

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 OSYKA, MISSISSIPPI
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
SEPTEMBER 30, 2021

TOWN OF OSYKA, MISSISSIPPI

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TOWN OF OSYKA, MISSISSIPPI
INDEPENDENT ACCOUNTANTS' REPORT ON
AGREED-UPON PROCEDURES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES

The Mayor and Board of Alderpersons
Town of Osyka, Mississippi

We have applied certain agreed-upon procedures, as described below, to the accounting records of the Town of Osyka, Mississippi, as of September 30, 2021, and for the year then ended, as required by the Office of the State Auditor, under provisions of Section 21-35-31, Miss. Code Ann. (1972). It is understood the report is solely for the use of the governing body of the Town of Osyka, Mississippi, and the Office of the State Auditor and should not be used for any other purposes. Our procedures and findings are as follows:

1. We 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	\$ 58,667
First Bank	General Fund-Fire Protection	1,100
First Bank	General Fund-Police Fines and Assessments	6,878
	Total General Fund	<u>\$ 66,645</u>
First Bank	Grant Fund	<u>\$ 50,521</u>
First Bank	Water & Sewer Fund	\$ 8,215
First Bank	Water & Sewer Fund	48,897
	Total Water & Sewer Fund	<u>\$ 57,112</u>
First Bank	Clearing Fund	\$ 2,670
	Total Clearing Fund	<u>\$ 2,670</u>

2. We 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 #3258	\$ 988
First Bank	Water & Sewer-CD #8210	2,060
First Bank	Water & Sewer-CD #8946	6,313
First Bank	Water & Sewer-CD #7435	1,995
First Bank	Water & Sewer-CD #7437	4,853
	Total Certificates of Deposit	<u>\$ 16,209</u>

3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - a. Traced levies to governing body minutes.
 - b. Traced distribution of taxes collected to proper funds; and
 - c. 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.

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. We 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
COVID 19 Allocation	General Fund	\$ 10,306
Gasoline Tax	General Fund	1,320
Homestead Exemption Reimbursement	General Fund	8,036
Sales Tax Allocation	General Fund	61,195
General Municipal Aid	General Fund	219
Grand Gulf Settlement	General Fund	4,315
Infrastructure Modernization	General Fund	30,664
	Total General Fund	<u>\$ 116,055</u>
Community Development Block Grant	Water Fund	\$ 37,425
	Total Water Fund	<u>\$ 37,425</u>
American Rescue Plan	Grant Fund	\$ 50,521
	Total Grant Fund	<u>\$ 50,521</u>

5. We 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.

The sample consisted of the following:

Number of Sample Items: 25

Total Dollar Value of Sample: \$77,663

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

6. We selected a sample of collections of fines and forfeitures to verify that the municipal court clerk had settled daily with the municipal clerk. We 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.

We found the municipality to not be in agreement with the requirements of the above-mentioned sections.

7. We have read the Municipal Compliance Questionnaire completed by the Municipality. The completed survey indicated no instances of noncompliance with state requirements.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts or classes of transactions referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe the items specified in Paragraphs 1, 2 and 3 should be adjusted. Had we performed additional procedures or had we conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you. This report should not be associated with the financial statements of the Town of Osyka, Mississippi, for the year ended September 30, 2021.

This report is intended solely for the use of Town of Osyka and the Office of the State Auditor, the 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.

Herzog CPA Company, PLLC

Herzog CPA Company, PLLC
Hattiesburg, Mississippi
January 15, 2022

ACCOUNTANTS' COMPILATION REPORT

HERZOG CPA COMPANY, PLLC

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ACCOUNTANTS' COMPILATION REPORT

The Mayor and Board of Alderpersons
Town of Osyka, Mississippi

Management is responsible for the accompanying financial statements of the Town of Osyka, Mississippi, which comprise the Statement of Cash Receipts and Cash Disbursements-All Funds-Cash Basis for the year ended September 30, 2021, and the related notes to the financial statements in accordance with cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Herzog CPA Company, PLLC

Herzog CPA Company, PLLC

Hattiesburg, Mississippi

January 15, 2022

TOWN OF OSYKA, MISSISSIPPI
Combined Statement of Cash Receipts and Cash Disbursements-ALL FUNDS
For the Years Ended September 30, 2021 and 2020

Exhibit 1

	Governmental Activities	Business-Type Activities	Totals (Memorandum Only)		
	General Fund	Water Fund	Grant Fund	2021	2020
REVENUE RECEIPTS					
Property Taxes	\$ 104,487	\$ -	\$ -	\$ 104,487	\$ 101,398
Licenses and Permits	725	-	-	725	518
Franchise and In-Lieu Tax	14,133	-	-	14,133	14,231
Capital Improvement	-	-	-	-	4,953
Intergovernmental Revenues:					
General Municipal Aid (From State)	219	-	-	219	219
State Shared Revenues:					
Grand Gulf	4,315	-	-	4,315	3,910
Sales Tax	61,195	-	-	61,195	62,916
Infrastructure Modernization	30,664	-	-	30,664	23,592
Homestead Exemption					
Reimbursement	8,036	-	-	8,036	8,950
Fire Protection Allocation	-	-	-	-	2,655
Gasoline Tax	1,320	-	-	1,320	1,320
Rail Car Taxes	-	-	-	-	2,216
Charges for Services:					
Water/Sewer Utility	-	170,205	-	170,205	166,108
Garbage	33,497	-	-	33,497	31,934
Fines and Forfeitures	18,974	-	-	18,974	7,054
TOTAL REVENUE RECEIPTS	\$ 277,565	\$ 170,205	\$ -	\$ 447,770	\$ 431,974
OTHER RECEIPTS					
Grant Income	\$ 8,100	\$ 37,425	\$ 50,521	\$ 96,046	\$ 103,905
Rent	4,800	-	-	4,800	4,820
Interest	75	120	-	195	180
Meter Deposits	-	2,100	-	2,100	4,250
Miscellaneous	2,000	9	-	2,009	-
Transfer In	12,798	165	-	12,963	1,140
TOTAL OTHER RECEIPTS	27,773	39,819	50,521	118,113	114,295
TOTAL RECEIPTS	305,338	210,024	50,521	565,883	546,269
CASH BALANCE-					
BEGINNING OF YEAR	31,142	56,531	-	87,673	74,264
TOTAL AMOUNT					
TO ACCOUNT FOR	\$ 336,480	\$ 266,555	\$ 50,521	\$ 653,556	\$ 620,533

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 Years Ended September 30, 2021 and 2020

Page 2

Exhibit 1

	Governmental	Business-Type		Totals	
	Activities	Activities		(Memorandum Only)	
	General Fund	Water Fund	Grant Fund	2021	2020
<u>CASH DISBURSEMENTS</u>					
Capital Outlay	\$ -	\$ 5,877	\$ -	\$ 5,877	\$ 5,444
Garbage WMI	29,601	-	-	29,601	31,601
Gas and Oil	6,575	2,004	-	8,579	7,847
Grant Expense	-	37,425	-	37,425	103,905
Insurance	2,541	3,787	-	6,328	17,627
Legal and Professional	2,851	8,333	-	11,184	13,869
Library Expense	7,200	-	-	7,200	7,200
Other Services and Repairs	20,283	22,411	-	42,694	43,714
Payroll Taxes	8,866	5,498	-	14,364	15,373
Prisoner Housing	5,398	-	-	5,398	5,556
Repairs-Streets and Lights	4,344	-	-	4,344	11,231
Retirement	18,881	11,796	-	30,677	31,960
Salaries	108,510	67,791	-	176,301	183,680
Supplies	10,071	12,361	-	22,432	17,506
Transfers	12,754	209	-	12,963	-
Travel Expense	793	258	-	1,051	1,087
Utilities and Telephone	27,539	16,392	-	43,931	35,260
TOTAL DISBURSEMENTS	266,207	194,142	-	460,349	532,860
CASH BALANCE-END OF YEAR	70,273	72,413	50,521	193,207	87,673
TOTAL AMOUNT					
TO ACCOUNT FOR	\$ 336,480	\$ 266,555	\$ 50,521	\$ 653,556	\$ 620,533

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

TOWN OF OSYKA, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2021

NOTE 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 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.

NOTE 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.

NOTE 3 - COLLATERAL FOR DEPOSITS

The collateral for public entities' deposits in financial institutions is now held 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 Town'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 Deposit Insurance Corporation.

NOTE 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.

Town of Osyka, Mississippi
Notes to The Financial Statements
For the Year Ended September 30, 2021

NOTE 5 - LONG-TERM DEBT

Governmental Activities:

Description	Original Issue	Interest Rate	Balance			Balance	
			Outstanding 10/01/20	Additions	Reductions	Outstanding 9/30/21	Current Maturity
2021 Dodge Charger	\$ 24,751	2.78%	\$ -	\$ 24,751	\$ -	\$ 24,751	\$ 4,679
Total Governmental Activities	<u>\$ 24,751</u>		<u>\$ -</u>	<u>\$ 24,751</u>	<u>\$ -</u>	<u>\$ 24,751</u>	<u>\$ 4,679</u>

Business-Type Activities:

Description	Original Issue	Interest Rate	Balance			Balance	
			Outstanding 10/01/20	Additions	Reductions	Outstanding 9/30/21	Current Maturity
2018 Ford F-150	\$ 26,269	4.50%	\$ 21,884	\$ -	\$ (4,994)	\$ 16,890	\$ 5,224
Total Business-Type Activities	<u>\$ 26,269</u>		<u>\$ 21,884</u>	<u>\$ -</u>	<u>\$ (4,994)</u>	<u>\$ 16,890</u>	<u>\$ 5,224</u>

The following is a schedule by years of the total capital lease payments due as of September 30, 2021:

Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 4,679	\$ 629	\$ 5,224	\$ 653
2023	4,811	497	5,463	413
2024	4,946	362	5,715	162
2025	5,086	222	488	2
2026	5,229	79	-	-
	<u>\$ 24,751</u>	<u>\$ 1,789</u>	<u>\$ 16,890</u>	<u>\$ 1,230</u>

TOWN OF OSYKA, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2021

NOTE 6 - COMPENSATED ABSENCES

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

NOTE 7 - 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.

NOTE 8 - 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 Employees' Retirement System, PERS Building, at 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 2021, the employer contribution rate remained at 17.40% 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, 2021 was \$30,677, which equaled the required contributions for the year.

NOTE 9 - 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 the Financial Statements
For the Year Ended September 30, 2021

NOTE 10 - SUBSEQUENT EVENTS

Events that occur after the Statement of Financial Position report date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statements of Financial Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Financial Position date require disclosure in the accompanying notes. Management of the Town of Osyka, Mississippi evaluated the activity of the Town through January 15, 2022, and determined that the following subsequent event required disclosure in the notes to the financial statements:

In December 2019, a novel strain of coronavirus was reported to have surfaced in China. The spread of this virus has continued to cause some business disruption through reduced revenue. While this disruption is currently expected to be temporary, there is considerable uncertainty around the duration. However, the related financial impact and duration cannot be reasonably estimated at this time.

SUPPLEMENTARY INFORMATION

**TOWN OF OSYKA, MISSISSIPPI
SCHEDULE OF INVESTMENTS-ALL FUNDS
SEPTEMBER 30, 2021**

	<u>Interest Rate</u>	<u>Acquisition Date</u>	<u>Maturity Date</u>	<u>Investment Cost/Value</u>
General Revenue				
General Fund - Certificate of Deposit	1.59%		2/10/2022	\$ 988
TOTAL GENERAL FUND				<u>988</u>
Water and Sewer Fund				
Enterprise Fund - Certificate of Deposit	0.55%		8/18/2022	2,060
Enterprise Fund - Certificate of Deposit	0.35%		11/8/2022	6,313
Enterprise Fund - Certificate of Deposit	0.10%		2/20/2022	1,995
Enterprise Fund - Certificate of Deposit	0.10%		3/1/2022	4,853
TOTAL ENTERPRISE FUND				<u>15,221</u>
TOTAL INVESTMENTS-ALL FUNDS				<u>\$ 16,209</u>

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

TOWN OF OSYKA, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Fiscal Year Ended September 30, 2021

	<u>Balance Outstanding October 1, 2020</u>	<u>Transactions during Fiscal Year Issued</u>	<u>Transactions during Fiscal Year Redeemed</u>	<u>Balance Outstanding September 30, 2021</u>
DEFINITION AND PURPOSE				
<u>Long-Term Debt:</u>				
Governmental Activities:				
Capital Lease - 2021 Dodge Charger	\$ -	\$ 24,751	\$ -	\$ 24,751
Business-Type Activities:				
Capital Lease - 2018 Ford F-150	<u>21,884</u>	<u>-</u>	<u>(4,994)</u>	<u>16,890</u>
Total Long-Term Debt	<u><u>\$ 21,884</u></u>	<u><u>\$ 24,751</u></u>	<u><u>\$ (4,994)</u></u>	<u><u>\$ 41,641</u></u>

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

OTHER INFORMATION

TOWN OF OSYKA, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
For the Year Ended September 30, 2021

Name	Position	Company	Bond
Allen Applewhite	Mayor	MS Municipal	\$ 50,000
Tommy Kizer	Aldersperson	MS Municipal	25,000
Carey Christian	Aldersperson	MS Municipal	25,000
Jimmy R. Phelps	Aldersperson	MS Municipal	25,000
James K. Morris, Jr.	Aldersperson	MS Municipal	25,000
Janice E. Williams	Aldersperson	MS Municipal	25,000
Robert Mullins	Police Chief	Travelers	50,000
Felder Smith, Sr.	Patrolman	Travelers	25,000
Lauria Evans	Deputy City Clerk	Travelers	50,000
Cheryl Bonvillian	City Clerk	Travelers	50,000