

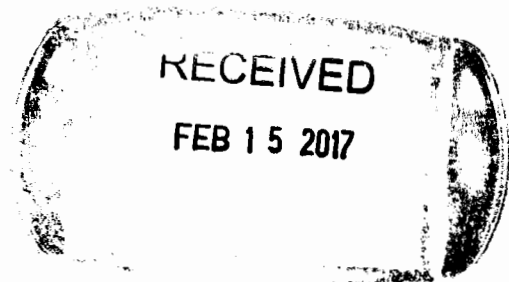


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CITY OF COLLINS, MISSISSIPPI

Audited Financial Statements

For Year Ended September 30, 2015



**CHARLES ROBERT PRINCE
CERTIFIED PUBLIC ACCOUNTANT**



CITY OF COLLINS, MISSISSIPPI

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PRINCE CPA FIRM, PLLC

**CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND ADVISORS**

Telephone: (601) 849-2544
Fax: (601) 849-5147
Website: www.charlesprincecpa.com

1109 Laurel Drive SE
Post Office Box 353
Magee, Mississippi 39111

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor V.O. Smith and
Members of the Board of Aldermen
City of Collins, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Collins, Mississippi, ("City") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10 and the Budgetary Comparison Schedules and corresponding notes on pages 41 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

The Schedule of Surety Bonds for City Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2016, on our consideration of the City's, internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's, internal control over financial reporting and compliance.

Prima CPA Firm, PLLC

September 20, 2016
Magee, Mississippi

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CITY OF COLLINS, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF COLLINS, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Collins' (City) annual financial report, the management provides narrative discussion and analysis of the financial activities of the City for the fiscal year ended September 30, 2015. The discussion focuses on the City's primary government. To the extent this discussion contains any forward-looking statements of the City's plans, expectations, and prospects, the actual results could differ materially from those discussed herein.

This discussion and analysis is a new element of Required Supplementary Information specified in the *Governmental Accounting Standards Board's* (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented.

Financial Highlights

The City's assets exceeded its liabilities by \$13,395,569 (net position) for the fiscal year reported. This compares to the previous year when assets exceeded liabilities by \$ 16,715,107.

- Total net position is comprised of the following:
 - (1) Capital assets, net of related debt, of \$12,195,515 included property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Restricted, expendable net position of \$2,237,353 represent the portion restricted for public safety of \$23,268, public works of \$185,814, unemployment compensation of \$ 112,173, water, sewer and electricity of \$ 1,690,373, cable of \$ 65,836, and meter deposits of \$159,889.
 - (3) Unrestricted net position deficit of \$1,037,299, represent the portion available to maintain the City's continuing obligations to citizens and creditors. This deficit was the result of the City's requirement to record the unfunded pension benefit obligation of 3,545,788.
- The City's governmental funds reported ending fund balance of \$ 1,391,804 this year. This compares to the prior year ending fund balance of \$ 1,272,011 showing a decrease of \$ 119,793 during the current year. These fund balances include restricted for public safety of \$ 18,794, restricted for public works of \$ 185,814, restricted for unemployment compensation of \$ 112,173, assigned to economic development and assistance of \$ 468,677, and unassigned of \$ 606,346.



- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$ 606,346 or 22.44% of total General Fund expenditures including transfers and 21.44 % of total General Fund revenues including transfers.
- Total liabilities of the City increased by \$ 4,258,792 to \$ 5,301,506. This was primarily the result of the City's requirement to record the unfunded pension benefit obligation of 3,545,788.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the City's financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The City also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the *Statement of Net Position*. This is the City-wide statement of financial position presenting information that includes all of the City's assets and liabilities, with the difference reported as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall economic health of the City would extend to other non-financial factors such as diversification of the taxpayer base or the condition of the City infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both the government-wide financial statements distinctively report government activities of the City that are principally supported by taxes and intergovernmental revenue, such as grants, and business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, cultural and recreation, and interest on long-term debt. Business-type activities include electrical and water utilities, and television cable system. Fiduciary activities such as employee retirement plans are not included in the government-wide statements since these assets are not available to fund City programs.

The City's financial reporting entity includes only the funds of the City. The City has no component units to be reported on.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objections. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The City has three categories of funds:

Governmental funds are reported in the fund financial statements and encompass essentially the same function reported as government activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparison between these two perspectives may provide insight into long-term impact of short-term financing decisions. Both the government fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to the government-wide statements to assist in understanding the differences between these two perspectives.

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. There are two kinds of proprietary funds. These are the utility enterprise fund and the cable fund. These funds essentially encompass the same function reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization such as electric and water utilities and the television cable system.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.



Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* and *Supplemental Information*. *Required Supplementary Information* includes budgetary comparison schedules for the general fund and major special revenue funds. These schedules demonstrate compliance with the City's adopted and final revised budget. *Supplemental Information* includes a schedule of surety bonds for city officials. This information follows the notes to financial statements.

Financial Analysis of the City as a Whole

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the City as a whole.

The City's net position at year-end was \$13,395,569. This is a \$3,319,538 decrease over last year's net position of \$ 16,715,107. The following table provides a summary of the City's net position at September 30:

Summary of Net Position

	Governmental		Business-type		Total		Amount of	% of
	Activities		Activities				Change	Change
	2015	2014	2015	2014	2015	2014		
Current and other								
assets	2,067,069	2,004,286	3,380,648	3,920,613	5,447,717	5,924,899	(477,182)	(8.1)
Capital Assets	8,195,253	7,559,046	4,163,285	4,273,875	12,358,538	11,832,921	525,617	4.4
Total Assets	10,262,322	9,563,332	7,543,933	8,194,488	17,806,255	17,757,820	48,435	0.3
Deferred outflows of								
resources	570,490		320,330		890,820	0	890,820	0.0
Other liabilities	3,091,748	783,718	1,784,880	258,996	4,876,628	1,042,714	3,833,914	367.7
Total liabilities	3,091,748	783,718	1,784,880	258,996	4,876,628	1,042,714	3,833,914	367.7
Deferred inflows of								
resources	424,878				424,878	0	424,878	0.0
Net position:								
Invested in capital								
assets,								
net of related								
debt	8,032,230	7,359,046	4,163,285	4,273,875	12,195,515	11,632,921	562,594	4.8
Restricted	321,255	367,414	1,916,098	3,661,617	2,237,353	4,029,031	(1,791,678)	(44.5)
Unrestricted	(1,037,299)	1,053,154			(1,037,299)	1,053,154	(2,090,453)	(198.5)
Total net								
position	7,316,186	8,779,614	6,079,383	7,935,492	13,395,569	16,715,106	(3,319,537)	(19.9)

The City reported positive balances in net position for both governmental and business-type activities. Net position decreased by \$1,463,429 in governmental activities and \$1,856,109 in the business-type activities. These decreases were primarily the result of the reporting of the net pension liability and related pension accounts. Included in the decrease was the reporting of prior year adjustments for the beginning net pension liability and related pension accounts. This City's overall financial position did not improve during fiscal year 2015.

The City's governmental activities rely heavily on sales tax. Maintenance of a relatively strong economy has kept sales tax revenues at a reasonably healthy level.

Business-type activities continue to reflect an excess of expenditures over revenues. While revenues have increased, expenses, primarily cost of providing electricity, has caused the expenses to increase at a rate higher than revenue being generated.

The following table provides a summary of the City's changes in net position for the year ended September 30:

Summary of Changes in Net Position

	Governmental		Business-type		Total		Amount of	% of
	Activities		Activities		Total		Change	Change
	2015	2014	2015	2014	2015	2014		
Revenues:								
Program Revenues								
Charges for								
services	434,556	356,768	5,669,014	5,488,796	6,103,570	5,845,564	258,006	4.4
Operating grants								
and contributions	20,985	16,768			20,985	16,768	4,217	25.1
Capital grants								
and contributions	450,600	36,900			450,600	36,900	413,700	1121.1
General Revenue								
Sales taxes	1,488,416	1,409,475			1,488,416	1,409,475	78,941	5.6
Property taxes	654,759	601,700			654,759	601,700	53,059	8.8
Franchise fees	15,703	15,031		27,198	15,703	42,229	(26,526)	(62.8)
Other	256,598	153,086	71,827	12,887	328,425	165,973	162,452	97.9
Total Revenues	3,321,617	2,589,728	5,740,841	5,528,881	9,062,458	8,118,609	943,849	11.6
Expenses:								
General government								
and administration	1,087,458	1,103,871			1,087,458	1,103,871	(16,413)	(1.5)
Public safety	1,165,117	1,165,693			1,165,117	1,165,693	(576)	(0.0)
Public works	207,409	215,958			207,409	215,958	(8,549)	(4.0)
Cultural and recreational	174,450	182,187			174,450	182,187	(7,737)	(4.2)
Pension expense	364,128				364,128	0	364,128	100.0
Public Utilities			5,787,174	5,511,579	5,787,174	5,511,579	275,595	5.0
Cable			338,221	501,593	338,221	501,593	(163,372)	(32.6)
Total Expenses	2,998,562	2,667,709	6,125,395	6,013,172	9,123,957	8,680,881	443,076	5.1



Increase in net assets								
before transfers	323,055	(77,981)	(384,554)	(484,291)	(61,499)	(562,272)	500,773	(89.1)
Transfers	300,000	0	(300,000)	0				
Changes in net position	623,055	(77,981)	(684,554)	(484,291)	(61,499)	(562,272)	500,773	
Beginning net position	8,779,615	8,857,595	7,935,492	8,419,783	16,715,107	17,277,378	(562,271)	(3.3)
Prior year adjustments	(2,086,484)		(1,171,555)		(3,258,039)	0	(3,258,039)	0.0
Restated net position	6,693,131	8,857,595	6,763,937	8,419,783	13,457,068	17,277,378	(3,820,310)	(3)
Ending net position	7,316,186	8,779,614	6,079,383	7,935,492	13,395,569	16,715,106	(3,319,537)	(3)

The cost of total governmental activities for the year was \$2,998,562. Of this amount public safety was the largest operating service cost, at 38.9% of total cost of services in 2015, primarily funded by the City's taxing power. Other governmental activities with the significant tax-based funding include general government and administration and public works.

Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the funds statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements. Governmental funds reported ending fund balance of \$1,391,804. Approximately 43.6% constitutes an unassigned fund balance of \$606,346, which is available for spending at the City's discretion. Of the remaining fund balance, \$316,791 (22.8%) is restricted for specific purposes and \$468,667 (33.6%) is assigned to specific purposes.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund increased by \$125,494.

The Garbage Collection and disposal Fund had an ending fund balance of \$185,814, which was an increase of \$15,654, mainly due to an increase in revenue.

Proprietary Funds

The proprietary funds share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

Major Proprietary Funds.

Major proprietary funds consist of the operations of electric and water utility, and the television cable system fund. Cost saving efforts and the maintenance of adequate rates both contributed to the overall productivity of these funds. An increase in overall



expense is the main reason for the decrease in net position for these funds of \$456,381 for 2015.

General Fund Budgetary Highlights

The original adopted General Fund budget was amended once during the 2015 fiscal year. This amendment was made to decrease anticipated revenues by \$45,200 and increase anticipated expenditures by \$20,161. The General Fund budget complied with the budgetary process required by the State of Mississippi and maintained core City services.

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of September 30, 2015 was \$8,159,253 and \$4,163,285, respectively. Major capital assets additions during the current fiscal year include Senior Citizen's Center, street improvements and other capital acquisitions.

Capital Assets Net of Accumulated Depreciation

	Governmental		Business-type		Total		Amount of Change	% of Change
	Activities 2015	2014	Activities 2015	2014	2015	2014		
Non depreciable								
assets								
Land	609,205	605,345	64,400	64,400	673,605	669,745	3,860	0.6
Construction in progress	36,900	0			36,900	0	36,900	0.0
Depreciable								
assets								
Buildings	2,890,674	3,420,811	44,172	45,617	2,934,846	3,466,428	(531,582)	(15.3)
Infrastructure and improvements other than buildings	3,106,449	3,310,004	3,577,879	3,715,180	6,684,328	7,025,184	(340,856)	(4.9)
Furniture, machinery and equipment	915,818	859,094	466,836	438,179	1,382,654	1,297,273	85,381	6.6
Intangible assets			10,000	10,500	10,000	10,500	(500)	(4.8)
Total	7,559,046	8,195,254	4,163,287	4,273,876	11,722,333	12,469,130	(746,797)	(6.0)

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finance, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like additional information, contact the City Clerk's office at 300 Main Street, Collins, Mississippi 39428.

CITY OF COLLINS, MISSISSIPPI

BASIC FINANCIAL STATEMENTS

CITY OF COLLINS, MISSISSIPPI		Exhibit A	
Statement of Net Position			
September 30, 2015			
		Primary Government	
		Governmental	Business-type
		Activities	Activities
			Total
ASSETS			
Cash	\$	734,677	506,798
Investments		481,063	1,605,248
Accrued interest receivable		316	1,809
Property tax receivable		424,878	
Franchise tax receivable		4,494	
Accounts receivable (net of allowance for uncollectibles - Note 5)			1,019,203
Fines receivable (net of allowance for uncollectibles of \$488,743)		162,914	
Intergovernmental receivables		254,046	
Other receivables		4,681	25,000
Inventories			82,977
Restricted assets			
Cash			68,712
Investments			70,901
Capital assets:			
Land and construction in progress		605,344	64,400
Other capital assets, net		7,589,909	4,098,885
Total Assets		10,262,322	7,543,933
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions		570,490	320,330
Total Deferred Outflows of Resources		570,490	320,330
LIABILITIES			
Claims payable		86,794	46,706
Refundable deposits			139,613
Other payables		679	3,205
Long-term liabilities			
Due within one year:			
Capital debt		37,556	
Due in more than one year:			
Capital debt		125,467	
Net pension liability		2,841,252	1,595,356
Total Liabilities		3,091,748	1,784,880
DEFERRED INFLOWS OF RESOURCES			
Property tax for future reporting period		424,878	
Total deferred inflows of resources		424,878	0
NET POSITION			
Net investment in capital assets		8,032,230	4,163,285
Restricted for:			
Expendable:			
Public safety		23,268	
Public works		185,814	1,916,098
Unemployment compensation		112,173	
Unrestricted		(1,037,299)	
Total Net Position	\$	7,316,186	6,079,383
The notes to the financial statements are an integral part of this statement.			

CITY OF COLLINS, MISSISSIPPI
Statement of Activities
For the Year Ended September 30, 2015

Exhibit B

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Operating	Capital	Primary Government		
		Charges for	Grants and	Grants and	Governmental	Business-type	
Functions/Programs	Expenses	Services	Contributions	Contributions	Activities	Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 1,087,458	86,100			(1,001,358)		(1,001,358)
Public safety	1,162,094	235,826			(926,268)		(926,268)
Public works	207,409	112,630			(94,779)		(94,779)
Health and welfare					0		0
Culture and recreation	174,450		20,985	450,600	297,135		297,135
Pension expense	364,128				(364,128)		(364,128)
Conservation of natural resources					0		0
Economic development and assistance					0		0
Interest on long-term debt	3,023				(3,023)		(3,023)
Total Governmental Activities	2,998,562	434,556	20,985	450,600	(2,092,421)		(2,092,421)
Business-type activities:							
Water, sewer and electricity	5,787,174	5,415,374				(371,800)	(371,800)
Cable	338,221	253,640				(84,581)	(84,581)
	6,125,395	5,669,014	0	0	0	(456,381)	(456,381)
Total Primary Government	\$ 9,123,957	6,103,570	20,985	450,600	(2,092,421)	(456,381)	(2,548,802)
General revenues, capital contributions and transfers:							
Taxes							
Property taxes				\$ 654,759			654,759
Sales				1,488,416			1,488,416
Other				7,920			7,920
Franchise fees				15,703			15,703
Rents				120,962			120,962
Grants and contributions not restricted to specific programs							
Unrestricted interest income				2,299		25,000	27,299
Disposal of capital assets						41,720	41,720
Miscellaneous				125,417			125,417
Transfers				300,000		(300,000)	0
Total General Revenues and Transfers				2,715,476		(228,173)	2,487,303
Changes in Net Position					623,055	(684,554)	(61,499)
Net Position - Beginning					8,779,615	7,935,492	16,715,107
Prior year adjustments					(2,086,484)	(1,171,555)	(3,258,039)
Net Position-Restated					6,693,131	6,763,937	13,457,068
Net Position - Ending					\$ 7,316,186	6,079,383	13,395,569

The notes to the financial statements are an integral part of this statement.

CITY OF COLLINS, MISSISSIPPI
Balance Sheet - Governmental Funds
September 30, 2015

Exhibit C

	Major Funds			Total
	General Fund	Garbage Fund	Other Governmental Funds	Governmental Funds
ASSETS				
Cash	\$ 473,060	191,138	70,479	734,677
Investments	379,976		101,087	481,063
Accrued interest receivable	250		66	316
Property tax receivable	318,002	106,876		424,878
Franchise tax receivable	4,494			4,494
Fines receivable (net of allowance for uncollectibles of \$488,743)	162,914			162,914
Intergovernmental receivables	254,046			254,046
Due from other funds	4,681			4,681
Total Assets	\$ 1,597,423	298,014	171,632	2,067,069
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Claims payable	\$ 40,815	5,324	40,655	86,794
Other payables	679			679
Due to other funds				0
Total Liabilities	\$ 41,494	5,324	40,655	87,473
Deferred Inflows of Resources				
Property tax for future reporting period	\$ 318,002	106,876		424,878
Unavailable revenue-fines	162,914			162,914
Total Deferred Inflows of Resources	\$ 480,916	106,876	0	587,792
Fund Balances:				
Restricted for:				
Public safety			18,794	18,794
Public works		185,814		185,814
Economic development and assistance			10	10
Unemployment compensation			112,173	112,173
Assigned for				
Economic development and assistance	468,667			468,667
Unassigned	606,346			606,346
Total Fund Balances	\$ 1,075,013	185,814	130,977	1,391,804
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,597,423	298,014	171,632	2,067,069
The notes to the financial statements are an integral part of this statement.				

CITY OF COLLINS

Exhibit C-1

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2015

	Amount
Total Fund Balance - Governmental Funds	\$ 1,391,804
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$4,409,189.	8,195,253
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	162,914
Pension Obligations	
Pension obligations are not due and payable in the current period and, therefore, are not reported in the funds	
Net pension liability	(2,841,252)
Deferred outflows of resources related to pension obligations are applicable to future periods periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pension obligations	570,490
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(163,023)
Total Net Position - Governmental Activities	\$ 7,316,186
The notes to the financial statements are an integral part of this statement.	

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CITY OF COLLINS, MISSISSIPPI

Exhibit D

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2015

	Major Funds		Other	Total
	General	Garbage	Governmental	Governmental
	Fund	Fund	Funds	Funds
REVENUES				
Property taxes	\$ 534,069	120,690		654,759
Sales Taxes	1,488,416			1,488,416
Other	3,822			3,822
Franchise Fees	15,703			15,703
Licenses, commissions and other revenue	13,813			13,813
Fines and forfeitures	133,322			133,322
Intergovernmental revenues	9,322		471,706	481,028
Charges for services	34,657	111,341	14,071	160,069
Interest income	2,037		262	2,299
Rent	120,961			120,961
Miscellaneous revenues	56,144		64,064	120,208
Total Revenues	2,412,266	232,031	550,103	3,194,400
EXPENDITURES				
Current:				
General government	551,908			551,908
Public safety	912,278		394,705	1,306,983
Public works	207,128	216,377		423,505
Health and welfare				0
Culture and recreation	185,574			185,574
Capital Outlay				0
General Government	4,050			4,050
Public Safety	32,516		113,775	146,291
Public Works	279,640			279,640
Health and Welfare				0
Culture and Recreation	6,300		587,429	593,729
				0
Total Expenditures	2,179,394	216,377	1,095,909	3,491,680
Excess of Revenues over (under) Expenditures	232,872	15,654	(545,806)	(297,280)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	117,073			117,073
Transfers in	300,000		524,451	824,451
Transfers out	(524,451)			(524,451)
Total Other Financing Sources and Uses	(107,378)	0	524,451	417,073
Net Changes in Fund Balances	125,494	15,654	(21,355)	119,793
Fund Balances - Beginning	949,519	170,160	152,332	1,272,011
Fund Balances - Ending	\$ 1,075,013	185,814	130,977	1,391,804

The notes to the financial statements are an integral part of this statement.

CITY OF COLLINS, MISSISSIPPI		Exhibit D-1
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities		
For the Year Ended September 30, 2015		
		Amount
Net Changes in Fund Balances - Governmental Funds	\$	119,793
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$1,023,710 exceeded depreciation of \$383,290 in the current period.		
		640,420
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net gain of \$112,861 and the proceeds from the sale of \$117,073 in the current period.		
		(4,212)
Fine revenue recognized on the modified accrual basis in the funds during the current year is increased because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting		
		14,357
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount of debt repayments of \$36,977.		
		36,977
Items reported in the statement activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include		
Recognition of pension expense for the current year		
Recognition of contributions made subsequent to the measurement date		
Some items reported in the Statement of Activities related to the implementation of GASB 68 are not reported as revenues/expenditures in the Governmental Funds.		
These activities include:		
Recording pension expense for the current year		(364,128)
Recording contributions made during the fiscal year:		
Before the measurement date.		133,452
After the measurement date.		46,396
	\$	623,055
The notes to the financial statements are an integral part of this statement.		

CITY OF COLLINS, MISSISSIPPI

Exhibit E

Statement of Net Position - Proprietary Funds

September 30, 2015

	Business-type Activities - Enterprise Funds			
	Utility	Collins	Meter	Total
	Enterprise	Communication	Deposit	Proprietary
	Fund	Fund	Fund	Funds
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 345,137	\$ 161,661	\$	\$ 506,798
Investments	1,442,904		162,344	1,605,248
Accounts receivable (Net of allowance for uncollectibles - Note 5)	1,019,203			1,019,203
Other receivables		25,000		25,000
Accrued interest receivable	1,739		70	1,809
Inventories	82,977			82,977
Total Current Assets	\$ 2,891,960	\$ 186,661	\$ 162,414	\$ 3,241,035
Noncurrent Assets:				
Restricted assets:				
Cash	\$	\$	\$ 68,712	\$ 68,712
Investments			70,901	70,901
Capital assets:				
Land and construction in progress	64,400			64,400
Other capital assets-net	4,098,885			4,098,885
Total Noncurrent Assets	\$ 4,163,285	\$ 0	\$ 139,613	\$ 4,302,898
Total Assets	\$ 7,055,245	\$ 186,661	\$ 302,027	\$ 7,543,933
Deferred outflows of resources				
Deferred amounts related to pensions	290,121	30,209		320,330
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 46,121	\$ 585	\$	\$ 46,706
Undeliverable funds	680		2,525	3,205
Payable from restricted assets:				
Deposits			139,613	139,613
Total Current Liabilities	\$ 46,801	\$ 585	\$ 142,138	\$ 189,524
Non current liabilities				
Net pension liability	1,444,907	150,449		1,595,356
Total Liabilities	\$ 1,491,708	\$ 151,034	\$ 142,138	\$ 1,784,880
NET POSITION				
Invested in capital assets	\$ 4,163,285	\$ 0	\$ 0	\$ 4,163,285
Restricted:				
Expendable:				
Water, sewer and electricity	1,690,373			1,690,373
Cable		65,836		65,836
Meter deposits			159,889	159,889
Total Net Position	\$ 5,853,658	\$ 65,836	\$ 159,889	\$ 6,079,383

The notes to the financial statements are an integral part of this statement.

CITY OF COLLINS, MISSISSIPPI

Exhibit F

Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund

September 30, 2015

	Business-type Activities - Enterprise Funds				Total Proprietary Funds
	Utility	Collins	Meter		
	Enterprise Fund	Communication Fund	Deposit Fund		
Operating Revenues:					
Charges for services	\$ 5,279,407	\$ 236,951	\$	\$	5,516,358
Late charges and service charges	95,027	4,655			99,682
Franchise fees	25,515				25,515
Miscellaneous	15,425	12,034			27,459
Total Operating Revenues	\$ 5,415,374	\$ 253,640	\$ 0	\$	5,669,014
Operating Expenses:					
Costs of sales and services	\$ 5,117,051	\$ 216,560	\$	\$	5,333,611
Administration	376,121	94,994			471,115
Depreciation	242,240	15,164			257,404
Indirect administrative costs	51,762	11,503			63,265
Total Operating Expenses	\$ 5,787,174	\$ 338,221	\$ 0	\$	6,125,395
Net Income/(Loss) From Operations	\$ (371,800)	\$ (84,581)	\$ 0	\$	(456,381)
Nonoperating Revenues/(Expenses):					
Investment income	\$ 4,758	\$	\$ 349	\$	5,107
Operating grants	25,000				25,000
disposal of assets	3,017				3,017
Gain on Disposal of Communications System		38,703			38,703
Net Nonoperating Revenues/(Expenses)	\$ 32,775	\$ 38,703	\$ 349	\$	71,827
Net Income/(Loss) Before Transfers	\$ (339,025)	\$ (45,878)	\$ 349	\$	(384,554)
					0
Transfers in	22,455				22,455
Transfers out	(300,000)	(22,455)			(322,455)
	(277,545)	(22,455)	0		(300,000)
Changes in Net Position	\$ (616,570)	\$ (68,333)	\$ 349	\$	(684,554)
Net Position - Beginning	\$ 7,531,300	\$ 244,652	\$ 159,540	\$	7,935,492
prior year adjustment	(1,061,072)	(110,483)			(1,171,555)
Net position - restated	6,470,228	134,169	159,540		6,763,937
Net Position - Ending	\$ 5,853,658	\$ 65,836	\$ 159,889	\$	6,079,383

The notes to the financial statements are an integral part of this statement.

CITY OF COLLINS, MISSISSIPPI

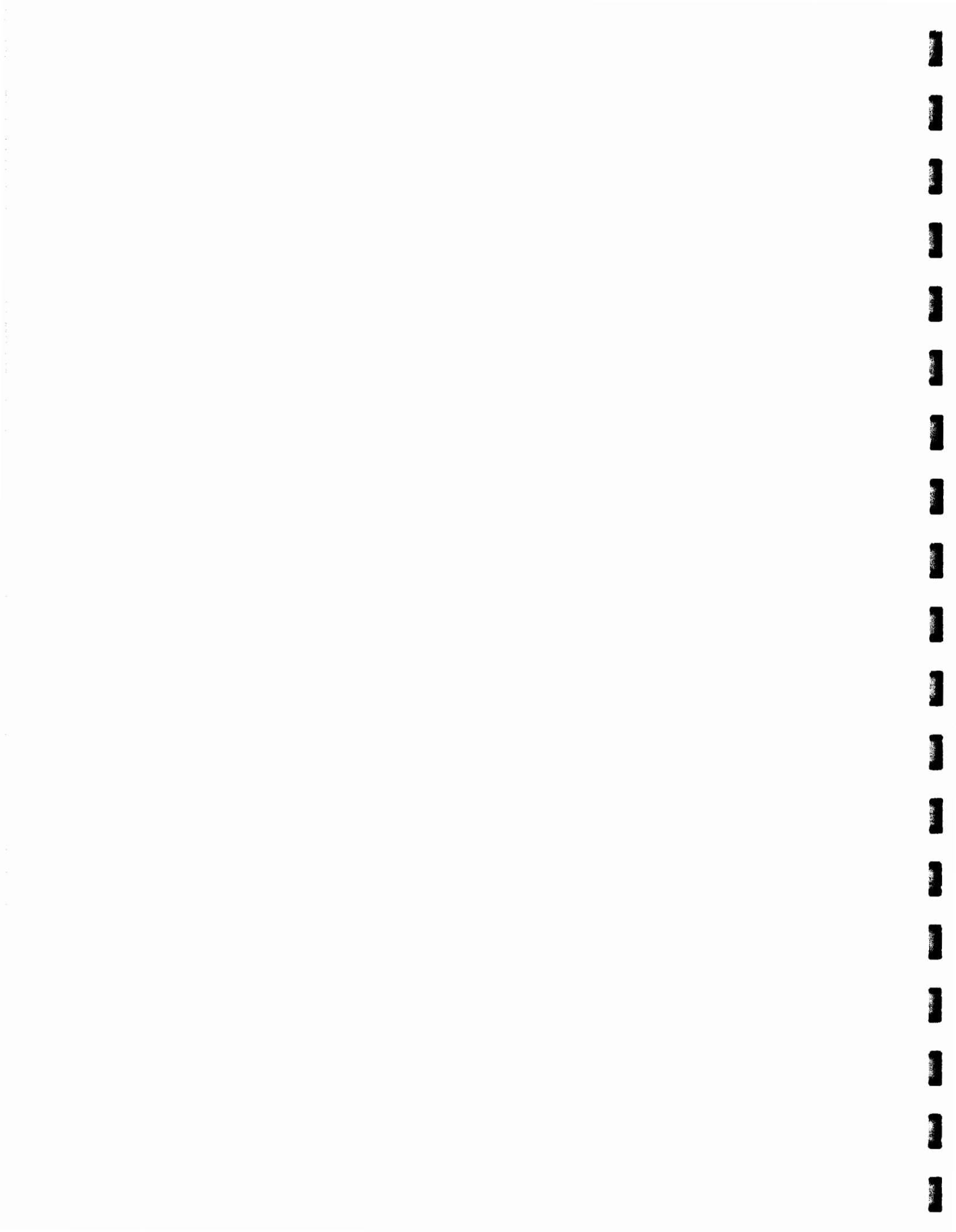
Exhibit G

Statement of Cash Flows - Proprietary Fund

September 30, 2015

	Business-type Activities - Enterprise Funds				
	Utility	Collins	Meter	Total	
	Enterprise	Communication	Deposit	Proprietary	
	Fund	Fund	Fund	Funds	
Cash Flows From Operating Activities					
Cash received from customers	\$ 5,283,160	\$ 268,637	\$	\$ 5,551,797	
Other operating cash receipts	30,388			30,388	
Cash payments to suppliers for goods					
and services	(4,898,297)	(283,126)		(5,181,423)	
Cash payments to employees for services	(584,430)	(82,050)		(666,480)	
Net Cash Provided/(Used) by					
Operating Activities	\$ (169,179)	\$ (96,539)	\$ 0	\$ (265,718)	
Cash Flows From Noncapital and Related					
Financing Activities					
Customer deposits increase	\$	\$	\$ 4,915	\$ 4,915	
Transfers to other funds	(300,000)			(300,000)	
Net Cash Provided/(Used) by Noncapital					
and Related Financing Activities	\$ (300,000)	\$ 0	\$ 4,915	\$ (295,085)	
Cash Flows From Capital and Related					
Financing Activities					
Proceeds from sale of capital assets	\$ 3,017	\$ 224,985	\$	\$ 228,002	
Capital grants	25,000			25,000	
Acquisition and construction of capital assets	(275,192)			(275,192)	
Reduction (increase in other receivables)	316			316	
Net Cash Provided/(Used) by Capital					
and Related Financing Activities	\$ (246,859)	\$ 224,985	\$ 0	\$ (21,874)	
Cash Flows From Investing Activities					
(Purchase) sell of investments	709,798			709,798	
Interest on cash and cash equivalents	\$ 4,758	\$	\$ 349	\$ 5,107	
Net Cash Provided/(Used) by					
Investing Activities	\$ 714,556	\$ 0	\$ 349	\$ 714,905	
Net Increase/(Decrease) in Cash					
and Cash Equivalents	\$ (1,482)	\$ 128,446	\$ 5,264	\$ 132,228	
Cash and Cash Equivalents at					
Beginning of Year	\$ 346,619	\$ 33,215	\$ 63,448	\$ 443,282	
Cash and Cash Equivalents at					
End of Year	\$ 345,137	\$ 161,661	\$ 68,712	\$ 575,510	

CITY OF COLLINS, MISSISSIPPI					Exhibit G (Continued)
Statement of Cash Flows - Proprietary Fund - Continued					
September 30, 2015					
	Business-type Activities - Enterprise Funds				
	Utility	Collins	Meter	Total	
	Enterprise	Communication	Deposit	Proprietary	
	Fund	Fund	Fund	Funds	
Reconciliation of Operating Income/(Loss)					
to Net Cash					
Provided/(Used) by Operating Activities					
Income/(Loss) From Operations	\$ (371,800)	\$ (84,581)	\$ 0	\$ (456,381)	
Adjustments to reconcile income/(loss)					
from operations to net cash provided/					
(used) by operating activities:					
Depreciation expense	\$ 242,240	\$ 15,164	\$	\$ 257,404	
(Gain) loss from sale of assets					
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(98,192)	1,056		(97,136)	
(Increase) decrease in taxes receivable	3,054			3,054	
(Increase) decrease in inventories	(1,744)			(1,744)	
(Increase) decrease in deferred outflows	(268,034)	(27,909)		(295,943)	
Increase (decrease) in accounts payable	(36,451)	(34,706)		(71,157)	
Increase (decrease) in unearned revenues		(3,229)		(3,229)	
Increase (decrease) in net pension liability	361,748	37,666		399,414	
Total Adjustments	\$ 202,621	\$ (11,958)	\$ 0	\$ 190,663	
Net Cash Provided/(Used) by					
Operating Activities	\$ (169,179)	\$ (96,539)	\$ 0	\$ (265,718)	
The notes to the financial statements are an integral part of this statement.					



CITY OF COLLINS, MISSISSIPPI		Exhibit H
Statement of Fiduciary Assets and Liabilities		
September 30, 2015		
		Agency
		Funds
ASSETS		
Other receivable	\$	4,681
Total Assets	\$	4,681
LIABILITIES		
Due to other funds	\$	4,681
Total Liabilities	\$	4,681
The notes to the financial statements are an integral part of this statement.		

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CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2015

(1) Summary of Significant Accounting Policies

A. Introduction.

The City of Collins, Mississippi ("City") is incorporated under the laws of the State of Mississippi. The City operates under a Code Charter with a full-time Mayor elected from the City at large and five aldermen, with four aldermen elected from wards and one alderman elected from the City at large. The City's major operations include police and fire protection, parks and recreation, public works and general administrative services. In addition, the City owns and operates a water and sewer system, a cable communication system and an electric utility system.

The accounting and reporting framework and the more significant accounting principles and practices of the City are discussed in subsequent sections of this Note. The remainder of the Notes is organized to provide explanation, including required disclosures, of the City's financial activities for the fiscal year ended September 30, 2013.

B. Financial Statements.

Government-wide Statements:

Government-wide financial statements include the statement of net position and the statement of activities. These statements report information for the City as a whole, excluding fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and the City's general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements:

Fund financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation.

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements, applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The City's reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2015

(1) Summary of Significant Accounting Policies - Continued

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to City departments. Reimbursements are reported as reductions to expenses. Proprietary fund financial statements also report using the same focus and basis of accounting although internal activity is not eliminated in the statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred. Debt service expenditures are recognized only when payment is due.

Major revenue sources susceptible to accrual include: sales taxes, property taxes, franchise fee, intergovernmental revenue, and investment income. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods and services and include administrative expenses reclassified as non-operating in the financial statements.

The City reports the following major Governmental Funds:

General Fund - This fund is used to account for all financial resources not reported in other funds.

Garbage Collection/Disposal Fund - This fund is used to account for the garbage and solid waste collection and disposal operations.

The City reports the following major Proprietary Funds:

Utility Enterprise Fund - This fund is used to account for the operating activities of the City's electricity and water utility services.

Collins Communication Fund - This fund is used to account for the operating activities of the City's television cable services.

Meter Deposit Fund - This fund is used to account for and maintain deposits from users of the City's utility services.

CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2015

(1) Summary of Significant Accounting Policies - Continued

Additionally, the City reports the following fund types:

GOVERNMENTAL FUND TYPE

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds account for, among others, certain federal grant programs, taxes levied with statutorily defined distributions and other resources restricted as to purpose.

Capital Projects Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

PROPRIETARY FUND TYPE

Enterprise Funds - These funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the county has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability.

FIDUCIARY FUND TYPE

Agency Funds - Agency Funds are used to report resources held by the City in a purely custodial capacity (assets equal liabilities) and do not involve measurement of results of operations.

D. Account Classifications.

The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2012 by the Government Finance Officers Association.

E. Cash and Investments.

The City maintains and controls cash in each of the funds or fund type types operated. Investments are separately held and reflected in respective funds as investments, some of which are restricted funds.

State law authorizes the City to invest in interest bearing time certificates of deposit with depositories and in obligations of the U.S. Treasury, State of Mississippi, or any county, municipality or school district of this state.

Cash includes cash on hand, demand deposits, and all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). All cash deposits are reported at carrying amount (cost) which reasonably estimates fair market value.

F. Restricted Assets

Certain resources are classified as Restricted because they are set aside for the repayment of deposits for water meters and cable installations.

G. Receivables.

Receivables are reported net of allowances for uncollectible accounts, where applicable.

CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2015

(1) Summary of Significant Accounting Policies – Continued

H. Interfund Transactions and Balances.

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

I. Inventories.

Inventories in the proprietary funds are valued at cost, which approximates market, using the first-in/first-out method.

J. Capital Assets.

Capital acquisition and construction are reflected as expenditures in governmental fund statements and the related assets are reported as capital assets in the applicable governmental or business-type activities column in the government-wide financial statements. The City's property, plant, equipment and infrastructure with useful lives of more than one year are stated at historical cost. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets which cost \$1,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method and is calculated from the date of acquisition or the date of disposal. When capital assets are disposed of, the cost and applicable depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Interest expenditures are not capitalized on capital assets. Estimated useful lives, in years, for depreciable assets are as follows:

Building	15-40
Infrastructure	10-50
Mobile equipment, furniture, machinery and equipment	5-10
Intangible asset – Water rights	40
Leased property under capital leases	*

* Leased property capitalization policy and estimated useful life will correspond with the amounts for the asset classification, as listed above.

K. Deferred Outflows/Inflows of Resources.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2015

(1) Summary of Significant Accounting Policies – Continued

Unavailable revenue – When an asset is recorded in the governmental fund financial statements but the revenue is not available, the government should report a deferred inflow of resources until such time as the revenue becomes available. This category includes fines assessed but not yet collected.

L. Long-term Liabilities.

Long-term liabilities are the unmatured principal of bonds, loans, notes or other forms of noncurrent or long-term general obligation indebtedness. Long-term liabilities are not limited to liabilities from debt issuances, but may also include liabilities on lease-purchase agreements and other commitments.

In the government-wide financial statements and in the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. The governmental fund financial statements recognize the proceeds of debt as other financing resources of the current period.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Mississippi (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Equity Classifications.

Government-wide Financial Statements:

Equity is classified as net position and displayed in three components:

Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position not meeting the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Financial Statements:

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balance is classified as restricted, assigned or unassigned. The following are descriptions of fund classifications used by the City.

Restricted fund balance includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Assigned fund balance includes amounts that are constrained by the city's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the general fund, this is the residual amount within the fund that is not classified as nonspendable and is neither restricted nor committed. Assignments of fund balance are created by the Board of Aldermen pursuant to authorization

CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2015

(1) Summary of Significant Accounting Policies – Continued

established by Section 21-17-5, Miss. Code Ann. (1972).

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund.

The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Fund Balance Flow Assumption:

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the City's general policy to use restricted resources first. When expenditures are incurred for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the City's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

N. Property Tax Revenues.

State statutes exist under which the Board of Aldermen may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the City. Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount which resulted from the assessments of the previous year.

The Board of Aldermen, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase.

Accounting principles generally accepted in the United States of America require property taxes to be recognized at the levy date if measurable and available. All property taxes are recognized as revenue in the year for which they are levied. Motor vehicle and mobile home taxes do not meet the measurability and collectability criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

O. Intergovernmental Revenues in Governmental Funds.

Intergovernmental revenues, consisting of grants, entitlements and shared revenues, are usually recorded in Governmental Funds when measurable and available. However, the "available" criterion applies for certain federal grants and shared revenues when the expenditure is made because expenditure is the prime factor for determining eligibility. Similarly, if cost sharing or matching requirements exist, revenue recognition depends on compliance with these requirements.

CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2015

(1) Summary of Significant Accounting Policies – Continued

P. Prior Year Adjustment

Significant adjustments were made to beginning net position/fund balances as described below:

State of Activities			
Explanation			Amount
GOVERNMENTAL ACTIVITIES			
Implementation of GASB 68 and 71:			\$
Net pension liability (9-30-2014)	(2,129,916)		
Deferred Outflows- contributions made July - September, 2014	43,432		
Total prior year adjustments related to GASB 68 and 71		\$	(2,086,484)
BUSINESS TYPE ACTIVITIES			
Implementation of GASB 68 and 71:			
Net pension liability (9-30-2014)	(1,195,942)		
Deferred Outflows- contributions made July - September, 2014	24,387		
Total prior year adjustments related to GASB 68 and 71		\$	(1,171,555)

(2) Deposits and Investments

Deposits:

The carrying amount of the City's total deposits with financial institutions at September 30, 2014, was \$1,310,187, and the bank balance was \$1,603,180. The collateral for public entities' deposits in financial institutions are 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 would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the City. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the City.

CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2015

(2) Deposits and Investments - Continued

Investments:

As of September 30, 2015, the City had the following investments in certificates of deposit:

Investment Type	Maturities (in years)	Fair Value	Rating
Certificate of Deposit	Less than 1	\$ 2,157,212	Not Rated

Interest Rate Risk - The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State law limits investments to those prescribed in Sections 27-105-33(d) and 27-105-33(e), Miss. Code Ann. (1972). The City does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

Concentration of Credit Risk - Disclosure of investments by amount and issuer for any issuer that represents five percent or more of the total investments is required. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, and other pooled investments. As of September 30, 2014, the City had no investments other than Certificates of Deposits.

(3) Interfund Transactions and Balances

The following is a summary of interfund balances at September 30, 2015:

A. Due From/To Other Funds:

Receivable Fund	Payable Fund	Amount
General	Agency funds	\$ 4,681
Total		\$ 4,681

The principal purposes of the interfund loans were to remove deficit cash balances in funds. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Transfers In/Out:

Transfer In	Transfer Out	Amount
General	Utility Enterprise Fund	300,000
Other Governmental	General	524,451
Total		\$ 824,451

The principal purpose of interfund transfers was to provide funds for capital outlay and to close an inactive fund. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2015

(4) Intergovernmental Receivables.

Intergovernmental receivables at September 30, 2015, consisted of the following:

Description	Amount
Governmental Activities:	
State of Mississippi	\$
Sales tax	251,652
Covington County tax collector	2,394
Total Governmental Activities	\$ 254,046

(5) Accounts Receivable and Uncollectible Accounts

Significant receivables include amounts due from customers primarily for unpaid fines and utility services. These accounts receivable are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. The allowance amount is estimated using accounts receivable past due more than 60 to 90 days. Related amounts are shown in the following table:

	General Fund	Utility Enterprise Fund
Fines Receivable	\$ 651,657	\$
Accounts receivable		1,306,528
Less allowance for uncollectible accounts	(488,743)	(287,325)
Net accounts receivable	\$ 162,914	\$ 1,019,203
Uncollectible amounts netted with revenues	\$ 488,743	\$ 287,325

CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2015

(6) Capital Assets

The following is a summary of capital assets activity:

	Balance				Balance
	Oct. 1, 2014	Additions	Deletions	Adjustments	Sept. 30, 2015
GOVERNMENTAL ACTIVITIES					
<u>Non-depreciable capital assets:</u>					
Land	609,205		3,860		605,345
Construction in progress	36,900	587,429		(624,329)	0
Total non-depreciable capital assets	646,105	587,429	3,860	(624,329)	605,345
<u>Depreciable capital assets:</u>					
Buildings	4,133,289	10,350	1,320	624,329	4,766,648
Infrastructure & Improvements					
Other than Buildings	3,660,423	279,640			3,940,063
Furniture, Machinery & Equipment	3,316,188	146,291	98,697	(71,395)	3,292,387
Total depreciable capital assets	11,109,900	436,281	100,017	552,934	11,999,098
<u>Less accumulated depreciation for:</u>					
Buildings	1,242,615	104,190	968		1,345,837
Infrastructure & Improvements					
Other than Buildings	553,974	76,085			630,059
Furniture, Machinery & Equipment	2,400,370	203,015	98,697	(71,395)	2,433,293
Total accumulated depreciation	4,196,959	383,290	99,665	(71,395)	4,409,189
Total depreciable capital assets, net	6,912,941	52,991	352	624,329	7,589,909
Governmental activities capital assets, net	7,559,046	640,420	4,212	0	8,195,254

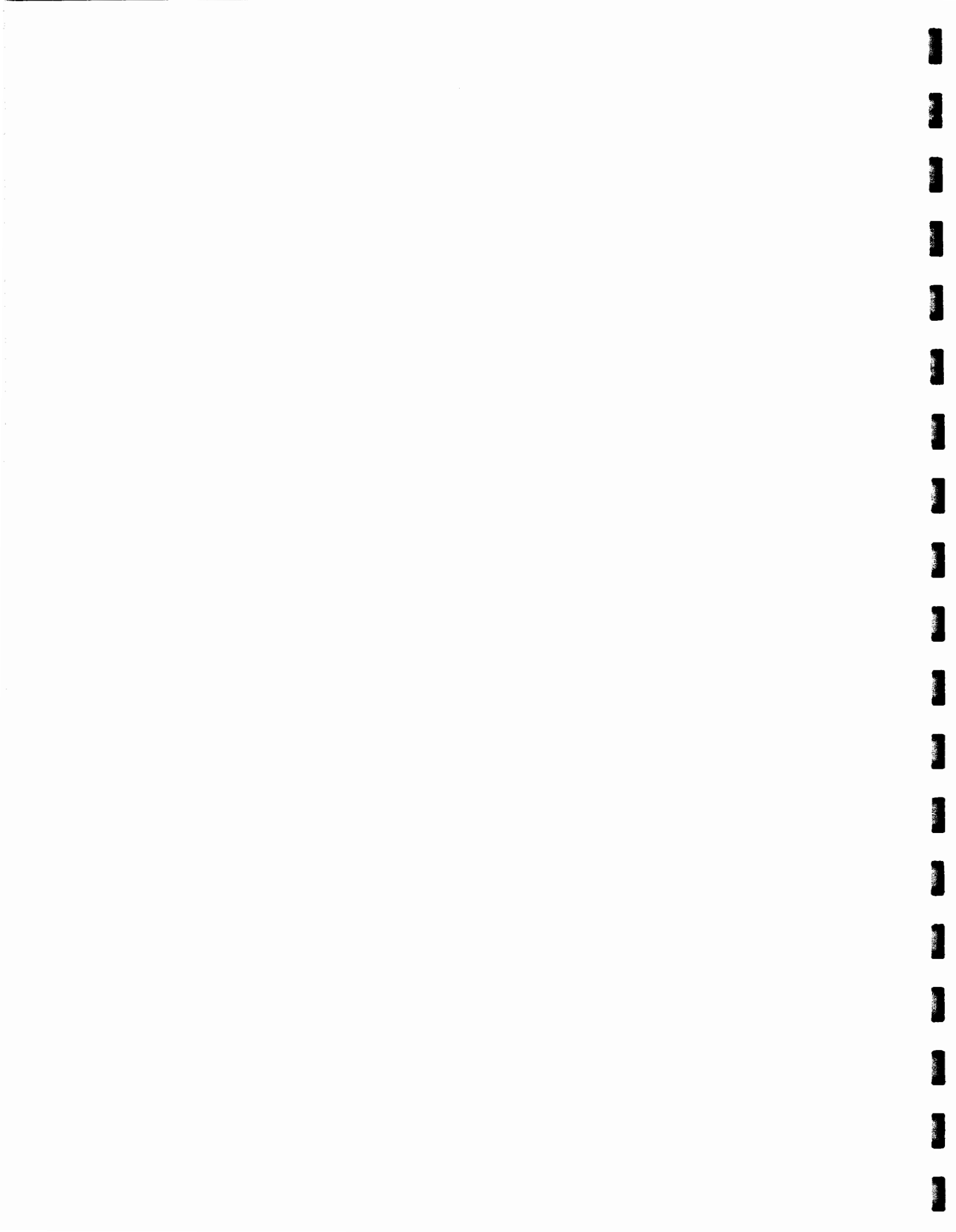
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CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2015

(6) Capital Assets – Continued

BUSINESS-TYPE ACTIVITIES					
<u>Non-depreciable capital assets:</u>					
Land	64,400				64,400
Construction in progress	0				0
Total non-depreciable capital assets	64,400	0	0	0	64,400
<u>Depreciable capital assets:</u>					
Buildings	90,189				90,189
Infrastructure & Improvements					
Other than Buildings	8,021,219	40,871			8,062,090
Furniture, Machinery & Equipment	1,899,871	234,321	688,182	71,395	1,517,405
Intangible asset - Water rights	20,000				20,000
Total depreciable capital assets	10,031,279	275,192	688,182	71,395	9,689,684
<u>Less accumulated depreciation for:</u>					
Buildings	44,572	1,445			46,017
Infrastructure & Improvements					
Other than Buildings	4,306,039	178,172			4,484,211
Furniture, Machinery & Equipment	1,461,692	77,287	559,805	71,395	1,050,569
Intangible asset - Water rights	9,500	500			10,000
Total accumulated depreciation	5,821,803	257,404	559,805	71,395	5,590,797
Total depreciable capital assets, net	4,209,476	17,788	128,377	0	4,098,887
Business-type activities capital assets, net	4,273,876	17,788	128,377	0	4,163,287

Adjustments are to reclassify completed equipment transferred between the governmental funds and business-type activities.



CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2015

(6) Capital Assets – Continued

Depreciation expense was charged to the following functions:

Depreciation expense was charged to the governmental functions, as follows:			
General government			43,666
Public safety:			
Police			65,531
Fire			116,830
Public works			84,655
Parks and recreation			72,608
Total governmental activities depreciation expense			<u>383,290</u>
Depreciation expense was charged to the business-type functions, as follows:			
Television cable fund			15,164
Utility enterprise fund			242,240
Total governmental activities depreciation expense			<u>257,404</u>

(7) Restricted Fund Equity

The government-wide statement of net position reports \$357,436 of restricted net position. Net position restricted by enabling legislation is as follows:

Activity	Restricted By	Amount
Police protection	State statute	\$ 23,268
Fire protection truck	State statute	36,181
Garbage collection and disposal	State statute	185,814
Unemployment compensation	State statute	112,173
		<u>\$ 357,436</u>

(8) Claims and Judgments

Risk Management.

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.



CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2015

(9) Operating Leases

As Lessor:

The City receives income from property it leases under noncancellable operating leases. The City leases a warehouse building in the industrial park for a monthly lease of \$6,500 and a medical facility for \$500 per month. Approximately \$337,685 (cost of \$837,799 and accumulated depreciation of \$540,553) of government activities capital assets is held for these leases. Total income from these leases was \$86,600 for the year ended September 30, 2015. The following are the future lease payments to be made to the City on these noncancellable leases. These future payments are from existing leases and do not anticipate renewals or new leases.

Year Ending September 30	Amount
2016	85,150
Total	\$ 85,150

(10) Long-term Debt.

Debt outstanding as of September 30, 2015 consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
Other Loans:			
Equipment Note	\$ 163,023	1.499%	3/1/2019
Total Other Loans	\$ 163,023		

Annual debt service requirements to maturity for the following debt reported in the Statement of Net Position are as follows:

Year Ending September 30	Other Loans	
	Principal	Interest
2016	\$ 37,556	2,444
2017	38,119	1,881
2018	38,691	1,309
2019	48,657	729
Total	\$ 163,023	6,363

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CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2015

(10) Long-term Debt - Continued

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2015:

	Balance			Amount due	
	Oct. 1, 2014	Additions	Reductions	Sept. 30, 2015	within one year
Governmental Activities:					
Notes payable	\$ 200,000	\$	\$ 36,977	\$ 163,023	\$ 37,556
Total	\$ 200,000	\$ 0	\$ 36,977	\$ 163,023	\$ 37,556

(11) Contingencies

Federal Grants - The City has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the City. Accordingly, no provision for any liability that may result has been recognized in the City's financial statements.

Litigation - The City of Collins, Mississippi is not a defendant in any lawsuits at this time.

(12) Defined Benefit Pension Plan

General Information about the Pension Plan.

Plan Description – The City of Collins is a member of the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan as defined in GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Membership in PERS is a condition of employment and is granted upon hiring for qualifying employees and officials of the City. Code Section 25-11-15, Miss. Code Ann. (1972), grants the authority for general administration and proper operation of PERS to the PERS Board of Trustees (PERS Board). PERS issues a publicly available Comprehensive Annual Financial Report that can be obtained at www.pers.ms.gov.

Benefits Provided - Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who become members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.00% of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.50% for each additional year of credited service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary. Benefit provisions are established by Section 25-11-1 et seq., Miss. Code Ann. (1972), and may be amended only by the State Legislature.

CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2015

A Cost of Living Adjustment (COLA) is made to eligible retirees and beneficiaries. The COLA is equal to 3 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3 percent compounded for each fiscal year thereafter.

Contributions - Per Chapter 11 of Title 25, Miss. Code Ann. (1972), contribution requirements of plan members and their employers are established and may be amended only by the PERS Board. The adequacy of these rates is assessed annually by actuarial valuation. For the year ended September 30, 2015, member employees were required to contribute 9.00 percent of their annual pay, while the City's required contribution rate was 15.75 percent of annual covered payroll. The City's employer contributions to PERS for the years ended September 30, 2015, 2014, and 2013 were \$280,837, \$262,806, and \$227,755 respectively. The contributions for each year met the required contributions.

At September 30, 2015, the City of Collins reported a liability of \$4,436,609 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the City's proportion was .028701 percent, which was an increase of .001301 from its proportion measured as of June 30, 2014.

For the year ended September 30, 2015, the City of Collins recognized pension expense of 568,586. At September 30, 2015, the City of Collins reported as a component of pension expense, deferred outflows of resources and deferred inflows of resources from the following sources:

SUMMARY OF DEFERRED INFLOWS AND OUTFLOWS		
		Deferred Outflows
		of Resources
Difference between expected and actual experience		68,277
Net difference between projected and actual earnings on pension plan investments		259,589
Changes in assumptions		382,199
Changes in proportion and differences between entity contributions and proportionate share of contributions		108,307
Entity contributions subsequent to the measurement date		72,448
Total		890,820

CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2015

\$72,448 reported as deferred outflows of resources related to pensions resulting from entity contributions Subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

AMORTIZATION OF DEFERRED INFLOWS AND OUTFLOWS		
Year ended June / September, 30:		
2016	\$	270,332
2017		270,332
2018		212,810
2019		64,898
Total	\$	818,372

Actuarial assumptions. The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.75 – 19.00 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Healthy Annuitant Blue Collar Table Projected with Scale BB to 2016, set forward one year for males.

The actuarial assumption used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the pension July 1, 2010 to June 30, 2014. The experience report is dated May 4, 2015.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding expected inflation.

CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2015

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation		Long-term Expected Real Rate of Return	
U.S. Broad	34.00	%	5.20	%
International Equity	19.00		5.00	
Emerging Markets Equity	8.00		5.45	
Fixed Income	20.00		0.25	
Real Assets	10.00		4.00	
Private Equity	8.00		6.15	
Cash	1.00		(0.50)	
Total	<u>100.00</u>	%		

Discount Rate. The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current employer contribution rate (15.75%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the entity's proportionate share of the net pension liability to changes in the discount rate. The following table presents the City of Collins' proportionate share of the net pension liability of the cost-sharing plan, calculated using the discount rate of 7.75%, as well as what the entity's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's proportionate share of the net pension liability	\$ 5,847,857	\$ 4,436,609	\$ 3,265,537

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS Comprehensive Annual Financial Report, publicly available at www.pers.ms.gov.

(13) Subsequent Events.

Events that occur after the Statement of Net Position 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 Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of the City evaluated the activity of the City through September 20, 2016, and determined that no subsequent event has occurred requiring disclosure in the notes to the financial statements.

CITY OF COLLINS, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION

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Schedule 1				
CITY OF COLLINS, MISSISSIPPI				
Budgetary Comparison Schedule -				
Budget and Actual (Non-GAAP Basis)				
General Fund				
For the Year Ended September 30, 2015				
	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
General property taxes	\$ 535,810	535,810	537,891	\$ 2,081
Licenses and permits	15,500	15,500	13,813	(1,687)
Intergovernmental revenues	1,405,000	1,405,000	1,488,416	83,416
Charges for services	28,700	28,700	34,657	5,957
Fines and forfeitures	100,000	120,000	133,322	13,322
Investment income	4,200	4,200	2,036	(2,164)
Rents	196,500	131,300	120,961	(10,339)
Grants				0
Miscellaneous revenues	281,710	281,710	198,243	(83,467)
Total Revenues	\$ 2,567,420	\$ 2,522,220	\$ 2,529,339	\$ 7,119
EXPENDITURES				
Current:				
General government:				
Board of aldermen	\$ 147,317	152,317	157,446	\$ (5,129)
City court	93,546	109,446	109,706	(260)
Mayor	84,871	85,283	82,177	3,106
Election expense				0
Finance and accounting	197,830	207,408	199,901	7,507
Cemetery	2,500	2,500	2,234	266
Public safety:				0
Police protection	998,782	969,550	969,550	0
Public works:				0
Street maintenance	751,836	763,226	480,792	282,434
City landfill	500	500		500
Culture and recreation:				0
Parks and recreation	142,467	148,767	142,436	6,331
Library	12,905	13,718	13,453	265
Nondepartmental:				0
Dog pound	5,300	5,300	4,137	1,163
Mosquito control	22,000	22,000	19,649	2,351
Industrial park	4,989	4,989	4,493	496
Old depot	10,351	10,351	10,696	(345)
Civic center	19,700	19,700	18,880	820
Millcreek building	700	700	435	265
Cleaning property	10,000	10,000	5,975	4,025
Total Expenditures	\$ 2,505,594	\$ 2,525,755	\$ 2,221,960	\$ 303,795
Excess of Revenues over (under) Expenditures	\$ 61,826	\$ (3,535)	\$ 307,379	\$ 310,914
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (526,609)	(526,609)	(224,451)	\$ 302,158
Total Other Financing Sources and Uses	\$ (526,609)	\$ (526,609)	\$ (224,451)	\$ 302,158
Net Change in Fund Balance	\$ (464,783)	\$ (530,144)	\$ 82,928	\$ 613,072
Fund Balances - Beginning	\$ 0	\$ 0	\$ 949,519	\$ 949,519
Fund Balances - Ending	\$ (464,783)	\$ (530,144)	\$ 1,032,447	\$ 1,562,591
The accompanying notes to the Required Supplementary Information are an integral part of this statement.				



CITY OF COLLINS, MISSISSIPPI					<u>Schedule 2</u>
Budgetary Comparison Schedule -					
Budget and Actual (Non-GAAP Basis)					
Garbage Collection/Disposal Fund					
For the Year Ended September 30, 2015					
				Actual	Variance with
				(Budgetary	Final Budget
	Original	Final			Positive
	Budget	Budget		Basis)	(Negative)
REVENUES					
General property taxes	\$ 122,715	122,715	120,690	\$ (2,025)	
Charges for services	111,945	111,945	111,341	(604)	
Miscellaneous		496		(496)	
Total Revenues	\$ 234,660	\$ 235,156	\$ 232,031	\$ (3,125)	
EXPENDITURES					
Current:					
Public works:					
Garbage collection and disposal	\$ 258,636	258,636	215,614	\$ 43,022	
Total Expenditures	\$ 258,636	\$ 258,636	\$ 215,614	\$ 43,022	
Excess of Revenues					
over (under) Expenditures	\$ (23,976)	\$ (23,480)	\$ 16,417	\$ 39,897	
Net Change in Fund Balance	\$ (23,976)	\$ (23,480)	\$ 16,417	\$ 39,897	
Fund Balances - Beginning	\$ 0	\$ 0	\$ 170,160	\$ 170,160	
Fund Balances - Ending	\$ (23,976)	\$ (23,480)	\$ 186,577	\$ 210,057	
The accompanying notes to the Required Supplementary Information are an integral part of this statement.					

CITY OF COLLINS		
Schedule of the City of Collins Proportionate Share of the Net Pension Liability		
PERS		
Last 10 Fiscal Years *		
		2015
City of Collins proportion of the net pension liability (asset)	\$	4,436,609
City of Collins proportionate share of the net pension liability (asset)		0.00028701 %
City of Collins covered - employee payroll	\$	1,753,708
City of Collins proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		252.9844763 %
Plan fiduciary net position as a percentage of the total pension liability		61.703983 %
The notes to the required supplementary information are an integral part of this schedule		
* The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the year prior to the fiscal year presented		
This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 6/60/2015, and , until a full 10-year trend is compiled, the entity has only presented information for the years in which information available.		

CITY OF COLLINS		
Schedule of the City of Collins Contributions		
PERS		
Last 10 Fiscal Years		
		2015
Contractually required contribution	\$	280,838
Contributions in relation to the contractually required contribution		280,838
Contribution deficiency (excess)	\$	0
Town employee covered payroll	\$	1,783,091
Contributions as a percentage of covered-employee payroll		15.75%
The notes to the required supplementary information are an integral part of this schedule.		

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CITY OF COLLINS, MISSISSIPPI

Notes to the Required Supplementary Information For the Year Ended September 30, 2015

A. Budgetary Information.

The City Clerk submits an annual budget to the Board of Aldermen on or before the last Tuesday of August in accordance with the State of Mississippi's statutory requirements. The budget is presented to the Board of Aldermen for review, and public hearings are held to address priorities and the allocation of resources. In September, the Board of Aldermen adopts the annual fiscal year budget for Board of Aldermen operating funds.

B. Basis of Budgeting.

The City's budget is prepared principally on the cash basis of accounting. All appropriations lapse at year end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department within a fund as follows: personal services, contracted services, supplies, other services and charges, and capital outlay. Budget revisions are subject to final review by the Board of Aldermen. The legal level of control is by department within a fund. Expenditures may not exceed appropriations at this level. One revision to the budget was made throughout the year.

C. Basis of Presentation.

The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary (Non-GAAP Basis) and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and each major Special Revenue Fund. The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) is a part of required supplemental information.

D. Budget/GAAP Reconciliation.

The major differences between the budgetary basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles the net change in fund balance on the budgetary basis schedules to the net change in fund balance on the GAAP basis financial statements for the General Fund and each major special revenue fund:

CITY OF COLLINS, MISSISSIPPI

**Notes to the Required Supplementary Information
For the Year Ended September 30, 2015**

	Governmental Fund Type	
	General Fund	Garbage Collection/Disposal Fund
Budget (Cash Basis)	\$ 82,928	\$ 16,417
Increase (Decrease)		
Net adjustments for revenue accruals	(117,073)	
Net adjustments for expenditure accruals	42,566	(763)
Net adjustments for other financing sources/uses accruals	117,073	
GAAP Basis	\$ 125,494	\$ 15,654

(1) Schedule of the County's Proportionate Share of the Net Pension Liability and Schedule of County's Contributions.

Changes of assumptions.

In 2015 and later, the expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015. In 2015, the expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015. Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience. In 2015, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. Finally, the price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

CITY OF COLLINS, MISSISSIPPI

SUPPLEMENTAL INFORMATION

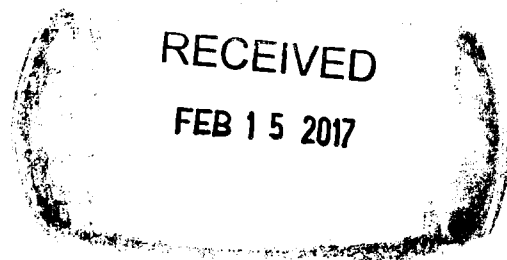
CITY OF COLLINS, MISSISSIPPI
Schedule of Surety Bonds for City Officials
September 30, 2015

CITY OF COLLINS			
Schedule of Bonds of City Officials			
September 30, 2015			
1) Company:		FCCI Insurance Group	
		(Southgroup Insurance and Financial Services, LLC)	
Limits of liability:		Surety bond coverage as follows:	
Position		Coverage Amount	Term of Bond
City Alderman (5)		\$50,000	07/01/15 - 07/01/17
4) Company:		CNA	
		(Southgroup Insurance and Financial Services, LLC)	
Limits of liability:		Position bond coverage as follows:	
Position		Coverage Amount	Term of Bond
Mayor		\$50,000	12/01/12 - 12/01/15
Mayor Protem		\$50,000	12/01/12 - 12/01/15
City Clerk		\$50,000	12/01/12 - 12/01/15
Police Chief		\$50,000	12/01/12 - 12/01/15
Court Clerk		\$50,000	12/01/12 - 12/01/15
Clerk/Bookkeeper		\$50,000	12/01/12 - 12/01/15
Clerks (3)		\$50,000	12/01/12 - 12/01/15
Dispatchers (6)		\$50,000	12/01/12 - 12/01/15



CITY OF COLLINS, MISSISSIPPI

SPECIAL REPORTS





PRINCE CPA FIRM, PLLC

**CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND ADVISORS**

Telephone: (601) 849-2544
Fax: (601) 849-5147
Website: www.charlesprincecpa.com

1109 Laurel Drive SE
Post Office Box 353
Magee, Mississippi 39111

INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Mayor V.O. Smith and
Honorable Members of the Board of Aldermen
City of Collins, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Collins, Mississippi, ("City") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 20, 2016.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

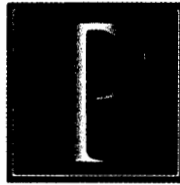
As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Price CPA Firm, PLLC

September 20, 2016
Magee, Mississippi



PRINCE CPA FIRM, PLLC

**CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND ADVISORS**

Telephone: (601) 849-2544
Fax: (601) 849-5147
Website: www.charlesprincecpa.com

1109 Laurel Drive SE
Post Office Box 353
Magee, Mississippi 39111

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

The Honorable Mayor V.O. Smith and
Honorable Members of the Board of Aldermen
City of Collins, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Collins, Mississippi, ("City") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 20, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

Due to the reduced scope, these compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. The results of our compliance tests and our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information disclosed no material instance of noncompliance with state laws and regulations.

The purpose of this report is solely to describe the scope of my testing of compliance with certain state laws and regulations and the result of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Prince CPA Firm, PLLC

September 20, 2016
Magee, Mississippi

CITY OF COLLINS, MISSISSIPPI

SCHEDULE OF FINDINGS



CITY OF COLLINS, MISSISSIPPI

Schedule of Findings
For the Year Ended September 30, 2015

Section 1: Summary of Auditor's Results

Financial Statements:

- | | | |
|----|---|------------|
| 1. | Type of auditor's report issued on the financial statements: | Unmodified |
| 2. | Internal control over financial reporting: | |
| | a. Material weaknesses identified? | No |
| | b. Significant deficiencies identified that are not considered to be material weaknesses? | No |
| 3. | Noncompliance material to the financial statements noted? | No |

Section 2: Financial statement Findings

The results of our tests did not disclose any findings related to the financial statements that are required to be reported by *Government Auditing Standards*.

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