



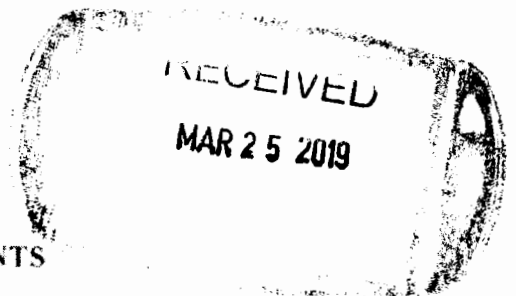
The following document was not prepared by the Office of the State Auditor, but was prepared by and submitted to the Office of the State Auditor by a private CPA firm. The document was placed on this web page as it was submitted. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

CITY OF COLLINS, MISSISSIPPI

Audited Financial Statements

For Year Ended September 30, 2017

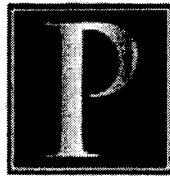
**PRINCE CPA FIRM, PLLC
CERTIFIED PUBLIC ACCOUNTANTS**



CITY OF COLLINS, MISSISSIPPI

Table of Contents

	PAGE
INDEPENDENT AUDITOR'S REPORT	1-2
BASIC FINANCIAL STATEMENTS	3
Government-wide Financial Statements:	
Statement of Net Position-Cash Basis	4
Statement of Activities-Cash Basis	5-6
Statement of Cash Basis Assets and Fund Balances – Governmental Funds	7
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances	8-9
Statement of Net Position – Cash Basis – Proprietary Fund	10
Statement of Cash Receipts, Disbursements and Changes in Net Position – Proprietary Fund	11
Notes to Financial Statements	12-18
SUPPLEMENTARY INFORMATION	19
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis):	
General Fund	20-21
Garbage Collection/Disposal Fund	22
Fire Protection Fund	23
Notes to the Required Supplementary Information	24
OTHER INFORMATION	25
Schedule of Changes in Long-Term Debt	26
Schedule of Changes in Fixed Assets	27
Schedule of Surety Bonds for City Officials	28
SPECIAL REPORT	29
Independent Auditor's Report on Compliance and with State Laws and Regulations	30



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 Hope Jones and
Members of the Board of Aldermen
City of Collins, Mississippi

Report on the Financial Statements

We have audited the accompanying cash basis 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, 2017, 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

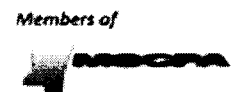
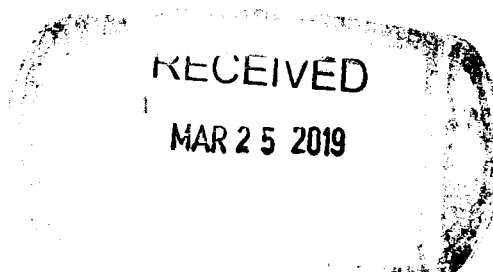
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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. 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 opinions, the financial statements referred to above present fairly, in all material respects, the respective cash basis 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, 2017, and the respective changes in cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Collins, Mississippi's financial statements as a whole. The supplemental section, which includes Budgetary Comparison Schedules and other information section, which include the Schedule of Changes in Long-term Debt, Schedule of Surety Bonds for Municipal Officials and Employees, and Schedule of Capital Assets, are presented for purposes of additional analysis and are not a required part of the financial statements. This information has not been subjected to the auditing procedures applies in the basis financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Reporting Requirements required by the Office of State Auditor

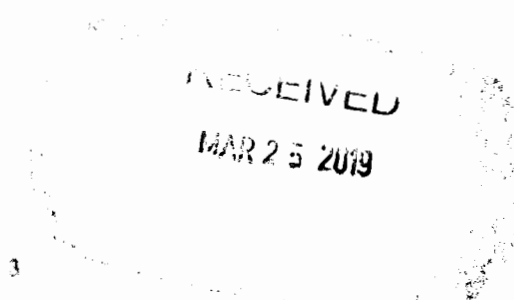
In accordance with requirements set forth by the Office of State Auditor of Mississippi, we have issued our report dated November 17, 2017, on our consideration of the City of Collins, Mississippi's compliance with state laws and regulations. The purpose of this report is to describe the scope of our testing of compliance with certain laws and regulations and the result of that testing, and not provide an opinion on compliance.

Pratt CPA Firm, PLLC

November 17, 2017
Magee, Mississippi

CITY OF COLLINS, MISSISSIPPI

BASIC FINANCIAL STATEMENTS



CITY OF COLLINS, MISSISSIPPI
Statement of Net Position Cash Basis
September 30, 2017

Exhibit 1

ASSETS	Primary Government			Total
	Governmental Activities	Business-type Activities		
Cash and Cash Equivalents	\$ 510,960	\$	\$	\$10,960
Restricted and Assigned Cash	919,444	3,132,053		4,051,397
Total Assets	\$ 1,430,404	\$ 3,132,053	\$	\$ 4,562,457
NET POSITION				
Restricted for				
Public safety	\$ 67,851	\$	\$	\$ 67,851
Public works	238,880	3,132,053		3,370,933
Unemployment compensation	102,922			102,922
Assigned for				
Economic Development and assistance	509,791			509,791
Unrestricted	510,960			510,960
Total Net Position	\$ 1,430,404	\$ 3,132,053	\$	\$ 4,562,457

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

CITY OF COLLINS, MISSISSIPPI
Statement of Activities-Cash Basis
As of and For the Year Ended September 30, 2017

Exhibit 2

Functions/Programs	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		
	Disbursements	Cash	Charges for Services	Operating		Total
				Grants and Contributions	Capital Grants and Contributions	
Primary government						
Governmental activities:						
General government	\$ 386,863		214,432			(172,431)
Public safety	1,526,226			3,000	49,995	(1,473,231)
Public works	497,789		147,804			(345,255)
Health and welfare	69,927					(69,927)
Culture and recreation	247,649					(247,649)
Economic development and assistance	5,025					(5,025)
Debt Service						
Principal	45,467					(45,467)
Interest	1,879					(1,879)
Total Governmental Activities	3,275,186		361,936	3,000	49,995	(2,360,255)
Business-type activities:						
Water, sewer and electricity	4,984,455		5,494,455		72,410	582,380
Cable						
	4,984,455		5,494,455		72,410	582,380
Total Primary Government	\$ 7,759,671		5,856,491	3,000	122,405	(1,777,875)

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

RECEIVED
MAR 25 2019

Exhibit 2
(Continued)

CITY OF COLLINS, MISSISSIPPI
Statement of Activities-Cash Basis
As of and For the Year Ended September 30, 2017

Functions/Programs	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services	Operating		Primary Government		
			Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
General Receipts and Transfers							
Taxes							
Property taxes					\$	638,167	638,167
Sales						1,510,610	1,510,610
Franchise fees						41,177	41,177
Rents						144,421	144,421
Grants and contributions not restricted to specific programs						63,114	63,114
Unrestricted interest income						3,084	9,652
Miscellaneous						56,187	59,331
Transfers						161,239	(161,239)
Total General Receipts and Transfers						2,617,999	2,466,432
Changes in Net Position						257,744	688,597
Net Position - Beginning						1,172,660	3,873,860
Net Position - Ending					\$	1,430,404	4,562,457

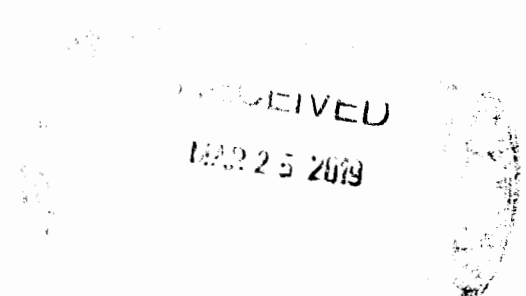
The notes to the financial statements are an integral part of this statement.

CITY OF COLLINS, MISSISSIPPI
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
September 30, 2017

Exhibit 3

	Major Funds			Other	Total
	General Fund	Garbage Fund	Fire Protection Fund	Governmental Funds	Governmental Funds
ASSETS					
Cash and Cash equivalents	\$ 510,960	\$	\$	\$	\$ 510,960
Restricted and Assigned cash	509,781	238,880		170,783	919,444
Total Cash Basis Assets	\$ 1,020,741	\$ 238,880	\$ 0	\$ 170,783	\$ 1,430,404
FUND BALANCES					
Restricted for					
Public safety	\$	\$	\$	\$ 67,851	\$ 67,851
Public works		238,880			238,880
Unemployment compensation				102,922	102,922
Assigned for					
Economic development and assistance	509,781			10	509,791
Unassigned	510,960				510,960
Total Cash Basis Fund Balances	\$ 1,020,741	\$ 238,880	\$ 0	\$ 170,783	\$ 1,430,404

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

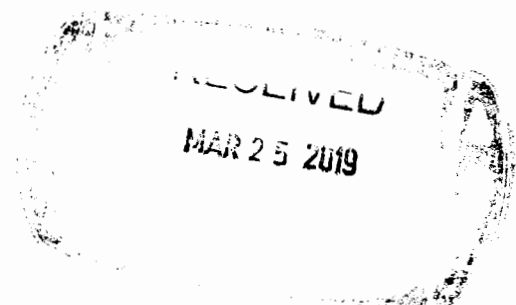


CITY OF COLLINS, MISSISSIPPI
Statement of Cash Receipts, Disbursements and
Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended September 30, 2017

Exhibit 4

	Major Funds			Other	Total
	General Fund	Garbage Fund	Fire Protection Fund	Governmental Funds	Governmental Funds
RECEIPTS					
Property taxes	\$ 517,300	120,867			638,167
Sales Taxes	1,510,610				1,510,610
Franchise Fees	41,177				41,177
Licenses, commissions and other revenue	21,143				21,143
Fines and forfeitures	159,994			33,295	193,289
Intergovernmental receipts	63,114		52,995		116,109
Charges for services		147,504			147,504
Interest income	2,777			307	3,084
Rent	144,421				144,421
Miscellaneous receipts	56,187				56,187
Total Receipts	2,516,723	268,371	52,995	33,602	2,871,691
DISBURSEMENTS					
Current:					
General government	357,047			5,756	362,803
Public safety	1,015,281		312,239		1,327,520
Public works	196,930	235,727			432,657
Health and welfare	140				140
Culture and recreation	163,176				163,176
Economic Development	5,025				5,025
Debt Service					
Principal			25,467	20,000	45,467
Interest			1,870		1,870
Capital Outlay					
General Government	24,060				24,060
Public Safety	113,713		84,993		198,706
Public Works	60,102				60,102
Health and welfare	69,787				69,787
Culture and Recreation	83,873				83,873
Total Disbursements	2,089,134	235,727	424,569	25,756	2,775,186
Excess of Receipts over (under) Disbursements	427,589	32,644	(371,574)	7,846	96,505

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

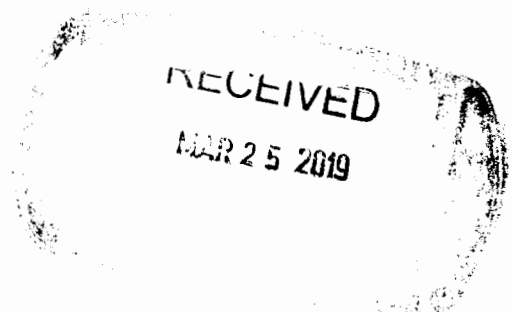


CITY OF COLLINS, MISSISSIPPI

Exhibit 4
(Continued)Statement of Cash Receipts, Disbursements and
Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended September 30, 2017

	Major Funds			Other	Total
	General Fund	Garbage Fund	Fire Protection Fund	Governmental Funds	Governmental Funds
OTHER FINANCING SOURCES (USES)					
Transfers in	226,239		371,574		597,813
Transfers out	(436,574)				(436,574)
Total Other Financing Sources and Uses	(210,335)		371,574		161,239
Net Changes in Fund Balances	217,254	32,644		7,846	257,744
Cash Basis Fund Balances - Beginning	803,487	206,236		162,937	1,172,660
Cash Basis Fund Balances - Ending	\$ 1,020,741	238,880		170,783	1,430,404

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



CITY OF COLLINS, MISSISSIPPI

Exhibit 5

Statement of Net Position - Cash Basis -
 Proprietary Fund
 September 30, 2017

	Business-type Activities Enterprise Funds		
	Utility Enterprise Fund	Collins Communication Fund	Total Proprietary Funds
ASSETS			
Restricted cash	\$ 3,132,053	\$ _____	\$ 3,132,053
Total Assets	<u>3,132,053</u>	<u>_____</u>	<u>3,132,053</u>
NET POSITION			
Restricted for:			
Public works	3,132,053	_____	3,132,053
Total Net Position	\$ <u>3,132,053</u>	\$ <u>_____</u>	\$ <u>3,132,053</u>

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

RECEIVED
 MAR 25 2019

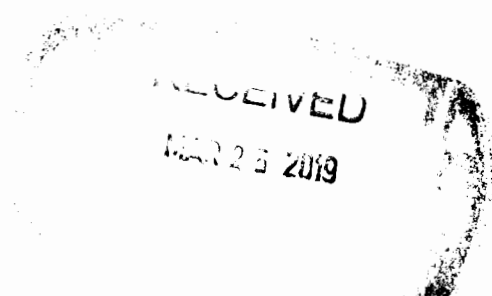
CITY OF COLLINS, MISSISSIPPI

Exhibit 6

Statement of Cash Receipts, Disbursements and Changes
in Net Position - Proprietary Fund
For the Year Ended September 30, 2017

	Business-type Activities Enterprise Funds		Total Proprietary Funds
	Utility Enterprise Fund	Collins Communication Fund	
Operating Receipts			
Charges for services	\$ 5,389,896		5,389,896
Late charges and service charges	104,559		104,559
Miscellaneous	3,144		3,144
Total Operating Receipts	<u>5,497,599</u>		<u>5,497,599</u>
Operating Disbursements:			
Costs of sales and services	4,241,574		4,241,574
Administration	452,191		452,191
Capital Outlay	229,420		229,420
Indirect administrative costs	61,300		61,300
Total Operating Disbursements	<u>4,984,485</u>		<u>4,984,485</u>
Excess Operating Receipts Over (Under) Operating Disbursements	<u>513,114</u>		<u>513,114</u>
Nonoperating Receipts (Disbursements):			
Intergovernmental grants	72,410		72,410
Investment income	6,568		6,568
Net Nonoperating Receipts (Disbursements)	<u>78,978</u>		<u>78,978</u>
Excess Receipts Over (Under) Disbursements Before Transfers	<u>592,092</u>		<u>592,092</u>
Transfers out		(161,239)	(161,239)
Total Transfers		<u>(161,239)</u>	<u>(161,239)</u>
Changes in Net Position	592,092	(161,239)	430,853
Net Position - Beginning	<u>2,539,961</u>	<u>161,239</u>	<u>2,701,200</u>
Net Position - Ending	\$ <u>3,132,053</u>		<u>3,132,053</u>

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



CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2017

(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 financial statements are presented in accordance with a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred.

The cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual. As a result, only cash and cash equivalents and related net position or fund balances arising from cash transactions are reported in the statements of net position and balance sheets. All other economic assets, deferred outflows of resources, liabilities, and deferred inflows of resources that would be reported in GAAP basis financial statements are not reported in this cash presentation.

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, 2017.

B. Financial Statements.

Government-wide Statements:

Government-wide financial statements are the Statement of Activities and Net Position- Cash Basis. 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 receipts, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the disbursements of a given function offset by program receipts 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 disbursements and program receipts associated with a distinct functional activity. Program receipts 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 receipts are subject to externally imposed restrictions to these program uses. Taxes and other receipts sources not properly included with program receipts are reported as general receipts.

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.

RECEIVED
MAR 25 2019

CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2017

(1) **Summary of Significant Accounting Policies - Continued**

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

The government-wide financial statements are reported using the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America as established by Governmental Accounting Standards Board. Receipts are recorded when collected and expenditures are recorded when cash is spent.

Governmental fund financial statements are reported using the of cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America as established by Governmental Accounting Standards Board. Receipts are recorded when they are collected and disbursements are recorded when cash is spent.

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.

Fire Protection Fund - This fund is used to account for the operations of the City's fire department.

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.

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 cash sources (other than for major capital projects) that are legally restricted or committed to disbursement for specified purposes. Special Revenue Funds account for, among others, certain federal grant programs, taxes levied with statutorily defined distributions and other resources restricted or committed as to purpose.

Capital Projects Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to disbursements 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 city has decided that periodic determination of receipts earned, disbursements paid and/or net income is necessary for management accountability.

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.

CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2017

(1) **Summary of Significant Accounting Policies - Continued**

E. Cash and Investments.

The City maintains and controls cash in each of the funds or fund 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.

G. Equity Classifications.

Government-wide Financial Statements:

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

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".

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.

RECEIVED
MAY 25 2019

CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2017

(1) Summary of Significant Accounting Policies - Continued

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 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.

H. Property Tax Receipts.

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.

(2) Deposits and Investments

Deposits:

The carrying amount of the City's total deposits with financial institutions at September 30, 2017, was \$2,538,450, and the bank balance was \$2,690,651. The collateral for public entities' deposits in financial institutions is 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, 2017

(2) Deposits and Investments - Continued

Investments:

As of September 30, 2017, the City had the following investments in certificates of deposit

<u>Investment Type</u>	<u>Maturities (in years)</u>	<u>Fair Value</u>	<u>Rating</u>
Certificate of Deposit	Less than 1	\$ <u>2,024,007</u>	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, 2017:

Transfers In/Out:

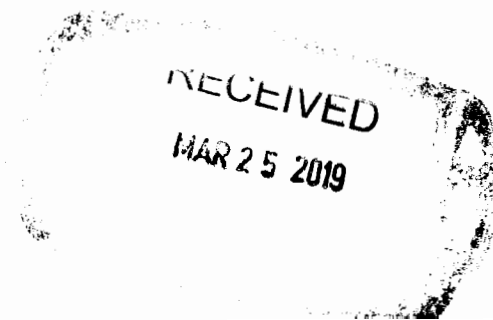
<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Collins Communication	\$ 161,239
General Fund	General Fund	65,000
Other Governmental	General	<u>371,574</u>
Total		\$ <u>597,813</u>

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.

(4) 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, 2017

(5) **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.

(6) **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.

Funding Policy: 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, 2017, 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, 2017, 2016 and 2015 were \$274,298, \$287,211 and \$280,837, respectively. The contributions for each year met the required contributions.

(7) **Tax Abatements.**

For the year beginning October 1, 2016, the Governmental Accounting Standards Board (GASB) implemented Statement 77, *Tax Abatement Disclosures*. This statement requires governmental entities to disclose the reduction in tax revenues resulting from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City of Collins and the Covington County Board of Supervisors negotiates property tax abatements on an individual basis. The City has tax abatement agreements with two entities as of September 30, 2017.

<u>Purpose</u>	<u>Percentage of Taxes Abated during the Fiscal Year</u>	<u>Amount of Taxes Abated during the Fiscal Year</u>
Construction and expansion of processing facility	100%	\$ 38,500
Construction and expansion of recreational facility	100%	6,600

CITY OF COLLINS, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2017

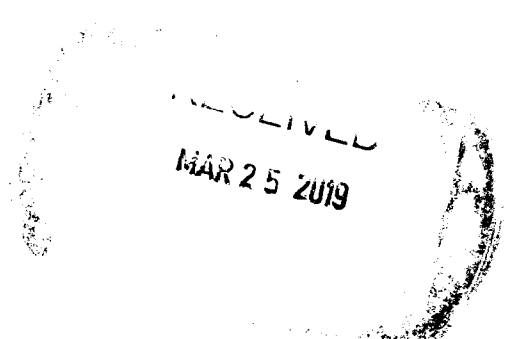
(7) Tax Abatements, - Continued

Each agreement was negotiated in accordance with Sections 27-31-101, et seq., Miss. Code 1972 (Ann.) which allows localities to abate property taxes for a variety of economic development purposes, including processors and recreational facilities that impact tourism. The abatements may be granted for a period up to ten years and for up to 100% of annual property taxes through a direct reduction in the entity's property tax bill.

The City has not made any commitments as part of the agreements other than to reduce taxes.

(8) 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 November 17, 2017, and determined that no subsequent event has occurred requiring disclosure in the notes to the financial statements.



CITY OF COLLINS, MISSISSIPPI

SUPPLEMENTARY INFORMATION

RECEIVED
MAR 25 2019

CITY OF COLLINS
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 General Fund
 For the Year Ended September 30, 2017

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 559,720	517,300	517,300	0
Sales taxes		1,510,610	1,510,610	0
Licenses, commissions and other revenue	29,500	21,143	21,143	0
Fines and forfeitures	149,500	159,994	159,994	0
Intergovernmental revenues	1,717,460	63,114	63,114	0
Charges for services	200			0
Franchise fees		41,177	41,177	0
Rents	78,000	144,421	144,421	0
Interest income	600	2,777	2,777	0
Miscellaneous revenues	57,620	56,187	56,187	0
Total Revenues	2,592,610	2,516,723	2,516,723	0
EXPENDITURES				
Current:				
General government				0
Board of Alderman	143,830	135,490	135,490	0
City Court	109,365	91,074	91,074	0
Mayor	30,363	41,943	41,943	0
Elections	9,000	5,444	5,444	0
Finance and accounting	249,870	105,129	105,129	0
Cemetery	3,000	2,027	2,027	0
Public Safety				0
Police Protection	1,159,960	1,128,994	1,128,994	0
Public works				0
Street maintenance	275,570	237,358	237,358	0
Landfill	500			0
Culture and Recreation				0
Parks and recreation	168,580	179,304	179,304	0
Library	14,780	11,720	11,720	0
Non departmental				0
Dog Pound	5,600	3,477	3,477	0
Mosquito Control	21,700	16,197	16,197	0
Industrial Park	5,590	5,025	5,025	0
Old Depot	11,070	7,217	7,217	0
Civic Center	24,400	19,284	19,284	0
Millcreek Building	70,700	69,927	69,927	0
Cleaning property	10,000			0
Senior citizens center	26,990	29,524	29,524	0
Total Expenditures	2,340,868	2,089,134	2,089,134	0
Excess of Revenues over (under) Expenditures	251,742	427,589	427,589	0

The accompanying notes to the Supplementary Information are an integral part of this statement.

RECEIVED
 MAR 25 2019

CITY OF COLLINS
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 General Fund
 For the Year Ended September 30, 2017

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Other financing sources	126,000			0
Transfers in	257,540	226,239	226,239	0
Transfers out	(440,000)	(436,574)	(436,574)	0
Total Other Financing Sources and Uses	(56,460)	(210,335)	(210,335)	0
Net Change in Fund Balance	195,282	217,254	217,254	0
Fund Balances - Beginning	0	803,487	803,487	0
Fund Balances - Ending	\$ 195,282	1,020,741	1,020,741	0

The accompanying notes to the Supplementary Information are an integral part of this statement.

RECEIVED
 MAR 25 2019

CITY OF COLLINS
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 Garbage Fund
 For the Year Ended September 30, 2017

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 125,400	120,867	120,867	0
Charges for services	148,000	147,504	147,504	0
Interest income				0
Total Revenues	<u>273,400</u>	<u>268,371</u>	<u>268,371</u>	<u>0</u>
EXPENDITURES				
Current:				
Public works				0
Garbage collection/disposal	<u>257,550</u>	<u>235,727</u>	<u>235,727</u>	<u>0</u>
Total Expenditures	<u>257,550</u>	<u>235,727</u>	<u>235,727</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>15,850</u>	<u>32,644</u>	<u>32,644</u>	<u>0</u>
Net Change in Fund Balance	15,850	32,644	32,644	0
Fund Balances - Beginning	<u>0</u>	<u>206,236</u>	<u>206,236</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 15,850</u>	<u>238,880</u>	<u>238,880</u>	<u>0</u>

The accompanying notes to the Supplementary Information are an integral part of this statement.

RECEIVED
 MAR 25 2019

CITY OF COLLINS
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 Fire Protection Fund
 For the Year Ended September 30, 2017

		Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES					
Intergovernmental revenues	\$	28,000	52,995	52,995	0
Miscellaneous revenues		10,500			0
Total Revenues		<u>38,500</u>	<u>52,995</u>	<u>52,995</u>	<u>0</u>
EXPENDITURES					
Current:					
Public Safety					0
Fire Protection		444,340	424,569	424,569	0
Total Expenditures		<u>444,340</u>	<u>424,569</u>	<u>424,569</u>	<u>0</u>
Excess of Revenues over (under) Expenditures		<u>(405,840)</u>	<u>(371,574)</u>	<u>(371,574)</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)					
Transfers in		385,000	371,574	371,574	0
Total Other Financing Sources and Uses		<u>385,000</u>	<u>371,574</u>	<u>371,574</u>	<u>0</u>
Net Change in Fund Balance		<u>(20,840)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Beginning		<u>0</u>			<u>0</u>
Fund Balances - Ending	\$	<u><u>(20,840)</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

The accompanying notes to the Supplementary Information are an integral part of this statement.

CITY OF COLLINS MISSISSIPPI
Notes to Supplementary Information
For the Year Ended September 30, 2017

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. Receipts 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 supplemental information.

CITY OF COLLINS, MISSISSIPPI

OTHER INFORMATION

RECEIVED
MAR 25 2019

CITY OF COLLINS

Schedule of Changes in Long Term Debt

For the Year Ended September 30, 2017

Description	Outstanding	Issued	Paid	Outstanding
	Balance			Balance
	10/1/2016			9/30/2017
Loan:				
Fire Truck	<u>125,467</u>		<u>45,467</u>	<u>80,000</u>

RECEIVED
MAR 25 2019

CITY OF COLLINS
Schedule of Capital Assets
For the Fiscal Year Ended September 30, 2017

	Balance Oct. 1, 2016	Additions	Deletions	Adjustments	Balance Sept. 30, 2017
GOVERNMENTAL ACTIVITIES					
<u>Non-depreciable capital assets:</u>					
Land	675,345			5,640	680,985
Total non-depreciable capital assets	675,345			5,640	680,985
<u>Depreciable capital assets:</u>					
Buildings	4,766,648	87,919		54,996	4,909,563
Infrastructure & Improvements					
Other than Buildings	4,020,628	178,973		115,021	4,314,622
Furniture, Machinery & Equipment	3,384,187	169,636	82,258	51,606	3,523,171
Total depreciable capital assets	12,171,463	436,528	82,258	221,623	12,747,356
BUSINESS-TYPE ACTIVITIES					
<u>Non-depreciable capital assets:</u>					
Land	64,400				64,400
Total non-depreciable capital assets	64,400				64,400
<u>Depreciable capital assets:</u>					
Buildings	90,189	14,382			104,571
Infrastructure & Improvements					
Other than Buildings	8,219,582	73,135		8,133	8,300,850
Furniture, Machinery & Equipment	1,519,880	141,903	20,832	(1,634)	1,639,317
Intangible asset - Water rights	20,000				20,000
Total depreciable capital assets	9,849,651	229,420	20,832	6,499	10,064,738

CITY OF COLLINS
Schedule of Bonds of City Officials
September 30, 2017

- 1) Company: FCCI Insurance Group
(Southgroup Insurance and Financial Services, LLC)

Limits of liability: Surety bond coverage as follows:

<u>Position</u>	<u>Coverage Amount</u>	<u>Term of Bond</u>
City Alderman (5)	\$50,000	07/01/16 - 07/01/17

- 4) Company: CNA
(Southgroup Insurance and Financial Services, LLC)

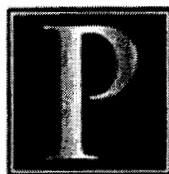
Limits of liability: Position bond coverage as follows:

<u>Position</u>	<u>Coverage Amount</u>	<u>Term of Bond</u>
Mayor	\$50,000	12/01/15 - 12/01/18
Mayor Protem	\$50,000	12/01/15 - 12/01/18
City Clerk	\$50,000	12/01/15 - 12/01/18
Police Chief	\$50,000	12/01/15 - 12/01/18
Court Clerk	\$50,000	12/01/15 - 12/01/18
Clerk/Bookkeeper	\$50,000	12/01/15 - 12/01/18
Clerks (3)	\$50,000	12/01/15 - 12/01/18
Dispatchers (6)	\$50,000	12/01/15 - 12/01/18

RECEIVED
MAR 25 2019

CITY OF COLLINS, MISSISSIPPI

SPECIAL REPORT



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 Hope Jones and
Honorable Members of the Board of Aldermen
City of Collins, Mississippi

We have audited the cash basis 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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued my report thereon dated November 17, 2017. The financial statements are presented on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, I 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 my audit and, accordingly, I 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 my compliance tests and my 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

November 17, 2017
Magee, Mississippi

