

OFFICE OF THE STATE AUDITOR REPORT NOTE:

Section 7-7-211, Mississippi Code Annotated (1972) gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

TOWN OF BLUE MOUNTAIN

FINANCIAL STATEMENT

BLUE MOUNTAIN, MISSISSIPPI

YEAR ENDED SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of cash receipts and disbursements of the governmental activities, the business-type activities, and each major fund of the Town of Blue Mountain, Mississippi, as of and for the year ended September 30, 2021, 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 Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note A; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. 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 an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standard 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the statement of cash receipts and disbursements of the governmental activities, the business-type activities, and each major fund of the Town of Blue Mountain, Mississippi, as of September 30, 2021, 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 A.

Basis of Accounting

We draw attention to Note A of the financial statement, which describes the basis of accounting. This financial statement is prepared on the cash 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.

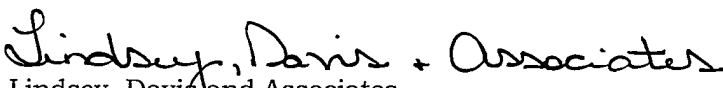
Other Matters

Omission of Required Supplementary Information

The Town of Blue Mountain, Mississippi omitted the Management's Discussion and Analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statement. Such missing information, although not a part of the basic financial statement, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statement in appropriate operational, economic, or historical context. Our opinion on the basic financial statement is not affected by this missing information.

Other Information

The schedules of long-term debt, surety bonds and investments are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of long-term debt, surety bonds, and investments are fairly stated in all material respects in relation to the basic financial statements as a whole.


Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
January 12, 2022

TOWN OF BLUE MOUNTAIN
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS
YEAR ENDED SEPTEMBER 30, 2021

	GOVERNMENTAL FUNDS GENERAL	PROPRIETARY FUNDS ENTERPRISE	TOTALS (MEMORANDUM ONLY)	
			2021	2020
REVENUE RECEIPTS				
General Property Taxes	\$ 74,148	\$	\$ 74,148	\$ 66,294
Prior Year Taxes	349		349	525
Penalties and Interest on Delinquent Taxes	481		481	39
Privilege Taxes	6,807		6,807	4,977
Intergovernmental Revenues:				
State Shared Revenue:				
Sales Tax	149,827		149,827	131,624
Gasoline Tax	2,818		2,818	2,818
Fire Protection	0		0	5,550
Homestead Exemption	7,807		7,807	7,837
TVA in Lieu of Taxes	10,841		10,841	10,139
General Municipal Aid	459		459	459
Modernization Use Tax	42,198		42,198	20,317
Cares Act	21,548		21,548	0
ARPA Funds	116,531		116,531	0
County Shared Revenue:				
Road Taxes	8,371		8,371	9,004
Fire Protection	0		0	12,500
Charges for Services:				
Water Utilities		308,270	308,270	306,067
Sanitation Collection Fees		42,710	42,710	42,275
TVRHA in Lieu of Tax	4,128		4,128	4,128
Fines	30,337		30,337	44,577
Donations	9,950		9,950	1,950
Interest	646	101	747	630
Gross Receipts Tax	13,408		13,408	15,214
Sale of Cemetery Lots	2,850		2,850	3,500
Miscellaneous	22,473	17,396	39,869	61,993
TOTAL REVENUE RECEIPTS	525,977	368,477	894,454	752,417
OTHER RECEIPTS				
Grant Income	4,981	465,796	470,777	4,167
Loan Proceeds	20,000		20,000	0
Transfers	3,148		3,148	47,457
TOTAL OTHER RECEIPTS	28,129	465,796	493,925	51,624
TOTAL RECEIPTS	554,106	834,273	1,388,379	804,041
Cash Balance - Beginning of Year	140,808	37,887	178,695	166,919
TOTAL AMOUNT TO ACCOUNT FOR	\$ 694,914	\$ 872,160	\$1,567,074	\$ 970,960

See Accountant's Compilation Report

TOWN OF BLUE MOUNTAIN
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS
YEAR ENDED SEPTEMBER 30, 2021

	GOVERNMENTAL FUNDS GENERAL	PROPRIETARY FUNDS ENTERPRISE	TOTALS (MEMORANDUM ONLY)	
			2021	2020
OPERATING DISBURSEMENTS				
General Government	\$ 171,445	\$	\$ 171,445	\$ 151,116
Public Safety:				
Police	79,726		79,726	102,678
Fire	26,011		26,011	12,835
Court	17,875		17,875	35,687
Highways and Streets:				
Repairs & Maintenance	18,151		18,151	20,428
Enterprise:				
Water Utilities		308,187	308,187	305,686
Sanitation		29,965	29,965	29,965
Interest on Bonds and Loans	341		341	485
TOTAL OPERATING DISBURSEMENTS	313,549	338,152	651,701	658,880
OTHER DISBURSEMENTS				
Principal Payments	14,575		14,575	5,244
Transfers		3,148	3,148	47,457
Investment in Fixed Assets	96,749	37,818	134,567	76,517
Grant Expense		465,796	465,796	4,167
TOTAL OTHER DISBURSEMENTS	111,324	506,762	618,086	133,385
TOTAL DISBURSEMENTS	424,873	844,914	1,269,787	792,265
Cash Balance - End of Year	270,041	27,246	297,287	178,695
TOTAL AMOUNT TO ACCOUNT FOR	\$ 694,914	\$ 872,160	\$ 1,567,074	\$ 970,960

See Accountant's Compilation Report

TOWN OF BLUE MOUNTAIN
NOTES TO THE FINANCIAL STATEMENT
YEAR ENDED SEPTEMBER 30, 2021

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The town operates under the Mayor - Board of Aldermen form of government and provides services as authorized by 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 the State Auditor. Consequently, certain revenues are recognized 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 BLUE MOUNTAIN
SCHEDULE OF LONG-TERM DEBT
 SEPTEMBER 30, 2021

	Balance Outstanding Oct. 1, 2020	Transactions During Fiscal Year		Balance Outstanding Sept. 30, 2021
		Additions	Reductions	
General Fund	<u>\$ 16,067</u>	<u>\$ 20,000</u>	<u>\$ 14,575</u>	<u>\$ 21,492</u>

TOWN OF BLUE MOUNTAIN
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
 SEPTEMBER 30, 2021

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Doug Norton	Mayor	MS Municipal Association	\$ 50,000
Amanda Chism	Town Clerk	Travelers	50,000
Jessica Jeter	Water Clerk	Travelers	50,000
Amanda Chism	Court Clerk	Travelers	50,000
Jessica Jeter	Deputy Court Clerk	Travelers	50,000
Stacy Hull	Part Time Deputy Clerk	Travelers	50,000
Billy Johnson	Police Chief	Travelers	50,000
Jordan Tutor	Assistant Police Chief	Travelers	25,000
Rickey Griffin	Policeman	Travelers	25,000
Jerrold Akins	Alderman	MS Municipal Association	10,000
Gene Lansdell	Alderman	MS Municipal Association	10,000
Curt Henry	Alderman	MS Municipal Association	10,000
Jeffrey Pipkin	Alderman	MS Municipal Association	10,000
Michael Pope	Alderman	MS Municipal Association	10,000

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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, 2021 and have issued our report dated January 12, 2022. 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 compilation 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 and Associates
Certified Public Accountants

Ripley, Mississippi
January 12, 2022

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the 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, the statement of cash receipts and disbursements of the governmental activities, the business-type activities, and each major fund of the Town of Blue Mountain, Mississippi, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Blue Mountain, Mississippi's basic financial statements, and have issued our report thereon dated January 12, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Blue Mountain's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the statement of cash receipts and disbursements of the governmental activities, the business-type activities, and each major fund, but not for the purpose of expressing an opinion on the Town of Blue Mountain's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might

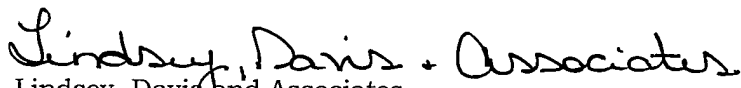
be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Blue Mountain's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
January 12, 2022