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Town of Osyka
Osyka, Mississippi
Compilation Report
September 30, 2013

VERBALEE B. WATTS & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

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TOWN OF OSYKA, MISSISSIPPI
COMPILATION REPORT
SEPTEMBER 30, 2013

TOWN OF OSYKA, MISSISSIPPI**TABLE OF CONTENTS**

ACCOUNTANT'S COMPILATION REPORT	1
FINANCIAL STATEMENTS	
Combined Statement of Cash Receipts and Cash Disbursements, All Funds, For the Fiscal Year Ended September 30, 2013	2-3
Notes to the Financial Statements	4-6
SUPPLEMENTAL INFORMATION	
Schedule of Investments - All Funds	7
Schedule of Long-Term Debt	8
Schedule of Surety Bonds for Town Officials	9
STATE AUDITOR COMPLIANCE	
Report on Compliance with State Laws and Regulations	10

ACCOUNTANT'S COMPILATION REPORT

VERBALEE B. WATTS
CERTIFIED PUBLIC ACCOUNTANT

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*Member of Mississippi Society
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November 22, 2013

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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, 2013, 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


Verbaelee B. Watts
Certified Public Accountant

FINANCIAL STATEMENTS

TOWN OF OSYKA, MISSISSIPPI
COMBINED STATEMENT OF
CASH RECEIPTS AND CASH DISBURSEMENTS - ALL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Governmental --- Activities ---		Business-Type --- Activities ---	--- Memorandum Only --- Totals	
	General Fund	Special Revenue	Water Fund	2013	2012
<u>REVENUE RECEIPTS</u>					
General Property	\$ 91,006	\$ -	\$ -	\$ 91,006	\$ 89,529
Licenses and Permits	749	-	-	749	808
Franchise & In-Lieu Tax	10,298	-	-	10,298	9,998
Intergovernmental Revenues:					
General Municipal Aid (From State)	1,419	-	-	1,419	1,420
State Shared Revenues:					
Grand Gulf	4,409	-	-	4,409	4,505
Sales Tax	64,363	-	-	64,363	71,282
Homestead Exemption Reimbursement	8,277	-	-	8,277	8,582
Charges for Services:					
Water/Sewer Utility	-	-	151,451	151,451	142,517
Garbage	29,991	-	-	29,991	30,411
Fines and Forfeitures	27,816	-	-	27,816	37,080
<u>TOTAL REVENUE RECEIPTS</u>	\$ 238,328	\$ -	\$ 151,451	\$ 389,779	\$ 396,132
<u>OTHER RECEIPTS</u>					
Bancorp - Note Proceeds	-	-	41,036	41,036	-
Donations	3,600	-	-	3,600	4,700
Interest	116	-	80	196	511
Meter Deposits	-	-	2,495	2,495	2,405
Miscellaneous	2,881	-	1,188	4,069	11,472
Grant Funds	-	44,625	3,947	48,572	194,084
Transfer In	-	7,210	-	7,210	-
<u>TOTAL OTHER RECEIPTS</u>	\$ 6,597	\$ 51,835	\$ 48,746	\$ 107,178	\$ 213,172
<u>TOTAL RECEIPTS</u>	244,925	51,835	200,197	496,957	609,304
<u>CASH BALANCE - BEGINNING OF YEAR</u>	70,274	-	24,758	95,032	93,146
<u>TOTAL AMOUNT TO ACCOUNT FOR</u>	\$ 315,199	\$ 51,835	\$ 224,955	\$ 591,989	\$ 702,450

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

-2-

VERBALEE B. WATTS
CERTIFIED PUBLIC ACCOUNTANT

TOWN OF OSYKA, MISSISSIPPI
COMBINED STATEMENT OF
CASH RECEIPTS AND CASH DISBURSEMENTS - ALL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	<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>2013</u>	<u>2012</u>
	<u>Fund</u>	<u>Revenue</u>	<u>Fund</u>		
<u>CASH DISBURSEMENTS</u>					
Salaries	\$ 117,379	\$ -	\$ 58,519	\$ 175,898	\$ 161,290
Retirement	16,059	-	7,235	23,294	19,580
Payroll Taxes	9,851	-	4,674	14,525	13,304
Employee Medical Insurance	2,223	-	-	2,223	-
Repairs	1,999	-	35,205	37,204	50,361
Supplies	5,360	-	-	5,360	4,706
Other Services and Repairs	25,229	-	7,076	32,305	39,359
Insurance	6,801	-	3,913	10,714	17,831
Garbage WMI	30,061	-	-	30,061	31,715
Legal and Professional	8,537	-	-	8,537	7,428
Christmas Lights	2,600	-	-	2,600	4,700
Utilities	2,686	-	7,823	10,509	10,065
Repairs - Street and Lights	21,529	-	-	21,529	19,686
Library Expense	6,134	-	-	6,134	2,872
Interest on Notes	88	-	2,812	2,900	3,124
Note Payable FHA	-	-	3,230	3,230	3,102
Note Payable SRF	-	-	13,429	13,429	12,839
Note Payable Bancorp	-	-	6,358	6,358	-
Note Payable General	5,749	-	-	5,749	5,407
Travel Expense	815	-	155	970	5,419
Capital Outlay	-	-	44,176	44,176	5,899
Transfers Out	7,210	-	-	7,210	-
2013 Grant Expense	-	28,842	-	28,842	186,268
Other Expenses	-	-	4,903	4,903	2,463
<u>TOTAL DISBURSEMENTS</u>	\$ 270,310	\$ 28,842	\$ 199,508	\$ 498,660	\$ 607,418
<u>CASH BALANCE-END OF YEAR</u>	44,889	22,993	25,447	93,329	95,032
<u>TOTAL AMOUNT</u>					
<u>ACCOUNTED FOR</u>	\$ 315,199	\$ 51,835	\$ 224,955	\$ 591,989	\$ 702,450

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

TOWN OF OSYKA, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

(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, 2013

(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. In 2013, the employer contribution rate increased from 14.26% to 15.75%. Effective July 1, 2013 the Town of Osyka contributes 15.75% 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, 2013 was \$23,294 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.

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TOWN OF OSYKA, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013

(9) **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>Water & Sewer</u> <u>Fund</u>
2014	\$ 18,394
2015	11,989
2016	12,557
2017	10,414
2018	<u>1,485</u>
	<u>\$ 54,839</u>

(10) **Subsequent Events**

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

SUPPLEMENTAL INFORMATION

TOWN OF OSYKA, MISSISSIPPI
SCHEDULE OF INVESTMENTS - ALL FUNDS
SEPTEMBER 30, 2013

GENERAL FUND:

Certificate of Deposit
General Revenue

Certificate # 83258, due 2/10/2014,
bearing 0.15% interest

\$ 936

TOTAL GENERAL FUND

\$ 936

ENTERPRISE FUND:

Certificate of Deposit
Water and Sewer Fund

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

1,944

Certificate # 88946, due 11/8/2014,
bearing 0.50% interest

6,313

Certificate # 87435, due 3/2/2014,
bearing 0.10% interest

1,933

Certificate # 87437, due 3/11/2014,
bearing 0.10% interest

4,831

TOTAL ENTERPRISE FUND

15,021

TOTAL INVESTMENTS - ALL FUNDS

\$ 15,957

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

TOWN OF OSYKA, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
SEPTEMBER 30, 2013

Date of Issue	Purpose	Balance Outstanding 9/30/12	Transactions During Fiscal Year		Balance Outstanding 9/30/13
			Issued	Redeemed	
9/30/91	Water Sewer Improvements	\$ 16,547	\$ -	\$ 3,330	\$ 13,217
6/30/94	Water Sewer Improvements	20,373	-	13,429	6,944
12/15/09	Expenses - First Bank	5,750	-	5,750	-
11/1/12	256 Telsa Radio Read Meters	-	41,036	6,358	34,678
		<u>\$ 42,670</u>	<u>\$ 41,036</u>	<u>\$ 28,867</u>	<u>\$ 54,839</u>

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

-8-

VERBALEE B. WATTS
CERTIFIED PUBLIC ACCOUNTANT

TOWN OF OSYKA, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
SEPTEMBER 30, 2013

<u>NAME</u>	<u>POSITION</u>		<u>BOND</u>
G. Allen Applewhite	Mayor	\$	50,000
Carey Christian	Alderman	\$	10,000
Tommy Kizer	Alderman	\$	10,000
Betty Mullins	Alderwoman	\$	10,000
James Morris, Jr.	Alderman	\$	10,000
Roddie Varnado	Alderman	\$	10,000
Allen Fry	Police Officer	\$	25,000
Robert Mullins	Police Chief	\$	50,000
Marcus Overton	Police Officer	\$	25,000
Felder Smith, Sr.	Police Officer	\$	25,000
Pamela Simmons	Deputy City Clerk	\$	50,000
Hilda Wall	Town Clerk	\$	50,000

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STATE AUDITOR COMPLIANCE

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

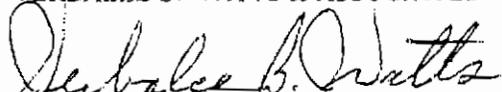
To the Mayor and Board of Aldermen
Town of Osyka, Mississippi

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, 2013, 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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