HAROLD CORDES	ACCIDENT REPORT # 2014-01-1055	01/22/14	APPROVED

REGULAR MEETING FEBRUARY 18, 2014

01/22/14	CITY OF PICAYUNE	RECORD'S CHECK	01/22/14	APPROVED
01/22/14	AMBER ARCHER	ACCIDENT REPORT # 2014-01-1283	01/22/14	APPROVED
01/22/14	GEORGIA LINDSEY	RECORD'S CHECK	01/22/14	APPROVED
01/21/14	JULIA VANETTED	ACCIDENT REPORT # 2014-01-1164	01/21/14	APPROVED
01/21/14	LASHUNDA DAWSON	RECORD'S CHECK	01/21/14	APPROVED
01/21/14	CUNNINGHAM & LINDSEY INS.CO	INCIDENT REPORT # 2014-01-0986	01/21/14	APPROVED
01/17/14	DEBBIE MAILHES	RECORD'S CHECK	01/17/14	APPROVED
01/14/14	FL DEPT OF CORRECTIONS	BACKGROUND CHECK	01/14/14	APPROVED
01/15/14	LEXIS NEXIS	ACCIDENT REPORT # 2013-12-2215	01/15/14	APPROVED
01/15/14	LEXIS NEXIS	ACCIDENT REPORT # 2014-01-0194	01/15/14	APPROVED
01/15/14	LEXIS NEXIS	ACCIDENT REPORT # 2013-12-1753	01/15/14	APPROVED
01/15/14	LEXIS NEXIS	ACCIDENT REPORT # 2014-01-0623	01/15/14	APPROVED
01/15/14	LEXIS NEXIS	ACCIDENT REPORT # 2014-01-0416	01/15/14	APPROVED
01/15/14	METROPOLITAN REPORTING BUREAU	ACCIDENT REPORT # 2013-12-1328	01/15/14	APPROVED
01/15/14	METROPOLITAN REPORTING BUREAU	ACCIDENT REPORT # 2013-12-1753	01/15/14	APPROVED
01/15/14	ROY HUGHES	RECORD'S CHECK	01/15/14	APPROVED
01/15/14	ONTERRIO DEMOND DUCRE	RECORD'S CHECK	01/15/14	APPROVED
01/15/14	KARRI BERG	ACCIDENT REPORT # 2014-01-0156	01/15/14	APPROVED
01/14/14	CA DEPT OF CORRECTIONS	BACKGROUND CHECK	01/14/14	APPROVED
01/10/14	HANCOCK COUNTY YOUTH COURT	RECORDS CHECK	01/10/14	APPROVED
01/10/14	TONIA P SMITH	INCIDENT REPORT # 2013-07-1033	01/10/14	APPROVED
01/10/14	BONNIE BARKLEY	INCIDENT REPORT # 2013-01-0194	01/10/14	APPROVED
01/09/14	F.B.I. NICS	INCIDENT REPORT # 2013-06-0675	01/09/14	APPROVED
01/09/14	RENEA BULLARD	ACCIDENT REPORT # 2013-12-1396	01/09/14	APPROVED
01/09/14	HANCOCK COUNTY YOUTH COURT	RECORD'S CHECK	01/09/14	APPROVED
01/09/14	ELLEN DELOIS FOUNTAIN	BACKGROUND CHECK	01/09/14	APPROVED
01/09/14	HANCOCK COUNTY YOUTH COURT	RECORD'D CHECK X 6	01/09/14	APPROVED
01/09/14	KRISTINE WESTBROOK	ACCIDENT REPORT # 2014-01-0416	01/09/14	APPROVED
01/08/14	15TH JUDICIAL DRUG COURT	ARREST INFORMATION	01/08/14	APPROVED
01/08/14	MICHAEL BOWENS	RECORD'S CHECK	01/08/14	APPROVED
01/08/14	ROSLYN RACHELLE LAWSON	RECORD'S CHECK	01/08/14	APPROVED
01/07/14	UNITED STATES DISTRICT COURT	RECORD'S CHECK	01/07/14	APPROVED
01/07/14	U.S. PROBATION OFFICE	# 4 RECORD'S CHECK	01/07/14	APPROVED
01/07/14	WILLIAM BURNETT	ACCIDENT REPORT # 2014-01-0194	01/07/14	APPROVED
01/07/14	LEXIS NEXIS	INCIDENT REPORT # 2013-09-1784	01/07/14	APPROVED
01/07/14	LEXIS NEXIS	ACCIDENT REPORT # 2013-12-0337	01/07/14	APPROVED
01/07/14	LEXIS NEXIS	ACCIDENT REPORT # 2013-12-1405	01/04/14	APPROVED
01/07/14	LEXIS NEXIS	ACCIDENT REPORT # 2013-12-0030	01/07/14	APPROVED
01/07/14	SMITH & OLDMIXON	ACCIDENT REPORT # 2013-12-0030	01/07/14	APPROVED
01/07/14	SAFEWAY INSURANCE COMPANY	ACCIDENT REPORT # 2013-12-1393	01/07/14	APPROVED
01/07/14	PROGRESSIVE INSURANCE COMPANY	ACCIDENT REPORT # 2013-11-1616	01/07/14	APPROVED
01/07/14	MDOT	RECORD'S CHECK	01/07/14	APPROVED
01/06/14	ROBERT CARR/CARR INSURANCE	RECORD'S CHECK	01/06/14	APPROVED
01/06/14	COAST ELECTRIC (JEFF BARBARA	ACCIDENT REPORT # 2013-12-2064	01/06/13	APPROVED
01/03/14	RICK ZERKUS	ACCIDENT REPORT # 2013-12-1393	01/03/14	APPROVED
01/03/14	DEBRA WARNER	ACCIDENT REPORT # 2013-12-1507	01/03/14	APPROVED
01/03/14	UNITED STATES DISTRICT COURT	#3 RECORD'S CHECK	01/03/14	APPROVED
01/03/14	F.B.I. NICS	INCIDENT REPORT # 2013-04-0337	01/03/14	APPROVED
01/03/13	FARM BUREAU	ACCIDENT REPORT # 2013-11-1979	01/03/13	APPROVED
01/03/14	F.B.I. NICS	INCIDENT REPORT # 2012-07-1476	01/03/14	APPROVED
01/03/14	FARM BUREAU	ACCIDENT REPORT # 2013-12-0539	01/03/14	APPROVED

REGULAR MEETING FEBRUARY 18, 2014

01/03/14	PALMER JOHN ADAM	ACCIDENT REPORT # 2013-12-1393	01/03/14	APPROVED
01/03/14	MORRIS BART LTD	ACCIDENT REPORT # 2013-12-0621	01/03/14	APPROVED
01/03/14	RACHEL OVERSTREET	ACCIDENT REPORT # 2013-12-2064	01/03/14	APPROVED
01/03/14	BETTY WHEAT	ACCIDENT REPORT # 2013-12-2215	01/03/14	APPROVED
01/03/14	COREY BERFUSE	ACCIDENT REPORT # 2013-12-1655	01/03/14	APPROVED
01/02/14	SAFEWAY INSURANCE COMPANY	ACCIDENT REPORT # 2013-12-1394	01/02/14	APPROVED
01/02/14	METROPOLITAN REPORTING BUREAU	ACCIDENT REPORT # 2013-12-0431	01/02/14	APPROVED
01/02/14	LEXIS NEXIS	ACCIDENT REPORT # 2013-12-0842	01/02/14	APPROVED
01/02/14	LEXIS NEXIS	ACCIDENT REPORT # 2013-12-0840	01/02/14	APPROVED
01/02/14	LEXIS NEXIS	ACCIDENT REPORT # 2013-12-1590	01/02/14	APPROVED
01/02/14	COTY DEMPSEY RODDY	RECORD'S CHECK	01/02/14	APPROVED
01/02/14	RODNEY BEECH (COAST ELECTRIC)	ACCIDENT REPORT # 2013-12-2064	01/02/14	APPROVED
				APPROVED

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Bumpers, Stevens, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ACCEPT COPY OF APPROVED PLANNING COMMISSION MINUTES

Motion was made by Council Member Gouquet, seconded by Council Bumpers to accept copy of Minutes approved by the Planning Commission dated November 12, 2013.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Bumpers, Stevens, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ACCEPT COPY OF PLANNING COMMISSION MINUTES

Motion was made by Council Member Gouquet, seconded by Council Member Bumpers to accept copy of Planning Commission Minutes dated February 11, 2014.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Bumpers, Stevens, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

RECEIVE AND ACKNOWLEDGE FINAL DECISION FROM THE PEARL RIVER COUNTY CIRCUIT COURT ACCEPTING THE BID FROM T.L. WALLACE AND AWARD THEM THE CONTRACT AS LOWEST AND BEST BIDDER

Motion was made by Council Member Gouguet, seconded by Council Member Valente to receive and acknowledge the final decision from the Pearl River County Circuit Court in Civil Action No. 2014-0010-M, accepting the bid from T.L. Wallace in the amount of \$ 1,717,240.00 and awarding contract to T. L. Wallace as the lowest and best bidder for the City of Picayune System Wide Cast Iron Main Replacement Project GS# 101-282.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Bumpers, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

RE-APPOINT DONALD BOWLES TO PICAYUNE HOUSING AUTHORITY BOARD

Motion was made by Council Member Stevens, seconded by Council Member Gouguet to re-appoint Donald Bowles to the Picayune Housing Authority Board.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Bumpers, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

MOTION TO TABLE APPOINTMENT TO THE PEARL RIVER COUNTY LIBRARY SYSTEM BOARD OF TRUSTEES

Motion was made by Council Member Gouguet, seconded by Council Member Valente to table the appointment to the Pearl River County Library System Board of Trustees.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Bumpers, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ACCEPT THE FY 2013 AUDIT

Motion was made by Council Member Gouguet, seconded by Council Member Valente to accept the FY 2013 annual audit.

**CITY OF PICAYUNE, MISSISSIPPI
AUDITED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

CITY OF PICAYUNE, MISSISSIPPI
 AUDITED FINANCIAL STATEMENTS
 SEPTEMBER 30, 2013

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MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This discussion and analysis of the City of Picayune's financial performance provides an overall narrative review of the City's financial activities for the year ended September 30, 2013. The intent of this discussion and analysis is to look at the City's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the City's financial performance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: (1) Government-wide financial statements, (2) Fund financial statements and (3) Notes to the basic financial statements. Required supplementary information is included in addition to the basic financial statements.

Figure 1 shows how required parts of this annual report are arranged and relate to one another.

Figure 2 summarizes the major features of the City's financial statements, including the portion of the City's government they cover and the types of information they contain.

The remainder of this section of Management's Discussion and Analysis explains the structure and content of each of the statements.

Figure 1 – Required Components of the City's Annual Report

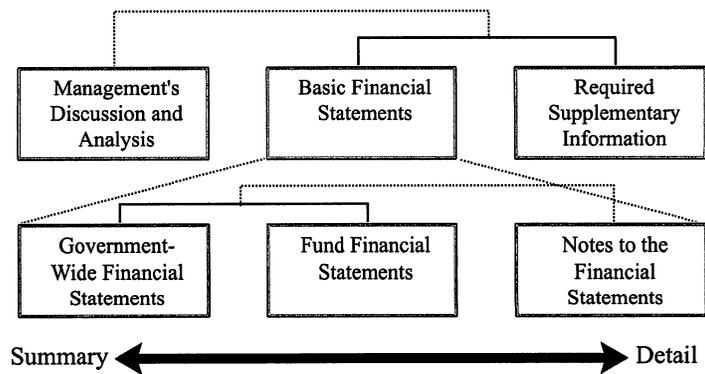


Figure 2 – Major Features of the City’s Government-Wide and Fund Financial Statements

	Government-Wide Financial Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire City government	All activities of the City that are not business-type or fiduciary in nature	Activities of the City that operate similar to private businesses
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expenses and changes in net assets • Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital and short and long term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short and long term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services are received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City finances, in a manner similar to private-sector businesses.

The **statement of net assets** presents information on all City assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The **statement of activities** presents information showing how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or part of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government; public safety; public works; culture and recreation; economic development authority; and interest on long-term debt. The business-type activities of the City include water and sewer services.

The Government-wide Financial Statements can be found on Exhibits 1 and 2 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a City's near-term financing requirements. Governmental funds include the general, special revenue and debt service funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on Exhibits 3.1 and 4.1 respectively.

The City maintains individual governmental funds in accordance with the *Municipal Audit and Accounting Guide* issued by the Office of the State Auditor. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for all major funds. All other non-major funds are combined together and presented in these reports as other governmental funds.

The basic governmental funds financial statements can be found on Exhibits 3 and 4 of this report.

Proprietary funds. The City's proprietary funds are enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statement. The City uses enterprise funds to account for the water and sewer service.

Fund financial statements for the proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Water and Sewer Fund is considered to be a major fund of the City.

The proprietary funds financial statements can be found on Exhibits 5, 6, and 7 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found immediately following the exhibits in this report.

In addition to the basic financial statements and accompanying notes, this report also presents **Required Supplementary Information** concerning the City's budget process.

The City adopts an annual operating budget for all governmental funds and proprietary funds. A budgetary comparison statement has been provided for the General Fund and the Utility Fund.

CURRENT FINANCIAL RELATED ACTIVITIES

Antiquated infrastructure is a problem for the City of Picayune as it is for many governmental agencies. However, in the past 5 years, the City has taken a proactive stance in regards to this issue.

In 2010, the City issued \$7,700,000 of general obligation debt to fund a city-wide street paving improvement project. To date, all City streets are freshly paved and a plan has been incorporated to maintain these roads. The City has also received hundreds of thousands of dollars in grant funding to: 1) pave highways; 2) Ridge Road / Wal-Mart intersection; 3) downtown parking; 4) construct sidewalks for West Side School; and 5) incorporate nostalgic lighting in our Historic District.

During this same time period, the City relocated its City Hall back to the original site utilizing the historic building in addition to the construction of a brand new building. With this move, the Public Works Department relocated back to a newly renovated facility with additions to house machinery and inventory. The Intermodal Depot is now the home of our Planning and Zoning Department, Main Street office, and a museum.

Recently, the City also issued \$3,000,000 of revenue bonds for the purpose of a natural gas cast iron gas main replacement project. This project is anticipated to reduce the City's unaccounted for natural gas tremendously and lower customer's bills. The water system underwent several major improvements including the renovation of two main water tanks, installation of a 12-inch water main at the intersection of Adcox/Sycamore and Baylous/Loflin and the repairs to several serious water main leaks. The City recognizes the need to continue the efforts for upgrading of the utility system and does so by including upgrades each year in the budget.

CONTACTING THE CITY'S FINANCIAL DEPARTMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Amber Hinton, City Clerk, at 601.798.9770.

Keene, Bourne, Sanderson, Haigler & Eavenson, PA

CERTIFIED PUBLIC ACCOUNTANTS
(A Professional Association)

JOHN M. KEENE, CPA
PAMELA W. BOURNE, CPA
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T. ASHTON HAIGLER, CPA, CVA
CHELLIE K. EAVENSON, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, Members of the
City Council, City Manager, and City Clerk
Picayune, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Picayune, Mississippi, as of and for the year ended September 30, 2013, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Picayune's management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Picayune, Mississippi, as of September 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 2014, on our consideration of the City of Picayune, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and do not provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion & Analysis on pages 2 - 5 and the budgetary comparison information on pages 34 - 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic

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ALABAMA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Picayune, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Other supplementary financial information listed as schedules in the table of contents is also presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Keene, Bourne, Sanderson, Haigler & Eavenson, P.A.

Keene Bourne Sanderson Haigler & Eavenson, PA
Certified Public Accountants

February 18, 2014

City of Picayune
Statement of Net Assets
September 30, 2013

EXHIBIT 1

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,944,415	\$ 6,844,006	\$ 11,788,421
Investments	1,707,418	599,568	2,306,986
Receivables (net of uncollectibles):			
Accounts	401,723	779,294	1,181,017
Sales Tax	723,160	-	723,160
Property & Ad Valorem Tax	1,924,987	-	1,924,987
Other	174,524	32,708	207,232
Notes Receivable	987,954	-	987,954
Other Assets	644,014	298,660	942,674
Due from Other Funds	3,013,901	239,337	3,253,238
Capital Assets (net of accumulated depreciation):			
Land	2,402,438	172,599	2,575,037
Buildings and Improvements	5,874,796	111,247	5,986,043
Machinery and Equipment	120,503	478,266	598,769
Mobile Equipment	1,188,376	156,438	1,344,814
Infrastructure	17,700,643	9,458,998	27,159,641
Construction in Progress	7,410,870	-	7,410,870
Bond Issuance Costs (net of accumulated amortization)	234,765	70,217	304,982
Total Assets	\$ 49,454,487	\$ 19,241,338	\$ 68,695,825
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts Payable	\$ 614,349	\$ 814,246	\$ 1,428,595
Accrued Liabilities	265,667	58,502	324,169
Customer Deposits	-	669,483	669,483
Due to Other Funds	1,357,937	1,895,301	3,253,238
Deferred Revenue	1,924,987	-	1,924,987
Assets Held for Others	398,071	-	398,071
Non-Current Liabilities:			
Due Within One Year	1,280,994	275,873	1,556,867
Due In More Than One Year	10,634,577	6,476,435	17,111,012
Long-term Compensated Absences	566,342	95,218	661,560
Total Liabilities	17,042,924	10,285,058	27,327,982
Net Assets:			
Invested in Capital Assets, net of related debt	22,782,055	3,625,240	26,407,295
Restricted	5,006,906	1,269,051	6,275,957
Unrestricted	4,622,602	4,061,989	8,684,591
Total Net Assets	32,411,563	8,956,280	41,367,843
Total Liabilities and Net Assets	\$ 49,454,487	\$ 19,241,338	\$ 68,695,825

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

City of Picayune
Statement of Activities
September 30, 2013

EXHIBIT 2

Function/Programs:	Program Revenues			Business-Type Activities	Total
	Expenses	Charges for Services	Operating Grants		
Governmental Activities:					
General Government	\$ 2,342,642	\$ -	\$ 278,483	\$ -	\$ (2,064,159)
Public Safety	5,066,257	-	-	-	(5,066,257)
Public Works	1,370,754	-	-	-	(1,370,754)
Culture and Recreation	92,973	-	-	-	(92,973)
Economic Development	755,889	5,236	60,960	-	(689,693)
Interest on Long-Term Debt	400,073	-	-	-	(400,073)
Total Governmental Activities	10,028,588	5,236	339,443	-	(9,683,909)
Business-type Activities:					
Utility	4,605,049	4,686,021	-	534,044	615,016
Cemetery	63,996	23,422	-	-	(40,574)
Total Business-type Activities	4,669,045	4,709,443	-	534,044	574,442
Total Functions/Programs	14,697,633	4,714,679	339,443	534,044	(9,109,467)
General Revenues:					
Property Tax and Ad Valorem Tax					2,721,077
Franchise Taxes					615,475
Sales Tax					4,635,757
Intergovernmental Revenue					652,564
Licenses, Permits, and Fees					210,946
Fines and Forfeits					438,834
Other					349,692
Transfers In					204,631
Transfers Out					(1,854,136)
Total General Revenues					9,909,470
Change in Net Assets					(78,994)
Net Assets, Beginning of Year					225,561
Net Assets, End of Year					8,460,832
					\$ 32,411,563
					\$ 8,956,280
					\$ 41,367,843

**City of Picayune
Balance Sheet
Governmental Funds
September 30, 2013**

EXHIBIT 3

	General Fund	Airport Fund	Economic Development Fund	Gen Obligation Street Bonds Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 3,223,244	\$ 321,800	\$ 487,203	\$ 670,624	\$ 241,544	\$ 4,944,415
Investments	1,500,000	-	150,773	-	56,645	1,707,418
Receivables (net of uncollectibles):						
Intergovernmental Receivables	653,426	-	69,734	-	-	723,160
Property Tax Receivable	1,924,987	-	-	-	-	1,924,987
Franchise Tax Receivable	175,684	-	-	-	-	175,684
Other Receivables	400,563	-	-	-	-	400,563
Notes Receivable	130,665	-	857,289	-	-	987,954
Prepaid Expenses	194,459	-	21,639	-	-	216,098
Inventory	-	-	427,916	-	-	427,916
Due from Other Funds	2,978,020	-	10,823	-	25,058	3,013,901
Total Assets	\$ 11,181,048	\$ 321,800	\$ 2,025,377	\$ 670,624	\$ 323,247	\$ 14,522,096
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 442,946	\$ 1,958	\$ 20,256	\$ 112,993	\$ 36,196	614,349
Accrued Liabilities	265,667	-	-	-	-	265,667
Due to Other Funds	273,282	1,082,682	-	-	1,973	1,357,937
Deferred Revenue	1,924,987	-	-	-	-	1,924,987
Assets Held for Others	374,822	-	-	-	23,249	398,071
Total Liabilities	3,281,704	1,084,640	20,256	112,993	61,418	4,561,011
Fund Balances:						
Nonspendable						
Prepaid Expenses	194,459	-	21,639	-	-	216,098
Inventory	-	-	427,916	-	-	427,916
Notes Receivable	130,665	-	857,289	-	-	987,954
Restricted						
Debt Service	1,000,919	-	655,152	-	-	1,656,071
Capital Projects	1,048,243	-	-	670,624	-	1,718,867
Committed	805,000	-	-	-	-	805,000
Assigned	-	(762,840)	43,125	-	261,829	(457,886)
Unassigned	4,720,058	-	-	(112,993)	-	4,607,065
Total Fund Balances (Deficits)	7,899,344	(762,840)	2,005,121	557,631	261,829	9,961,085
Total Liabilities and Fund Balances	\$ 11,181,048	\$ 321,800	\$ 2,025,377	\$ 670,624	\$ 323,247	\$ 14,522,096

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

**City of Picayune
Reconciliation of the Balance Sheet
to the Statement of Net Assets
Governmental Funds
September 30, 2013**

EXHIBIT 3.1

Fund Balances - Total Governmental Funds	\$	9,961,085
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>		
<p>Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.</p>		
Governmental Capital Assets	\$ 66,114,939	
Less: Accumulated Depreciation	<u>(31,417,313)</u>	34,697,626
<p>Other long-term assets are not current financial resources. Therefore, they are not reported in the funds.</p>		
Bond Issuance Costs	319,500	
Less: Accumulated Amortization	<u>(84,735)</u>	234,765
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.</p>		
Bonds Payable	(10,259,500)	
Notes Payable	(1,656,071)	
Compensated Absences	<u>(566,342)</u>	<u>(12,481,913)</u>
Net Assets of Governmental Activities	\$	<u>32,411,563</u>

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

City of Picayune
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
September 30, 2013

EXHIBIT 4

	General Fund	Airport Fund	Economic Development Fund	Gen Obligation Street Bonds Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property and Ad Valorem Taxes	\$ 1,813,719	\$ -	\$ -	\$ -	\$ 907,358	\$ 2,721,077
Licenses, Permits and Fees	826,421	-	-	-	-	826,421
Intergovernmental Revenue	652,564	-	-	-	-	652,564
Sales Tax	4,193,278	-	442,455	-	24	4,635,757
Charges for Services	-	5,236	-	-	-	5,236
Fines and Forfeits	373,311	-	-	-	65,523	438,834
Rents Charged	-	91,270	40,969	-	-	132,239
Grants	278,483	-	60,960	-	-	339,443
Other Revenue	185,502	-	18,458	1,896	17,179	223,035
Total Revenues	8,323,278	96,506	562,842	1,896	990,084	9,974,606
EXPENDITURES						
Current:						
General Government	2,679,157	-	-	239,862	-	2,919,019
Public Safety	4,973,809	-	-	-	171,350	5,145,159
Public Works	1,399,065	-	-	-	-	1,399,065
Culture and Recreation	-	-	-	-	-	-
Economic Development	22,780	99,540	353,985	-	-	476,305
Debt Service:						
Principal Retirement	-	-	-	-	1,237,748	1,237,748
Interest and Fiscal Charges	-	-	-	-	400,073	400,073
Total Expenditures	9,074,811	99,540	353,985	239,862	1,809,171	11,577,369
Excess (Deficiency) of Revenues Over Expenditures	(751,533)	(3,034)	208,857	(237,966)	(819,087)	(1,602,763)
OTHER FINANCING SOURCES (USES)						
Proceeds from Sale of Assets	-	-	8,722	-	-	8,722
Transfers In	935,156	-	-	195,782	723,198	1,854,136
Transfers Out	(668,100)	-	(265,755)	(427,328)	(207,828)	(1,569,011)
Total Other Financing Sources (Uses)	267,056	-	(257,033)	(231,546)	515,370	293,847
Net Change in Fund Balance	(484,477)	(3,034)	(48,176)	(469,512)	(303,717)	(1,308,916)
Fund Balances (Deficits) - Beginning	8,383,821	(759,806)	2,053,297	1,027,143	565,546	11,270,001
Fund Balances (Deficits) - Ending	\$ 7,899,344	\$ (762,840)	\$ 2,005,121	\$ 557,631	\$ 261,829	\$ 9,961,085

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

**City of Picayune
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
September 30, 2013**

EXHIBIT 4.1

Net Change in Fund Balances - Total Governmental Funds	\$ (1,308,916)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is depreciated over their estimated useful lives.</p>	
Expenditures for Capital Assets	\$ 1,789,895
Less: Current Year Depreciation	<u>(1,442,365)</u> 347,530
<p>Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.</p>	
Principal Payments	1,237,748
<p>Some expenses in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>	
Change in Long-term Compensated Absences	<u>(50,801)</u>
Change in Net Assets of Governmental Activities	<u>\$ 225,561</u>

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

City of Picayune
Statement of Net Assets
Proprietary Funds
September 30, 2013

EXHIBIT 5

	Enterprise Funds		
	Utility Fund	Cemetery Fund	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 6,768,211	\$ 75,795	\$ 6,844,006
Investments	363,406	236,162	599,568
Accounts Receivable, net of allowance	779,294	-	779,294
Other Receivables	-	32,708	32,708
Prepaid Expenses	12,394	-	12,394
Inventory	138,064	148,202	286,266
Due from Other Funds	239,337	-	239,337
Total Current Assets	8,300,706	492,867	8,793,573
Noncurrent Assets:			
Capital Assets:			
Land	169,023	3,576	172,599
Buildings and Improvements	142,065	8,506	150,571
Machinery and Equipment	1,147,021	21,387	1,168,408
Infrastructure	12,171,863	-	12,171,863
Mobile Equipment	577,743	10,000	587,743
Construction in Progress	-	-	-
Less Accumulated Depreciation	(3,839,390)	(34,246)	(3,873,636)
Bond Issuance Costs, net of accumulated amortization	70,217	-	70,217
Total Noncurrent Assets	10,438,542	9,223	10,447,765
Total Assets	18,739,248	502,090	19,241,338
LIABILITIES			
Current Liabilities:			
Accounts Payable	813,196	1,050	814,246
Accrued Salaries and Taxes	58,502	-	58,502
Customer Deposits	669,483	-	669,483
Due to Other Funds	1,894,396	905	1,895,301
Current Portion of Long-term Debt	275,873	-	275,873
Total Current Liabilities	3,711,450	1,955	3,713,405
Noncurrent Liabilities:			
Compensated Absences Payable	91,880	3,338	95,218
Long-term Debt	6,476,435	-	6,476,435
Total Liabilities	10,279,765	5,293	10,285,058
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	3,616,017	9,223	3,625,240
Restricted	1,032,889	236,162	1,269,051
Unrestricted	3,810,577	251,412	4,061,989
Total Net Assets	\$ 8,459,483	\$ 496,797	\$ 8,956,280

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

City of Picayune
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
September 30, 2013

EXHIBIT 6

	Enterprise Funds		
	Utility Fund	Cemetery Fund	Total
Operating Revenues:			
Charges for Services	\$ 4,686,021	\$ -	\$ 4,686,021
Plot Sales	-	23,422	23,422
Total Operating Revenues	4,686,021	23,422	4,709,443
Operating Expenses:			
Personnel Services	1,404,609	47,482	1,452,091
Supplies	321,369	8,319	329,688
Contractual Services and Other Charges	1,427,303	5,642	1,432,945
Utilities	101,717	1,161	102,878
Purchase of Gas	912,276	-	912,276
Depreciation and Amortization	306,323	1,392	307,715
Total Operating Expenses	4,473,597	63,996	4,537,593
Operating Income (Loss)	212,424	(40,574)	171,850
Nonoperating Revenues (Expenses):			
Other Miscellaneous Income	159,177	636	159,813
Proceeds from Asset Disposals	32,617	-	32,617
Interest Income	11,986	215	12,201
Grant Revenue	534,044	-	534,044
Transfers In	120,833	16,375	137,208
Transfers Out	(420,833)	-	(420,833)
Interest Expense	(131,452)	-	(131,452)
Total Nonoperating Revenues (Expenses)	306,372	17,226	323,598
Net Income (Loss)	518,796	(23,348)	495,448
Total Net Assets - Beginning	7,940,687	520,145	8,460,832
Total Net Assets - Ending	\$ 8,459,483	\$ 496,797	\$ 8,956,280

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

**City of Picayune
Statement of Cash Flows
Proprietary Funds
September 30, 2013**

EXHIBIT 7

	Enterprise Funds		
	Utility Fund	Cemetery Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers and users	\$ 4,686,021	\$ 23,422	\$ 4,709,443
Cash payments for personnel services	(1,404,609)	(47,482)	\$ (1,452,091)
Cash payments to suppliers and contractual services	(1,748,672)	(13,961)	\$ (1,762,633)
Cash payments for other charges	(1,125,951)	(8,756)	\$ (1,134,707)
Net cash provided (used) by operating activities	<u>406,789</u>	<u>(46,777)</u>	<u>360,012</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Grant revenue	534,044	-	534,044
Miscellaneous revenue	191,794	851	192,645
Transfers (to) from other funds	(300,000)	16,375	(283,625)
Interest expense	(131,452)	-	(131,452)
Principal repayments	(159,037)	-	(159,037)
Proceeds from borrowings	3,391,973	-	3,391,973
Purchase of capital assets	(1,091,900)	-	(1,091,900)
Net cash provided (used) by capital and related financing activities	<u>2,435,422</u>	<u>17,226</u>	<u>2,452,648</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment earnings	11,986	215	12,201
Net cash provided (used) by investing activities	<u>11,986</u>	<u>215</u>	<u>12,201</u>
Net increase (decrease) in cash and cash equivalents	2,854,197	(29,336)	2,824,861
Cash and cash equivalents, October 1	3,914,014	105,131	4,019,145
Cash and cash equivalents, September 30	<u>\$ 6,768,211</u>	<u>\$ 75,795</u>	<u>\$ 6,844,006</u>

Reconciliation of operating income to net cash provided by operating activities:			
Net operating income (loss)	\$ 212,424	\$ (40,574)	\$ 171,850
Adjustments not affecting cash:			
Depreciation expense	306,323	1,392	307,715
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(18,380)	-	(18,380)
(Increase) decrease in prepaid items	1,607	-	1,607
(Increase) decrease in inventory	(25,499)	-	(25,499)
(Increase) decrease in due from other funds	(27,575)	2,439	(25,136)
Increase (decrease) in accounts payable & accruals	(68,112)	(10,886)	(78,998)
Increase (decrease) in customer deposits	20,715	-	20,715
Increase (decrease) in due to other funds	5,286	852	6,138
Net cash provided (used) by operating activities	<u>\$ 406,789</u>	<u>\$ (46,777)</u>	<u>\$ 360,012</u>

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

**CITY OF PICAYUNE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- I. The City of Picayune, Mississippi incorporated under the laws of the State of Mississippi and situated in Pearl River County, operates under the council-manager form of government and provides the following services as authorized by its charter: Public Safety (Police and Fire), Public Works, Health and Welfare, Culture and Recreation, and General Administrative Services.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the notes is organized to provide explanation, including required disclosures, of the City's financial activities for the fiscal year ended September 30, 2013.

- II. The City's basic financial statements include the accounts of all City operations. The criteria for including as a component unit of the city, consists of oversight responsibility, special financing relationships, and scope of public services. Oversight responsibility is determined by the extent of financial interdependency, control over the selection of the governing authority and management, ability to significantly influence operations, and accountability for fiscal matters. Based on these criteria, the City has no component units.

Related Organizations

The Picayune School District has been excluded from the reporting entity, because it is an "other stand-alone government". The school district is a related organization of, but not a component unit of, the City of Picayune. The governing authorities of the City do select a majority of the school district's board, but do not have ongoing financial accountability for the school district.

Joint Ventures and Jointly Governed Organizations

Additionally during its evaluation of potential component units, management identified one joint venture, Partners for Pearl River County, and one jointly governed organization, Municipal Gas Authority of Mississippi.

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participations retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Generally, the purpose of a joint venture is to pool resources and share the costs, risks, and rewards of providing goods or services to the venture participants directly, or for the benefit of, the general public or specific service recipients.

A jointly governed organization is similar in nature to a joint venture in that it provides goods and services to the citizenry of two or more governments. However, it does not meet the definition of a joint venture because there is no ongoing significant financial interest or responsibility by the participating governments.

III. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report financial information on all of the non-fiduciary activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree of which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation

CITY OF PICAYUNE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

of capital assets and include fees to developers. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

IV. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

(A) Basis of Accounting

The City complies with accounting principles generally accepted in the United States of American (GAAP) as applicable to governmental entities, and as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict with GASB pronouncements, in which, GASB prevails.

The government-wide financial statements report using the economic resources measurements focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using the same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property tax revenues are recognized in the year for which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. The City considers revenues to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Major revenue sources susceptible to accrual include: Property taxes, licenses, intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received by the City.

Operating income reported in proprietary fund financial statements include revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

(B) Fund Types and Major Funds

Governmental Funds

The City reports the following major governmental funds:

General Fund – The general fund is the primary operating fund of the city. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**CITY OF PICAYUNE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Airport Fund – This special revenue fund accounts for the financial resources used for the acquisition, construction, and maintenance of the City operated airport.

Economic Development Fund – This special revenue fund accounts for the proceeds from the Tourism Sales Tax, and the sales of land in the industrial park that are used for economic development.

General Obligation Street Bond Fund – This special revenue fund accounts for the proceeds from the issuance of bonds to be used for certain capital projects and improvements.

Proprietary Funds

The City reports the following major proprietary funds:

Utility Fund – The utility fund accounts for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing water, garbage, and gas services to the general public on a continuing basis be financed or recovered primarily through user charges.

Cemetery Fund – The cemetery fund accounts for the activities and operation of the City operated cemetery.

(C) 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 of 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.

V. Assets, Liabilities, and Net Assets or Equity

(A) Cash and Investments

The City's cash and cash equivalents are primarily considered to be cash on hand and amounts held in demand deposits. For purposes of the statement of cash flows, short-term investments held in proprietary funds with a maturity date within three months of the date acquired by the City, if any, are considered to be cash equivalents.

State statutes authorize the City to invest in (1) direct obligations of the United States government, the payment of which the full faith and credit of the United States government is pledged, (2) certificates of deposit when insured or secured by acceptable collateral and (3) obligations of the State of Mississippi, or any county, municipality or school district of the State of Mississippi which have been approved by a reputable bond attorney or have been validated by the decree of the chancery court. Investments are recorded at costs, which approximated fair value.

(B) Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**CITY OF PICAYUNE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All trade, property tax, and fine receivables are shown net of an allowance for uncollectibles. An allowance has been provided in the general fund and the utility fund for estimated uncollectible ad valorem taxes receivable and utility charges. In the general fund, the allowance amount is estimated based on collections history. The allowance in the utility fund is estimated using accounts receivable past due 90 days or more. As of September 30, 2013, the allowance for uncollectible utility fund receivables is \$37,296 and the allowance for general fund receivables is \$3,909,655 which consists primarily of police fines.

(C) Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2013, are recorded as prepaid items.

(D) Inventories

Inventories consist of natural gas stored with the City's supplier, cemetery plots, aviation fuel at the Picayune Municipal Airport, and parcels of land at the City's industrial park. Inventories are stated at cost utilizing the average cost valuation method for natural gas and aviation fuel and at historical cost for cemetery plots and land.

(E) Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws. Restricted assets in the debt service fund are restricted for the payment of debt service. Restricted assets in the special revenue funds are restricted for economic development, recreation and for certain purposes as stated in the grant agreements. Restricted assets in the enterprise funds represent utility customer deposits subject to refund and amounts restricted for improvements. When both restricted and non-restricted assets are available for use, the policy is to use restricted assets first.

(F) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), net of depreciation are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City generally capitalizes assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest cost was capitalized during the current fiscal year.

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 years
Building improvements	20 years
Public domain infrastructure	50 years
Utility system infrastructure	10 – 50 years
Machinery and equipment	3 – 15 years

CITY OF PICAYUNE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(G) Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net assets. Bond issuance costs and bond premiums and discounts are capitalized and amortized over the terms of the respective bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

(H) Compensated Absences

The City's policy allows employees to accumulate unused vacation and sick leave. Full-time employees are granted vacation from 12 to 24 days per year depending on the employee's length of service. Retiring and terminating employees are paid for unused vacation up to a maximum of 240 hours. There is no liability for unpaid accumulated sick leave since sick pay is not paid upon termination of employment. All vacation pay is accrued when earned in the government-wide and proprietary fund financial statements. In the fund financial statements, a liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The compensated absences liability was computed using the specific identification method whereby the actual number of vacation hours multiplied by the employee's hourly rate at September 30, 2013. The resulting liability is then increased to include social security and retirement contributions that the City is required to pay up on liquidation of the liability.

(I) Fund Balances

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Governmental fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the City:

Nonspendable fund balance includes items that cannot be spent. This includes amounts that are not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds are restricted, committed, or assigned) and amounts that must legally or contractually be required to remain intact, such as a principal balance in a permanent fund.

Restricted fund balance includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal action of the Board, the City's highest level of decision-making authority.

Assigned fund balance includes amounts that are constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the general funds, this is the residual amount within the fund that is not restricted or committed.

**CITY OF PICAYUNE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance.

(J) Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, not of related debt, consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

NOTE 2 - CASH AND OTHER DEPOSITS

(A) Cash

The carrying value of the City's deposits with financial institutions was \$14,095,407 and the bank balance was \$14,132,917 at September 30, 2013.

Custodial Credit Risk: State laws allows the City to invest in interest bearing time certificates of deposits for periods of fourteen days to one year with depositories and in obligations of the U.S. Treasury, State of Mississippi, or of any county, municipality or school district of the state. Further, the City may invest in certain purchase agreements.

The collateral for public entities deposits' in financial institutions is held in the name of the State Treasurer of Mississippi under a program established by Section 27-105-5 Miss. Code Ann. (1972)., Under this program, the entity'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, security pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the FDIC.

Interest Rate Risk: The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk: The City places no limit on the amount the City may invest in any one issuer.

The carrying amount of certificates of deposits is a reasonable estimate of their fair value.

(B) Investments

Mississippi municipalities may invest surplus funds in certificates of deposit with qualified depositories and in bonds and direct obligations of the United States of America; or the State of Mississippi; or any count, municipality or school district of the State of Mississippi which have been approved by a reputable bond attorney or have been validated by the decree of the chancery clerk.

At September 30, 2013, the City did not hold any certificates of deposit with maturity dates longer than one year.

**CITY OF PICAYUNE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 3 - RECEIVABLES

Receivables at September 30, 2013 consist of the following:

	Governmental <u>Activities</u>	Business-type <u>Activities</u>	Total <u>Government-wide</u>
Property and ad valorem tax	\$ 1,924,987	\$ -	\$ 1,924,987
Sales tax	723,160	-	723,160
Franchise tax	175,684	-	175,684
Fines receivable, gross	4,311,378	-	4,311,378
Accounts receivable, gross	-	816,590	816,590
Other receivables	(1,160)	32,708	31,548
Notes receivable	<u>987,954</u>	<u>-</u>	<u>987,954</u>
Total receivables, gross	8,122,003	849,298	8,971,301
Less: allowance for doubtful accounts	<u>(3,909,655)</u>	<u>(37,296)</u>	<u>(3,946,951)</u>
Total receivables, net	<u>\$ 4,212,348</u>	<u>\$ 812,002</u>	<u>\$ 5,024,350</u>

(A) Property Taxes

The City levies a tax on real and personal property based on the assessed value of property as compiled by the Pearl River County and Hancock County tax assessors from the information extracted from the County assessment tax rolls. The taxes on real property attach as an enforceable lien on the property as of January 1. Taxes on real and personal property are levied by the City Council at the first regular meeting in September. The City's tax assessment roll is then approved by the City Council after a series of public hearings to receive the citizens' objections. Such taxes are billed and collected by the City.

In accordance with Mississippi Code of 1972, as amended for code section 27-39-321, the Board may levy taxes in any amount for general revenue purposes and general improvements. However, taxes collected for the current year are limited to an increase of not more than 10% over receipts for any one of the preceding three years. For purposes of the computation, taxes collected in the current year resulting from the property added to the tax assessment roll are excluded from the computation.

(B) Notes Receivable

Brockway Building

On May 3, 2005, the City entered into an agreement with Farmer Fresh Produce International, LLC for the sale of the City's Brockway Building. The sales price of the building was \$1,100,000 at 2% interest per annum for a period of thirty years. Monthly payments of \$4,066 are due on the first day of each month. The sale is financed by the City. The agreement includes a special provision that the City incur \$35,000 to repair and modernize the Brockway Building's administrative offices. The City and the buyer agree that the special provision will be met by the buyer not paying the first eight payments and reducing the ninth payment. The balance of notes receivable as of September 30, 2013 was \$857,289 and is included as Notes Receivable in the Statement of Net Assets.

National Home Furnishings

On September 29, 2006, the City entered into an agreement with National Home Furnishings for the sale of City property and building. The sales price was \$157,000 at 7% interest per annum for a period of twenty years. Monthly payments of \$1,217 are due on the first day of each month. The sale is financed by the City. The balance of notes receivable as of September 30, 2013 was \$130,665 and is included as Notes Receivable in the Statement of Net Assets.

**CITY OF PICAYUNE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 4 – CAPITAL ASSETS

The following is a summary of changes in capital assets during the year ended September 30, 2013:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
<i>Capital assets not being depreciated:</i>				
Land	\$ 2,192,438	\$ 210,000		\$ 2,402,438
Construction in Progress	8,366,882	162,798	(1,118,810)	7,410,870
Total capital assets not being depreciated	<u>10,559,320</u>	<u>372,798</u>	<u>(1,118,810)</u>	<u>9,813,308</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	5,362,689	2,242,540		7,605,229
Machinery and equipment	1,303,330	52,366		1,355,696
Mobile equipment	3,713,131	98,147	(59,131)	3,752,147
Infrastructure	43,431,399	157,160	-	43,588,559
Total capital assets being depreciated	<u>53,810,549</u>	<u>2,550,213</u>	<u>(59,131)</u>	<u>56,301,631</u>
<i>Less accumulated depreciation for:</i>				
Buildings and improvements	(1,555,096)	(175,337)	-	(1,730,433)
Machinery and equipment	(937,905)	(297,288)	-	(1,235,193)
Mobile equipment	(2,537,453)	(85,449)	59,131	(2,563,771)
Infrastructure	(25,003,625)	(884,291)	-	(25,887,916)
Total accumulated depreciation	<u>(30,034,079)</u>	<u>(1,442,365)</u>	<u>59,131</u>	<u>(31,417,313)</u>
Total capital assets being depreciated, net	<u>23,776,470</u>	<u>1,107,848</u>	<u>-</u>	<u>24,884,318</u>
Governmental activities capital assets, net	<u>\$ 34,335,790</u>	<u>\$ 1,480,646</u>	<u>\$ (1,118,810)</u>	<u>\$ 34,697,626</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 878,005
Public Safety	62,954
Public Works	31,003
Culture and Recreation	92,973
Economic Development	377,430
Total Depreciation Expense	<u>\$ 1,442,365</u>

**CITY OF PICAYUNE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 4 – CAPITAL ASSETS (Continued)

Business-type Activities	Beginning Balance	Increases	Decreases	Ending Balance
<i>Capital assets not being depreciated:</i>				
Land	\$ 172,599	\$ -	\$ -	\$ 172,599
Construction in progress	3,533,727		(3,533,727)	-
Total capital assets not being depreciated	<u>3,706,326</u>	-	<u>(3,533,727)</u>	<u>172,599</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	103,202	47,369	-	150,571
Machinery and equipment	761,588	406,820	-	1,168,408
Mobile equipment	530,653	57,090	-	587,743
Infrastructure	8,057,515	4,114,348	-	12,171,863
Total capital assets being depreciated	<u>9,452,958</u>	<u>4,625,627</u>	-	<u>14,078,585</u>
<i>Less accumulated depreciation for:</i>				
Buildings and improvements	(34,758)	(4,566)	-	(39,324)
Machinery and equipment	(654,312)	(35,830)	-	(690,142)
Mobile equipment	(409,579)	(21,726)	-	(431,305)
Infrastructure	(2,469,772)	(243,093)	-	(2,712,865)
Total accumulated depreciation	<u>(3,568,421)</u>	<u>(305,215)</u>	-	<u>(3,873,636)</u>
Total capital assets being depreciated, net	<u>5,884,537</u>	<u>4,320,412</u>	-	<u>10,204,949</u>
Business-type activities capital assets, net	<u>\$ 9,590,863</u>	<u>\$ 4,320,412</u>	<u>\$ (3,533,727)</u>	<u>\$ 10,377,548</u>

NOTE 5 – LONG-TERM DEBT

Changes in long-term debt during the year ended September 30, 2013 are as follows:

	October 1, 2012	Additions	Reductions	September 30, 2013	Due Within One Year
Governmental Activities					
Bonds	\$ 11,410,500	\$ -	\$ (1,151,000)	\$ 10,259,500	\$ 1,189,300
Notes	1,728,513	16,672	(86,748)	1,658,437	91,694
Compensated Absences	515,541	50,801	-	566,342	-
Total	<u>\$ 13,654,554</u>	<u>\$ 67,473</u>	<u>\$ (1,237,748)</u>	<u>\$ 12,484,279</u>	<u>\$ 1,280,994</u>
Business-Type Activities					
Bonds	\$ 314,500	\$ 3,000,000	\$ (34,000)	\$ 3,280,500	\$ 140,700
Notes	3,238,872	391,973	(159,037)	3,471,808	135,173
Compensated Absences	104,928	-	(7,502)	97,426	-
Total	<u>\$ 3,658,300</u>	<u>\$ 3,391,973</u>	<u>\$ (200,539)</u>	<u>\$ 6,849,734</u>	<u>\$ 275,873</u>

**CITY OF PICAYUNE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 5 – LONG-TERM DEBT (Continued)

(A) Bonds Payable

	October 1, 2012	Additions	Reductions	September 30, 2013	Due With One Year
GENERAL GOVERNMENT:					
General Obligation Public Improvement Bonds, 2004	\$ 815,000	\$ -	\$ (105,000)	\$ 710,000	\$ 105,000
Special Obligation Bonds, 2004	2,455,000	-	(160,000)	2,295,000	165,000
General Obligation Public Improvement Bonds, 2005	610,500	-	(66,000)	544,500	69,000
General Obligation Public Improvement Bonds, 2006	805,000	-	(75,000)	730,000	80,000
General Obligation Bond Series, 2008	330,000	-	(50,000)	280,000	50,000
General Obligation Street Bonds, 2010	6,395,000	-	(695,000)	5,700,000	720,000
Total General Government	11,410,500	-	(1,151,000)	10,259,500	1,189,000
BUSINESS-TYPE:					
General Obligation Public Improvement Bonds, 2005	314,500	-	(34,000)	280,500	35,000
Utility System Revenue Bonds, 2013	-	3,000,000	-	3,000,000	105,000
Total Business-Type	314,500	3,000,000	(34,000)	3,280,500	140,000
TOTAL	\$ 11,725,000	\$ 3,000,000	\$ (1,185,000)	\$ 13,540,000	\$ 1,330,000

Principal and interest maturities are as follows:

Governmental Activities	Principal	Interest	Total Requirements
9/30/2014	1,194,300	333,865	1,528,165
9/30/2015	1,239,300	295,691	1,534,991
9/30/2016	1,287,600	257,171	1,544,771
9/30/2017	1,345,900	219,190	1,565,090
9/30/2018	1,407,500	180,460	1,587,960
Thereafter	3,784,900	343,832	4,128,732
Total	\$ 10,259,500	\$ 1,630,209	\$ 11,889,709

Business-Type Activities	Principal	Interest	Total Requirements
9/30/2014	140,700	92,000	232,700
9/30/2015	145,700	87,601	233,301
9/30/2016	152,400	83,051	235,451
9/30/2017	159,100	78,292	237,392
9/30/2018	162,500	73,924	236,424
Thereafter	2,520,100	604,843	3,124,943
Total	\$ 3,280,500	\$ 1,019,711	\$ 4,300,211

**CITY OF PICAYUNE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 5 – LONG-TERM DEBT (Continued)

(A) Bonds Payable (continued)

GENERAL GOVERNMENT	Balance at 9/30/2013
General Obligation Public Improvement Bonds, 2004, dated March 1, 2004, \$1,500,000, variable interest currently at 2.875% that increases over the life of the bonds to 3.8%, payable in monthly installments beginning at \$75,000 on March 1, 2005 and increasi	\$ 710,000
Special Obligation Bonds, 2004, dated April 15, 2004, \$3,500,000 amount, variable interest currently at 4.0% that increases over the life of the bonds to 4.625%, payable in annual installments beginning at \$110,000 on July 1, 2005, and increasing annually	2,295,000
General Obligation Public Improvement Bonds, 2005, dated August 15, 2005, \$1,500,000 amount, variable interest currently at 2.2% that increases over the life of the bonds to 3.6%, payable in annual beginning at \$70,000 on July 1, 2006, and increasing annu	544,500
General Obligation Public Improvement Bonds, 2006, dated July 7, 2006, \$1,200,000 amount, fixed interest rate at 4.3%, payable in annual installments beginning at \$60,000 on May 1, 2007, and increasing thereafter up to \$105,000 until maturity on May 1, 20	730,000
General Obligation Bond Series, 2008, dated March 19, 2008, \$500,000 amount, fixed interest rate at 2.9%, payable in annual installments of \$40,000 on March 1, 2009, and increasing thereafter up to \$60,000 until maturity on March 1, 2018.	280,000
General Obligation Street Bonds, 2010, dated August 5, 2010, \$7,700,000 amount, variable interest currently at 3.4% that decreases over the life of the bonds to 2.9%, payable in annual installments beginning at \$640,000 on July 1, 2011, and increasing the	<u>5,700,000</u>
TOTAL GENERAL GOVERNMENT BONDS PAYABLE	<u>10,259,500</u>
 BUSINESS-TYPE	
General Obligation Public Improvement Bonds, 2005, dated August 15, 2005, \$1,500,000 amount, variable interest currently at 2.2% that increases over the life of beginning at \$70,000 on July 1, 2006, and increasing annually thereafter up to \$135,000 until	280,500
Combined Utility System Revenue Bonds, 2013, dated April 1, 2013, \$3,000,000, variable interest currently at 3.0%, principal payable in annual installments beginning at \$105,000 in 2014 and increasing annually thereafter up to \$205,000 at maturity in 2033	<u>3,000,000</u>
TOTAL BUSINESS-TYPE BONDS PAYABLE	<u>3,280,500</u>
TOTAL GENERAL GOVERNMENT AND BUSINESS-TYPE BONDS PAYABLE	<u><u>\$ 13,540,000</u></u>

**CITY OF PICAYUNE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 5 – LONG-TERM DEBT (Continued)

(B) Notes Payable

	Balance at October 1, 2012	Additions (Reductions)	Balance at September 30, 2013	Due Within One Year
GENERAL GOVERNMENT				
MDA Loan No. 0524, bearing interest at 3%, maturing February 1, 2028	\$ 222,270	\$ (11,587)	\$ 210,683	\$ 11,939
MDA for drainage project, bearing interest at 3%, maturing September 1, 2014	53,119	(26,277)	26,842	26,842
MDA for drainage project, bearing interest at 4.65%, maturing January 1, 2015	17,386	(6,083)	11,303	6,372
MDA for airport infrastructure project, bearing interest at 3%, maturing June 1, 2022	148,358	(13,697)	134,661	14,114
MDA for airport infrastructure project, bearing interest at 3%, maturing June 1, 2022	37,230	(3,349)	33,881	3,451
FEMA Special Community Disaster Loan, bearing interest at 2.67%	735,419	16,672	752,091	-
MDA for airport infrastructure, bearing interest at 3%, maturing July 31, 2027	514,731	(28,121)	486,610	28,976
TOTAL GENERAL GOVERNMENT	1,728,513	(72,442)	1,656,071	91,694
BUSINESS-TYPE				
MS State Department of Health, Drinking Water Systems Improvements, bearing interest at 3.5%, maturing July 1, 2014	164,837	(11,284)	153,553	12,764
FEMA Special Community Disaster Loan, bearing interest at 2.93%	1,185,368	29,643	1,215,011	-
Bancorpsouth, interest at 4.32%, maturing September 3, 2014	57,160	(57,160)	-	-
Capital Improvements Revolving Loan for AMR project, bearing interest at 2%, maturing March 1, 2032	1,268,977	(53,995)	1,214,982	55,031
Capital Improvements Revolving Loan for water distribution project, bearing interest at 2%, maturing November 1, 2032	562,530	(21,166)	541,364	23,498
Capital Lease for Caterpillar 320EL, 5/9/2013, \$203,427 / 1.61% / 36 monthly payments of \$2,107.25 and a balloon payment of \$136,000 on 6/9/2016	-	194,231	194,231	22,384
Capital Lease for Caterpillar 305E Mini Hex Excavator, 7/22/2013, \$61,353 / 1.71% / 36 monthly payments of \$951.49 and a balloon payment of \$29,500 on 8/22/2016	-	59,624	59,624	10,525
Capital Lease for Caterpillar 420F Backhoe Loader, 5/9/2013, \$97,550 / 1.61% / 36 monthly payments of \$1,029.91 and a balloon payment of \$64,500 on 6/9/2016	-	93,044	93,044	10,971
TOTAL BUSINESS-TYPE	3,238,872	232,937	3,471,809	135,173
TOTAL GENERAL GOVERNMENT AND BUSINESS-TYPE NOTES PAYABLE	\$ 4,967,385	\$ 160,495	\$ 5,127,880	\$ 226,867

**CITY OF PICAYUNE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 5 – LONG-TERM DEBT – Continued

(A) Notes Payable (Continued)

Principal and interest are as follows:

Governmental Activities	Principal	Interest	Total Requirements
9/30/2014	91,694	26,125	117,819
9/30/2015	65,190	23,608	88,798
9/30/2016	814,183	21,677	835,860
9/30/2017	63,525	19,788	83,313
9/30/2018	556,020	17,843	573,863
Thereafter	1,656,070	73,107	1,729,177
Total	<u>\$ 3,246,682</u>	<u>\$ 182,148</u>	<u>\$ 3,428,830</u>

Business-Type Activities	Principal	Interest	Total Requirements
9/30/2014	135,172	44,433	179,605
9/30/2015	137,933	41,662	179,595
9/30/2016	1,568,968	37,148	1,606,116
9/30/2017	97,679	32,962	130,641
9/30/2018	100,167	30,766	130,933
Thereafter	1,431,889	650,205	2,082,094
Total	<u>\$ 3,471,808</u>	<u>\$ 837,176</u>	<u>\$ 4,308,984</u>

Legal Debt Margin – The amount of debt, excluding specific exempted debt that can be incurred by the City is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the City, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a City issues bonds to repair or replace washed out or collapsed bridges on the public roads of the City. As of September 30, 2013, the amount of outstanding debt was equal to 20.82% of the latest property assessments.

**CITY OF PICAYUNE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 6 – INTERFUND TRANSACTIONS

(A) Interfund Receivables and Payables

Generally, outstanding balances between funds reported as “due to/from other funds” include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding at year-end, and other miscellaneous receivables/payables between funds. Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are described as “due to/from other funds” (i.e., the non-current portion of interfund loans).

Fund	Governmental Type		Business Type	
	Due From	Due To	Due From	Due To
	Other Funds	Other Funds	Other Funds	Other Funds
General Fund	\$ 2,978,020	\$ 273,282	\$ -	\$ -
Court E&M Fund	19,412	-	-	-
Special Police Drug Fund	-	1,747	-	-
Economic Development Fund	10,823	-	-	-
Airport Fund	-	1,082,682	-	-
Sales Tax Fund	5,646	-	-	-
Unemployment Trust Fund	-	-	-	-
Debt Service Fund	-	226	-	-
Utility Fund	-	-	1,936	1,894,396
Cemetery Fund	-	-	-	905
Sewer Fund	-	-	237,401	-
Total	\$ 3,013,901	\$ 1,357,937	\$ 239,337	\$ 1,895,301

Summary of Due To / Due From	9/30/2013	
	Governmental	Business-Type
Due from other funds	\$ 3,013,901	\$ 239,337
Due to other funds	\$ (1,357,937)	\$ (1,895,301)
Net balance	\$ 1,655,964	\$ (1,655,964)

NOTE 7 – DEFICIT FUND NET ASSETS

At September 30, 2013, there is a deficit fund balance in the Airport Fund of \$762,840.

NOTE 8 – JOINT VENTURE AND JOINTLY GOVERNED ORGANIZATION

Joint Venture

Partners for Pearl River County (PFPRC) is a joint venture between the City, the City of Poplarville, and Pearl River County. PFPRC was organized to promote and develop the industrial, commercial, and economic welfare of Pearl River County. PFPRC is funded primarily by contributions received from its members. Each year the City determines the amount of support to be provided to PFPRC based on availability of City resources. Consequently, any potential future financial benefit or burden to the City resulting from activities performed by PRPRC is not determinable at this time.

**CITY OF PICAYUNE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 8 – JOINT VENTURE AND JOINTLY GOVERNED ORGANIZATION (Continued)

Jointly Governed Organization

The City is a member of the Municipal Gas Authority of Mississippi (MGAM), created as a local distribution company by Mississippi State Code Section 77-6-1 for the purpose of assisting municipal gas systems in the acquisition, transportation and management of adequate, dependable and economic natural gas supplies. Membership of MGAM at September 30, 2013 consists of approximately 17 municipalities or natural gas districts, all located in the State of Mississippi. Each voting member appoints one commissioner to MGAM's Board of Commissioners who has oversight responsibility of the operation of MGAM. The primary source of revenue for MGAM is from gas supply contracts with each of its members which require the members to take their entire gas supply or a fixed

portion from MGAM and require MGAM to provide that supply. MGAM is considered to be a jointly governed organization since no member can unilaterally control the financial or operating policies of MGAM and its members do not have an ongoing financial responsibility. The City entered into a gas supply contract for purchases of gas effective April 1, 2001, for an initial term of ten years with an option to extend the term of the Agreement by an additional 24 months at the expiration of the primary term. For the fiscal year ended September 30, 2013, payments to MGAM for gas purchases amount to \$912,276. The payments are included in utility "expenses" on the Statement of Activities and are included in "purchase of gas" on the Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds.

NOTE 9 – RETIREMENT PLANS

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

Funding Policy

PERS members are required to contribute 9.00% of their annual covered salary and the City of Picayune, Mississippi is required to contribute at an actuarially determined rate. The current rate is 14.26% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

(A) Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's legal counsel the resolution of these matters will not have a material effect on the financial condition of the City.

(B) Grants and Awards

Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally federal and state governments. Any disallowed expenses, including amounts already collected, might constitute a liability of the applicable funds. The City does not believe any contingent liabilities are material.

**CITY OF PICAYUNE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 10 – COMMITMENTS AND CONTINGENCIES (Continued)

(C) Operating Leases

In September 2011, the City renewed its lease agreement with the Picayune City School District for exclusive rights to operate and maintain a baseball park (15.5 acres known as Snyder Park). The lease was renewed for a period of twenty-five (25) years ending on the 26th day of September, 2036. The lease agreement requires the City to pay the School District \$13,199.80 annually on or before the anniversary date of the lease. The lease amount shall be adjusted the eighth and every subsequent eight year anniversary date of the commencement of the lease pursuant to the rent adjustment clause of the contract

In September 2011, the City entered into a lease agreement with the Picayune City School District for exclusive rights to operate and maintain a community park (9.91 acres). The lease is for a twenty-five (25) year term ending on the 26th day of September, 2036. The lease agreement requires the City to pay the School District \$8,439.36 annually on or before the anniversary date of the lease. The lease amount shall be adjusted the eighth and every subsequent eight year anniversary date of the commencement of the lease pursuant to the rent adjustment clause of the contract

(D) State Auditor's Investigation

In June 2005, the City requested that the State Auditor's Office investigate certain allegations of wrong doing in the Court Department. On August 1, 2009, Debi W. Cox, Special Agent for the Mississippi Office of the State Auditor, took possession of Picayune General Fund Receipt Warrant Books covering the time period of 10/25/2002 through 5/31/2005. No preliminary report on the findings has been made to date and, therefore, the potential affect of the investigation on financial statements is unknown.

NOTE 11 – RISK MANAGEMENT

(A) Self-Insurance – Workers Compensation Fund

The City is a member of the Mississippi Municipal Workers' Compensation Group, Inc, a non-profit corporation, which is a self-insurance worker's compensation fund organized under the non-profit laws of the State of Mississippi. The group is self-insured under statutory workers compensation protection. Members are jointly and severally liable for the obligations of the group. The possibility of additional liability exists, but that amount, if any, cannot be determined.

(B) Self-Insurance – Liability Fund

The City is a member of the Mississippi Municipal Liability Plan, a private non-profit corporation organized under the laws of the State of Mississippi. The Plan provides liability and tort claims insurance for its members according to limits established by the Mississippi Tort Claims Act. The Plan is totally self-insured with claims and expenses paid out of the premiums and the members are jointly and severally liable for any claims and expenditures beyond the premium base. The possibility of additional liability exists, but that amount, if any, cannot be determined.

The City has purchased commercial insurance policies for various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; injuries to employees; or acts of God. Payments of premiums for these policies are recorded as expenditures/expenses. Insurance settlements have not exceeded insurance coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF PICAYUNE
BUDGETARY COMPARISON SCHEDULE (NON-GAAP BASIS) GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

REVENUES	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
Taxes	\$ 1,980,921	\$ 2,023,758	\$ 1,813,719	\$ (210,039)
Licenses and permits	685,000	685,000	826,421	141,421
Intergovernmental	4,699,133	4,865,392	4,845,842	(19,550)
Charges for services	24,000	24,000	-	(24,000)
Fines & forfeits	360,700	390,700	373,311	(17,389)
Miscellaneous	20,500	308,413	-	(308,413)
Transfers	-	935,147	935,156	9
Interest earnings	20,000	20,000	19,954	(46)
Grants	-	-	278,483	278,483
Other revenue	-	-	165,548	165,548
Total revenues	<u>7,790,254</u>	<u>9,252,410</u>	<u>9,258,434</u>	<u>6,024</u>
Beginning Cash Balance	2,192,505	2,649,683	5,162,314	2,512,631
Total Revenues from All Sources	<u>9,982,759</u>	<u>11,902,093</u>	<u>14,420,748</u>	<u>2,518,655</u>
 EXPENDITURES				
General Government	1,263,185	2,523,750	2,679,157	155,407
Public Safety	4,847,325	4,854,825	4,973,809	118,984
Public Works	1,375,574	1,424,074	1,399,065	(25,009)
Culture and Recreation	-	-	-	-
Economic Development	-	-	22,780	22,780
Aid to other governments	24,880	24,880	-	(24,880)
Transfers to other funds	278,547	510,621	668,100	157,479
Total expenditures	<u>7,789,511</u>	<u>9,338,150</u>	<u>9,742,911</u>	<u>404,761</u>
Ending Cash Balance	2,193,248	2,563,943	3,223,244	659,301
Total Expenditures from All Sources	<u>\$ 9,982,759</u>	<u>\$ 11,902,093</u>	<u>\$ 12,966,155</u>	<u>\$ 1,064,062</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,454,593</u>	<u>\$ 1,454,593</u>

**CITY OF PICAYUNE
BUDGETARY COMPARISON SCHEDULE (NON-GAAP BASIS) UTILITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

REVENUES	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
Charges for services	\$ 4,197,072	\$ 4,364,072	\$ 4,686,021	\$ 321,949
Miscellaneous	231,000	64,000	159,177	95,177
Transfers	-	-	120,833	120,833
Interest earnings	9,500	9,500	11,986	2,486
Grants	-	-	534,044	534,044
Other revenue	45,000	-	32,617	32,617
Total revenues	<u>4,482,572</u>	<u>4,437,572</u>	<u>5,544,678</u>	<u>1,107,106</u>
Beginning Cash Balance	2,241,300	2,241,300	3,914,014	1,672,714
Total Revenues from All Sources	<u>6,723,872</u>	<u>6,678,872</u>	<u>9,458,692</u>	<u>2,779,820</u>
 EXPENDITURES				
Personnel Services	1,398,486	1,396,935	1,404,609	7,674
Supplies	1,037,113	1,055,633	321,369	(734,264)
Contractual Services and Other Charge:	1,286,454	1,313,976	1,427,303	113,327
Utilities	-	-	101,717	101,717
Purchase of Gas	-	-	912,276	912,276
Depreciation and Amortization	-	-	306,323	306,323
Interest Expense	-	-	131,452	131,452
Capital Outlay	188,932	133,177	-	(133,177)
Debt Payments	410,209	-	-	-
Transfers to other funds	125,000	125,000	420,833	295,833
Total expenditures	<u>4,446,194</u>	<u>4,024,721</u>	<u>5,025,882</u>	<u>1,001,161</u>
Ending Cash Balance	2,277,678	2,277,678	6,768,211	4,490,533
Total Expenditures from All Sources	<u>\$ 6,723,872</u>	<u>\$ 6,302,399</u>	<u>\$ 11,794,093</u>	<u>\$ 5,491,694</u>
Excess of revenue over expenditures	<u>\$ -</u>	<u>\$ 376,473</u>	<u>\$ (2,335,401)</u>	<u>\$ (2,711,874)</u>

**CITY OF PICAYUNE
NOTE TO BUDGETARY COMPARISON SCHEDULES (NON-GAAP BASIS)
FOR YEAR ENDED SEPTEMBER 30, 2013**

A. Budgetary Information.

The City follows these procedures in establishing the budgetary date reflected in the financial statements:

Prior to August 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted at the City Hall to obtain taxpayer comments. No later than September 15, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year for all Governmental and Proprietary Fund types. Budgets are adopted on a cash basis as required by State statute. All budgeted amounts presented in the accompanying financial statements are as originally adopted or as amended by the City Council.

The appropriated budget is prepared by fund, function, and department. Transfers of appropriations between departments require approval of the City Council. The legal level of budgetary controls is the department level.

SUPPLEMENTAL INFORMATION

**CITY OF PICAYUNE
SCHEDULE OF SURETY BONDS, FOR CITY OFFICIALS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Covered	Surety Company	Coverage Amount
Mayor	RLI Surety	\$ 100,000
Council Members	RLI Surety	100,000 each
City Manager	RLI Surety	50,000
City Clerk	RLI Surety	50,000
Deputy City Clerk	Fidelity and Deposit Company	50,000
City Inspector	RLI Surety	5,000
Police Chief	RLI Surety	5,000
Police Chief	RLI Surety	50,000
Police Department-Blanket Bond	RLI Surety	25,000
All Other Employees-Blanket Bond	Fidelity and Deposit Company	20,000

**CITY OF PICAYUNE
SCHEDULE OF EXPENDITURES FOR FEDERAL AWARDS
September 30, 2013**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditure s</u>
Environmental Protection Agency passed through the Mississippi Department of Environmental Quality Congressionally Mandated Projects	66.202		\$ 509,044 *
U.S. Department of Housing and Urban Development passed through the Mississippi Department Authority C.D.B.G. State Programs	14.228		8,401
U.S. Department of Homeland Security passed through the Mississippi Dept of Public Safety - Dept of Homeland Security Hazard Mitigation Grant	97.039		32,718
U.S. Department of Justice passed through the Mississippi Department of Public Safety: Edward Byrne Memorial Justice Assistance Grant	16.544		2,805
ARRA - Violence Against Women Formula Grants	16.588		<u>35,883</u>
			<u>38,688</u>
U.S. Department of Transportation passed through the Mississippi Department of Transportation Alcohol Countermeasures Program	20.607		48,483
Technical Assistance Grant	20.710		19,500
ARRA - Highway Planning and Construction	20.205		<u>29,084</u>
			<u>97,067</u>
TOTAL FEDERAL ASSISTANCE PROGRAMS			<u><u>\$ 685,918</u></u>

* Major Programs

**CITY OF PICAYUNE, MISSISSIPPI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards is included in the federal grant activity of the City of Picayune, Mississippi, (the City) and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE 2: NON-CASH AWARDS

The City did not receive any non-cash awards during the fiscal year ended September 30, 2013.

See Independent Auditor's Report.

SPECIAL REPORTS

Keene, Bourne, Sanderson, Haigler & Eavenson, PA

CERTIFIED PUBLIC ACCOUNTANTS
(A Professional Association)

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CHELLIE K. EAVENSON, CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor, Members of the City
Council, City Manager, and City Clerk.
Picayune, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Picayune, Mississippi, as of and for the year ended September 30, 2013, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 18, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the City of Picayune, Mississippi, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

MEMBERS:

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS | MISSISSIPPI SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
NATIONAL ASSOCIATION OF CERTIFIED VALUATION ANALYSTS | LOUISIANA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
ALABAMA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As a part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of management, City Council, others within the entity, 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.



Keene Bourne Sanderson Haigler and Eavenson PA
Certified Public Accountants

February 18, 2014

Keene, Bourne, Sanderson, Haigler & Eavenson, PA

CERTIFIED PUBLIC ACCOUNTANTS
(A Professional Association)

JOHN M. KEENE, CPA
PAMELA W. BOURNE, CPA
C. RONALD SANDERSON, CPA
T. ASHTON HAIGLER, CPA, CVA
CHELLIE K. EAVENSON, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Mayor, Members of the City
Council, City Manager, and City Clerk.
Picayune, Mississippi

Compliance

We have audited the City of Picayune, Mississippi's, compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2013. The City of Picayune, Mississippi'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 City of Picayune, Mississippi's management. Our responsibility is to express an opinion on the City of Picayune, Mississippi'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 of Picayune, Mississippi'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 of Picayune, Mississippi's compliance with those requirements.

In our opinion, the City of Picayune, Mississippi, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013.

Internal Control Over Compliance

Management of the City of Picayune, Mississippi, 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 of Picayune, Mississippi's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with compliance requirements of a federal program will not be prevented, or detected and corrected, on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, City Council, others within the entity, 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.

Keene, Bourne, Sanderson, Haigler & Eavenson, P.A.

Keene Bourne Sanderson Haigler and Eavenson PA
Certified Public Accountants

February 18, 2014

Keene, Bourne, Sanderson, Haigler & Eavenson, PA

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

Honorable Mayor, Members of the City
Council, City Manager, and City Clerk
Picayune, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Picayune, Mississippi, as of and for the year ended September 30, 2013, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 18, 2014. 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.

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.

Due to the reduced scope, these compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. The results of our compliance tests and our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information disclosed no material instance of noncompliance with state laws and regulations.

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

Keene, Bourne, Sanderson, Haigler & Eavenson, P.A.

Keene Bourne Sanderson Haigler and Eavenson PA
Certified Public Accountants

February 18, 2014

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**CITY OF PICAYUNE
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2013**

Section 1: Summary of Auditor's Results

Financial Statements:

- | | |
|---|-------------|
| 1. Type of auditor's report issued on financial statements: | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Reportable conditions identified that is not considered to be a material weakness? | No |
| 3. Noncompliance material to the financial statements? | No |

Federal Awards:

- | | |
|--|-------------|
| 4. Internal control over major programs: | |
| a. Material weakness identified? | No |
| b. Reportable conditions identified that is not considered to be a material weakness? | No |
| 5. Type of auditor's report issued on compliance for major federal programs: | Unqualified |
| 6. Any audit finding(s) reported as requirements as required by Section __.510(a) of Circular A-133? | No |
| 7. Federal programs identified as major programs: | |
| Environmental Protection Agency – CFDA 66.202 – Wastewater Infrastructure Improvements Project – Sewer System Rehabilitation | |
| 8. The dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 9. Auditee qualified as low-risk auditee? | Yes |
| 10. Prior fiscal year audit findings 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 Statement 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.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Bumpers, Stevens, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

AUTHORIZE OUT OF STATE TRAVEL FOR CHRISTY GOSS

Motion was made by Council Member Breland, seconded by Council Member Valente to authorize out of state travel for Christy Goss to attend the RPI Ideal Living Expo to be held in Philadelphia, PA from March 7-10, 2014.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Bumpers, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPROVE REQUEST FROM ST. TAMMANY BOX TO RE-SUBDIVIDE PROPERTY AT 205 STREET A

Motion was made by Council Member Breland, seconded by Council Member Gouguet to approve request from St. Tammany Box located at 205 Street A to re-subdivide a 50 foot strip purchased from City of Picayune.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Bumpers, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPROVE CHANGE ORDER #2 (SUMMARY) ON THE CITY WIDE OVERLAY PROJECT

Motion was made by Council Member Breland, seconded by Council Member Gouguet to approve Change Order #2 (Summary) on the City Wide Overlay Project.

REGULAR MEETING FEBRUARY 18, 2014

Contract Change Order

OWNER: City of Picayune
 CONTRACTOR: Huey Stockstill, Inc.
 DATE: February 3, 2014
 CHANGE ORDER #: 2
 PROJECT NAME: 2010 City Wide Paving Project
 REASON FOR CHANGE: Adjust planned quantities to reflect actual quantities installed.

(You are hereby requested to comply with the following changes from the contract plans, specifications, and contract documents)

Item No.	Description of Change	Unit	Planned Quantity	Actual Quantity	Quantity Difference	Unit Cost	Total Contract Cost
620-A	Mobilization	LS	1.00	1.00	0.00	\$ 90,000.00	\$ -
618-A	Maintenance of Traffic	LS	1.00	1.00	0.00	\$ 11,000.00	\$ -
202-B	Removal of Concrete Pavement	SY	393.00	412.52	19.52	\$ 16.00	\$ 312.32
202-B	Removal of Concrete Curb & Gutter and Valley Curb	LF	800.00	1,246.00	446.00	\$ 8.00	\$ 3,568.00
203-A	Unclassified Excavation (FM) (AH)	CY	1,246.10	1,382.11	136.01	\$ 13.00	\$ 1,768.13
304-H	Size 610 Crushed Stone Base, (AEA)	CY	27.00	113.12	86.12	\$ 63.00	\$ 5,425.56
305-E	Stabilizer Aggregate, Fine (LVM)	CY	33.75	0.00	-33.75	\$ 23.00	\$ (776.25)
310-A	Mixing, Shaping & Compaction	SY	17,560.00	18,031.40	471.40	\$ 0.70	\$ 329.98
403-A	Hot Mix Asphalt, ST, 9.5 MM (Surface)	TON	63,838.20	60,396.28	-3,441.92	\$ 74.00	\$ (254,702.08)
403-A	Hot Mix Asphalt, ST, 9.5 MM (Base Repair)	TON	2,360.50	2,028.36	-332.14	\$ 100.00	\$ (33,214.00)
403-A	Hot Mix Asphalt, ST, 12.5 MM (Surface)	TON	2,320.80	1,913.33	-407.47	\$ 74.00	\$ (30,152.78)
403-B	Hot Mix Asphalt, ST, 9.5 MM, Leveling	TON	5,788.00	5,532.13	-255.87	\$ 74.00	\$ (18,934.38)
406-A	Cold Milling of Bituminous Pavement, All Depths	SY	191,814.00	183,501.71	-8,312.29	\$ 1.60	\$ (13,299.66)
503-A	6" and Variable 4,000 PSI Concrete Pavement, Broom Finish	SY	393.00	412.52	19.52	\$ 69.00	\$ 1,346.88
601-B	Class B, Structural Concrete, Minor Structures	CY	13.50	10.35	-3.15	\$ 1,200.00	\$ (3,780.00)
609-A	Concrete Gutter, Valley	LF	660.00	416.00	-244.00	\$ 20.00	\$ (4,880.00)
609-D	Combination Curb and Gutter	LF	140.00	806.00	666.00	\$ 25.00	\$ 16,650.00
613-D	Adjustment of Manholes	EA	577.00	474.00	-103.00	\$ 110.00	\$ (11,330.00)
613-D	Adjustment of inlets	EA	150.00	85.00	-65.00	\$ 600.00	\$ (39,000.00)
613-D	Adjustment of Valve Boxes	EA	181.00	127.00	-54.00	\$ 55.00	\$ (2,970.00)
626-A	6" Thermoplastic Traffic Stripe, Skip White	LF	21,058.00	23,724.00	2,666.00	\$ 0.50	\$ 1,333.00
626-B	6" Thermoplastic Traffic Stripe, Continuous White	LF	3,356.00	3,384.00	28.00	\$ 0.50	\$ 14.00
626-C	6" Thermoplastic Traffic Edge Stripe, Continuous White	LF	24,439.00	56,031.00	31,592.00	\$ 0.50	\$ 15,796.00
626-E	6" Thermoplastic Traffic Stripe, Continuous Yellow	LF	9,712.00	50,745.00	41,033.00	\$ 0.50	\$ 20,516.50
626-F	6" Thermoplastic Edge Stripe, Continuous Yellow	LF	24,262.00	24,054.00	-198.00	\$ 0.50	\$ (99.00)
626-G	Thermoplastic Detail Stripe, White	LF	12,934.00	17,211.50	4,277.50	\$ 1.00	\$ 4,277.50
626-G	Thermoplastic Detail Stripe, Yellow	LF	5,625.00	5,071.00	-554.00	\$ 1.00	\$ (554.00)
626-G	Thermoplastic Detail Stripe, Blue	LF	2,913.00	4,076.60	1,163.60	\$ 5.00	\$ 5,818.00
626-H	Thermoplastic Legend, White	LF	24,768.00	24,695.00	-73.00	\$ 1.00	\$ (73.00)
626-H	Thermoplastic Legend, White	SF	2,384.00	3,678.83	1,294.83	\$ 5.00	\$ 6,474.15

O:\1700\C047\Documents\Contract Documents\Change Orders\CCO2-City Wide Overlay (Summary).xlsx

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The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Bumpers, Stevens, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ACCEPT DONATION OF \$500.00 FROM THE PEARL RIVER COUNTY HOME BUILDERS ASSOCIATION

Motion was made by Council Member Breland, seconded by Council Member Gouguet to accept donation of \$500.00 from the Pearl River County Home Builders Association for the Police Department Summer Camp Fund.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Bumpers, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

**APPROVE REQUEST TO EXTEND AMBULANCE CONTRACT WITH AAA
AMBULANCE SERVICE**

Motion was made by Council Member Breland, seconded by Council Member Gouguet to approve request to extend ambulance contract with AAA Ambulance Service for three (3) years.



Post Office Box 17889
Hattiesburg, Mississippi 39404-7889
Toll-Free In-State: 1-800-352-7494 • 601-264-2221

January 22, 2014

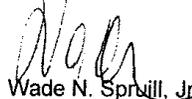
Mr. Adrain Lumpkin
Pearl River County Administrator
PO Box 569
Poplarville, MS 39470

Dear Adrain:

The contract between Pearl River County and AAA Ambulance Service will soon expire. As noted in the contract, services may continue by agreement of both parties. Please be advised that AAA wishes to extend this contract in its current form for an additional three years.

We enjoy our relationship with Pearl River County and are proud to be a part of the services provided to its citizens. Please contact me when appropriate about continuing this vital service for your area.

Respectfully,


Wade N. Spruill, Jr.
Chief Executive Officer

CC: Evan Dillard, President, AAA Ambulance Service Board of Directors
Keith Brown, Picayune Fire Chief
Bobby Strahan, Poplarville Fire Chief

Here For You Since 1965

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Bumpers, Stevens, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

**AUTHORIZE OUT OF STATE TRAVEL FOR CHIEF KEITH BROWN TO ATTEND
26TH ANNUAL NATIONAL FIRE & EMERGENCY SERVICES SEMINAR**

Motion was made by Council Member Breland, seconded by Council Member Gouguet to authorize out of state travel for Chief Keith Brown to attend "26th Annual National Fire & Emergency Services" seminar, presented by Congressional Fire Services Institute, in Washington, DC, April 29- May 2, 2014.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Bumpers, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

MOTION TO ADJOURN

Motion was made by Council Member Breland, seconded by Council Member Gouguet to adjourn.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Valente, Bumpers, Stevens, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

Ed Pinero, Mayor

ATTEST:

Amber Hinton, City Clerk