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TOWN OF BEAUMONT

1510 Beaumont-Brooklyn Road

P.O. Box 605

Beaumont, MS 39423

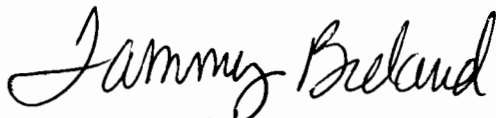
601-784-3352

Wednesday, August 08, 2018

Office of State Auditor
Attn: Technical Assistance
PO Box 956
Jackson, MS 39205-0956

Enclosed are two hardcopies of the Town of Beaumont's annual audited financial statements for the year ended September 30, 2017. I have also emailed a copy to tech@osa.ms.gov. If you have any questions, please call me at 601-784-3352.

Thanks,



Tammy Breland, Clerk
Town of Beaumont

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**TOWN OF BEAUMONT, MISSISSIPPI
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

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

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July 30, 2018

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

Town of Beaumont

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, 2017. 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 April 26, 2018. 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, 2017. 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 30, 2018.

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

We applied certain limited procedures to the Budgetary Comparison Schedule and the notes, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Investments-All Funds, Schedule of Capital Assets, Schedule of Long Term Debt, Schedule of Surety Bonds for Municipal Officials and Independent Auditor's Report on Compliance with State Laws and Regulations, which accompany the financial statements but are not RSI. With respect to supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the cash receipts and disbursements basis of accounting, 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.

Restriction on Use

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,

Ross & Betts, PLLC

Ross & Betts, PLLC

**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, 2017, 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, 2017 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.

Ross Bates, Partner

Pelahatchie, Mississippi
July 30, 2018

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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, 2017

Functions/Programs	Cash Disbursements	Program cash receipts			Net (Disbursements) Receipts and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 132,858	\$ 27,976	\$ -	\$ -	\$ (104,882)	\$ -	\$ (104,882)
Public safety	122,890	3,194	-	14,414	(105,282)	-	(105,282)
Streets	55,136	-	-	-	(55,136)	-	(55,136)
Parks & recreation	16,036	-	-	-	(16,036)	-	(16,036)
Interest on long-term debt	-	-	-	-	-	-	-
Total Governmental Activities	326,920	31,170	-	14,414	(281,336)	-	(281,336)
Business-type activities:							
Water & Sewer & Gas	461,718	323,662	-	-	-	(138,056)	(138,056)
Interest on long-term debt	1,606	-	-	-	-	(1,606)	(1,606)
Total Business-type Activities	463,324	323,662	-	-	-	(139,662)	(139,662)
Total Government	\$ 790,244	\$ 354,832	\$ -	\$ 14,414	(281,336)	(139,662)	(420,998)
General Receipts:							
Taxes:							
Sales tax					\$ 99,412	\$ -	\$ 99,412
Property tax					207,853	-	207,853
Gasoline tax					2,912	-	2,912
Franchise taxes					67,473	-	67,473
Homestead Reimbursement					4,272	-	4,272
Fire Protection					5,324	-	5,324
Miscellaneous					14,690	-	14,690
Unrestricted investment earnings					2,523	2,711	5,234
Transfers					-	-	-
Total General Receipts					404,459	2,711	407,170
Change in Net Assets					123,123	(136,951)	(13,828)
Net Assets - Beginning					552,437	737,937	1,290,374
Net Assets - Ending					\$ 675,560	\$ 600,986	\$ 1,276,546

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, 2017

	<u>Program cash receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Assets</u>			
	<u>Cash Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS							
Cash and cash equivalents					\$ 313,859	\$ 175,722	\$ 489,581
Investments					361,701	425,264	786,965
Total Assets					<u>\$ 675,560</u>	<u>\$ 600,986</u>	<u>\$ 1,276,546</u>
NET ASSETS							
Nonspendable					\$ -	\$ -	\$ -
Restricted					-	-	-
Committed					138,251	-	138,251
Assigned					-	-	-
Unassigned					537,309	600,986	1,138,295
Total Net Assets					<u>\$ 675,560</u>	<u>\$ 600,986</u>	<u>\$ 1,276,546</u>

AUG 13 2018

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, 2017

	<u>Governmental Activities</u>		
	<u>Major Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>Other Governmental Funds</u>	
Receipts			
General Property Taxes	\$ 207,853	\$ -	\$ 207,853
Licenses and Permits	906	-	906
Franchise Tax on Utilities	67,473	-	67,473
State Shared Revenues:			
General Municipal Aid	474	-	474
Sales Tax	99,412	-	99,412
Gasoline Tax	2,912	-	2,912
Fire Protection	5,324	-	5,324
Homestead	4,272	-	4,272
Rents	26,070	-	26,070
Perry Co. Fire Allocation	14,414	-	14,414
Cemetary Plots	1,000	-	1,000
Miscellaneous	14,216	-	14,216
Court Fines	3,194	-	3,194
Interest Income	2,523	-	2,523
Total Receipts	\$ 450,043	\$ -	\$ 450,043

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, 2017

	<u>Governmental Activities</u>		
	<u>Major Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>Other Governmental Funds</u>	
Operating Disbursements			
General Government	\$ 97,169	\$ -	\$ 97,169
Public Safety	122,890	-	122,890
Streets	55,136	-	55,136
Parks & Recreation	16,036	-	16,036
Interest Expense	-	-	-
	<hr/>	<hr/>	<hr/>
Total Disbursements	291,231	-	291,231
	<hr/>	<hr/>	<hr/>
Excess of Receipts over (under) Disbursements	\$ 158,812	\$ -	\$ 158,812
	<hr/>	<hr/>	<hr/>
Other Cash Sources (Uses)			
Purchase of capital assets	(35,689)	-	(35,689)
Transfers In (Out)	-	-	-
Principal paid on loans	-	-	-
Interest paid on loans	-	-	-
	<hr/>	<hr/>	<hr/>
Total Other Cash Sources and (Uses)	\$ (35,689)	\$ -	\$ (35,689)
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of receipts and other cash sources over disbursements and other cash uses	123,123	-	123,123
	<hr/>	<hr/>	<hr/>
CASH BASIS FUND BALANCE- Beginning of Year	552,437	-	552,437
	<hr/>	<hr/>	<hr/>
CASH BASIS FUND BALANCE-End of Year	\$ 675,560	\$ -	\$ 675,560
	<hr/>	<hr/>	<hr/>
CASH BASIS FUND BALANCE- End of Year			
Nonspendable	\$ -	\$ -	\$ -
Restricted	-	-	-
Committed	138,251	-	138,251
Assigned	-	-	-
Unassigned	537,309	-	537,309
Total Cash Basis Fund Balances	<u>\$ 675,560</u>	<u>\$ -</u>	<u>\$ 675,560</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 NET ASSETS
BUSINESS-TYPE FUNDS**

As of and for the year ended September 30, 2017

	<u>Business-type Activities</u>		
	<u>Major Funds</u>		
	<u>Utilities Fund</u>	<u>Grant Fund</u>	<u>Total</u>
Receipts			
Charges for services			
Gas (net of purchases)	\$ 73,828	\$ -	\$ 73,828
Water & Sewer	249,834	-	249,834
Interest Income	2,711	-	2,711
Total Receipts	<u>\$ 326,373</u>	<u>\$ -</u>	<u>\$ 326,373</u>
Disbursements			
Water and Sewer and Gas	<u>\$ 299,480</u>	<u>\$ -</u>	<u>\$ 299,480</u>
Total Disbursements	<u>299,480</u>	<u>-</u>	<u>299,480</u>
Excess of Receipts over (under) Disbursements	<u>\$ 26,893</u>	<u>\$ -</u>	<u>\$ 26,893</u>
Other Cash Sources (Uses)			
Purchase of capital assets	(21,046)	-	(21,046)
Transfers In (Out)	-	-	-
Principal paid on loans	(141,192)	-	(141,192)
Interest paid on loans	(1,606)	-	(1,606)
Total Other Cash Sources and (Uses)	<u>\$ (163,844)</u>	<u>\$ -</u>	<u>\$ (163,844)</u>
Excess (Deficiency) of receipts and other cash sources over disbursements and other cash uses	(136,951)	-	(136,951)
CASH BASIS NET ASSETS- Beginning of Year	<u>737,937</u>	<u>-</u>	<u>737,937</u>
CASH BASIS NET ASSETS-End of Year	<u>\$ 600,986</u>	<u>\$ -</u>	<u>\$ 600,986</u>
CASH BASIS NET ASSETS- End of Year			
Cash and cash equivalents	600,986	-	600,986
Total Cash Basis Fund Balances	<u><u>\$ 600,986</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 600,986</u></u>

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

TOWN OF BEAUMONT
NOTES TO FINANCIAL STATEMENTS
September 30, 2017

(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, 2017
(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.

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TOWN OF BEAUMONT
NOTES TO FINANCIAL STATEMENTS
September 30, 2017
(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, 2017
(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, 2017, 2016, and 2015 were \$32,075, \$30,273, and \$29,856, respectively, which equaled the required contributions for each year.

TOWN OF BEAUMONT
NOTES TO FINANCIAL STATEMENTS
September 30, 2017
(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, 2017 was \$1,276,546, and the bank balance was \$1,250,399. 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, 2017, none of the City's bank balance of \$1,250,399 was exposed to custodial credit risk.

TOWN OF BEAUMONT
NOTES TO FINANCIAL STATEMENTS
September 30, 2017
(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 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 30, 2018, which is the date the financial statements were available to be issued.

TOWN OF BEAUMONT, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION

AUG 13 2013

TOWN OF BEAUMONT, MISSISSIPPI
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
GENERAL FUND
For the year ended September 30, 2017

	<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	\$ 198,000	\$ 206,000	\$ 207,853	\$ 1,853
Licenses and Permits	4,400	1,000	906	(94)
Franchise Tax on Utilities	91,500	69,000	67,473	(1,527)
Intergovernmental Receipts	165,350	124,300	126,808	2,508
Court Fines	6,000	1,500	3,194	1,694
Miscellaneous	30,980	46,800	43,809	(2,991)
	<u>\$ 496,230</u>	<u>\$ 448,600</u>	<u>\$ 450,043</u>	<u>1,443</u>
EXPENDITURES				
General Government	\$ 96,250	\$ 97,100	\$ 97,169	\$ (69)
Public Safety	157,350	127,500	122,890	4,610
Streets	62,400	58,000	55,136	2,864
Parks & Recreation	28,960	28,200	16,036	12,164
Principal and Interest	-	-	-	-
	<u>\$ 344,960</u>	<u>\$ 310,800</u>	<u>\$ 291,231</u>	<u>\$ 19,569</u>
Excess of receipts over (under) Expenditures	151,270	137,800	158,812	21,012
OTHER CASH SOURCES (USES)				
Purchase of capital assets	\$ (119,400)	\$ (38,400)	\$ (35,689)	\$ 2,711
Transfers out	-	-	-	-
Principal paid on loans	-	-	-	-
Interest paid on loans	-	-	-	-
	<u>\$ (119,400)</u>	<u>\$ (38,400)</u>	<u>\$ (35,689)</u>	<u>\$ 2,711</u>
Net Change in Cash Basis Fund Balance	31,870	99,400	123,123	23,723
Cash Basis Fund Balances - Beginning	552,437	552,437	552,437	-
Cash Basis Fund - Ending	<u>\$ 584,307</u>	<u>\$ 651,837</u>	<u>\$ 675,560</u>	<u>\$ 23,723</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, 2017

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, 2017**

<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	0.638%	4/19/17	12 mo.	\$ 39,607
Business-type Fund	Certificate of Deposit	0.846%	5/5/17	12 mo.	122,257
General Fund	Certificate of Deposit	0.797%	4/19/17	12 mo.	212,724
Business-type Fund	Certificate of Deposit	0.750%	8/17/17	12 mo.	121,439
Business-type Fund	Certificate of Deposit	0.449%	10/11/16	12 mo.	111,996
General Fund	Certificate of Deposit	0.707%	5/5/17	12 mo.	60,819
General Fund	Certificate of Deposit	0.449%	10/11/16	12 mo.	75,451
General Fund	Money Market Account				12,707
General Fund	Stock				29,965
					<u>\$ 786,965</u>

TOWN OF BEAUMONT, MISSISSIPPI
SCHEDULE OF CAPITAL ASSETS
Fiscal Year Ended September 30, 2017

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital Assets:				
Land	\$ 131,185	\$ -	\$ -	\$ 131,185
Buildings	948,706	11,390	-	960,096
Machinery & Equipment	694,747	24,299	-	719,046
Infrastructure	228,546	-	-	228,546
Total Governmental activities capital assets	<u>\$ 2,003,184</u>	<u>\$ 35,689</u>	<u>\$ -</u>	<u>\$ 2,038,873</u>
Business-type activities:				
Capital Assets:				
Land	\$ -	\$ -	\$ -	\$ -
Buildings	-	12,696	-	12,696
Machinery & Equipment	474,395	8,350	-	482,745
Infrastructure	4,645,420	-	-	4,645,420
Total Business-type activities capital assets	<u>\$ 5,119,815</u>	<u>\$ 21,046</u>	<u>\$ -</u>	<u>\$ 5,140,861</u>

**TOWN OF BEAUMONT, MISSISSIPPI
 SCHEDULE OF LONG-TERM DEBT
 Year Ended September 30, 2017**

	Balance Outstanding 9/30/2016	Transactions During Fiscal Year		Balance Outstanding 9/30/2017
		Issued	Redeemed	
Mississippi Development Authority - Sewer Improvements	141,192	-	141,192	-
Total	\$ 141,192	\$ -	\$ 141,192	\$ -

**TOWN OF BEAUMONT, MISSISSIPPI
 SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
 Year Ended September 30, 2017**

<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
Chris Bolton	Alderman	St. Paul Travelers	25,000
Beverly Hesterman	Alderman	St. Paul Travelers	25,000
Hope Freeman	Alderman	St. Paul Travelers	25,000
Princess Bolton	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
Perry Fairley	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, 2017 and have issued our report dated July 30, 2018. 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, P. Ross

Pelahatchie, Mississippi
July 30, 2018

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