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Town of Blue Mountain

P. O. Box 116
Blue Mountain, Mississippi 38610
Phone (662) 685-4721

Office of the State Auditor
P.O. Box 956
Jackson, Mississippi 39205

Re: Annual Audit

Accompanying this letter is a copy of the financial report of The Town of Blue Mountain, Mississippi, for the fiscal year ended September 30, 2015. A separate management letter was not written to the town in connection with this audit.

Sincerely,


Mayor

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JUN 30 2016

TOWN OF BLUE MOUNTAIN

FINANCIAL REPORT

BLUE MOUNTAIN, MISSISSIPPI

YEAR ENDED SEPTEMBER 30, 2015

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JUN 30 2016

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Mayor and Board of Aldermen
Town of Blue Mountain
Blue Mountain, MS 38610

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Blue Mountain, Mississippi, as of September 30, 2015, and for the year then ended, as required by the Office of the State Auditor, under provisions of Section 21-35-31, Miss. Code Ann. (1972). It is understood the report is solely for the use of the governing body of the Town of Blue Mountain, Mississippi and the Office of the State Auditor and should not be used for any other purposes.

Our procedures and findings are as follows:

- A. We reconciled cash on deposit with the following bank to balances in the respective general ledger accounts and obtained confirmation of the related balances from the bank:

<u>Bank</u>	<u>Fund</u>	<u>Balance per General Ledger</u>
The Peoples Bank	General	\$ 192,981
	Water & Sewer	83,243

While reconciling cash on deposit with bank balances in the respective general ledger we noted that reconciling items, specifically outstanding deposits, on the bank reconciliation did not clear in the subsequent months. Supporting documentation was provided to us for the outstanding deposit and customer's accounts were credited, however the deposits were never deposited to the Town's bank account. As of January 4, 2016, the date the financial statements were available to be issued, outstanding deposits of \$7,588 could not be accounted for by the former Town Clerk. The State Auditors Office has been informed of this situation and an investigation is in process.

- B. We physically examined securities held for investment. Securities held in trust were confirmed directly with respective trustees. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Miss. Code Ann. (1972).

The Town of Blue Mountain owned no securities held for investment at September 30, 2015.

- C. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
1. Verified use of certified county assessment rolls and traced levies to governing body minutes;
 2. Examined uncollected taxes for proper handling, including tax sales;
 3. Traced distribution of taxes collected to proper funds; and
 4. Analyzed increase in taxes for most recent period for compliance with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

The distribution of taxes to funds was found to be in accordance with prescribed tax levies, and uncollected taxes were determined to be properly handled.

Ad valorem tax collections were found to be within the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

Ad valorem tax collections for retirement of general obligation debt was found to be sufficient for payment of current principal and interest in accordance with limitations imposed by Sections 21-33-87 and 21-33-303, Miss. Code Ann. (1972).

- D. We obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced to deposits in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Receiving Funds</u>	<u>General Ledger Amount</u>
Sales Tax Allocation	General	\$ 123,324
Fire Protection Allocation	General	5,006
Gasoline Tax	General	2,817
Homestead Exemption	General	6,295
TVA in Lieu of Taxes	General	8,770
Municipal Aid	General	459
Public Safety	General	3,358

- E. We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for compliance with purchasing requirements set forth in Title 31, Chapter 7, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of sample items	40
Dollar value of sample	\$ 69,257

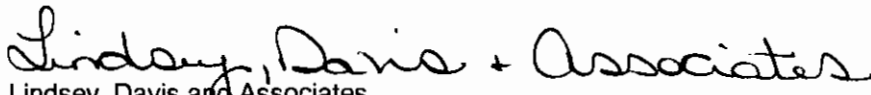
- F. We selected a sample of collection of fines and forfeitures and verified that the municipal court clerk had settled daily with the municipal clerk. We also selected a sample of state imposed court assessments collected and determined that the municipal clerk had settled monthly with the Department of Finance and Administration.

At the beginning of the fiscal year, the fines and forfeitures were not settled daily, and the state portion of the court assessments were not remitted to the Department of Finance and Administration in a timely manner each month. There is presently an ongoing investigation by the Office of the State Auditor concerning the collection of fine and fees.

G. We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of non compliance with state requirements.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on any of the accounts or items referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the specified accounts or items should be adjusted. Had we performed additional procedures or had we conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you. This report relates only to the accounts and items specified above and does not extend to any financial statements of the Town of Blue Mountain, for the year ended September 30, 2015.

This report is intended solely for the use of the Office of the State Auditor, State of Mississippi, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.


Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
January 4, 2016

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JUN 30 2016

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Board of Aldermen
Town of Blue Mountain
Blue Mountain, MS 38610


Management is responsible for the accompanying statement of cash receipts and disbursements (all funds)- cash basis of the Town of Blue Mountain, Mississippi, as of and for the year ended September 30, 2015 in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures ordinarily required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statement, they might influence the user's conclusions about the Town's cash receipts and disbursements. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Required Supplementary Information

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting 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.

The supplementary information contained on pages 9, 10 and 11 is presented for purposes of additional analysis and has been compiled by us from information that is the representation of management of the Town of Blue Mountain, Mississippi, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.



Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
January 4, 2016

TOWN OF BLUE MOUNTAIN
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS
YEAR ENDED SEPTEMBER 30, 2015

	GOVERNMENTAL FUNDS GENERAL	PROPRIETARY FUNDS ENTERPRISE	TOTALS (MEMORANDUM ONLY)	
			2015	2014
REVENUE RECEIPTS				
General Property Taxes	\$ 58,103	\$	\$ 58,103	\$ 61,773
Prior Year Taxes	119		119	275
Penalties and Interest on				
Delinquent Taxes	382		382	521
Privilege Taxes	5,606		5,606	16,091
Intergovernmental Revenues:				
State Shared Revenue:				
Sales Tax	123,324		123,324	113,459
Gasoline Tax	2,817		2,817	2,573
Fire Protection	5,006		5,006	5,014
Homestead Exemption	6,295		6,295	5,703
TVA in Lieu of Taxes	8,770		8,770	9,491
General Municipal Aid	459		459	459
County Shared Revenue:				
Road Taxes	12,531		12,531	12,673
Fire Protection	11,500		11,500	11,500
Charges for Services:				
Water Utilities		262,629	262,629	264,184
Sanitation Collection Fees		31,993	31,993	33,705
TVRHA in Lieu of Tax	3,578		3,578	2,528
Fines	44,646		44,646	23,039
Donations				
Interest	1,054	587	1,641	1,851
Gross Receipts Tax	4,665		4,665	4,027
Sale of Cemetery Lots	5,145		5,145	2,625
Miscellaneous	17,971	13,892	31,863	25,756
TOTAL REVENUE RECEIPTS	311,971	309,101	621,072	597,247
OTHER RECEIPTS				
Grant Income	3,358		3,358	428,691
Transfers	16,020		16,020	21,270
TOTAL OTHER RECEIPTS	19,378		19,378	449,961
TOTAL RECEIPTS	331,349	309,101	640,450	1,047,208
Cash Balance - Beginning of Year	128,442	71,573	200,015	165,862
TOTAL AMOUNT TO ACCOUNT FOR	\$ 459,791	\$ 380,674	\$ 840,465	\$ 1,213,070

See Accountant's Compilation Report

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TOWN OF BLUE MOUNTAIN
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS
YEAR ENDED SEPTEMBER 30, 2015

	GOVERNMENTAL FUNDS GENERAL	PROPRIETARY FUNDS ENTERPRISE	TOTALS (MEMORANDUM ONLY)	
			2015	2014
OPERATING DISBURSEMENTS				
General Government	\$ 130,710	\$	\$ 130,710	\$ 116,409
Public Safety:				
Police	53,467		53,467	64,624
Fire	16,059		16,059	14,630
Court	27,720		27,720	20,189
Highways and Streets:				
Repairs & Maintenance	22,655		22,655	30,934
Enterprise:				
Water Utilities		222,402	222,402	228,888
Sanitation		26,631	26,631	26,631
Interest on Bonds and Loans	335	1,202	1,537	2,371
TOTAL OPERATING DISBURSEMENTS	250,946	250,235	501,181	504,676
OTHER DISBURSEMENTS				
Principal Payments	5,186	12,600	17,786	42,946
Transfers		16,020	16,020	21,270
(Increase)/Decrease in Meter Deposits		4,457	4,457	1,720
Investment in Fixed Assets	10,678	14,119	24,797	16,396
Grant Expense (CDBG)				426,047
TOTAL OTHER DISBURSEMENTS	15,864	47,196	63,060	508,379
TOTAL DISBURSEMENTS	266,810	297,431	564,241	1,013,055
Cash Balance - End of Year	192,981	83,243	276,224	200,015
TOTAL AMOUNT TO ACCOUNT FOR	\$ 459,791	\$ 380,674	\$ 840,465	\$ 1,213,070

See Accountant's Compilation Report

TOWN OF BLUE MOUNTAIN
SCHEDULE OF LONG-TERM DEBT
 SEPTEMBER 30, 2015

	Balance Outstanding Oct. 1, 2014	Transactions During Fiscal Year		Balance Outstanding Sept. 30, 2015
		<u>Additions</u>	<u>Reductions</u>	
General Fund	\$ 41,192	\$	\$ 5,186	\$ 36,006
Water and Sewer System	65,917		12,600	53,317
Total	<u>\$ 107,109</u>	<u>\$</u>	<u>\$ 17,786</u>	<u>\$ 89,323</u>

TOWN OF BLUE MOUNTAIN
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
SEPTEMBER 30, 2015

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Doug Norton	Mayor	MS Municipal Association	\$ 50,000
Patricia Glover	Town Clerk	Travelers	50,000
Paul Wright	Water Clerk	Travelers	25,000
Harold Hebert	Water Foreman	Travelers	25,000
Danny Robinson	Police Chief	Travelers	50,000
Blanket Bond	Policeman	Travelers	25,000
Blanket Bond	Policeman	Travelers	25,000
Jerrold Akins	Alderman	MS Municipal Association	10,000
Gene Lansdell	Alderman	MS Municipal Association	10,000
Elizabeth Kidd Brown	Alderwoman	MS Municipal Association	10,000
Jeffrey Pipkin	Alderman	MS Municipal Association	10,000
David Akins	Alderman	MS Municipal Association	10,000

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JUN 30 2015

TOWN OF BLUE MOUNTAIN
SCHEDULE OF INVESTMENTS (ALL FUNDS) - CASH BASIS
SEPTEMBER 30, 2015

GENERAL FUND:

Fire Protection Fund:

.45% Certificate of Deposit, dated October 25, 2004,
maturing on October 25, 2015

\$ 6,490

TOTAL INVESTMENTS

\$ 6,490

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ACCOUNTANT'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

To the Mayor and Board of Aldermen
Town of Blue Mountain
Blue Mountain, MS 38610

We have compiled the statement of cash receipts and disbursements (all funds)-cash basis of the Town of Blue Mountain for the year ended September 30, 2015 and have issued our report dated January 4, 2016. We have conducted our compilation in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA.

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

The results of those procedures and our compilation of the cash receipts and disbursements disclosed material instance of noncompliance with state laws and regulations. Our findings are included in the Accountant's Report on Agreed-Upon Procedures under procedures A and F.

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.



Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
January 4, 2016