

**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 16, 2016, 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. Jimmy Richardson, followed by the Pledge of Allegiance led by Father Filkins.

**ORDER TO APPROVE MINUTES**

Motion was made by Council Member Bumpers, seconded by Council Member Valente to approve the Minutes for the City of Picayune dated February 2, 2016.

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 Bumpers, seconded by Council Member Valente to acknowledge receipt of monthly Privilege License report for the month of January 2016.

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**City of Picayune**  
**Browse Receipts [GENERAL FUND - OPERATING, Mail - Is, by Date]**

Receipts	Date	Deposit To	Drawer	Type	Reference	Lookup	Citation	Name	Description	Void Reason	Received	Deposit Date
Dep 543164	1/04/2016	GENERAL FUND - OPERATING	Mail - Is	Check	0002320	28457		VALENTE REAL ESTATE	2015-2016 priv license		22.40	1/11/2016
Dep 543260	1/04/2016	GENERAL FUND - OPERATING	Mail - Is	Check	0004391	30330		LAKESHORE OF PICAYUNE LLC	2015-2016 priv license		57.12	1/11/2016
Dep 543282	1/04/2016	GENERAL FUND - OPERATING	Mail - Is	Check	0001950	28857		TRINITY CREDIT SERVICES, LLC	2014-2015		24.20	1/11/2016
Dep 543264	1/04/2016	GENERAL FUND - OPERATING	Mail - Is	Check	0001959	28857		TRINITY CREDIT SERVICES, LLC	2015-2016		22.40	1/11/2016
Dep 543325	1/04/2016	GENERAL FUND - OPERATING	Mail - Is	Check	0008695	16303		LUMPKIN, JOSHUA N	2015-2016		22.40	1/11/2016
Dep 543446	1/05/2016	GENERAL FUND - OPERATING	Mail - Is	Cash		31884		HOME TOWN AUTO, LLC	2015-2016 PRIV LICENSE		20.00	1/11/2016
Dep 543841	1/07/2016	GENERAL FUND - OPERATING	Mail - Is	<nonsp>		30424		THE TEDDY BEAR HOUSE MUSEUM, FRIZZ, LLC	2015-2016 PRIV LICENSE		0.00	1/11/2016
Dep 545119	1/11/2016	GENERAL FUND - OPERATING	Mail - Is	Cash		29602		DRAIN RIGHT	2015-2016 priv license		22.40	1/26/2016
Dep 546131	1/14/2016	GENERAL FUND - OPERATING	Mail - Is	Check	0001732	29401		GINN REALTY,	Priv license 2015-2016		20.00	1/26/2016
Dep 546511	1/15/2016	GENERAL FUND - OPERATING	Mail - Is	Check	0003691	04765		WATTS VETERINARY SERVICES, LLC	2015-2016 PRIV LICENSE		20.00	1/26/2016
Dep 546977	1/18/2016	GENERAL FUND - OPERATING	Mail - Is	Cash		32011		PATHWAY DIAGNOSTICS, LLC,	2015-2016 PRIV LICENSE		20.00	1/26/2016
Dep 548732	1/26/2016	GENERAL FUND - OPERATING	Mail - Is	Cash		32028		DIVA DAZYLE LLC,	2015-2016 PRIV LICENSE		20.00	2/03/2016
Dep 548844	1/27/2016	GENERAL FUND - OPERATING	Mail - Is	Cash		32033		MEAN CLEAN TRUCK & CARWASH,	2015-2016 PRIV LICENSE		20.00	2/03/2016
Dep 549063	1/29/2016	GENERAL FUND - OPERATING	Mail - Is	Cash		32040		BODIES BY TONYA,	2015-2016 PRIV LICENSE		20.00	2/03/2016
Dep 549070	1/29/2016	GENERAL FUND - OPERATING	Mail - Is	Check	0000119	32029		BOOTCAMP TRAINING ACADEMY	2015-2016 PRIV LICENSE		20.00	2/03/2016
											<b>333.32</b>	

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 16, 2016

Motion was made by Council Member Bumpers, seconded by Council Member Valente to acknowledge receipt of monthly Public Records Request report for the month of January 2016.

CITY OF PICAYUNE REPORT OF PUBLIC RECORDS REQUESTS JANUARY 2016				
<u>DATE</u>	<u>PERSON REQUESTING</u>	<u>SUBJECT MATTER</u>	<u>DATE FILLED/ DENIED</u>	<u>ACTION</u>
01/29/16	PICAYUNE HOUSING AUTHORITY	BACKGROUND CHECKS & FINGERPRINTS	01/29/16	APPROVED
01/28/16	LEXIS NEXIS	ACCIDENT REPORT # 2015-12-0180	01/29/16	APPROVED
01/28/16	LEXIS NEXIS	ACCIDENT REPORT # 2015-12-0815	01/28/16	APPROVED
01/28/16	LEXIS NEXIS	ACCIDENT REPORT # 2016-01-1057	01/28/16	APPROVED
01/28/16	LEXIS NEXIS	INCIDENT REPORT # 2016-01-0871	01/28/16	APPROVED
01/28/16	LEXIS NEXIS	INCIDENT REPORT # 2016-01-0916	01/28/16	APPROVED
01/28/16	LEXIS NEXIS	INCIDENT REPORT # 2016-01-1014	01/28/16	APPROVED
01/28/16	LEXIS NEXIS	INCIDENT REPORT # 2016-01-1062	01/28/16	APPROVED
01/28/16	LOUIS CADARD	ACCIDENT REPORT # 2016-01-1442	01/28/16	APPROVED
01/26/16	DESMOND R MCDOUGLE	RECORDS CHECK	01/26/16	APPROVED
01/26/16	LEXIS NEXIS	INCIDENT REPORT # 2016-01-1338	01/26/16	APPROVED
01/26/16	LEXIS NEXIS	INCIDENT REPORT # 2016-01-1339	01/26/16	APPROVED
01/27/16	STACEY A RAYBURN	RECORDS CHECK	01/27/16	APPROVED
01/27/16	KAREN STOCKSTILL	ACCIDENT REPORT # 2016-01-1673	01/27/16	APPROVED
01/26/16	BRITTANY ACKER	RECORD'S CHECK	01/26/16	APPROVED
01/25/16	N.K. FOOD GROUP	GRAND LARCENY REPORT # 2015-12-1843	01/25/16	APPROVED
01/21/16	LEXIS NEXIS	ACCIDENT REPORT # 2015-08-1261	01/21/16	APPROVED
01/21/16	LEXIS NEXIS	ACCIDENT REPORT # 2016-01-0729	01/21/16	APPROVED
01/21/16	LEXIS NEXIS	INCIDENT REPORT # 2016-01-0515	01/21/16	APPROVED
01/21/16	LEXIS NEXIS	INCIDENT REPORT # 2016-01-0988	01/21/16	APPROVED
01/21/16	METROPOLITAN REPORTING BUREAU	ACCIDENT REPORT #2015-11-0878	01/21/16	APPROVED
01/21/16	LEXIS NEXIS	INCIDENT REPORT # 2015-12-1643	01/21/16	APPROVED
01/20/16	JENNIFER MOORE	RECORD'S CHECK	01/20/16	APPROVED
01/20/16	BARRY SCHMALZ	ACCIDENT REPORT # 2016-01-1014	01/20/16	APPROVED
01/14/16	FARM BUREAU	ACCIDENT REPORT # 2016-01-0602	01/14/16	APPROVED
01/14/16	SUSAN MADERE	RECORDS CHECK	01/14/16	APPROVED
01/12/16	METROPOLITAN REPORTING BUREAU	ACCIDENT REPORT # 2015-12-1639	01/12/16	APPROVED
01/12/16	NAYELLI ARGUELLES	ACCIDENT REPORT # 2015-12-1643	01/12/16	APPROVED
01/12/16	LEXIS NEXIS	INCIDENT REPORT # 2015-11-1331	01/12/16	APPROVED
01/13/16	RANDY ARNOLD	ACCIDENT REPORT # 2015-12-1643	01/13/16	APPROVED
01/11/16	DANNIELLE DEBRULER	RECORD'S CHECK	01/11/16	APPROVED
01/08/16	LEXIS NEXIS	INCIDENT REPORT # 2051-12-1513	01/08/16	APPROVED
01/08/16	LEXIS NEXIS	INCIDENT REPORT # 2015-12-1513	01/08/16	APPROVED
01/08/16	LEXIS NEXIS	INCIDENT REPORT # 2015-12-1587	01/08/16	APPROVED
01/08/16	LEXIS NEXIS	INCIDENT REPORT # 2015-12-1634	01/08/16	APPROVED
01/08/16	LEXIS NEXIS	INCIDENT REPORT # 2015-12-1080	01/08/16	APPROVED
01/07/16	FBI NICS	RECORDS CHECK	01/07/16	APPROVED
01/07/16	LEXIS NEXIS	INCIDENT REPORT # 2015-12-1843	01/07/16	APPROVED
01/07/16	LEXIS NEXIS	ACCIDENT REPORT # 2015-12-1030	01/07/16	APPROVED
01/07/16	LEXIS NEXIS	ACCIDENT REPORT # 2015-12-1552	01/07/16	APPROVED
01/07/16	LEXIS NEXIS	ACCIDENT REPORT # 2015-12-1590	01/07/16	APPROVED
01/07/16	LEXIS NEXIS	ACCIDENT REPORT # 2015-12-1513	01/07/16	APPROVED
01/07/16	LEXIS NEXIS	ACCIDENT REPORT # 2015-12-1848	01/07/16	APPROVED
01/06/16	BERNADINE SZURLEY	RECORDS CHECK	01/06/16	APPROVED
01/07/16	KEYPOINT GOVERNMENT SOLUTIONS	RECORDS CHECK	01/07/16	APPROVED
01/07/16	SAFEWAY INSURANCE	ACCIDENT REPORT # 2015-12-2056	01/07/16	APPROVED
01/06/16	LEXIS NEXIS	ACCIDENT REPORT # 2015-12-1180	01/06/16	APPROVED
01/06/16	LEXIS NEXIS	ACCIDENT REPORT # 2015-11-1976	01/06/16	APPROVED
01/06/16	LEXIS NEXIS	INCIDENT REPORT # 2015-12-0965	01/06/16	APPROVED
01/06/16	LAKESHORE CHRYSLER	INCIDENT REPORT # 2015-12-0965	01/06/16	APPROVED
01/05/16	REJINA HUDERSON	RECORD'S CHECK	01/05/16	APPROVED
01/05/16	CHRISTIAN MITCHELL	RECORD'S CHECK	01/05/16	APPROVED

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 DONATION FROM PICAYUNE LION'S CLUB**

Motion was made by Council Member Stevens, seconded by Council Member Gouguet to accept donation from Picayune Lion's Club of 48 embroidered American flags with poles, mounts, and eagle finials valued at \$720.00.

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.

**AUTHORIZE OUT OF STATE TRAVEL FOR JESSICA STOCKSTILL AND LORRAINE WESTBROOK**

Motion was made by Council Member Breland, seconded by Council Member Gouguet to authorize out of state travel for Jessica Stockstill and Lorraine Westbrook to attend a skill path seminar in New Orleans on March 17, 2016.

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 FY 2015 AUDITED FINANCIAL STATEMENTS**

Motion was made by Council Member Gouguet, seconded by Council Member Stevens to accept the FY 2015 audited financial statements.

REGULAR MEETING FEBRUARY 16, 2016

**CITY OF PICAYUNE, MISSISSIPPI**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

CITY OF PICAYUNE, MISSISSIPPI  
AUDITED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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CITY OF PICAYUNE, MISSISSIPPI  
AUDITED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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W. David Dill, CPA  
Julie M. Uher, CPA  
Kari M. Blackledge, CPA

H. I. Holt, CPA  
Founder (1915-1997)

#### INDEPENDENT AUDITOR'S REPORT

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

##### **Report on the Financial Statements**

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, 2015, and the related notes to the financial statements, which collectively comprise the City of Picayune, Mississippi's basic financial statements as listed in the table of contents.

##### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

##### ***Auditor's Responsibility***

Our responsibility is to express opinions 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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WWW.HOLTACCOUNTING.COM

##### ***Summary of Opinions***

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-type Activities	Qualified
General Fund	Unmodified
Airport Fund	Unmodified
Economic Development Fund	Unmodified
Debt Service Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified
Enterprise Funds	Qualified

***Basis for Qualified Opinion on Governmental Activities***

Management has not adopted a methodology for the measurement of net pension liability in the Governmental Activities and, accordingly, has not considered the need to provide changes in net pension liability. Accounting principles generally accepted in the United States of America require a measurement of net pension liability, which would increase the liabilities and pension expense, decrease net position, and increase/decrease deferred outflows and inflows of resources. The amount by which this departure would affect the liabilities, net position, and change in net position has not been determined.

***Qualified Opinion***

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Governmental Activities" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Governmental Activities of the City of Picayune, MS as of September 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and the aggregate remaining fund information of the City of Picayune, MS as of September 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, on pages 7-14, and 57-60 respectively, 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 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.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Picayune, Mississippi's financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (Circular A-133) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards, as required by the Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (Circular A-133) is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare 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 or to 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2016 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 or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Picayune, Mississippi's internal control over financial reporting and compliance.

*Holt & Associates, PLLC*

February 1, 2016

**CITY OF PICAYUNE, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

CITY OF PICAYUNE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

The following discussion and analysis of City of Picayune, Mississippi's financial performance provides an overview of the City's financial activities for the year ended September 30, 2015. The intent of this discussion and analysis is to look at the City's performance as a whole. Readers are encouraged to review the financial statements and the notes to the financial statements to enhance their understanding of the City's financial performance.

**FINANCIAL HIGHLIGHTS**

- Total net position for 2015 increased \$1,497,825 including a prior period adjustment of \$877 which represents a 3% increase from fiscal year 2014. Total net position for 2014 increased \$1,950,009, which represents a 5% increase from fiscal year 2013.
- General revenues amounted to \$10,124,662 and \$11,442,728, or 59% and 66% of all revenues for fiscal years 2015 and 2014, respectively. Program specific revenues in the form of charges for services and grants and contributions accounted for \$7,025,051, or 41% of total revenues for 2015, and \$5,972,282, or 34% of total revenues for 2014.
- The City had \$15,652,765 and \$15,489,687 in expenses for fiscal years 2015 and 2014; only \$7,025,051 for 2015 and \$5,972,282 for 2014 of these expenses was offset by program specific charges for services, grants and contributions. General revenues of \$10,124,662 for 2015 and general revenues of \$11,442,728 for 2014 were adequate to provide for these programs.
- Among major funds, the General Fund had \$8,940,818 in revenues and \$7,880,320 in expenditures for 2015, and \$8,340,048 in revenues and \$8,459,523 in expenditures in 2014. The General Fund's fund balance increased by \$534,102 including a prior period adjustment of (\$46,251) from 2014 to 2015, and decreased by \$1,219,784 from 2013 to 2014.
- Capital assets, net of accumulated depreciation, increased by \$51,367 for 2015 and increased by \$175,971 for 2014. The increase for 2015 was due to the capital projects.
- Long-term debt decreased by \$1,488,286 for 2015 and decreased by \$4,252,756 for 2014. This decrease for 2015 was due primarily to principal payments on outstanding long-term debt. The liability for compensated absences increased by \$68,258 for 2015 and increased by \$39,833 for 2014.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis serves as an introduction to the City's basic financial statements, which include government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains required supplementary information, supplementary information, and other information.

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances. These statements consist of the Statement of Net Position and the Statement of Activities, which are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position presents information on all the City's nonfiduciary assets and liabilities, with the differences between the two reported as "net position." Over time, increases or decreases in the City's net position may serve as a useful indicator of whether its financial position is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving

CITY OF PICAYUNE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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 only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City of Picayune that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Picayune include general government, public safety, public works, human & cultural services, employee benefits and interest on long term debt. The business-type activities of the City of Picayune include water/sewer and cemetery.

The government-wide financial statements can be found on Exhibits A and B 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 compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds** – Most of the City's general activities are reported in its governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental funds are accounted for using the modified accrual basis of accounting and the flow of current financial resources measurement focus. The approach focuses on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at year end. The governmental fund statements provide a detailed view of the City's near-term financing requirements.

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, the reader may gain a better understanding of the long-term impact of the City's near-term financing decisions. The governmental funds Balance Sheet is reconciled to the Statement of Net Position, and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances is reconciled to the Statement of Activities to facilitate this comparison between governmental funds and governmental activities.

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 non-major funds are combined and presented in these reports as other governmental funds.

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

**Proprietary funds** – 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 fund financial statements can be found on Exhibits E, F, and G of this report.

CITY OF PICAYUNE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

**Reconciliation of Government-wide and Fund Financial Statements**

The financial statements include two schedules that reconcile the amounts reported on the governmental funds financial statements (modified accrual basis of accounting) with government-wide financial statements (accrual basis of accounting). The following summarizes the major differences between the two statements:

Capital assets used in governmental activities are not reported on governmental funds financial statements.

Capital outlay spending results in capital assets on government-wide financial statements, but is reported as expenditures on the governmental funds financial statements.

Bond and note proceeds result in liabilities on government-wide financial statements, but are recorded as other financing sources on the governmental funds financial statements.

Certain other outflows represent either increases or decreases in liabilities on the government-wide financial statements, but are reported as expenditures on the governmental funds financial statements.

**Notes to the financial statements**

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

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents budgetary comparison schedules, the Schedule of City's Proportionate Share of Net Pension Liability and the Schedule of City's Contributions as required supplementary information. The City adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the General Fund as required by the Governmental Accounting Standards Board.

**Supplementary information**

Additionally, a Schedule of Expenditures of Federal Awards as required by OMB Circular A-133 can be found in this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net position**

Net position may serve over time as a useful indicator of the City's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$44,815,678 as of September 30, 2015.

The City's financial position is a product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

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CITY OF PICAYUNE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Table 1 presents a summary of the City's net position at September 30, 2015 and September 30, 2014.

**Table 1**  
**Condensed Statement of Net Position**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Sept 30, 2015</u>	<u>Sept 30, 2014</u>	<u>Sept 30, 2015</u>	<u>Sept 30, 2014</u>
Current assets	\$ 12,328,514	12,811,572	\$ 6,761,812	6,092,801
Restricted assets	-	-	956,192	2,174,081
Capital assets, net	33,537,213	34,290,998	11,764,299	11,022,587
<b>Total assets</b>	<b>45,865,727</b>	<b>47,102,570</b>	<b>19,482,303</b>	<b>19,289,469</b>
<b>Deferred outflow of resources</b>	<b>69,957</b>	<b>109,894</b>	<b>-</b>	<b>62,440</b>
Current liabilities	3,435,077	4,638,652	3,570,046	3,522,367
Long-term debt outstanding	8,559,455	9,748,695	5,037,731	5,336,806
<b>Total liabilities</b>	<b>11,994,532</b>	<b>14,387,347</b>	<b>8,607,777</b>	<b>8,859,173</b>
<b>Deferred inflow of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net position:</b>				
Net investment in capital assets	25,592,266	25,105,289	6,883,889	5,763,956
Restricted	2,575,227	3,722,664	956,192	3,342,042
Unrestricted	5,773,659	3,997,164	3,034,445	1,386,738
<b>Total net position</b>	<b>\$ 33,941,152</b>	<b>32,825,117</b>	<b>\$ 10,874,526</b>	<b>10,492,736</b>

The following are significant current year transactions that have had an impact on the Statement of Net Position.

- Increase in net capital assets in the amount of \$51,367.
- The principal retirement of \$1,597,134 of long-term debt.

**Changes in net position**

The City's total revenues for the fiscal years ended September 30, 2015 and September 30, 2014 were \$17,149,713 and 17,439,698 respectively. The total cost of all programs and services was \$10,191,067 for 2015 and \$10,403,785 for 2014.

CITY OF PICAYUNE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Table 2 presents a summary of the changes in net position for the fiscal years ended September 30, 2015 and September 30, 2014.

**Table 2**  
**Changes in Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Year Ended</u>	<u>Year Ended</u>	<u>Year Ended</u>	<u>Year Ended</u>
	<u>Sept 30, 2015</u>	<u>Sept 30, 2014</u>	<u>Sept 30, 2015</u>	<u>Sept 30, 2014</u>
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 1,355,719	596,961	\$ 5,669,332	5,275,782
Operating grants and contributions	-	99,539	-	-
Capital Grants and Contributions	-	-	-	24,688
General revenues:				
General purpose Tax Levies	3,167,828	3,633,781	-	-
Sales Tax	5,038,511	4,716,568	-	-
Intergovernmental Revenue	1,528,133	501,306	-	-
Transfers	(69,000)	(68,667)	69,000	56,063
Other	183,981	1,337,761	206,209	1,265,806
<b>Total revenues</b>	<b>11,205,172</b>	<b>10,817,339</b>	<b>5,944,541</b>	<b>6,622,359</b>
<b>Expenses:</b>				
General Government	2,721,981	3,363,839	-	-
Public Safety	4,952,230	5,179,219	-	-
Public Works	1,744,820	859,234	-	-
Health and welfare	290,974	-	-	-
Culture and recreation	227,681	108,443	-	-
Economic Development	24,896	580,954	-	-
Utility	-	-	5,249,003	5,022,145
Cemetery	-	-	76,810	63,756
Interest on long-term liabilities	228,285	322,096	135,865	-
<b>Total expenses</b>	<b>10,191,067</b>	<b>10,403,785</b>	<b>5,461,698</b>	<b>5,085,903</b>
<b>Increase (Decrease) in net position</b>	<b>1,014,105</b>	<b>413,554</b>	<b>482,843</b>	<b>1,536,456</b>
<b>Net Position, Oct 1, as previously reported</b>	<b>32,825,117</b>	<b>32,411,563</b>	<b>10,492,736</b>	<b>8,956,280</b>
<b>Prior Period Adjustment</b>	<b>101,930</b>	<b>-</b>	<b>(101,053)</b>	<b>-</b>
<b>Net Position, Oct 1, as restated</b>	<b>32,927,047</b>	<b>32,411,563</b>	<b>10,391,683</b>	<b>8,956,280</b>
<b>Net Position, Sept 30</b>	<b>\$ 33,941,152</b>	<b>\$ 32,825,117</b>	<b>\$ 10,874,526</b>	<b>\$ 10,492,736</b>

**Governmental activities**

The following table presents the cost of seven major City functional activities: general government, public safety, public works, culture and recreation economic development, utility, cemetery, and interest on long-term liabilities. The table also shows each functional activity's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost presents the financial burden that was placed on the State and City's taxpayers by each of these functions.

CITY OF PICAYUNE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

**Table 3**  
**Net Cost of Governmental Activities**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Total Expenses</u>		<u>Total Expenses</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
General Government	\$ 2,721,981	3,353,839	\$ -	-
Public Safety	4,952,230	5,179,219	-	-
Public Works	1,744,820	859,234	-	-
Culture and Recreation	227,881	108,443	-	-
Health and welfare	290,974	-	-	-
Economic Development	24,896	580,954	-	-
Utility	-	-	5,292,653	5,022,145
Cemetery	-	-	135,885	63,758
Interest on long-term liabilities	212,739	322,096	-	-
<b>Total expenses</b>	<b>\$ 10,175,521</b>	<b>10,403,785</b>	<b>\$ 5,428,538</b>	<b>5,085,903</b>
	<u>Net (Expense) Revenue</u>		<u>Net (Expense) Revenue</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
General Government	\$ (1,935,688)	(3,353,839)	\$ -	-
Public Safety	(4,530,125)	(5,079,680)	-	-
Public Works	(1,597,499)	(859,234)	-	-
Culture and Recreation	(227,881)	(108,443)	-	-
Health and welfare	(290,974)	-	-	-
Economic Development	(24,896)	(577,033)	-	-
Utility	-	-	376,679	252,218
Cemetery	-	-	(135,885)	(37,652)
Interest on long-term liabilities	(212,739)	(322,095)	-	-
<b>Total net (expense) revenue</b>	<b>\$ (8,819,802)</b>	<b>(10,300,324)</b>	<b>\$ 240,794</b>	<b>214,566</b>

Net cost of governmental activities (\$8,819,802 for 2015 and \$10,300,324 for 2014) was financed by general revenue, which is primarily made up of property and sales taxes (\$8,206,339 for 2015 and \$8,350,349 for 2014) and state and federal revenues (\$1,528,133 for 2015 and \$501,396 for 2014).

Investment earnings amounted to \$32,101 for 2015.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

The financial performance of the City as a whole is reflected in its governmental funds. As the City completed the year, its governmental funds reported a combined fund balance of \$8,914,648, an increase of \$741,728, which includes a prior period adjustment of (\$46,251). \$6,778,846 or 76% of the fund

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CITY OF PICAYUNE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

balance is unassigned, which represents the residual classification for the general fund's 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 remaining fund balance of \$1,835,802 or 24% is either nonspendable, restricted, committed or assigned to indicate that it is not available for spending except only for the purposes to which it is restricted, committed or assigned.

The General Fund is the principal operating fund of the City. The increase in fund balance in the General Fund for the fiscal year was \$534,102 which includes a prior period adjustment of (\$46,251). The fund balance of Other Governmental Funds showed an increase in the amount of \$106,154. The increase (decrease) in the fund balances for the other major funds were as follows:

Major Fund	Increase (Decrease)	
Airport Fund	\$	25,334
Economic Development Fund	\$	68,826
Debt Service Fund	\$	7,312

**BUDGETARY HIGHLIGHTS**

During the year, the City revised the annual operating budget. Budget revisions were made to address and correct the original budgets to reflect more accurately the sources and uses of funding for the City.

A schedule showing the original and final budget amounts compared to the City's actual financial activity for the General Fund is provided in this report as required supplementary information.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** As of September 30, 2015, the City's total capital assets were \$33,537,213 in the governmental activities and \$11,764,299 in the business type activities, including land, buildings, building improvements, vehicles, furniture and equipment, and infrastructure. This amount represents an increase of \$753,785 in governmental activities and \$804,152 in the business-type activities from 2014. Total accumulated depreciation as of September 30, 2015, was \$34,966,676 and \$4,743,239, and total depreciation expense for the year was \$1,755,657 and \$464,442 in the governmental activities and business-type activities, respectively.

**Table 4**  
**Capital Assets, Net of Accumulated Depreciation**

	Governmental Activities		Business-type Activities	
	Sept. 30, 2015	Sept. 30, 2014	Sept. 30, 2015	Sept. 30, 2014
Land	\$ 2,402,438	\$ 2,402,438	\$ 172,599	\$ 172,599
Construction in progress	-	24,742	1,961,209	714,000
Buildings & improvements	5,644,026	5,831,208	105,280	105,254
Machinery & equipment	15,571	-	457,273	509,676
Mobile Equipment	1,048,120	1,158,549	100,961	120,316
Infrastructure	24,427,058	24,874,061	8,966,977	9,337,302
<b>Total</b>	<b>\$ 33,537,213</b>	<b>\$ 34,290,998</b>	<b>11,764,299</b>	<b>10,960,147</b>

Additional information on the City's capital assets can be found in Note 5 included in this report.

CITY OF PICAYUNE, MISSISSIPPI  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

**Debt Administration.** At September 30, 2015, the City had \$8,559,455 in outstanding long-term debt in its governmental funds, of which \$1,317,119 is due within one year and \$5,037,761 in outstanding long-term debt in its business-type activities of which \$515,342 is due within one year. The liability for compensated absences increased \$51,522 in the governmental funds and increased \$16,736 in the business-type activities from the prior year.

**Table 5  
 Outstanding Long-Term Debt**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Sept 30, 2015</u>	<u>Sept 30, 2014</u>	<u>Sept 30, 2015</u>	<u>Sept 30, 2014</u>
General obligation bonds payable	7,099,038	8,267,423	2,990,962	3,144,187
Notes Payable	747,261	812,286	1,612,290	1,748,851
Obligations under capital lease	98,648	106,000	277,158	303,154
Compensated Absences payable	614,508	562,986	157,351	140,615
<b>Total</b>	<b>\$ 8,559,455</b>	<b>\$ 9,748,695</b>	<b>\$ 5,037,761</b>	<b>\$ 5,336,807</b>

Additional information on the City's long-term debt can be found in Note 6 included in this report.

**CURRENT ISSUES**

Fiscal Year 2015 proved to be an economically great year with sales tax being at a record high since 2008. This increase allowed for the continued efforts to fully fund our General Fund reserves and a hopeful outlook for the next budget year.

The City completed major grant funded capital projects which included an overlay of the airport runway and taxi and enhancements to Crosby Commons. Additional grant funding was provided to move forward with the Highway 43 Lighting and Memorial Boulevard Overlay Project.

The natural gas cast iron gas main replacement project is now complete and improved our unaccounted for gas by more than 30%. With remaining revenue bond money, the City plans to further the declination of the unaccounted for gas by focusing on other problematic areas of the City.

Mississippi Development Authority, Community Development Block Grant Division, awarded the City a \$480,000 grant for improvement of the City's water system. With this grant and a surplus in cash reserves, the City will be able to begin its much needed efforts in the overhauling of the water system.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

If you have any questions about this report or need additional financial information, contact the City Clerk's office at 203 Goodyear Blvd., Picayune, MS 39466.

**CITY OF PICAYUNE, MISSISSIPPI**  
**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

CITY OF PICAYUNE, MISSISSIPPI  
STATEMENT OF NET POSITION  
September 30, 2015

EXHIBIT A

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
Cash and other deposits	\$ 3,887,544	\$ 4,831,520	\$ 8,719,064
Restricted cash	-	956,192	956,192
Investments	1,717,895	477,918	2,195,813
Receivables, accounts	3,383,923	883,971	4,267,894
Notes Receivable	911,850	-	911,850
Prepaid expenses	211,031	13,101	224,132
Inventory	389,727	303,947	693,674
Capital assets, net	33,537,213	11,764,299	45,301,512
Due from Other Funds	1,826,544	251,355	2,077,899
<b>TOTAL ASSETS</b>	<b>45,865,727</b>	<b>19,482,303</b>	<b>65,348,030</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows of resources related to bond issuance	69,957	-	69,957
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>69,957</b>	<b>-</b>	<b>69,957</b>
<b>LIABILITIES:</b>			
Accounts payable and accrued liabilities	714,699	438,648	1,153,347
Customer deposits	-	706,426	706,426
Accrued interest	21,211	36,775	57,986
Other payables	265,292	561,623	826,915
Due to other funds	251,355	1,826,544	2,077,899
Deferred revenue	1,994,325	-	1,994,325
Due to other governments	188,195	-	188,195
Long-term liabilities, due within one year			
Capital Related Debt	1,317,119	515,342	1,832,461
Long-term liabilities, due beyond one year			
Capital Related Debt	6,627,828	4,365,068	10,992,896
Non-capital Related Debt	614,508	157,351	771,859
<b>TOTAL LIABILITIES</b>	<b>11,994,532</b>	<b>8,607,777</b>	<b>20,602,309</b>
<b>NET POSITION:</b>			
Investment in capital assets (net of related debt)	25,592,266	6,883,889	32,476,155
Restricted	2,575,227	956,192	3,531,419
Unrestricted	5,773,659	3,034,445	8,808,104
<b>TOTAL NET POSITION</b>	<b>\$ 33,941,152</b>	<b>\$ 10,874,526</b>	<b>\$ 44,815,678</b>

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

CITY OF PICAYUNE, MISSISSIPPI  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT B

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
<b>Primary Government:</b>							
Governmental Activities:							
General government	\$ 2,721,981	\$ 796,600	\$ -	\$ -	\$ (1,925,381)	\$ -	\$ (1,925,381)
Public safety	4,952,230	422,103	-	-	(4,530,127)	-	(4,530,127)
Public works	1,744,820	16,123	-	-	(1,728,697)	-	(1,728,697)
Health & welfare	290,974	111,761	-	-	(179,213)	-	(179,213)
Culture & recreation	227,881	-	-	-	(227,881)	-	(227,881)
Economic development	24,896	9,130	-	-	(15,766)	-	(15,766)
Interest on debt	228,285	-	-	-	(228,285)	-	(228,285)
Total governmental activities	10,191,067	1,355,719	-	-	(8,835,348)	-	(8,835,348)
<b>Business-type activities:</b>							
Water, Gas & Sewer	5,325,813	5,669,332	-	-	-	343,519	343,519
Interest on debt	135,885	-	-	-	-	(135,885)	(135,885)
Total business-type activities	5,461,698	5,669,332	-	-	-	207,634	207,634
Total primary government	\$ 15,652,765	\$ 7,025,051	\$ -	\$ -	\$ (8,630,714)	\$ 207,634	\$ (8,423,080)

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

CITY OF PICAYUNE, MISSISSIPPI  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT B

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Changes in Net Assets			
						Governmental Activities	Primary Government Business-type Activities	Total	
		Taxes:							
					5,038,511	-	-	5,038,511	
					3,167,828	-	-	3,167,828	
		Unrestricted grants & contributions:							
					1,528,133	-	-	1,528,133	
					15,748	16,353	-	32,101	
					(69,000)	69,000	-	-	
					168,233	189,856	-	358,089	
					9,849,453	275,209	-	10,124,662	
					1,014,105	482,843	-	1,496,948	
					32,825,117	10,492,736	-	43,317,853	
					101,930	(101,053)	-	877	
					32,927,047	10,391,683	-	43,318,730	
					33,941,152	10,874,526	-	44,815,678	

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

**CITY OF PICAYUNE, MISSISSIPPI**  
**FUND FINANCIAL STATEMENTS**

CITY OF PICAYUNE, MISSISSIPPI  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015

EXHIBIT C

	MAJOR FUNDS					Total Governmental Funds
	General Fund	Airport Fund	Economic Development Fund	Debt Service Fund	Other Governmental Fund	
<b>ASSETS:</b>						
Cash and other deposits	\$ 2,422,578	\$ 327,692	\$ 590,484	\$ 106,301	\$ 440,489	\$ 3,887,544
Investments	1,509,013	-	151,837	-	57,045	1,717,895
Due from other funds	3,022,686	-	-	-	48,451	3,071,137
Receivables, other	3,310,697	-	72,726	-	500	3,383,923
Notes Receivable	119,077	-	792,773	-	-	911,850
Prepaid expenses	189,842	2,926	18,263	-	-	211,031
Inventory	-	-	389,727	-	-	389,727
<b>TOTAL ASSETS</b>	<b>\$ 10,573,893</b>	<b>\$ 330,618</b>	<b>\$ 2,015,810</b>	<b>\$ 106,301</b>	<b>\$ 546,485</b>	<b>\$ 13,573,107</b>
<b>LIABILITIES &amp; FUND BALANCES:</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 637,616	\$ 7,104	\$ 59,465	\$ 7,655	\$ 2,859	\$ 714,699
Deferred Revenue	1,994,325	-	-	-	-	1,994,325
Due to other funds	297,870	1,080,340	7,595	226	109,917	1,495,948
Due to other governments	188,195	-	-	-	-	188,195
Other payables	242,225	-	-	-	23,067	265,292
<b>Total Liabilities</b>	<b>3,360,231</b>	<b>1,087,444</b>	<b>67,060</b>	<b>7,881</b>	<b>135,843</b>	<b>4,658,459</b>
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Prepaid expenses	189,842	2,926	18,263	-	-	211,031
Inventory	-	-	389,727	-	-	389,727
Notes receivable	119,077	-	792,773	-	-	911,850
<b>Restricted:</b>						
Capital Projects	-	-	-	-	181,858	181,858
Debt Service	106,533	-	560,778	98,420	80,178	845,909
Unemployment benefits	-	-	-	-	34,852	34,852
<b>Committed:</b>						
City Projects	19,364	-	-	-	-	19,364
<b>Assigned:</b>						
Airport	-	(759,752)	-	-	-	(759,752)
Economic Development Projects	-	-	187,209	-	-	187,209
Projects	-	-	-	-	113,754	113,754
Unassigned	6,778,846	-	-	-	-	6,778,846
<b>Total Fund Balance</b>	<b>7,213,662</b>	<b>(756,826)</b>	<b>1,948,750</b>	<b>98,420</b>	<b>410,642</b>	<b>8,914,648</b>
<b>TOTAL LIABILITIES &amp; FUND</b>	<b>\$ 10,573,893</b>	<b>\$ 330,618</b>	<b>\$ 2,015,810</b>	<b>\$ 106,301</b>	<b>\$ 546,485</b>	<b>\$ 13,573,107</b>

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

CITY OF PICAYUNE, MISSISSIPPI  
 RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 SEPTEMBER 30, 2015

EXHIBIT C-1

Total Fund Balance - Governmental Funds	\$ 8,914,648
Amounts reported for net assets in the statement of net assets are different because:	
1. Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$34,966,676.	33,537,213
2. Deferred outflows and inflows are applicable to future periods and, therefore, are not reported in the funds: Deferred outflows of resources related to bond issuance	69,957
3. Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(8,580,666)</u>
Total Net Assets - Governmental Activities	<u>\$ 33,941,152</u>

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

REGULAR MEETING FEBRUARY 16, 2016

CITY OF PICAYUNE, MISSISSIPPI  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES – GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<b>MAJOR FUNDS</b>		
	<b>General Fund</b>	<b>Airport Fund</b>	<b>Economic Development Fund</b>
<b>REVENUES</b>			
Property and Advalorem taxes	\$ 2,195,584	\$ -	\$ -
License and permits	786,293	-	-
Intergovernmental revenue	5,520,561	462,142	583,941
Charges for services	10,308	111,760	9,130
Fines and forfeitures	370,283	-	-
Miscellaneous	57,789	15,623	86,923
<b>TOTAL REVENUES</b>	<b>8,940,818</b>	<b>589,525</b>	<b>679,994</b>
<b>EXPENDITURES</b>			
General government	1,258,032	-	69,739
Public safety	4,908,340	-	-
Public works	1,535,705	-	18,921
Health and welfare	-	-	290,974
Culture & recreation	19,280	115,627	-
Capital Outlay	158,963	448,564	103,262
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>7,880,320</b>	<b>564,191</b>	<b>482,896</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,060,498</b>	<b>25,334</b>	<b>197,098</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	44,500	-	83,000
Operating transfers out	(548,245)	-	(211,272)
Sale of Assets	-	-	-
Loan Proceeds	23,600	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(480,145)</b>	<b>-</b>	<b>(128,272)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>580,353</b>	<b>25,334</b>	<b>68,826</b>
<b>FUND BALANCE, OCTOBER 1, 2014</b>	<b>6,679,560</b>	<b>(782,160)</b>	<b>1,879,924</b>
Prior Period Adjustment	(46,251)	-	-
<b>FUND BALANCE, OCTOBER 1, 2014, restated</b>	<b>6,633,309</b>	<b>(782,160)</b>	<b>1,879,924</b>
<b>FUND BALANCE, SEPTEMBER, 2015</b>	<b>\$ 7,213,662</b>	<b>\$ (756,826)</b>	<b>\$ 1,948,750</b>

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

**CITY OF PICAYUNE, MISSISSIPPI  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES -- GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**EXHIBIT D**

	<b>MAJOR FUNDS</b>			<b>Total Governmental Funds</b>
	<b>Debt Service Fund</b>	<b>Other Governmental Fund</b>		
<b>REVENUES</b>				
Property and Ad Valorem taxes	\$ 972,244	\$ -		\$ 3,167,828
License and permits	-	-		786,293
Intergovernmental revenue	-	-		6,566,644
Charges for services	-	16,123		147,321
Fines and forfeitures	-	51,822		422,105
Miscellaneous	1,178	12,226		173,739
<b>TOTAL REVENUES</b>	<b>973,422</b>	<b>80,171</b>		<b>11,263,930</b>
<b>EXPENDITURES</b>				
General government	-	5,664		1,333,435
Public safety	-	-		4,908,340
Public works	-	19,158		1,573,784
Health and welfare	-	-		290,974
Culture & recreation	-	-		134,907
Capital Outlay	-	-		710,789
Debt Service:				
Principal	1,238,540	25,822		1,264,362
Interest	222,368	1,834		224,202
<b>TOTAL EXPENDITURES</b>	<b>1,460,908</b>	<b>52,478</b>		<b>10,440,793</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(487,486)</b>	<b>27,693</b>		<b>823,137</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	494,798	112,719		735,017
Operating transfers out	-	(44,500)		(804,017)
Sale of Assets	-	10,242		10,242
Loan Proceeds	-	-		23,600
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>494,798</b>	<b>78,461</b>		<b>(35,158)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>7,312</b>	<b>106,154</b>		<b>787,979</b>
<b>FUND BALANCE, OCTOBER 1, 2014</b>	<b>91,108</b>	<b>304,488</b>		<b>8,172,920</b>
Prior Period Adjustment	-	-		(46,251)
<b>FUND BALANCE, OCTOBER 1, 2014, restated</b>	<b>91,108</b>	<b>304,488</b>		<b>8,126,669</b>
<b>FUND BALANCE, SEPTEMBER, 2015</b>	<b>\$ 98,420</b>	<b>\$ 410,642</b>		<b>\$ 8,914,648</b>

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

**CITY OF PICAYUNE, MISSISSIPPI  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

EXHIBIT D-1

Net Change in fund balances - governmental funds	\$	787,979
Amounts reported for governmental activities in the statement of activities are different because:		
1. Governmental funds report capital outlays as expenditures while governmental activities report depreciation to allocate those expenditures over the life of the assets. Capital assets purchases amounted to \$796,626 and the depreciation expense amounted to \$1,755,657.		(959,031)
2. Some items reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenue/ expenditures in the governmental funds. These activities include:		
Change in compensated absences		(51,522)
Amortization of deferred inflows		(7,773)
3. The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Payments of debt principal		1,264,362
Accrued interest payable		3,690
4. Proceeds from long-term liabilities is reported as income in the governmental funds, but as an addition to long-term liabilities in the State of Activities.		<u>(23,600)</u>
Change in net assets of governmental activities	\$	<u>1,014,105</u>

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

CITY OF PICAYUNE, MISSISSIPPI  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2015

EXHIBIT E

	Enterprise Funds		Total
	Utility Fund	Cemetery Fund	
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 4,703,888	\$ 127,632	4,831,520
Restricted cash	956,192	-	956,192
Investments	365,971	111,947	477,918
Accounts receivable (net)	842,628	41,343	883,971
Due from other funds	251,355	-	251,355
Prepaid Assets	13,101	-	13,101
Inventory	155,745	148,202	303,947
Total current assets	<u>7,288,880</u>	<u>429,124</u>	<u>7,718,004</u>
<b>NONCURRENT ASSETS</b>			
Capital assets (net)	<u>11,637,792</u>	<u>126,507</u>	<u>11,764,299</u>
<b>TOTAL ASSETS</b>	<u>\$ 18,926,672</u>	<u>\$ 555,631</u>	<u>\$ 19,482,303</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 433,174	\$ 5,474	\$ 438,648
Accrued interest	36,775	-	36,775
Other payables	561,623	-	561,623
Customer deposits	706,426	-	706,426
Due to other funds	1,825,930	614	1,826,544
Long-term liabilities, due within one year	515,342	-	515,342
Total current liabilities	<u>4,079,270</u>	<u>6,088</u>	<u>4,085,358</u>
<b>LONG-TERM LIABILITIES</b>			
Accrued compensation	153,407	3,944	157,351
Long-term liabilities, due beyond one year	4,365,068	-	4,365,068
Total long-term liabilities	<u>4,518,475</u>	<u>3,944</u>	<u>4,522,419</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 8,597,745</u>	<u>\$ 10,032</u>	<u>\$ 8,607,777</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	6,757,382	126,507	6,883,889
Net Assets: Restricted	956,192	-	956,192
Net Assets: Unrestricted	2,615,353	419,092	3,034,445
<b>TOTAL NET ASSETS</b>	<u>\$ 10,328,927</u>	<u>\$ 545,599</u>	<u>\$ 10,874,526</u>

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

**CITY OF PICAYUNE, MISSISSIPPI  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR YEARS ENDED SEPTEMBER 30, 2015**

EXHIBIT F

	<u>Enterprise Funds</u>		<u>Total</u>
	<u>Utility Fund</u>	<u>Cemetery Fund</u>	
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 5,641,698		\$ 5,641,698
Plot Sales	-	27,634	27,634
	<hr/>	<hr/>	<hr/>
Total operating revenues	5,641,698	27,634	5,669,332
<b>OPERATING EXPENSES:</b>			
Personal services	1,595,900	58,223	1,654,123
Supplies	1,872,607	9,048	1,881,655
Contractual services	1,319,978	5,615	1,325,593
Depreciation	460,518	3,924	464,442
	<hr/>	<hr/>	<hr/>
Total operating expenses	5,249,003	76,810	5,325,813
Operating income	392,695	(49,176)	343,519
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
Other miscellaneous income	189,856	-	189,856
Interest income	15,943	410	16,353
Interest expense	(135,885)	-	(135,885)
Operating Transfers In	-	69,000	69,000
	<hr/>	<hr/>	<hr/>
Total non-operating revenues (expenses)	69,914	69,410	139,324
<b>NET INCOME</b>	462,609	20,234	482,843
<b>Net assets, October 1</b>	9,967,371	525,365	10,492,736
<b>Prior Period Adjustment</b>	(101,053)	-	(101,053)
	<hr/>	<hr/>	<hr/>
<b>Net assets, October 1, restated</b>	9,866,318	525,365	10,391,683
<b>Net assets, September 30</b>	<u>\$ 10,328,927</u>	<u>\$ 545,599</u>	<u>\$ 10,874,526</u>

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

CITY OF PICAYUNE, MISSISSIPPI  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR YEAR ENDED SEPTEMBER 30, 2015

EXHIBIT G

	Enterprise Funds		Total
	Utility Fund	Cemetery Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 5,696,788	\$ 18,999	\$ 5,715,787
Payments to suppliers	(3,704,351)	(10,333)	(3,714,684)
Payments to employees	(1,079,416)	(63,278)	(1,142,694)
Net cash flows from operating activities	913,021	(54,612)	858,409
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Interest income	15,943	410	16,353
Miscellaneous income	189,856	-	189,856
Cash payments (to) from governmental funds	1,639	68,970	70,609
Net cash provided by noncapital financing activities	207,438	69,380	276,818
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>			
Purchase of capital assets	(1,235,044)	(1,390)	(1,236,434)
Proceeds from borrowings	23,600	-	23,600
Principal paid on capital debt	(339,411)	-	(339,411)
Interest paid on capital debt	(137,723)	-	(137,723)
Net cash provided by noncapital financing activities	(1,688,578)	(1,390)	(1,689,968)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of investments	(2,565)	(785)	(3,350)
Net cash provided by investing activities	(2,565)	(785)	(3,350)
<b>NET INCREASE (DECREASE) IN CASH</b>	(570,684)	12,593	(558,091)
<b>Cash, October 1</b>	6,230,764	115,039	6,345,803
<b>Cash, September 30</b>	\$ 5,660,080	\$ 127,632	\$ 5,787,712
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income	\$ 392,695	\$ (49,176)	\$ 343,519
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	460,518	3,924	464,442
Change in assets and liabilities:			
Receivables, net of allowances	42,057	(8,635)	33,422
Prepaid assets	(1,204)	-	(1,204)
Inventory	(11,377)	-	(11,377)
Accounts payable	(499,185)	4,330	(494,855)
Other payables	496,738	(2,045)	494,693
Customer deposits	13,033	-	13,033
Accrued compensation	19,746	(3,010)	16,736
Net cash flows from operating activities	\$ 913,021	\$ (54,612)	\$ 858,409

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

**CITY OF PICAYUNE, MISSISSIPPI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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***NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

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 accompanying financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles. The most significant of the City's accounting policies are described below.

**A. Financial Reporting Entity.**

For financial reporting purposes, the reporting entity includes all funds that are covered by the oversight responsibility of the City Council.

As defined by accounting principles generally accepted in the United States of America, the City is considered a "primary government." The City has no component units.

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.

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.

CITY OF PICAYUNE, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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**B. Basis of Presentation.**

The City's basic financial statement consists of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

*Government-wide Financial Statements:*

The Statement of Net Position and Statement of Activities display information about the City as a whole. They include all funds of the reporting entity except for fiduciary funds, if applicable. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

The Statement of Net Position presents the financial condition of the governmental activities of the City at year-end. The Government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City.

*Fund Financial Statements:* Fund financial statements of the City are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental category.

**C. Measurement Focus and Basis of Accounting.**

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Program revenues on the Statement of Activities consist primarily of ad-valorem taxes, state revenues, and fees for services.

CITY OF PICAYUNE, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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**C. Measurement Focus and Basis of Accounting (continued).**

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Property taxes and state appropriations associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

The City reports the following major governmental funds:

**General Fund** - This is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

**Airport Fund** - This is the fund that accounts for financial resources used for the acquisition, construction, and maintenance of the City-operated airport.

**Economic Development Fund** - This is the fund that accounts for the proceeds from the Tourism Sales tax and the sales of land in the industrial park that are used for economic development.

**Debt Service Fund** - This is the fund that accounts for debt payments for the general obligation bonds.

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 operations of the City-operated cemetery.

CITY OF PICAYUNE, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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**C. Measurement Focus and Basis of Accounting (continued).**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, general are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported and *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connections with a proprietary fund's principal ongoing operations. The principal operating revenues of the City enterprise fund are charges to customers for services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use the restricted resources first, then unrestricted resources as they are needed.

**D. Account Classifications.**

The account classifications used in the financial statements conform to the classifications prescribed in the *Financial Accounting Manual for Mississippi Municipalities* issued by the Office of the State Auditor.

**E. Encumbrances.**

An encumbrance system is not maintained to account for commitments resulting from approved purchase orders, work orders and contracts.

CITY OF PICAYUNE, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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**F. Cash and Cash Equivalents.**

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

Cash and cash equivalents consists of amounts on deposit in demand accounts and certificates of deposit with maturities of three months or less from the end of the fiscal year. Cash and cash equivalents are valued at cost.

**G. Investments.**

The city is allowed, by statute, to invest excess funds in any bonds or other direct obligations of the United States of America or the state of Mississippi, or of any county or municipality of this state, when such county or municipal bonds have been properly approved; or in interest-bearing time certificates of deposit or interest-bearing accounts with any financial institution approved for the deposit of state funds; or in any type of investment permitted by sections 27-105-33(d) and 27-105-33(e), Miss. Code Ann. (1972).

Investments are reported at fair value, which is determined using selected bases. All of the City's Investments consist of Certificates of Deposits, which mature over three months from the end of the fiscal year and are not considered cash or cash equivalents. These investments are reported at cost, which is the fair value.

**H. Receivables.**

The allowance method for valuing accounts receivables is used by the City. At the end of each fiscal year, an amount necessary to bring the balance to the estimated amount of allowance for doubtful accounts is credited to a valuation account. As a specific account is deemed to be uncollectible, the amount of the account is taken from both the receivable and the allowance accounts. At the end of the subsequent fiscal year, bad debt expense is charged with the amount necessary to bring the allowance account to the estimated total. An aging schedule with a variable scale of percentages is used to compute the allowance account for Enterprise Fund receivable valuation. The valuation allowance for the General Fund police fines is based on the City's estimation of amounts that cannot be collected.

**I. Prepaid Expenses.**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both governmental and fund financial statements.

**J. 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 enterprise funds represent unspent 2013 Revenue Bond proceeds.

**K. 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 industrial park.

**CITY OF PICAYUNE, MISSISSIPPI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

Inventories are stated at cost utilizing the average cost method for natural gas and aviation fuel and at historical cost for cemetery plots and land.

**L. Capital Assets.**

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed assets are reported at estimated fair value at the time received.

Capitalization thresholds (dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets are reported in the government-wide statements. Depreciation is calculated on the straight-line basis for all assets, except land.

The following schedule details those thresholds.

	Capitalization Policy	Estimated Useful Life
Buildings	50,000	40 years
Heavy equipment	5,000	10 years
Mobile equipment	5,000	5 years
Furniture and equipment	5,000	3-7 years
Leased property under capital leases	*	*

(\*) The threshold amount will correspond with the amounts for the asset classifications, as listed. See Note 5 for details.

All proprietary fund capital assets continued to be carried on the books and depreciated at their actual cost. Depreciation is charged to expense against operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using straight-line method. The estimated useful lives are as follows:

Water & Sewer System	15 – 50 years
Equipment	5 – 10 years

**M. Long-term Liabilities.**

Long-term liabilities are the unmatured principal of bonds, warrants, notes, or other forms of non-current or long-term general obligation indebtedness. Long-term liabilities are not limited to liabilities from debt issuances, but may also include liabilities on lease-purchase agreements and other commitments. Long-term liabilities should not be reported as liabilities in governmental funds, but should be reported in the governmental activities column in the government-wide statement of net assets. See Note 6 for details.

CITY OF PICAYUNE, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015

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**N. Inter-fund Transactions and Balances.**

Inter-fund transactions and balances are the result of timing differences between the date expenses/expenditures occur and the date payments are made.

Short-term (due within one year) inter-fund loan receivables are reported as "due from other funds" and are considered available expendable resources. Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 4 for details for inter-fund transactions, including receivables and payables at year-end.

**O. Equity Classifications.**

Government-wide Financial Statements:

Equity is classified as net position and displayed in three components:

(1) Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, constructions or improvement of those assets.

(2) Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Financial Statements:

The City implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year ending September 30, 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

- **Nonspendable** – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at September 30, 2015, by the City are nonspendable in form. The City has not reported any amounts that are legally or contractually required to be maintained intact.

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- Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to ordinances passed by the the City of Picayune’s Council, the City’s highest level of decision making authority. Commitments may be modified or rescinded only through ordinances approved by the City of Picayune.
- Assigned – includes amounts that the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance.
- Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The City of Picayune reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City’s Council has provided otherwise in its commitment or assignment actions.

**P. Property Taxes.**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied as of January 1 and payable on or before February 1. Taxes are collected by Pearl River County and remitted to the City. The County retains a 5% collection fee on motor vehicle and mobile home taxes. The County retains a 2% collection fee on all other taxes. Lien dates for personal and real property are in August. Delinquent tax payments, received throughout the year, are recognized as revenue in the year received. The millage rate for the City for January through December was 38.33 mills broken down as follows:

General Fund	26.37
Debt Service	<u>12.29</u>
	<u>38.66</u>

Restrictions associated with property tax levies are established by State law which provides that the tax levy for general purposes shall produce no more than 110% of the amount which results from those levies’ assessments of the previous year. Uncollected taxes were determined to be properly handled.

**CITY OF PICAYUNE, MISSISSIPPI**  
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**Q. Budgets and Budgetary Accounting.**

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

1. Prior to September 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.
2. A public hearing is conducted at the City Hall to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. The City Council may take official action to authorize transfers of budgeted amounts between departments and fund as allowed by law.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and the Enterprise Fund.
6. Mississippi laws require that municipalities budget governmental fund types on a modified – cash basis. Claims that have been incurred prior to the end of the year and that are paid within 30 days are recorded under the accrual basis. Prior year claims that are paid after 30 days revert to the cash basis. All revenue is accounted for under the cash basis. The required budgetary basis is therefore not considered a generally accepted accounting principal.

Proprietary funds are budgeted on a modified accrual basis. Modifications to the accrual basis include budgeting for capital expenditures, debt principal payments and for depreciation.

During the year, amendments were made to the original budget.

**R. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred outflows related to charges on refunding bonds    \$69,957

**S. Compensated Absences.**

Employees of the City accumulate sick leave at a minimum amount as required by state law or at a greater amount provided by City policy. Some employees are allowed personal leave and/or vacation leave in accordance with City policy.

The liability for these compensated absences is recorded as long-term liabilities in the government-wide statements. The current portion of this liability is estimated based on

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historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

**T. Use of Estimates.**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS.**

The City follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Restrictions on deposits and investments are imposed by statutes as follows:

**Deposits:** The City must advertise and accept bids for depositories no less than once every two years as required by Section 27-105-1, Miss. Code Ann. (1972). The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the 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, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

**Investments:** Except for nonparticipating investment contracts and for participating interest-earning investment contracts and money market investments that had a remaining maturity at the time of purchase of one year or less, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost. Participating interest-earning investment contracts and money market investments that had a remaining maturity at time of purchase of one year or less are reported at amortized cost.

**Cash and Cash Equivalents.**

The carrying amount of the City's deposits with financial institutions was \$9,675,256 for 2015 and \$11,762,454 for 2014, and the bank balance was \$9,752,565 and \$11,963,410 for 2015 and 2014, respectively.

**Custodial Credit Risk – Deposits.** Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the city will not be able to recover deposits or

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collateral securities that are in the possession of an outside party. The city does not have a deposit policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the city. Deposits above FDIC coverage are collateralized by the pledging financial institutions trust department or agent in the name of the Mississippi State Treasurer on behalf of the city. As of September 30, 2015, the city's bank balance did not have any exposure to custodial credit risk.

**Investments.**

Investments made by the city that are included on the balance sheet consist of insured certificates of deposit for which the securities are held by the city or its agent in the city's name. The certificates carrying value and maturity dates are as follows:

<u>Certificate #</u>	<u>Value</u>	<u>Maturity Date</u>
<b>General Fund:</b>		
11005006	1,509,013	2/6/2016
	<u>\$ 1,509,013</u>	
<b>Economic Development Fund</b>		
11005019	151,837	3/12/2016
<b>Other Governmental Funds:</b>		
11005019	57,045	3/12/2016
<b>Enterprise Funds:</b>		
11005019	477,919	3/12/2016
	<u>\$ 686,801</u>	

**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.

**Credit Risk.** State law limits investments to those prescribed in Section 21-33-323, Miss. Code Ann. (1972). The city does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

**Custodial Credit Risk – Investments.** Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the city will not be able to recover deposits or collateral securities that are in the possession of an outside party. The city does not have a formal investment policy for custodial credit risk. As of September 30, 2015, the city did not have any investments to which this would apply.

**Concentration of Credit Risk.** Disclosures of investments by amount and issuer for any issuer that represents five percent or more of total investments is required. As of September 30, 2015, the city had nine certificates of deposits with Picayune Bank and Trust which comprised 100 % of the investment balance on Exhibit A and Exhibit E.

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**NOTE 3 – ACCOUNTS RECEIVABLE AND ALLOWANCE ACCOUNT**

The balance in the accounts receivable are composed of the following items:

	<b>Governmental</b>	<b>Business-type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	<b>Government-wide</b>
Property and ad valorem tax	\$ 1,994,325	\$ -	\$ 1,994,325
Sales Tax	751,668	-	751,668
Franchise Tax	162,876	-	162,876
Fines Receivable, gross	4,603,916	-	4,603,916
Accounts Receivable, gross	73,331	921,267	994,598
Other receivables	-	-	-
Total Receivables, Gross	7,586,116	921,267	8,507,383
Less: Allowance for doubtful accounts	(4,202,193)	(37,296)	(4,239,489)
Total Receivables, Net	<u>\$ 3,383,923</u>	<u>\$ 883,971</u>	<u>\$ 4,267,894</u>

**NOTES RECEIVABLES:**

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 Buildings. 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 at September 30, 2015 was \$792,773 and is included as Notes Receivable in the Statement of Net Assets.

National Home Furnishings

On September 20, 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, 2015 was \$119,077 and is included as Notes Receivable in the Statement of Net Assets.

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**NOTE 4 - INTER-FUND TRANSACTIONS AND BALANCES**

Timing differences between the payments of expenses for other funds and the subsequent reimbursements are reflected in the inter-fund accounts. The following is a summary of inter-fund balances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Airport Fund	\$ 1,078,404
	Economic Dev Fund	7,595
	Debt Service Fund	226
	Other Governmental Funds	109,917
	Utility Fund	1,825,930
	Cemetery Fund	614
Other Governmental Funds	General Fund	48,451
Utility Fund	Airport Fund	1,936
	General Fund	249,419
		<u>\$ 3,322,492</u>

The primary purpose of the inter-fund balances outstanding at the end of the year 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.

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 44,500
Economic Development Fund	General Fund	83,000
Debt Service Fund	Economic Development Fund	211,272
	General Fund	283,526
Other Governmental Funds	General Fund	112,719
Cemetery Fund	General Fund	69,000
		<u>\$ 804,017</u>

The transfers represent board approved operating transfers for school operations and planning purposes.

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NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 5 - CAPITAL ASSETS**

The following is a summary of changes in capital assets for governmental activities:

	Begin Balance 10/1/2014	Additions	Deletions	Construction Completed	Adjustment	End Balance 9/30/2015
<u>Non-depreciable capital assets:</u>						
Land	\$ 2,402,438	\$ -	\$ -	\$ -	\$ -	\$ 2,402,438
Construction in Progress	24,742	710,789	-	(940,777)	205,246	-
Total non-depreciable capital assets	<u>2,427,180</u>	<u>710,789</u>	<u>-</u>	<u>(940,777)</u>	<u>205,246</u>	<u>2,402,438</u>
<u>Depreciable capital assets:</u>						
Buildings and Improvements	7,708,879	-	-	-	-	7,708,879
Machinery & Equipment	1,285,696	16,168	-	-	-	1,301,864
Mobile Equipment	3,792,705	53,646	-	-	-	3,846,351
Infrastructure	52,287,557	16,023	-	940,777	-	53,244,357
Total depreciable capital assets	<u>65,074,837</u>	<u>85,837</u>	<u>-</u>	<u>940,777</u>	<u>-</u>	<u>66,101,451</u>
<u>Less accumulated depreciation for:</u>						
Buildings and Improvements	1,877,671	187,182	-	-	-	2,064,853
Machinery & Equipment	1,285,696	85,392	-	-	-	1,371,088
Mobile Equipment	2,634,156	164,075	-	-	-	2,798,231
Infrastructure	27,413,496	1,319,008	-	-	-	28,732,504
Total accumulated depreciation	<u>33,211,019</u>	<u>1,755,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,966,676</u>
Governmental Activities, capital assets, net	<u>\$ 34,290,998</u>	<u>\$ (959,031)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,246</u>	<u>\$ 33,537,213</u>

Adjustments were made to add additional construction in progress at the beginning of the year that was mistakenly expensed.

Depreciation expense was charged to the following governmental functions:

General Government	\$ 1,344,535
Public Safety	52,547
Public Works	240,705
Economic Development	24,896
Culture & Recreation	92,974
	<u>\$ 1,755,657</u>

**CITY OF PICAYUNE, MISSISSIPPI  
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The following is a summary of changes in capital assets for proprietary activities:

	Begin Balance 10/1/2014	Additions	Deletions	Construction Completed	Adjustment	End Balance 9/30/2015
<u>Non-depreciable capital assets:</u>						
Land	\$ 172,599	\$ -	\$ -	\$ -	-	\$ 172,599
Construction in Progress	714,000	1,247,209	-	-	-	1,961,209
Total non-depreciable capital assets	<u>886,599</u>	<u>1,247,209</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,133,808</u>
<u>Depreciable capital assets:</u>						
Buildings and Improvements	150,571	-	-	-	-	150,571
Machinery & Equipment	1,155,712	-	-	-	-	1,155,712
Mobile Equipment	627,307	22,385	-	-	-	649,692
Infrastructure	12,417,755	-	-	-	-	12,417,755
Total	<u>14,351,345</u>	<u>22,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,373,730</u>
<u>Less accumulated depreciation for:</u>						
Buildings and Improvements	44,317	974	-	-	-	45,291
Machinery & Equipment	646,036	52,403	-	-	-	698,439
Mobile Equipment	507,991	40,740	-	-	-	548,731
Infrastructure	3,080,453	370,325	-	-	-	3,450,778
Total accumulated depreciation	<u>4,278,797</u>	<u>464,442</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,743,239</u>
Proprietary Activities, capital assets, net	<u>\$ 10,959,147</u>	<u>\$ 805,152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,764,299</u>

Depreciation expense charged to the enterprise fund totaled \$464,442.

<u>Construction Commitment:</u>	<u>Contract amt</u>	<u>Paid</u>	<u>Remaining Commitment</u>	<u>Funding Source</u>
Gas System	3,000,000	1,868,119	1,131,881	Revenue Bond
City Barn Elev Tank	166,000	93,091	72,909	Contingency Funds

**CITY OF PICAYUNE, MISSISSIPPI  
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**NOTE 6 - LONG - TERM LIABILITIES**

The following are the changes in long-term liabilities and other obligations for governmental activities:

	Balance 10/1/2014	Additions	Payments	Balance 9/30/2015	Due within One Year
General Obligation Bonds Payable	\$ 8,267,423	\$ -	\$ (1,168,385)	\$ 7,099,038	\$ 1,211,677
Notes Payable	812,286	-	(65,025)	747,261	62,083
Obligations under Capital Leases	106,000	23,600	(30,952)	98,648	34,086
Compensated Absences Payable	562,986	51,522	-	614,508	-
<b>Total</b>	<b>\$ 9,748,695</b>	<b>\$ 75,122</b>	<b>\$ (1,264,362)</b>	<b>\$ 8,559,455</b>	<b>\$ 1,307,846</b>

The following are the changes in long-term liabilities and other obligations for proprietary activities:

	Balance 10/1/2014	Additions	Payments	Adjustment	Balance 9/30/2014	Due within One Year
General Obligation Bonds Payable	\$ 3,144,187	\$ -	\$ (146,615)	\$ (6,610)	\$ 2,990,962	\$ 153,323
Notes Payable	1,748,851	-	(136,561)	-	1,612,290	95,514
Obligations under Capital Leases	303,154	23,600	(49,596)	-	277,158	266,505
Compensated Absences Payable	140,615	16,736	-	-	157,351	-
<b>Total</b>	<b>\$ 5,336,807</b>	<b>\$ 40,336</b>	<b>\$ (332,772)</b>	<b>\$ (6,610)</b>	<b>\$ 5,037,761</b>	<b>\$ 515,342</b>

**General Obligation Bonds Payable**

General obligation bonds are direct obligations and pledge the full faith and credit of the city. General obligation bonds currently outstanding in the Governmental Funds are as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
1. General obligation, Series 2008	2.90%	3/19/2008	3/1/2018	\$ 500,000	\$ 175,000
2. General Obligation, Series 2010	Variable	8/5/2010	7/1/2020	7,700,000	4,230,000
3. General Obligation Refunding , Series 2014	Variable	6/30/2014	7/1/2024	3,057,423	2,694,038
					<b>\$ 7,099,038</b>

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The following is a schedule by years of the total payments due on this debt:

1. General Obligation Bonds, Series 2008:

<u>Year Ending Sept 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	55,000	4,278	59,278
2017	60,000	2,610	62,610
2018	60,000	870	60,870
Total	<u>\$ 175,000</u>	<u>\$ 7,758</u>	<u>\$ 182,758</u>

2. General Obligation Bonds, Series 2010

<u>Year Ending Sept 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	780,000	112,960	892,960
2017	810,000	94,240	904,240
2018	845,000	73,990	918,990
2019	880,000	51,175	931,175
2020	915,000	26,535	941,535
Total	<u>\$ 4,230,000</u>	<u>\$ 358,900</u>	<u>\$ 4,588,900</u>

3. General Obligation Refunding Bonds, Series 2014

<u>Year Ending Sept 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	376,677	55,038	431,715
2017	390,440	47,522	437,962
2018	402,972	39,607	442,579
2019	407,226	31,526	438,752
2020	286,723	22,449	309,172
2021 - 2024	830,000	50,476	880,476
Total	<u>\$ 2,694,038</u>	<u>\$ 246,618</u>	<u>\$ 2,940,656</u>

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General obligation bonds are direct obligations and pledge the full faith and credit of the city.

General obligation bonds currently outstanding in the Proprietary Funds are as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
1. Utility System Revenue Bonds, Series 2013	Variable	4/1/2013	4/1/1933	\$ 3,000,000	\$ 2,785,000
2. General Obligation Refunding, Series 2014	Variable	6/30/2014	7/1/2024	242,578	205,962
					<u>\$ 2,990,962</u>

1. Utility System Revenue Bonds, Series 2013

Year Ending Sept 30	Principal	Interest	Total
2016	115,000	75,600	190,600
2017	120,000	72,150	192,150
2018	120,000	69,150	189,150
2019	125,000	66,150	191,150
2020	130,000	63,025	193,025
2021 - 2025	725,000	264,063	989,063
2026 - 2030	860,000	164,250	1,024,250
2031 - 2033	590,000	35,850	625,850
Total	<u>\$ 2,785,000</u>	<u>\$ 810,238</u>	<u>\$ 3,595,238</u>

2. General Obligation Refunding Bonds, Series 2014

Year Ending Sept 30	Principal	Interest	Total
2016	38,323	5,600	43,923
2017	39,560	4,815	44,375
2018	42,028	4,131	46,159
2019	42,774	3,311	46,085
2020	43,277	3,388	46,665
Total	<u>\$ 205,962</u>	<u>\$ 21,245</u>	<u>\$ 227,207</u>

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The amount of indebtedness 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, 2015 the amount of outstanding debt was equal to 11% of the latest property assessments.

**Notes Payable**

Debt currently outstanding in the Governmental Funds is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
1. MDA Loan No. 0524	3.00%	2/1/2008	2/1/2028	\$ 272,539	\$ 186,483
2. MDA for airport infrastructure	3.00%	3/29/2002	6/1/2022	269,850	106,015
3. MDA for airport infrastructure	3.00%	6/14/2002	6/1/2022	66,317	26,886
4. MDA for airport infrastructure	3.00%	7/1/2007	7/31/2027	650,000	427,877
					<u>\$ 747,261</u>

1. MDA Loan No. 0524

Year Ending Sept 30	Principal	Interest	Total
2016	12,676	5,462	18,138
2017	13,062	5,076	18,138
2018	13,459	4,679	18,138
2019	13,869	4,269	18,138
2020	14,290	3,848	18,138
2021 - 2025	78,242	12,447	90,689
2026 - 2027	40,885	3,072	43,957
Total	<u>\$ 186,483</u>	<u>\$ 38,853</u>	<u>\$ 225,336</u>

2. MDA for airport infrastructure

Year Ending Sept 30	Principal	Interest	Total
2016	14,986	2,973	17,959
2017	15,441	2,518	17,959
2018	15,911	2,048	17,959
2019	17,787	172	17,959
2020	16,936	1,023	17,959
2021 - 2022	24,954	564	25,518
Total	<u>\$ 106,015</u>	<u>\$ 9,298</u>	<u>\$ 115,313</u>

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3. MDA for airport infrastructure

Year Ending Sept 30	Principal	Interest	Total
2016	3,655	758	4,413
2017	3,766	647	4,413
2018	3,881	532	4,413
2019	3,999	414	4,413
2020	4,121	292	4,413
2021 - 2022	7,464	200	7,664
<b>Total</b>	<b>\$ 26,886</b>	<b>\$ 2,843</b>	<b>\$ 29,729</b>

4. MDA for airport infrastructure

Year Ending Sept 30	Principal	Interest	Total
2016	30,766	12,493	43,259
2017	31,702	11,557	43,259
2018	32,666	10,593	43,259
2019	33,660	9,599	43,259
2020	34,683	8,576	43,259
2021 - 2025	189,896	26,397	216,293
2026 - 2027	74,504	2,146	76,650
<b>Total</b>	<b>\$ 427,877</b>	<b>\$ 81,361</b>	<b>\$ 509,238</b>

Debt currently outstanding in the Proprietary Funds is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
1. MS Dept of Health	3.50%	3/1/2004	7/1/2023	\$ 253,005	\$ 127,610
2. Cap Loan - AMR Project	2.00%	3/7/2011	3/1/1932	1,300,000	990,718
3. Cap Loan - Water Improvement	2.00%	11/1/2010	11/4/1932	562,530	493,962
					<b>\$ 1,612,290</b>

**CITY OF PICAYUNE, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

1. MS Dept of Health-Drinking Water Systems Improvements

Year Ending Sept 30	Principal	Interest	Total
2016	13,648	4,219	17,867
2017	14,134	3,733	17,867
2018	14,636	3,231	17,867
2019	15,157	2,710	17,867
2020	15,696	2,171	17,867
2021 - 2024	54,339	3,109	57,448
Total	<u>\$ 127,610</u>	<u>\$ 19,173</u>	<u>\$ 146,783</u>

2. Cap Loan – AMR Project

Year Ending Sept 30	Principal	Interest	Total
2016	57,370	21,547	78,917
2017	58,528	20,390	78,918
2018	60,813	18,105	78,918
2019	62,041	16,877	78,918
2020	63,293	15,625	78,918
2021 - 2025	336,151	58,439	394,590
2026 - 2030	352,522	22,940	375,462
Total	<u>\$ 990,718</u>	<u>\$ 173,923</u>	<u>\$ 1,164,641</u>

3. CAP Loan – Water Improvement

Year Ending Sept 30	Principal	Interest	Total
2016	24,496	9,653	34,149
2017	24,991	9,158	34,149
2018	25,495	8,654	34,149
2019	26,010	8,139	34,149
2020	26,535	7,614	34,149
2021 - 2025	140,927	29,818	170,745
2026 - 2030	155,736	15,009	170,745
2031 - 2033	69,772	1,520	71,292
Total	<u>\$ 493,962</u>	<u>\$ 89,565</u>	<u>\$ 583,527</u>

**CITY OF PICAYUNE, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**Obligations under Capital Lease**

Debt currently outstanding in the Governmental Funds is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
1. Capital Lease-Special Police Drug Fund	1.73%	1/13/2014	1/1/2017	\$ 106,000	\$ 80,178
2. Capital Lease-1/2 Kubota Tractor	1.88%	1/20/2015	1/20/2018	23,600	18,470
					<u>\$ 98,648</u>

1. Capital Lease-Special Police Drug Fund

Year Ending Sept 30	Principal	Interest	Total
2016	26,269	1,387	27,656
2017	26,723	933	27,656
2018	27,186	470	27,656
Total	<u>\$ 80,178</u>	<u>\$ 2,790</u>	<u>\$ 82,968</u>

2. Capital Lease – 1/2 Kubota Tractor

Year Ending Sept 30	Principal	Interest	Total
2016	7,817	280	8,097
2017	7,965	132	8,097
2018	2,688	11	2,699
Total	<u>\$ 18,470</u>	<u>\$ 423</u>	<u>\$ 18,893</u>

Debt currently outstanding in the Proprietary Funds is as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
1. Capital Lease-Caterpillar 320EL	1.61%	5/9/2013	6/9/16	\$ 203,427	\$ 149,221
2. Capital Lease-Caterpillar 305E Mini Excavator	1.91%	7/22/2013	8/22/16	61,353	38,483
3. Capital Lease-Caterpillar 420F Backhoe	1.61%	5/9/2013	6/9/16	97,550	70,984
4. Capital Lease-1/2 Kubota Tractor	1.88%	1/20/2015	1/20/18	23,600	18,470
					<u>\$ 277,158</u>

1. Capital Lease-Caterpillar 320-EL

Year Ending Sept 30	Principal	Interest	Total
2016	149,221	1,147	150,368
Total	<u>\$ 149,221</u>	<u>\$ 1,147</u>	<u>\$ 150,368</u>

**CITY OF PICAYUNE, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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2. Capital Lease – Caterpillar 305E Mini Excavator

<u>Year Ending Sept 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	38,483	532	39,015
Total	<u>\$ 38,483</u>	<u>\$ 532</u>	<u>\$ 39,015</u>

3. Capital Lease – Caterpillar 420F Backhoe

<u>Year Ending Sept 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	70,984	727	71,711
Total	<u>\$ 70,984</u>	<u>\$ 727</u>	<u>\$ 71,711</u>

4. Capital Lease – ½ Kubota Tractor

<u>Year Ending Sept 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 7,817	\$ 280	\$ 8,097
2017	7,965	132	8,097
2018	2,688	11	2,699
Total	<u>\$ 18,470</u>	<u>\$ 423</u>	<u>\$ 18,893</u>

**NOTE 7 - DEFINED BENEFIT PENSION PLAN**

Plan Description. The City 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 report may be obtained by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201 or by calling (601) 359-3589 or 1-800-444-PERS.

**CITY OF PICAYUNE, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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Funding Policy. PERS members are required to contribute 9% of their annual covered salary and the City is required to contribute at an actuarially determined rate. The current rate is 15.75% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The City's contributions to PERS for the fiscal years ending September 30, 2015, 2014 and 2013 were \$841,653, \$856,149 and \$768,054 respectively, which equaled the required contributions for each year.

***NOTE 8 - RISK MANAGEMENT***

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Except as described below, the City carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Participation in Public Entity Risk Pool:**

The City participates in the Mississippi Municipal Liability Plan (MMLD), an insurance-purchasing pool. The City, along with other municipalities as a group, purchased insurance to insure against losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Settled claims resulting from these insured risks have not exceeded the City's insurance coverage since it joined the pool.

The City is a member of the Mississippi Municipal Workers Compensation Group (MMWCG). The group is a risk-sharing pool; such a pool is frequently referred to as a self-insurance pool. MMWCG covers risks of loss arising from injuries to the City's employees. The Mississippi Workers' Compensation Commission requires that an indemnity agreement be executed by each member in a workers' compensation self-insurance pool for the purpose of jointly and severally binding the pool and each of the employers comprising the group to meet the workers' compensation obligations of each member. Each member of the MMWCG contributes quarterly to a fund held in trust.

The funds in the trust account are used to pay any claim up to \$500,000. For a claim exceeding \$500,000, MMWCG has insurance, which will pay the excess up to the statutory limit. If total claims during a year were to deplete the trust account, then the pool members would be required to pay for the deficiencies. The City has not had an additional assessment for excess losses incurred by the pool.

***NOTE 9 - MISSISSIPPI MUNICIPAL COMPLIANCE QUESTIONNAIRE***

The Mississippi Compliance Questionnaire was completed and entered into the minutes as prescribed by law. A review of the questionnaire revealed that all items were answered yes or not applicable.

**CITY OF PICAYUNE, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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**NOTE 10 - RECONCILIATION OF BUDGETARY BASIS TO ACCRUAL**

Mississippi law requires that municipalities' budget on a modified-cash basis. Claims that have been incurred prior to the end of the year and that are paid within 30 days are recorded under the accrual basis. Prior year claims that are paid after 30 days revert to the cash basis. All revenue is accounted for under the cash basis. All budgeted amounts lapse at year end.

The required budgetary basis is therefore not considered a generally accepted accounting principle.

The following schedule reconciles the fund balances on the budgetary basis to the GAAP basis for the general fund:

<u>General Fund:</u>	
Fund balance (budgetary basis)	\$7,213,662
Adjustment to GAAP basis:	
Accrued revenues	<u>(64,168)</u>
Fund balance (GAAP basis), Sept. 30	<u>\$7,149,494</u>
<u>Economic Development Fund:</u>	
Fund balance (budgetary basis)	\$1,948,750
Adjustment to GAAP basis:	
Accrued revenues	<u>(36,711)</u>
Fund balance (GAAP basis), Sept. 30	<u>\$1,912,039</u>

**NOTE 12 - JOINT VENTURES 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 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 PFPRC is not determinable at this time.

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 districts, all located in the State of

**CITY OF PICAYUNE, MISSISSIPPI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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 GMAM 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, 2015, payments to MGAM for gas purchases amount to \$1,173,142.

**NOTE 13 – PRIOR PERIOD ADJUSTMENTS**

A summary of significant Net Position/Fund Balance adjustments is as follows:

Exhibit B - Statement of Activities

<b><u>Governmental Activities:</u></b>	
1. Correction of capital assets	\$ 205,246
2. Correction of bond issuance costs	(78,415)
3. Correct of accrued interest	<u>(24,901)</u>
Total Prior Period Adjustment	<u>\$ 101,930</u>
<b><u>Business-type Activities:</u></b>	
1. Correction of bond issuance costs	\$ (62,440)
2. Correction of accrued interest	<u>(38,613)</u>
	<u>\$ (101,053)</u>

Exhibit D - Statement of Revenues, Expenditures and Changes in Fund Balances

Explanation	Amount
<b>General Fund</b>	
1. Correction of prior year receivables from Picayune Schools	\$ 111,522
2. Correction of error in other payables for court assessments	<u>(157,773)</u>
Total	<u>\$ (46,251)</u>

**CITY OF PICAYUNE, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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***NOTE 14 – SUBSEQUENT EVENTS***

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes.

Management of the City of Picayune, Mississippi evaluated the activity of the city through February 1, 2016, (the date the financial statements were available to be issued), and determined that no subsequent events have occurred that require disclosure in the notes to the financial statements.

**CITY OF PICAYUNE, MISSISSIPPI**  
**REQUIRED SUPPLEMENTARY INFORMATION**

REGULAR MEETING FEBRUARY 16, 2016

CITY OF PICAYUNE, MISSISSIPPI  
 BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

SCHEDULE 1a

	Budgeted Amounts		Actual	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
<b>REVENUES</b>					
Property and Advalorem taxes	\$ 1,994,934	\$ 1,994,934	\$ 2,061,011	\$ -	\$ 66,077
License and permits	755,340	804,840	786,293	49,500	(18,547)
Intergovernmental revenues	5,336,388	6,141,412	5,590,966	805,024	(550,446)
Charges for services	28,100	28,100	10,308	-	(17,792)
Fines and forfeitures	350,700	350,700	370,283	-	19,583
Miscellaneous	34,000	69,549	57,789	35,549	(11,760)
<b>TOTAL REVENUES</b>	<u>8,499,462</u>	<u>9,389,535</u>	<u>8,876,650</u>	<u>890,073</u>	<u>(512,885)</u>
<b>EXPENDITURES</b>					
General government	1,295,028	1,337,477	1,258,032	(42,449)	79,445
Public safety	4,910,707	5,058,145	4,908,340	(147,438)	149,805
Public works	1,367,188	1,445,040	1,535,705	(77,852)	(90,665)
Culture & recreation	19,280	19,280	19,280	-	-
Capital outlay	554,820	701,482	158,963	(146,662)	542,519
<b>TOTAL EXPENDITURES</b>	<u>8,147,023</u>	<u>8,561,424</u>	<u>7,880,320</u>	<u>(414,401)</u>	<u>681,104</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>352,439</u>	<u>828,111</u>	<u>996,330</u>	<u>475,672</u>	<u>168,219</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	80,879	144,500	44,500	63,621	(100,000)
Operating transfers out	(433,318)	(548,246)	(548,245)	(114,928)	1
Loan Proceeds	-	-	23,600	-	23,600
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(352,439)</u>	<u>(403,746)</u>	<u>(480,145)</u>	<u>(51,307)</u>	<u>(76,399)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>-</u>	<u>424,365</u>	<u>516,185</u>	<u>424,365</u>	<u>91,820</u>
<b>FUND BALANCE, OCTOBER 1, 2014</b>	<u>6,679,560</u>	<u>6,679,560</u>	<u>6,679,560</u>	<u>-</u>	<u>-</u>
<b>Prior Period Adjustment</b>	<u>-</u>	<u>-</u>	<u>(46,251)</u>	<u>-</u>	<u>(46,251)</u>
<b>FUND BALANCE, OCTOBER 1, 2014, restated</b>	<u>6,679,560</u>	<u>6,679,560</u>	<u>6,633,309</u>	<u>-</u>	<u>(46,251)</u>
<b>FUND BALANCE, SEPTEMBER, 2015</b>	<u>\$ 6,679,560</u>	<u>\$ 7,103,925</u>	<u>\$ 7,149,494</u>	<u>\$ 424,365</u>	<u>\$ 45,569</u>

The notes to the required supplementary information are an integral part of this statements.

CITY OF PICAYUNE, MISSISSIPPI  
 BUDGETARY COMPARISON SCHEDULE FOR THE AIRPORT FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

SCHEDULE 1b

	Budgeted Amounts		Actual	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
<b>REVENUES</b>					
Intergovernmental revenues	\$ 500,000	\$ 459,316	\$ 462,142	\$ (40,684)	\$ 2,826
Charges for services	91,140	91,140	111,760	-	20,620
Miscellaneous	4,000	19,623	15,623	15,623	(4,000)
<b>TOTAL REVENUES</b>	<u>595,140</u>	<u>570,079</u>	<u>589,525</u>	<u>(25,061)</u>	<u>19,446</u>
<b>EXPENDITURES</b>					
Culture & recreation	119,924	125,524	115,627	(5,600)	9,897
Capital outlay	550,000	448,564	448,564	101,436	-
<b>TOTAL EXPENDITURES</b>	<u>669,924</u>	<u>574,088</u>	<u>564,191</u>	<u>95,836</u>	<u>9,897</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(74,784)</u>	<u>(4,009)</u>	<u>25,334</u>	<u>70,775</u>	<u>29,343</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(74,784)</u>	<u>(4,009)</u>	<u>25,334</u>	<u>70,775</u>	<u>29,343</u>
<b>FUND BALANCE, OCTOBER 1, 2014</b>	<u>(782,160)</u>	<u>(782,160)</u>	<u>(782,160)</u>	<u>-</u>	<u>-</u>
<b>Prior Period Adjustment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, OCTOBER 1, 2014, restated</b>	<u>(782,160)</u>	<u>(782,160)</u>	<u>(782,160)</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, SEPTEMBER, 2015</b>	<u>\$ (856,944)</u>	<u>\$ (786,169)</u>	<u>\$ (756,826)</u>	<u>\$ 70,775</u>	<u>\$ 29,343</u>

The notes to the required supplementary information are an integral part of this statements.

**CITY OF PICAYUNE, MISSISSIPPI**  
**BUDGETARY COMPARISON SCHEDULE FOR THE ECONOMIC DEVELOPMENT FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

SCHEDULE 1c

	Budgeted Amounts		Actual	Variances	
				Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
<b>REVENUES</b>					
Intergovernmental revenues	\$ 415,000	\$ 455,000	\$ 547,230	\$ 40,000	\$ 92,230
Charges for services	-	-	9,130	-	9,130
Miscellaneous	4,288	4,288	86,923	-	82,635
<b>TOTAL REVENUES</b>	<u>419,288</u>	<u>459,288</u>	<u>643,283</u>	<u>40,000</u>	<u>183,995</u>
<b>EXPENDITURES</b>					
General government	-	-	69,739	-	(69,739)
Public works	-	-	18,921	-	(18,921)
Health & welfare	310,412	325,412	290,974	(15,000)	34,438
Capital outlay	-	-	103,262	-	(103,262)
Debt service	-	5,000	-	(5,000)	5,000
<b>TOTAL EXPENDITURES</b>	<u>310,412</u>	<u>330,412</u>	<u>482,896</u>	<u>(20,000)</u>	<u>(152,484)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>108,876</u>	<u>128,876</u>	<u>160,387</u>	<u>20,000</u>	<u>31,511</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	104,500	83,000	83,000	(21,500)	-
Operating transfers out	(213,626)	(213,626)	(211,272)	-	2,354
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(109,126)</u>	<u>(130,626)</u>	<u>(128,272)</u>	<u>(21,500)</u>	<u>2,354</u>
<b>NET CHANGE IN FUND BALANCE</b>	(250)	(1,750)	32,115	(1,500)	33,865
<b>FUND BALANCE, OCTOBER 1, 2014</b>	1,879,924	1,879,924	1,879,924	-	-
<b>Prior Period Adjustment</b>	-	-	-	-	-
<b>FUND BALANCE, OCTOBER 1, 2014, restated</b>	<u>1,879,924</u>	<u>1,879,924</u>	<u>1,879,924</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, SEPTEMBER, 2015</b>	<u>\$ 1,879,674</u>	<u>\$ 1,878,174</u>	<u>\$ 1,912,039</u>	<u>\$ (1,500)</u>	<u>\$ 33,865</u>

The notes to the required supplementary information are an integral part of this statements.

**CITY OF PICAYUNE, MISSISSIPPI  
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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Budgetary Comparison Schedule

(1) Basis of Presentation.

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the budgetary basis, variances between the original budget and the final budget, and variances between the final budget and the actual data on the budgetary basis.

(2) Budget amendments and revisions.

The budget is adopted by the City Council. Amendments can be made of the approval of the Council. A budgetary comparison is presented for the general fund consistent with accounting principles generally accepted in the United States of America.

**CITY OF PICAYUNE, MISSISSIPPI  
OTHER SUPPLEMENTARY INFORMATION**

City of Picayune, MS  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended September 30, 2015

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Federal Expenditures(\$)</i>
<i>Department of Homeland Security Direct Programs</i>		
Homeland Security Grant Program	97.067	\$ 10,491
<i>Total Department of Homeland Security</i>		<u>10,491</u>
<i>United States Department of Justice Direct Programs</i>		
Violence Against Women Formula Grants	16.588	11,639
<i>Total United States Department of Justice</i>		<u>11,639</u>
<i>Department of Transportation Direct Programs</i>		
State and Community Highway Safety	20.600	599
Highway Planning and Construction	20.205	58,497
Airport Improvement Program	20.106	448,564
Technical Assistance Grants	20.710	12,750
<i>Total Department of Transportation</i>		<u>520,410</u>
 <i>Total Expenditures of Federal Awards</i>		 <u>\$ 542,540</u>

**CITY OF PICAYUNE, MISSISSIPPI**  
**SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS**  
**SEPTEMBER 30, 2015**

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**Coverage with Travelers:**

Mayor	\$100,000
Aldermen	100,000
Deputy Clerks	50,000
Accounting Department	50,000
Utility Supervisor	50,000
Utility Asst. Supervisor	50,000
Utility Clerks	50,000

**Coverage with RLU Insurance Company:**

City Clerk	50,000
City Manager	50,000
Deputy Clerk	50,000
Police Chief	50,000

**CITY OF PICAYUNE, MISSISSIPPI**  
**REPORTS ON COMPLIANCE AND INTERNAL CONTROL**



W. David Dill, CPA  
Julie M. Uher, CPA  
Kari M. Blackledge, CPA

H. I. Holt, CPA  
Founder (1915-1997)

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

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

We have audited, in accordance with the 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, 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, State Mississippi, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Picayune, State Mississippi's basic financial statements, and have issued our report thereon dated February 1, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Picayune, State Mississippi's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Picayune, State Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Picayune, State Mississippi's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be

material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Picayune, State Mississippi's financial statements are free from 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*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Holt & Associates, PLLC*

February 1, 2016



W. David Dill, CPA  
Julie M. Uher, CPA  
Kari M. Blackledge, CPA

H. I. Holt, CPA  
Founder (1915-1997)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB  
CIRCULAR A-133

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

**Report on Compliance for Each Major Federal Program**

We have audited 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 City of Picayune, Mississippi's major federal programs for the year ended September 30, 2015. 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.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of City of Picayune, Mississippi's major federal programs based on our audit of the types of compliance requirements referred to above. 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 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 on compliance for each major federal program. However, our audit does not provide a legal determination of City of Picayune, Mississippi's compliance.

**Opinion on Each Major Federal Program**

In our opinion, City of Picayune, Mississippi, complied, in all material respects, with the types of compliance 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, 2015.

**Report on Internal Control Over Compliance**

Management of City of Picayune, Mississippi is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Picayune, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on 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 City of Picayune, Mississippi'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 a type of compliance requirement of a federal program 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Holt & Associates, PLLC*

Laurel, MS

February 1, 2016



W. David Dill, CPA  
Julie M. Uher, CPA  
Kari M. Blackledge, CPA

H. I. Holt, CPA  
Founder (1915-1997)

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

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

We have audited the financial statements of the governmental activities, business-type activities and each major fund and the aggregate remaining fund information of the City of Picayune as of and for the year ended September 30, 2015, and have issued our report thereon dated February 1, 2016. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*.

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

The results of those procedures performed to test compliance with certain other state laws and regulations and our audit of the financial statements disclosed no immaterial instances of noncompliance with other state laws and regulations.

This report is intended solely for the information and use of the management, city officials and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Holt & Associates, PLLC*

Laurel, MS  
February 1, 2016

City of Picayune, Mississippi  
 Schedule of Findings and Questioned Costs  
 For the Year Ended September 30, 2015

Section I: Summary of Auditor's Results

Financial Statements:

- |  |            |
|--|------------|
| 1. Type of auditor's report issued on the financial statements:                                | Unmodified |
| 2. Noncompliance material to financial statements noted?                                       | No.        |
| 3. Internal control over financial reporting:  |            |
| a. Material weakness(es) identified?   | No.        |
| b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? | No.        |

Federal Awards:

- |   |                |
|---|----------------|
| 4. Type of auditor's report issued on compliance for major federal programs:  | Unmodified     |
| 5. Internal control over major programs:  |                |
| a. Material weakness(es) identified?  | No.            |
| b. Significant deficiency(ies) identified that are not considered to be material weakness(es)?                            | None reported. |
| 6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? | No.            |
| 7. Federal programs identified as major programs:   |                |
| <u>CFDA Numbers</u> <u>Name of Federal Program or Cluster</u>   |                |
| 20.106              Airport Improvement Program   |                |
| 8. Dollar threshold used to distinguish between type A and type B programs:   | \$300,000      |
| 9. Auditee qualified as low-risk auditee?   | Yes.           |

City of Picayune, Mississippi  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2015

Section II: 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 III: Federal Award Findings and Questioned Costs

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

**APPROVE REQUEST TO ADVERTISE THE SALE OF PROPERTY**

Motion was made by Council Member Stevens, seconded by Council Member Valente to advertise for the sale of property of parcel 617-111-001-03-064-00 (Carter Street PPIN 22031).

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 BUDGET AMENDMENT # 1 FOR THE GENERAL FUND, UTILITY FUND, WESTSIDE REDEVELOPMENT FUND, TOURISM FUND AND WATER CONTINGENCY FUND**

Motion was made by Council Member Stevens, seconded by Council Member Gouguet to approve Budget Amendment #1 for the General Fund, Utility Fund, Westside Redevelopment Fund, Tourism Fund and Water Contingency Fund.



GENERAL FUND  
ADOPTED BUDGET  
FY 2016

ADOPTED AMEND #1  
FY 2016 FY 2016  
GENERAL FUND GENERAL FUND

RECEIPTS:

	\$	752,430	761,430	BUILDING INSPECTION FEES
LICENSE & PERMITS				
INTERGOVERNMENTAL REVENUES		5,993,821	5,993,821	
CHARGES FOR SERVICES		21,817	21,817	
FINES & FORFEITS		392,362	392,362	
MISCELLANEOUS		15,000	15,000	
TRANSFERS		130,280	151,945	TRANSFER FROM UTILITY FUND
INTEREST EARNINGS		15,000	15,000	
PROCEEDS FROM LOANS		0	0	
TOTAL FROM ALL SOURCES, OTHER THAN TAXES		7,320,710	7,351,375	

	<u>ADOPTED</u> FY 2016 GENERAL FUND	<u>AMEND #1</u> FY 2016 GENERAL FUND
AMOUNT TO BE RAISED BY AD VALOREM TAX	2,122,825	2,122,825
<b>TOTAL REVENUES</b>	9,443,535	9,474,200
BEGINNING CASH RESERVE (CD)	1,078,998 1,500,000	1,078,998 1,500,000
<b>TOTAL FROM ALL SOURCES</b>	\$ 12,022,533	12,053,198

ADOPTED      AMEND #1  
 FY 2016      FY 2016  
 GENERAL FUND    GENERAL FUND

EXPENDITURES:

GENERAL GOVERNMENT

PERSONNEL	\$ 816,875	816,875
SUPPLIES	30,400	30,400
OTHER SERVICES & CHARGES	446,605	455,605
CAPITAL OUTLAY	0	0
TOTALS	1,293,880	1,302,880

PUBLIC SAFETY - POLICE

PERSONNEL	\$ 2,395,453	2,395,453
SUPPLIES	211,050	211,050
OTHER SERVICES & CHARGES	246,075	263,578
CAPITAL OUTLAY	0	0
TOTALS	2,852,578	2,870,081

PUBLIC SAFETY - FIRE

PERSONNEL	\$ 2,060,538	2,060,538
SUPPLIES	54,600	54,600
OTHER SERVICES & CHARGES	103,725	103,725
CAPITAL OUTLAY	0	0
TOTALS	2,218,863	2,218,863

	<u>ADOPTED</u>	<u>AMEND #1</u>	
	FY 2016	FY 2016	
	<u>GENERAL FUND</u>	<u>GENERAL FUND</u>	
<b><u>PUBLIC WORKS</u></b>			
PERSONNEL	761,627	761,627	
SUPPLIES	278,564	268,064	RECLASS TO CAPITAL OUTLAY
OTHER SERVICES & CHARGES	423,247	423,247	
CAPITAL OUTLAY	0	10,500	PURCHASE LAWN MOWER
TOTALS	<u>1,463,438</u>	<u>1,463,438</u>	
<b><u>GRANTS</u></b>			
CAPITAL OUTLAY	<u>1,058,280</u>	<u>1,058,280</u>	
TOTALS	<u>1,058,280</u>	<u>1,058,280</u>	
AID TO OTHER GOVERNMENTS	24,280	24,280	
TRANSFERS TO OTHER FUNDS	532,216	553,881	TRANSFER TO DEBT SERVICE
OTHER	0	0	
TOTAL EXPENDITURES	<u>9,443,535</u>	<u>9,491,703</u>	
ENDING CASH BALANCE	<u>2,578,998</u>	<u>2,561,495</u>	
TOTAL EXPENDITURES & ENDING CASH BALANCE	<u>\$ 12,022,533</u>	<u>12,053,198</u>	

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	ADOPTED FY 2016 UTILITY FUND	AMEND #1 UTILITY FUND FY 2016
INTERGOVERNMENTAL REVENUES	\$ 54,000	534,000 CDBG GRANT AWARD (#87)
CHARGES FOR UTILITY SERVICES	4,856,160	4,856,160
MISCELLANEOUS	249,000	249,000
INTEREST EARNINGS	9,500	9,500
TRANSFERS	0	181,928 TRANSFER FROM WATER CONTINGENCY (CITY BARN)
PROCEEDS FROM LOANS	0	0
<b>TOTAL REVENUES</b>	<b>5,168,660</b>	<b>5,830,588</b>
BEGINNING CASH	2,324,065	2,324,065
CASH RESTRICTED-REVENUE BOND MONEY	955,950	955,950
<b>TOTAL FROM ALL SOURCES</b>	<b>\$ 8,448,675</b>	<b>9,110,603</b>

	ADOPTED FY 2016 UTILITY FUND	AMEND #1 UTILITY FUND FY 2016
<b><u>EXPENDITURES:</u></b>		
<b><u>UTILITY ADMINISTRATION</u></b>		
PERSONNEL	591,453	591,453
SUPPLIES	29,000	29,000
OTHER SERVICES & CHARGES	185,250	185,250
CAPITAL OUTLAY	0	0
TOTALS	<u>805,703</u>	<u>805,703</u>
<b><u>DIRECTOR OF PUBLIC WORKS</u></b>		
PERSONNEL	205,363	205,363
SUPPLIES	16,091	16,091
OTHER SERVICES & CHARGES	62,915	62,915
CAPITAL OUTLAY	0	0
TOTALS	<u>284,369</u>	<u>284,369</u>
<b><u>WATER OPERATIONS</u></b>		
PERSONNEL	413,294	413,294
SUPPLIES	213,285	213,285
OTHER SERVICES & CHARGES	125,926	125,926
CAPITAL OUTLAY	0	1,222,987
TOTALS	<u>752,505</u>	<u>1,975,502</u>
		WATER SYSTEM IMPROVEMENTS CDBG GRANT (#87)

	<u>ADOPTED</u> FY 2016 <u>UTILITY FUND</u>	<u>AMEND #1</u> <u>UTILITY FUND</u> FY 2016	
<b><u>GAS OPERATIONS</u></b>			
PERSONNEL	\$ 406,351	406,351	
SUPPLIES	1,446,020	1,446,020	
OTHER SERVICES & CHARGES	88,734	88,734	
CAPITAL OUTLAY	955,950	1,032,979	GEO RESOURCES/FINAL PAYMENT CAST IRON REPLACEMENT PROJECT
TOTALS	<u>2,897,055</u>	<u>2,974,084</u>	
<b><u>GARBAGE</u></b>			
PERSONNEL			
SUPPLIES	810,000	810,000	
OTHER SERVICES & CHARGES			
CAPITAL OUTLAY			
TOTALS	<u>810,000</u>	<u>810,000</u>	
<b><u>COST OF LIVING RAISES</u></b>			
DEBT PAYMENTS	\$ 474,892	474,892	
AID TO OTHER GOVERNMENTS			
TRANSFERS	0	21,865	TRANSFER TO GF - SALE OF EQUIPMENT (FY 2015)
OTHER			
TOTAL EXPENDITURES	<u>6,024,525</u>	<u>7,346,216</u>	
ENDING CASH BALANCE	<u>2,424,150</u>	<u>1,764,387</u>	
TOTAL EXPENDITURES & ENDING CASH BALANCE	<u>\$ 8,448,675</u>	<u>9,110,603</u>	



ADOPTED CDBG WESTSIDE  
FUND BUDGET  
FY 2016

	ADOPTED FY 2016 FUND	AMEND #1 FY 2016 CDBG WESTSIDE FUND	
INTEREST INCOME	60	60	\$
SALE OF LOTS	0	13,002	SALE OF 3 LOTS
TRANSFERS	3,864	3,864	
<b>TOTAL REVENUES</b>	<b>3,924</b>	<b>16,926</b>	
BEGINNING CASH	35,015	35,015	
<b>TOTAL FROM ALL SOURCES</b>	<b>38,939</b>	<b>51,941</b>	\$



ADOPTED CDBG WESTSIDE  
FUND BUDGET  
FY 2016

	ADOPTED FY 2016 FUND	AMEND #1 FY 2016 CDBG WESTSIDE FUND
PERSONNEL	\$ 0	0
SUPPLIES	0	0
OTHER SERVICES & CHARGES	0	0
CAPITAL OUTLAY	38,939	51,941
<b>TOTALS</b>	<b>38,939</b>	<b>51,941</b>
COST OF LIVING RAISES	\$ 0	0
DEBT PAYMENTS	0	0
AID TO OTHER GOVERNMENTS	0	0
TRANSFERS TO OTHER FUNDS	0	0
OTHER	0	0
<b>TOTAL EXPENDITURES</b>	<b>38,939</b>	<b>51,941</b>
ENDING CASH BALANCE	0	0
<b>TOTAL EXPENDITURES &amp; ENDING CASH BALANCE</b>	<b>38,939</b>	<b>51,941</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(35,015)</b>	<b>(35,015)</b>

EXPENDITURES:

\*On January 2, 2013, Council approved a budget amendment to allow for these funds to be expended. To date, \$0 have been spent. Use of funds are restricted to Rosa Street and the Westside Redevelopment Area.



ECONOMIC DEVELOPMENT FUND  
ADOPTED BUDGET  
FY 2016 - TOURISM

**AMEND #1**  
Econ Dev - Tourism    Econ Dev - Tourism

ADOPTED BUDGET    BUDGET FY 2016  
FY 2016

RECEIPTS:

INTERGOVERNMENTAL REVENUES	\$	440,000	440,000
LEASES/RENT		0	0
INTEREST EARNED		200	200
MISCELLANEOUS		7,500	7,500
TRANSFERS		92,700	92,700
<b>TOTAL REVENUES</b>		<b>540,400</b>	<b>540,400</b>
BEGINNING CASH		141,690	141,690
<b>TOTAL FROM ALL SOURCES</b>	\$	<b>682,090</b>	<b>682,090</b>

EXPENDITURES:

PERSONNEL	\$	146,623	146,623
SUPPLIES		45,000	41,000 RECLASS TO SERVICES
OTHER SERVICES & CHARGES		137,077	141,077 FENCE REPAIR
CAPITAL OUTLAY		0	0
<b>TOTALS</b>		<b>328,700</b>	<b>328,700</b>
COST OF LIVING RAISES	\$	0	0
DEBT PAYMENTS		0	0
AID TO OTHER GOVERNMENTS		0	0
TRANSFERS TO OTHER FUNDS		211,395	211,395
OTHER		0	0
<b>TOTAL EXPENDITURES</b>		<b>540,095</b>	<b>540,095</b>
ENDING CASH BALANCE		141,995	141,995
<b>TOTAL EXPENDITURES &amp; ENDING CASH BALANCE</b>	\$	<b>682,090</b>	<b>682,090</b>



CITY OF PICAYUNE  
ADOPTED WATER CONTINGENCY  
FUND BUDGET  
FY 2016

RECEIPTS:		FY 2016 WATER CONTINGENCY FUND	
INTEREST INCOME		\$	500
TRANSFER FROM UTILITY FUND			0
<b>TOTAL REVENUES</b>			<b>500</b>
BEGINNING CASH			290,222
<b>TOTAL FROM ALL SOURCES</b>		<b>\$</b>	<b>290,722</b>
<b>EXPENDITURES:</b>			
PERSONNEL		\$	0
SUPPLIES			0
OTHER SERVICES & CHARGES			0
CAPITAL OUTLAY			0
<b>TOTALS</b>			<b>0</b>
COST OF LIVING RAISES		\$	0
DEBT PAYMENTS			0
AID TO OTHER GOVERNMENTS			0
TRANSFERS TO OTHER FUNDS			181,928
OTHER			0
<b>TOTAL EXPENDITURES</b>			<b>181,928</b>
ENDING CASH BALANCE			108,794
<b>TOTAL EXPENDITURES &amp; ENDING CASH BALANCE</b>		<b>\$</b>	<b>290,722</b>

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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 WAS MADE TO HOLD A PUBLIC HEARING ON PROPERTY CLEAN UP**

Motion was made by Council Member Stevens, seconded by Council Member Gouguet to hold a Public Hearing on property clean up.

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 DECLARE 707 S. HAUGH AVE. A PUBLIC NUISANCE**

Motion was made by Council Member Gouguet, seconded by Council Member Stevens to declare property at 707 S. Haugh Ave. (PPIN 26746) a public nuisance and allow a 60-day extension.

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 DECLARE 2311 JACKSON LANDING RD. A PUBLIC NUISANCE**

Motion was made by Council Member Stevens, seconded by Council Member Valente to declare 2311 Jackson Landing Rd. (PPIN 24987) a public nuisance.

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 DECLARE 736 MEMORIAL BLVD A PUBLIC NUISANCE**

Motion was made by Council Member Stevens, seconded by Council Member Gouguet to declare 736 Memorial Blvd. (PPIN 27255) a public nuisance.

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 DECLARE 836 HERRIN DRIVE A PUBLIC NUISANCE**

Motion was made by Council Member Breland, seconded by Council Member Valente to declare 836 Herrin Drive (PPIN 25366) a public nuisance and allow a 60-day extension.

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.

**MOTION TO DECLARE 207 WESTCHESTER DRIVE A PUBLIC NUISANCE**

Motion was made by Council Member Stevens, seconded by Council Member Gouquet to declare 207 Westchester Drive (PPIN 22834) a public nuisance.

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.

**MOTION TO DECLARE 2611 HICKMAN AVENUE A PUBLIC NUISANCE**

Motion was made by Council Member Stevens, seconded by Council Member Gouquet to declare 2611 Hickman Avenue (PPIN 25250) a public nuisance.

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.

**MOTION TO DECLARE 960 SHIRLEY DRIVE A PUBLIC NUISANCE**

Motion was made by Council Member Stevens, seconded by Council Member Gouguet to declare 960 Shirley Drive (PPIN 25080) a public nuisance.

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 CLOSE PUBLIC HEARING ON PROPERTY CLEAN UP**

Motion was made by Council Member Valente, seconded by Council Member Gouguet to close Public Hearing on property clean up.

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.

**AUTHORIZE MAYOR TO SIGN CONTRACT WITH US DEPARTMENT OF AGRICULTURE WILDLIFE SERVICES**

Motion was made by Council Member Breland, seconded by Council Member Valente to authorize Mayor to sign contract with U.S. Department of Agriculture Wildlife Services for trapping and removal of beavers in City drainage systems.

The following roll call was made:

**VOTING YEA:** Council Members Valente, Bumpers, Stevens Breland and Gouguet

**VOTING NAY:** Mayor Ed Pinero

**ABSENT AND NOT VOTING:** None

**ABSTAINING AND NOT VOTING:** None

The motion was declared carried.

**ADOPT PLAZA STONE COMBO (RECTANGLE AND SQUARE) CONCRETE PAVER IN OLD TOWN BLEND COLOR MANUFACTURED BY PAVESTONE AS THE STANDARD STONE TO BE USED IN DOWNTOWN HISTORIC DISTRICT**

Motion was made by Council Member Gouguet, seconded by Council Member Stevens to adopt Plaza Stone Combo (Rectangle and square) Concrete Paver in Old

Town Blend Color Manufacture by Pavestone as the Standard Stone to be used in the Downtown Historic District and authorize Mayor to sign related documents.

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.

**ADOPT LIGHTING STANDARDS FOR THE DOWNTOWN HISTORIC DISTRICT**

Motion was made by Council Member Gouquet, seconded by Council Member Bumpers to adopt lighting standards for the Downtown Historic District as follows:

- 1) Stresscrete fluted spun concrete direct burial pole
  - 2) King Luminaire K 118R-EAR-III-150-MoG-PSMH-120-K14-F1-BK
- and authorize Mayor to sign related documents.

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 MAYOR'S SIGNATURE ON PRELIMINARY ENGINEERING CONTRACT FOR GREENSPACE PARK**

Motion was made by Council Member Breland, seconded by Council Member Gouquet to authorize Mayor's signature on Preliminary Engineering Contract for Greenspace Park.



**PRELIMINARY ENGINEERING CONTRACT**

**FOR**

**CITY OF PICAYUNE  
ENHANCEMENT OF GREENSPACE PARK  
ALONG GOODYEAR BOULEVARD  
PROJECT NO. STP-9603-00(030) LPA106907-701000**

**PEARL RIVER COUNTY, MS**

**FEBRUARY 2016**

**Prepared By:**



**925 GOODYEAR BOULEVARD  
PICAYUNE, MISSISSIPPI 39466  
(601) 799-1037**

**SET NO. \_\_\_**

ESC  
Rev. 08/28/14 (Final)  
Rev. 1/12/14 (Title form)

**PRELIMINARY ENGINEERING SERVICES CONTRACT**

*City of Picayune – Greenspace Park Enhancement Project*  
Project No. *STP-9603-00(003)LPA/106907-701000*  
*Pearl River County*

THIS CONTRACT, is made and entered into by and between the *City of Picayune*, a body Politic of the State of Mississippi (the "LPA"), and, *Dungan Engineering, P.A.* (the "CONSULTANT"), a Corporation, duly registered to do business in the State of Mississippi, whose address for mailing is *925 Goodyear Blvd, Picayune, MS, 39466*, effective as of the date of latest execution below.

**WITNESSETH:**

WHEREAS, the LPA proposes to perform **Enhancements of the Existing Greenspace Park along Goodyear Boulevard**, as provided for in Project No. STP-9603-00(003)LPA/106907-701000, hereinafter called the "PROJECT"; and,

WHEREAS, the LPA desires to engage a qualified and experienced CONSULTANT to perform engineering services in connection with the PROJECT, all of which are hereinafter called the "SERVICES"; and,

WHEREAS, the CONSULTANT has represented to the LPA that it is experienced and qualified to provide those services, and the LPA has relied upon such representation; and,

WHEREAS, the CONSULTANT herein was chosen for their expertise in performing the services in connection with the PROJECT and found satisfactory by the LPA; which is now desirous of entering into a contract;

WHEREAS, the CONSULTANT herein was chosen through the LPA Consultant Selection Process pursuant to Mississippi Department of Transportation (hereinafter "MDOT") LPA Project Development Manual and pursuant to Federal Highway Administration ("FHWA") regulations, Engineering and Design Related Service Contracts, 23 C.F.R. Part 172 (as amended) and found satisfactory;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein and for other good and valuable considerations flowing unto the parties, the receipt and sufficiency of which is hereby acknowledged, the LPA and the CONSULTANT do hereby contract and agree as follows:

**ARTICLE I. GENERAL RECITALS**

CONSULTANT shall, for the agreed fees, furnish all engineering services and materials required to perform the tasks described in the Scope of Work for the proposed transportation project. In so doing, CONSULTANT shall meet the current industry standards (and any MDOT or LPA standards identified in Exhibit 2) as to general format and content and in addition thereto, any special requirements of the LPA.

THE LPA, in support of CONSULTANT will provide the CONSULTANT a Scope of Work shown in "Exhibit 2" hereto and any other data which may be of assistance to CONSULTANT and within the possession and control of the LPA.

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Manuals, guides, and specifications applicable to this CONTRACT shall be those approved and/or adopted by MDOT and in effect on the effective date of this CONTRACT, unless otherwise specified in this Contract or subsequently directed by MDOT during the course of the CONTRACT.

**ARTICLE II. SCOPE OF WORK**

The CONSULTANT shall conduct the SERVICES in accordance with the Scope of Work attached to this CONTRACT as "Exhibit 2" and made a part hereof as if fully set forth herein. The performance of the SERVICES referred to in "Exhibit 2" shall be the primary basis for measurement of performance under this CONTRACT. The LPA specifically reserves the right and privilege to enlarge or reduce the scope; or to cancel this CONTRACT at any time.

**ARTICLE III. CONTRACT TERM**

This CONTRACT shall commence upon the latest date of execution below and continue until such time as the above named project is successfully completed to the satisfaction of the LPA or until **December 31, 2016**, CDT, at which time this CONTRACT shall absolutely and finally terminate.

During the term of this CONTRACT, the LPA reserves the right to terminate this CONTRACT in whole or in part, at any time, with or without cause, upon seven (7) days written notice to the CONSULTANT, notwithstanding any just claims by the CONSULTANT for payment of SERVICES rendered prior to the date of termination. The LPA shall be liable only for the costs, fees and expenses for demobilization and close out of contract, based on actual time and expenses incurred by CONSULTANT in the packaging and shipment of all documents covered by this CONTRACT to the LPA. In no event shall the LPA be liable for lost profits or other consequential damages.

**ARTICLE IV. TIME OF PERFORMANCE**

TIME IS OF THE ESSENCE IN THIS CONTRACT. The CONSULTANT shall be prepared to perform its responsibilities for providing SERVICES commencing on the date of execution of the CONTRACT.

The CONSULTANT has submitted a proposed project schedule to the LPA which has been incorporated herein as a part of "Exhibit 2", which when approved by final execution of this CONTRACT shall control the evaluation of the CONSULTANT's progress on this PROJECT. A copy of the progress schedule, indicating the actual time expended on specific portions of this project, shall be submitted along with an estimated percentage completed with each monthly statement.

A Notice to Proceed shall be issued under authority from the LPA within 30 days after final execution of this CONTRACT. The CONSULTANT may not begin work on any feature of this PROJECT prior to receiving a Notice to Proceed from the LPA.

**ARTICLE V. RELATIONSHIP OF THE PARTIES**

The relationship of the CONSULTANT to the LPA is that of an independent contractor, and said CONSULTANT, in accordance with its status as an independent contractor, covenants and agrees that it will conduct itself consistent with such status, that it will neither hold itself out as, nor claim to be, an officer or employee of the LPA by reason hereof. The CONSULTANT will not by reason hereof, make any claim, demand or application or for any right or privilege applicable to an officer or employee of the LPA, including but not limited to workers' compensation coverage, unemployment insurance benefits, social security coverage, retirement membership or credit, or any form of tax withholding whatsoever.

All notices, communications, and correspondence between the LPA and the CONSULTANT shall be directed to the key personnel and agents designated in this contract.

**ARTICLE VI. COMPENSATION, BILLING & AUDIT**

**A. Cost and Fees**

The CONSULTANT shall be paid on the basis set forth in "Exhibit 3" to this CONTRACT. Under no circumstances shall the LPA be liable for any amounts, including any costs, which exceed the maximum dollar amount of compensation that is specified in and set forth in "Exhibit 3".

**B. Monthly Billing**

The CONSULTANT may submit monthly billing to the LPA. (A sample of a preferred invoice is attached as "Exhibit 4".) Each billing shall include all time and allowable expenses through the end of the billing period. Direct expenses, as used herein, include the costs of travel, subsistence, shipping charges, long distance telephone calls and printing if it is not company accounting policy to include these costs in overhead rates. The LPA retains the right to verify time and expense records by audit of any or all CONSULTANT's time and accounting records at any time during the life of the CONTRACT and up to three years thereafter.

If SERVICES are rendered within a given State fiscal year, an invoice requesting payment from the CONSULTANT shall be presented to the LPA within 60 days of the end of the State fiscal year. **Should the CONSULTANT fail to present the invoice within the allotted time, legislative approval may be required before payment can be rendered.**

The CONSULTANT further agrees that FHWA or any other Federal Agency may audit the same records at any time during the life of the CONTRACT and up to three years thereafter, should the funding source for all or any part of the CONTRACT be funds of the United States of America.

**C. Record Retention**

The CONSULTANT shall maintain all time and expense records incurred on the PROJECT and used in support of its proposal and shall make such material available at all reasonable times during the period of the CONTRACT and for three years from the date of final payment under this CONTRACT for inspection by the LPA, and copies thereof shall be furnished upon request, at the LPA's expense. The CONSULTANT agrees that the provisions of this Article shall be included in any CONTRACT it may make with any subcontractors, assignees or transferees.

**D. Retainage**

The LPA shall retain the final 25% of the CONSULTANT's Fixed Fee until the final payment request has been received and an audit of the total PROJECT cost to date has been completed by the LPA or its designee.

**ARTICLE VII. FINAL PAYMENT**

The CONSULTANT shall clearly indicate on its last Invoice for the CONTRACT that the Invoice is "FINAL". The LPA will confirm that the CONTRACT is ready to be closed and the "FINAL" Invoice may be paid. All "FINAL" invoices shall pay any retainage withheld on the CONTRACT. However, under no circumstances will the total amount paid exceed the maximum not to exceed amount established for the CONTRACT. The CONSULTANT agrees that acceptance of the final payment shall be in full and final settlement of all claims arising against the LPA for work done, documents furnished, cost incurred, or otherwise arising out of this CONTRACT and shall release the LPA from any and all further claims of whatever nature, whether known or unknown, for and on account of said CONTRACT, including payment for any and all work done, and labor and material furnished in connection with the same. Errors and/or omissions discovered subsequent to the acceptance by the LPA of the final contract documents shall be corrected by the CONSULTANT without additional compensation. The CONSULTANT shall submit their "FINAL" invoice no later than 45 days following termination of the CONTRACT.

**ARTICLE VIII. REVIEW OF WORK**

Authorized representatives of the LPA may at all reasonable times review and inspect the SERVICES under this CONTRACT and any addenda or amendments thereto. Authorized representatives of the FHWA may also review and inspect the SERVICES under this CONTRACT should funds of the United States of America be in any way utilized in payment for said SERVICES. Such inspection shall not make the United States of America a party to this CONTRACT, nor will FHWA interfere with the rights of either party hereunder.

All reports, drawings, studies and maps prepared by and for the CONSULTANT, shall be made available to authorized representatives of the LPA for inspection and review at all reasonable times in the General Offices of the LPA. Authorized representatives of the FHWA may also review and inspect said reports, drawings, studies and maps prepared under the CONTRACT should funds of the United States of America be in any way utilized in payment for the same. Acceptance by the LPA shall not relieve the CONSULTANT of its professional obligation to correct, at its expense, any of its breaches, errors and/or omissions, in the final version of the work.

The CONSULTANT shall be responsible for performance of and compliance with all terms of this CONTRACT, including the Scope of Work and other exhibits, and including any technical specifications and special requirements of the LPA, and shall be responsible for errors and/or omissions, including those as to conduct and care, format and content, for all aspects of the CONTRACT, and including professional quality and technical accuracy of all designs, drawings, specifications, and other services furnished by the CONSULTANT.

Failure to comply with any terms of this CONTRACT shall be corrected by the CONSULTANT without additional compensation.

If any breach of CONTRACT, is discovered by LPA personnel after final acceptance of the work by the LPA, then the CONSULTANT shall, without additional compensation, cure any deficiency or breach including errors and/or omissions in designs, plans, drawings, specifications, or other services.

In the event that the project schedule requires that a breach of this CONTRACT be corrected by someone other than the CONSULTANT then the actual costs incurred by the LPA for such corrections shall be the responsibility of the CONSULTANT. The LPA shall give the CONSULTANT an opportunity to correct said breach unless (1) the LPA determines, in its sole discretion, that the CONSULTANT cannot cure the breach within the schedule established by the LPA, or (2) the LPA determines, in its sole discretion, that the CONSULTANT cannot cure the breach to the satisfaction of the LPA.

In the event that the CONSULTANT breaches this CONTRACT, and the breaches of the CONSULTANT are discovered during the construction phase, then an accounting of all costs incurred by the LPA resulting from such breach, including errors and/or omissions, will be made and such amount will be recovered from the CONSULTANT.

**ARTICLE IX. RESPONSIBILITIES FOR CLAIMS AND LIABILITY**

The CONSULTANT shall indemnify, defend and hold harmless the LPA and all its officers, agents and employees from any claim, loss, damage, cost, charge or expense arising out of any negligent act, actions, neglect or omission by the CONSULTANT, its agents, employees, or subcontractors during the performance of this CONTRACT, whether direct or indirect, and whether to any person or property for which LPA or said parties may be subject, except that neither the CONSULTANT nor any of his agents or subcontractors will be liable under this provision for damages arising out of the injury or damage to persons or property solely caused or resulting from the negligence of the LPA or any of its officers, agents or employees.

The CONSULTANT'S obligations under this Article, including the obligations to indemnify, defend, hold harmless, pay reasonable attorney fees or, at the LPA'S option, participate and associate with the LPA in the defense and trial or arbitration of any damage claim, lien or suit and any related settlement negotiations, shall be initiated by the LPA'S notice of claim for indemnification to the CONSULTANT. Only an adjudication or judgment after the highest appeal is exhausted specifically finding the LPA entirely responsible shall excuse performance of this provision by the CONSULTANT. In such case, the LPA shall pay all costs and fees related to this obligation and its enforcement. Should there be a finding of dual or multiple liability, costs and fees shall be apportioned accordingly.

In conjunction herewith, the LPA agrees to notify CONSULTANT in writing as soon as practicable after receipt or notice of any claim involving CONSULTANT. These indemnities shall not be limited by reason of the listing of any insurance coverage below.

**ARTICLE X. INSURANCE**

Prior to beginning the work, the CONSULTANT shall obtain and furnish certificates to the LPA for the following minimum amounts of insurance:

- A. Workers' Compensation Insurance in accordance with the laws of the State of Mississippi.
- B. Public Liability Insurance in an amount not less than one million dollars (\$1,000,000.00) on account of any one occurrence.
- C. Property Damage Insurance in an amount not less than five hundred thousand dollars (\$500,000.00) from damages on account of any one occurrence, with an aggregate limit of not less than one million dollars (\$1,000,000.00).
- D. Valuable Documents Insurance, whether as a part of the property damage insurance referenced above or as separate insurance, in an amount sufficient to cover all costs associated with repairing, restoring or replacing any documents kept or created by Consultant as a part of the Services, in the event of casualty to, or loss or theft of such documents.
- E. Errors and Omissions Insurance, in an amount not less than one million dollars (\$1,000,000.00) per incident; one million dollars (\$1,000,000.00) aggregate.
- F. Comprehensive Automobile Liability Insurance, with a combined single limit for bodily injury and property damage of not less than one million dollars (\$1,000,000.00) per incident with respect to CONSULTANT'S (owned, hired or non-owned) vehicles, assigned to or used in the performance of services.

The LPA shall be listed as a certificate holder of insurance on any of the insurance required under this CONTRACT.

In the event that the CONSULTANT retains any subcontractor or other personnel to perform SERVICES or carry out any activities under or incident to work on any project or phase of this CONTRACT, CONSULTANT agrees to obtain from said subcontractor or other personnel, certificates of insurance demonstrating that said subcontractor or other personnel has sufficient coverage, or to include said subcontractor or other personnel within CONSULTANT'S coverage for the duration of said PROJECT or phase for which said subcontractor or other personnel is employed.

The Insurance coverage recited above shall be maintained in full force and effect by CONSULTANT during the life of this CONTRACT. Should CONSULTANT cease to carry the errors and omissions coverage listed above for any reason, it shall obtain "tail" coverage at the same limits for a period of not less than three (3)

years subsequent to policy termination or contract termination, whichever is longer. Should CONSULTANT change insurance carriers for errors and /or coverage, it shall obtain a "retroactive coverage" endorsement from its new insurance carrier.

Insurance carriers must be properly licensed and/or must hold a Certificate of Authority from the Mississippi Department of Insurance.

A certificate of insurance acceptable to the LPA shall be issued to the LPA by the CONSULTANT prior to the execution of this CONTRACT by the CONSULTANT and thereafter on an annual basis for the duration of this CONTRACT as evidence that policies providing the required coverage, conditions and limits are in full force and effect. Such certificate shall identify this CONTRACT and contain provisions that coverage afforded under the policies will not be cancelled, terminated, or materially altered until at least thirty (30) days prior written notice has been given to the LPA.

The CONSULTANT will furnish certified copies, upon request, of any or all of the policies and/or endorsements to the LPA prior to the execution of this CONTRACT and thereafter on an annual basis for the duration of this CONTRACT.

The CONSULTANT shall provide the LPA any and all documentation necessary to prove compliance with the insurance requirements of this CONTRACT as such documentation is requested, from time to time, by the LPA.

If the CONSULTANT fails to procure or maintain required insurance, the LPA may immediately elect to terminate this CONTRACT or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, and all monies so paid by the LPA shall be repaid by the CONSULTANT to the LPA upon demand, or the LPA may offset the cost of the premiums against any monies due to the CONSULTANT from the LPA.

**ARTICLE XI. COVENANT AGAINST CONTINGENT FEES AND LOBBYING**

The CONSULTANT shall comply with the relevant requirements of all federal, state or local laws. The CONSULTANT warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the CONSULTANT, to solicit or secure this CONTRACT, and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for the CONSULTANT, any fee commission, percentage, brokerage fee, gifts or any other consideration contingent upon or resulting from the award or making of the CONTRACT. The CONSULTANT warrants that it shall not contribute any money, gift or gratuity of any kind, either directly or indirectly to any employee of the LPA, or to any employee of the Mississippi Department of Transportation. For breach or violation of this warranty, the LPA shall have the right to terminate this CONTRACT without liability, and the CONSULTANT shall forfeit any sums due hereunder at the time of such breach and may be barred from performing any future services for the LPA or participating in any future contracts with the LPA.

**ARTICLE XII. EMPLOYMENT OF LPA'S PERSONNEL**

The CONSULTANT shall not employ any person or persons in the employ of the LPA for any work required by the terms of this CONTRACT, without the written permission of the LPA, except as may otherwise be provided for herein.

**ARTICLES XIII. MODIFICATION**

If, prior to the satisfactory completion of the SERVICES under this CONTRACT, the LPA materially alters the scope, character, complexity or duration of the SERVICES from those required under this CONTRACT, a supplemental agreement may be executed between the parties. Also, a supplemental agreement may be executed between the parties in the event that both parties agree the CONSULTANT's compensation

should be increased due to an unanticipated increase in the nature, scope or amount of work necessary to properly provide the SERVICES required on any particular phase or project begun hereunder.

Oral agreements or conversations with the LPA, any individual member of the LPA, officer, agent, or employee of the Mississippi Department of Transportation, either before or after execution of this CONTRACT, shall not affect or modify any of the terms or obligations contained in this CONTRACT. All modifications to this CONTRACT, amendments or addenda thereto must be submitted in writing and signed by the parties thereto before any work is commenced.

The CONSULTANT may not begin work on any modifications, amendments, or addenda prior to receiving a Notice to Proceed.

Minor changes in the proposal which do not involve changes in the contract maximum not to exceed amount, extensions of time or changes in the goals and objectives of the CONTRACT may be made by written notification of such change by either the LPA or the CONSULTANT to the other party, and shall become effective upon written acceptance thereof (i.e. letter agreement).

**ARTICLE XIV. SUBLETTING, ASSIGNMENT OR TRANSFER**

It is understood by the parties to this CONTRACT that the work of the CONSULTANT is considered personal by the LPA. The CONSULTANT shall not assign, sublet or transfer any or all of its interest in this CONTRACT without prior written approval of the LPA. Under no circumstances will CONSULTANT be allowed to sublet more than 60% of the work required under this contract. It is clearly understood and agreed that specific projects or phases of the work may be sublet in their entirety provided that CONSULTANT performs at least 40% of the overall contract with its own forces. Consent by the LPA to any subcontract shall not relieve CONSULTANT from any of its obligations hereunder, and CONSULTANT is required to maintain final management responsibility with regard to any such subcontract.

The LPA reserves the right to review all subcontract documents prepared in connection with this CONTRACT, and the CONSULTANT agrees that it shall submit to the LPA any proposed subcontract document together with subcontractor cost estimates for review and written concurrence of the LPA in advance of their execution.

The CONSULTANT shall make prompt payment to all subconsultants no later than 15 days from receipt of each payment the LPA makes to the CONSULTANT. Each month, the CONSULTANT shall submit OCR-484-C found on MDOT's website to the LPA along with the Invoice. This form certifies payments to all Subconsultants and shows all firms even if the CONSULTANT has paid no monies to the firm during that estimate period (negative report).

**ARTICLE XV. OWNERSHIP OF PRODUCTS AND DOCUMENTS AND  
WORK MADE FOR HIRE**

The CONSULTANT agrees that all reports, computer information and access, drawings, studies, notes, maps and other data, prepared by and for them under the terms of this CONTRACT shall be delivered to, become and remain in the property of the LPA upon creation and shall be delivered to the LPA upon termination or completion of work, or upon request of the LPA regardless of any claim or dispute between the parties. All such data shall be delivered within thirty (30) days of receipt of a written request by the LPA.

The CONSULTANT and the LPA intend and agree that this CONTRACT to be a contract for services and each party considers the products and results of the services to be rendered by the CONSULTANT hereunder, including any and all material produced and/or delivered under this CONTRACT (the "Work"), to be a "work made for hire" under U.S. copyright and all applicable laws. The CONSULTANT acknowledges and agrees that the LPA owns all right, title, and interest in and to the Work

including, without limitation, the copyright thereto and all trademark, patent, and all intellectual property rights thereto.

If for any reason the Work would not be considered a work made for hire under applicable law, or in the event this CONTRACT is determined to be other than a contract or agreement for a work made for hire, the CONSULTANT does hereby transfer and assign to the LPA, and its successors and assigns, the entire right, title, and interest in and to any Work prepared hereunder including, without limitation, the following: the copyright and all trademark, patent, and all intellectual property rights in the Work and any registrations and copyright, and/or all other intellectual property, applications relating thereto and any renewals and extensions thereof; all works based upon, derived from, or incorporating the Work; all income, royalties, damages, claims, and payments now or hereafter due or payable with respect thereto; all causes of action, either in law or in equity, for past, present, or future infringement based on the copyrights and/or all other intellectual property; all rights, including all rights to claim priority, corresponding to the foregoing in the United States and its territorial possessions and in all foreign countries. The CONSULTANT agrees to execute all papers and perform such other proper acts as the LPA may deem necessary to secure for the LPA or its designee the rights herein assigned.

The LPA may, without any notice or obligation of further compensation to the CONSULTANT, publish, re-publish, anthologize, use, disseminate, license, or sell the Work in any format or medium now known or hereafter invented or devised. The LPA'S rights shall include, without limitation, the rights to publish, re-publish, or license a third party to publish, re-publish, or sell the Work in print, on the World Wide Web, or in any other electronic or digital format or database now known or hereafter invented or devised, as a separate isolated work or as part of a compilation or other collective work, including a work different in form from the first publication, and to include or license a third party to include the Work in an electronic or digital database or any other medium or format now known or hereafter invented or devised.

The CONSULTANT shall obtain any and all right, title, and interest to all input and/or material from any third party subconsultant, or any other party, who may provide such input and/or material to any portion of the Work so that said right, title, and interest, and all such interest in and to the Work including, without limitation, the copyright thereto and all trademark, patent, and all intellectual property rights thereto, shall belong to the LPA.

For any intellectual property rights currently owned by third parties or by the CONSULTANT and not subject to the terms of this CONTRACT, the CONSULTANT agrees that it will obtain or grant royalty-free, nonexclusive, irrevocable license(s) for or to the LPA at no cost to the LPA to use all copyrighted or copyrightable work(s) and all other intellectual property which is incorporated in the material furnished under this CONTRACT. Further, the CONSULTANT warrants and represents to the LPA that it has obtained or granted any and all such licensing prior to presentation of any Work to the LPA under this CONTRACT. This obligation of the CONSULTANT does not apply to a situation involving a third party who enters a license agreement directly with the LPA.

The CONSULTANT warrants and represents that it has not previously licensed the Work in whole or in part to any third party and that use of the Work in whole or in part will not violate any rights of any kind or nature whatsoever of any third party. The CONSULTANT agrees to indemnify and hold harmless the LPA, its successors, assigns and assignees, and its respective officers, directors, agents and employees, from and against any and all claims, damages, liabilities, costs and expenses (including reasonable attorneys' fees), arising out of or in any way connected with any breach of any representation or warranty made by CONSULTANT herein.

**ARTICLE XVI. PUBLICATION AND PUBLICITY**

The CONSULTANT agrees that it shall not for any reason whatsoever communicate to any third party, with the exception of the MDOT and the FHWA, in any manner whatsoever concerning any of its

CONTRACT work product, its conduct under the CONTRACT, the results or data gathered or processed under this CONTRACT, which includes, but is not limited to, reports, computer information and access, drawings, studies, notes, maps and other data prepared by and for the CONSULTANT under the terms of this CONTRACT, without prior written approval from the LPA, unless such release or disclosure is required by judicial proceeding. The CONSULTANT agrees that it shall immediately refer any third party who requests such information to the LPA and shall also report to the LPA any such third party inquiry, with the exception of the MDOT and/or the FHWA. This Article shall not apply to information in whatever form that comes into the public domain, nor shall it restrict the CONSULTANT from giving notices required by law or complying with an order to provide information or data when such order is issued by a court, administrative agency or other authority with proper jurisdiction, or if it is reasonably necessary for the CONSULTANT to defend itself from any suit or claim.

IT IS FURTHER AGREED, that all approved releases of information, findings, and recommendations shall include a disclaimer provision and that all published reports shall include that disclaimer on the cover and title page in the following form:

*The opinions, findings, and conclusions in this publication are those of the author(s) and not necessarily those of the Local Public Agency, Mississippi Department of Transportation, Mississippi Transportation Commission, the State of Mississippi, or the Federal Highway Administration.*

**ARTICLE XVII. CONTRACT DISPUTES**

This CONTRACT shall be deemed to have been executed in *insert County name here* County, Mississippi, and all questions including, but not limited to, questions of interpretation, construction and performance shall be governed by the laws of the State of Mississippi, excluding its conflicts of laws provisions, and any litigation with respect to this CONTRACT shall be brought in a court of competent jurisdiction in *insert County name here*, State of Mississippi. The CONSULTANT expressly agrees that under no circumstances shall the LPA be obligated to or responsible for payment of an attorney's fee for the cost of legal action to or on behalf of the CONSULTANT.

**ARTICLE XVIII. COMPLIANCE WITH APPLICABLE LAW**

- A. The undersigned certify that to the best of their knowledge and belief, the foregoing is in compliance with all applicable laws.
- B. The CONSULTANT shall observe and comply with all applicable federal, state, and local laws, rules and regulations, policies and procedures, ordinances, and orders and decrees of bodies or tribunals of the United States of America or any agency thereof, the State of Mississippi or any agency thereof, and any local governments or political subdivisions, that are in effect at the time of the execution of this CONTRACT or that may later become effective.
- C. The CONSULTANT shall not discriminate against any employee nor shall any party be subject to discrimination in the performance of this CONTRACT because of race, creed, color, sex, national origin, age or disability.
- D. IT IS FURTHER SPECIFICALLY AGREED that the CONSULTANT shall comply and shall require its subcontractors to comply with the regulations for COMPLIANCE WITH TITLE VI OF THE CIVIL RIGHTS ACT OF 1964, as amended, and all other applicable federal regulations as stated in "Exhibit 5" which is incorporated herein by reference.
- E. It is agreed that the CONSULTANT will comply with the provisions set forth in Department of Transportation, 49 CFR, Section 18, Et Seq., regarding Uniform Administrative

Requirements for Grants and Cooperative agreements in its administration of this CONTRACT or any subcontract resulting herefrom.

- F. The CONSULTANT agrees that it will abide by the provisions of 49 CFR Section 26 regarding disadvantaged business enterprises and include the certification made in "Exhibit 5" to this CONTRACT in any and all subcontracts which may result from this CONTRACTS.
- G. The CONSULTANT shall comply and shall require its subconsultants to comply with Code of Federal Regulations CFR 23 Part 634 - Worker Visibility – as stated in "Exhibit 5".
- H. IMMIGRANT STATUS CERTIFICATION. The CONSULTANT represents that it is in compliance with the Immigration Reform and Control Act of 1986 (Public Law 99-603), as amended, in relation to all employees performing work in the State of Mississippi and does not knowingly employ persons in violation of the United States immigration laws. The CONSULTANT further represents that it is registered and participating in the Department of Homeland Security's E-Verify™ employment eligibility verification program, or successor thereto, and will maintain records of compliance with the Mississippi Employment Protection Act including, but not limited to, requiring compliance certification from all subcontractors and vendors who will participate in the performance of this Agreement and maintaining such certifications for inspection if requested. The CONSULTANT acknowledges that violation may result in the following: (a) cancellation of any public contract and ineligibility for any public contract for up to three (3) years, or (b) the loss of any license, permit, certification or other document granted by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) both. The CONSULTANT also acknowledges liability for any additional costs incurred by the LPA due to such contract cancellation or loss of license or permit. The CONSULTANT is required to provide the certification on Exhibit 9 in this CONTRACT to the LPA verifying that the CONSULTANT and subconsultant(s) are registered and participating in E-Verify prior to execution of this CONTRACT
- I. The covenants herein shall, except as otherwise provided, accrue to the benefit of and be binding upon the successors and assigns of the parties hereto.

**ARTICLE XIX. WAIVER**

Failure of either party hereto to insist upon strict compliance with any of the terms, covenants, and conditions hereof shall not be deemed a waiver or relinquishment of any similar right or power hereunder at any subsequent time, or of any other provision hereof, nor shall it be construed to be a modification of the terms of this CONTRACT.

**ARTICLE XX. SEVERABILITY**

If any terms or provisions of this CONTRACT are prohibited by the laws of the State of Mississippi or declared invalid or void by a court of competent jurisdiction, the remainder of this CONTRACT shall not be affected thereby and each term and provision of this CONTRACT shall be valid and enforceable to the fullest extent permitted by law.

**ARTICLE XXI. ENTIRE AGREEMENT**

This CONTRACT constitutes the entire agreement of the parties with respect to the subject matter contained herein and supersedes and replaces any and all prior negotiations, understandings, and agreements, written or oral, between the parties relating thereto.

**ARTICLE XXII. CONFLICT OF INTEREST**

The CONSULTANT covenants that no public or private interests exist and none shall be acquired directly or indirectly which would conflict in any manner with the performance of the CONSULTANT'S CONTRACT. The CONSULTANT further covenants that no employee of the CONSULTANT or of any subconsultant(s), regardless of his/her position, is to personally benefit directly or indirectly from the performance of the SERVICES or from any knowledge obtained during the CONSULTANT'S execution of this CONTRACT.

**ARTICLE XXIII. AVAILABILITY OF FUNDS**

It is expressly understood and agreed that the obligation of the LPA to proceed under this CONTRACT is conditioned upon the availability of funds, the appropriation of funds by the Mississippi Legislature, and the receipt of state and/or federal funds. If, at any time, the funds anticipated for the fulfillment of this CONTRACT are not forthcoming or are insufficient, either through the failure of the federal government to provide funds or of the State of Mississippi to appropriate funds or the discontinuance or material alteration of the program under which funds were provided, or if funds are not otherwise available to the LPA for the performance of this CONTRACT, the LPA shall have the right, upon written notice to the CONSULTANT, to immediately terminate or stop work on this CONTRACT without damage, penalty, cost, or expense to the LPA of any kind whatsoever. The effective date of termination shall be as specified in the notice of termination.

**ARTICLE XXIV. STOP WORK ORDER**

A. **Order to Stop Work.** The LPA may, by written order to the CONSULTANT at any time, and without notice to any surety, require the CONSULTANT to stop all or any part of the work called for by this CONTRACT. This order shall be for a specified period not exceeding twenty-four (24) months after the order is delivered to the CONSULTANT unless the parties agree to any further period. Any such order shall be identified specifically as a stop work order issued pursuant to this clause. Upon receipt of such an order, the CONSULTANT shall forthwith comply with its terms and take all steps to minimize the occurrence of costs allocable to the work covered by the order during the period of work stoppage. Before the stop work order expires, or within any further period to which the parties shall have agreed, the LPA shall either:

- (1) cancel the stop work order; or
- (2) terminate the work covered by such order according to and as provided in Article III of this CONTRACT.

Prior to the LPA'S taking official action to stop work under this CONTRACT, the Executive Director of MDOT and/or the LPA may notify the CONSULTANT, in writing, of the MDOT or the LPA's intentions to ask the LPA or CONSULTANT to stop work under this CONTRACT. Upon notice from the Executive Director of MDOT or the LPA, the CONSULTANT shall suspend all activities under this CONTRACT, pending final action by the LPA.

B. **Cancellation or Expiration of the Order.** If a stop work order issued under this clause is canceled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, the CONSULTANT shall have the right to resume work. If the LPA decides that it is justified, an appropriate adjustment may be made in the delivery schedule. If the stop work order results in an increase in the time required for or in the CONSULTANT'S cost properly allocable to the performance of any part of this CONTRACT and the CONSULTANT asserts a claim for such an adjustment within 30 days after the end of the period of work stoppage, an equitable adjustment in this CONTRACT may be made by written modification of this CONTRACT as provided by the terms of this CONTRACT.

- C. **Termination of Stopped Work.** If a stop work order is not canceled and the work covered by such order is terminated, the CONSULTANT may be paid for services rendered prior to the Termination. In addition to payment for services rendered prior to the date of termination, the LPA shall be liable only for the costs, fees, and expenses for demobilization and close out of this CONTRACT, based on actual time and expenses incurred by the CONSULTANT in the packaging and shipment of all documents covered by this CONTRACT to the LPA. In no event shall the LPA be liable for lost profits or other consequential damages.

**ARTICLE XXV. KEY PERSONNEL & DESIGNATED AGENTS**

CONSULTANT agrees that Key Personnel identified as assigned to this PROJECT shall not be changed or reassigned without prior approval of the LPA or, if prior approval is impossible, and then notice to the LPA and subsequent review by the LPA which may approve or disapprove the action. For purposes of implementing this section and all other sections of this CONTRACT with regard to notice, the following individuals are herewith designated as agents for the respective parties unless otherwise identified in the addenda hereto:

**LPA:**

For Contractual Matters:  
**Ed Pinero, Jr., Ph.D., Mayor**  
Mayor, City of Picayune  
203 Goodyear Boulevard  
Picayune, MS 39466  
601-798-9770  
601-798-0564  
picstaffasss@bellsouth.net

For Technical Matters:  
**Eric Morris, Public Works Director**  
Public Works Director, City of Picayune  
203 Goodyear Boulevard  
Picayune, MS 39466  
601-798-9770  
601-798-0564  
emorris@picayune.ms.us

**CONSULTANT:**

For Contractual Matters:  
**Brooks Wallace, P.E.**  
Dungan Engineering, P.A.  
925 Goodyear Blvd  
Picayune, MS 39466  
601-799-1037  
601-799-0480  
brooks@dunganeng.com

For Technical Matters:  
**Vernon Moore, P.E.**  
Dungan Engineering, P.A.  
925 Goodyear Blvd  
Picayune, MS 39466  
601-799-1037  
601-799-0480  
vernon@dunganeng.com

Licensure Number  
from the Mississippi  
Board of Licensure  
for Professional  
Engineers/Architects and Surveyors:

P.E. # 17699  
Surveyor # NA  
Or  
Architect's # NA

Licensure Number  
from the Mississippi  
Board of Licensure  
for Professional  
Engineers/Architect's and Surveyors:

P.E. # 19048  
Surveyor # NA  
Or  
Architect's # NA

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**ARTICLE XXVI. AUTHORIZATION**

Both parties hereto represent that they have authority to enter into this CONTRACT and that the individuals executing this CONTRACT are authorized to execute it and bind their respective parties and certified copies of the applicable LPA Order and the Resolution of the Corporate Board of Directors of the CONSULTANT are attached hereto as "Exhibit 1" and incorporated herein by reference and made a part hereof as if fully copied herein in words and figures.

WITNESS this my signature in execution hereof, this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**CITY OF PICAYUNE**

\_\_\_\_\_  
*Ed Pinero, Jr., Ph.D, Mayor*

WITNESS this my signature in execution hereof, this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**DUNGAN ENGINEERING, P.A.**

BY: \_\_\_\_\_  
Brooks Wallace, P.E.

ATTEST: \_\_\_\_\_

Exhibits attached hereto and incorporated by reference into this contract include those identified on the attached page entitled "List of Exhibits".

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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.

**APPROVE REQUEST TO TRANSFER ONE SEIZURE VEHICLE TO THE CRIMINAL INVESTIGATIVE DIVISION**

Motion was made by Council Member Breland, seconded by Council Member Gouguet to transfer one seizure vehicle (2002 Chevrolet CTA,White) to the Criminal Investigative Division for use as needed.

**CITY OF PICAYUNE**

**POLICE DEPARTMENT  
AUTHORIZATION TO SURPLUS**

COMPLETE IN DUPLICATE

PROPERTY IDENTIFICATION NUMBER (SERIAL #): 1GNEC13Z02R330420

DESCRIPTION: 2002 CHEVROLET CTA , WHITE

RESPONSIBLE PARTY: PICAYUNE POLICE DEPARTMENT

CURRENT LOCATION OF PROPERTY. SEIZURE YARD PICAYUNE POLICE DEPARTMENT

LOCATION AFTER SURPLUS AUTHORIZATION: PICAYUNE POLICE DEPARTMENT

- RECOMMENDED DISPOSITION OF PROPERTY:
- DISCARD, JUNK
  - SELL AS SCRAP
  - SELL AS USABLE EQUIPMENT OR PARTS
  - TRADE - IN ON PURCHASE OF NEW EQUIPMENT

REASON FOR SURPLUS OF PROPERTY: TRANSFER THE VEHICLE TO BE USED AS A NEEDED UNIT AT CRIMINAL INVESTIGATIVE DIVISION.

REQUEST:

APPROVED  DISAPPROVED

Majors C. Ray Carls #111  
SIGNATURE OF BUREAU COMMANDER

02/10/16  
DATE OF REQUEST

APPROVED  DISAPPROVED

[Signature]  
SIGNATURE OF DEPARTMENT CHIEF

02-10-16  
DATE OF REQUEST

IF TRANSFERRED TO ANOTHER CITY DEPARTMENT, ENTER DATE TRANSFERRED \_\_\_\_\_

RECEIVED BY DEPARTMENT: \_\_\_\_\_  
SIGNATURE OF DEPARTMENT SUPERVISOR

APPROVED  DISAPPROVED

[Signature]  
SIGNATURE OF CITY MANAGER

2-10-16  
DATE OF SIGNATURE

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.

**AUTHORIZE SUPPLUS OF SEIZURE VEHICLE BACK TO CAR TITLE LOANS**

Motion was made by Council Member Breland, seconded by Council Member Stevens to authorize surplus of seizure vehicle back to Car Title Loans.

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 DISCUSSION OF NEED FOR AN ORDINANCE TO APPOINT BOARD MEMBERS**

Motion was made by Council Member Breland, seconded by Council Member Bumpers to table discussion of need for an Ordinance to appoint board members to the second meeting in March.

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 Valente, 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