

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
And
Special Reports**

Cash Basis

For Year Ended September 30, 2025

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

CITY OF COLLINS, MISSISSIPPI

Table of Contents

	PAGE
INDEPENDENT AUDITOR'S REPORT	1-4
BASIC FINANCIAL STATEMENTS	5
Government-wide Financial Statements:	
Statement of Net Position-Cash Basis	6
Statement of Activities-Cash Basis	7
Statement of Cash Basis Assets and Fund Balances –Governmental Funds	8
Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances	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	12-17
OTHER INFORMATION.....	18
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis):	
General Fund	21-22
Fire Protection Fund.....	23
Notes to other information	24
Schedule of Changes in Capital Assets	25
Schedule of Surety Bonds for City Officials	26
SPECIAL REPORTS	27
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28-29
Independent Auditor's Report on Compliance with State Laws and Regulations	30
SCHEDULE OF FINDINGS AND RESPONSES.....	31



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 Audit of the Financial Statements

Opinions

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 City of Collins, Mississippi (the City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 City of Collins, Mississippi, as of September 30, 2025, and the respective changes in cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 2.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting, as described in Note 2, and for 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood, that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Budgetary Comparison Schedule(s), Schedule of Capital Assets and Schedule of Surety Bonds for City Officials and corresponding notes but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2026 on our consideration of City of Collins, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Collins, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Collins, Mississippi's internal control over financial reporting and compliance.

Priner CPA Firm, PLLC

March 2, 2026
Magee, Mississippi

CITY OF COLLINS, MISSISSIPPI

BASIC FINANCIAL STATEMENTS

CITY OF COLLINS, MISSISSIPPI
Statement of Net Position-Cash Basis
September 30, 2025

Exhibit 1

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and Cash Equivalents	\$ 889,434		889,434
Restricted Cash and Cash Equivalents	<u>2,027,527</u>	<u>4,555,767</u>	<u>6,583,294</u>
Total Assets	\$ <u>2,916,961</u>	<u>4,555,767</u>	<u>7,472,728</u>
NET POSITION			
Restricted for:			
Public safety	\$ 350,112		350,112
Public works	375,512	4,555,767	4,931,279
Debt service	3,677		3,677
Economic Development and assistance	868,811		868,811
Unemployment compensation	116,015		116,015
Unrestricted	<u>1,202,834</u>		<u>1,202,834</u>
Total Net Position	\$ <u>2,916,961</u>	<u>4,555,767</u>	<u>7,472,728</u>

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, 2025

Exhibit 2

Functions/Programs	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 756,432	71,960			(684,472)		(684,472)
Public safety	3,004,902		64,045	474,855	(2,466,002)		(2,466,002)
Public works	804,999	181,624			(623,375)		(623,375)
Culture and recreation	472,118		150,000		(322,118)		(322,118)
Economic development and assistance	61,275				(61,275)		(61,275)
Total Governmental Activities	5,099,726	253,584	214,045	474,855	(4,157,242)		(4,157,242)
Business-type activities:							
Water, sewer and electricity	7,585,831	7,130,683	0	539,148		84,000	84,000
Total Primary Government	\$ 12,685,557	7,384,267	214,045	1,014,003	(4,157,242)	84,000	(4,073,242)
General Receipts and other financing sources and uses							
Property taxes					\$ 1,348,348		1,348,348
Sales					1,755,799		1,755,799
Franchise fees					89,288		89,288
Rents					143,800		143,800
Grants and contributions not restricted to specific programs					594,715		594,715
Unrestricted interest income					83,348	33,491	116,839
Miscellaneous					28,702	7,551	36,253
Total General Receipts and other financing sources and uses					4,044,000	41,042	4,085,042
Changes in Net Position					(113,242)	125,042	11,800
Net Position - Beginning					3,030,203	4,430,725	7,460,928
Net Position - Ending					\$ 2,916,961	4,555,767	7,472,728

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, 2025

Exhibit 3

	Major Funds		Other	Total
	General Fund	Fire Protection Fund	Governmental Funds	Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 889,434			889,434
Restricted Cash and Cash Equivalents	868,801		1,158,726	2,027,527
Total Cash Basis Assets	\$ 1,758,235		1,158,726	2,916,961
FUND BALANCES				
Restricted for:				
Public safety			350,112	350,112
Public works			375,512	375,512
Debt service	3,677			3,677
Economic development and assistance	868,801		10	868,811
Unemployment compensation			116,015	116,015
Unassigned	885,757		317,077	1,202,834
	\$ 1,758,235		1,158,726	2,916,961

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, 2025

	Major Fund		Other	Total
	General Fund	Fire Protection Fund	Governmental Funds	Governmental Funds
RECEIPTS				
Property taxes	\$ 1,206,658		141,690	1,348,348
Sales Taxes	1,755,799			1,755,799
Franchise Fees	89,288			89,288
Fines and forfeitures	71,960			71,960
Intergovernmental receipts	594,715	474,855	214,045	1,283,615
Charges for services			181,624	181,624
Interest income	80,930		2,418	83,348
Rent	143,800			143,800
Miscellaneous receipts	28,702		0	28,702
Total Receipts	<u>3,971,852</u>	<u>474,855</u>	<u>539,777</u>	<u>4,986,484</u>
DISBURSEMENTS				
Current:				
General government	729,587			729,587
Public safety	1,436,462	828,284	448,353	2,713,099
Public works	478,659		17,875	496,534
Culture and recreation	472,118			472,118
Economic Development	46,500			46,500
Capital Outlay				
General Government	26,845			26,845
Public Safety	1,248	290,555	0	291,803
Public Works	6,260		302,205	308,465
Economic Development	14,775			14,775
Culture and Recreation	0		0	0
Total Disbursements	<u>3,212,454</u>	<u>1,118,839</u>	<u>768,433</u>	<u>5,099,726</u>
Excess of Receipts over (under) Disbursements	<u>759,398</u>	<u>(643,984)</u>	<u>(228,656)</u>	<u>(113,242)</u>
OTHER CASH SOURCES (USES)				
Transfers in / out	(733,984)	643,984	90,000	0
Total Other Cash Sources and Uses	<u>(733,984)</u>	<u>643,984</u>	<u>90,000</u>	<u>0</u>
Net Changes in Fund Balances	25,414	0	(138,656)	(113,242)
Fund Balances - Beginning	<u>1,732,821</u>	<u>0</u>	<u>1,297,382</u>	<u>3,030,203</u>
Fund Balances - Ending	\$ <u>1,758,235</u>	<u>0</u>	<u>1,158,726</u>	<u>2,916,961</u>

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, 2025

Exhibit 5

		Business-type Activities Enterprise Funds
		Utility Enterprise Fund
ASSETS		
Restricted Cash and Cash Equivalents	\$	<u>4,555,767</u>
Total Assets		<u><u>4,555,767</u></u>
NET POSITION		
Restricted for:		
Public works		<u>4,557,767</u>
Total Net Position	\$	<u><u>4,557,767</u></u>

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

CITY OF COLLINS, MISSISSIPPI

Exhibit 6

Statement of Cash Receipts, Disbursements and Changes in Cash Basis

Net Position-Proprietary Funds

As of and For the Year Ended September 30, 2025

	Business-type Activities Enterprise Funds
	Utility Enterprise Fund
Operating Receipts	
Charges for services	\$ 7,130,683
Miscellaneous	7,551
Total Operating Receipts	<u>7,138,234</u>
Operating Disbursements:	
Costs of sales and services	6,021,811
Administration	554,331
Indirect administrative costs	76,838
Total Operating Disbursements	<u>6,652,980</u>
Excess Operating Receipts Over (Under) Operating Disbursements	<u>485,254</u>
Nonoperating Receipts/(Disbursements):	
Capital Outlay	(932,851)
Intergovernmental grants	539,148
Investment income	33,491
Net Nonoperating Receipts/(Disbursements)	<u>(360,212)</u>
Excess Receipts Over (Under) Disbursements Before Transfers	<u>125,042</u>
Changes in Net Position	125,042
Net Position - Beginning	<u>4,430,725</u>
Net Position - Ending	<u>\$ 4,555,767</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, 2025

(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, 2025

(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 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.

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.

CITY OF COLLINS MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2025

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

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 City, 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".

Net Position Flow Assumption:

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

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, 2025

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

Fund Balance Flow Assumption:

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

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) **Change in Accounting Principle**

The basic financial statements are prepared on a cash basis of accounting wherein amounts are recognized when received or disbursed. This basis of accounting differs from accounting principles generally accepted in the United States of America, which requires revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

(3) **Cash and Cash Equivalents**

Cash:

The carrying amount of the City's total deposits with financial institutions at September 30, 2025, was \$7,472,728, and the bank balance was \$8,523,507. 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, 2025

(3) **Cash and Cash Equivalents-Continued**

Certificates of Deposits:

As of September 30, 2025, 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.

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, 2023, the City had no investments other than Certificates of Deposits.

(4) **Interfund Transactions and Balances**

The following is a summary of interfund transfers at September 30, 2025:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General fund	Fire protection fund	90,000
Other Governmental Funds	Fire Protection Fund	90,000
Fire Protection Fund	General Fund	<u>643,984</u>
Total		\$ <u>823,984</u>

The transfers were part of the approved budget to cover costs in the City Fire Fund and to move funds to be used to purchase new fire trucks. These transfers were routine and consistent with the activities of the fund making the transfer.

(5) **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.

(6) **Contingencies.**

Federal Grants - The City has received federal grants for specific purposes that are subject to audit by the grantor agencies.

CITY OF COLLINS MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2025

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.

(7) **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, 2025, 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. Effective July 1, 2025 the City's required contribution increased to 18.40 percent. The City's employer contributions to PERS for the years ended September 30, 2025, 2024 and 2023 were \$523,932, \$490,931 and, \$467,453, respectively. The contributions for each year met the required contributions.

(8) **Tax Increment Financing**

In October, 2023, the City of Collins and Covington County executed a Tax Increment Financing Agreement that allowed for the repayment of a City issued debt of \$245,000 that was used to defray the cost of the infrastructure related to the new construction (Project). The source of funds to repay the debt was as follows: From the City and County; 50% of the increase in real and personal property taxes. From the City; 65% of the sales taxes collected from the Project. The County funds will be transferred to the City, who issued the debt. This debt does not constitute a general obligation of the City and will not be secured by the full faith, credit and taxing power of the City. For the year ended September 30, 2025, the City received \$30,633 from the sources listed above and remitted \$28,600 to pay the amount owed on the debt. The principle amount owed at September 30, 2025 was \$198,000.

(9) **Subsequent Events.**

The City is required to evaluate events that occur subsequent to the date of the statement of net position but before the financial statements are issued (subsequent events). Such events that provide additional evidence with respect to conditions that existed as of the statement of net position date are recognized in the accompanying financial statements. However, subsequent events that provide evidence with respect to conditions that did not exist at the statement of net position date but arose subsequently and are of such a nature that their disclosure is essential to the user's understanding of the financial statements, are required to be disclosed herein. Management of the City of Collins evaluated the City's activity and events that occurred through March 2, 2026, and determined that no event has occurred that should be disclosed.

CITY OF COLLINS MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2025

CITY OF COLLINS, MISSISSIPPI

OTHER INFORMATION

CITY OF COLLINS, MISSISSIPPI
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 General Fund
 For the Year Ended September 30, 2025

	Original	Final	Actual (Budgetary)	Variance with Final Budget Positive
RECEIPTS				
Property taxes	\$ 1,307,440	1,206,658	1,206,658	0
Sales taxes	1,755,000	1,755,799	1,755,799	0
Licenses, commissions and other revenue	59,000	0	0	0
Fines and forfeitures	109,950	71,960	71,960	0
Intergovernmental revenues	899,550	594,715	594,715	0
Franchise fees		89,288	89,288	0
Rents	109,500	143,800	143,800	0
Interest income		80,930	80,930	0
Miscellaneous receipts	103,430	28,702	28,702	0
Total Receipts	4,343,870	3,971,852	3,971,852	0
DISBURSEMENTS				
Current:				
General government				0
Board of Alderman	189,820	191,648	191,648	0
City Court	133,835	131,876	131,876	0
Mayor	122,200	109,974	109,974	0
Elections	8,000	12,229	12,229	0
Finance and accounting	323,050	308,485	308,485	0
Cemetery	2,000	2,220	2,220	0
Public Safety				0
Police Protection	1,621,600	1,434,357	1,434,357	0
Public works				0
Street maintenance	882,520	397,128	397,128	0
Landfill	500	0	0	0
Culture and Recreation				0
Parks and recreation	407,590	386,106	386,106	0
Library	13,400	10,874	10,874	0
Non departmental				0
Dog Pound	4,700	3,353	3,353	0
Mosquito Control	20,000	10,166	10,166	0
Industrial Park	28,500	77,625	77,625	0
Old Depot	25,175	25,730	25,730	0
Civic Center	49,600	49,408	49,408	0
Millcreek Building	46,000	26,475	26,475	0
Cleaning property	2,000			0
Senior citizens center	48,930	34,800	34,800	0
Total Disbursements	3,929,420	3,212,454	3,212,454	0
Excess of Receipts over (under) Disbursements	414,450	759,398	759,398	0

CITY OF COLLINS, MISSISSIPPI
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 General Fund
 For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
OTHER CASH SOURCES (USES)				
Other cash sources	161,600			0
Transfers in	76,838	90,000	90,000	0
Transfers out	(785,090)	(823,984)	(823,984)	0
Total Other Cash Sources and Uses	(546,652)	(733,984)	(733,984)	0
Net Change in Fund Balance	(132,202)	25,414	25,414	0
Fund Balances - Beginning	1,761,617	1,732,821	1,732,821	0
Fund Balances - Ending	\$ 1,629,415	1,758,235	1,758,235	0

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

CITY OF COLLINS, MISSISSIPPI
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 Fire Protection Fund
 For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental receipts	632,935	474,855	474,855	0
Miscellaneous receipts		0	0	0
Total receipts	632,935	474,855	474,855	0
DISBURSEMENTS				
Current:				
Public Safety				0
Fire Protection	1,309,050	1,118,839	1,118,839	0
Total Disbursements	1,309,050	1,118,839	1,118,839	0
Excess of Receipts over (under) Disbursements	(676,115)	(643,984)	(643,984)	0
OTHER FINANCING SOURCES (USES)				
Other financing sources			0	0
Transfers in	676,115	643,984	643,984	0
Total Other Financing Sources and Uses	676,115	643,984	643,984	0
Net Change in Fund Balance	0	0	0	0
Fund Balances - Beginning	0	0	0	0
- Fund Balances - Ending	\$ 0	0	0	0

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

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
Schedule of Capital Assets
For the Fiscal Year Ended September 30, 2025

	Balance Oct. 1, 2024	Additions	Deletions	Adjustments	Balance Sept. 30, 2025
GOVERNMENTAL ACTIVITIES					
<u>Non-depreciable capital assets:</u>					
Land	668,039				668,039
Construction in progress	458,284	276,055		(710,418)	23,921
Total non-depreciable capital assets	1,126,323	276,055	0		691,960
<u>Depreciable capital assets:</u>					
Buildings	6,036,545	65,285			6,101,830
Infrastructure & Improvements					
Other than Buildings	4,378,851			710,418	5,089,269
Furniture, Machinery & Equipment	5,278,866	300,548			5,579,414
Total depreciable capital assets	15,694,262	365,833	0	710,418	16,770,513
Governmental activities capital assets	16,820,585	641,888	0	710,418	17,462,473
BUSINESS-TYPE ACTIVITIES					
<u>Non-depreciable capital assets:</u>					
Land	64,400				64,400
Construction in progress	2,898,140	731,877		(3,535,143)	94,874
Total non-depreciable capital assets	2,962,540	731,877	0	(3,535,143)	159,274
<u>Depreciable capital assets:</u>					
Buildings	104,571				104,571
Infrastructure & Improvements					
Other than Buildings	9,868,462			3,535,143	13,403,605
Furniture, Machinery & Equipment	2,451,567	142,730	0		2,594,297
Intangible asset - Water rights	20,000				20,000
Total depreciable capital assets	12,444,600	142,730	0	3,535,143	16,122,473
Business-type activities capital assets	15,407,140	874,607	0	0	16,281,747

Adjustments: move completed projects to appropriate asset classification;

CITY OF COLLINS, MISSISSIPPI
 Schedule of Bonds of City Officials
 For the Year Ended September 30, 2025

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	07/01/21 - 07/01/25

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	07/01/21 - 07/01/25
Mayor Protem	\$50,000	07/01/21 - 07/01/25
City Clerk	\$50,000	07/01/21 - 07/01/25
Police Chief	\$50,000	07/01/21 - 07/01/25
Court Clerk	\$50,000	07/01/21 - 07/01/25
Clerk/Bookkeeper	\$50,000	07/01/21 - 07/01/25
Clerks (3)	\$50,000	07/01/21 - 07/01/25
Dispatchers (6)	\$50,000	07/01/21 - 07/01/25

SPECIAL REPORTS



PRINCE CPA FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND ADVISORS

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

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Collins, Mississippi (the City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 2, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Collins, Mississippi's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Collins, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Primo CPA Firm, PLLC

March 2, 2026

Magee, Mississippi



PRINCE CPA FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND ADVISORS

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

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

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

The Honorable Mayor 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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued my report thereon dated March 2, 2026. 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

March 2, 2026
Magee, Mississippi



CITY OF COLLINS

SCHEDULE OF FINDINGS AND RESPONSES

CITY OF COLLINS
Schedule of Findings and Responses
For the Year Ended September 30, 2025

Section 1: Summary of Auditors' Results

Financial Statements:

- | | | |
|----|----------------------------------------------------------------------------------------|---------------|
| 1. | Type of auditors' report issued on the financial statements: | Unmodified |
| 2. | Internal control over financial reporting: | |
| | a. Material weakness identified? | No |
| | b. Significant deficiency identified that is not considered to be a material weakness? | None Reported |
| 3. | Noncompliance material to the financial statements? | No |

Section 2: Financial Statement Findings

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