



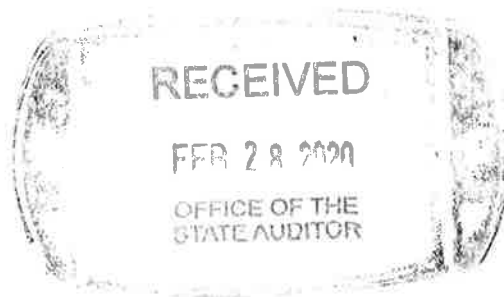
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Town of Osyka
Osyka, Mississippi
Financial Statements
September 30, 2019

TOWN OF OSYKA, MISSISSIPPI

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TOWN OF OSYKA, MISSISSIPPI
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES
YEAR ENDED SEPTEMBER 30, 2019 & 2018

January 9, 2020

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES**

The Mayor and Board of Alderpersons
Town of Osyka
Osyka, Mississippi 39657

I have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of Town of Osyka, Mississippi, solely to assist the Office of the State Auditor evaluate the Town of Osyka, Mississippi's compliance with certain laws and regulations as of September 30, 2019, and for the year then ended. This agreed-upon-procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Office of the State Auditor, State of Mississippi. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

My procedures and findings are as follows:

1. I reconciled cash on deposit with the following bank to balances in the respective general ledger accounts and obtained confirmation of the related balances from the bank:

Bank	Fund	Balance Per General Ledger
First Bank	General Fund	\$ 26112
First Bank	General Fund – Fire Protection	160
First Bank	General Fund – Police Fines & Assessments	1,773
	Total General Fund	<u>\$ 28,045</u>
First Bank	Water & Sewer Fund	\$ 6,258
First Bank	Water & Sewer Fund	23,723
	Total Water & Sewer Fund	<u>\$ 29,981</u>
First Bank	Clearing Fund	\$ 2,432
First Bank	Total Clearing Fund	<u>\$ 2,432</u>

2. I physically examined securities held for investment. Securities held in trust were confirmed directly with respective trustees. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Miss. Code Ann. (1972).

Bank	Fund	Balance Per General Ledger
First Bank	General Fund -- CD #83258	\$ 958
First Bank	Water & Sewer -- CD #78210	2,028
First Bank	Water & Sewer -- CD #87435	1,967
First Bank	Water & Sewer -- CD #87437	4,922
First Bank	Water & Sewer -- CD #88946	6,313
Total Certificates of Deposit		<u>\$ 16,188</u>

3. I performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
- Examined uncollected taxes for proper handling, including tax sales;
 - Traced distribution of taxes collected to proper funds; and
 - Analyzed increase in taxes for most recent period for compliance with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

The distribution of taxes to funds was found to be in accordance with prescribed tax levies, and uncollected taxes were determined to be properly handled.

Ad valorem tax collections were found to be within the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

4. I obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced to deposits in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

Payment Purpose	Receiving Fund	Amount
Fire Protection Allocation	General Fund	\$ 2,597
Gasoline Tax	General Fund	1,320
Homestead Exemption Reimb.	General Fund	8,746
Sales Tax Allocation	General Fund	62,996
General Municipal Aid	General Fund	219
Grand Gulf Settlement	General Fund	3,918
	Total General Fund	\$ 79,796

5. I selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for compliance with purchasing requirements set forth in Title 31, Chapter 7, Miss. Code Ann. (1972), as applicable.

I found the municipality's purchasing procedures to be in agreement with the requirements of the above mentioned sections.

6. I selected a sample of collections of fines and forfeitures to verify that the municipal court clerk had settled daily with the municipal clerk. I also selected a sample of state-imposed court assessments collected to determine that the municipal clerk had settled monthly with the Department of Finance and Administration.

I found the municipality to not be in agreement with the requirements of the abovementioned sections.

7. I have read the Municipal Compliance Questionnaire completed by the Municipality. The completed survey indicated one instance of noncompliance with state requirements, which is noted in item 6.

I was not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on management's compliance with laws and regulations. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of Town of Osyka and the Office of the State Auditor, State of Mississippi and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is not intended to be and should not be used by anyone other than those specified parties.

VERBALEE B. WATTS & ASSOCIATES

A handwritten signature in black ink, appearing to read "Verbalee B. Watts", written in a cursive style.

Verbalee B. Watts
Certified Public Accountant

January 9, 2020

ACCOUNTANT'S COMPILATION REPORT

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**OFFICE OF THE
STATE AUDITOR**

January 9, 2020

ACCOUNTANT'S COMPILATION REPORT

Mayor and Board of Aldermen
Town of Osyka, Mississippi 39657

We have compiled the accompanying Combined Statement of Cash Receipts and Cash 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, 2019, 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 Cash 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, 2019 & 2018

	Governmental --- Activities ---	Business-Type --- Activities ---	--- Memorandum Only --- Totals	
	General Fund	Water Fund	2019	2018
<u>REVENUE RECEIPTS</u>				
General Property	\$ 94,509		94,509	\$ 95,319
Licenses and Permits	1,040		1,040	528
Franchise & In-Lieu Tax	15,315		15,315	13,877
Intergovernmental Revenues:				
General Municipal Aid (From State)	219		219	219
State Shared Revenues:				
Grand Gulf	3,918		3,918	4,063
Sales Tax	62,996		62,996	64,861
Homestead Exemption Reimbursement	8,746		8,746	8,886
Fire Protection Allocation	2,597		2,597	2,512
Gasoline Tax	1,320		1,320	1,320
Rail Car Taxes	2,206		2,206	2,113
Charges for Services:				
Water/Sewer Utility		155,139	155,139	157,090
Garbage	32,432	-	32,432	29,270
Fines and Forfeitures	8,518		8,518	9,825
<u>TOTAL REVENUE RECEIPTS</u>	\$ 233,816	\$ 155,139	388,955	\$ 389,883
<u>OTHER RECEIPTS</u>				
Grant Income		143,545	143,545	-
Rent	4,800		4,800	4,800
Interest	94	120	214	2,373
Meter Deposits	-	4,000	4,000	-
Miscellaneous	504	14,695	15,199	3,188
<u>TOTAL OTHER RECEIPTS</u>	\$ 5,398	\$ 162,360	167,758	\$ 10,361
<u>TOTAL RECEIPTS</u>	239,214	317,499	556,713	400,244
<u>CASH BALANCE -</u>				
<u>BEGINNING OF YEAR</u>	62,767	36,092	98,859	116,640
<u>TOTAL AMOUNT</u>				
<u>TO ACCOUNT FOR</u>	\$ 301,981	\$ 353,591	655,572	\$ 516,884

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, 2019 & 2018

	Governmental	Business-Type	--- Memorandum Only ---	
	--- Activities ---	--- Activities ---	Totals	
	General	Water		
	Fund	Fund	2019	2018
<u>CASH DISBURSEMENTS</u>				
Salaries	\$ 88,823	\$ 72,151	\$ 160,974	\$ 175,902
Retirement	14,348	11,714	26,062	27,662
Payroll Taxes	7,378	5,793	13,171	14,340
Repairs	1,000	25,807	26,807	24,548
Supplies	10,498	-	10,498	21,357
Other Services and Repairs	13,910	9,623	23,533	35,517
Insurance	7,875	7,803	15,678	18,482
Garbage WMI	30,974	-	30,974	29,858
Legal and Professional	8,091	4,770	12,861	4,425
Prisoner Housing	4,190	-	4,190	
Capitol Outlay	-	14,982	14,982	14,000
Utilities & Telephone	8,569	9,419	17,988	21,838
Repairs - Street and Lights	61,438	-	61,438	32,614
Library Expense	6,981	-	6,981	7,200
Gas & Oil	8,469	2,485	10,954	-
Equipment Rental	-	238	238	-
Travel Expense	434	-	434	2,682
2018/2019 Grant Expense	-	143,545	143,545	-
<u>TOTAL DISBURSEMENTS</u>	\$ 272,978	\$ 308,330	581,308	\$ 430,425
<u>CASH BALANCE-END OF YEAR</u>	29,003	45,261	74,264	98,859
<u>TOTAL AMOUNT</u>				
<u>ACCOUNTED FOR</u>	\$ 301,981	\$ 353,591	\$ 655,572	\$ 529,284

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

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STATE AUDITOR

TOWN OF OSYKA, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

(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 Cash 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 cash 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, 2019

(6) **Tax Revenue**

Property taxes on real property, personal property, mobile homes and automobiles are collected by Pike County and remitted to Osyka monthly. The Department of Finance and Administration directly deposits the funds due the municipality each month as required.

(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 2019, the employer contribution rate remained at 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, 2019 was \$26,062 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.

(9) **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, 2019

GENERAL FUND:

Certificate of Deposit
General Revenue

Certificate # 83258, due 2/10/2020, bearing 0.85% interest	\$ 958
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<u>TOTAL GENERAL FUND</u>	<u>\$ 958</u>
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ENTERPRISE FUND:

Certificate of Deposit
Water and Sewer Fund

Certificate # 78210, matures 8/18/2020, bearing 1.05% interest	2,028
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Certificate # 88946, due 11/8/2020, bearing 1.05% interest	6,313
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Certificate # 87435, matures 2/24/2020, bearing 1.25% interest	1,967
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Certificate # 87437, due 3/5/2020, bearing 1.25% interest	4,922
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<u>TOTAL ENTERPRISE FUND</u>	<u>15,230</u>
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<u>TOTAL INVESTMENTS - ALL FUNDS</u>	<u>\$ 16,188</u>
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The accompanying notes are an integral part of these financial statements.

Town of Osyka, Mississippi
Schedule of Surety Bonds for Town Officials
September 30, 2019

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Allen Applewhite	Mayor	MS Municipal	50,000
Tommy Kizer	Aldersperson	MS Municipal	10,000
Carey Christian	Aldersperson	MS Municipal	10,000
Roddie Varnado, Jr	Aldersperson	MS Municipal	10,000
James K. Morris, Jr	Aldersperson	MS Municipal	10,000
Betty R. Mullins	Aldersperson	MS Municipal	10,000
Robert Mullins	Police Chief	Travelers	50,000
Felder Smith, Sr	Patrolman	Travelers	25,000
Pamela Simmons	Deputy City Clerk	Travelers	50,000
Cheryl Bonvillian	Deputy City Clerk	Travelers	50,000
Hilda Wall	City Clerk	Travelers	50,000

STATE AUDITOR COMPLIANCE

January 9, 2020

**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 Cash Disbursements – Governmental and Business-type Activities, Schedule of Investments, and Schedule of Surety Bonds for the year ended September 30, 2019, 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