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TO: _____

FROM: TOWN OF OSYKA

FAX: 6015425832

TEL: 6015425041

COMMENT:

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TOWN OF OSYKA

215 Liberty Street; East

P. O. Box 23

Osyka, MS 39657

Telephone 601-542-5041

January 15, 2013

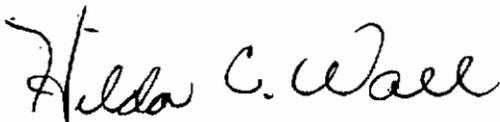
Mississippi State Department of Audit
P O Box 956
Jackson, MS 39205

Dear Sir:

Attached are two copies of the annual audit for the Town of Osyka for fiscal year ending September 30, 2012.

If you have any questions, please feel free to contact me.

Sincerely,



Hilda C. Wall
Town Clerk

Town of Osyka
Osyka, Mississippi
Compilation Report
September 30, 2012

VERBALEE B. WATTS & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

602 W. CONGRESS ST. (39601)
P.O. BOX 226
BROOKHAVEN, MISSISSIPPI 39602

TOWN OF OSYKA, MISSISSIPPI
COMPILATION REPORT
SEPTEMBER 30, 2012

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TOWN OF OSYKA, MISSISSIPPI

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ACCOUNTANT'S COMPILATION REPORT

VERBALEE B. WATTS
CERTIFIED PUBLIC ACCOUNTANT

VERBALEE B. WATTS
CERTIFIED PUBLIC ACCOUNTANT

602 W. CONGRESS ST.
P. O. BOX 226 TELEPHONE 833-8683
BROOKHAVEN, MISSISSIPPI 39601

*Member of Mississippi Society
Of Certified Public Accountants*

December 3, 2012

*Member of American Institute
Of Certified Public Accountants*

ACCOUNTANT'S COMPILATION REPORT

Mayor and Board of Aldermen
Town of Osyka, Mississippi

We have compiled the accompanying Combined Statement of Cash Receipts and Disbursements, of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Osyka, Mississippi, as of and for the year ended September 30, 2012, as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the Cash Receipts and Disbursements basis of accounting.

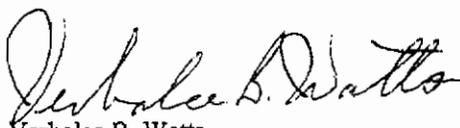
The management of the Town of Osyka, Mississippi is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

As described in Note 1 to the financial statements, the Town of Osyka, Mississippi, prepares its financial statements on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

Management also has not presented the management's discussion and analysis and other required supplemental information that Governmental Accounting Standards Boards has determined is required to supplement, although not required to be a part of, the basic financial statements.

VERBALEE B. WATTS & ASSOCIATES



Verbalee B. Watts
Certified Public Accountant

FINANCIAL STATEMENTS

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TOWN OF OSYKA, MISSISSIPPI
COMBINED STATEMENT OF
CASH RECEIPTS AND CASH DISBURSEMENTS - ALL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Governmental --- Activities ---		Business-Type --- Activities ---		--- Memorandum Only --- Totals	
	General Fund	Special Revenue	Water Fund	2012	2011	
REVENUE RECEIPTS						
General Property	\$ 89,529	\$ -	\$ -	\$ 89,529	\$ 87,728	
Licenses and Permits	808	-	-	808	683	
Franchise & In-Lieu Tax	9,998	-	-	9,998	12,956	
Intergovernmental Revenues:						
General Municipal Aid (From State)	1,420	-	-	1,420	250	
State Shared Revenues:						
Grand Gulf	4,505	-	-	4,505	4,356	
Sales Tax	71,282	-	-	71,282	57,604	
Gasoline Tax	-	-	-	-	1,265	
Homestead Exemption Reimbursement	8,582	-	-	8,582	7,580	
Charges for Services:						
Water/Sewer Utility	-	-	142,517	142,517	138,192	
Garbage	30,411	-	-	30,411	29,893	
Fines and Forfeitures	37,080	-	-	37,080	54,198	
TOTAL REVENUE RECEIPTS	\$ 253,615	\$ -	\$ 142,517	\$ 396,132	\$ 394,705	
OTHER RECEIPTS						
Sale of Asset	-	-	-	-	26,100	
Interest	336	-	175	511	1,399	
Meter Deposits	-	-	2,405	2,405	1,700	
Miscellaneous	6,421	-	5,051	11,472	9,575	
Grant Funds	-	186,268	7,816	194,084	-	
TOTAL OTHER RECEIPTS	\$ 6,757	\$ 186,268	\$ 15,447	\$ 208,472	\$ 38,774	
TOTAL RECEIPTS	260,372	186,268	157,964	604,604	433,479	
CASH BALANCE - BEGINNING OF YEAR	68,818	-	24,328	93,146	65,395	
TOTAL AMOUNT TO ACCOUNT FOR	\$ 329,190	\$ 186,268	\$ 182,292	\$ 697,750	\$ 498,874	

The accompanying notes are an integral part of these financial statements.

TOWN OF OSYKA, MISSISSIPPI
COMBINED STATEMENT OF
CASH RECEIPTS AND CASH DISBURSEMENTS - ALL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	<u>Governmental</u>		<u>Business-Type</u>	<u>--- Memorandum Only ---</u>	
	<u>--- Activities ---</u>		<u>-- Activities ---</u>	<u>Totals</u>	
	<u>General</u>	<u>Special</u>	<u>Water</u>	<u>2012</u>	<u>2011</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Fund</u>		
<u>CASH DISBURSEMENTS</u>					
Salaries	\$ 104,354	\$ -	\$ 56,936	\$ 161,290	\$ 136,756
Retirement	12,870	-	6,710	19,580	16,345
Payroll Taxes	8,626	-	4,678	13,304	11,169
Repairs	3,761	-	46,600	50,361	43,101
Supplies	4,706	-	-	4,706	4,751
Other Services and Repairs	34,131	-	4,897	39,028	48,708
Insurance	11,004	-	6,827	17,831	-
Garbage WMI	31,715	-	-	31,715	12,354
Legal and Professional	7,428	-	-	7,428	28,591
Equipment Rental	-	-	331	331	3,493
Utilities	2,363	-	7,702	10,065	3,089
Repairs - Street and Lights	19,686	-	-	19,686	11,018
Library Expense	2,872	-	-	2,872	17,357
Interest on Notes	592	-	2,532	3,124	3,744
Note Payable FHA	-	-	3,102	3,102	5,495
Note Payable SRF	-	-	12,839	12,839	2,889
Note Payable Bancorp	-	-	-	-	12,275
Note Payable General	5,407	-	-	5,407	20,521
Travel Expense	3,502	-	1,917	5,419	8,843
Capital Outlay	5,899	-	-	5,899	3,229
Transfers Out	-	-	-	-	12,000
2012 Grant Expense	-	186,268	-	186,268	-
Other Expenses	-	-	2,463	2,463	-
<u>TOTAL DISBURSEMENTS</u>	\$ 258,916	\$ 186,268	\$ 157,534	\$ 602,718	\$ 405,728
<u>CASH BALANCE-END OF YEAR</u>	70,274	-	24,758	95,032	93,146
<u>TOTAL AMOUNT</u>					
<u>ACCOUNTED FOR</u>	\$ 329,190	\$ 186,268	\$ 182,292	\$ 697,750	\$ 498,874

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The accompanying notes are an integral part of these financial statements.

TOWN OF OSYKA, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

(1) **Summary of Significant Accounting Policies**

The Town of Osyka operates under a Mayor/Alderman form of government subject to the legal budgetary and audit requirements of the Mississippi State Department of Audit for municipalities with a population of 3,000 or less.

A. **Reporting Entity**

The Cash Receipts and Disbursements of the Town consist of all the funds of the Town.

B. **Fund accounting**

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity.

C. **Basis of Accounting**

The financials are prepared on a cash receipts and disbursements basis, as prescribed by the Office of the State Auditor. Consequently, certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred.

(2) **Report Classification**

Receipts and disbursements were classified according to requirements for small towns in the State of Mississippi as prescribed by the State Department of Audit.

(3) **Collateral for deposits**

The collateral for public entities' deposits in financial institutions is now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 Miss. Code Ann (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution should be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

(4) **Encumbrance Accounting**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to serve that portion of the applicable appropriation, is not used by the Town of Osyka.

(5) **Compensated Absences**

The town of Osyka, Mississippi does not compensate employees for unused vacation or sick leave.

TOWN OF OSYKA, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

(6) **Tax Revenue**

Property taxes on real property, personal property, mobile homes and automobiles are collected by Pike County and remitted to Osyka monthly.

(7) **Defined Benefit Pension Plan**

Plan Description

The town of Osyka, Mississippi contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employee's Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601)359-3589 or 1-800-444-PERS.

Funding Policy

PERS members are required to contribute 9% of their annual covered salary and the Town of Osyka is required to contribute at an actuarial determined rate. The current rate is 12% of covered payroll. Effective July 1, 2012 the Town of Osyka contributes 14% of covered salaries.

The contribution of PERS members is established and may be amended only by the State of Mississippi Legislature. The Town of Osyka, Mississippi contributions to PERS for the year ended September 30, 2012 was \$19,580 which equaled the required contributions for the year.

(8) **Commitments and Contingencies**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town of Osyka carries commercial insurance.

Grant monies received and disbursed by the Town of Osyka, Mississippi are for specific purposes and are subject to audit and review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the Town does not believe that such disallowances, if any, would have a material effect on the financial position of the Town.

TOWN OF OSYKA, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

(9) General and Water and Sewer Debt

A schedule of debt is on page 8 of this report.

The following is a summary of note payable maturities:

<u>Year Ending</u> <u>September 30,</u>	<u>General Fund</u>	<u>Water & Sewer</u> <u>Fund</u>
2013	-	\$ 22,454
2014	-	10,574
2015	-	3,838
2016	-	4,121
2017	-	<u>1,683</u>
		<u>\$42,670</u>

(10) Subsequent Events

There were no subsequent events that would affect these financial statements.

SUPPLEMENTAL INFORMATION

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TOWN OF OSYKA, MISSISSIPPI
SCHEDULE OF INVESTMENTS - ALL FUNDS
SEPTEMBER 30, 2012

GENERAL FUND:

Certificate of Deposit
General Revenue

Certificate # 83258, due 2/10/2013,
 bearing 0.50% interest

\$ 932

TOTAL GENERAL FUND

\$ 932

ENTERPRISE FUND:

Certificate of Deposit
Water and Sewer Fund

Certificate # 78210, due 8/18/2014,
 bearing 0.50% interest

1,934

Certificate # 88946, due 11/8/2012,
 bearing 1.25% interest

6,313

Certificate # 87435, due 3/3/2013,
 bearing 0.15% interest

1,930

Certificate # 87437, due 3/13/2013,
 bearing 0.15% interest

4,825

TOTAL ENTERPRISE FUND

15,002

TOTAL INVESTMENTS - ALL FUNDS

\$ 15,934

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The accompanying notes are an integral part of these financial statements.

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TOWN OF OSYKA, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
SEPTEMBER 30, 2012

Date of Issue	Purpose	Balance Outstanding 09/30/11	Transactions During Fiscal Year		Balance Outstanding 09/30/12
			Issued	Redeemed	
1/30/91	Water Sewer Improvements	\$ 19,649	-	\$ 3,102	\$ 16,547
1/30/94	Water Sewer Improvements	33,212	-	12,839	20,373
2/15/09	Expenses - First Bank	11,157	-	5,407	5,750
		<u>\$ 64,018</u>	<u>-</u>	<u>\$ 21,348</u>	<u>\$ 42,670</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF OSYKA, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
SEPTEMBER 30, 2012

<u>NAME</u>	<u>POSITION</u>		<u>BOND</u>
Jamie W. Harrell	Mayor	\$	50,000
Carey Christian	Alderman	\$	10,000
Tommy Kizer	Alderman	\$	10,000
Nyla Price	Alderman	\$	10,000
James Morris, Jr.	Alderman	\$	10,000
Roddie Varnado	Alderman	\$	10,000
Robert Mullins	Police Chief	\$	50,000
Felder Smith	Asst. Police Chief	\$	25,000
Jim Hutson	Police Officer	\$	25,000
Pamela Simmons	Deputy City Clerk	\$	50,000
Hilda Wall	Town Clerk	\$	50,000

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The accompanying notes are an integral part of these financial statements.

STATE AUDITOR COMPLIANCE

VERBALEE B. WATTS
CERTIFIED PUBLIC ACCOUNTANT

602 W. CONGRESS ST.
P. O. BOX 226 TELEPHONE 833-8683
BROOKHAVEN, MISSISSIPPI 39601

*Member of Mississippi Society
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December 3, 2012

*Member of American Institute
Of Certified Public Accountants*

**REPORT ON COMPLIANCE WITH STATE
LAWS AND REGULATIONS**

To the Mayor and Board of Aldermen
Town of Osyka, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements – Governmental and Business-type Activities, Schedule of Investments, Schedule of Long-term Debt, and Schedule of Surety Bonds for the year ended September 30, 2012, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

We have performed procedures to test compliance with certain state laws and regulations as described in the Municipal Compliance Questionnaire that is prescribed by the office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the town's compliance with these requirements. Accordingly, we do not express such an opinion.

This report is intended for the information and use of management 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.

VERBALEE B. WATTS & ASSOCIATES



Verbalee B. Watts
Certified Public Accountant

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