

CITY OF BYRAM, MISSISSIPPI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Prepared by the Department of Finance and Administration

Angela Richburg, City Clerk

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Comprehensive Annual Financial Report
For the Year Ended September 30, 2013
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I

INTRODUCTORY SECTION

This section contains a letter of transmittal intended to give the reader a concise but thorough understanding of the background, structure, and the economic and financial condition of the City. An organizational chart is included along with a listing of principal City officials.

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March 17, 2014

To the Citizens of the City of Byram, Mississippi:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Byram, Mississippi, for the fiscal year ended September 30, 2013. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentations in the financial statements, including all disclosures, rests with the City's management. This report was prepared in conformity with generally accepted accounting principles in the United States of America (GAAP).

The City is responsible for establishing and maintaining internal controls to ensure that adequate accounting data is compiled to allow preparation of financial statements in conformity with GAAP. Because the cost of a control should not exceed the benefits likely to be derived, internal controls have been implemented to provide reasonable, but not absolute, assurance regarding the reliability of the financial statements. We believe the information as presented is complete and accurate.

Fortenberry & Ballard, P.C., Certified Public Accountants, performed an examination, 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, of the City's basic financial statements. Their unqualified opinion is presented as the first page of the financial section of this report. Also, as required by federal law, a single audit was conducted and the report includes a report on compliance and internal control over compliance on major federal program funds expended by the City.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the auditor's report.

Profile of the Government

The City of Byram, Mississippi is the newest city of Hinds County and the second newest city of the State of Mississippi. It was incorporated in 2009 after a lengthy legal battle with the City of Jackson over annexation and incorporation. Byram has approximately 11,500 residents and is

situated south of Jackson, Mississippi on I-55 South and has been referred to as a smaller suburb nestled to the west of the Pearl River, which ultimately feeds into the Mississippi River.

Between 2000 and 2010 the population of the City of Byram grew by nearly 5,000 residents as citizens of Jackson, other surrounding communities, and Hurricane Katrina affected areas made their way to a newly thriving area. Byram residents send their children to schools operated by the Hinds County School District of which three of their largest schools are located within Byram city limits. It is also home to Willow Creek Nursing Home Facility for the elderly.

Numerous local and national businesses make their home in Byram. Siwell Road and Terry Road are home to shopping centers, restaurants, small businesses and neighborhoods. In April of 2011, the City of Byram approved its first TIF (Tax Incentive Financing) Development to assist in encouraging retail growth. The City also continues growth with new business expansions along Interstate 55.

Byram is a code-charter municipality, operating under a Mayor/Board of Aldermen form of government. The Mayor is part-time and elected at-large. Of the seven aldermen, six are elected by ward, and one is elected at-large. The Mayor and Board serve concurrent four-year terms with the next city-wide general election being held in June 2017.

The City provides a full range of services to enhance and protect the lives of its citizens. The services include, police and fire protection, sewer services, construction and maintenance of streets and infrastructure, planning and zoning, and general administrative services.

The City of Byram maintains specific budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Mayor and Board of Aldermen. Activities of the general funds, debt service funds, capital projects funds, and enterprise funds are included in the annual appropriated budget. The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by major expenditure classifications within departments. These major classifications are Personnel Services, Supplies, Other Charges and Services, and Capital Outlay. Changes in the appropriated amount of any major classification requires approval of the governing body; however, equal transfers between line items within a specific classification may be approved by the City Clerk, whom is the Director of Finance and Administration.

Factors Affecting Financial Condition

The City of Byram currently enjoys a stable economic environment and local indicators point to its continued stability. The City's primary sources of revenue are property taxes and sales taxes. At September 30, 2013 approximately 43 percent of the City's general revenues were comprised of property taxes while 28 percent were represented in sales taxes. City property owners pay property taxes for city, county and schools totaling \$140.30 per \$1,000 of assessed value. The assessment rate is 10 percent for residential property, 15 percent for other real property and 30 percent for personal property. There is no local income tax.

Although Byram is a new municipality, it prides itself in maintaining a reserve balance that will

maintain a minimum of three months of service in time of emergency. The majority of funds were accumulated during the first three years and increased as needed in following year. During the first two years, the city was able to establish its initial Police Department consisting of 40 employees, a renovated building and 26 patrol units without issuing debt. Byram has maintained a minimal debt ratio while establishing its initial City Hall, Fire Station, and Public Works Department.

Long-Term Financial Planning

The various departments have prepared strategic plans regarding buildings, equipment, infrastructure projects and miscellaneous capital improvements. These plans are referred to during the annual budget preparation for determination of financing and timing of budget integration.

During the annual budget process in August, every department head is required to present his/her annual personnel, buildings and equipment, and any other items deemed necessary for the upcoming year to the Mayor and Board of Aldermen. At this time, recommendations for financing such as lease purchases and issuance of general obligation bonds are made and taken into account when preparing the yearly budget.

Relevant Financial Policies

The City of Byram is required by Section 21-35-25 of Mississippi Code to make revisions to the annual budget no later than the July board meeting if it appears at that time collections of anticipated revenues will be less than expected and create a deficit balance. During the current year General Fund reductions to revenues in the amount of \$527 thousand dollars were made as well as a reduction of \$662 thousand in expenditures. The reduction in revenue was due to the decision of not funding a fire engine with a lease purchase in the amount of \$350 thousand and not receiving \$177 thousand in expected grant funding. The reduction of expenditures was primarily due to the postponement of a park for Lake Dockery.

Major Initiatives

During fiscal year 2013, the City of Byram purchased and renovated its first City Hall. City Hall was purchased with 2012 General Obligation Bond funds. City Hall houses the City Clerk's Offices which includes the administrative and financial staff of the city as well as Court Services.

As fiscal year 2013 came to a close, Byram was in the process of completing its first phase of the CDBG Lake Ridgelea project and completing the Gary Road repaving project. Phase I of the CDBG Lake Ridgelea project was funded by 50 percent Community Development Block Grant and 50 percent Sewer Rehabilitation Financing, will be completed in the spring of 2014, and will supply sewer to approximately 142 homes currently operating on septic tanks. The Gary Road project was funded by \$1 million of the 2012 General Obligation Bond and \$700 thousand in MDOT grant funds, completed in winter of 2013, and provides a newly surfaced and widened road of which two of our local schools exist.

Another project begun in fiscal year 2013, was the construction of Fire Station 1. It is funded by the 2012 General Obligation Bond and will be completed by March 2014. This is the City of Byram's first municipal owned Fire Station and will house administrative staff as well as 3 shifts of firemen.

Awards and Acknowledgments

The preparation of this report on a timely basis could not have been accomplished without the cooperation of the entire staff of the Finance Department. We also wish to express our appreciation for the cooperation of the other City Departments in providing information for this report.

We acknowledge the thorough and professional manner in which the audit was conducted by our independent auditors, Fortenberry & Ballard, P.C. and their contribution toward the preparation of this CAFR.

Finally, we acknowledge the Board of Aldermen. Their continuing interest and support are greatly appreciated.

Respectfully yours,

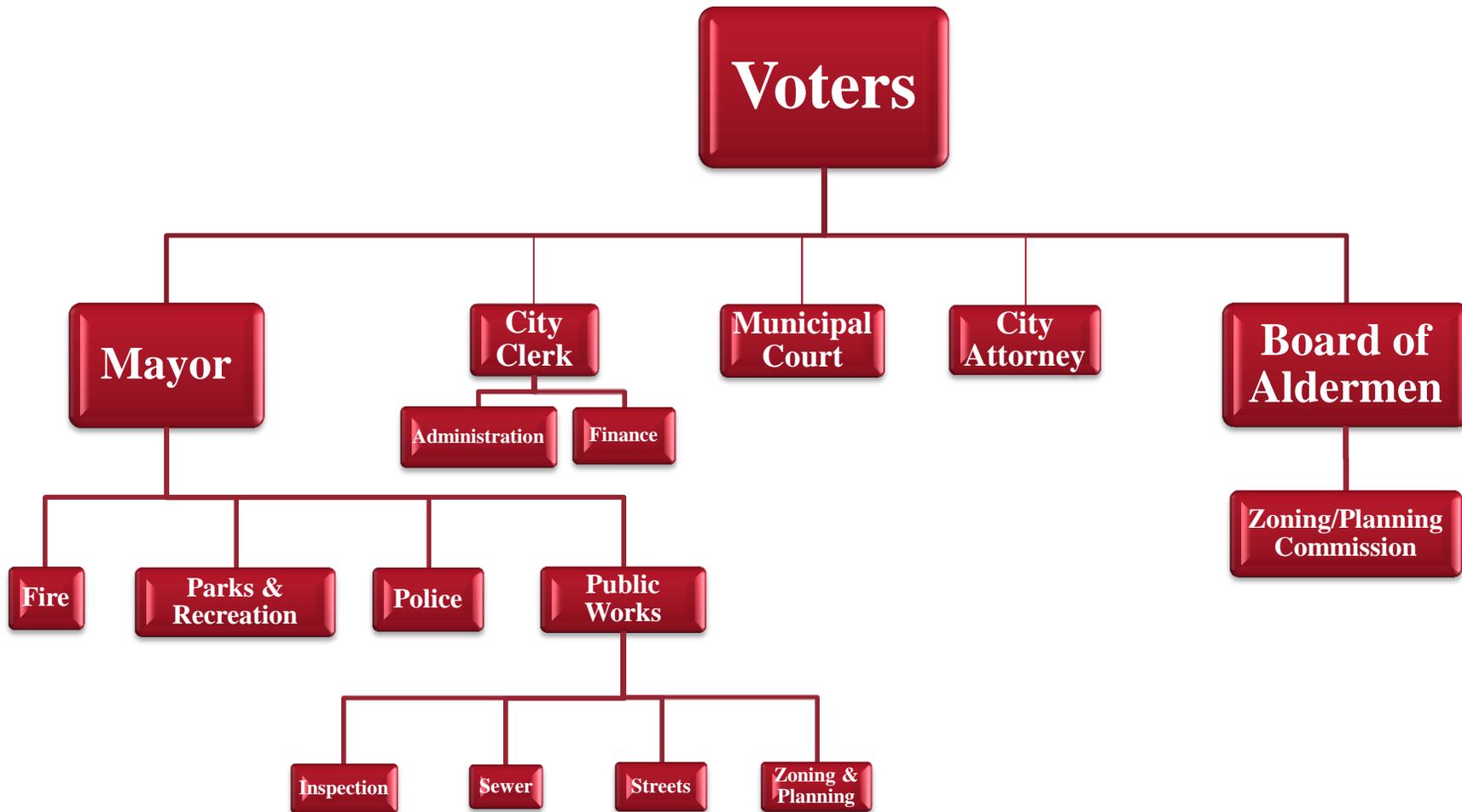


Richard White
Mayor
City of Byram



Angela Richburg
City Clerk
City of Byram

City of Byram, Mississippi
Organization Chart
Comprehensive Annual Financial Report
For the Year Ended September 30, 2013



CITY OF BYRAM, MISSISSIPPI

Listing of City Officials
As of September 30, 2013

Elected Officials

Mayor
Alderman - Ward 1
Alderman - Ward 2
Alderman - Ward 3
Alderman - Ward 4
Alderman - Ward 5
Alderman - Ward 6
Alderman - Mayor Pro Tempore

Richard White
Jim Moser
Diandra Hosey
Theresa Marble
Teresa Mack
Wanda Smith
D. L. (Danny) Ford
Richard Cook

Appointed Officials

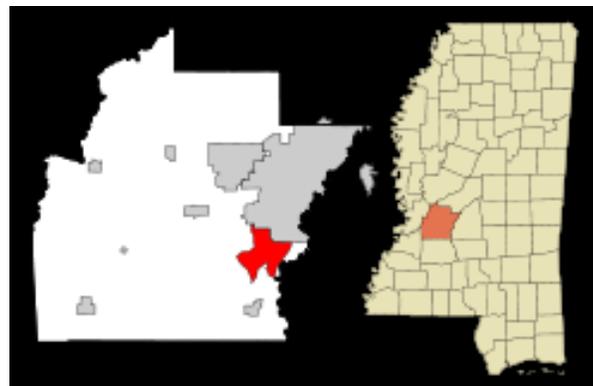
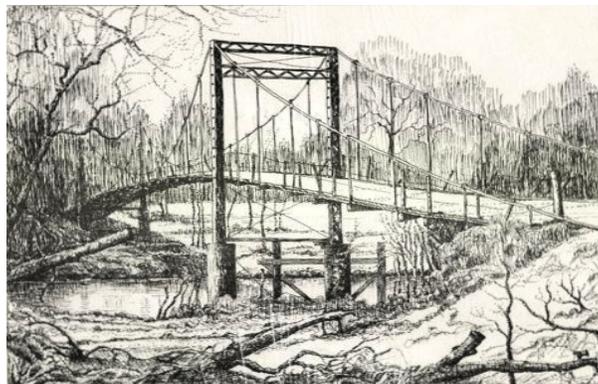
City Clerk
Public Works Director
Chief of Police
Fire Chief
City Attorney
City Judge
City Prosecutor

Angela Richburg
Tammie Roberson
Luke Thompson
Marshall C. Robinson, Jr.
Jerry Mills
Dale Schwindaman
John Scanlon

CITY OF BYRAM, MISSISSIPPI
Comprehensive Annual Financial Report
For the Year Ended September 30, 2013



State of Mississippi



City of Byram in Hinds County, Mississippi

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II

FINANCIAL SECTION

This section includes the basic financial statements and the combining and individual fund financial statements and schedules, as well as the independent auditor's report on the financial statements and schedules.

FINANCIAL AUDIT REPORT

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON THE BASIC FINANCIAL
STATEMENTS AND SUPPLEMENTARY INFORMATION

Mayor and Board of Aldermen
City of Byram, Mississippi

Report on 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 City of Byram, Mississippi, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Byram'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 from 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Byram, Mississippi, as of September 30, 2013, and the respective changes in financial position and, cash flows, thereof for the year then ended in conformity 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 24-38 and 80-82 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 Byram, Mississippi's financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2014 on our consideration of the City of Byram's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Byram internal control over financial reporting and compliance.

Fortenberry & Ballard, PC

Fortenberry & Ballard, PC
March 17, 2014

Certified Public Accountants

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MANAGEMENT'S DISCUSSION AND ANALYSIS



City of Byram, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

The following discussion and analysis of the City of Byram's financial performance provides an overview of the City's financial activities for the year ended September 30, 2013. The intent of this discussion and analysis is to look at the City's financial 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 2013 increased \$2,072,119, including a prior period adjustment of \$55,049, which represents a 21% increase from fiscal year 2012. Total net position decreased \$289,424, including a prior period adjustment of (\$91,026), which represents a 3% decrease from fiscal year 2011.
- General revenues account for \$5,053,183, or 68% of all revenues in 2013. General revenues account for \$4,600,364, or 76% of all revenues in 2012. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2,357,970 or 32% of total revenues in 2013, compared with \$1,444,950 or 24% in 2012.
- The City had \$5,394,083 in expenses, an amount that decreased when compared with the \$6,243,712 in expenses for the prior year; \$2,357,970 of these expenses were offset by program specific charges for services, grants and contributions. General revenues of \$5,053,183 for 2013 were adequate to provide for these programs. However, general revenues of \$4,600,364 for 2012 were not adequate to provide for these programs.
- Among the major funds, the General Fund had \$6,143,694 in revenues and \$5,637,441 in expenditures. In 2012, the General Fund had \$5,531,650 in revenues and \$6,951,039 in expenditures. The General Fund's fund balance increased by \$506,744 from 2012 to 2013 and increased by \$81,431 from 2011 to 2012.
- The Enterprise Fund - Sewer Fund had \$576,353 in revenues and \$545,100 in expenses. Its net loss was \$214,542 after non-operating revenues and transfers were included. Last year it showed \$244,900 in revenues and \$592,306 in expenses. Its net loss was \$368,100 after non-operating revenues and transfers were included.
- Capital assets, net of accumulated depreciation, increased by \$2,907,435 in the governmental activities, including the effect of a prior period adjustment of \$7,611, for

City of Byram, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

2013. The increase for 2013 was primarily due to additions to land and construction in progress. Capital assets, net of accumulated depreciation, increased by \$1,486,180, including a prior period adjustment of (\$91,026), for 2012.

- Capital assets in the business-type activities, net of accumulated depreciation, increased \$64,184 mainly due to additions to capital assets including improvements other than buildings and furniture and equipment. Capital assets increased \$2,475,645 in the business-type activities from 2011 to 2012.
- Long-term debt decreased by \$320,012 in the governmental activities from 2012 to 2013. The decrease in the governmental activities was mainly due to payments on outstanding debt. Long-term debt increased by \$5,230,630 in the governmental activities from 2011 to 2012.
- Long-term debt decreased by \$98,945 in the business-type activities from 2012 to 2013. This increase is due to inception of a State Revolving Sewer Improvements Loan in the amount of \$212,798 during the year.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City of Byram as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial conditions.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole City, presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements show how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

Reporting the City of Byram as a Whole

Statement of Net Position and the Statement of Activities

While this document contains information about the funds used by the City to provide services to our citizens, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2013?" The Statement of Net Position and the Statement of Activities answers this question.

These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

City of Byram, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

These two statements report the City's net position and the change in that position. This change in net position is important because it tells the reader whether, for the City as a whole, the financial position of the City has improved or diminished. However, in evaluating the overall position of the City, non-financial information such as changes in the City's tax base and the condition of City capital assets will also need to be evaluated.

In the Statement of Net Position and the Statement of Activities, all of the City's activities are reported in Governmental Activities and Business-type Activities, which include all of the City's services including police, fire, administration, and sewer and all other departments.

The City of Byram has no Component units as defined by the Governmental Accounting Standard Board (GASB).

Reporting the City of Byram's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the City's major funds. Based on restrictions on the use of monies, the City has established many funds, which account for the multitude of services provided to the City's residents. However, these fund financial statements focus on the City's most significant funds. In the case of the City of Byram, the City's major funds are the General, CDBG - Lake Ridgelea Sewer Fund, and 2012 GO Bond Fund.

Governmental Funds

All of the City's non-proprietary activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future on services provided to the City's residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

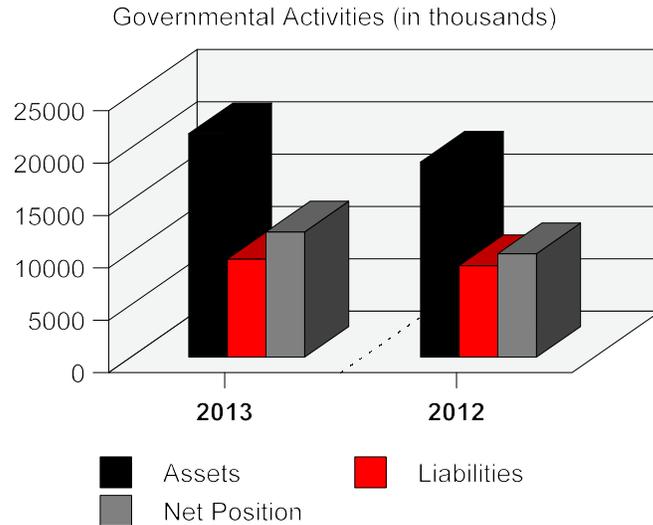
The City of Byram as a Whole

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Over time the trend as well as the amount of net position may serve as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$11,963,847 at September 30, 2013.

City of Byram, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

The following chart depicts the total amount of assets, liabilities, and net position as of September 30, 2013 and September 30, 2012.



The largest portion of the City's net position for governmental activities (\$5,634,055 or 45%) reflects its net investment in capital assets. Although the City's net investment in capital assets is reported net of the related debt, it should be noted that the resources needed to repay this debt must be provided from other sources and not the capital assets themselves.

The following are significant current year transactions that have had an impact on the Government-Wide Statement of Net Position - Governmental Activities.

- The \$355,836 retirement of principal of long-term debt.
- Increase in net capital assets in the amount of \$2,907,525.

The table below shows a comparative analysis of assets, liabilities, and net position for the Government-Wide Statement of Net Position.

City of Byram, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

Condensed Government-Wide Statement of Net Position
Governmental Activities

	<u>September 30, 2013</u>	<u>September 30, 2012</u>	<u>Percentage Change</u>
Assets:			
Current Assets	\$ 7,915,529	8,171,993	(3)%
Capital Assets	10,853,275	7,945,750	37%
Total Assets	<u>18,768,804</u>	<u>16,117,743</u>	16%
Liabilities:			
Current Liabilities	1,316,194	568,048	132%
Long-term Debt Outstanding	4,953,559	5,289,867	(6)%
Total Liabilities	<u>6,269,753</u>	<u>5,857,915</u>	7%
Net Position:			
Net Investment in Capital Assets	5,634,055	2,370,694	138%
Restricted	2,204,698	3,657,754	(40)%
Unrestricted	4,660,298	4,231,380	10%
Total Net Position	<u>\$ 12,499,051</u>	<u>10,259,828</u>	22%

The following table depicts the revenues by major sources extracted from the government-wide statement of activities - governmental activities column.

City of Byram, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

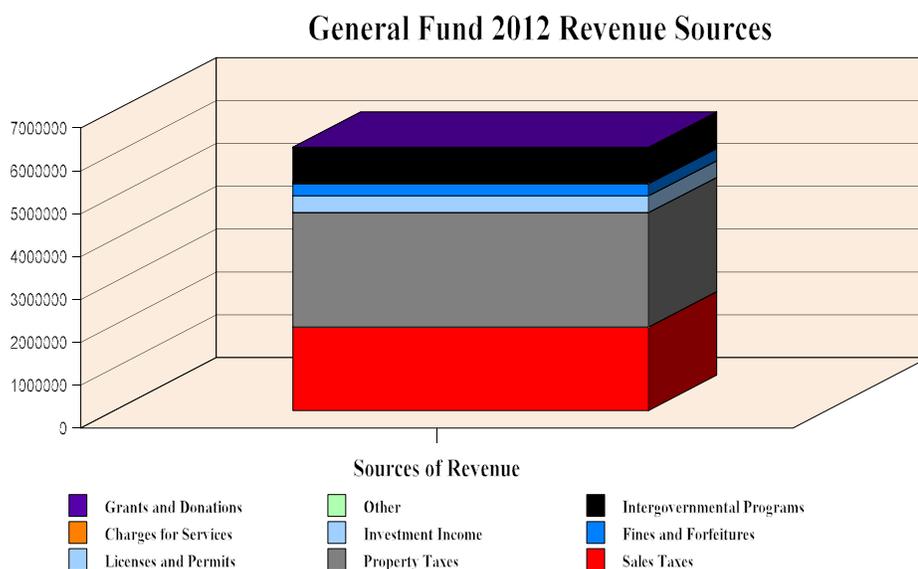
Condensed Government-Wide Statement of Activities
Governmental Activities

	<u>Year Ended September 30, 2013</u>	<u>Year Ended September 30, 2012</u>	<u>Percentage Change</u>
Revenues:			
Program Revenues:			
Charges for services	\$ 882,694	1,161,125	(24)%
Operating grants and contributions	898,923	250,887	258%
General Revenues:			
Intergovernmental / Unrestricted	1,946,916	1,711,344	14%
Property Taxes	3,024,808	2,561,178	18%
Road and bridge privilege taxes	15,658	16,145	(3)%
Other Taxes	8,134	13,897	(41)%
Grants and contributions not restricted		614	(100)%
Unrestricted Investment Income	28,297	27,432	3%
Miscellaneous	29,253	57,632	(49)%
Transfers	<u>183,335</u>	<u>20,854</u>	779%
Total Revenues	<u>7,018,018</u>	<u>5,821,108</u>	21%
Expenses:			
General Government	1,744,091	2,166,967	(20)%
Public Safety	495,330	1,255,309	(61)%
Public Services	2,479,546	2,196,081	13%
Culture and recreation	25,437	33,049	(23)%
Interest on long-term debt	<u>42,002</u>		
Total Expenses	<u>4,786,406</u>	<u>5,651,406</u>	(15)%
Increase (decrease) in net position	<u>2,231,612</u>	<u>169,702</u>	1215%
Net Position, Beginning, as previously reported	10,259,828	10,181,152	1%
Prior Period Adjustment	<u>7,611</u>	<u>(91,026)</u>	108%
Net Position, Beginning, as restated	<u>10,267,439</u>	<u>10,090,126</u>	2%
Net Position, Ending	<u>\$ 12,499,051</u>	<u>10,259,828</u>	22%

City of Byram, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

GENERAL GOVERNMENT FUNCTIONS

The City's General Fund is used to account for expenditures of traditional services as well as all financial resources other than those required to be accounted for in other funds. General Fund revenues include property tax, intergovernmental revenues, various permit fees, franchise taxes, fines, and other sources as indicated on the accompanying graphs and schedules.



Revenues

The primary source of General Fund revenues is property taxes. The State of Mississippi levies a general sales tax of 7% on most retail sales. Of the amount collected by the state, each municipality receives 18.5% of the amount collected within its corporate boundaries. Sales tax accounted for 32% of General Fund revenues in fiscal year 2013, compared to 31% in fiscal year 2012. Sales tax collections in fiscal year 2013 were \$1,946,916, a 14% increase over the \$1,711,344 collected in 2012. Total General Fund operating revenues were \$6,143,694, an increase of \$612,044 over the prior year.

Assessed valuation within the City was \$87,285,815 for fiscal year 2013 and \$87,155,612 for fiscal year 2012. It is expected that the City will continue to attract residents and business alike. Assessed valuation within the city has increased by \$130,203, or 1% from fiscal year 2012.

Expenditures

General Fund operating expenditures were \$5,637,441, a decrease of \$1,313,598 when compared to the prior year. The following schedule presents the General Fund revenues and expenditures for the year ended September 30, 2013, and the amount and percentage of change from 2012.

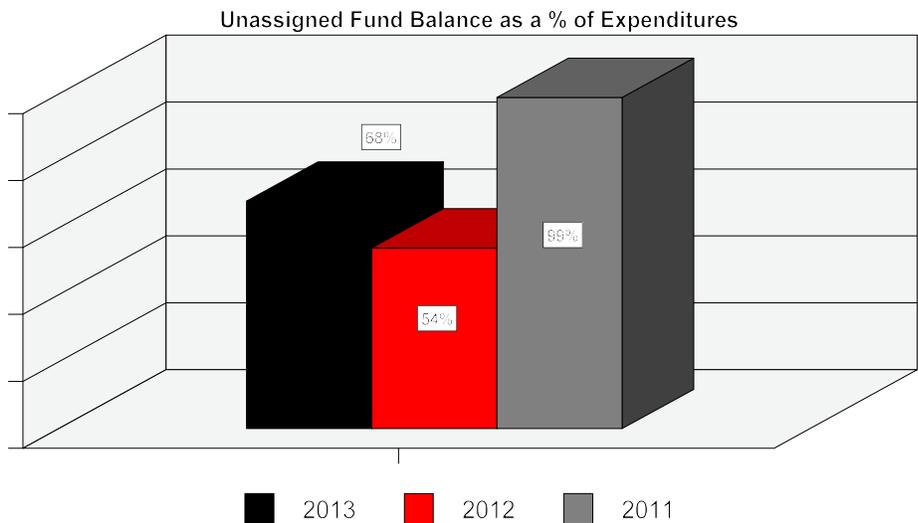
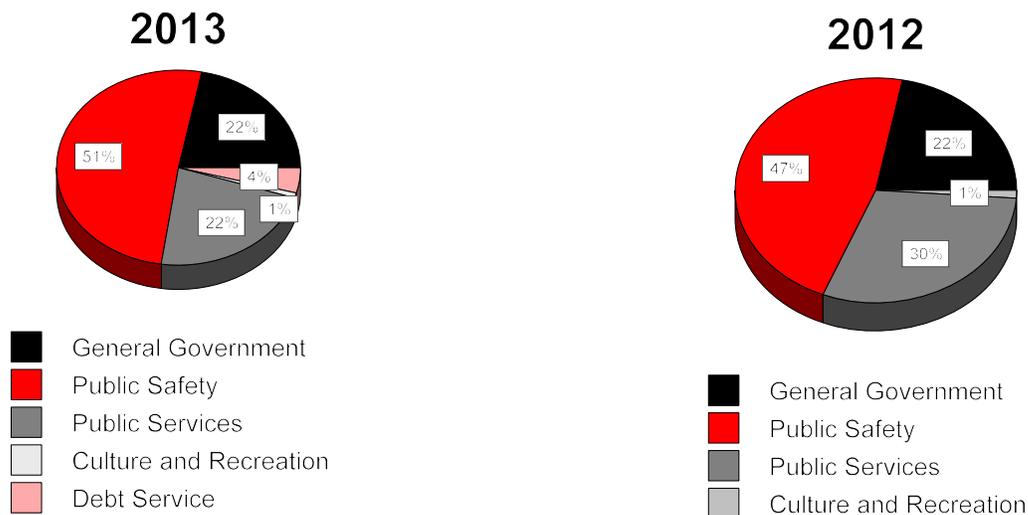
City of Byram, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

GENERAL FUND (GAAP BASIS)
(in thousands)

	2013 Amount	2012 Amount	Dollar Increase (Decrease) from 2012	Percent Increase (Decrease) from 2012
Revenues:				
Sales Tax	\$ 1,947	\$ 1,711	\$ 236	13.8%
Property Tax	2,671	2,561	110	4.3%
Licenses and Permits	385	385	0	0.0%
Fines and forfeitures	289	379	(90)	(23.7)%
Investment Income	16	18	(2)	(11.1)%
Grants and Donations	8	39	(31)	(79.5)%
Charges for Services	24	16	8	50.0%
Intergovernmental Revenues	785	403	382	94.8%
Other	19	19	0	0.0%
Total Revenues	\$ 6,144	\$ 5,531	\$ 613	11.1%
Expenditures:				
General Government	\$ 1,266	\$ 1,552	\$ (286)	(18.4)%
Public Safety	2,901	3,271	(370)	(11.3)%
Public Services	1,247	2,095	(848)	(40.5)%
Culture and Recreation	25	33	(8)	(24.2)%
Debt service:				
Principal	171		171	100%
Interest	27		27	100%
TOTAL EXPENDITURES	\$ 5,637	\$ 6,951	\$ (1,314)	(18.9)%

City of Byram, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

The following charts display the expenditures by department in the General Fund:



Status of Fund Balance

On the General Fund balance sheet, fund balance is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The remaining portion which is available for appropriation. The fiscal year ended September 30, 2013 ending unassigned fund balance is \$4,711,071 which is 84% of the general fund operating expenditures.

City of Byram, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

Other Governmental Funds

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 \$6,915,769, a decrease of \$946,312. \$4,711,071 or 68% of the fund balance is unassigned fund balance, which represents the residual classification fund balance that has not been assigned to other funds and that has not been restricted to specific purposes. The remaining fund balance of \$2,204,698 or 32% is restricted to indicate that is not available for spending except only for the purposes to which it is restricted.

The decrease in the 2012 GO Bond Fund was \$1,206,436. The decrease in the CDBG Lake Ridgelea Sewer Fund was \$303,313. The fund balance of Other Governmental Funds showed an increase of \$56,693.

PROPRIETARY FUNDS

Byram's proprietary operations consist of the Sewer Fund. The Sewer Fund accounts for sewer revenues and expenditures to construct and maintain a sewer system.

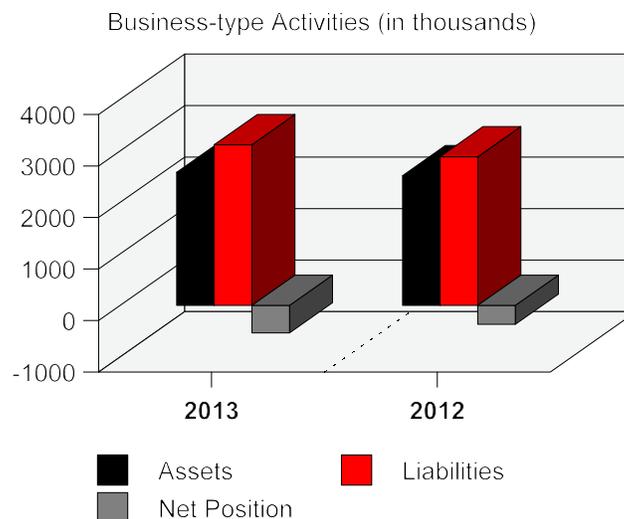
The following is a comparative analysis of the assets, liabilities, and net position for the business type activities statements:

City of Byram, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

Condensed Government-Wide Statement of Net Position
Business-Type Activities

	<u>September 30, 2013</u>	<u>September 30, 2012</u>	<u>Percentage Change</u>
Assets:			
Current Assets	\$ 42,583	40,228	6%
Capital Assets	2,539,829	2,475,645	3%
Total Assets	<u>2,582,412</u>	<u>2,515,873</u>	<u>3%</u>
Liabilities:			
Current Liabilities	371,671	249,837	49%
Long-Term Liabilities	2,745,945	2,634,136	4%
Total Liabilities	<u>3,117,616</u>	<u>2,883,973</u>	<u>8%</u>
Net Position:			
Net Investment in Capital Assets	(324,024)	(274,355)	18%
Unrestricted	(211,180)	(93,745)	125%
Total Net Position	<u>\$ (535,204)</u>	<u>(368,100)</u>	<u>(45)%</u>

The following chart shows the assets, liabilities, and net position for the government wide statements, business-type activities.



City of Byram, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

The following are significant current year transactions that have had an impact on the Government-Wide Statement of Net Position - Business-Type Activities.

- Issuance of a new State Revolving Fund (SRF), Water Pollution loan in the amount of \$212,798.

Below is a comparative analysis of the revenues and expenses of the governmental wide statements - business type activities column.

Condensed Government-Wide Statement of Activities
Business-Type Activities

	<u>Year Ended</u> <u>September 30, 2013</u>	<u>Year Ended</u> <u>September 30, 2012</u>	<u>Percentage</u> <u>Change</u>
Revenues:			
Program Revenues:			
Charges for services	\$ 576,353	32,938	1650%
Total Program Revenues	<u>576,353</u>	<u>32,938</u>	1650%
General Revenues:			
Unrestricted investment income	117	34	244%
Miscellaneous	-	212,088	
Transfers	<u>(183,335)</u>	<u>(20,854)</u>	779%
Total General Revenues	<u>(183,218)</u>	<u>191,268</u>	(196)%
Total Revenues	<u>393,135</u>	<u>224,206</u>	75%
Expenses:			
Sewer	<u>607,677</u>	<u>592,306</u>	3%
Total Expenses	<u>607,677</u>	<u>592,306</u>	3%
Increase (decrease) in net position	<u>(214,542)</u>	<u>(368,100)</u>	(42)%
Net Position - Beginning, as restated	(368,100)	-	
Prior Period Adjustment	<u>47,438</u>	<u>-</u>	
Net Position - Beginning, as restated	<u>(320,662)</u>	<u>-</u>	
Net Position, Ending	<u>\$ (535,204)</u>	<u>(368,100)</u>	45%

City of Byram, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

Sewer Fund

Financial data for the Sewer Fund for the current year is presented as follows:

		September 30, 2013		September 30, 2012
Operating Revenues	\$	576,353		244,900
Operating Expenses		545,100		592,306
Operating Income	\$	31,253		(347,406)

General Fund Budgeting Highlights

The City's budget is prepared according to Mississippi's law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

An analysis of the final budget to actual budget variances reveal consistent cost saving at each department level as detailed at Exhibit B-1.

The City of Byram's ending cash balance in the general fund was \$4,673,378.

CAPITAL ASSETS AND LONG-TERM DEBT OBLIGATIONS

Governmental Activities:

Capital Assets, Net of Accumulated Depreciation

	<u>September 30, 2013</u>	<u>September 30, 2012</u>	<u>Percentage Change</u>
Land	\$ 1,029,718	698,205	47%
Construction in progress	2,862,348	64,973	4305%
Infrastructure	4,499,791	4,672,444	(4)%
Buildings	1,233,910	1,082,658	14%
Mobile equipment	733,237	769,041	(5)%
Furniture and equipment	494,271	658,429	(25)%
Total	<u>\$ 10,853,275</u>	<u>7,945,750</u>	37%

City of Byram, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

Governmental Activities:

At September 30, 2013, the City of Byram had \$4,815,000 in outstanding General Obligation Bonds, and \$510,691 in other Long-Term Debt.

Other Long-Term Obligations Debt at Year End

	<u>September 30, 2013</u>	<u>September 30, 2012</u>	<u>Percentage Change</u>
General Obligation Bonds	\$ 4,815,000	5,000,000	(4)%
Other Long-Term Debt	404,220	575,056	(30)%
Compensated Absences	<u>106,471</u>	<u>70,647</u>	51%
Total	\$ <u><u>5,325,691</u></u>	<u><u>5,645,703</u></u>	(6)%

Business-Type Activities:

Capital Assets, Net of Accumulated Depreciation

	<u>September 30, 2013</u>	<u>September 30, 2012</u>	<u>Percentage Change</u>
Construction in progress	\$ 45,968	45,968	0%
Infrastructure	2,272,672	305,756	643%
Improvements other than buildings	29,689	-	-
Mobile equipment	15,870	19,516	(19)%
Furniture and equipment	<u>175,630</u>	<u>104,405</u>	68%
Total	\$ <u><u>2,539,829</u></u>	<u><u>2,475,675</u></u>	3%

For more detailed information concerning capital assets see Note 7 in the Notes to the Financial Statements of this report.

Business-Type Activities:

At September 30, 2013, the City of Byram had \$2,863,853 in outstanding Other Long-Term Debt.

City of Byram, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

Other Long-Term Obligations Debt at Year End

	<u>September 30, 2013</u>	<u>September 30, 2012</u>	<u>Percentage Change</u>
Other long term debt	\$ <u>2,863,853</u>	<u>2,750,000</u>	<u>4%</u>

For more detailed information concerning long-term debt see Note 8 in the Notes to the Financial Statements of this report.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Angela Richburg, City Clerk, at (601) 372-7746 or visit our web site at www.byram-ms.us. Our mailing address is City of Byram, P.O. Box 720222, Byram, MS 39272.

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FINANCIAL STATEMENTS

CITY OF BYRAM, MISSISSIPPI

STATEMENT OF NET POSITION

SEPTEMBER 30, 2013

	Governmental Activities	Business-type Activities	Total
Assets			
<i>Current Assets:</i>			
<i>Pooled cash and cash equivalents</i>	\$ 7,518,328	\$ 9,862	\$ 7,528,190
<i>Accounts receivable, net</i>	158,190	32,721	190,911
<i>Interfund receivables</i>	146,196	--	146,196
<i>Deferred charges - bond issuance costs</i>	92,815	--	92,815
<i>Total Current Assets</i>	<u>7,915,529</u>	<u>42,583</u>	<u>7,958,112</u>
<i>Non-Current Assets:</i>			
<i>Capital assets:</i>			
<i>Land and construction in progress</i>	3,892,066	45,968	3,938,034
<i>Other capital assets, net</i>	6,961,209	2,493,861	9,455,070
<i>Total Non-Current Assets</i>	<u>10,853,275</u>	<u>2,539,829</u>	<u>13,393,104</u>
 Total Assets	 <u>18,768,804</u>	 <u>2,582,412</u>	 <u>21,351,216</u>
Liabilities			
<i>Current Liabilities:</i>			
<i>Accounts payable</i>	698,644	59,794	758,438
<i>Wages and benefits payables</i>	48,540	--	48,540
<i>Interfund payables</i>	--	146,196	146,196
<i>Other payables</i>	2,568	--	2,568
<i>Unearned revenue</i>	157,193	32,721	189,914
<i>Accrued interest payable</i>	37,117	15,052	52,169
<i>Long-term liabilities (due within one year):</i>			
<i>Bonds, notes, loans, and lease obligations, current</i>	372,132	117,908	490,040
<i>Total Current Liabilities</i>	<u>1,316,194</u>	<u>371,671</u>	<u>1,687,865</u>
<i>Non-Current Liabilities:</i>			
<i>Long term liabilities (due in more than one year):</i>			
<i>Bonds, notes, loans, and lease obligations, noncurrent</i>	4,847,088	2,745,945	7,593,033
<i>Compensated absences, noncurrent</i>	106,471	--	106,471
<i>Total Non-Current Liabilities</i>	<u>4,953,559</u>	<u>2,745,945</u>	<u>7,699,504</u>
 Total Liabilities	 <u>6,269,753</u>	 <u>3,117,616</u>	 <u>9,387,369</u>
Net Position			
Net Investment in Capital Assets	5,634,055	(324,024)	5,310,031
Restricted For:			
Debt Service	7,855	--	7,855
Capital Projects	2,104,788	--	2,104,788
Public Safety	616	--	616
Unemployment	54,322	--	54,322
Unrestricted	4,697,415	(211,180)	4,486,235
Total Net Position	<u>\$ 12,499,051</u>	<u>\$ (535,204)</u>	<u>\$ 11,963,847</u>

The accompanying notes are an integral part of this statement.

CITY OF BYRAM, MISSISSIPPI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT A-2

Functions/Programs	Expenses	Program Revenues		Governmental Activities	Business-type Activities	Net (Expense)
		Charges for Services	Operating Grants and Contributions			Revenue and Changes in Net Position
						Total
Primary government:						
<i>Governmental activities:</i>						
<i>General government</i>	\$ 1,744,091	\$ 882,694	\$ 898,923	\$ 37,526		\$ 37,526
<i>Public safety</i>	495,330	--	--	(495,330)		(495,330)
<i>Public works</i>	2,479,546	--	--	(2,479,546)		(2,479,546)
<i>Culture and recreation</i>	25,437	--	--	(25,437)		(25,437)
<i>Interest on long-term debt</i>	42,002	--	--	(42,002)		(42,002)
<i>Total Governmental Activities</i>	<u>4,786,406</u>	<u>882,694</u>	<u>898,923</u>	<u>(3,004,789)</u>		<u>(3,004,789)</u>
<i>Business-type Activities:</i>						
Sewer	607,677	576,353	--	--	\$ (31,324)	(31,324)
Total Business-type Activities	<u>607,677</u>	<u>576,353</u>	<u>--</u>	<u>--</u>	<u>(31,324)</u>	<u>(31,324)</u>
Total Primary Government	<u>\$ 5,394,083</u>	<u>\$ 1,459,047</u>	<u>\$ 898,923</u>	<u>(3,004,789)</u>	<u>(31,324)</u>	<u>(3,036,113)</u>
<i>General Revenues:</i>						
<i>Intergovernmental / Unrestricted</i>				1,946,916	--	1,946,916
<i>Property taxes</i>				3,024,808	--	3,024,808
<i>Road and bridge privilege taxes</i>				15,658	--	15,658
<i>Other taxes</i>				8,134	--	8,134
<i>Unrestricted investment income</i>				28,297	117	28,414
<i>Miscellaneous</i>				29,253	--	29,253
<i>Transfers</i>				183,335	(183,335)	--
Total General Revenues and Transfers				<u>5,236,401</u>	<u>(183,218)</u>	<u>5,053,183</u>
Change in Net Position				<u>2,231,612</u>	<u>(214,542)</u>	<u>2,017,070</u>
Net Position - Beginning, as previously reported				10,259,828	(368,100)	9,891,728
Prior Period Adjustment				7,611	47,438	55,049
Net Position - Beginning, as restated				<u>10,267,439</u>	<u>(320,662)</u>	<u>9,946,777</u>
Net Position - Ending				<u>\$ 12,499,051</u>	<u>\$ (535,204)</u>	<u>\$ 11,963,847</u>

The accompanying notes are an integral part of this statement.

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CITY OF BYRAM, MISSISSIPPI
 BALANCE SHEET - GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2013

EXHIBIT A-3

	General Fund	CDBG - Lake Ridgelea Sewer Fund
	<u> </u>	<u> </u>
Assets:		
<i>Pooled cash and cash equivalents</i>	\$ 4,673,378	\$ 500
<i>Interfund receivables</i>	146,196	--
<i>Receivables</i>	158,190	--
Total Assets	<u>\$ 4,977,764</u>	<u>\$ 500</u>
Liabilities and Fund Balances:		
Liabilities:		
<i>Accounts payable</i>	\$ 58,392	\$ 303,313
<i>Wages and benefits payable</i>	48,540	--
<i>Other payables</i>	2,568	--
<i>Unearned revenue</i>	157,193	--
Total Liabilities	<u>266,693</u>	<u>303,313</u>
Fund Balances:		
Restricted:		
<i>Unemployment benefits</i>	--	--
<i>Public safety</i>	--	--
<i>Capital projects</i>	--	(302,813)
<i>Debt services</i>	--	--
Unassigned	4,711,071	--
Total Fund Balances	<u>4,711,071</u>	<u>(302,813)</u>
 Total Liabilities and Fund Balances	 <u>\$ 4,977,764</u>	 <u>\$ 500</u>

The accompanying notes are an integral part of this statement.

2012 GO Bond Fund	Other Governmental Funds	Total Governmental Funds
\$ 2,742,282	\$ 102,168	\$ 7,518,328
--	--	146,196
--	--	158,190
<u>\$ 2,742,282</u>	<u>\$ 102,168</u>	<u>\$ 7,822,714</u>
\$ 334,681	\$ 2,258	\$ 698,644
--	--	48,540
--	--	2,568
--	--	157,193
<u>334,681</u>	<u>2,258</u>	<u>906,945</u>
--	54,322	54,322
--	616	616
2,407,601	--	2,104,788
--	44,972	44,972
--	--	4,711,071
<u>2,407,601</u>	<u>99,910</u>	<u>6,915,769</u>
<u>\$ 2,742,282</u>	<u>\$ 102,168</u>	<u>\$ 7,822,714</u>

CITY OF BYRAM, MISSISSIPPI

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

Total fund balances for governmental funds	\$ 6,915,769
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	10,853,275
Liabilities due in one year are not recorded in the funds.	(372,132)
Payables for bond principal which are not due in the current period are not reported in the funds.	(4,625,000)
Payables for leases which are not due in the current period are not reported in the funds.	(222,088)
Payables for bond interest which are not due in the current period are not reported in the funds.	(37,117)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(106,471)
Bond issuance costs are capitalized and amortized in the SNP.	<u>92,815</u>
Net position of governmental activities	<u>\$ 12,499,051</u>

The accompanying notes are an integral part of this statement.

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CITY OF BYRAM, MISSISSIPPISTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT A-5

	General Fund	CDBG - Lake Ridgelea Sewer Fund
Revenues:		
<i>Sales taxes</i>	\$ 1,946,916	\$ --
<i>Property taxes</i>	2,670,656	--
<i>Licenses and permits</i>	385,417	--
<i>Fines and forfeitures</i>	288,986	--
<i>Investment income</i>	15,516	--
<i>Grants and donations</i>	8,345	--
<i>Charges for services</i>	23,739	--
<i>Intergovernmental programs</i>	784,861	288,159
<i>Other</i>	19,258	--
Total Revenues	<u>6,143,694</u>	<u>288,159</u>
Expenditures:		
<i>General government</i>	1,266,269	--
<i>Public safety</i>	2,901,196	--
<i>Public services</i>	1,246,617	774,807
<i>Culture and recreation</i>	25,437	--
<i>Debt service:</i>		
<i>Principal</i>	170,836	--
<i>Interest</i>	27,086	--
<i>Other</i>	--	--
Total Expenditures	<u>5,637,441</u>	<u>774,807</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>506,253</u>	<u>(486,648)</u>
Other Financing Sources (Uses):		
<i>Transfers in</i>	--	183,335
<i>Other</i>	491	--
Total Other Financing Sources (Uses)	<u>491</u>	<u>183,335</u>
Net Change in Fund Balances	<u>506,744</u>	<u>(303,313)</u>
Fund Balances - Beginning	4,204,327	500
Fund Balances - Ending	<u>\$ 4,711,071</u>	<u>\$ (302,813)</u>

The accompanying notes are an integral part of this statement.

2012 GO Bond Fund	Other Governmental Funds	Total Governmental Funds
\$ --	\$ --	\$ 1,946,916
--	354,152	3,024,808
--	--	385,417
--	--	288,986
12,222	559	28,297
--	20,422	28,767
--	--	23,739
--	13,681	1,086,701
--	1,303	20,561
<u>12,222</u>	<u>390,117</u>	<u>6,834,192</u>
--	5,624	1,271,893
823,541	--	3,724,737
395,117	--	2,416,541
--	--	25,437
--	185,000	355,836
--	142,300	169,386
--	500	500
<u>1,218,658</u>	<u>333,424</u>	<u>7,964,330</u>
<u>(1,206,436)</u>	<u>56,693</u>	<u>(1,130,138)</u>
--	--	183,335
--	--	491
<u>--</u>	<u>--</u>	<u>183,826</u>
<u>(1,206,436)</u>	<u>56,693</u>	<u>(946,312)</u>
3,614,037	43,217	7,862,081
<u>\$ 2,407,601</u>	<u>\$ 99,910</u>	<u>\$ 6,915,769</u>

CITY OF BYRAM, MISSISSIPPI

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013*

Net change in fund balances - total governmental funds	\$ (946,312)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	3,529,960
The depreciation of capital assets used in governmental activities is not reported in the funds.	(630,046)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	185,000
Repayment of lease principal is an expenditure in the funds but is not an expense in the SOA.	170,836
Bond issuance costs and similar items are amortized in the SOA but not in the funds.	(4,885)
(Increase) decrease in accrued interest from beginning of period to end of period.	(37,117)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	<u>(35,824)</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 2,231,612</u>

The accompanying notes are an integral part of this statement.

CITY OF BYRAM, MISSISSIPPI

STATEMENT OF NET POSITION

ENTERPRISE FUND

SEPTEMBER 30, 2013

EXHIBIT A-7

	Enterprise Fund
	Sewer Fund
Assets	
Current Assets:	
Cash and cash equivalents	\$ 9,862
Receivables (net of allowances for uncollectibles)	32,721
Total Current Assets	<u>42,583</u>
Non-current Assets:	
Land and construction in progress	45,968
Capital assets (net of accumulated depreciation)	2,493,861
Total Non-current Assets	<u>2,539,829</u>
 Total Assets	 <u>2,582,412</u>
Liabilities	
Current Liabilities:	
Accounts payable	59,794
Interfund payables	146,196
Interest Payable	15,052
Unearned revenue	32,721
Loans payable, current	117,908
Total Current Liabilities	<u>371,671</u>
Non-current Liabilities:	
Loan payable, noncurrent	2,745,945
Total Non-current Liabilities	<u>2,745,945</u>
 Total Liabilities	 <u>3,117,616</u>
Net Position	
Net investment in capital assets	(324,024)
Unrestricted	(211,180)
Total Net Position	<u>\$ (535,204)</u>

The accompanying notes are an integral part of this statement.

CITY OF BYRAM, MISSISSIPPI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT A-8

	Enterprise Fund
	Sewer Fund
Operating Revenues:	
<i>Charges for services</i>	\$ 576,353
Total Operating Revenues	<u>576,353</u>
Operating Expenses:	
<i>Personal services - salaries and wages</i>	84,013
<i>Personal services - employee benefits</i>	37,065
<i>Purchased professional and technical services</i>	154,000
<i>Supplies</i>	63,826
<i>Depreciation</i>	108,917
<i>Miscellaneous</i>	97,279
Total Operating Expenses	<u>545,100</u>
Operating Income (Loss)	<u>31,253</u>
Non-Operating Revenues (Expenses):	
<i>Interest revenue</i>	117
<i>Debt service interest</i>	<u>(62,577)</u>
Total Non-operating Revenues (Expenses)	<u>(62,460)</u>
Net Income (Loss) before Operating Transfers	<u>(31,207)</u>
<i>Transfers out</i>	(183,335)
Net income	<u>(214,542)</u>
Net Position - Beginning, as previously reported	(368,100)
Prior Period Adjustment	47,438
Net Position - Beginning, as restated	<u>(320,662)</u>
Net Position - Ending	<u>\$ (535,204)</u>

The accompanying notes are an integral part of this statement.

CITY OF BYRAM, MISSISSIPPI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Enterprise Fund Sewer Fund
Cash Flows from Operating Activities:	
<i>Cash Received from Customers</i>	\$ 576,353
<i>Cash Payments to Employees for Services</i>	(179,329)
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(233,754)
<i>Other Operating Cash Receipts (Payments)</i>	(64,558)
Net Cash Provided (Used) by Operating Activities	<u>98,712</u>
Cash Flows from Non-capital Financing Activities:	
Transfers From (To) Other Funds	146,196
<i>Transfers From (To) Primary Government</i>	(183,335)
Net Cash Provided (Used) by Non-capital Financing Activities	<u>(37,139)</u>
Cash Flows from Capital and Related Financing Activities:	
<i>Proceeds from Issuance of Long-term Debt</i>	212,798
<i>Principal and Interest Paid</i>	(146,470)
<i>Acquisition or Construction of Capital Assets</i>	(125,663)
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>(59,335)</u>
Cash Flows from Investing Activities:	
<i>Interest and Dividends on Investments</i>	117
Net Cash Provided (Used) for Investing Activities	<u>117</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>2,355</u>
Cash and Cash Equivalents at Beginning of Year	7,507
Cash and Cash Equivalents at End of Year	<u>\$ 9,862</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ 31,253
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
<i>Depreciation</i>	108,917
Change in Assets and Liabilities:	
<i>Increase (Decrease) in Accounts Payable</i>	(15,928)
<i>Increase (Decrease) in Accrued Wages Payable</i>	(58,251)
<i>Increase (Decrease) in Unearned Revenue</i>	32,721
Total Adjustments	<u>67,459</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 98,712</u>

The accompanying notes are an integral part of this statement.

City of Byram, Mississippi

Notes to the Financial Statements
September 30, 2013

City of Byram, Mississippi

Notes to the Financial Statements

September 30, 2013

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City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

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

The accompanying financial statements of the City have been prepared in accordance with accounting principles (GAAP) generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

In December 2010, the GASB issued GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Statement No. 62 brings the authoritative accounting and financial reporting literature for state and local governments together in a single source, with the FASB and AICPA guidance modified as necessary to appropriately recognize the governmental environment and the needs of governmental financial statement users. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011.

In June 2011 and March 2012, the GASB issued Statement No. 63, *Financial Reporting for Deferred Outflows of Resources, Deferred Inflows and Net Position* and Statement No. 65, *Items Previously Reported as Assets and Liabilities*, respectively. Statement No. 63 will improve financial reporting by standardizing the presentation of deferred outflows/inflows of resources and their effects in the government's net position. It provides guidance in reporting these elements where none previously existed. Statement No. 65 will improve financial reporting by clarifying the appropriate use of financial statement elements to ensure consistency in financial reporting. These related Statements reflect substantial improvements to the financial reporting. Statement No. 63 is effective for periods beginning after December 15, 2011 and Statement No. 65 is effective for periods beginning after December 15, 2012.

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 67 addresses financial reporting for state and local government pension plans and Statement No. 68 establishes new accounting and financial reporting requirements for governments that provide their employees with pensions. These related Statements reflect substantial improvements to the accounting and financial reporting of pension plans. Statement No. 67 will take effect for pension plans in the fiscal year ending September 30, 2014 and Statement No. 68 will take effect for employers and governmental non-employer contributing entities in the fiscal year ending September 30, 2015.

City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

The guidance contained in these Statements will change how governments calculate and report the costs and obligations associated with pension in important ways. It is designed to improve the decision-usefulness of reported pension information and to increase the transparency, consistency, and comparability of pension information across governments.

The new standards will better align the recognition of pension expense with the period in which the related benefits are earned. Considered in total, the changes set forth by the GASB will have the overall effect of expense recognition being accelerated. The implementation of these Statements is expected to have a significant impact upon the financial statements of the City.

Management's Discussion and Analysis - GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of management's discussion and analysis (MD&A). This analysis is similar to analysis the private sector provides in their annual reports.

Government-wide Financial Statements - The reporting model includes financial statements prepared using full accrual for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon after.

Statement of Net Position - The Statement of Net Position is designed to display the financial position of the primary government. Governments will report all capital assets, including infrastructure, in the government-wide Statement of Net Position and will report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net position of a government will be broken down into three categories - 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

Statement of Activities - The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expenses of individual functions are compared to the revenues generated by the function (for instance, through user charges or intergovernment grants).

Budgetary Comparison Schedules - Many governments revise their original budgets over the course of the year for a variety of reasons. Budgetary comparison information is required, therefore the government's original budget is compared to the final budget and actual results.

A. FINANCIAL REPORTING ENTITY

COMPONENT UNITS

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City of Byram (the primary government) and any component units thereof. Component units must either be (1) a legally

City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

separate organization for which the elected officials of the primary government are financially accountable or (2) another organization for which the nature and significance of its relationship with the primary government is such that exclusion would cause the City of Byram's financial statements to be misleading or incomplete. Based upon the application of these criteria, no potential component unit will be included as a part of the City.

RELATED ORGANIZATIONS

Due to the recent formation of the City of Byram, the City did not have any related organizations for the year ended September 30, 2013.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental type. In the Government-wide Statement of Net Position, the governmental activities column is presented on a full accrual, economic resources basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net costs per functional category (Public Safety, Public Works, etc.), which are otherwise being supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function (Public Safety, Public Works, etc.). These include charges for some of the services the city provides like permits, licenses, inspection fees and that are associated with the particular function. The City does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net cost (by function) is normally covered by general revenue (property, sales or gas taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements emphasize the major funds. Non-major funds (by category) are summarized into a single column.

The governmental funds major fund statements in the fund financial statements are presented on a current financial resources and modified accrual basis of accounting. This is the manner in which the funds are normally budgeted. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the City's actual experience conforms to the budget fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column,

City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

The focus of the Statement No. 34 model is on the City as a whole. The focus of the fund financial statements is on the major individual funds of the governmental activities and the proprietary funds. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

C. BASIS OF PRESENTATION

Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Funds that meet these criteria are labeled as such. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section of this report.

The City reports the following funds:

1. Major Governmental Funds

The measurement focus of the governmental funds (in the Fund Financial Statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income.

The following is a description of the major governmental funds of the City:

General Fund - The General Fund is the general operating fund of the City. General Tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenses, fixed charges, and capital improvement costs not paid through other funds are paid from this fund.

CDBG-Lake Ridgelea Sewer Fund - This capital projects fund is financed with a Community Development Grant and is used to account for homes with a sewer collection system connected to an existing force main line.

2012 GO Bond Fund - This capital projects fund is financed with general obligation bonds and is used to account for constructing, improving and paving streets, sidewalks, parkways, walkways and public parking facilities, and other various projects in accordance with the city's long range capital project plan.

City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

2. Proprietary Funds

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

The following is a description of the major proprietary fund of the City:

Sewer Fund - This enterprise fund is financed with public improvement funds that accounts for resources and expenditures with the construction of eligible pollution control projects.

3. Non-Current Governmental Assets/Liabilities

GASB Statement No. 34 provides for the capital assets and long-term debt records to be maintained and incorporates the information into the governmental column in the government-wide Statement of Net Position.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet in the fund statements. Long-term assets and long-term liabilities are included in the government-wide statements. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The government-wide statements of net position, statements of activities, and proprietary funds are accounted for using the economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these activities are included on the balance sheet.

The fund financial statements are maintained on the modified accrual basis of accounting. Under this method of accounting, revenues are recognized in the period in which they become measurable and available. With respect to real and personal property tax revenue and other local taxes, the term "available" is limited to collection within sixty days of the fiscal year end. Levies that are made prior to the fiscal year end, but are not available, are deferred. Interest income is recorded as earned.

City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

Federal and State reimbursement type grants are recorded as revenue when related eligible expenditures are met. Expenditures, other than accrued interest on long-term debt, are recorded when the fund liability is incurred. All other revenue items reported in the fund financial statements are considered “available” when the cash is received by the City one year after its fiscal year.

Franchise and utility taxes, state revenue sharing, charges for services, and fines and forfeitures associated with the current period are considered to be susceptible to accrual and therefore have been recognized as revenues of the current fiscal period.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgements, are recorded only when payment is due.

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

E. ENCUMBRANCES

An encumbrance system is maintained to account for commitments resulting from approved purchase orders, work orders and contracts. All encumbrances lapse at year-end; accordingly, no encumbrances were outstanding at September 30, 2013.

F. BUDGETS AND BUDGETARY INFORMATION

The budget is adopted annually by the Mayor and the Board of Alderman, and subsequent amendments are made during the year on the approval of the Mayor and Board or, when allowed, upon authority of City management, as described in the following paragraphs. All funds of the City of Byram, Mississippi, governmental and enterprise, are budgeted, and are presented in either the accompanying financial statements or in schedules thereto. For comparison purposes, the final, amended budget is utilized, and it is presented on a modified cash basis of accounting as required by the State of Mississippi, which is not consistent with generally accepted accounting principles. All budgetary appropriations lapse at year-end.

The legal level of control, that is the level on which actual expenditures may not legally exceed appropriations, is the major expenditure classifications.

All amendments to the budget to the legal level of control must be approved by the City of Byram’s Mayor and Board of Alderman. Management is allowed to reclassify, without governing body approval, any budget “line items”; that is, amounts below the legal level of control.

The expenditure budget adopted and approved by the duly elected members of the governing authority of the City of Byram is the appropriation ordinance of said municipality.

City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

As allowed by statute, the expenditure budget was amended and approved by the duly elected members of the governing authority of the City of Byram. Such amendments are included in the reported budgetary data.

G. UNEARNED REVENUE

In the government-wide and proprietary fund financial statements, unearned revenues are recognized when assets are received prior to being earned. Unearned revenues are also recognized in the governmental funds financial statements, which are recognized when revenues are unavailable.

H. FUND BALANCES

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. Following are descriptions of fund classifications used by the city:

Nonspendable fund balance includes items that cannot be spent. This includes activity that is not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds are restricted, committed, or assigned) and activity that is legally or contractually required to remain intact. Currently there is no nonspendable fund balance for this city.

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

Committed fund balance includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal action of the Board of Alderman, the City's highest level of decision-making authority. Currently there is no committed fund balance for this city.

Assigned fund balance includes amounts that are constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the general fund, this is the residual amount within the fund that is not restricted or committed. Assignments of fund balance are created by the Director of Finance pursuant to authorization established by the policy adopted by the city. Currently there is no assigned fund balance for this city.

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been assigned to other funds and that has not been restricted, committed, or

City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) resources are available, it is the city's general policy to use restricted resources first. When expenditures are incurred for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the city's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

I. CASH AND OTHER DEPOSITS AND CASH EQUIVALENTS

The City deposits excess funds in the financial institutions selected by the Mayor and Board of Aldermen in accordance with state statutes.

Cash consists of amounts on deposit with a financial institution in non-interest bearing accounts. Other deposits consist of interest-bearing demand accounts, saving accounts and certificates of deposit. Cash and other deposits are valued at cost.

Various restrictions on deposits are imposed by state statutes. 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.

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

J. 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 deposits with any financial institution approved for the deposit of state funds. The interest earned is reported in the fund reporting the investment.

K. ACCOUNTS RECEIVABLE

Accounts Receivable are reported in the government-wide Statement of Net Position and the governmental funds Balance Sheet net of allowances for uncollectible receivables.

City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

L. INTERFUND TRANSACTIONS AND BALANCES

In general, eliminations have been made to minimize the double-counting of internal activity. However, interfund services, provided and used between different functional categories, have not been eliminated in order to avoid distorting the direct costs and program revenues of the applicable functions. Transfers between governmental and business-type activities are reported at the net amount on the government-wide financial statements.

In the fund financial statements, transactions for services rendered by one fund to another are treated as revenues of the recipient fund and expenditures of the disbursing fund. Reimbursements of the expenditures made by one fund for another are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Transfers represent flows of assets between funds of the primary government without equivalent flows of assets in return and without a requirement for payment.

Interfund receivables and payables have been eliminated from the government-wide Statement of Net Position, except for the residual amounts due between governmental and business-type activities.

The following is a summary of interfund transactions and balances:

Due From/To Other Funds:

		<u>Due From</u>	<u>Due To</u>
General Fund	\$	146,196	
Enterprise Fund:			
Sewer Fund			146,196
Total	\$	<u>146,196</u>	<u>146,196</u>

Due From/To Other Funds are the result of timing differences between the date expenses / expenditures are settled. All balances are expected to be repaid within one year from the date of the financial statements.

Transfers In and Transfers Out

		<u>Transfers In</u>	<u>Transfers Out</u>
Non-Major Fund:			
CDBG - Lake Ridgelea Sewer Fund	\$	183,335	
Sub-Total Non-Major Fund		<u>183,335</u>	
Enterprise Fund:			
Sewer Fund			183,335
Total	\$	<u>183,335</u>	<u>183,335</u>

City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

Transfers were used primarily to move revenues from funds required to collect them to funds required to expend them. The transfers also provided funds for general operating activities. All transfers were routine and consistent with the fund making the transfer.

M. RESTRICTED NET POSITION

Certain proceeds from bonds, notes, and loans, as well as resources for debt service payments, court services, and public improvements monies are classified as restricted net position reported on the government-wide Statement of Net Position because their use is limited by applicable bond covenants and restrictions.

The following is a summary of restricted net position:

Restricted For:

Unemployment Benefits	\$	54,322
Public Safety		616
Capital Projects		2,104,788
Debt Services		7,855
Total	\$	<u>2,167,581</u>

N. CAPITAL ASSETS

In the governmental funds, the cost incurred for the purchase or construction of capital assets are recorded as capital outlay expenditures.

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.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the statement of activities.

The revenues and expenses of proprietary funds are classified as operating and nonoperating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's primary operations. All other revenues and expenses are reported as nonoperating.

In accordance with GASB Statement No. 34, governmental infrastructure has been capitalized. Capitalization thresholds (dollar value above which assets acquisitions are added to the capital

City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

asset account) and estimated useful lives of capital assets are reported in the government-wide statements and proprietary funds. Depreciation is calculated on the straight-line basis for all assets, except land. The following schedule details those thresholds.

Capital asset thresholds are as follows:

Land	N/A
Infrastructure	N/A
Furniture, Vehicles, and Equipment	\$ 5,000
Improvements other than Buildings	\$25,000
Buildings	\$50,000
Building Improvements	\$50,000

Estimated useful lives, in years, for depreciable assets are as follows:

Computer Equipment and Peripherals	3 years
Vehicles and Equipment	5 years
Heavy Equipment (backhoes, dozers, front-end loaders, tractors, etc)	10 years
Furniture and Fixtures	7 years
Improvements other than Buildings	20 years
Buildings	40 years
Infrastructure:	
Roads	20 years
Concrete bridges	50 years
Timber bridges	30 years
Salvage Values:	
Computer Equipment	1%
Furniture	10%
Vehicles and Heavy Equipment	10%
Improvements other than Buildings	20%
Buildings	20%
Roads	30%
Bridges	0%

O. COMPENSATED ABSENCES

Upon termination of employment, the City of Byram does not provide payment of accrued personal leave over 30 days to the departing employee. While such leave is accumulated from 5 to 20 days each year, depending on length of service, no payment for medical leave is allowed absent the required evidence of such need.

City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

Unpaid personal leave expected to be paid from the Governmental Funds is reported under Long-term Debt as Compensated Absences. Typically the related Accrued Compensated Absences Expense has been paid from the General Fund.

The respective liabilities are computed utilizing the specific identification method (i.e., each employee's actual accumulated personal leave days are multiplied by the applicable actual per day salary). The City's liability for compensated absences is not recorded in the governmental funds, for such liability may be paid from financial resources not currently available. Compensated absences are reported in governmental funds only if they have matured.

2. CASH

A. Cash and Other Deposits

The collateral for public entities' deposits in financial institutions is now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the 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 Deposit Insurance Corporation. The City's pooled and non-pooled deposits are categorized to give an indication of the level of risk assumed by the City at fiscal year-end.

The carrying amount of the city's deposits with financial institutions was \$7,528,190 and the bank balance was \$7,528,188.

Custodial Credit Risk - Deposits. Custodial credit risk is defined as the risk that, in the event of a financial institutions failure, the city's deposits may not be returned to it. The city does not have a deposit policy for custodial credit risk. As of September 30, 2013, none of the city's bank balance of \$7,528,188 was exposed to custodial credit risk.

3. RECEIVABLES

A. Accounts Receivable

Accounts receivable at September 30, 2013, consisted of the following:

	General Fund	Enterprise Fund	Total
Utility Customers	\$ -	32,721	32,721
Other	158,190	-	158,190
Total	\$ 158,190	32,721	190,911

City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

4. PROPERTY TAXES

Property held on January 1 of any given year (or brought into the State by March 1 of the same year) is assessed for taxation in the ensuing fiscal year. Such levy, which establishes a lien against the underlying property, is maintained by Hinds County. The assessed value of property on January 1, 2012, upon which the levy was based, was \$87,155,612. The taxes thus assessed are due and payable as follows:

1 st installment	(50% of liability)	on or before Feb. 1
2 nd installment		on or before May 1
Final installment		on or before Aug. 1

If taxes remain unpaid, the property subject to a tax lien is sold for taxes on the fourth Monday of August.

Property taxes receivable reported in the government-wide Statement of Net Position and the governmental funds Balance Sheet represent amounts due for unpaid delinquent property taxes at September 30, 2013. Property taxes that are not considered “available” have been reported as deferred revenues in the governmental funds Balance Sheet.

City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

5. CAPITAL ASSETS

	Balance 10-1-2012	Additions	Adjustments	Balance 9-30-2013
<u>Non-depreciable capital assets:</u>				
Land	\$ 698,205	331,513		1,029,718
Construction in progress	64,973	2,797,375		2,862,348
Total non-depreciable capital assets	<u>763,178</u>	<u>3,128,888</u>	<u>0</u>	<u>3,892,066</u>
<u>Depreciable capital assets:</u>				
Infrastructure	10,068,985	54,384		10,123,369
Buildings	1,103,459	174,981		1,278,440
Mobile equipment	968,885	164,227	7,611	1,140,723
Furniture and equipment	894,416	7,480		901,896
Total depreciable capital assets	<u>13,035,745</u>	<u>401,072</u>	<u>7,611</u>	<u>13,444,428</u>
<u>Less accumulated depreciation for:</u>				
Infrastructure	5,396,541	227,037		5,623,578
Buildings	20,801	23,729		44,530
Mobile equipment	199,844	207,642		407,486
Furniture and equipment	235,987	171,638		407,625
Total accumulated depreciation	<u>5,853,173</u>	<u>630,046</u>	<u>0</u>	<u>6,483,219</u>
Total depreciable capital assets, net	<u>7,182,572</u>	<u>(228,974)</u>	<u>7,611</u>	<u>6,961,209</u>
Governmental activities capital assets, net	<u>\$ 7,945,750</u>	<u>2,899,914</u>	<u>7,611</u>	<u>10,853,275</u>

Adjustments were made to properly present capital assets at year end.

The amount of depreciation expense charged to the respective governmental function in the government-wide Statement of Activities for the period is as follows:

	Amount
General Government	\$ 441,032
Public Safety	126,009
Public Works	<u>63,005</u>
Total depreciation expense	<u>\$ 630,046</u>

The following are the amounts spent at September 30, 2013 on the different projects of the governmental activities of the City of Byram:

City of Byram, Mississippi

Notes to the Financial Statements For the Year Ended September 30, 2013

	<u>Amount</u>	<u>Remaining Commitments</u>
Fire Station	1,097,976	1,710,142
Gary Road	989,565	757,635
CDBG Lake Ridgelea Project	774,807	542,9331
Total	\$ 2,862,348	3,010,710

6. LONG - TERM OBLIGATIONS

A. Changes in Long-Term Obligations

The following is a summary of changes in long-term debt:

	<u>Balance 10-1-2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 9-30-2013</u>	<u>Amounts due within one year</u>
<u>General Obligation Bonds</u>					
Public Improvement	\$ 5,000,000		185,000	4,815,000	190,000
Total General Obligation Bonds	<u>5,000,000</u>	<u>0</u>	<u>185,000</u>	<u>4,815,000</u>	<u>190,000</u>
<u>Other Long - Term Debt</u>					
Motorola Lease Purchases	232,890		72,206	160,684	78,836
Motorola Lease Purchases	152,799		47,711	105,088	51,559
Sirens Commercial Lease	63,696		20,223	43,473	21,207
Quick Attack Vehicle Lease	125,671		30,696	94,975	30,530
Compensated Absences	70,647	42,928	7,104	106,471	
Total Other Long-Term Debt	<u>645,703</u>	<u>42,928</u>	<u>177,940</u>	<u>510,691</u>	<u>182,132</u>
Total Long-Term Debt	\$ <u>5,645,703</u>	<u>42,928</u>	<u>362,940</u>	<u>5,325,691</u>	<u>372,132</u>

	<u>Balance 10-1-2012</u>	<u>Change</u>	<u>Balance 9-30-2013</u>
Bond Issuance Costs	\$ 97,700	(4,885)	<u>92,815</u>

City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

B. Currently Outstanding Long-Term Obligations

Other Long-term debt currently outstanding are as follows:

	Date of Obligation	Date of Maturity	Interest Rate	Original Amount	Balance 9-30-2013
<u>General Obligation Bonds</u>					
Public Improvement	8/1/12	8/1/32	2.4 - 3.4%	\$ 5,000,000	4,815,000
Total				<u>5,000,000</u>	<u>4,815,000</u>
<u>Other Long - Term Debt</u>					
Motorola leases	6/1/11	10/1/14	3.82%	152,799	105,088
Motorola leases	5/1/11	10/1/14	3.82%	232,890	160,684
Sirens Commercial Lease	11/10/11	11/1/14	6.36%	63,696	43,473
Quick Attack Vehicle Lease	2/15/12	10/31/15	3.65%	125,671	94,975
Total				<u>\$ 575,056</u>	<u>404,220</u>

C. Summary of Annual Debt Service Requirements To Maturity - Annual Principal & Interest

General Obligation Bonds

The City issues general obligation bonds to provide funds for City improvements. These are direct obligations and pledge the full faith and credit of the City. Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2014	\$ 190,000	136,010	326,010
2015	195,000	129,550	324,550
2016	205,000	122,920	327,920
2017	210,000	115,950	325,950
2018	215,000	108,810	323,810
2019 - 2023	1,180,000	429,810	1,609,810
2024 - 2028	1,370,000	250,440	1,620,440
2029 - 2032	<u>1,250,000</u>	<u>75,960</u>	<u>1,325,960</u>
Total	\$ <u>4,815,000</u>	<u>1,369,450</u>	<u>6,184,450</u>

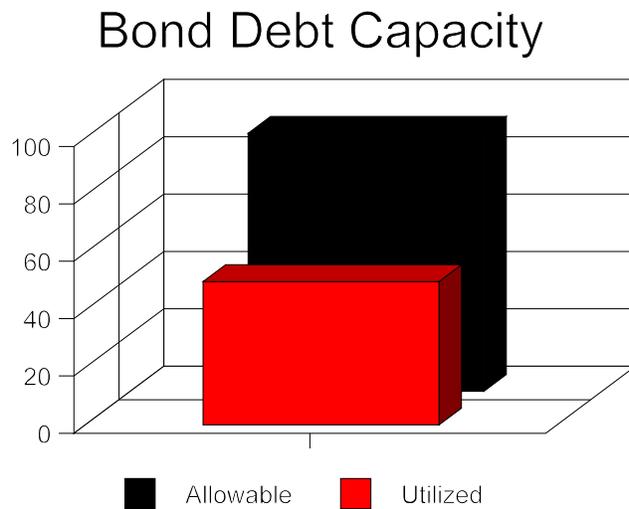
The amount of general obligation bonded debt that can be incurred by the City is limited by state statute. Total outstanding bonded debt during a year can be no greater than 15% of the assessed value of the taxable property within such municipality, according to the last completed assessment for taxation, unless certain conditions, such as set forth in state statutes under Mississippi Code Ann., Section 21-33-303, have been met which increases the bonded debt to no greater than 20% of the assessed value. As of September 30, 2013, the amount of outstanding bonded debt was equal to 5.52% property assessments of \$87,155,612, computed as follows:

City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

Bonded Debt:	
General Obligation Bonds	\$ 4,815,000
Enterprise Funds	2,863,853
Less Excludable Debt:	
Enterprise Funds	<u>(2,863,853)</u>
Total Debt Subject to Limitation	\$4,815,000
Assessed Valuation	87,155,612
Percentage	5.52%

The following is a graphic representation of the bond debt capacity.



Other Long-term Debt

Motorola Lease Purchases

Annual debt service requirements to maturity are as follows:

<u>Original Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>			
\$232,890	5-1-2011	10-1-2014			
	Year Ending				
	June 30		Principal	Interest	Total
	2014	\$	78,836	6,138	84,974
	2015		81,848	3,127	84,975
	Total	\$	160,684	9,265	169,949

This debt is to be retired from the General Fund.

City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

Motorola Lease Purchases

Annual debt service requirements to maturity are as follows:

<u>Original Amount</u>		<u>Issue Date</u>		<u>Maturity Date</u>
\$152,799		6-1-2011		10-1-2014
	Year Ending			
	June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2014	\$ 51,559	4,014	55,573
	2015	53,529	2,045	55,574
	Total	\$ 105,088	6,059	111,147

This debt is to be retired from the General Fund.

Sirens Commercial Lease

Annual debt service requirements to maturity are as follows:

<u>Original Amount</u>		<u>Issue Date</u>		<u>Maturity Date</u>
\$63,696		11-10-2011		11-01-2014
	Year Ending			
	June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2014	\$ 21,207	2,171	23,378
	2015	22,266	1,112	23,378
	Total	\$ 43,473	3,283	46,756

This debt is to be retired from the General Fund.

Quick Attack Vehicle Lease

Annual debt service requirements to maturity are as follows:

<u>Original Amount</u>		<u>Issue Date</u>		<u>Maturity Date</u>
\$125,671		2-15-2012		10-31-2015
	Year Ending			
	June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2014	\$ 30,530	3,468	33,998
	2015	31,645	2,353	33,998
	2016	32,800	1,198	33,998
	Total	\$ 94,975	7,019	101,994

City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

This debt is to be retired from the General Fund.

7. BUSINESS-TYPE ACTIVITIES - CAPITAL ASSETS

The following is a summary of the capital assets of the Enterprise Fund at September 30, 2012:

	Balance 10-1-2012	Additions	Adjustments	Balance 9-30-2013
<u>Non-depreciable capital assets:</u>				
Construction in progress	\$ 45,968			45,968
Total non-depreciable capital assets	45,968	0	0	45,968
<u>Depreciable capital assets:</u>				
Infrastructure	2,332,419		46,905	2,379,324
Improvements other than buildings		31,446		31,446
Mobile equipment	20,124			20,124
Furniture and equipment	110,634	94,217		204,851
Total depreciable capital assets	2,463,177	125,663	46,905	2,635,745
<u>Less accumulated depreciation for:</u>				
Infrastructure	26,663	80,522	(533)	106,652
Improvements other than buildings		1,757		1,757
Mobile equipment	608	3,646		4,254
Furniture and equipment	6,229	22,992		29,221
Total accumulated depreciation	33,500	108,917	(533)	141,884
Total depreciable capital assets, net	2,429,677	16,746	47,438	2,493,861
Business-type activities capital assets, net	\$ 2,475,645	16,746	47,438	2,539,829

The following are the amounts spent at September 30, 2013 on the different projects of the business-type activities of the City of Byram:

	Amount	Remaining Commitments
Lake Ridgelea	\$ 45,968	968,529

City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

8. BUSINESS-TYPE ACTIVITIES - LONG-TERM DEBT

The following is a detail of changes in the enterprise funds long-term debt.

	<u>Balance</u> 10-1-2012	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> 9-30-2013	<u>Amounts due</u> within one year
<u>Other Long - Term Debt</u>					
SRF Sewer Improvements loan	\$ 2,750,000		98,945	2,651,055	117,908
SRF Water Pollution loan		212,798		212,798	
	<u>\$ 2,750,000</u>	<u>212,798</u>	<u>98,945</u>	<u>2,863,853</u>	<u>117,908</u>

	<u>Date of</u> <u>Obligation</u>	<u>Date of</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Original</u> <u>Amount</u>	<u>Balance</u> 9-30-2013
<u>Other Long - Term Debt</u>					
SRF Sewer Improvements loan	9-1-2012	9-1-2032	1.75%	\$ 2,750,000	2,651,055
SRF Water Pollution loan				212,798	212,798
Total				<u>\$ 2,962,798</u>	<u>2,863,853</u>

Other Long-Term Debt

State Revolving Fund (SRF) Sewer Improvements loan:

<u>Original Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
\$2,750,000	9-1-2012	6-1-2032	1.75%

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 117,908	45,155	163,063
2015	119,988	43,075	163,063
2016	122,105	40,958	163,063
2017	124,259	38,804	163,063
2018	126,451	36,612	163,063
2019-2023	666,510	148,801	815,311
2024-2028	727,413	87,900	815,313
2029-2032	646,421	5,829	652,250
Total	<u>\$ 2,651,055</u>	<u>447,134</u>	<u>3,098,189</u>

This debt will be paid from the Sewer Fund.

State Revolving Fun (SRF) Water Pollution loan:

<u>Original Amount</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
\$212,798	N/A	N/A	N/A

Full line of credit (\$677,082) has yet to be drawn. Loan will capitalize upon completion of draws made from line of credit.

City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

This debt will be retired from the Sewer Fund.

9. DEFINED BENEFIT PENSION PLAN

Plan Description

The City of Byram, Mississippi contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit public employee 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 Employee's Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201 or by calling (601) 359-3589 or 1-800-444-PERS.

Funding Policy

PERS members are required to contribute 9.00% of their annual covered salary and City is required to contribute at an actuarially determined rate. The contribution 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 Mississippi Legislature. The City's contributions to PERS for the fiscal years ending September 30, 2013, 2012 and 2011 were \$321,730, \$243,198 and \$158,066, which equaled the required contributions for the year.

10. 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. 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.

The city finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The city pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$500,000 for employees for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

11. PRIOR PERIOD ADJUSTMENTS

A summary of significant fund equity adjustments are as follows:

Exhibit A-2 - Statement of Activities

<u>Explanation:</u>	<u>Amount</u>
<u>Governmental Activities:</u>	
Adjustments were made to properly present capital assets.	\$ <u>7,611</u>
<u>Business-Type Activities:</u>	
Adjustments were made to properly present capital assets.	\$ <u>47,438</u>

Exhibit A-8 - Statement of Revenues, Expenditures and Changes in Net Position

<u>Fund</u>	<u>Explanation</u>	<u>Amount</u>
Sewer Fund	To record adjustments to properly present capital assets.	\$ <u>47,438</u>

12. 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 Byram evaluated the activity of the city through the date the financial statements were available to be issued, and determined that the following subsequent event has occurred requiring disclosure in the notes to the financial statements:

State Revolving Fund (SRF) Water Pollution loan has yet to have been drawn in full up to \$677,082.

City of Byram, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2013

13. DEFICIT FUND BALANCE OF INDIVIDUAL FUNDS

A generic fund type listing of the individual funds that have a deficit fund balance, including amounts of the deficits, is as follows:

		<u>Amount</u>
<u>Enterprise Fund</u>		
Sewer Fund	\$	535,204
<u>Capital Project Funds</u>		
CDBG Lake Ridgelea Sewer Fund		<u>302,813</u>
Total	\$	<u>838,017</u>

These deficits are not in violation of state law and will be remedied.

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

The general fund is used to account for resources traditionally associated with government which are not required to be accounted for in another fund.

The City maintains one general fund.

City of Byram, Mississippi
 General Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2013

Exhibit B-1

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Sales taxes	\$ 1,610,000	1,735,000	1,946,916	211,916
Property taxes	2,485,223	2,558,723	2,670,656	111,933
Licenses and permits	365,500	383,000	385,417	2,417
Fines and forfeitures	276,000	278,500	288,986	10,486
Investment income	-	-	15,516	15,516
Grants and donations	-	-	8,345	8,345
Charges for services	-	-	23,739	23,739
Intergovernmental programs	922,100	511,100	784,861	273,761
Other	485,000	150,700	19,258	(131,442)
Total Revenues	6,143,823	5,617,023	6,143,694	526,671
Expenditures:				
General government	860,105	1,502,802	1,266,269	236,533
Public safety	3,356,899	3,748,297	2,901,196	847,101
Public services	1,996,296	1,085,634	1,246,617	(160,983)
Culture and recreation	847,000	62,000	25,437	36,563
Debt service:				-
Principal	-	-	170,836	(170,836)
Interest	-	-	27,086	(27,086)
Total Expenditures	7,060,300	6,398,733	5,637,441	(761,292)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(916,477)	(781,710)	506,253	(234,621)
Other Financing Sources (Uses):				
Other	-	-	491	491
Total Other Financing Sources (Uses)	-	-	491	491
Net Change in Fund Balances	(916,477)	(781,710)	506,744	(234,130)
Fund Balances - Beginning	-	-	4,204,327	4,204,327
Fund Balances - Ending	\$ (916,477)	(781,710)	4,711,071	3,970,197

City of Byram, Mississippi

Notes to the Required Supplementary Information
For the Year Ended September 30, 2013

Budgetary Comparison Schedule

(1) Basis of Presentation

All funds of the City of Byram, Mississippi, governmental, are budgeted, and are presented in either the accompanying financial statements or in schedules thereto. For comparison purposes, the final, amended budget is utilized, and it is presented on a modified cash basis of accounting as required by the State of Mississippi, which is not consistent with generally accepted accounting principles. All budgetary appropriations lapse at year-end.

(2) Budget amendments and revisions

The budget is adopted and may be amended by the Board of Aldermen. A budgetary comparison is presented for the general fund and is presented on a modified cash basis of accounting.

OTHER SUPPLEMENTARY INFORMATION

Supplementary information is presented to provide greater detailed information than reported in the preceding financial statements. This information, in many cases, has been spread throughout the report and is brought together here for greater clarity. Financial schedules are not necessary for fair presentation, in order to be in conformity with Generally Accepted Accounting Principles.

CITY OF BYRAM, MISSISSIPPI
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2013

EXHIBIT C-1

	Special Revenue Funds	Debt Service Fund <u>2010 GO</u> Bond & Interest Fund	Total Nonmajor Governmental Funds (See Exhibit A-3)
Assets:			
<i>Pooled cash and cash equivalents</i>	\$ 57,196	\$ 44,972	\$ 102,168
Total Assets	<u>\$ 57,196</u>	<u>\$ 44,972</u>	<u>\$ 102,168</u>
Liabilities and Fund Balances:			
Liabilities:			
<i>Accounts payable</i>	\$ 2,258	\$ --	\$ 2,258
Total Liabilities	<u>2,258</u>	<u>--</u>	<u>2,258</u>
Fund Balances:			
Restricted:			
<i>Unemployment benefits</i>	54,322	--	54,322
<i>Public safety</i>	616	--	616
<i>Debt services</i>	--	44,972	44,972
Total Fund Balances	<u>54,938</u>	<u>44,972</u>	<u>99,910</u>
Total Liabilities and Fund Balances	<u>\$ 57,196</u>	<u>\$ 44,972</u>	<u>\$ 102,168</u>

CITY OF BYRAM, MISSISSIPPI

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXHIBIT C-2

	Special Revenue Funds	Debt Service Fund <u>2010 GO Bond & Interest Fund</u>	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenues:			
<i>Property taxes</i>	\$ --	\$ 354,152	\$ 354,152
<i>Investment income</i>	163	396	559
<i>Grants and donations</i>	20,422	--	20,422
<i>Intergovernmental programs</i>	--	13,681	13,681
<i>Other</i>	1,303	--	1,303
Total Revenues	<u>21,888</u>	<u>368,229</u>	<u>390,117</u>
Expenditures:			
<i>General government</i>	2,258	3,366	5,624
<i>Debt service:</i>			
<i>Principal</i>	--	185,000	185,000
<i>Interest</i>	--	142,300	142,300
<i>Other</i>	--	500	500
Total Expenditures	<u>2,258</u>	<u>331,166</u>	<u>333,424</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>19,630</u>	<u>37,063</u>	<u>56,693</u>
Net Change in Fund Balances	<u>19,630</u>	<u>37,063</u>	<u>56,693</u>
Fund Balances - Beginning	35,308	7,909	43,217
Fund Balances - Ending	<u>\$ 54,938</u>	<u>\$ 44,972</u>	<u>\$ 99,910</u>

SPECIAL REVENUE FUNDS

The special revenue fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted for specific expenditure purposes.

The City maintains the following two (2) special revenue funds to accomplish the afore stated purposes:

1. Law Enforcement Fund
2. Unemployment Fund

CITY OF BYRAM, MISSISSIPPI
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 SEPTEMBER 30, 2013

Exhibit C-3

	<u>Law Enforcement</u>	<u>Unemployment Fund</u>	<u>Total Nonmajor Special Revenue Funds (See Exhibit C-1)</u>
Assets:			
<i>Pooled cash and cash equivalents</i>	\$ 616	\$ 56,580	\$ 57,196
Total Assets	<u>\$ 616</u>	<u>\$ 56,580</u>	<u>\$ 57,196</u>
Liabilities and Fund Balances:			
Liabilities:			
<i>Accounts payable</i>	\$ --	\$ 2,258	\$ 2,258
Total Liabilities	<u>--</u>	<u>2,258</u>	<u>2,258</u>
Fund Balances:			
Restricted:			
<i>Unemployment benefits</i>	--	54,322	54,322
<i>Public safety</i>	616	--	616
Total Fund Balances	<u>616</u>	<u>54,322</u>	<u>54,938</u>
Total Liabilities and Fund Balances	<u>\$ 616</u>	<u>\$ 56,580</u>	<u>\$ 57,196</u>

CITY OF BYRAM, MISSISSIPPI

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Exhibit C-4

	Law Enforcement	Unemployment Fund	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
Revenues:			
<i>Investment income</i>	\$ 2	\$ 161	\$ 163
<i>Grants and donations</i>	--	20,422	20,422
<i>Other</i>	--	1,303	1,303
Total Revenues	<u>2</u>	<u>21,886</u>	<u>21,888</u>
Expenditures:			
<i>General government</i>	--	2,258	2,258
Total Expenditures	<u>--</u>	<u>2,258</u>	<u>2,258</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2</u>	<u>19,628</u>	<u>19,630</u>
Net Change in Fund Balances	<u>2</u>	<u>19,628</u>	<u>19,630</u>
Fund Balances - Beginning	614	34,694	35,308
Fund Balances - Ending	<u>\$ 616</u>	<u>\$ 54,322</u>	<u>\$ 54,938</u>

CITY OF BYRAM, MISSISSIPPI

Exhibit C-5

Law Enforcement Fund
 Special Revenue Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental programs	\$ 1,025	1,025	2	(1,023)
Total Revenues	<u>1,025</u>	<u>1,025</u>	<u>2</u>	<u>(1,023)</u>
Expenditures:				
Supplies	600	600		
Total Expenditures	<u>600</u>	<u>600</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>425</u>	<u>425</u>	<u>2</u>	<u>(423)</u>
Net Change in Fund Balances	<u>425</u>	<u>425</u>	<u>2</u>	<u>(423)</u>
Fund Balances - Beginning	-	-	614	614
Fund Balances - Ending	<u>\$ 425</u>	<u>425</u>	<u>616</u>	<u>191</u>

CITY OF BYRAM, MISSISSIPPI
 Unemployment Fund
 Special Revenue Funds
 Budgetary Comparison Schedule
 For the year ended September 30, 2013

Exhibit C-6

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Investment income	\$ -	-	161	161
Grants and donations	32,180	32,180	20,422	(11,758)
Other	-	-	1,303	1,303
Total Revenues	32,180	32,180	21,886	(10,294)
Expenditures:				
General government	15,000	15,000	2,258	12,742
Total Expenditures	15,000	15,000	2,258	12,742
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,180	17,180	19,628	2,448
Net Change in Fund Balances	17,180	17,180	19,628	2,448
Fund Balances - Beginning	-	-	34,694	34,694
Fund Balances - Ending	\$ 17,180	17,180	54,322	37,142

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal which are obligated in some manner for payment.

The City maintains only one debt service fund to accomplish the afore stated purpose:

1. 2012 GO Bond & Interest Fund

CITY OF BYRAM, MISSISSIPPI
 2012 GO Bond & Interest Fund
 Debt Service Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2013

Exhibit C-7

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 339,428	339,428	354,152	14,724
Investment income	100	100	396	296
Intergovernmental programs	-	-	13,681	13,681
Total Revenues	339,528	339,528	368,229	28,701
Expenditures:				
General government	3,099	3,099	3,366	267
Debt service:				
Principal	185,000	185,000	185,000	-
Interest	142,300	142,300	142,300	-
Other	-	-	500	500
Total Expenditures	330,399	330,399	331,166	767
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,129	9,129	37,063	27,934
Net Change in Fund Balances	9,129	9,129	37,063	27,934
Fund Balances - Beginning	-	-	7,909	7,909
Fund Balances - Ending	\$ 9,129	9,129	44,972	35,843

CAPITAL PROJECT FUNDS

The Capital Project Fund Type is used to account for financial resources used for the acquisition and construction of major capital facilities other than those financed by proprietary funds. Individual capital project funds are utilized by the municipality to account for its construction projects.

The City maintains only two capital project funds as follows:

1. CDBG - Lake Ridgelea Sewer Fund
2. 2012 GO Bond Fund

CITY OF BYRAM, MISSISSIPPI
 CDBG - Lake Ridgelea Sewer Fund
 Capital Project Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2013

Exhibit C-8

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Grants and Donations	\$ 566,387	316,387	-	(316,387)
Intergovernmental Programs	579,645	304,645	288,159	(16,486)
Total Revenues	<u>1,146,032</u>	<u>621,032</u>	<u>288,159</u>	<u>(332,873)</u>
Expenditures:				
Public Services	149,360	124,360	774,807	(650,447)
Debt service	996,672	496,672	-	496,672
Total Expenditures	<u>1,146,032</u>	<u>621,032</u>	<u>774,807</u>	<u>(153,775)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(486,648)	(486,648)
Other Financing Sources (Uses):				
Transfers in	-	-	183,335	183,335
Total Other Financing Sources (Uses)	-	-	<u>183,335</u>	<u>183,335</u>
Net Change in Fund Balances	-	-	<u>(303,313)</u>	<u>(303,313)</u>
Fund Balances - Beginning	-	-	500	500
Fund Balances - Ending	\$ -	-	<u>(302,813)</u>	<u>(302,813)</u>

CITY OF BYRAM, MISSISSIPPI
 2012 GO Bond Fund
 Capital Project Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2013

Exhibit C-9

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Investment income	\$ 500	500	12,222	11,722
Total Revenues	500	500	12,222	11,722
Expenditures:				
Public safety	2,750,000	2,750,000	823,541	(1,926,459)
Public services	1,000,000	1,000,000	395,117	(604,883)
Total Expenditures	3,750,000	3,750,000	1,218,658	2,531,342
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,749,500)	(3,749,500)	(1,206,436)	2,543,064
Net Change in Fund Balances	(3,749,500)	(3,749,500)	(1,206,436)	2,543,064
Fund Balances - Beginning	-	-	3,614,037	3,614,037
Fund Balances - Ending	\$ (3,749,500)	(3,749,500)	2,407,601	6,157,101

ENTERPRISE FUND

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the services to the general public on a continuing basis are financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

The City of Byram, Mississippi operates the following Enterprise Fund:

Sewer Fund - This enterprise fund is financed with public improvement funds that accounts for resources and expenditures with the construction of eligible pollution control projects.

CITY OF BYRAM, MISSISSIPPI
 Sewer Fund
 Enterprise Fund
 Budgetary Comparison Schedule
 For the year ended September 30, 2013

Exhibit C-10

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues:				
Charges for services	620,000	639,370	576,353	(63,017)
Total Revenues	620,000	639,370	576,353	(63,017)
Expenditures:				
Personal services - salaries and wages	158,892	128,930	84,013	44,917
Personal services - employee benefits	-	-	37,065	(37,065)
Purchased professional and technical services	151,660	143,360	154,000	(10,640)
Supplies	46,900	68,620	63,826	4,794
Depreciation	-	-	108,917	(108,917)
Miscellaneous	851,626	603,376	97,279	506,097
Total Expenditures	1,209,078	944,286	545,100	44,917
Operating Income (Loss)	(589,078)	(304,916)	31,253	336,169
Non-Operating Revenues (Expenses):				
Loan proceeds	600,000	305,000	-	(305,000)
Interest revenue	100	100	117	17
Debt service interest	-	-	(62,577)	(62,577)
Total Non-Operating Revenues (Expenses)	600,100	305,100	(62,460)	(367,560)
Net Income (Loss) before Operating Transfers	11,022	184	(31,207)	(31,391)
Transfers out	-	-	(183,335)	(183,335)
Net Income (Loss)	11,022	184	(214,542)	(214,726)
Net Position- Beginning, as previously reported	-	-	(368,100)	(368,100)
Prior Period Adjustment	-	-	47,438	47,438
Net Position - Beginning, as restated	-	-	(320,662)	(320,662)
Net Position - Ending	\$ 11,022	184	(535,204)	(535,388)

City of Byram
Schedule of Surety Bonds for Municipal Officials
September 30, 2013

Name	Position	Company	Bond Amount
Richard White	Mayor	Travelers Casualty & Surety	\$ 100,000
Richard Cook	Alderman At Large	Travelers Casualty & Surety	\$ 100,000
Jim Moser	Alderman	Travelers Casualty & Surety	\$ 100,000
Diandra Hosey	Alderman	Travelers Casualty & Surety	\$ 100,000
Theresa Marble	Alderman	Travelers Casualty & Surety	\$ 100,000
Teresa Mack	Alderman	Travelers Casualty & Surety	\$ 100,000
Wanda Smith	Alderman	Travelers Casualty & Surety	\$ 100,000
D.L. Ford	Alderman	Travelers Casualty & Surety	\$ 100,000
Angela Richburg	City Clerk	Travelers Casualty & Surety	\$ 50,000
Linda White	Deputy City Clerk	Travelers Casualty & Surety	\$ 50,000
Luke Thompson	Police Chief	Travelers Casualty & Surety	\$ 50,000
Paula Morrison	Court Clerk	Travelers Casualty & Surety	\$ 50,000
Darnishia Norwood	Deputy Court Clerk	Travelers Casualty & Surety	\$ 50,000
Ayn Reed	Executive Asst	Travelers Casualty & Surety	\$ 50,000
Jacqueline Wright	CID Admin Asst	Travelers Casualty & Surety	\$ 50,000
Kitty Thompson	Compliance Clerk	Travelers Casualty & Surety	\$ 50,000
Hiawatha Stewart	Records Clerk	Travelers Casualty & Surety	\$ 50,000
Courtney Walters	Sewer Billing Clerk	Travelers Casualty & Surety	\$ 50,000
Reginald Cooper	Police Officer	Travelers Casualty & Surety	\$ 50,000
Colin Cooper	Police Officer	Travelers Casualty & Surety	\$ 50,000
Ford Hayman	Police Officer	Travelers Casualty & Surety	\$ 50,000
Maurice Kendrick	Police Officer	Travelers Casualty & Surety	\$ 50,000

	Date of Obligation	Date of Maturity	Interest Rate	Original Amount	Balance			Balance September 30, 2013
					October 1, 2012	Current Year Transactions		
						Additions	Reductions	
Long-Term Debt								
General Obligations Bonds								
Public Improvement	8/1/2012	8/1/2032	2.4 - 3.4%	5,000,000	\$ 5,000,000	-	185,000	4,815,000
Total General Obligation Bonds					\$ 5,000,000	-	185,000	4,815,000
Other Long-Term Debt								
Motorola Lease Purchase	6/1/2011	10/1/2014	3.82%	152,799	\$ 152,799	-	47,711	105,088
Motorola Lease Purchase	5/1/2011	10/1/2014	3.82%	232,890	232,890	-	72,206	160,684
Sirens Commercial Lease	11/10/2011	11/1/2014	6.36%	63,696	63,696	-	20,223	43,473
Quick Attack Vehicle Lease	2/15/2012	10/31/2015	3.65%	125,671	125,671	-	30,696	94,975
Total Other Long-Term Debt				5,575,056	\$ 575,056	-	170,836	404,220
Total Long-Term Debt					\$ 5,575,056	-	355,836	5,219,220
Enterprise Fund Type								
Other Long-Term Debt								
SRF Sewer Improvements loan	9/1/2012	6/1/2032	1.75%	2,750,000	\$ 2,750,000	-	98,945	2,651,055
SRF Water Pollution Loan				212,798	-	212,798	-	212,798
				2,962,798	\$ 2,750,000	212,798	98,945	2,863,853

City of Byram, MississippiSchedule of Expenditure of Federal Awards
For the Year Ended September 30, 2013**Schedule D-3**

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Transportation</u>		
Passed-through the Mississippi Department of Transportation		
Highway Planning and Construction	20.205	\$ 305,339
Total Passed-through the Mississippi Department of Transportation		<u>305,339</u>
Total U.S. Department of Transportation		<u>305,339</u>
<u>U.S. Department of Justice</u>		
Passed-through the Mississippi Department of Public Safety		
Bulletproof Vest Partnership Program	16.607	1,036
Total Passed-through the Mississippi Department of Public Safety		<u>1,036</u>
Total U.S. Department of Justice		<u>1,036</u>
<u>U.S. Department of Housing and Urban Development</u>		
Passed-through the Mississippi Development Authority		
Community Development Block Grant - Special Purpose Grants	14.228	397,403
Total Passed-through the Mississippi Development Authority		<u>397,403</u>
Total U.S. Department of Housing and Urban Development		<u>397,403</u>
<u>U.S. Environmental Protection Agency</u>		
Passed-through the Mississippi Department of Environmental Quality		
ARRA - Capitalization Grants for Clean Water State Revolving Funds, Recovery Act	66.458	37,321
Total Passed-through the Mississippi Department of Environmental Quality		<u>37,321</u>
Total US Environmental Protection Agency		<u>37,321</u>
<u>Executive Office of the President</u>		
High Intensity Drug Trafficking Areas Program	95.001	3,115
Total Executive Office of the President		<u>3,115</u>
Total Expenditures of Federal Awards		<u>\$ 744,214</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. This schedule was prepared using the same basis of accounting and the same significant accounting policies, as applicable, used for the basic financial statements.

III

STATISTICAL SECTION

This part of the City of Byram’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

Financial Trends

These schedules contain financial trends information intended to assist the reader in understanding and assessing how a government’s financial position has changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City’s ability to generate its own-source revenues-property and sales taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place and to help make comparisons over time and with other governments.

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III

STATISTICAL SECTION

Financial Trends

Table 1	General Governmental Expenditures by Function
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Table 3	Fund Balance and Net Position Information
Table 4	Schedule of Changes in Net Position
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Revenue Capacity

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Debt Capacity

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City of Byram
Table 1
General Governmental Expenditures by Function
 Fiscal Years Beginning Year of Incorporation

Fiscal Year	General Government	Public Safety	Public Services	Culture and Recreation	Debt Service	Total
2013	\$1,271,893	\$3,724,737	\$2,416,541	\$25,437	\$525,722	\$7,964,330
2012	1,553,118	3,270,479	2,141,336	33,049	97,700	7,095,682
2011	993,846	2,920,942	480,740	18,945	-	4,414,473
2010	697,009	469,942	98,528	-	-	1,265,479
2009	-	-	-	-	-	-

City of Byram
Table 2
General Revenues by Source
Fiscal Years Beginning Year of Incorporation
(amounts expressed in thousands)

Fiscal Year	Taxes	Licenses & Permits	Inter- Governmental Revenue	Charges for Services	Fines	Grants & Donations	Investment Income	Misc.	Total
2013	\$ 4,972	\$ 385	\$ 1,087	\$ 24	\$ 289	\$ 29	\$ 28	\$ 20	\$ 6,834
2012	4,272	385	430	16	379	61	27	19	5,589
2011	4,070	386	542	18	163	-	43	18	5,240
2010	3,800	210	144	1	-	-	19	15	4,189
2009	-	-	-	-	-	-	-	-	-

City of Byram

Table 3

Fund Balance and Net Position Information

Fiscal Years Beginning Year of Incorporation

(amounts expressed in thousands)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Governmental Funds Fund Balances</u>					
General Fund					
Unassigned	\$4,711	\$4,204	\$4,123	\$2,923	\$0
Total General Fund	<u>4,711</u>	<u>4,204</u>	<u>4,123</u>	<u>2,923</u>	<u>-</u>
All Other Governmental Funds					
Restricted:					
Unemployment	\$54	\$35	\$14	\$1	\$0
Public Safety	1	1	-	-	-
Capital Projects	2,105	3,614	-	-	-
Debt Service	45	8	-	-	-
Unassigned	4,711	4,204	-	-	-
Total All Other Governmental Funds	<u>\$6,916</u>	<u>\$7,862</u>	<u>\$14</u>	<u>\$1</u>	<u>\$0</u>
<u>Government-Wide Funds Net Position</u>					
Governmental Activities:					
Net Investment in Capital Assets	\$5,634	\$2,370	\$6,074	\$5,421	\$0
Restricted	2,168	3,658	14	1	-
Unrestricted	4,697	4,231	4,093	2,923	-
Total Governmental Activities	<u>\$12,499</u>	<u>\$10,259</u>	<u>\$10,181</u>	<u>\$8,345</u>	<u>\$0</u>
Business-Type Activities:					
Net Investment in Capital Assets	(\$324)	(\$274)	\$0	\$0	\$0
Unrestricted	(211)	(94)	-	-	-
Total Business-Type Activities	<u>(\$535)</u>	<u>(\$368)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Primary Government:					
Net Investment in Capital Assets	\$5,310	\$2,096	\$6,074	\$5,421	\$0
Restricted	2,168	3,658	14	1	-
Unrestricted	4,486	4,137	4,093	2,923	-
Total Primary Government	<u>\$11,964</u>	<u>\$9,891</u>	<u>\$10,181</u>	<u>\$8,345</u>	<u>\$0</u>

*Fund Balance information with respect to these categories for years 2009-2010 is unavailable before GASB 54 implementation.

City of Byram
Table 4
Schedule of Changes in Net Position, Last Five Fiscal Years
Fiscal Years Beginning with Year of Incorporation
(accrual basis of accounting)

	2013	2012	2011	2010	2009
Expenses					
Governmental activities:					
General government	\$1,744,091	\$2,166,967	\$1,262,270	\$882,958	\$0
Public safety	495,330	1,255,309	1,548,243	144,085	-
Public works	2,479,546	2,196,081	521,605	125,092	-
Culture and recreation	25,437	33,049	18,945	-	-
Interest on long-term debt	42,002	-	-	-	-
Total governmental activities expenses	<u>4,786,406</u>	<u>5,651,406</u>	<u>3,351,063</u>	<u>1,152,135</u>	<u>-</u>
Business-type activities					
Sewer	607,677	592,306	-	-	-
Total business-type activities expenses	<u>607,677</u>	<u>592,306</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government expenses	<u><u>\$5,394,083</u></u>	<u><u>\$6,243,712</u></u>	<u><u>\$3,351,063</u></u>	<u><u>\$1,152,135</u></u>	<u><u>\$0</u></u>
Program Revenues					
Governmental activities					
Charges for services:					
General government	\$882,694	\$1,161,125	\$682,135	\$210,740	\$0
Operating grants and contributions	898,923	250,887	418,823	130,678	-
Total governmental activities program revenues	<u>1,781,617</u>	<u>1,412,012</u>	<u>1,100,958</u>	<u>341,418</u>	<u>-</u>
Business-type activities:					
Charges for services:					
Sewer	576,353	32,938	-	-	-
Operating grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>576,353</u>	<u>32,938</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government program revenues	<u><u>\$2,357,970</u></u>	<u><u>\$1,444,950</u></u>	<u><u>\$1,100,958</u></u>	<u><u>\$341,418</u></u>	<u><u>\$0</u></u>
Net (Expense)/Revenue					
Governmental activities	(\$3,004,789)	(\$4,239,394)	(\$2,250,105)	(\$810,717)	\$0
Business-type activities	(31,324)	(559,368)	0	0	0
Total primary government net expense	<u><u>(\$3,036,113)</u></u>	<u><u>(\$4,798,762)</u></u>	<u><u>(\$2,250,105)</u></u>	<u><u>(\$810,717)</u></u>	<u><u>\$0</u></u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes					
Property taxes	\$3,024,808	\$2,561,178	\$2,542,079	\$2,307,169	\$0
Sales taxes	1,946,916	1,711,344	1,527,692	1,493,274	-
Other taxes	23,792	30,042	20,883	14,969	-
Grants and contributions	-	614	-	-	-
Unrestricted investment income	28,297	27,432	43,350	19,482	-
Miscellaneous	29,253	57,632	5,977	13,667	-
Transfers	183,335	20,854	-	-	-
Total governmental activities	<u>5,236,401</u>	<u>4,409,096</u>	<u>4,139,981</u>	<u>3,848,561</u>	<u>-</u>
Business-type activities:					
Unrestricted investment income	117	34	-	-	-
Miscellaneous	-	212,088	-	-	-
Transfers	(183,335)	(20,854)	-	-	-
Total business-type activities	<u>(183,218)</u>	<u>191,268</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u><u>\$5,053,183</u></u>	<u><u>\$4,600,364</u></u>	<u><u>\$4,139,981</u></u>	<u><u>\$3,848,561</u></u>	<u><u>\$0</u></u>
Change in Net Position					
Governmental activities	\$2,231,612	\$169,702	\$1,889,876	\$3,037,844	\$0
Business-type activities	(214,542)	(368,100)	-	-	-
Total primary government	<u><u>\$2,017,070</u></u>	<u><u>(\$198,398)</u></u>	<u><u>\$1,889,876</u></u>	<u><u>\$3,037,844</u></u>	<u><u>\$0</u></u>

City of Byram

Table 5

Schedule of Changes in Fund Balance

Fiscal Years Beginning Year of Incorporation

(modified accrual basis of accounting)

	2013	2012	2011	2010	2009
Revenues					
Sales taxes	\$1,946,916	\$1,711,344	\$1,527,692	\$1,493,274	\$0
Property taxes	3,024,808	2,561,178	2,542,079	2,307,169	0
Licenses, fees, and permits	385,417	385,075	386,048	210,340	0
Fines and forfeitures	288,986	378,722	163,268	0	0
Investment income	28,297	27,432	43,350	19,482	0
Grants and donations	28,767	60,687	0	0	0
Charges for services	23,739	16,230	17,737	400	0
Intergovernmental programs	1,086,701	429,718	542,253	144,384	0
Other revenue	20,561	19,048	18,409	14,930	0
Total Revenues	6,834,192	5,589,434	5,240,836	4,189,979	0
Expenditures					
General government	1,271,893	1,553,118	993,846	697,009	0
Public safety	3,724,737	3,270,479	2,920,942	469,942	0
Public services	2,416,541	2,141,336	480,740	98,528	0
Culture and recreation	25,437	33,049	18,945	0	0
Debt service:					
Principal	355,836	0	0	0	0
Interest	169,386	0	0	0	0
Other	500	97,700	0	0	0
Total Expenditures	7,964,330	7,095,682	4,414,473	1,265,479	0
Excess of revenues over/ (under) expenditures	(1,130,138)	(1,506,248)	826,363	2,924,500	0
Other Financing Sources (Uses)					
Issuance of bonds/ loan proceeds	0	5,000,000	0	0	0
Inception of leases	0	189,367	385,689	0	0
Insurance proceeds	0	21,453	0	0	0
Transfers from other funds	183,335	1,310,854	0	0	0
Transfers to other funds	0	(1,290,000)	0	0	0
Other	491	0	103	0	0
Total other financing sources (uses)	183,826	5,231,674	385,792	0	0
Net change in fund balances	(\$946,312)	\$3,725,426	\$1,212,155	\$2,924,500	\$0
Debt service as a percentage of noncapital expenditures	11.86%	1.97%	0.00%	0.00%	0.00%

City of Byram
Table 6
Assessed and Actual Value of Property (1)
Fiscal Years Beginning Year of Incorporation

Fiscal Year	REAL PROPERTY		PERSONAL PROPERTY		UTILITIES		VEHICLES		TOTALS		% Assessed Increase (Decrease)
	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value	
2013	\$ 64,548,959	\$ 471,849,115	\$ 4,432,446	\$ 29,549,640	\$ 3,059,072	\$20,393,813	\$ 15,115,135	\$ 50,383,783	\$ 87,155,612	\$ 572,176,352	2.9%
2012	62,098,521	453,936,557	4,156,928	27,712,853	3,829,528	25,530,187	14,638,321	48,794,403	84,723,298	555,974,000	7.3%
2011	61,203,466	447,393,757	4,339,798	28,931,987	4,200,000	28,000,000	9,239,736	30,799,120	78,983,000	535,124,864	5.0%
2010	60,107,586	439,382,939	3,928,445	26,189,633	-	-	11,200,000	37,333,333	75,236,031	502,905,905	100.0%
2009	-	-	-	-	-	-	-	-	-	-	0.0%

(1) Assessment rates are as follows:

Real Property - Assessed at 10% of actual value for homeowner-occupied, 15% for all others.

Personal Property - Assessed at 15% of actual value.

Utilities - Assessed at 15% of actual value.

Vehicles - Assessed at 30% of actual value.

Above schedule uses estimated combined assessment ratio of 13.68% for real property.

(2) The weighted average of all individual direct rates is 14.9%.

Source: Hinds County Tax Assessor

(3) Incorporation was effective in June, 2009

City of Byram
Table 7
Property Tax Rates
Direct and Overlapping Governments
Fiscal Years Beginning Year of Incorporation

Fiscal Year	City of Byram			Hinds County			School District			Grand Total Millage
	Operating Millage	Debt Millage	Total Millage	Operating Millage	Debt Millage	Total Millage	Operating Millage	Debt Millage	Total Millage	
2013	30	4.10	34.10	42.92	2.280	45.20	50.18	10.82	61.00	140.30
2012	30	4.10	34.10	42.75	2.455	45.21	48.97	12.03	61.00	140.31
2011	30	0.00	30.00	41.96	3.245	45.21	49.87	11.13	61.00	136.21
2010	30	0.00	30.00	41.96	3.245	45.21	48.17	12.81	60.98	136.19
2009	0	0.00	0.00	39.91	3.245	43.15	48.13	15.11	63.24	106.39

Source: City of Byram

City of Byram
Table 8
Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds
Current and Four Years Ago

Fiscal Year	Jurisdiction	(1) Net General Obligation Bonded Debt Outstanding	(2) Percentage Applicable to Byram	Amount Applicable to Byram
Direct:				
2013	City of Byram	\$4,770,028	100.00%	\$4,770,028
Overlapping:				
2013	Hinds County	38,605,000	3.72%	1,436,106
2013	Hinds County Schools	27,168,000	19.41%	5,273,309
Total Overlapping		<u>65,773,000</u>		<u>6,709,415</u>
Total Direct & Overlapping		<u>\$70,543,028</u>		<u>\$11,479,443</u>
Direct:				
2009	City of Byram	\$0	100.00%	\$0
Overlapping:				
2009	Hinds County	46,745,000	3.72%	1,738,914
2009	Hinds County Schools	29,753,000	19.41%	5,775,057
Total Overlapping		<u>76,498,000</u>		<u>7,513,971</u>
Total Direct & Overlapping		<u>\$76,498,000</u>		<u>\$7,513,971</u>

(1) Total bonded G.O. debt less amount in debt service funds for retirement of bonds.

(2) The percentage used is based on taxable assessed valuation.

Source: Hinds County School District, Hinds County

City of Byram
Table 9
Ratios of Outstanding Debt by Type
Fiscal Years Beginning Year of Incorporation

Fiscal Year	Governmental Activities		Business-type Activities			Total Primary Government	Percentage of Personal Income (a)	Per Capita
	General Obligation Bonds	Other Debt	General Obligation Bonds	State Revolving Fund Loans	Other Debt			
2013	\$ 4,815,000	\$ 673,637	\$ -	\$ 2,651,055	\$ -	\$ 8,139,693	3.01%	694
2012	5,000,000	575,056	-	2,750,000	-	8,325,056	2.82%	710
2011	0	415,073	0	0	0	415,073	0.15%	36
2010	0	6,450	0	0	0	6,450	0.00%	1
2009	0	0	0	0	0	0	0.00%	0

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(a) See Table 20 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

City of Byram
Table 10
Legal Debt Margin Information
Fiscal Years Beginning Year of Incorporation

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Assessed Value of Property	\$87,155,612	\$84,723,298	\$78,983,000	\$75,236,031	\$0
Debt Limit, 15% of Assessed Valuation	13,073,342	12,708,495	11,847,450	11,285,405	0
Amount of Debt Applicable to Limit:					
General Long-Term Debt	4,815,000	5,000,000	0	0	0
G.O. Public Utility Bonds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Bonded Debt (a)	4,815,000	5,000,000	0	0	0
Less:					
G. O. Public Utility Bonds					
Total Excluded (b)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Debt Applicable to Limit (a)-(b)	4,815,000	5,000,000	0	0	0
Legal Debt Margin?	<u>\$8,258,342</u>	<u>\$7,708,495</u>	<u>\$11,847,450</u>	<u>\$11,285,405</u>	<u>\$0</u>
Total Net Debt Applicable to the Limit as a percentage of debt limit	36.83%	39.34%	0.00%	0.00%	0.00%

City of Byram

Table 11

**Ratio of Net General Obligation Debt to Assessed Value and
Net General Obligation Bonded Debt Per Capita**

Fiscal Years Beginning Year of Incorporation

<u>Fiscal Year</u>	<u>Estimated Population (1)</u>	<u>Assessed Valuation (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Less Debt Service Fund</u>	<u>Net Bonded Debt</u>	<u>Net Bonded Debt Per Capita (4)</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>
2013	11,721 \$	87,155,612 \$	4,815,000 \$	44,972 \$	4,770,028 \$	407	5.47%
2012	11,721	84,723,298	5,000,000	-	5,000,000	427	5.90%
2011	11,605	78,983,000	-	-	-	0	0.00%
2010	11,489	75,236,031	-	-	-	0	0.00%
2009	11,373	0	0	0	0	0	0.00%

(1) Bureau of the Census established 2000 and 2010 populations.

Interim figures are based on estimates by the Planning District and residential construction permits.

(2) From Table 6.

(3) General obligation bonds reported in the Enterprise Fund and Special Assessment debt have been excluded.

(4) Expressed in actual dollars.

City of Byram
Table 12
Ratio of Annual Debt Service Expenditures for
General Obligation Bonded Debt to Total Governmental Expenditures
 Fiscal Years Beginning Year of Incorporation

Fiscal Year	Principal	Interest	Total Debt Service	Total Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2013	\$ 185,000	\$ 142,300	\$ 327,300	7,964,330	4.11%
2012	0	0	0	7,095,682	0.00%
2011	0	0	0	4,414,473	0.00%
2010	0	0	0	1,265,479	0.00%
2009	0	0	0	0	0.00%

City of Byram
Table 13
Construction Activity (1)
 Calendar Years Beginning Year of Incorporation

Calendar Year	Non-Residential		Residential			Alterations	Total Value	% Change
	Number of Permits	Value	Number of Permits	Increase In Family Units	Value			
2013	198	\$ 27,934	37	37	\$ 33,625,253	12	33,653,199	329.5%
2012	202	4,948,403	28	28	2,887,525	5	7,835,933	-37.6%
2011	207	10,013,349	18	18	2,552,460	2	12,565,811	-11.3%
2010	179	10,200,046	39	39	3,967,710	4	14,167,760	429.7%
2009	112	680,845	21	21	1,994,000	0	2,674,845	100.0%

(1) Source: City of Byram Building Permit Section

City of Byram

Table 14

Property Value and Construction

Calendar Years Beginning Year of Incorporation

(amounts expressed in thousands)

Fiscal Year	Real Property Value (2)	Non-Residential Construction (1)		Residential Construction (1)		Additions/ Alterations (1)	
		Number of Units	Value	Number of Units	Value	Number of Units	Value
2013	\$471,849,115	198	\$28	37	\$33,625	169	\$0
2012	453,936,557	202	4,948	28	2,888	5	7,836
2011	447,393,757	207	10,013	18	2,552	2	12,566
2010	439,382,939	179	10,200	39	3,968	4	14,168
2009	0	112	681	21	1,994	0	2,675

(1) From Table 13

(2) Total estimated actual value from Table 6

Source: City of Byram

City of Byram

Table 15

Demographic and Economic Statistics

Calendar Years Beginning Year of Incorporation

<u>Calendar Year</u>	<u>Population</u>		<u>Per Capita Personal Income</u>		<u>Total Personal Income</u>	<u>Median Age</u>		<u>County School Enrollment</u>	<u>Unemployment Rate</u>
2013	11,721	\$	23,106	\$	270,825,426	32.4	1	5,820	6.9%
2012	11,721		25,201		295,380,921	32.4	1	6,288	8.4%
2011	11,605	1	24,267		281,618,535	32.4	1	6,404	9.6%
2010	11,489		21,616		248,346,224	32.4		6,574	9.4%
2009	11,373	1	20,689		235,295,997	32.4	1	6,706	8.5%

Sources:

U. S. Census Bureau
 Economic and Community Development
 U. S. Labor Bureau Statistics
 Hinds County School District

Notes:

1) estimated

City of Byram

Table 16

Education Related Information

Fiscal Years Beginning Year of Incorporation

<u>Fiscal Year</u>	<u>Elementary Schools</u>	<u>Middle Schools</u>	<u>Total County Enrollment</u>
2013	2	1	5,820
2012	2	1	6,288
2011	2	1	6,404
2010	2	1	6,574
2009	2	1	6,706

Source: Hinds County School District

City of Byram
Table 17
Full-time Equivalent Government Employees By Function
Fiscal Years Beginning Year of Incorporation

<u>Function/Program</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General government	7	7	6	2	0
Public safety (1)	44	41	40	6	0
Public services	15	13	7	4	0
Culture and recreation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u><u>66</u></u>	<u><u>61</u></u>	<u><u>53</u></u>	<u><u>12</u></u>	<u><u>0</u></u>

Source: City of Byram

Notes:

(1) Includes Fire and Police

City of Byram
Table 18
Operating Indicators by Function
Fiscal Years Beginning Year of Incorporation

Function/Program	2013	2012	2011	2010	2009
General government					
Building permits issued	247	227	188	242	-
Building inspections conducted	507	308	338	465	-
Public safety					
Police					
Arrests	409	436	198	-	-
Traffic violations	4,152	3,250	2,532	-	-
Parking violations	41	83	10	-	-
Fire					
Number of emergency calls answered	1,050	960	-	-	-
Number of inspections conducted	137	200	-	-	-
Fire insurance rating	7	7	7	7	7
Public services					
Centerline miles of road maintained:	192	188.51	188.51	-	-
Potholes repaired	2,400	1,800	1,200	-	-
Sanitation					
Sewer					
Average daily sewage treatment (thousands of gallons)	525,000	525,000	-	-	-

Source: City of Byram

City of Byram
Table 19
Capital Assets Indicators by Function
 Fiscal Years Beginning Year of Incorporation

Function/Program	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Public safety					
Police					
Number of stations	1	1	1	-	-
Patrol units	N/A	26	24	2	-
Public services					
Street miles	193	189	189	189	189
Traffic Signals	6	6	6	4	4
Sanitation					
Sewer					
Sanitary sewers (miles)	36.67	29	-	-	-
Storm sewers (miles)	6.3	3	-	-	-
Treatment capacity (thousands of gallons)	191,625	191,625	-	-	-

Source: City of Byram

City of Byram
Table 20
Miscellaneous Statistics

Date of Incorporation	6/16/2009	Other:	
Form of Government	Mayor/Aldermen	Average selling price of homes	\$137,800
Population (Estimated Census)	11,721	Median income-- household	\$57,466
Area in square miles	18.36	Major highways	1
Number of employees (excluding police and fire)	20	Nearest railroads:	Canadian National
Police Protection:			Illinois Central
Number of sworn officers	24	Nearest commercial airport:	Jackson- Medgar Wiley Evers
Number of residents per sworn officer	488		Runway length 8,500 feet
Education:			International Airport
Percentage of Population (> 25 yrs.) with		Nearest general airport	Hawkins Field Airport
High school diploma	91.70%		Runway length 5,387 feet
Bachelor's degree	27.1%	Nearest full-service port	Port of Vicksburg, 60 miles
		Name of waterway	Mississippi River

Source:

http://en.wikipedia.org/wiki/Byram,_Mississippi

City of Byram

U. S. Census Bureau <http://quickfacts.census.gov/qfd/states/28/2810140.html>

www.byram-ms.us Byram Police 2012 annual report

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REPORTS ON INTERNAL CONTROL AND COMPLIANCE

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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*

Mayor and Board of Aldermen
City of Byram, 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 Byram, Mississippi as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise City of Byram's basic financial statements, and have issued our report thereon dated March 17, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the city'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 statement, but not for the purpose of expressing an opinion on the effectiveness of the city's internal control. Accordingly, we do not express an opinion on the effectiveness of the city'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 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 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.

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

Fortenberry & Ballard, PC

Fortenberry & Ballard, PC
March 17, 2014

Certified Public Accountants

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

Mayor and Board of Aldermen
City of Byram, Mississippi

Report on Compliance for Each Major Federal Program

We have audited the City of Byram's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the city's major federal programs for the year ended September 30, 2013. City of Byram'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 Byram'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 the city's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the city's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Byram, 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, 2013.

Report on Internal Control Over Compliance

Management of the City of Byram, 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 the city'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 the city's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with 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 a 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 the 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.

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

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
March 17, 2014

Certified Public Accountants

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

Mayor and Board of Aldermen
City of Byram, Mississippi

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Byram, Mississippi as of and for the year ended September 30, 2013, which collectively comprise the City of Byram's basic financial statements and have issued our report thereon dated March 17, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*.

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 all state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of those procedures and our audit of the basic financial statements disclosed no material instances of noncompliance with state laws and regulations.

This report is intended solely for the information and use of the City's management and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
March 17, 2014

Certified Public Accountants

1929 SPILLWAY ROAD, SUITE B
BRANDON, MISSISSIPPI 39047
TELEPHONE 601-992-5292 FAX 601-992-2033

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

City of Byram, Mississippi

Schedule of Findings and Questioned Costs For the Year Ended September 30, 2013

Section I: Summary of Auditor's Results

Financial Statements:

- | | | |
|----|---|----------------|
| 1. | Type of auditor's report issued: | Unqualified |
| 2. | Internal control over financial reporting: | |
| | a. Material weakness(es) identified? | No. |
| | b. Significant deficiency(ies) identified? | None reported. |
| 3. | Noncompliance material to financial statements noted? | No. |

Federal Awards:

- | | | |
|----|--|----------------|
| 4. | Internal control over major programs: | |
| | a. Material weakness(es) identified? | No. |
| | b. Significant deficiency(ies) identified? | None reported. |
| 5. | Type of auditor's report issued on compliance for major programs: | Unqualified |
| 6. | Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? | No. |
| 7. | Identification of major programs: | |
| | a) CFDA 20.205 - Highway Planning and Construction. | |
| | b) CFDA 14.228 - Community Development Block Grants / Program and Non-entitlement Grants | |
| 8. | Dollar threshold used to distinguish between Type A and Type B programs:
\$300,000 | |
| 9. | Auditee qualified as low-risk auditee? | No. |

Section II: Financial Statements Findings

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

Section III: Federal Award Findings and Questioned Costs

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