

## 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, 2022

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## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the accompanying cash basis financial statements 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, 2022, and the related notes to the financial statements, which collectively comprise the Town of Blue Mountain, Mississippi's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respect, the respective cash basis financial position of the governmental activities, the business-type activities, and each major fund of the Town of Blue Mountain, Mississippi, as of September 30, 2022, and the respective changes in cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the cash basis of accounting described in Note A.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Blue Mountain, Mississippi, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of Matter - Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are 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 this matter.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note A, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements 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 Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Blue Mountain, Mississippi's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Blue Mountain, Mississippi's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Other Matters**

#### *Omission of Required Supplementary Information*

Management has omitted the Management's Discussion and Analysis, the Schedule of the Town's Proportionate Share of the Net Pension Liability, the Schedule of the Town's Contributions, 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*

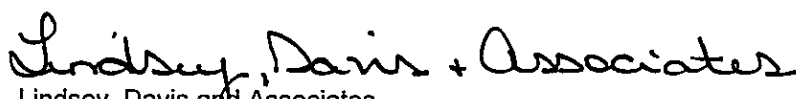
The Schedule of Long Term Debt, Schedule of Surety Bonds for Town Officials and Schedule of Investments are presented for purposes of additional analysis and are not a required part of the financial statement. This information has not been subjected to the auditing standards applied in the audit of the basic financial statement, and accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated January 24, 2023, on our consideration of the Town of Blue Mountain, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Blue Mountain, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Blue Mountain, Mississippi's internal control over financial reporting and compliance.

#### **Other Reporting Requirements required by the Office of State Auditor**

In accordance with requirements set forth by the Office of State Auditor of Mississippi, we have issued our report dated January 24, 2023, on our consideration of the Town of Blue Mountain, Mississippi's compliance with the state laws and regulations. The purpose of this report is to describe the scope of our testing of compliance with certain laws and regulations and the result of that testing, and not provide an opinion on compliance.

  
Lindsey, Davis and Associates  
Certified Public Accountants

Ripley, Mississippi  
January 24, 2023

TOWN OF BLUE MOUNTAIN  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS  
YEAR ENDED SEPTEMBER 30, 2022

	GOVERNMENTAL FUNDS GENERAL	PROPRIETARY FUNDS ENTERPRISE	TOTALS (MEMORANDUM ONLY)	
			2022	2021
REVENUE RECEIPTS				
General Property Taxes	\$ 95,722	\$	\$ 95,722	\$ 74,148
Prior Year Taxes	132		132	349
Penalties and Interest on				
Delinquent Taxes	571		571	481
Privilege Taxes	10,622		10,622	6,807
Intergovernmental Revenues:				
State Shared Revenue:				
Sales Tax	157,815		157,815	149,827
Gasoline Tax	2,895		2,895	2,818
Fire Protection	11,982		11,982	
Homestead Exemption	6,829		6,829	7,807
TVA in Lieu of Taxes	8,628		8,628	10,841
General Municipal Aid	458		458	459
Modernization Use Tax	64,060		64,060	42,198
County Shared Revenue:				
Road Taxes	13,551		13,551	8,371
Fire Protection	25,000		25,000	
Charges for Services:				
Water Utilities		394,983	394,983	308,270
Sanitation Collection Fees		41,809	41,809	42,710
TVRHA in Lieu of Tax	4,128		4,128	4,128
Fines	29,961		29,961	30,337
Donations	10,450		10,450	9,950
Interest	961	103	1,064	747
Gross Receipts Tax	13,634		13,634	13,408
Sale of Cemetery Lots	1,250		1,250	2,850
Miscellaneous	52,739		52,739	39,869
TOTAL REVENUE RECEIPTS	511,388	436,895	948,283	756,375
OTHER RECEIPTS				
Grant Income	445,523	168,058	613,581	608,856
Loan Proceeds	5,600		5,600	20,000
Transfers	12,000	198,017	210,017	3,148
TOTAL OTHER RECEIPTS	463,123	366,075	829,198	632,004
TOTAL RECEIPTS	974,511	802,970	1,777,481	1,388,379
Cash Balance - Beginning of Year	270,041	27,246	297,287	178,695
TOTAL AMOUNT TO ACCOUNT FOR	\$ 1,244,552	\$ 830,216	\$ 2,074,768	\$ 1,567,074

See Independent Auditor's Report

TOWN OF BLUE MOUNTAIN  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS  
YEAR ENDED SEPTEMBER 30, 2022

	GOVERNMENTAL FUNDS GENERAL	PROPRIETARY FUNDS ENTERPRISE	TOTALS (MEMORANDUM ONLY)	
			2022	2021
OPERATING DISBURSEMENTS				
General Government	\$ 197,513	\$	\$ 197,513	\$ 171,445
Public Safety:				
Police	126,273		126,273	79,726
Fire	61,004		61,004	26,011
Court	17,032		17,032	17,875
Highways and Streets:				
Repairs & Maintenance	21,116		21,116	18,151
Enterprise:				
Water Utilities		343,809	343,809	308,187
Sanitation		28,295	28,295	29,965
Interest on Bonds and Loans	334		334	341
TOTAL OPERATING DISBURSEMENTS	423,272	372,104	795,376	651,701
OTHER DISBURSEMENTS				
Principal Payments	6,596		6,596	14,575
Transfers	198,017	12,000	210,017	3,148
Investment in Fixed Assets	133,565	366,058	499,623	134,567
TOTAL OTHER DISBURSEMENTS	338,178	378,058	716,236	152,290
TOTAL DISBURSEMENTS	761,450	750,162	1,511,612	803,991
Cash Balance - End of Year	483,102	80,054	563,156	297,287
TOTAL AMOUNT TO ACCOUNT FOR	\$ 1,244,552	\$ 830,216	\$2,074,768	\$ 1,101,278

TOWN OF BLUE MOUNTAIN  
NOTES TO THE FINANCIAL STATEMENT  
YEAR ENDED SEPTEMBER 30, 2022

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.

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See Independent Auditor's Report

TOWN OF BLUE MOUNTAIN  
SCHEDULE OF LONG-TERM DEBT  
SEPTEMBER 30, 2022

	Balance Outstanding Oct. 1, 2021	Transactions During Fiscal Year		Balance Outstanding Sept. 30, 2022
		Additions	Reductions	
General Fund				
The Peoples Bank	<u>\$ 16,067</u>	<u>\$</u>	<u>\$ 6,596</u>	<u>\$ 9,471</u>

See Independent Auditor's Report

TOWN OF BLUE MOUNTAIN  
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS  
SEPTEMBER 30, 2022

<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

See Independent Auditor's Report

TOWN OF BLUE MOUNTAIN  
SCHEDULE OF INVESTMENTS (ALL FUNDS) - CASH BASIS  
YEAR ENDED SEPTEMBER 30, 2022

The Town of Blue Mountain owned no securities held for investment at September 30, 2022.

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See Independent Auditor's Report

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

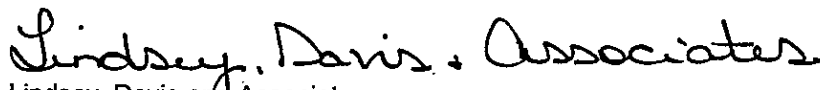
To the Mayor and Board of Aldermen  
Town of Blue Mountain  
Blue Mountain, Mississippi 38610

We have audited the cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Blue Mountain, Mississippi, as of and for the year ended September 30, 2022, which collectively comprise the Town of Blue Mountain, Mississippi's basic financial statements and have issued our report thereon dated January 24, 2023. 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*.

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 audit of the general purpose financial statement disclosed no material instances 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 24, 2023

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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

To the Mayor and Board of Aldermen  
Town of Blue Mountain  
Blue Mountain, MS 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, business-type activities, and the major funds of the Town of Blue Mountain, Mississippi as of and for the year ended September 30, 2022, 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 24, 2023.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Blue Mountain, Mississippi's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Blue Mountain, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Blue Mountain, Mississippi'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 was not designed to 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 or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Blue Mountain, Mississippi's financial statements are 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 financial statements. 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 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Lindsey, Davis + Associates". The signature is written in a cursive, flowing style.

Lindsey, Davis and Associates  
Certified Public Accountants

Ripley, Mississippi  
January 24, 2023