

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 REPORT

BLUE MOUNTAIN, MISSISSIPPI

YEAR ENDED SEPTEMBER 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Board of Aldermen
Town of Blue Mountain
Blue Mountain, Mississippi 38683

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, 2023, 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 respects, 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, 2023, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

In preparing the financial statements, management is required to evaluate whether 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 and *Government 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 and *Government 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 statements. Such missing information, although not a 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 statement in appropriate operational, economic, or historical context. Our opinion on the basic financial statement is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Blue Mountain, Mississippi's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 statements. This information has not been subjected to the auditing standards applied in the audit of the basic financial statements, 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 March 4, 2024, 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 March 4, 2024, 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.

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
March 4, 2024

TOWN OF BLUE MOUNTAIN
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS
YEAR ENDED SEPTEMBER 30, 2023

	Governmental Activities General	Business-Type Activities Water & Sewer	TOTALS (MEMORANDUM ONLY)	
			2023	2022
REVENUE RECEIPTS				
General Property Taxes	\$ 101,502	\$	\$ 101,502	\$ 95,722
Prior Year Taxes				132
Penalties and Interest on				
Delinquent Taxes	156		156	571
Privilege Taxes	11,291		11,291	10,622
Intergovernmental Revenues:				
State Shared Revenue:				
Sales Tax	181,468		181,468	157,815
Gasoline Tax	2,903		2,903	2,895
Fire Protection	11,305		11,305	11,982
Homestead Exemption	8,375		8,375	6,829
TVA in Lieu of Taxes	8,838		8,838	8,628
General Municipal Aid	474		474	458
Modernization Use Tax	80,108		80,108	64,060
County Shared Revenue:				
Road Taxes	12,506		12,506	13,551
Fire Protection	12,500		12,500	25,000
Charges for Services:				
Water Utilities		441,855	441,855	394,983
Sanitation Collection Fees		40,984	40,984	41,809
TVRHA in Lieu of Tax	4,128		4,128	4,128
Fines	44,701		44,701	29,961
Donations	9,135		9,135	10,450
Interest	954	467	1,421	1,064
Gross Receipts Tax	6,913		6,913	13,634
Sale of Cemetery Lots	1,550		1,550	1,250
Miscellaneous	32,511	200	32,711	52,739
TOTAL REVENUE RECEIPTS	531,318	483,506	1,014,824	948,283
OTHER RECEIPTS				
Grant Income	108,792	712,000	820,792	613,581
Loan Proceeds		362,000	362,000	5,600
Transfers		63,483	63,483	210,017
TOTAL OTHER RECEIPTS	108,792	1,137,483	1,246,275	829,198
TOTAL RECEIPTS	640,110	1,620,989	2,261,099	1,777,481
Cash Balance - Beginning of Year	483,102	80,054	563,156	297,287
TOTAL AMOUNT TO ACCOUNT FOR	\$ 1,123,212	\$ 1,701,043	\$ 2,824,255	\$ 2,074,768

TOWN OF BLUE MOUNTAIN
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS
YEAR ENDED SEPTEMBER 30, 2023

	Governmental Activities General	Business-Type Activities Water & Sewer	TOTALS (MEMORANDUM ONLY)	
			2023	2022
OPERATING DISBURSEMENTS				
General Government	\$ 200,114	\$	\$ 200,114	\$ 197,513
Public Safety:				
Police	121,350		121,350	126,273
Fire	14,679		14,679	61,004
Court	28,586		28,586	17,032
Highways and Streets:				
Repairs & Maintenance	19,780		19,780	21,116
Enterprise:				
Water & Sewer Utilities		371,156	371,156	343,809
Sanitation		32,710	32,710	28,295
Interest on Bonds and Loans	168	1,473	1,641	334
TOTAL OPERATING DISBURSEMENTS	384,677	405,339	790,016	795,376
OTHER DISBURSEMENTS				
Principal Payments	9,471	362,000	371,471	6,596
Transfers	63,483		63,483	210,017
Investment in Fixed Assets	171,684	801,405	973,089	499,623
TOTAL OTHER DISBURSEMENTS	244,638	1,163,405	1,408,043	716,236
TOTAL DISBURSEMENTS	629,315	1,568,744	2,198,059	1,511,612
Cash Balance - End of Year	493,897	132,299	626,196	563,156
TOTAL AMOUNT TO ACCOUNT FOR	\$ 1,123,212	\$ 1,701,043	\$ 2,824,255	\$ 2,074,768

TOWN OF BLUE MOUNTAIN
SCHEDULE OF LONG-TERM DEBT
YEAR ENDED SEPTEMBER 30, 2023

	Balance Outstanding Oct. 1, 2022	Transactions During Fiscal Year		Balance Outstanding Sept. 30, 2023
		Additions	Reductions	
General Fund				
The Peoples Bank	\$ 9,471	\$	\$ 9,471	\$
The Peoples Bank		362,000	362,000	
Total	<u>\$ 9,471</u>	<u>\$ 18,878</u>	<u>\$ 371,471</u>	<u>\$</u>

TOWN OF BLUE MOUNTAIN
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
SEPTEMBER 30, 2023

<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

TOWN OF BLUE MOUNTAIN
SCHEDULE OF INVESTMENTS (ALL FUNDS) - CASH BASIS
YEAR ENDED SEPTEMBER 30, 2023

The Town of Blue Mountain owned no securities held for investment at September 30, 2023.

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

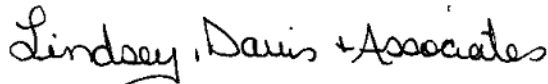
To the Mayor and Board of Aldermen
Town of Blue Mountain
Blue Mountain, MS 38610

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, 2023, which collectively comprise the Town of Blue Mountain, Mississippi's basic financial statements and have issued our report thereon dated March 4, 2024. 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
March 4, 2024

TOWN OF BLUE MOUNTAIN, MISSISSIPPI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED SEPTEMBER 30, 2023

<u>Federal Grantor/ Pass-through Grantor/ Program or Cluster Title</u>	<u>Catalog of Fed. Domestic Assistance Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Justice</u>			
<i>Passed-through Mississippi Development Authority</i>			
Justice Assistance Grant (JAG)	16.738		\$ 5,350
<u>U.S. Department of Housing and Urban Development</u>			
<i>Passed-through Mississippi Development Authority</i>			
Community Development Block Grants/ Entitlement Grants	14.218	1136-19-123-PF-01	59,146
<u>U.S. Department of the Treasury</u>			
<i>Passed-through Mississippi Development Authority</i>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	1136-19-123-PF-01	432,307
<u>Appalachian Regional Commission</u>			
<i>Passed-through Mississippi Development Authority</i>			
Appalachian Regional Development	23.001	1136-19-123-PF-01	107,000
<u>U.S. Department of Transportation</u>			
<i>Passed-through Mississippi Development Authority</i>			
Highway Planning and Construction Federal-Aid Highway	20.205	1133-17-123-PF-01	<u>176,610</u>
Total Expenditures of Federal Awards			<u>\$ 780,413</u>

TOWN OF BLUE MOUNTAIN, MISSISSIPPI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of the Town of Blue Mountain, Mississippi under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Blue Mountain, Mississippi, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Town of Blue Mountain, Mississippi.

B. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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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, Mississippi
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 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, 2023, and the related notes to the financial statements, which collectively comprise the Town of Blue Mountain's basic financial statements, and have issued our report thereon dated March 4, 2024.

Report on 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 opinions 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.

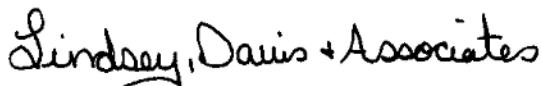
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 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
March 4, 2024

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Blue Mountain, Mississippi's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Blue Mountain, Mississippi's major federal programs for the year ended September 30, 2023. The Town of Blue Mountain, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Blue Mountain, Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance 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 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Blue Mountain, Mississippi's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town of Blue Mountain, Mississippi's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Blue Mountain, Mississippi's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Blue Mountain, Mississippi's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town of Blue Mountain, Mississippi's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Blue Mountain, Mississippi's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Blue Mountain, Mississippi's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

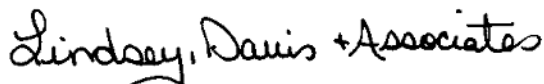
Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
March 4, 2024

TOWN OF BLUE MOUNTAIN, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2023

SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)	No

Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	No

SCHEDULE B - FINANCIAL STATEMENT FINDINGS

No matters were reported

SCHEDULE C - FINDINGS AND QUESTIONED COSTS

No matters were reported