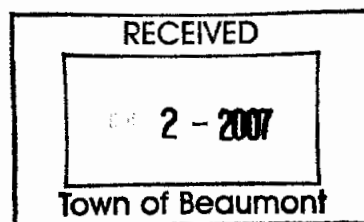




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**TOWN OF BEAUMONT, MISSISSIPPI
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**TONY CHANCE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
514-A AIRPORT ROAD
FOREST, MS 39074**



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**TOWN OF BEAUMONT, MISSISSIPPI
AUDITED FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2006
TABLE OF CONTENTS**

	<u>Page</u>
REPORT OF CERTIFIED PUBLIC ACCOUNTANT ON THE FINANCIAL STATEMENTS	1-2
COMBINED STATEMENT OF CASH RECEIPTS & DISBURSEMENTS -ALL FUND TYPES	3-4
NOTES TO THE FINANCIAL STATEMENTS	5
SCHEDULE OF INVESTMENTS	6
SCHEDULE OF LONG-TERM DEBT	7
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS	8
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	9
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS	10
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	11-12
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133	13-14
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	15

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FAX 601 / 469-0316

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PUBLIC ACCOUNTANTS

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

We have audited the accompanying statements of cash receipts and disbursements of the Town of Beaumont, Mississippi, as of September 30, 2006. These financial statements are the responsibility of Town of Beaumont's management. Our responsibility is to express an opinion on these financial statements based on our audit.

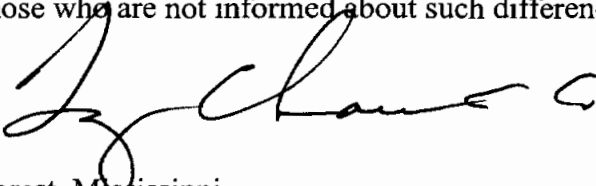
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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 our audit provides a reasonable basis for our opinions.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2007, 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 grants. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Town of Beaumont, Mississippi
Independent Auditor's Report

Our audit was performed for the purpose of forming an opinion on the statements of cash receipts and disbursements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the statement of cash receipts and disbursements of the Town of Beaumont, Mississippi. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects, in relation to the statements of cash receipts and disbursements taken as a whole.

These financial statements (including related disclosures) are presented in accordance with the requirements of the Mississippi State Department of Audit, which differs from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.



Forest, Mississippi
June 27, 2007

Town of Beaumont, Mississippi
Combined Statement of Cash Receipts and Disbursements - All Fund Types
Fiscal Year Ended September 30, 2006

	Governmental Funds		Proprietary Funds	Totals (Memorandum Only)	
	General	Special Revenue		2006	2005
Revenue Receipts					
General Property Taxes	\$ 84,528	\$ -	\$ -	\$ 84,528	\$ 66,689
Licenses and Permits	1,526	-	-	1,526	4,602
Franchise Tax on Utilities	67,746	-	-	67,746	58,471
State Shared Revenues:					
General Municipal Aid	3,407	-	-	3,407	1,409
Sales Tax	97,330	-	-	97,330	84,537
Gasoline Tax	2,748	-	-	2,748	2,748
Fire Ins. Reimbursement	4,968	-	-	4,968	-
Homestead	2,411	-	-	2,411	2,133
Federal Shared Revenue:					
Home Program Grant	-	-	-	-	350,000
CDBG Sewer Improvements Grants	-	317,211	-	317,211	64,838
FEMA Grants	30,173	-	-	30,173	4,950
Charges for Services:					
Gas (Net of Purchases)	-	-	95,709	95,709	53,160
Water & Sewer	-	-	243,118	243,118	221,584
County Contributions	25,023	-	-	25,023	-
Court Fines	6,922	-	-	6,922	10,777
Interest Income	11,097	-	6,758	17,855	18,038
Cemetery Funds	2,900	-	-	2,900	900
Rents	15,740	-	-	15,740	17,955
Fire Protection Charges	21	-	-	21	3,512
Insurance Proceeds	17,567	-	-	17,567	-
Donations	8,000	-	-	8,000	5,730
Miscellaneous Income	1,805	-	1,868	3,673	396
Total Operating Receipts	383,912	317,211	347,453	1,048,576	972,429
Other Receipts					
Loan Proceeds	-	-	265,763	265,763	-
Transfers In	2,449	275,812	2,484	280,745	105,275
Total Other Receipts	2,449	275,812	268,247	546,508	105,275
Total Receipts	386,361	593,023	615,700	1,595,084	1,077,704
Cash Balance - Beginning of Year	292,015	13,513	542,753	848,281	887,251
Total Amount to Account For	\$ 678,376	\$ 606,536	\$ 1,158,453	\$ 2,443,365	\$ 1,964,955

See accountants report.

Town of Beaumont, Mississippi
Combined Statement of Cash Receipts and Disbursements - All Fund Types
Fiscal Year Ended September 30, 2006

	Governmental Funds		Proprietary Funds	Totals (Memorandum Only)	
	General	Special Revenue		2006	2005
Operating Disbursements					
General Government	\$ 89,922	\$ -	\$ -	\$ 89,922	\$ 68,580
Public Safety	90,934	-	-	90,934	128,768
Streets	59,010	-	-	59,010	49,470
Parks & Recreation	20,705	-	-	20,705	10,161
Home Program Project	-	21	-	21	350,036
Enterprises:					
Water & Sewer	-	601,582	159,024	760,606	358,929
Interest Expense	2,369	-	3,685	6,054	15,456
Total Operating Disbursements	262,940	601,603	162,709	1,027,252	981,400
Other Disbursements					
Bonds Retired	-	-	218,042	218,042	5,708
Notes Repaid	19,261	-	4,581	23,842	20,451
Capital Outlay	44,263	-	1,030	45,293	3,840
Transfers Out	-	4,933	275,812	280,745	105,275
Total Other Disbursements	63,524	4,933	499,465	567,922	135,274
Total Disbursements	326,464	606,536	662,174	1,595,174	1,116,674
Cash Balance - End of Year	351,912	-	496,279	848,191	848,281
Total Amount to Account For	\$ 678,376	\$ 606,536	\$ 1,158,453	\$ 2,443,365	\$ 1,964,955

See accountants report.

TOWN OF BEAUMONT
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

Note A) Summary of Significant Accounting Policies

General Information

The Town of Beaumont operates under a Mayor-Aldermen form of government and provides services as authorized law.

Reporting Entity

The financial statement of the town consists of all the funds of the town.

Fund Accounting

The accounts of the town are organized on the basis of funds, each of which is considered a separate accounting entity.

Basis of Accounting

The financial statement is prepared on a cash receipts and disbursements basis, as prescribed by the Office of State Auditor. Consequently, certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred.

Note B) Report Classifications

Receipts and disbursements were classified according to requirements for small towns in the State of Mississippi as prescribed by the Office of the State Auditor.

Town of Beaumont, Mississippi
Schedule of Investments
Year Ended September 30, 2006

General Fund	
Certificate of Deposit	\$ 107,265
Certificate of Deposit	27,563
Certificate of Deposit	20,828
U.S. Government Money Market	5,149
Stock	<u>23,360</u>
	\$ 184,165
 Proprietary Fund	
Certificate of Deposit	101,164
Certificate of Deposit	54,835
Certificate of Deposit	56,558
Certificate of Deposit	24,355
Certificate of Deposit	<u>24,371</u>
	<u>261,283</u>
 Total	 <u><u>\$ 445,448</u></u>

**Town of Beaumont, Mississippi
Schedule of Long-term Debt
Year Ended September 30, 2006**

	Balance Outstanding 9/30/2005	Transactions During Fiscal Year		Balance Outstanding 9/30/2006
		Issued	Redeemed	
Revenue Bonds				
1989 USDA Rural Development	\$ 55,411	\$ -	\$ 55,411	\$ -
1994 USDA Rural Development	162,631	-	162,631	-
Total Revenue Bonds	218,042	-	218,042	-
Other Long-Term Debt				
Mississippi Development Authority - medical clinic	68,329	-	19,261	49,068
Mississippi Development Authority - sewer improvements	-	265,763	4,581	261,182
Total Other Long-Term Debt	68,329	265,763	23,842	310,250
Total	\$ 286,371	\$ 265,763	\$ 241,884	\$ 310,250

**Town of Beaumont, Mississippi
Schedule of Surety Bonds for Municipal Officials
Year Ended September 30, 2006**

<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	25,000
Donald Hartfield	Alderman	St. Paul Travelers	5,000
James Sheffield	Alderman	St. Paul Travelers	5,000
John Breland	Alderman	St. Paul Travelers	5,000
Sidney Penton	Alderman	St. Paul Travelers	5,000
Marvin Freeman	Alderman	St. Paul Travelers	5,000
Wayne Penton	Police Chief	St. Paul Travelers	50,000
Henry J. Penton	Policeman	St. Paul Travelers	25,000
William Pipkins	Policeman	St. Paul Travelers	25,000

Town of Beaumont, Mississippi
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2006

<u>Federal Grantor</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Economic & Community Development Passed-through MS Dept. of Economic & Community Development Community Development Block Grant Wastewater Collection and Treatment Improvements	14.228	04-114-PF-01	\$ 307,162
Community Development Block Grant Wastewater Collection and Treatment Improvements	14.228	97-114-PF-04	10,049
Capital Improvements Revolving Loan Program Wastewater Collection and Treatment Improvements	14.228	03-114-CP-01	265,763
Federal Emergency Management Agency (FEMA) Passed-through Mississippi Emergency Management Agency (MEMA) Hurricane Katrina Reimbursements	97.036	FEMA-1604-DR-MS 111-04500-00	<u>30,173</u>
			<u>\$ 613,147</u>

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**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, 2006 and have issued our report dated June 27, 2007. 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.

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.

Tony Chance & Company
Forest, Mississippi 39074
June 27, 2007



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

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, as of and for the year ended September 30, 2006, and have issued our report thereon dated June 27, 2007. 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.

Compliance

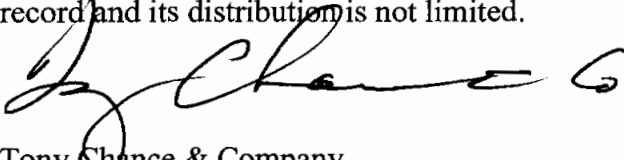
As part of obtaining reasonable assurance about whether the Town of Beaumont, Mississippi's cash receipts and disbursements-all fund types are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Beaumont, Mississippi's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the cash receipts and disbursements and not to provide assurance on the internal control over financial reporting. Our considerations of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operations of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

Mayor and Board of Aldermen
Town of Beaumont, Mississippi
Page 2

This report is intended solely for the information of the board of aldermen, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, appearing to read "Tony Chance". The signature is fluid and cursive, with a large initial "T" and a long horizontal stroke.

Tony Chance & Company
Forest, Mississippi 39074
June 27, 2007

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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Mayor and Board of Aldermen
Town of Beaumont, Mississippi

Compliance

We have audited the compliance of the Town of Beaumont, Mississippi, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2006. The Town of Beaumont, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town of Beaumont, Mississippi's management. Our responsibility is to express an opinion on the Town of Beaumont, Mississippi's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Beaumont, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town of Beaumont, Mississippi's compliance with those requirements.

In our opinion, the Town of Beaumont, Mississippi, complied, in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2006.

Internal Control Over Compliance

The management of the Town of Beaumont, Mississippi, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town of Beaumont, Mississippi's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, Town Council, 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.



Tony Chance and Company
Forest, Mississippi 39074
June 27, 2007

TOWN OF BEAUMONT, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2006

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the statements of cash receipts and disbursements of the Town of Beaumont, Mississippi.
2. No reportable conditions were disclosed during the audit of the financial statements in the "Report on Compliance and Internal Control Over Financial Reporting".
3. No instances of material non-compliance material to the financial statements of the Town of Beaumont, Mississippi were disclosed during the audit.
4. No reportable conditions related to the audit of the major federal award programs are reported in the "Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance In Accordance with OMB Circular A-133".
5. The auditor's report on compliance for the major federal award programs for the Town of Beaumont, Mississippi expresses an unqualified opinion on all major federal programs.
6. The audit did not disclose any findings which are required to be reported under Section .510(a) of OMB Circular A-133.
7. The programs tested as a major programs were the CDBG Wastewater Collection and Treatment Improvements Grant and the Capital Improvements Revolving Loan, CFA #14.228.
8. The threshold used for distinguishing between Type A and Type B programs was \$300,000.
9. The Town of Beaumont, Mississippi did not qualify as a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None