

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

**Compilation Report and
Report on Agreed-Upon Procedures**

September 30, 2023

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INDEPENDENT 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 (a government), which comprise the Combined Statements of Cash Receipts and Cash Disbursements—Governmental and Business-type Activities for the years ended September 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the town's basic financial statements as listed in the table of contents, in accordance with the 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 Combined Statements of Cash Receipts and Cash Disbursements— Governmental and Business-type Activities nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the Combined Statements of Cash Receipts and Cash Disbursements— Governmental and Business-type Activities.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The Combined Statements of Cash Receipts and Cash Disbursements—Governmental and Business-type Activities 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.

Other Matters

Required Supplementary Information

The supplementary information contained on the Schedules on pages 18 through 21 is presented in compliance with the requirements of the Mississippi Office of the State Auditor and has been compiled from information that is the representation of management. This information was subject to our compilation engagement, however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Other Information

The Combined Statements of Cash Receipts and Cash Disbursements—Governmental and Business-type Activities and related notes to financial statement are intended to comply with the requirements of the Mississippi Office of the State Auditor, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

In accordance with the provisions of 21-35-31, Miss Code Ann. (1972), we have issued a report dated April 3, 2025 on the results of our agreed-upon procedures.

GranthamPoole PLLC
Ridgeland, Mississippi
April 3, 2025

TOWN OF OSYKA, MISSISSIPPI
Combined Statements of Cash Receipts and Cash Disbursements - Governmental and Business-type Activities
Years Ended September 30, 2023 and 2022

	Governmental Activities	Business-Type Activities		Totals (Memorandum Only)	
	General Fund	Water Fund	Grant Fund	2023	2022
Revenue Receipts:					
Property Taxes	\$ 109,020	\$ -	\$ -	\$ 109,020	\$ 102,397
Licenses and Permits	520	-	-	520	445
Franchise and In-Lieu Tax	14,862	-	-	14,862	13,171
Capital Improvement	7,943	-	-	7,943	8,359
Improvement Revenues:					
General Municipal Aid from State	190	-	-	190	219
State Shared Revenues:					
Grand Gulf	4,468	-	-	4,468	4,371
Sales Tax	56,617	-	-	56,617	58,794
Infrastructure Modernization	36,137	-	-	36,137	34,769
Homestead Exemption Reimbursement	8,258	-	-	8,258	7,487
Gasoline Tax	1,143	-	-	1,143	1,162
Rail Car Taxes	2,231	-	-	2,231	2,196
Fire Rebate Income	8,132	-	-	8,132	-
Charges for Services:					
Water/Sewer Utility	-	152,639	-	152,639	166,177
Garbage	33,191	-	-	33,191	34,633
Fines and Forfeitures	12,698	-	-	12,698	15,854
Total Revenues Receipts	\$ 295,410	\$ 152,639	\$ -	\$ 448,049	\$ 450,034
Other Receipts:					
Grant Income	\$ -	\$ -	\$ 52,129	\$ 52,129	\$ 314,807
Rent	4,800	-	-	4,800	4,800
Interest	175	205	-	380	262
Meter Deposits	-	-	-	-	1,110
Miscellaneous	1,312	515	-	1,827	4,261
Proceeds from Debt	-	-	-	-	25,000
Total Other Receipts	6,287	720	52,129	59,136	350,240
Total Receipts	301,697	153,359	52,129	507,185	800,274
Cash Balance, Beginning of Year	81,610	52,734	101,042	235,386	193,207
Total Amount to Account For	\$ 383,307	\$ 206,093	\$ 153,171	\$ 742,571	\$ 993,481

TOWN OF OSYKA, MISSISSIPPI
Combined Statements of Cash Receipts and Cash Disbursements - Governmental and Business-type Activities
Years Ended September 30, 2023 and 2022

	Governmental Activities	Business-Type Activities		Totals (Memorandum Only)	
	General Fund	Water Fund	Grant Fund	2023	2022
Cash Disbursements:					
Advertising	\$ 82	\$ -	\$ -	\$ 82	\$ -
Capital Outlay	-	5,877	-	5,877	5,877
Garbage WMI	38,157	-	-	38,157	33,308
Gas and Oil	2,478	2,653	-	5,131	7,982
Grant Expense	-	-	87,030	87,030	264,286
Insurance	7,356	7,765	-	15,121	31,115
Legal and Professional	2,320	2,744	-	5,064	19,991
Library Expense	7,200	-	-	7,200	7,200
Other Services and Repairs	20,103	24,178	-	44,281	44,954
Payroll Taxes	9,074	6,465	-	15,539	15,117
Prisoner Housing	5,471	-	-	5,471	7,986
Repairs - Streets and Lights	23,347	-	-	23,347	39,176
Retirement	19,172	13,952	-	33,124	32,151
Salaries	110,181	80,183	-	190,364	184,779
Supplies	7,331	19,388	-	26,719	21,252
Travel Expense	-	1,551	-	1,551	1,012
Utilities	25,702	7,737	-	33,439	41,909
Total Disbursements	<u>277,974</u>	<u>172,493</u>	<u>87,030</u>	<u>537,497</u>	<u>758,095</u>
Cash Balance, End of Year	<u>105,333</u>	<u>33,600</u>	<u>66,141</u>	<u>205,074</u>	<u>235,386</u>
Total Amount to Account For	<u>\$ 383,307</u>	<u>\$ 206,093</u>	<u>\$ 153,171</u>	<u>\$ 742,571</u>	<u>\$ 993,481</u>

TOWN OF OSYKA, MISSISSIPPI
Notes to the Financial Statements
September 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Osyka, Mississippi (the “Town”), 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 Combined Cash Receipts and Cash Disbursements of Town of Osyka, Mississippi consist of governmental and business-type activities 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 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 Town of Osyka, Mississippi'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, Mississippi.

NOTE 5 LONG-TERM DEBT

Governmental Activities:

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Outstanding 10/01/22</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Outstanding 09/30/23</u>	<u>Current Maturity</u>
Governmental Activities:							
2021 Dodge Charger	\$ 24,751	2.78%	\$ 20,072	\$ -	\$ (4,811)	\$ 15,261	\$ -
Road Improvements	25,000	4.00%	21,999	-	(7,984)	14,015	-
Total Government Activities	<u>\$ 49,751</u>		<u>\$ 42,071</u>	<u>\$ -</u>	<u>\$ (12,795)</u>	<u>\$ 29,276</u>	<u>\$ -</u>

TOWN OF OSYKA, MISSISSIPPI
Notes to the Financial Statements
September 30, 2023

NOTE 5 LONG-TERM DEBT (CONTINUED)

Business-Type Activities:

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance Outstanding 10/01/22</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Outstanding 09/30/23</u>	<u>Current Maturity</u>
Business-Type Activities:							
2019 Ford F-150	\$ 26,269	4.50%	\$ 11,666	\$ -	\$ (5,464)	\$ 6,202	\$ -
Total Business-Type Activities	\$ 26,269		\$ 11,666	\$ -	\$ (5,464)	\$ 6,202	\$ -

The following is a schedule by years of the total capital lease payments due as of September 30, 2023:

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 13,248	\$ 778	\$ 5,715	\$ 162
2025	10,798	309	487	2
2026	5,230	79	-	-
	<u>\$ 29,276</u>	<u>\$ 1,166</u>	<u>\$ 6,202</u>	<u>\$ 164</u>

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, Mississippi is required to contribute at an actuarial determined rate. In 2023, 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, 2023 were \$33,009, which equaled the required contributions for the year.

TOWN OF OSYKA, MISSISSIPPI
Notes to the Financial Statements
September 30, 2023

NOTE 9 COMMITMENTS AND CONTINGENCIES

The Town of Osyka, Mississippi 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, Mississippi 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.

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 April 3, 2025, and determined that the following subsequent events required disclosure in the notes to the financial statements:

In November 2023, the Board approved a payment for the 2022 CDBG Sewer Lagoon Improvement Project in the amount of \$99,044.

In March 2024, the Board approved final payments for 22 CDBG Sewer Lagoon Improvement Project in the amounts of \$303,956, \$18,725, and \$30,100.

The Board approved increase in the water and sewer rate to \$17.00 per 1500 gallons effective May 1, 2024.

Supplementary Information

TOWN OF OSYKA, MISSISSIPPI
Schedule of Investments - All Funds
Year Ended September 30, 2023

	Interest Rate	Acquisition Date	Maturity Date	Investment Cost/Value
General Revenue:				
General Fund - Certificate of Deposit	1.75%		02/10/24	\$ 992
Total General Fund				992
Water and Sewer Fund:				
Enterprise Fund - Certificate of Deposit	1.75%		08/18/24	2,098
Enterprise Fund - Certificate of Deposit	1.75%		11/08/24	6,313
Enterprise Fund - Certificate of Deposit	1.50%		02/18/24	2,013
Enterprise Fund - Certificate of Deposit	1.50%		02/27/24	5,036
Total Enterprise Fund				15,460
Total Investments - All Funds				\$ 16,452

TOWN OF OSYKA, MISSISSIPPI
Schedule of Changes in Long-Term Debt
Year Ended September 30, 2023

<u>Description and Purpose</u>	<u>Balance Outstanding 10/01/22</u>	<u>Transactions During Fiscal Year Issued</u>	<u>Transactions During Fiscal Year Redeemed</u>	<u>Balance Outstanding 09/30/23</u>
Long-Term Debt:				
<i>Governmental Activities:</i>				
Capital Lease - 2021				
Dodge Charger	\$ 20,072	\$ -	\$ (4,811)	\$ 15,261
Road Improvements	21,999	-	(7,984)	14,015
<i>Business-Type Activities:</i>				
Capital Lease - 2019				
Ford F-150	11,666	-	(5,464)	6,202
Total Long-Term Debt	<u>\$ 53,737</u>	<u>\$ -</u>	<u>\$ (18,259)</u>	<u>\$ 35,478</u>

TOWN OF OSYKA, MISSISSIPPI
Schedule of Surety Bonds for Municipal Officials
Year Ended September 30, 2023

Name	Position	Surety Agency	Bond
Allen Applewhite	Mayor	MS Municipal	\$ 50,000
Earl J. Alleman II	Alderman	MS Municipal	25,000
Carey Christian	Alderman	MS Municipal	25,000
Jimmy R. Phelps	Alderman	MS Municipal	25,000
James K. Morris, Jr.	Alderman	MS Municipal	25,000
Janice E. Williams	Alderman	MS Municipal	25,000
Robert Mullins	Police Chief	Travelers	50,000
Felder Smith, Sr.	Patrolman	Travelers	25,000
Dixie Smith	Deputy City Clerk	Travelers	50,000
Cheryl Bonvillian	City Clerk	Travelers	50,000



REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Honorable Mayor and Board of Aldermen
Town of Osyka, Mississippi
Osyka, Mississippi

We have compiled the accompanying Combined Statement of Cash Receipts and Cash Disbursements—Governmental and Business-type Activities, Schedule of Investments, Schedule of Long-Term Debt and Schedule of Surety Bonds for Town Officials of the Town of Osyka, Mississippi, for the year ended September 30, 2023, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statement has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

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.

With respect to the items tested, the results of those procedures and our compilation of the accompanying Combined Statement of Cash Receipts and Cash Disbursements—Governmental and Business-type Activities, Schedule of Investment, Schedule of Long-Term Debt and Schedule of Surety Bonds for Town Officials of the Town of Osyka, Mississippi, for the year ended September 30, 2023, disclosed no instances of noncompliance with state laws and regulations.

This report is intended solely 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.

GranthamPoole PLLC
Ridgeland, Mississippi
April 3, 2025



**INDEPENDENT ACCOUNTANTS' REPORT
ON AGREED-UPON PROCEDURES**

The Mayor and Board of Alderman
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, 2023, 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:

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
First Bank	General Fund	\$ 98,490
First Bank	General Fund - Fire Protection	1,244
First Bank	General Fund - Police Fines and Assessments	2,146
First Bank	Clearing Fund	1,960
	Total General Fund	<u>\$ 103,840</u>
First Bank	Grant Fund	<u>\$ 66,141</u>
First Bank	Water & Sewer Fund	\$ 10,441
First Bank	Water & Sewer Fund	7,595
	Total Water & Sewer Fund	<u>\$ 18,036</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).

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
First Bank	General Fund - CD #3258	\$ 992
First Bank	Water & Sewer - CD #8210	2,098
First Bank	Water & Sewer - CD #8946	6,313
First Bank	Water & Sewer - CD #7435	2,013
First Bank	Water & Sewer - CD #7437	5,036
	Total Certificates of Deposit	<u>\$ 16,452</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:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Balance Per General Ledger</u>
Fire Protection	General Fund	\$ 8,132
Gasoline Tax	General Fund	1,143
Homestead Exemption Reimbursement	General Fund	8,258
Sales Tax Allocation	General Fund	56,617
General Municipal Aid	General Fund	190
Grand Gulf Settlement	General Fund	4,468
Infrastructure Modernization	General Fund	<u>36,137</u>
	Total General Fund	<u><u>\$ 114,945</u></u>
Community Development:		
Block Grant	Water Fund	<u><u>\$ 45,450</u></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: \$148,721

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, 2023.

We are required to be independent of the Town of Osyka, Mississippi and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the use of Town of Osyka, Mississippi 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.

GranthamPoole PLLC
Ridgeland, Mississippi
April 3, 2025