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**TOWN OF BEAUMONT, MISSISSIPPI  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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

**TOWN OF BEAUMONT  
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**TOWN OF BEAUMONT, MISSISSIPPI**

**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

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

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

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, 2016, and the related notes to the financial statements, which collectively comprise the Town'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 the cash receipts and disbursements method of accounting described in Note 1. Management is also responsible for 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 on the cash receipts and disbursements method of accounting described in Note 1, which is a comprehensive basis of accounting other than accounting principles 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 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

**Opinion**

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, 2016 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.

**Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash receipts and disbursements basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

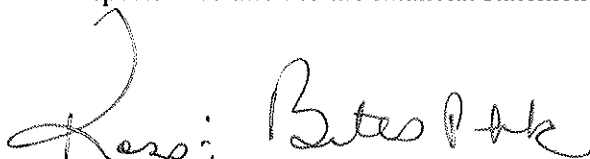
**Other Matters**

*Required Supplementary Information*

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United State of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental 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. Our opinion on the basic financial statements is not affected by this missing information.

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Beaumont, Mississippi's financial statements as a whole. The other supplemental section, which includes the Schedule of Long Term Debt, Schedule of Investments – All Funds, Schedule of Capital Assets, and the Schedule of Surety Bonds for Municipal Officials, are presented for purposes of additional analysis 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 to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in dark ink, appearing to read "Kero Bates". The signature is written in a cursive, flowing style.

Pelahatchie, Mississippi  
June 26, 2017

**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, 2016

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
<b>Governmental Activities:</b>							
General government	\$ 235,599	\$ 14,823	\$ -	\$ 66,519	\$ (154,257)	\$ -	\$ (154,257)
Public safety	130,691	6,357	-	15,439	(108,895)	-	(108,895)
Streets	60,359	-	-	-	(60,359)	-	(60,359)
Parks & recreation	22,733	-	-	-	(22,733)	-	(22,733)
Interest on long-term debt	-	-	-	-	-	-	-
Total Governmental Activities	449,382	21,180	-	81,958	(346,244)	-	(346,244)
<b>Business-type activities:</b>							
Water & Sewer & Gas	712,074	393,207	-	388,400	-	69,533	69,533
Interest on long-term debt	3,015	-	-	-	-	(3,015)	(3,015)
Total Business-type Activities	715,089	393,207	-	388,400	-	66,518	66,518
<b>Total Government</b>	<b>\$ 1,164,471</b>	<b>\$ 414,387</b>	<b>\$ -</b>	<b>\$ 470,358</b>	<b>(346,244)</b>	<b>66,518</b>	<b>(279,726)</b>
<b>General Receipts:</b>							
Taxes:							
Sales tax					\$ 77,118	\$ -	\$ 77,118
Property tax					193,893	-	193,893
Gasoline tax					2,913	-	2,913
Franchise taxes					77,639	-	77,639
Homestead Reimbursement					4,182	-	4,182
Fire Protection					6,099	-	6,099
Miscellaneous					1,627	-	1,627
Unrestricted investment earnings					710	2,200	2,910
Transfers					-	-	-
Total General Receipts					364,181	2,200	366,381
Change in Net Assets					17,937	68,718	86,655
Net Assets - Beginning					534,500	669,219	1,203,719
Net Assets - Ending					\$ 552,437	\$ 737,937	\$ 1,290,374

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



**TOWN OF BEAUMONT, MISSISSIPPI**  
**STATEMENT OF ACTIVITIES AND NET ASSETS - CASH BASIS**  
**As of and for the year ended September 30, 2016**

	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
<b>ASSETS</b>							
Cash and cash equivalents					\$ 380,996	\$ 175,031	\$ 556,027
Investments					171,441	562,906	734,347
Total Assets					<u>\$ 552,437</u>	<u>\$ 737,937</u>	<u>\$ 1,290,374</u>
<b>NET ASSETS</b>							
Nonspendable					\$ -	\$ -	\$ -
Restricted					-	-	-
Committed					129,425	-	129,425
Assigned					-	-	-
Unassigned					423,012	737,937	1,160,949
Total Net Assets					<u>\$ 552,437</u>	<u>\$ 737,937</u>	<u>\$ 1,290,374</u>
<b>Total Government</b>					<u>\$ 552,437</u>	<u>\$ 737,937</u>	<u>\$ 1,290,374</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, 2016**

	<b>Governmental Activities</b>		
	<b>Major Funds</b>		<b>Total</b>
	<b>General Fund</b>	<b>Other Governmental Funds</b>	
Receipts			
General Property Taxes	\$ 193,893	\$ -	\$ 193,893
Licenses and Permits	1,003	-	1,003
Franchise Tax on Utilities	77,639	-	77,639
State Shared Revenues:			
General Municipal Aid	474	-	474
Liquor Tax	900	-	900
Sales Tax	77,118	-	77,118
Gasoline Tax	2,913	-	2,913
Fire Protection	6,099	-	6,099
Homestead	4,182	-	4,182
Home Grant	-	61,019	61,019
Rents	9,220	-	9,220
Donations	5,500	-	5,500
Perry Co. Fire Allocation	15,439	-	15,439
Cemetery Plots	4,600	-	4,600
Miscellaneous	253	-	253
Court Fines	6,357	-	6,357
Interest Income	710	-	710
Total Receipts	<u>\$ 406,300</u>	<u>\$ 61,019</u>	<u>\$ 467,319</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, 2016**

	<b>Governmental Activities</b>		
	<b>Major Funds</b>		
	<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>Total</b>
Operating Disbursements			
General Government	\$ 93,341	\$ -	\$ 93,341
Public Safety	130,691	-	130,691
Streets	60,359	-	60,359
Parks & Recreation	22,733	-	22,733
Interest Expense	-	-	-
Total Disbursements	307,124	-	307,124
Excess of Receipts over (under) Disbursements	\$ 99,176	\$ 61,019	\$ 160,195
Other Cash Sources (Uses)			
Purchase of capital assets	(81,239)	(61,019)	(142,258)
Transfers In (Out)	-	-	-
Principal paid on loans	-	-	-
Interest paid on loans	-	-	-
Total Other Cash Sources and (Uses)	\$ (81,239)	\$ (61,019)	\$ (142,258)
Excess (Deficiency) of receipts and other cash sources over disbursements and other cash uses	17,937	-	17,937
CASH BASIS FUND BALANCE- Beginning of Year	534,500	-	534,500
CASH BASIS FUND BALANCE-End of Year	\$ 552,437	\$ -	\$ 552,437
CASH BASIS FUND BALANCE- End of Year			
Nonspendable	\$ -	\$ -	\$ -
Restricted	-	-	-
Committed	129,425	-	129,425
Assigned	-	-	-
Unassigned	423,012	-	423,012
Total Cash Basis Fund Balances	\$ 552,437	\$ -	\$ 552,437

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 NET ASSETS**  
**BUSINESS-TYPE FUNDS**  
**As of and for the year ended September 30, 2016**

	<b>Business-type Activities</b>		
	<b>Major Funds</b>		
	<b>Utilities Fund</b>	<b>Grant Fund</b>	<b>Total</b>
Receipts			
Charges for services			
Gas (net of purchases)	\$ 134,077	\$ -	\$ 134,077
Water & Sewer	259,130	388,400	647,530
Interest Income	2,200	-	2,200
Total Receipts	<u>\$ 395,407</u>	<u>\$ 388,400</u>	<u>\$ 783,807</u>
Disbursements			
Water and Sewer and Gas	<u>\$ 310,555</u>	<u>\$ -</u>	<u>\$ 310,555</u>
Total Disbursements	<u>310,555</u>	<u>-</u>	<u>310,555</u>
Excess of Receipts over (under) Disbursements	<u>\$ 84,852</u>	<u>\$ 388,400</u>	<u>\$ 473,252</u>
Other Cash Sources (Uses)			
Purchase of capital assets	-	(388,400)	(388,400)
Transfers In (Out)	-	-	-
Principal paid on loans	(13,119)	-	(13,119)
Interest paid on loans	<u>(3,015)</u>	<u>-</u>	<u>(3,015)</u>
Total Other Cash Sources and (Uses)	<u>\$ (16,134)</u>	<u>\$ (388,400)</u>	<u>\$ (404,534)</u>
Excess (Deficiency) of receipts and other cash sources over disbursements and other cash uses	68,718	-	68,718
CASH BASIS NET ASSETS- Beginning of Year	<u>669,219</u>	<u>-</u>	<u>669,219</u>
CASH BASIS NET ASSETS-End of Year	<u>\$ 737,937</u>	<u>\$ -</u>	<u>\$ 737,937</u>
CASH BASIS NET ASSETS- End of Year			
Cash and cash equivalents	737,937	-	737,937
Total Cash Basis Fund Balances	<u><u>\$ 737,937</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 737,937</u></u>

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

**TOWN OF BEAUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**(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*.

*Fund Financial Statements:*

Fund financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

**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.

**TOWN OF BEAUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**  
**(Continued)**

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

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.

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 receipt* 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 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 *Grant 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, 2016**  
**(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, 2016**  
**(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 15.75% 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, 2016, 2015, and 2014 were \$30,273, \$29,856, and \$29,531, respectively, which equaled the required contributions for each year.



**TOWN OF BEAUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**  
**(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, 2016 was \$1,290,375, and the bank balance was \$1,256,330. 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, 2016, none of the City's bank balance of \$1,256,330 was exposed to custodial credit risk.

**TOWN OF BEAUMONT**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**  
**(Continued)**

**(4) Deposits and Investments (cont.)**

Credit Risk – State law limits investments of those prescribed in Sections 27-105-33(d) and 27-105-33E 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 or 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 June 26, 2017, which is the date the financial statements were available to be issued.

**TOWN OF BEAUMONT, MISSISSIPPI**

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF BEAUMONT, MISSISSIPPI**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the year ended September 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>RECEIPTS</b>				
General Property Taxes	\$ 184,850	\$ 184,850	\$ 193,893	\$ 9,043
Licenses and Permits	4,400	4,400	1,003	(3,397)
Franchise Tax on Utilities	91,500	83,600	77,639	(5,961)
Intergovernmental Receipts	129,600	98,300	107,125	8,825
Court Fines	19,980	5,000	6,357	1,357
Miscellaneous	11,500	30,780	20,283	(10,497)
Total Receipts	<u>\$ 441,830</u>	<u>\$ 406,930</u>	<u>\$ 406,300</u>	<u>(630)</u>
<b>EXPENDITURES</b>				
General Government	\$ 103,850	\$ 92,650	\$ 93,341	\$ (691)
Public Safety	180,200	136,000	130,691	5,309
Streets	50,400	62,400	60,359	2,041
Parks & Recreation	22,360	21,360	22,733	(1,373)
Principal and Interest	-	-	-	-
Total Expenditures	<u>\$ 356,810</u>	<u>\$ 312,410</u>	<u>\$ 307,124</u>	<u>\$ 5,286</u>
Excess of receipts over (under) Expenditures	85,020	94,520	99,176	4,656
<b>OTHER CASH SOURCES (USES)</b>				
Purchase of capital assets	\$ (40,000)	\$ (81,200)	\$ (81,239)	\$ (39)
Transfers out	-	-	-	-
Principal paid on loans	-	-	-	-
Interest paid on loans	-	-	-	-
Total Other Cash Sources and Uses	<u>\$ (40,000)</u>	<u>\$ (81,200)</u>	<u>\$ (81,239)</u>	<u>\$ (39)</u>
Net Change in Cash Basis Fund Balance	45,020	13,320	17,937	4,617
Cash Basis Fund Balances - Beginning	<u>534,500</u>	<u>534,500</u>	<u>534,500</u>	<u>-</u>
Cash Basis Fund - Ending	<u>\$ 579,520</u>	<u>\$ 547,820</u>	<u>\$ 552,437</u>	<u>\$ 4,617</u>

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, 2016**

**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.

The Town's budget is prepared on the cash basis of accounting. All appropriations lapse at year-end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

**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, 2016**

<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	0.250%	4/15/16	12 mo.	\$ 173,916
Business-type Fund	Certificate of Deposit	0.449%	5/10/16	12 mo.	121,547
General Fund	Certificate of Deposit	0.250%	4/15/16	12 mo.	111,814
Business-type Fund	Certificate of Deposit	0.449%	8/21/16	12 mo.	120,964
Business-type Fund	Certificate of Deposit	0.250%	10/12/16	12 mo.	111,471
General Fund	Certificate of Deposit	0.449%	5/4/16	12 mo.	27,596
General Fund	Certificate of Deposit	0.250%	9/30/16	12 mo.	20,151
General Fund	Money Market Account				11,880
General Fund	Stock				35,008
					<u>\$ 734,347</u>

**TOWN OF BEAUMONT, MISSISSIPPI  
SCHEDULE OF CAPITAL ASSETS  
Fiscal Year Ended September 30, 2016**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental activities:</b>				
Capital Assets:				
Land	\$ 131,185	\$ -	\$ -	\$ 131,185
Buildings	948,706	-	-	948,706
Machinery & Equipment	634,666	60,081	-	694,747
Infrastructure	207,388	21,158	-	228,546
<b>Total Governmental activities capital assets</b>	<u>\$ 1,921,945</u>	<u>\$ 81,239</u>	<u>\$ -</u>	<u>\$ 2,003,184</u>
<b>Business-type activities:</b>				
Capital Assets:				
Land	\$ -	\$ -	\$ -	\$ -
Buildings	-	-	-	-
Machinery & Equipment	474,395	-	-	474,395
Infrastructure	4,257,020	388,400	-	4,645,420
<b>Total Business-type activities capital assets</b>	<u>\$ 4,731,415</u>	<u>\$ 388,400</u>	<u>\$ -</u>	<u>\$ 5,119,815</u>



**TOWN OF BEAUMONT, MISSISSIPPI**  
**SCHEDULE OF LONG-TERM DEBT**  
**Year Ended September 30, 2016**

	Balance Outstanding 9/30/2015	Transactions During Fiscal Year		Balance Outstanding 9/30/2016
		Issued	Redeemed	
Mississippi Development Authority - Sewer Improvements	154,311	-	13,119	141,192
Total	<u>\$ 154,311</u>	<u>\$ -</u>	<u>\$ 13,119</u>	<u>\$ 141,192</u>

**TOWN OF BEAUMONT, MISSISSIPPI  
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS  
Year Ended September 30, 2016**

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>
Jamie Chambless	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
Paul Benjamin	Policeman	St. Paul Travelers	25,000
Derek Magee	Policeman	St. Paul Travelers	25,000
Ricco Carter	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, 2016 and have issued our report dated June 26, 2017. 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.



Pelahatchie, Mississippi  
June 26, 2017