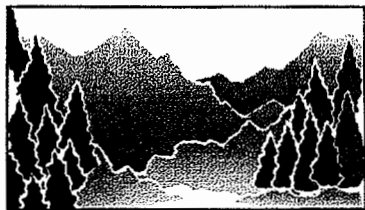




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Town of Blue Mountain, Mississippi

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townofbluemountain@yahoo.com

Doug Norton, Mayor • Patricia Glover, City Clerk

February 8, 2017

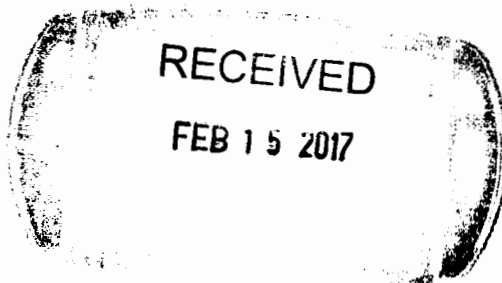
Office of the State Auditor
P.O. Box 956
Jackson, Mississippi 39205

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, 2016. A separate management letter was not written to the town in connection with this audit.

Sincerely,

Doug Norton, Mayor

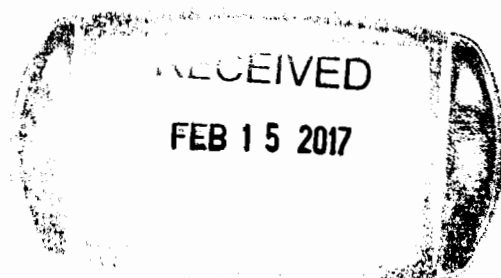


TOWN OF BLUE MOUNTAIN

FINANCIAL REPORT

BLUE MOUNTAIN, MISSISSIPPI

YEAR ENDED SEPTEMBER 30, 2016



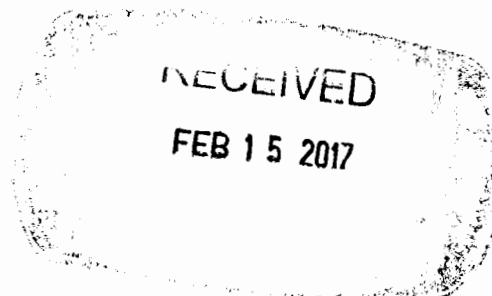


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LINDSEY, DAVIS AND ASSOCIATES

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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, 2016, 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	\$ 221,998
	Water & Sewer	67,746

- 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, 2016.



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).

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	\$ 133,864
Fire Protection Allocation	General	5,900
Gasoline Tax	General	2,818
Homestead Exemption	General	6,542
TVA in Lieu of Taxes	General	4,969
Municipal Aid	General	459
Public Safety	General	4,640
CDBG	Water	434,922

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	45
Dollar value of sample	\$ 51,287

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.

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, 2016.

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 + Associates

Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
November 15, 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, 2016 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 & Associates

Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
November 15, 2016



TOWN OF BLUE MOUNTAIN
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS
YEAR ENDED SEPTEMBER 30, 2016

	GOVERNMENTAL FUNDS GENERAL	PROPRIETARY FUNDS ENTERPRISE	TOTALS (MEMORANDUM ONLY)	
			2016	2015
REVENUE RECEIPTS				
General Property Taxes	\$ 60,632	\$	\$ 60,632	\$ 58,103
Prior Year Taxes	452		452	119
Penalties and Interest on Delinquent Taxes	502		502	382
Privilege Taxes	3,948		3,948	5,606
Intergovernmental Revenues:				
State Shared Revenue:				
Sales Tax	133,864		133,864	123,324
Gasoline Tax	2,818		2,818	2,817
Fire Protection	5,900		5,900	5,006
Homestead Exemption	6,542		6,542	6,295
TVA in Lieu of Taxes	4,969		4,969	8,770
General Municipal Aid	459		459	459
County Shared Revenue:				
Road Taxes	9,579		9,579	12,531
Fire Protection	11,500		11,500	11,500
Charges for Services:				
Water Utilities		313,548	313,548	262,629
Sanitation Collection Fees		32,846	32,846	31,993
TVRHA in Lieu of Tax	3,922		3,922	3,578
Fines	70,915		70,915	44,646
Donations				
Interest	973	253	1,226	1,641
Gross Receipts Tax	12,553		12,553	4,665
Sale of Cemetery Lots	4,530		4,530	5,145
Miscellaneous	12,685	15,163	27,848	31,863
TOTAL REVENUE RECEIPTS	346,743	361,810	708,553	621,072
OTHER RECEIPTS				
Grant Income	4,640	434,922	439,562	3,358
Transfers	16,920	14,623	31,543	16,020
TOTAL OTHER RECEIPTS	21,560	449,545	471,105	19,378
TOTAL RECEIPTS	368,303	811,355	1,179,658	640,450
Cash Balance - Beginning of Year	192,981	83,243	276,224	200,015
TOTAL AMOUNT TO ACCOUNT FOR	\$ 561,284	\$ 894,598	\$1,455,882	\$ 840,465

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, 2016

	GOVERNMENTAL FUNDS GENERAL	PROPRIETARY FUNDS ENTERPRISE	TOTALS (MEMORANDUM ONLY)	
			2016	2015
OPERATING DISBURSEMENTS				
General Government	\$ 125,186	\$	\$ 125,186	\$ 130,710
Public Safety:				
Police	60,412		60,412	53,467
Fire	17,933		17,933	16,059
Court	36,056		36,056	27,720
Highways and Streets:				
Repairs & Maintenance	28,837		28,837	22,655
Enterprise:				
Water Utilities		281,030	281,030	222,402
Sanitation		26,268	26,268	26,631
Interest on Bonds and Loans	686	964	1,650	1,537
TOTAL OPERATING DISBURSEMENTS	269,110	308,262	577,372	501,181
OTHER DISBURSEMENTS				
Principal Payments	4,835	12,838	17,673	17,786
Transfers	14,623	16,920	31,543	16,020
(Increase)/Decrease in Meter Deposits				4,457
Investment in Fixed Assets	50,718	53,910	104,628	24,797
Grant Expense (CDBG)		434,922	434,922	
TOTAL OTHER DISBURSEMENTS	70,176	518,590	588,766	63,060
TOTAL DISBURSEMENTS	339,286	826,852	1,166,138	564,241
Cash Balance - End of Year	221,998	67,746	289,744	276,224
TOTAL AMOUNT TO ACCOUNT FOR	\$ 561,284	\$ 894,598	\$ 1,455,882	\$ 840,465

See Accountant's Compilation Report



TOWN OF BLUE MOUNTAIN
SCHEDULE OF LONG-TERM DEBT
 SEPTEMBER 30, 2016

	Balance Outstanding Oct. 1, 2015	Transactions During Fiscal Year		Balance Outstanding Sept. 30, 2016
		<u>Additions</u>	<u>Reductions</u>	
General Fund	\$ 36,006	\$	\$ 4,835	\$ 31,171
Water and Sewer System	53,317		12,838	40,479
Total	<u>\$ 89,323</u>	<u>\$</u>	<u>\$ 17,673</u>	<u>\$ 71,650</u>

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TOWN OF BLUE MOUNTAIN
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
 SEPTEMBER 30, 2016

<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
Danny Robinson	Police Chief	Travelers	50,000
Blanket Bond	Policeman	Travelers	25,000
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



TOWN OF BLUE MOUNTAIN
SCHEDULE OF INVESTMENTS (ALL FUNDS) - CASH BASIS
SEPTEMBER 30, 2016

GENERAL FUND:

Fire Protection Fund:

.25% Certificate of Deposit, dated October 25, 2004,
maturing on October 25, 2016

\$ 6,512

TOTAL INVESTMENTS

\$ 6,512

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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, 2016 and have issued our report dated November 15, 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 no material instance of noncompliance with state laws and regulations.

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 + Associates

Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
November 15, 2016

