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**TOWN OF BEAUMONT, MISSISSIPPI  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

**ROSS & BETTS, PLLC  
CERTIFIED PUBLIC ACCOUNTANTS  
107A SOUTH BROOKS STREET  
PELAHATCHIE, MS 39145**

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of the Board of Aldermen  
Town of Beaumont, Mississippi

We have audited the accompanying combined statements of cash receipts and disbursements of the Town of Beaumont, Mississippi, for the year ended September 30, 2010, as listed in the table of contents, which collectively comprise the Town's basic financial statements. These financial statements and schedules are the responsibility of the Town of Beaumont's management. Our responsibility is to express an opinion on the cash receipts and disbursements 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1 to the financial statements, the Town of Beaumont, Mississippi, prepares its financial statements on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position-cash receipts and disbursements basis of accounting, thereof for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2011, on our consideration of the Town of Beaumont, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary information 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Management has elected not to include this information.

Our audit was conducted for the purpose of forming an opinion on the combined statement of cash receipts and disbursements that comprise the Town of Beaumont, Mississippi's basic financial statements. The accompanying supplemental schedules as listed in the table of contents are presented as supplemental information and are not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Ross & Betts, PLLC*

ROSS & BETTS, PLLC  
Pelahatchie, Mississippi  
June 15, 2011

**TOWN OF BEAUMONT, MISSISSIPPI**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**  
**For the Ended September 30, 2010**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>		
<b>Revenue Receipts</b>				
General Property Taxes	\$ 113,789	\$ -	\$ -	\$ 113,789
Licenses and Permits	1,407	-	-	1,407
Franchise Tax on Utilities	92,703	-	-	92,703
State Shared Revenues:				
General Municipal Aid	507	-	-	507
Liquor Priviledge Tax	900	-	-	900
Sales Tax	88,326	-	-	88,326
Gasoline Tax	2,747	-	-	2,747
Homestead	2,749	-	-	2,749
Fire Protection Allocation	5,321	-	-	5,321
Mosquito Grant	5,844	-	-	5,844
Town Hall Renovation Grant	5,287	-	-	5,287
Gas Line Reimbursement	-	-	282,910	282,910
Water Well Grant	-	157,778	-	157,778
Medical Transport Reimbursement	6,046	-	-	6,046
Perry County Fire Ins Rebate	14,283	-	-	14,283
County Contributions	5,942	-	-	5,942
Court Fines	9,235	-	-	9,235
Cemetery Funds	2,600	-	-	2,600
Rents	18,265	-	-	18,265
Donations	5,400	-	-	5,400
Charges for Services:				
Gas (Net of Purchases)	-	-	84,504	84,504
Water & Sewer	-	-	217,622	217,622
Stock Dividends	2,597	-	-	2,597
Interest Income	4,523	-	11,579	16,102
<b>Total Revenue Receipts</b>	<u>388,471</u>	<u>157,778</u>	<u>596,615</u>	<u>1,142,864</u>
<b>Other Receipts</b>				
Sale of Equipment	460	-	-	460
Transfers In	1,240	-	-	1,240
<b>Total Other Receipts</b>	<u>1,700</u>	<u>-</u>	<u>-</u>	<u>1,700</u>
<b>Total Receipts</b>	390,171	157,778	596,615	1,144,564
<b>Cash Balance - Beginning of Year</b>	431,234	-	660,032	1,091,266
<b>Total Amount to Account For</b>	<u>\$ 821,405</u>	<u>\$ 157,778</u>	<u>\$ 1,256,647</u>	<u>\$ 2,235,830</u>

See notes to the financial statements.

**TOWN OF BEAUMONT, MISSISSIPPI  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES  
For the Ended September 30, 2010**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>		
<b>Operating Disbursements</b>				
General Government	\$ 92,264	\$ -	\$ -	\$ 92,264
Public Safety	127,358	-	-	127,358
Streets	71,043	-	-	71,043
Parks & Recreation	17,368	-	-	17,368
Water, Sewer & Gas	-	-	202,735	202,735
Interest Expense	-	-	3,630	3,630
<b>Total Operating Disbursements</b>	<u>308,033</u>	<u>-</u>	<u>206,365</u>	<u>514,398</u>
<b>Other Disbursements</b>				
Notes Repaid	-	-	12,504	12,504
Capital Outlay	65,506	157,778	290,712	513,996
Transfers Out	-	-	1,240	1,240
<b>Total Other Disbursements</b>	<u>65,506</u>	<u>157,778</u>	<u>304,456</u>	<u>527,740</u>
<b>Total Disbursements</b>	373,539	157,778	510,821	1,042,138
<b>Cash Balance - End of Year</b>	<u>447,866</u>	<u>-</u>	<u>745,826</u>	<u>1,193,692</u>
<b>Total Amount to Account For</b>	<u>\$ 821,405</u>	<u>\$ 157,778</u>	<u>\$ 1,256,647</u>	<u>\$ 2,235,830</u>

See notes to the financial statements.

**TOWN OF BEAUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2010**

**(1) Summary of Significant Accounting Policies**

A. Organization and Activities

The Town of Beaumont operates under a Mayor-Aldermen form of government.

B. Basis of Accounting

All governmental and proprietary funds are accounted for using the cash receipts and disbursement basis of accounting, as permitted by the Mississippi State Department of Audit. This basis of accounting differs from generally accepted accounting principles in that revenues are recognized when received rather than when measurable and available as net current assets and expenditures are generally recognized when the related fund expense is disbursed rather than when the related fund liability is incurred. Consequently these financial statements are not intended to present financial position or results of operations in accordance with generally accepted accounting principles. Financial statements issued following accounting principles generally accepted in the United States of America normally contain Government-Wide Financial Statements, Fund Financial Statements, Management Discussion and Analysis (MD&A), Required Supplemental Information (Budgetary Reporting), and other Supplemental Information.

The accounts of the town are organized on the basis of funds, and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into the following categories:

GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs not paid through other funds are paid from the General Fund.

**TOWN OF BEAUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2010**  
**(Continued)**

PROPRIETARY FUNDS

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

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted for specific expenditure purposes.

C. Cash

The Town deposits excess funds in the financial institution selected by the board of aldermen in accordance with the state statutes.

D. Investments

The Town 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 any county or municipality of this state, when such county or municipal bonds have been properly approved; or in interest-bearing time certificates of deposit with any financial institution approved for the deposit of state funds.

E. Interfund Transactions

The Statement of Cash Receipts and Disbursements includes a total column. Interfund transactions have not been eliminated from the total column of this financial statement.

**(2) Report Classification**

Receipts and disbursements were classified according to requirements for municipalities with total revenues or expenditures equal to or greater than \$1,000,000 but less than \$10,000,000 in the state of Mississippi as prescribed by the Office of the State Auditor.

**TOWN OF BEAUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2010**  
**(Continued)**

**(3) Property Tax**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied as of January 1 and are payable on or before February 1. The county tax collector prepares, collects and transmits both real estate and property tax receipts to the Town of Beaumont each month. The cover sheet attached details the type of tax, etc. being transmitted. The millage rate for the Town of Beaumont for January through December 2010 was 20.57 mills.

Restrictions associated with property tax levies are established by state law which provides that the tax levy for general purposes shall produce no more than 110% of the amount which results from those levies' assessments of the previous year.

**(4) Defined Benefit Pension Plan**

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

Funding Policy - PERS members are required to contribute 7.25% of their annual covered salary and the Town of Beaumont is required to contribute 11.85% of the covered salaries through June 30, 2010. The rates changed effective July 1, 2010 whereby PERS members are required to contribute 9% and the Town of Beaumont contributes 12% of covered salaries. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The Town of Beaumont's contributions to PERS for the fiscal years ending September 30, 2010, 2009, and 2008 were \$18,763, \$22,106, and \$19,770, respectively, which equaled the required contributions for each year.

**(5) Cash and Investments**

The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

**TOWN OF BEAUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2010**  
**(Continued)**

**(6) Long-Term Commitment**

There were no long-term commitments.

**(7) Commitments and Contingencies**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town of Beaumont carries commercial insurance.

Grant monies received and disbursed by the Town of Beaumont, Mississippi, are for specific purposes and are subject to audit and review by the grantor agencies. Such audits may result in requests of reimbursement due to disallowed expenditures. The Town does not believe that such disallowances, if any, would have a material effect on the financial position of the Town.

**(8) General Long-Term Debt**

A schedule of long-term debt is on page 12 of this report.

The following is a summary of note payable maturities:

<u>Year Ending</u> <u>September 30,</u>	
2011	\$ 11,902
2012	12,142
2013	12,387
2014	12,638
2015	12,893
Thereafter	<u>154,173</u>
	<u>\$ 216,135.</u>

**(9) Interfund Receivable/Payables**

The following is a summary of Interfund receivables and payables as of September 30, 2010:

<u>Amount</u>	<u>Due To</u>	<u>Due From</u>
\$ -	General Fund	Water & Sewer Fund

**TOWN OF BEAUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2010**  
**(Continued)**

**(10) Subsequent Events**

There were no subsequent events that would affect these financial statements.

**TOWN OF BEAUMONT, MISSISSIPPI  
SCHEDULE OF INVESTMENTS  
Year Ended September 30, 2010**

<u>Ownership</u>	<u>Type of Investment</u>	<u>Interest Rate</u>	<u>Investment Cost/Value</u>
Proprietary Fund	Certificate of Deposit	1.98%	\$ 167,361
General Fund	Certificate of Deposit	1.98%	126,122
Proprietary Fund	Certificate of Deposit	1.34%	117,093
Proprietary Fund	Certificate of Deposit	1.24%	108,364
General Fund	Certificate of Deposit	1.49%	24,285
General Fund	Certificate of Deposit	1.49%	26,988
Proprietary Fund	Certificate of Deposit	1.49%	118,779
General Fund	Money Market Account		7,608
General Fund	Stock		22,880
			<u>\$ 719,480</u>

**TOWN OF BEAUMONT, MISSISSIPPI**  
**SCHEDULE OF CAPITAL ASSETS**  
**Fiscal Year Ended September 30, 2010**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental activities:</b>				
Capital Assets:				
Land	\$ 106,185	\$ -	\$ -	\$ 106,185
Buildings	711,986	16,787	-	728,773
Machinery & Equipment	546,542	48,719	-	595,261
Infrastructure	108,646	-	-	108,646
<b>Total Governmental activities capital assets</b>	<u>\$ 1,473,359</u>	<u>\$ 65,506</u>	<u>\$ -</u>	<u>\$ 1,538,865</u>
<b>Business-type activities:</b>				
Capital Assets:				
Land	\$ -	\$ -	\$ -	\$ -
Buildings	-	-	-	-
Machinery & Equipment	294,688	7,267	-	301,955
Infrastructure	3,077,801	441,223	-	3,519,024
<b>Total Business-type activities capital assets</b>	<u>\$ 3,372,489</u>	<u>\$ 448,490</u>	<u>\$ -</u>	<u>\$ 3,820,979</u>

**TOWN OF BEAUMONT, MISSISSIPPI  
SCHEDULE OF LONG-TERM DEBT  
Year Ended September 30, 2010**

	Balance Outstanding 9/30/2009	Transactions During Fiscal Year		Balance Outstanding 9/30/2010
		Issued	Redeemed	
Mississippi Development Authority - Sewer Improvements	228,639	-	12,504	216,135
Total	\$ 228,639	\$ -	\$ 12,504	\$ 216,135

**TOWN OF BEAUMONT, MISSISSIPPI  
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS  
Year Ended September 30, 2010**

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>
Reuben Small	Mayor	St. Paul Travelers	\$ 25,000
Tammy Eubanks	Clerk	St. Paul Travelers	50,000
Darlene Collins	Deputy Clerk	St. Paul Travelers	50,000
Donald Hartfield	Alderman	St. Paul Travelers	25,000
James Sheffield	Alderman	St. Paul Travelers	25,000
Tammie McLain	Alderman	St. Paul Travelers	25,000
Frankie Thomas	Alderman	St. Paul Travelers	25,000
Marvin Freeman	Alderman	St. Paul Travelers	25,000
Wayne Penton	Police Chief	St. Paul Travelers	50,000
Philippe Ducksworth	Policeman	St. Paul Travelers	25,000
Derek Magee	Policeman	St. Paul Travelers	25,000
Justin Ladner	Policeman	St. Paul Travelers	25,000

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

Honorable Mayor and Members of the Board of Aldermen  
Town of Beaumont, Mississippi

We have audited the combined statement of cash receipts and disbursements of the Town of Beaumont, Mississippi, as of and for the year ended September 30, 2010, which collectively comprise the Town of Beaumont, Mississippi's basic financial statements and have issued our report thereon dated June 15, 2011. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Town of Beaumont, Mississippi's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the cash receipts and disbursements, but not for the purpose of reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Beaumont, Mississippi's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we consider the deficiency below to be a significant deficiency in internal control over financial reporting:

#### Segregation of Duties

Control activities should be selected and developed at various levels of a local government to reduce risks to achievement of financial reporting objectives. Because of the size of the Town's accounting, complete segregation of duties is not economically possible. The Town should exercise extensive review procedures on an ongoing basis. We suggest that the Board of Aldermen remain closely involved in the financial affairs of the Town to provide oversight and independent review

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.

#### **Compliance and Other Matters**

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

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

*Ross & Betts, PLLC*

ROSS & BETTS, PLLC  
Pelahatchie, Mississippi  
June 15, 2011

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

Honorable Mayor and Board of Aldermen  
Town of Beaumont, Mississippi

We have audited the cash receipts and disbursements-all fund types of the Town of Beaumont, Mississippi, for the year ended September 30, 2010 and have issued our report dated June 15, 2011. We have 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 state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

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

This report is intended for the information of the Town'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.

*Ross & Betts, PLLC*

ROSS & BETTS, PLLC  
Pelahatchie, Mississippi  
June 15, 2011