

OFFICE OF THE STATE AUDITOR REPORT NOTE:

Section 7-7-211, Mississippi Code Annotated (1972) gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

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

CITY OF COLLINS, MISSISSIPPI

Audited Financial Statements

For Year Ended September 30, 2021

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

CITY OF COLLINS, MISSISSIPPI

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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, 2021, 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, 2021, 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 Capital Assets and Schedule of Surety Bonds for Municipal Officials and Employees 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 applied in the cash 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 December 3, 2021, 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.

Prind CPA Firm, PLLC

December 3, 2021
Magee, Mississippi

CITY OF COLLINS, MISSISSIPPI

BASIC FINANCIAL STATEMENTS

CITY OF COLLINS, MISSISSIPPI
Statement of Net Position-Cash Basis
September 30, 2021

Exhibit 1

ASSETS	Primary Government		
	Governmental Activities	Business- type Activities	Total
Cash and Cash Equivalents	\$ 1,765,469		1,765,469
Restricted Cash and Cash Equivalents	829,557	5,076,293	5,905,850
Total Assets	\$ 2,595,026	5,076,293	7,671,319
NET POSITION			
Restricted for:			
Public safety	\$ 85,384		85,384
Public works	188,807	5,076,293	5,265,100
Economic Development and assistance	894,705		894,705
Unemployment compensation	106,643		106,643
Unrestricted	1,319,487		1,319,487
Total Net Position	\$ 2,595,026	5,076,293	7,671,319

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

CITY OF COLLINS, MISSISSIPPI
Statement of Activities and Net Position-Cash Basis
As of and For the Year Ended September 30, 2021

Exhibit 2

Functions/Programs	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position	
	Disbursements	Cash Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-type Activities
Primary government:						
Governmental activities:						
Public safety	\$ 553,748	217,188			(336,560)	(336,560)
Public works	2,152,944		20,530	369,765	(1,762,649)	(1,762,649)
Culture and recreation	1,088,963	155,681			(933,282)	(933,282)
Economic development and assistance	232,129				(232,129)	(232,129)
Total Governmental Activities	193,201				(193,201)	(193,201)
	4,220,985	372,869	20,530	369,765	(3,457,821)	(3,457,821)
Business-type activities:						
Water, sewer and electricity	5,440,447	5,804,484	307,705	0	671,742	671,742
Total Primary Government	\$ 9,661,432	6,177,353	328,235	369,765	(3,457,821)	(2,786,079)
General Receipts and Transfers:						
Taxes						
Property taxes					\$ 1,095,105	1,095,105
Sales					1,753,541	1,753,541
Franchise fees					40,783	40,783
Rents					144,570	144,570
Grants and contributions not restricted to specific programs					246,316	246,316
Unrestricted interest income					36,454	82,984
Sale of capital assets					83,328	83,328
Miscellaneous					92,314	92,314
Total General Receipts and Transfers					3,492,411	3,538,941
Changes in Net Position					34,590	718,272
Net Position - Beginning					2,560,436	4,358,021
Net Position - Ending					\$ 2,595,026	5,076,293
						7,671,319

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
As of and For the Year Ended September 30, 2021

Exhibit 3

	<u>Major Funds</u>		<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>Fire Protection</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 1,765,469			1,765,469
Restricted Cash and Cash Equivalents	<u>379,976</u>		<u>449,581</u>	<u>829,557</u>
Total Cash Basis Assets	\$ <u>2,145,445</u>	<u>0</u>	<u>449,581</u>	<u>2,595,026</u>
FUND BALANCES				
Restricted for:				
Public safety			85,384	85,384
Public works			188,807	188,807
Economic development and assistance	825,958		68,747	894,705
Unemployment compensation			106,643	106,643
Unassigned	<u>1,319,487</u>			<u>1,319,487</u>
	\$ <u>2,145,445</u>	<u>0</u>	<u>449,581</u>	<u>2,595,026</u>

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

CITY OF COLLINS, MISSISSIPPI

Exhibit 4

Statement of Cash Basis Assets and Fund Balances and

Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances

Governmental Funds

As of and For the Year Ended September 30, 2021

	Major Funds		Other	Total
	General	Fire Protection	Governmental	Governmental
	Fund	Fund	Funds	Funds
RECEIPTS				
Property taxes	\$ 945,393		149,712	1,095,105
Sales Taxes	1,753,541			1,753,541
Franchise Fees	40,783			40,783
Licenses, commissions and other revenue	32,532			32,532
Fines and forfeitures	183,046		1,610	184,656
Intergovernmental receipts	246,316	8,800	381,495	636,611
Charges for services			155,681	155,681
Interest income	33,102		3,352	36,454
Rent	144,570			144,570
Miscellaneous receipts	92,314			92,314
Total Receipts	3,471,597	8,800	691,850	4,172,247
DISBURSEMENTS				
Current:				
General government	537,140		16,608	553,748
Public safety	1,360,747	413,497	2,376	1,776,620
Public works	805,895		269,838	1,075,733
Culture and recreation	232,129			232,129
Economic Development	42,657			42,657
Capital Outlay				
Public Safety	6,559		369,765	376,324
Public Works	13,230			13,230
Economic Development			150,544	150,544
Total Disbursements	2,998,357	413,497	809,131	4,220,985
Excess of Receipts over (under) Disbursements	473,240	(404,697)	(117,281)	(48,738)
OTHER FINANCING SOURCES (USES)				
Proceeds from sales of assets	83,328			83,328
Transfers in		404,697	15,809	420,506
Transfers out	(420,506)			(420,506)
Total Other Financing Sources and Uses	(337,178)	404,697	15,809	83,328
Net Changes in Fund Balances	136,062		(101,472)	34,590
Fund Balances - Beginning	2,009,383		551,053	2,560,436
Fund Balances - Ending	\$ 2,145,445		449,581	2,595,026

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

CITY OF COLLINS, MISSISSIPPI
Statement of Cash Basis Assets and Net Position
September 30, 2021

Exhibit 5

		Business-type Activities
		Enterprise Funds
		Utility
		Enterprise
		Fund
ASSETS		
Restricted Cash and Cash Equivalents	\$	5,076,293
Total Assets		<u>5,076,293</u>
NET POSITION		
Restricted for:		
Public works		5,076,293
Total Net Position	\$	<u>5,076,293</u>

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

CITY OF COLLINS, MISSISSIPPI

Exhibit 6

Statement of Cash Basis Assets and Net Position and
Cash Receipts, Disbursements and Changes in Cash Basis Net Position -Proprietary Funds
As of and For the Year Ended September 30, 2021

	Business-type Activities Enterprise Funds
	Utility Enterprise Fund
Operating Receipts	
Charges for services	\$ 5,790,892
Miscellaneous	13,592
Total Operating Receipts	5,804,484
Operating Disbursements:	
Costs of sales and services	4,700,453
Administration	447,629
Capital Outlay	226,712
Indirect administrative costs	65,653
Total Operating Disbursements	5,440,447
Excess Operating Receipts Over (Under) Operating Disbursements	364,037
Non-operating Receipts/(Disbursements):	
Intergovernmental grants	307,705
Investment income	46,530
Net Non-operating Receipts/(Disbursements)	354,235
Excess Receipts Over (Under) Disbursements Before Transfers	718,272
Changes in Net Position	718,272
Net Position - Beginning	4,358,021
Net Position - Ending	\$ 5,076,293

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, 2021

(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, 2019.

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.

CITY OF COLLINS MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2021

(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.

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, sewer 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, 2021

(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 specific purposes.

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 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.

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.

CITY OF COLLINS MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2021

Summary of Significant Accounting Policies – Continued

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) Cash and Cash Equivalents

Cash:

The carrying amount of the City's total deposits with financial institutions at September 30, 2020, was \$5,647,312, and the bank balance was \$5,742,535. 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.

Certificates of Deposits:

As of September 30, 2020, the City had the following certificates of deposits:

<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.

CITY OF COLLINS MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2021

(2) **Deposits and Investments - Continued**

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, 2021:

Transfer In	Transfer Out	Amount
Fire Protection Fund	General Fund	404,697
Other Governmental Funds	General Fund	15,809
Total		\$ 420,506

The principal purposes of interfund transfers were to provide funds for operations of the fire department and matching funds for construction project. The 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.

(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, 2021, 2020 and 2019 were \$400,747, \$361,059 and, \$316,683, respectively. The contributions for each year met the required contributions.

CITY OF COLLINS MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2021

(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 a tax abatement agreement with one entity as of September 30, 2020.

Purpose	Percentage of Taxes Abated during the Fiscal Year	Amount of Taxes Abated during the Fiscal Year
Construction and expansion of recreational facility	100%	\$ 1,187

The 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, which includes 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-Cash Basis 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-Cash Basis date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position-Cash Basis date require disclosure in the accompanying notes. Management of the City evaluated the activity of the City through December 3, 2021, and determined that no subsequent event has occurred requiring disclosure in the notes to the financial statements.

CITY OF COLLINS, MISSISSIPPI

SUPPLEMENTARY INFORMATION

CITY OF COLLINS
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 General Fund
 For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Property taxes	\$ 948,160	948,160	945,393	(2,767)
Sales taxes				0
Licenses, commissions and other receipts	43,000	43,000	73,315	30,315
Fines and forfeitures	202,900	202,900	183,046	(19,854)
Intergovernmental receipts	2,375,939	2,375,939	1,999,857	(376,082)
Charges for services				0
Franchise fees				0
Rents	102,020	102,020	144,570	42,550
Interest income			33,102	33,102
Miscellaneous receipts	70,830	70,830	92,314	21,484
Total Receipts	<u>3,742,849</u>	<u>3,742,849</u>	<u>3,471,597</u>	<u>(271,252)</u>
DISBURSEMENTS				
Current:				
General government				0
Board of Alderman	174,840	174,800	159,448	15,352
City Court	122,510	122,510	119,873	2,637
Mayor	98,360	98,360	96,405	1,955
Finance and accounting	235,590	235,590	150,634	84,956
Elections	5,400	8,320	7,365	955
Cemetery	12,000	2,000	3,415	(1,415)
Public Safety				0
Police Protection	1,291,420	1,313,514	1,318,342	(4,828)
Public works				0
Street maintenance	530,480	905,917	792,665	113,252
Landfill	500	500	13,230	(12,730)
Culture and Recreation				0
Parks and recreation	149,970	157,470	167,893	(10,423)
Library	11,700	23,700	21,178	2,522
Non departmental				0
Dog Pound	4,800	4,800	4,535	265
Mosquito Control	26,500	26,500	20,632	5,868
Industrial Park	8,660	8,660	42,657	(33,997)
Old Depot	15,900	15,900	13,044	2,856
Civic Center	29,050	32,550	30,014	2,536
Millcreek Building	4,500	4,500	4,518	(18)
Cleaning property	6,000	6,000		6,000
Nursing home	45,000	45,000		45,000
Senior citizens' center	39,370	39,370	32,509	6,861
Total Expenditures	<u>2,812,550</u>	<u>3,225,961</u>	<u>2,998,357</u>	<u>227,604</u>
Excess of Receipts over (under) Disbursements	<u>930,299</u>	<u>516,888</u>	<u>473,240</u>	<u>(43,648)</u>

CITY OF COLLINS
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 General Fund
 For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Other financing sources	133,000	133,000	83,328	(49,672)
Transfers in	65,660	65,660		(65,660)
Transfers out	(530,000)	(530,000)	(420,506)	109,494
Total Other Financing Sources and Uses	(331,340)	(331,340)	(337,178)	(5,838)
Net Change in Fund Balance	598,959	185,548	136,062	(49,486)
Fund Balances - Beginning	2,009,383		2,009,383	2,009,383
Fund Balances - Ending	\$ 2,608,342	185,548	2,145,445	1,959,897

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

CITY OF COLLINS
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 Fire Protection Fund
 For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental receipts	\$ 471,040	471,040	8,800	(462,240)
Miscellaneous receipts	5,000	5,000		(5,000)
Total Receipts	<u>476,040</u>	<u>476,040</u>	<u>8,800</u>	<u>(467,240)</u>
DISBURSEMENTS				
Current:				
Public Safety	914,640	914,640	413,497	501,143
Total Disbursements	<u>914,640</u>	<u>914,640</u>	<u>413,497</u>	<u>501,143</u>
Excess of Receipts over (under) Disbursements	<u>(438,600)</u>	<u>(438,600)</u>	<u>(404,697)</u>	<u>33,903</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	438,600	438,600	404,697	(33,903)
Total Other Financing Sources and Uses	<u>438,600</u>	<u>438,600</u>	<u>404,697</u>	<u>(33,903)</u>
Net Change in Fund Balance	0	0	0	0
Fund Balances – Beginning	<u>0</u>	<u></u>	<u></u>	<u>0</u>
Fund Balances – Ending	\$ <u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

Budgeted receipts and disbursements included a grant the City applied for, but had not been received by the end of the year.

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

CITY OF COLLINS MISSISSIPPI
Notes to Supplementary Information
For the Year Ended September 30, 2021

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

CITY OF COLLINS, MISSISSIPPI
Schedule of Capital Assets
For the Fiscal Year Ended September 30, 2021

	Balance Oct. 1, 2020	Additions	Deletions	Adjustments	Balance Sept. 30, 2021
GOVERNMENTAL ACTIVITIES					
<u>Non-depreciable capital assets:</u>					
Land	1,518,039		850,000		668,039
Construction in progress	84,916	520,309		(423,743)	181,482
Total non-depreciable capital assets	1,602,955	520,309	850,000	(423,743)	849,521
<u>Depreciable capital assets:</u>					
Buildings	4,998,092			423,743	5,421,835
Infrastructure & Improvements					
Other than Buildings	4,334,506	10,706			4,345,212
Furniture, Machinery & Equipment	4,753,694	9,083	89,904		4,672,873
Total depreciable capital assets	14,086,292	19,789	89,904	423,743	14,439,920
Governmental activities capital assets, net	15,689,247	540,098	939,904	0	15,289,441
BUSINESS-TYPE ACTIVITIES					
<u>Non-depreciable capital assets:</u>					
Land	64,400				64,400
Construction in progress	745,760	84,094		(829,854)	0
Total non-depreciable capital assets	810,160	84,094		(829,854)	64,400
<u>Depreciable capital assets:</u>					
Buildings	104,571				104,571
Infrastructure & Improvements					
Other than Buildings	9,010,643			829,854	9,840,497
Furniture, Machinery & Equipment	2,067,844	142,618	11,118		2,199,344
Intangible asset - Water rights	20,000				20,000
Total depreciable capital assets	11,203,058	142,618	11,118	829,854	12,164,412
Business-type activities capital assets, net	12,013,218	226,712	11,118		12,228,812

CITY OF COLLINS
Schedule of Bonds of City Officials
September 30, 2021

- 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	07/01/17 - 07/01/21

- 4) Company: C N A
(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	12/01/18 - 12/01/21
Mayor Protem	\$50,000	12/01/18 - 12/01/21
City Clerk	\$50,000	12/01/18 - 12/01/21
Police Chief	\$50,000	12/01/18 - 12/01/21
Court Clerk	\$50,000	12/01/18 - 12/01/21
Clerk/Bookkeeper	\$50,000	12/01/18 - 12/01/21
Clerks (3)	\$50,000	12/01/18 - 12/01/21
Dispatchers (6)	\$50,000	12/01/18 - 12/01/21

CITY OF COLLINS, MISSISSIPPI

SPECIAL REPORT



PRINCE CPA FIRM, PLLC

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CONSULTANTS AND ADVISORS

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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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued my report thereon dated December 3, 2021. We conducted our audit in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board

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 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

December 3, 2021
Magee, Mississippi