



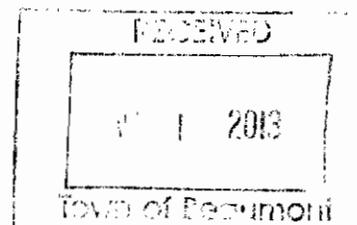
The following document was not prepared by the Office of the State Auditor, but was prepared by and submitted to the Office of the State Auditor by a private CPA firm. The document was placed on this web page as it was submitted. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

**TOWN OF BEAUMONT, MISSISSIPPI
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

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

RECEIVED

AUG 14 2013



**TOWN OF BEAUMONT
TABLE OF CONTENTS**

	<u>PAGE</u>
<u>FINANCIAL SECTION</u>	1
<u>INDEPENDENT AUDITOR'S REPORT</u>	2-3
<u>FINANCIAL STATEMENTS</u>	4
Statement of Activities and Net Assets – Cash Basis	5-6
Statement of Cash Basis Fund Balances and Cash Receipts, Disbursements And Changes in Cash Basis Fund Balances – Governmental Funds	7-8
Statement of Cash Basis Fund Balances and Cash Receipts, Disbursements And Changes in Cash Basis Fund Balances – Business-type Funds	9
Notes to Financial Statements	10-15
<u>REQUIRED SUPPLEMENTAL INFORMATION</u>	16
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) General Fund	17
Notes to the Required Supplementary Information	18
<u>SUPPLEMENTAL INFORMATION</u>	19
Schedule of Investments – All Funds	20
Schedule of Capital Assets	21
Schedule of Long Term Debt	22
Schedule of Surety Bonds for Municipal Officials	23
<u>SPECIAL REPORTS</u>	24
Independent Auditor's Report on Compliance with <i>State Laws and Regulations</i>	25

RECEIVED

AUG 14 2013

TOWN OF BEAUMONT, MISSISSIPPI

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Beaumont, Mississippi, for the year ended September 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Beaumont's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 discussed 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 cash basis financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Beaumont, Mississippi as of September 30, 2012, and the respective changes in cash basis financial position thereof for the year then ended in conformity with the basis of accounting described in Note 1.

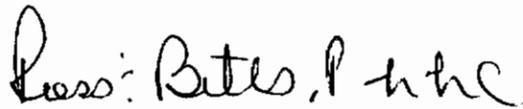
The Budgetary Comparison Schedules referred to in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

RECEIVED

AUG 14 2013

The Town of Beaumont, Mississippi has not presented Management's Discussion and Analysis that is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Beaumont, Mississippi's basic financial statements. The supplementary information referred to in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

A handwritten signature in black ink that reads "Pess Bates, P h h c". The signature is written in a cursive style.

Pelahatchie, Mississippi
July 17, 2013

TOWN OF BEAUMONT, MISSISSIPPI

FINANCIAL STATEMENTS

TOWN OF BEAUMONT, MISSISSIPPI
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH BASIS
As of and for the year ended September 30, 2012

Functions/Programs	Program cash receipts				Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 127,082	\$ 23,251	\$ -	\$ 4,000	\$ (99,831)	\$ -	\$ (99,831)
Public safety	144,199	14,952	-	7,045	(122,202)	-	(122,202)
Streets	87,864	-	-	-	(87,864)	-	(87,864)
Parks & recreation	16,890	-	-	-	(16,890)	-	(16,890)
Interest on long-term debt	-	-	-	-	-	-	-
Total Governmental Activities	376,035	38,203	-	11,045	(326,787)	-	(326,787)
Business-type activities:							
Water & Sewer & Gas	612,679	341,835	-	283,740	-	12,896	12,896
Interest on long-term debt	4,944	-	-	-	-	(4,944)	(4,944)
Total Business-type Activities	617,623	341,835	-	283,740	-	7,952	7,952
Total Government	\$ 1,611,281	\$ 721,873	\$ -	\$ 578,525	\$ (326,787)	\$ 7,952	\$ (310,883)

General Receipts:

Taxes:		
Sales tax	\$ 80,966	\$ 80,966
Property tax	140,707	140,707
Liquor license	900	900
Gasoline tax	2,660	2,660
Franchise taxes	81,040	81,040
Homestead Reimbursement	3,240	3,240
Fire Protection	4,956	4,956
Miscellaneous	1,214	1,214
Unrestricted investment earnings	3,504	2,961
Transfers	-	-
Total General Receipts	319,187	2,961
Change in Net Assets	(7,600)	10,913
Net Assets - Beginning	338,771	676,637
Net Assets - Ending	\$ 331,171	\$ 687,550

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

RECEIVED
AUG 14 2013

TOWN OF BEAUMONT, MISSISSIPPI
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH BASIS
As of and for the year ended September 30, 2012

	Program cash receipts			Net (Disbursements) Receipts and Changes in Net Assets			
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
ASSETS							
Cash and cash equivalents					\$ 42,352	\$ 266,434	\$ 308,786
Investments					288,819	421,116	709,935
Total Assets					\$ 331,171	\$ 687,550	\$ 1,018,721
NET ASSETS							
Nonspendable					\$ -	\$ -	\$ -
Restricted					-	-	-
Committed					99,347	34,714	134,061
Assigned					-	652,836	652,836
Unassigned					231,824	-	231,824
Total Net Assets					\$ 331,171	\$ 687,550	\$ 1,018,721
Total Government							

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

**TOWN OF BEAUMONT, MISSISSIPPI
STATEMENT OF CASH BASIS FUND BALANCES AND
CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS**

As of and for the year ended September 30, 2012

	<u>Governmental Activities</u>		<u>Total</u>
	<u>Major Funds</u>		
	<u>General Fund</u>	<u>Special Revenue Fund</u>	
Receipts			
General Property Taxes	\$ 140,707	\$ -	\$ 140,707
Licenses and Permits	1,166	-	1,166
Franchise Tax on Utilities	81,040	-	81,040
State Shared Revenues:			-
General Municipal Aid	476	-	476
Sales Tax	80,966	-	80,966
Gasoline Tax	2,660	-	2,660
Fire Protection	4,956	-	4,956
Liquor License	900	-	900
Homestead	3,240	-	3,240
Rents	17,885	-	17,885
Donations	4,000	-	4,000
Cemetery Plots	4,200	-	4,200
Perry Co. Fire Allocation	7,045	-	7,045
Miscellaneous	738	-	738
Court Fines	14,952	-	14,952
Interest Income	3,504	-	3,504
Total Receipts	<u>\$ 368,435</u>	<u>\$ -</u>	<u>\$ 368,435</u>

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

**TOWN OF BEAUMONT, MISSISSIPPI
STATEMENT OF CASH BASIS FUND BALANCES AND
CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS**

As of and for the year ended September 30, 2012

	<u>Governmental Activities</u>		<u>Total</u>
	<u>Major Funds</u>		
	<u>General Fund</u>	<u>Special Revenue Fund</u>	
Operating Disbursements			
General Government	\$ 99,957	\$ -	\$ 99,957
Public Safety	144,199	-	144,199
Streets	87,864	-	87,864
Parks & Recreation	16,890	-	16,890
Interest Expense	-	-	-
Total Disbursements	<u>348,910</u>	<u>-</u>	<u>348,910</u>
Excess of Receipts over (under) Disbursements	<u>\$ 19,525</u>	<u>\$ -</u>	<u>\$ 19,525</u>
Other Cash Sources (Uses)			
Purchase of capital assets	(27,125)	-	(27,125)
Transfers In (Out)	-	-	-
Principal paid on loans	-	-	-
Interest paid on loans	-	-	-
Total Other Cash Sources and (Uses)	<u>\$ (27,125)</u>	<u>\$ -</u>	<u>\$ (27,125)</u>
Excess (Deficiency) of receipts and other cash sources over disbursements and other cash uses	(7,600)	-	(7,600)
CASH BASIS FUND BALANCE- Beginning of Year	<u>338,771</u>	<u>-</u>	<u>338,771</u>
CASH BASIS FUND BALANCE-End of Year	<u>\$ 331,171</u>	<u>\$ -</u>	<u>\$ 331,171</u>
CASH BASIS FUND BALANCE- End of Year			
Nonspendable	\$ -	\$ -	\$ -
Restricted	-	-	-
Committed	99,347	-	99,347
Assigned	-	-	-
Unassigned	231,824	-	231,824
Total Cash Basis Fund Balances	<u>\$ 331,171</u>	<u>\$ -</u>	<u>\$ 331,171</u>

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

TOWN OF BEAUMONT, MISSISSIPPI
STATEMENT OF CASH BASIS FUND BALANCES AND
CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BASIS FUND BALANCES
BUSINESS-TYPE FUNDS
As of and for the year ended September 30, 2012

	<u>Business-type Activities</u>		
	<u>Major Funds</u>		<u>Total</u>
	<u>Utilities Fund</u>	<u>Special Revenue Fund</u>	
Receipts			
Grants	\$ -	\$ 283,740	\$ 283,740
Charges for services			
Gas (net of purchases)	112,896	-	112,896
Water & Sewer	228,939	-	228,939
Interest Income	2,961	-	2,961
Total Receipts	<u>\$ 344,796</u>	<u>\$ 283,740</u>	<u>\$ 628,536</u>
Disbursements			
Water and Sewer and Gas	<u>\$ 308,879</u>	<u>\$ -</u>	<u>\$ 308,879</u>
Total Disbursements	<u>308,879</u>	<u>-</u>	<u>308,879</u>
Excess of Receipts over (under) Disbursements	<u>\$ 35,917</u>	<u>\$ 283,740</u>	<u>\$ 319,657</u>
Other Cash Sources (Uses)			
Purchase of capital assets	(8,870)	(283,740)	(292,610)
Transfers In (Out)	-	-	-
Principal paid on loans	(11,190)	-	(11,190)
Interest paid on loans	(4,944)	-	(4,944)
Total Other Cash Sources and (Uses)	<u>\$ (25,004)</u>	<u>\$ (283,740)</u>	<u>\$ (308,744)</u>
Excess (Deficiency) of receipts and other cash sources over disbursements and other cash uses	10,913	-	10,913
CASH BASIS FUND BALANCE- Beginning of Year	<u>676,637</u>	<u>-</u>	<u>676,637</u>
CASH BASIS FUND BALANCE-End of Year	<u>\$ 687,550</u>	<u>\$ -</u>	<u>\$ 687,550</u>
CASH BASIS FUND BALANCE- End of Year			
Nonspendable	\$ -	\$ -	\$ -
Restricted	-	-	-
Committed	34,714	-	34,714
Assigned	652,836	-	652,836
Unassigned	-	-	-
Total Cash Basis Fund Balances	<u>\$ 687,550</u>	<u>\$ -</u>	<u>\$ 687,550</u>

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

TOWN OF BEAUMONT
NOTES TO FINANCIAL STATEMENTS
September 30, 2012

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

The Town of Beaumont, Mississippi, operates under a Mayor-Aldermen form of government and provides all of the rights and privileges provided by statute for municipalities.

The financial statements of the Town have been prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Activities and Net Assets – cash basis) report information on all of the non-fiduciary activities of the primary government. The effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Town combines the Statement of Activities and Statement of Net Assets.

The statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct disbursements* are those that are clearly identifiable with a specific function or segment. *Program receipts* include (1) receipts from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirement of a particular function or segment. Taxes and other items not properly included among program receipts are reported instead as *general receipts*.

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

The government-wide financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when collected and disbursements are recorded when cash is spent.

Governmental fund financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recognized as soon as they are collected. Disbursements generally are recorded when cash is spent.

TOWN OF BEAUMONT
NOTES TO FINANCIAL STATEMENTS
September 30, 2012
(Continued)

(1) Summary of Significant Accounting Policies (cont.)

Amounts recorded as *program receipts* include (1) receipts from customers or applicants for goods, services or privileges provided, (2) operating grants and contributions and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported a *general receipts* rather than as program receipts.

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

The town reports the following major Governmental Funds:

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

The *Special Revenue Fund* is used to account for all financial resources of grant projects.

The town reports the following major Business-type funds:

The *Utilities Fund* is used to account for all financial resources of the water and sewer and gas department.

The *Special Revenue Fund* is used to account for all financial resources of grant projects.

D. Assets and Net Assets or Equity

1. *Cash and Investments.*

The government's cash and cash equivalents are considered to be cash on hand or invested in certificates of deposit, which are short-term highly liquid investments that are readily convertible to cash. All cash deposits are reported at carrying amount (cost) which reasonably estimates fair market value. State law authorizes the Town to invest in interest bearing time certificates of deposits with depositories and in obligations of the U. S. Treasury, State of Mississippi, or any county, municipality or school district of this state.

TOWN OF BEAUMONT
NOTES TO FINANCIAL STATEMENTS
September 30, 2012
(Continued)

(1) Summary of Significant Accounting Policies (cont.)

2. *Fund Equity*

Fund balance is divided into five classifications based primarily on the extent to which the Town is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions or enabling legislation (Town ordinances).

Enabling legislation authorizes the Town to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Town can be compelled by an external party—such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the Board of Aldermen. Those committed amounts cannot be used for any other purpose unless the Board of Aldermen removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Aldermen, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

TOWN OF BEAUMONT
NOTES TO FINANCIAL STATEMENTS
September 30, 2012
(Continued)

(1) Summary of Significant Accounting Policies (cont.)

Assigned Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Aldermen or a Town official delegated that authority by Town Charter or ordinance, or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Town applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

(2) 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. This information 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 9% of their annual covered salary and the Town of Beaumont is required to contribute an actuarially determined rate. The current rate is 14.26% of annual covered payroll. The contribution requirements of PERS' members are established and may be amended only by the State of Mississippi Legislature. The Town of Beaumont's contributions to PERS for the fiscal years ending September 30, 2012, 2011, and 2010 were \$25,003, \$21,614, and \$18,763, respectively, which equaled the required contributions for each year.

TOWN OF BEAUMONT
NOTES TO FINANCIAL STATEMENTS
September 30, 2012
(Continued)

(2) Defined Benefit Pension Plan (cont.)

Membership in PERS is a condition of employment for all eligible employees of the State of Mississippi, public schools, institutions of higher learning, community and junior colleges, and eligible employees of municipalities, counties and other political subdivisions and instrumentalities of municipal and county government that have entered into a Membership Agreement approved by the PERS Board of Trustees (Board).

(3) Contingencies

Litigation – The Town of Beaumont, Mississippi is not a defendant in any lawsuits at this time.

Federal Grants – The Town has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the Town.

(4) Deposits and Investments

Deposits

The carrying amount of the Town's total deposits with financial institutions at September 30, 2012 was \$1,018,722, and the bank balance was \$1,043,547. 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.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the Town will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Town does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the Town. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the Town. As of September 30, 2012, none of the City's bank balance of \$1,043,547 was exposed to custodial credit risk.

TOWN OF BEAUMONT
NOTES TO FINANCIAL STATEMENTS
September 30, 2012
(Continued)

(4) Deposits and Investments (cont.)

Credit Risk – State law limits investments of those prescribed in Sections 27-105-33(d) and 27-105-33€ Miss. Code Ann. (1972), The Town does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

Concentration of Credit Risk – Disclosures of investments by amount and issuer for any issuer that represents five percent of more of the total investments is required. This requirement does not apply to investments issued or explicitly guaranteed by the U. S. government, investments in mutual funds and external investment pools, and other pooled investments.

(5) Property Tax Revenues

State statutes exist under which the Board of Aldermen may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the Town. Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount which resulted from the assessments of the previous year.

The Board of Aldermen, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of the original purchase.

(6) Claims and Judgments

Risk Management.

The Town 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 Town carries commercial insurance for this risk. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in this fiscal year.

(7) Subsequent Events

The Town has evaluated events and transactions for potential recognition or disclosure through July 17, 2013, which is the date the financial statements were available to be issued.

TOWN OF BEAUMONT, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION

RECEIVED

AUG 14 2013

TOWN OF BEAUMONT, MISSISSIPPI
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND
For the year ended September 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
RECEIPTS				
General Property Taxes	\$ 141,700	\$ 141,700	\$ 140,707	\$ (993)
Licenses and Permits	4,400	4,400	1,166	(3,234)
Franchise Tax on Utilities	91,500	91,500	81,040	(10,460)
Intergovernmental Receipts	115,600	115,600	100,243	(15,357)
Court Fines	14,000	14,000	14,952	952
Miscellaneous	30,980	39,480	30,327	(9,153)
Total Receipts	\$ 398,180	\$ 406,680	\$ 368,435	(38,245)
EXPENDITURES				
General Government	\$ 121,700	\$ 114,811	\$ 99,957	\$ 14,854
Public Safety	156,500	173,500	144,199	29,301
Streets	82,311	75,511	87,864	(12,353)
Parks & Recreation	43,860	21,110	16,890	4,220
Principal and Interest	-	-	-	-
Total Expenditures	\$ 404,371	\$ 384,932	\$ 348,910	\$ 36,022
Excess of receipts over (under) Expenditures	(6,191)	21,748	19,525	(2,223)
OTHER CASH SOURCES (USES)				
Purchase of capital assets	\$ -	\$ (30,000)	\$ (27,125)	\$ 2,875
Transfers out	-	-	-	-
Principal paid on loans	-	-	-	-
Interest paid on loans	-	-	-	-
Total Other Cash Sources and Uses	\$ -	\$ (30,000)	\$ (27,125)	\$ 2,875
Net Change in Cash Basis Fund Balance	(6,191)	(8,252)	(7,600)	652
Cash Basis Fund Balances - Beginning	338,771	338,771	338,771	-
Cash Basis Fund - Ending	\$ 332,580	\$ 330,519	\$ 331,171	\$ 652

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

TOWN OF BEAUMONT, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2012

A. Budgetary Information

Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Aldermen of the Town, using historical and anticipated fiscal data, prepares an original budget for each of the governmental funds for said fiscal year. The completed budget for the fiscal year includes every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Aldermen that budgetary estimates will not be met, it may make revisions to the budget.

B. Basis of Presentation.

The Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) presents the original adopted budget, the final adopted budget, actual amounts on a budgetary (Non-GAAP) basis and variances between the final budget and the actual amounts. The schedule is presented for the General Fund.

The budgetary Comparison Schedule – Budget and Actual (Non-GAAP) Basis is a part of required supplemental information.

C. Budget Reconciliation.

As discussed in Note 1, the financial statements are prepared on the cash receipts and disbursements which is the same as the basis used for budget preparation.

TOWN OF BEAUMONT, MISSISSIPPI

SUPPLEMENTARY INFORMATION

**TOWN OF BEAUMONT, MISSISSIPPI
SCHEDULE OF INVESTMENTS
Year Ended September 30, 2012**

<u>Ownership</u>	<u>Type of Investment</u>	<u>Interest Rate</u>	<u>Acquisition Date</u>	<u>Maturity Date</u>	<u>Investment Cost/Value</u>
Business-type Fund	Certificate of Deposit	0.598%	7/15/11	21 mo.	\$ 171,735
General Fund	Certificate of Deposit	0.995%	7/10/11	21 mo.	129,935
Business-type Fund	Certificate of Deposit	0.400%	5/4/12	12 mo.	120,106
Business-type Fund	Certificate of Deposit	0.400%	5/4/12	12 mo.	119,446
General Fund	Certificate of Deposit	0.400%	5/4/12	12 mo.	27,276
Business-type Fund	Certificate of Deposit	0.550%	10/6/11	12 mo.	110,168
General Fund	Money Market Account				8,984
General Fund	Stock				22,285
					\$ 709,935

CORRECTED

AUG 14 2013

**TOWN OF BEAUMONT, MISSISSIPPI
SCHEDULE OF CAPITAL ASSETS
Fiscal Year Ended September 30, 2012**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital Assets:				
Land	\$ 106,185	\$ 25,000	\$ -	\$ 131,185
Buildings	948,706	-	-	948,706
Machinery & Equipment	597,817	2,125	-	599,942
Infrastructure	108,646	-	-	108,646
Total Governmental activities capital assets	<u>\$ 1,761,354</u>	<u>\$ 27,125</u>	<u>\$ -</u>	<u>\$ 1,788,479</u>
Business-type activities:				
Capital Assets:				
Land	\$ -	\$ -	\$ -	\$ -
Buildings	-	-	-	-
Machinery & Equipment	338,866	8,870	-	347,736
Infrastructure	3,594,672	283,740	-	3,878,412
Total Business-type activities capital assets	<u>\$ 3,933,538</u>	<u>\$ 292,610</u>	<u>\$ -</u>	<u>\$ 4,226,148</u>

**TOWN OF BEAUMONT, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
Year Ended September 30, 2012**

	Balance Outstanding 9/30/2011	Transactions During Fiscal Year		Balance Outstanding 9/30/2012
		Issued	Redeemed	
Mississippi Development Authority - Sewer Improvements	204,312	-	11,190	193,122
Total	\$ 204,312	\$ -	\$ 11,190	\$ 193,122

**TOWN OF BEAUMONT, MISSISSIPPI
 SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
 Year Ended September 30, 2012**

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>
Reuben Small	Mayor	St. Paul Travelers	\$ 25,000
Tammy Breland	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
Steven Verret	Policeman	St. Paul Travelers	25,000

TOWN OF BEAUMONT, MISSISSIPPI

SPECIAL REPORTS

**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 financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Beaumont, Mississippi, as of and for the year ended September 30, 2012 and have issued our report dated July 17, 2013. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the procedures prescribed by the Office of the State Auditor, and accordingly, included such test of accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

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

This report is intended solely for the information and use of the Town's management and the 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.

Ross & Betts, PLLC

Pelahatchie, Mississippi
July 17, 2013

July 17, 2013

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

We have audited the financial statements of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of the Town of Beaumont, Mississippi (Town) for the year ended September 30, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 1, 2012. Professional standards also require that we communicate to you the following information related to our audit.

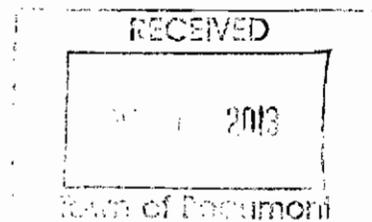
Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Beaumont are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ending September 30, 2012. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.



Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing the audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of the audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreement with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or auditors' report. We are pleased to report that no such disagreements arose during the course of the audit.

Management Representations

We have requested certain representation from management that is included in the management representation letter dated July 17, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended for the sole use of the Mayor, Board of Aldermen and management of Town of Beaumont, Mississippi and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Ross & Betts, PLLC".

Ross & Betts, PLLC