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**TOWN OF FRIARS POINT**  
**Friars Point, Mississippi**

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**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

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**SEPTEMBER 30, 2016**

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**JUN 30 2017**



**TOWN OF FRIARS POINT  
FRIARS POINT, MISSISSIPPI**

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**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Board of Aldermen  
Town of Friars Point  
Friars Point, Mississippi

**Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Town of Friars Point, Mississippi as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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



## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Town of Friars Point, Mississippi as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

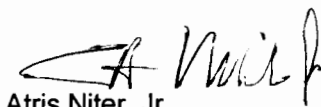
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1-6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Friars Point, Mississippi's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

  
Atris Niter, Jr.  
Memphis, TN  
January 20, 2017





**Management's Discussion and Analysis  
For the Year Ended September 30, 2016  
Unaudited**

This discussion and analysis of the Town of Friars Point, Mississippi financial performance provides an overall review of the Town's financial activities for the year ended September 30, 2016. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. Readers should also review the basic financial statements to enhance their understanding of the Town's financial performance.

**Financial Highlights**

Key financial highlights for 2016 were as follows:

The total assets of the Town exceeded its liabilities at the close of the year by \$375,261 (reported as "net position"). Of this amount \$211,788 was "unassigned net position".

Total assets decreased by \$317,807 from 2015.

Total liabilities also decreased by \$279,400 from 2015.

Total assets of governmental activities decreased by \$169,467 from 2015.

Total assets of business-type activities decreased by \$148,340 from 2015.

Governmental revenues for 2016 increased by \$23,208 from 2015, and the total expenses for 2016 increased by \$14,175 from 2015. The business type revenues for 2016 decreased by \$150,388 over 2015; whereas expenses for 2016 decreased by \$65,038 over 2015.

**Using this Annual Financial Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Town's financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial conditions.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole Town, presenting both an aggregate view of the Town's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the Town's most significant funds. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

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September 30, 2016

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## **Reporting the Town of Friars Point as a Whole**

### **Statement of Net Position and the Statement of Activities**

While this document contains information about the funds used by the Town to provide services to our citizens, the view of the Town as a whole looks at all financial transactions and asks the question, "How did we do financially during 2016? The Statement of Net Position and the Statement of Activities answer this question.

These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. The basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the Town's net assets and the changes in those assets. This change in assets is important because it tells the reader whether, for the Town as a whole, the financial position of the Town has improved or diminished. However, in evaluating the overall position of the Town, non-financial information such as changes in the Town's tax base and the condition of the Town capital assets will also need to be evaluated.

In the Statement of Net Position and the Statement of Activities, all of the Town's activities are reported as Governmental Activities or Business-type Activities. Governmental Activities including all of the Town's governmental type services including police, fire, streets, administration, and other similar departments. Business-type activities include the Gas Department, Town Water and Sewer Department and Solid Waste Department.

## **Reporting the Town of Friars Point Most Significant Funds**

### **Fund Financial Statements**

Fund financial reports provide detailed information about the Town's major funds. Based on restrictions on the use of monies, the Town has established funds, which account for services provided to the Town's residents. However, these fund financial statements focus on the Town's most significant funds.

### **Governmental Funds**

All of the Town's governmental type activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government



operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future on services provided to the Town's residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

### Proprietary Funds

All of the Town's business-type activities are reported in the proprietary funds. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. These funds are reported using an accounting method called accrual accounting which records revenues when earned and expenses when incurred. The reporting entity includes the Water, Gas and Solid Waste Funds. The basis of accounting is the same as used in the Statement of Net Position and the Statement of Activities, so no reconciliation of differences is necessary.

### The Town of Friars Point as a Whole

Recall that the Statement of Net Position looks at the Town as a whole. The following table provides a summary of the Town's net position for 2016 compared to 2015.

	Net Position					
	Governmental Activities		Business-type Activities		TOTAL	
	2016	2015	2016	2015	2016	2015
<b>Assets:</b>						
Current and Other Assets	\$ 87,816	228,036	\$ 312,712	461,052	\$ 400,528	\$ 689,088
Capital Assets, Net	<u>88,529</u>	<u>117,776</u>	<u>73,168</u>	<u>73,168</u>	<u>161,697</u>	<u>190,944</u>
Total Assets	<u>176,345</u>	<u>345,812</u>	<u>385,880</u>	<u>534,220</u>	<u>562,225</u>	<u>880,032</u>
<b>Liabilities:</b>						
Current and Other Liabilities	48,514	125,084	138,460	341,290	186,974	466,374
<b>Long-term Liabilities:</b>						
Due in More than One Year	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Liabilities	<u>48,514</u>	<u>125,084</u>	<u>138,460</u>	<u>341,290</u>	<u>186,974</u>	<u>466,374</u>
<b>Net Position:</b>						
Invested in Capital Assets, Net of Debt	88,529	117,776	73,168	73,168	161,697	190,944
Restricted:						
Debt Service	-0-	-0-	-0-	-0-	-0-	-0-
Capital Projects	1,766	1,766	-0-	-0-	1,766	1,766
Unassigned	<u>37,536</u>	<u>101,186</u>	<u>174,252</u>	<u>119,762</u>	<u>211,788</u>	<u>220,948</u>
Total Net Position	<u>\$ 127,831</u>	<u>220,728</u>	<u>\$ 247,420</u>	<u>192,930</u>	<u>\$375,251</u>	<u>\$ 413,658</u>



Management's Discussion and Analysis  
Page 4

Net position of the Town's governmental activities decreased by \$92,897 from 2015 and the net position for business-type activities increased by \$54,490 from 2015.

The table below shows the Changes in Net Assets for the year ended September 30, 2016 and 2015.

	Changes in Net Position					
	Governmental Activities		Business-type Activities		TOTAL	
	2016	2015	2016	2015	2016	2015
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ -0-	\$ -0-	\$363,572	\$ 513,960	\$ 363,572	\$ 513,960
Operating grants and contributions	-0-	-0-	-0-	-0-	-0-	-0-
Capital grants and contributions	-0-	-0-	-0-	-0-	-0-	-0-
Total Program Revenues	<u>-0-</u>	<u>-0-</u>	<u>363,572</u>	<u>513,960</u>	<u>363,572</u>	<u>513,960</u>
<b>General Revenues:</b>						
Property taxes	139,891	140,402	-0-	-0-	139,891	140,402
Other taxes and licenses	98,777	99,068	-0-	-0-	98,777	99,068
Grants and contributions not restricted to specific programs	43,568	48,207	-0-	-0-	43,568	48,207
Investment and other revenues	<u>120,700</u>	<u>92,051</u>	<u>-0-</u>	<u>-0-</u>	<u>120,700</u>	<u>92,051</u>
Total General Revenues	<u>402,936</u>	<u>379,728</u>	<u>-0-</u>	<u>-0-</u>	<u>402,936</u>	<u>379,728</u>
Total Revenues	<u>402,936</u>	<u>379,728</u>	<u>363,572</u>	<u>513,960</u>	<u>766,508</u>	<u>893,688</u>
<b>Program Expenses:</b>						
General government	177,931	189,132	-0-	-0-	177,931	189,132
Public safety	181,187	161,222	-0-	-0-	181,187	161,222
Maintenance	38,478	33,067	-0-	-0-	38,478	33,067
Gas operation	-0-	-0-	227,656	245,325	227,656	245,325
Water and Sewer	-0-	-0-	154,474	200,843	154,474	200,843
Solid waste	<u>-0-</u>	<u>-0-</u>	<u>59</u>	<u>1,059</u>	<u>59</u>	<u>1,059</u>
Total Expenses	<u>397,596</u>	<u>383,421</u>	<u>382,189</u>	<u>447,227</u>	<u>779,785</u>	<u>830,648</u>
Increase (Decrease) in net position	<u>\$ 5,340</u>	<u>\$ ( 3,693)</u>	<u>\$ (18,617)</u>	<u>\$ 66,733</u>	<u>\$ (13,277)</u>	<u>\$ 63,040</u>

### Governmental Activities

Several revenue sources fund our Governmental Activities. Under the accrual basis of accounting, the Town's property taxes accounted for \$139,891 or 35.0% of gross revenue; revenues from other taxes and charges for services and operating grants and contributions accounted for \$142,345 or 35.0% of gross revenue; and investments and other revenue accounted for \$120,700 or 30.0% of gross revenue.

The Town's major expense activity is public safety which includes police and fire. These expenses totaled \$181,187 or 46.0% of total governmental activity expenses. The maintenance expenses were fairly consistent with the prior year.





## Business-type Activities

Charges for services fund our Business-type activities. Our proprietary funds include the Water and Sewer Fund, the Solid Waste Fund and the Gas Fund. Total operating revenues decreased by \$150,394 or 39.3% from 2015. Operating expenses also decreased by \$93,687 or 26.0% from 2015. The decrease in revenue was primarily in the gas fund. The decrease in expenses was also primarily in the gas fund. Please note that the gas fund was transferred to new owners in 2016.

## Governmental Activity

Governmental revenues for 2016 increased by \$23,208 over 2015; the total expenses for 2016 also increased by \$14,175 over 2015.

## Capital Assets and Long-Term Obligations

### Capital Assets

#### Capital Assets, Net of Depreciation September 30, 2016 and 2015

	Governmental Activities		Business-Type Activities		Total	Total
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 10,000	10,000	\$ 73,168	73,168	\$ 83,168	\$ 83,168
Buildings (includes Construction in Progress)	-0-	-0-	-0-	-0-	-0-	-0-
Furniture and Equipment	-0-	-0-	-0-	-0-	-0-	-0-
Vehicles	78,529	107,776	-0-	-0-	78,529	107,776
Infrastructure	-0-	-0-	-0-	-0-	-0-	-0-
Total Capital Assets (Net)	<u>\$ 88,529</u>	<u>117,776</u>	<u>\$ 73,168</u>	<u>73,168</u>	<u>\$ 161,697</u>	<u>\$ 190,944</u>

More details about the Town's capital assets are presented in Note 4 to the financial statements.

### Long-Term Obligations

At September 30, 2016, the Town had no outstanding notes payable.

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### **Current Financial Related Activities**

The 2017 budget was developed taking into consideration the current economic climate which has also affected the local economy. The revenues and expenses/expenditures were projected to approximate the same as 2016. There was no projection made for any consideration of receiving any new grants or contracts.

### **Contacting the Town's Finance Department**

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Town Clerk at 662-383-2233.

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**TOWN OF FRIARS POINT  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016**

	<b>PRIMARY GOVERNMENT</b>		
	<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Current Assets:			
Cash and Cash Equivalent	\$ 72,468	107,478	\$ 179,946
Cash - Restricted	8,981	28,959	37,940
Accounts Receivable, Net	6,367	26,414	32,781
Intergovernmental Receivables	-0-	149,861	149,861
<b>Total Current Assets</b>	<b>87,816</b>	<b>312,712</b>	<b>400,528</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
Non-current Assets:			
Capital Assets			
General Fixed Assets, Net	88,529	73,168	161,697
<b>Total Non-current Assets</b>	<b>88,529</b>	<b>73,168</b>	<b>161,697</b>
<b>Total Assets</b>	<b>176,345</b>	<b>385,880</b>	<b>562,225</b>
<b><u>LIABILITIES</u></b>			
Current Liabilities:			
Accrued Payables	4,199	16,740	20,939
Note Payable, Current	-0-	-0-	-0-
Taxes Payable	-0-	-0-	-0-
Intergovernmental Payables	44,315	105,546	149,861
Deposits Payable	-0-	16,174	16,174
<b>Total Current Liabilities</b>	<b>48,514</b>	<b>138,460</b>	<b>186,974</b>
Non-current Liabilities:			
Note Payable, Non-current	-0-	-0-	-0-
<b>Total Non-current Liabilities</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b>Total Liabilities</b>	<b>48,514</b>	<b>138,460</b>	<b>186,974</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
<b><u>NET POSITION</u></b>			
Invested in Capital Assets - Net of debt	88,529	73,168	161,697
Restricted - Capital Projects	1,766	-0-	1,766
Unassigned	37,536	174,252	211,788
<b>Total Net Position</b>	<b>\$ 127,831</b>	<b>247,420</b>	<b>\$ 375,251</b>

See accompanying notes to the financial statements.



**TOWN OF FRIARS POINT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				Net (Expenses) Revenues & Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
<b>Primary Government:</b>							
Government Activities:							
Administration	\$ 177,931	-0-	-0-	-0-	(177,931)	-0-	\$ (177,931)
Public Safety	181,187	-0-	-0-	-0-	(181,187)	-0-	(181,187)
Care & Maintenance of Property	38,478	-0-	-0-	-0-	(38,478)	-0-	(38,478)
<b>Total Governmental Activities</b>	<b>397,596</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>(397,596)</b>	<b>-0-</b>	<b>(397,596)</b>
Business Type Activities:							
Water Operations	145,761	206,003	-0-	-0-	-0-	60,242	60,242
Solid Waste Operations	59	74	-0-	-0-	-0-	15	15
Gas Operations	115,669	157,495	-0-	-0-	-0-	41,826	41,826
<b>Total Business Type Activities</b>	<b>261,489</b>	<b>363,572</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>102,083</b>	<b>102,083</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 659,085</b>	<b>363,572</b>	<b>-0-</b>	<b>-0-</b>	<b>(397,596)</b>	<b>102,083</b>	<b>\$ (295,513)</b>

**General Revenues:**

**Taxes:**

Real	\$ 122,571	-0-	\$ 122,571
Personal	17,320	-0-	17,320
Privilege	180	-0-	180
Franchise	17,538	-0-	17,538
Advalorem	50,934	-0-	50,934
Sales	29,225	-0-	29,225
Grand Gulf	7,953	-0-	7,953
Gaming	-0-	-0-	-0-
Fines	2,550	-0-	2,550
Homestead exemption	13,375	-0-	13,375
ABC License	900	-0-	900
Fire Fund Premium	7,696	-0-	7,696
Municipal Aid	2,473	-0-	2,473
Miscellaneous	9,521	-0-	9,521
Transfers In (Out)	120,700	(120,700)	-0-
<b>Total general revenues and transfers</b>	<b>402,936</b>	<b>(120,700)</b>	<b>282,236</b>
Change in Net Position	5,340	(18,617)	(13,277)
<b>Net Position - Beginning/Restated</b>	<b>122,491</b>	<b>266,037</b>	<b>388,528</b>
Other Changes	-0-	-0-	-0-
<b>Net Position - Ending</b>	<b>\$ 127,831</b>	<b>247,420</b>	<b>\$ 375,251</b>

See accompanying notes to the financial statements.

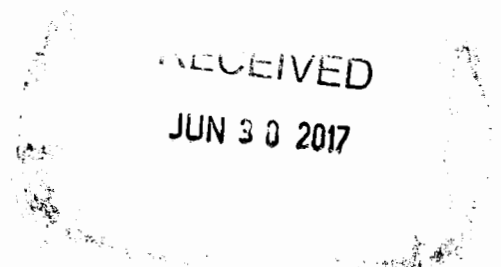




**TOWN OF FRIARS POINT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2016**

<b><u>ASSETS</u></b>	<b>Governmental Funds</b>
Cash and Cash Equivalent	\$ 72,468
Cash - Restricted	8,981
Account Receivables	6,367
Interfund Receivables	-0-
	<hr/>
<b>TOTAL ASSETS</b>	<b>\$ 87,816</b>
	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>-0-</b>
	<hr/>
<b><u>LIABILITIES &amp; FUND BALANCES</u></b>	
Liabilities:	
Accrued Payables	\$ 4,199
Interfund Payables	44,315
Total Liabilities	48,514
	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>-0-</b>
	<hr/>
Fund Balances:	
Unassigned	39,302
	<hr/>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 87,816</b>
	<hr/>
<b>RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION:</b>	
<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 39,302</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Land	10,000
Buildings and improvements	740,733
Equipment and furniture	106,675
Vehicles	353,162
Infrastructure	-0-
Accumulated depreciation	(1,122,041)
	<hr/>
	<hr/>
<b>Net Position of Governmental Activities</b>	<b>\$ 127,831</b>
	<hr/>

See accompanying notes to the financial statements.





**TOWN OF FRIARS POINT  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	General Fund	Special Revenue	Total Governmental Funds
<b>REVENUES:</b>			
Real property taxes	\$ 122,571	-0-	\$ 122,571
Personal property taxes	17,320	-0-	17,320
Municipal aid	2,473	-0-	2,473
Advalorem taxes	50,934	-0-	50,934
Franchise taxes	17,538	-0-	17,538
Sales taxes	29,225	-0-	29,225
Road taxes	-0-	-0-	0
Homestead exemption	13,375	-0-	13,375
Program grants	2,654	-0-	2,654
Gaming income	7,953	-0-	7,953
Miscellaneous	18,193	-0-	18,193
<b>TOTAL REVENUES</b>	<u>282,236</u>	<u>-0-</u>	<u>282,236</u>
<b>EXPENDITURES:</b>			
General government and administration	177,931	-0-	177,931
Protection of life and property	181,187	-0-	181,187
Care & maintenance of public property	38,478	-0-	38,478
<b>TOTAL EXPENDITURES</b>	<u>397,596</u>	<u>-0-</u>	<u>397,596</u>
Excess Revenues Over (Under) Expenditures	<u>(115,360)</u>	<u>-0-</u>	<u>(115,360)</u>
<b>OTHER FINANCING SOURCES:</b>			
Transfers in (out)	<u>120,700</u>	<u>-0-</u>	<u>120,700</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>5,340</u>	<u>-0-</u>	<u>5,340</u>
<b>FUND BALANCE - Beginning</b>	(102,792)	1,766	(101,026)
Other Changes	-0-	-0-	-0-
<b>FUND BALANCE - Ending</b>	\$ <u>(97,452)</u>	<u>1,766</u>	\$ <u>(95,686)</u>

See accompanying notes to the financial statements.

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**TOWN OF FRIARS POINT**  
**Reconciliation of Revenues, Expenditures, and Changes in**  
**Fund Balances of Government Funds to the Statement of Activities**  
**For the year ended September 30, 2016**

<b>Net Change in Fund Balances – Total Governmental Funds</b>	<b>\$ 5,340</b>
<b>No Reconciling Items</b>	<b>-0-</b>
<b>Changes in Net Position of Governmental Activities</b>	<b><u>\$ 5,340</u></b>

**See accompanying notes to the financial statements.**



**TOWN OF FRIARS POINT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2016**

<b><u>ASSETS</u></b>	<b>Garbage Utility Fund</b>	<b>Water Utility Fund</b>	<b>Gas Utility Fund</b>	<b>Total</b>
Current Assets:				
Cash and Cash Equivalent	\$ 439	107,039	-0-	\$ 107,478
Cash - Restricted	-0-	19,750	9,209	28,959
Accounts Receivable, Net	-0-	26,414	-0-	26,414
Due from Other Funds	43,060	106,801	-0-	149,861
Total Current Assets	43,499	260,004	9,209	312,712
Non-current Assets:				
General Fixed Assets, Net of Accumulated Depreciaton	-0-	73,168	-0-	73,168
Total Non-current Assets	-0-	73,168	-0-	73,168
<b>TOTAL ASSETS</b>	<b>43,499</b>	<b>333,172</b>	<b>9,209</b>	<b>385,880</b>
<b><u>LIABILITIES</u></b>				
Current Liabilities:				
Due to Other Funds	58,870	46,676	-0-	105,546
Deposits Payable	-0-	12,840	3,334	16,174
Accounts Payable	-0-	16,740	-0-	16,740
Taxes Payable	-0-	-0-	-0-	-0-
Note Payable, Current	-0-	-0-	-0-	-0-
Total Current Liabilities	58,870	76,256	3,334	138,460
Non-current Liabilities:				
Note Payable	-0-	-0-	-0-	-0-
Total Non-current Liabilities	-0-	-0-	-0-	-0-
<b>TOTAL LIABILITIES</b>	<b>58,870</b>	<b>76,256</b>	<b>3,334</b>	<b>138,460</b>
<b><u>NET POSITION</u></b>				
Unassigned (Deficit)	(15,371)	183,748	5,875	174,252
Invested in Capital Assets, Net of Debt	-0-	73,168	-0-	73,168
<b>TOTAL NET POSITION</b>	<b>\$ (15,371)</b>	<b>256,916</b>	<b>5,875</b>	<b>\$ 247,420</b>

See accompanying notes to the financial statements.

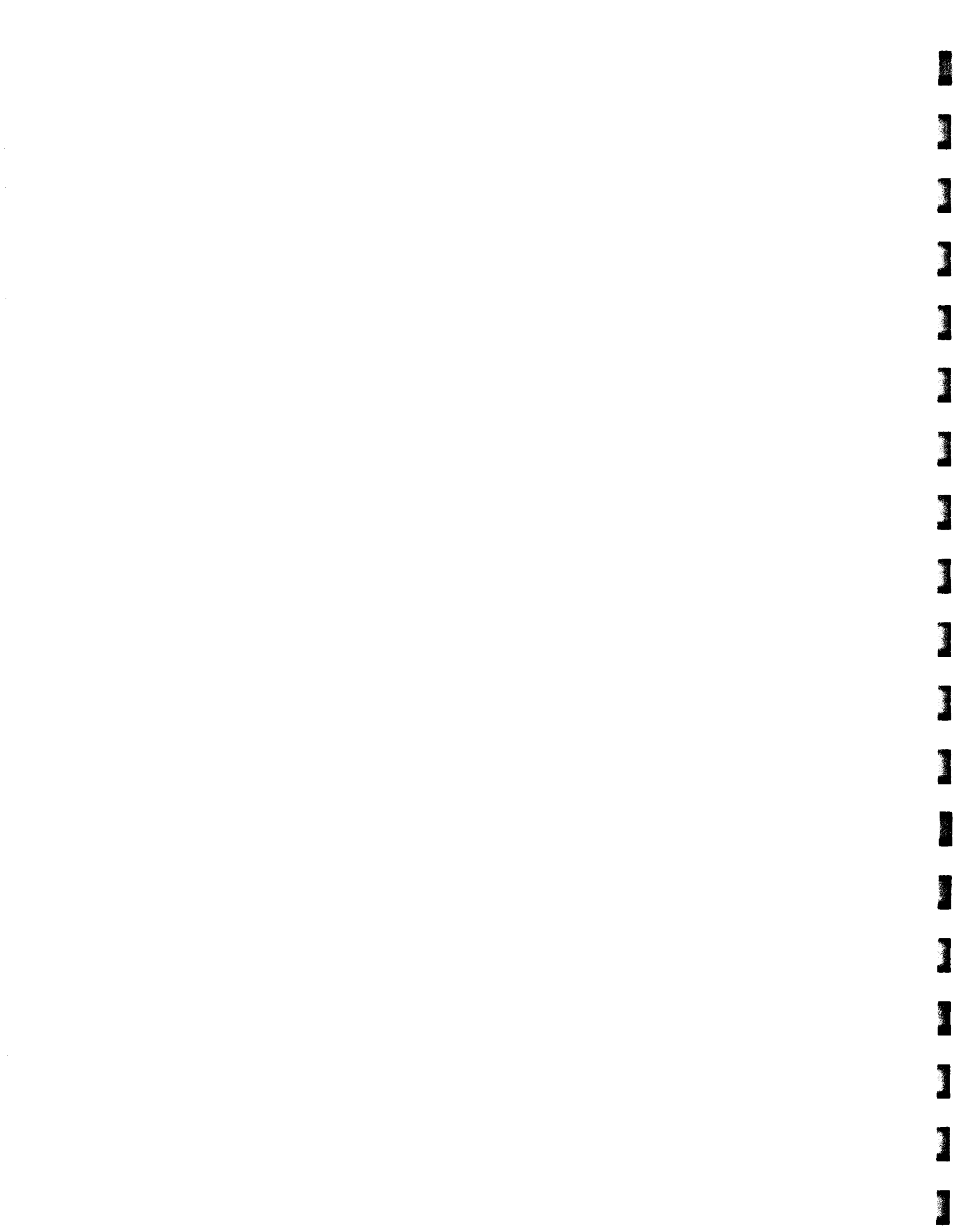




**TOWN OF FRIARS POINT  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION -  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<b>Garbage Utility Fund</b>	<b>Water Utility Fund</b>	<b>Gas Utility Fund</b>	<b>Total Proprietary Funds</b>
<b><u>OPERATING REVENUES:</u></b>				
Charges for Services	\$ 74	205,997	157,495	\$ 363,566
Grants	-0-	-0-	-0-	-0-
<b>TOTAL REVENUES</b>	<b>74</b>	<b>205,997</b>	<b>157,495</b>	<b>363,566</b>
<b><u>OPERATING EXPENSES:</u></b>				
Personnel Services	-0-	28,465	56,984	85,449
Contractual Services	-0-	17,742	-0-	17,742
Repairs and Maintenance	-0-	39,005	2,732	41,737
Insurance	-0-	10,832	4,469	15,301
Purchases for Re-sale	-0-	26,666	36,144	62,810
Depreciation	-0-	-0-	-0-	-0-
Fuel and Oil	-0-	2,609	11,871	14,480
Other Expenses	59	20,442	3,469	23,970
<b>TOTAL OPERATING EXPENSES</b>	<b>59</b>	<b>145,761</b>	<b>115,669</b>	<b>261,489</b>
Operating Income (Loss)	15	60,236	41,826	102,077
<b><u>Non-operating Revenues (Expenses)</u></b>				
Interest Income	-0-	6	-0-	6
Interest Expense	-0-	-0-	-0-	-0-
<b>Total Non-operating Revenues (Expenses)</b>	<b>-0-</b>	<b>6</b>	<b>-0-</b>	<b>6</b>
<b><u>OPERATING TRANSFERS:</u></b>				
Transfers In	-0-	11,987	-0-	11,987
Transfers Out	-0-	(20,700)	(111,987)	(132,687)
<b>Change in Net Assets</b>	<b>15</b>	<b>51,529</b>	<b>(70,161)</b>	<b>(18,617)</b>
<b>NET POSITION - Beginning/Restated</b>	<b>(15,386)</b>	<b>205,387</b>	<b>76,036</b>	<b>266,037</b>
Other Changes	-0-	-0-	-0-	-0-
<b>NET POSITION - Ending</b>	<b>\$ (15,371)</b>	<b>256,916</b>	<b>5,875</b>	<b>\$ 247,420</b>

See accompanying notes to the financial statements.



**TOWN OF FRIARS POINT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Garbage Utility Fund</u>	<u>Water Utility Fund</u>	<u>Gas Utility Fund</u>	<u>Total Proprietary Funds</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 74	197,997	157,495	\$ 355,566
Payments to suppliers	-0-	(73,651)	(58,685)	(132,336)
Payments to employees	-0-	(28,465)	(56,984)	(85,449)
Payments for contract services	-0-	(17,742)	-0-	(17,742)
Other Receipts (Payments)	(59)	-0-	(30,613)	(30,672)
	<u>15</u>	<u>78,139</u>	<u>11,213</u>	<u>89,367</u>
Net Cash Provided by (Used) in Operating Activities				
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-0-	11,987	-0-	11,987
Transfers to other funds	-0-	(20,700)	(111,987)	(132,687)
	<u>-0-</u>	<u>(8,713)</u>	<u>(111,987)</u>	<u>(120,700)</u>
Net Cash Provided by (Used) in Non Capital Financing Activities				
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>				
Principal paid on capital debt	-0-	-0-	-0-	-0-
Interest paid on capital debt	-0-	-0-	-0-	-0-
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net cash used in capital and Related Financing Activities				
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	-0-	6	-0-	6
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net Cash Provided by Investing Activities				
Net Increase (Decrease) in Cash	15	69,432	(100,774)	(31,327)
<b>BALANCE - Beginning</b>	<u>424</u>	<u>57,357</u>	<u>109,983</u>	<u>167,764</u>
<b>BALANCE - Ending</b>	\$ <u><u>439</u></u>	<u><u>126,789</u></u>	<u><u>9,209</u></u>	\$ <u><u>136,437</u></u>



**TOWN OF FRIARS POINT  
STATEMENT OF CASH FLOWS (Continued)  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Garbage Utility Fund</u>	<u>Water Utility Fund</u>	<u>Gas Utility Fund</u>	<u>Total Proprietary Funds</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	\$ 15	60,236	41,826	\$ 102,077
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Cash Flows Reported in Other Categories:				
Depreciation Expense	-0-	-0-	-0-	-0-
Non Operating Revenues	-0-	6	-0-	6
Total	-0-	6	-0-	6
Change in Assets and Liabilities:				
Receivables, net	-0-	8,000	-0-	8,000
Account Payables	-0-	6,175	(3,278)	2,897
Due from Other Funds	-0-	-0-	-0-	-0-
Deposits Payable	-0-	3,722	(27,335)	(23,613)
Due to Other Funds	-0-	-0-	-0-	-0-
Total	-0-	17,897	(30,613)	(12,716)
Net Cash Provided by (Used) in Operating Activities	\$ 15	78,139	11,213	\$ 89,367

See accompanying notes to the financial statements.

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**TOWN OF FRIARS POINT  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
(GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Budgeted</u> <u>Original</u>	<u>Amount</u> <u>Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
<b>RESOURCES:</b>				
<u>Revenues</u>				
Taxes				
Real	\$ 125,000	125,000	122,571	\$ (2,429)
Personal	19,500	19,500	17,320	(2,180)
Privilege	120	120	180	60
Franchise	19,000	19,000	17,538	(1,462)
Ad Valorum	44,300	44,300	50,934	6,634
Sales	25,000	25,000	29,225	4,225
Grand Gulf	10,500	10,500	7,953	(2,547)
Gaming	-0-	-0-	-0-	-0-
Road taxes	175	175	-0-	(175)
Homestead exemption	9,500	9,500	13,375	3,875
ABC license	900	900	900	-0-
Fire Fund Premium	6,400	6,400	7,696	1,296
Municipal aid	750	750	2,473	1,723
Miscellaneous	12,650	12,650	9,417	(3,233)
Transfers	107,226	107,226	120,700	13,474
Grants	361,500	361,500	2,654	(358,846)
<b>Total Available</b>	<u>742,521</u>	<u>742,521</u>	<u>402,936</u>	<u>(339,585)</u>
<u>Expenditures</u>				
General government and administration	207,093	207,093	177,931	29,162
Protection of life and property	141,203	141,203	181,187	(39,984)
Care and maintenance of public property	394,225	394,225	38,478	355,747
<b>Total Charges</b>	<u>742,521</u>	<u>742,521</u>	<u>397,596</u>	<u>344,925</u>
<b>ENDING BALANCE</b>	<u>\$ -0-</u>	<u>-0-</u>	<u>5,340</u>	<u>\$ 5,340</u>

See accompanying notes to the financial statements.





**TOWN OF FRIARS POINT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016**

**NOTE 1 – SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**A. General Statement:**

The Town of Friars Point was founded in 1847. The Town operates under the Board of Aldermen-Mayor form of government and provides the following services; public safety (police and fire), streets, sanitation, culture, recreation, public improvements, planning and zoning, and general administrative services.

The financial statements of the Town of Friars Point have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town's most significant accounting policies are described below.

**B. Reporting Entity:**

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Generally Accepted Accounting Principles. The basic – but not the only criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

Based upon the application of these criteria, the Town of Friars Point has no component units.

**C. Encumbrance Accounting:**

The Town of Friars Point does not use the encumbrance method of accounting.



**TOWN OF FRIARS POINT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2016**

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**D. Fund Accounting:**

The Town uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn is divided into separate fund types.

The Town uses the following fund types and account groups:

Governmental funds are used to account for all or most of a government's general activities including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government, which are not required legally, or by sound financial management, to be accounted for in another fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

**E. Basis of Accounting:**

***Government-Wide Financial Statements***

The statement of net position and the statement of activities display information about the Town, the primary government, as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between expenses, and program revenues for each segment of the business-type activities of the Town and for each program of the governmental activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies



**TOWN OF FRIARS POINT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2016**

the extent to which each program or business segment is self-financing or draws from the general revenues of the Town. Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other purposes result from special revenue funds and the restrictions on their net asset use.

***Fund Financial Statements***

Fund financial statements report detailed information about the Town. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

***Governmental Funds***

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

***F. Revenue Recognition:***

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e., collectible within the current year or within one month of year-end and available to pay obligations of the current period). This includes investment earnings, income taxes withheld by employers, fines and forfeitures and state-levied locally shared taxes (including motor vehicle fees). Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made.

Other revenues, including licenses and permits, certain charges for service, income taxes other than those withheld by employers and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

***G. Expenditure Recognition:***

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.



**TOWN OF FRIARS POINT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2016**

***Proprietary Funds***

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource measurement focus concerns determining costs as a means of maintaining the capital investment and management control. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds. Unbilled utility receivables are recorded at year end. Proprietary fund types have selected to consistently follow Financial Accounting Standards Board pronouncements issued subsequent to November 30, 1989 as permitted under Governmental Accounting Standards Board Statements No. 20 that conflict with GASB pronouncements.

***H. Budgets and Budgetary Accounting:***

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to the August board meeting, the Town's City Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1<sup>st</sup>. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted at the Town Hall.
3. At the September board meeting, the budget is legally enacted through passage of ordinance.
4. The Town's Clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Aldermen.
5. The actual receipts and disbursements are accumulated each month and compared to the budgeted amounts and reviewed by the Mayor and Board of Aldermen. Any revisions on the budget during the year are approved by the Board of Aldermen.
6. Budgetary comparison schedules are presented as *Required Supplemental Information*.

***I. Capital Assets and Depreciation:***

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets are reported in the governmental activities column of the governments-wide statement of net position. Capital assets used by proprietary funds are reported in both the business-type activities column of the government-wide statement of net position and in the individual proprietary funds.

The accounting and reporting treatment applied to the capital assets associated





**TOWN OF FRIARS POINT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2016**

with a fund are determined by its measurement focus. General capital assets are long-lived assets of the Town as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized (recorded and accounted for) in the General Capital Asset Account Group. The valuation bases for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years, improvements/infrastructure, 5 to 50 years, equipment, 2 to 15 years.

Capital assets are defined as assets with an initial cost of \$5,000 and an estimated useful life in excess of one year.

*J. Compensated Absences:*

The Town has not made any accrual for compensated absences because the amount cannot be reasonably estimated. However, management believes the amount is not material because all employees are required to take their vacation by year-end.

*K. Net Position:*

Net position is the difference between assets and liabilities. Net assets invested in capital assets, net of related debt are capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are legal limitations imposed on their use by Town legislation or external restrictions by other governments, creditors or grantors.

*L. Accounts Receivable:*

Accounts and property tax receivable are recorded net of an allowance for expected losses. The allowance is estimated based on historical performance and projections of trends.

*M. Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditures until then. The Town has no items that meet this criterion.



**TOWN OF FRIARS POINT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2016**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has no items that meet the criterion for this category.

*N. Date of Management's Review*

Management has evaluated subsequent events through January 20, 2017, the date on which the financial statements were available to be issued.

**NOTE 2 – CASH AND INVESTMENTS**

The collateral for public entities' deposits in financial institutions is now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 Miss. Code Ann. (1972). Under this program, the 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.

For the purpose of the Statement of Net Position, "cash in bank and on hand" includes all demand, savings accounts, and certificates of deposits of the Town. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

**NOTE 3 – RESTRICTED CASH**

Restricted cash consisted of the following at year end:

	<b>FUND</b>			
<b><u>RESTRICTED CASH</u></b>	<b><u>General</u></b>	<b><u>Water &amp; Sewage</u></b>	<b><u>Natural Gas</u></b>	<b><u>Total</u></b>
Unemployment Fund	\$ 2,472		6,008	\$ 8,480
Meter Deposits		12,705	3,201	15,906
Rural Housing Fund		7,045		7,045
Public Safety	2,242			2,242
Urban Renewal	2,939			2,939
Historical Preservation	1,183			1,183
HOME Program	145			145
<b>TOTAL</b>	<b><u>\$ 8,981</u></b>	<b><u>19,750</u></b>	<b><u>9,209</u></b>	<b><u>\$ 37,940</u></b>



**TOWN OF FRIARS POINT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2016**

**NOTE 4 – CAPITAL ASSETS**

Capital assets consist of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Land	\$ 10,000	-0-	-0-	\$ 10,000
Building and improvements	740,733	-0-	-0-	740,733
Furniture and equipment	106,675	-0-	-0-	106,675
Vehicles	<u>353,162</u>	<u>-0-</u>	<u>-0-</u>	<u>353,162</u>
	1,210,570	-0-	-0-	1,210,570
Accumulated Depreciation:				
Building and improvements	740,733	-0-	-0-	740,733
Furniture and equipment	106,675	-0-	-0-	106,675
Vehicles	<u>245,386</u>	<u>29,247</u>	<u>-0-</u>	<u>274,633</u>
	1,092,794	29,247	-0-	1,122,041
<b>CAPITAL ASSETS, NET</b>	<u>\$ 117,796</u>	<u>29,247</u>	<u>-0-</u>	<u>\$ 88,529</u>
<b>Business Type Activities:</b>				
Land	\$ 73,168	-0-	-0-	\$ 73,168
Building and improvements	235,624	-0-	-0-	235,624
Furniture and equipment	1,393,117	-0-	-0-	1,393,117
Vehicles	<u>78,542</u>	<u>-0-</u>	<u>-0-</u>	<u>78,542</u>
	1,780,451	-0-	-0-	1,780,451
Accumulated Depreciation:				
Building and improvements	235,624	-0-	-0-	235,624
Furniture and equipment	1,393,117	-0-	-0-	1,393,117
Vehicles	<u>78,542</u>	<u>-0-</u>	<u>-0-</u>	<u>78,542</u>
	1,707,283	-0-	-0-	1,707,283
<b>CAPITAL ASSETS, NET</b>	<u>\$ 73,168</u>	<u>-0-</u>	<u>-0-</u>	<u>\$ 73,168</u>



**TOWN OF FRIARS POINT  
NOTES TO THE FINANCIAL STATEMENTS (continued)  
SEPTEMBER 30, 2016**

**NOTE 5 – LONG-TERM DEBT**

The Town does not have any long-term debt.

**NOTE 6 – PROPERTY TAX**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on January 1 and payable on or before February 1.

**NOTE 7 – LITIGATION**

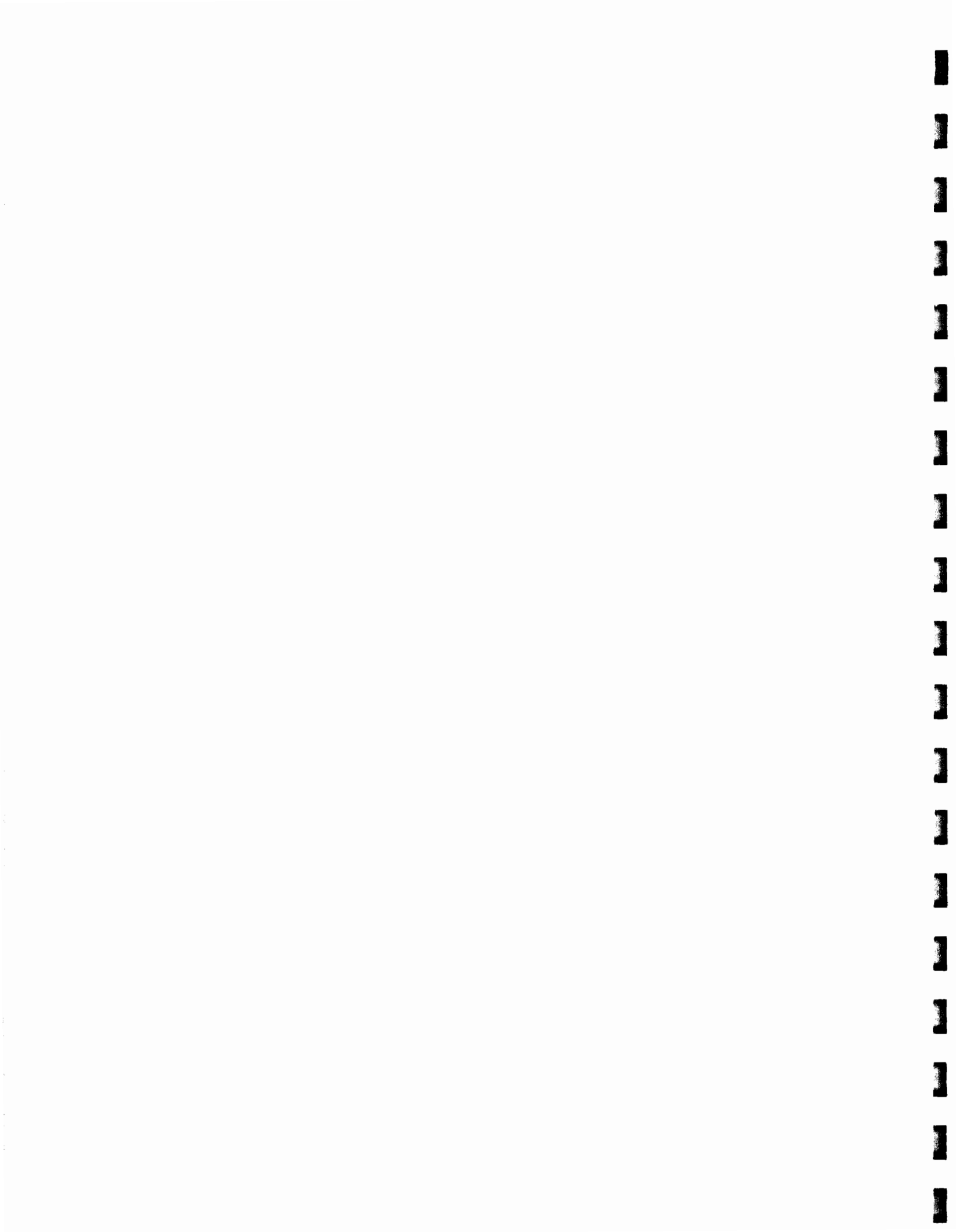
The Town of Friars Point presently has no pending or threatened litigation, claims, or assessments against it.

**NOTE 8 – PENSION PLAN**

The Town does not participate in a retirement plan..

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**TOWN OF FRIARS POINT  
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS  
SEPTEMBER 30, 2016**

<u>POSITION</u>	<u>SURETY</u>	<u>BOND</u>
Mayor	Western Surety Co.	\$100,000
Aldermen (5)	Western Surety Co.	\$25,000 each
Town Clerk	Western Surety Co.	\$100,000
Utility Clerk	RLI Insurance Co..	\$25,000
Police Chief	Western Surety Co.	\$50,000
Police Officers	Western Surety Co.	\$25,000 each



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor  
and Board of Aldermen  
Town of Friars Point  
Friars Point, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities and the aggregate remaining fund information of the Town of Friars Point, Mississippi, as of and for the year ended September 30, 2016 which collectively comprise the Town of Friars Point, Mississippi's basic financial statements and have issued our report thereon dated January 20, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Town of Friars Point, Mississippi's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Friars Point, Mississippi's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Friars Point, Mississippi's internal control over financial reporting.

*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 a 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.

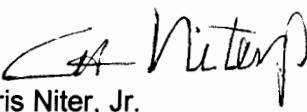


Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

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

This report is intended solely for the information and use of management, the board of aldermen, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

  
Atris Niter, Jr.  
Memphis, TN  
January 20, 2017



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

The Honorable Mayor and  
Board of Aldermen  
Town of Friars Point  
Friars Point, Mississippi

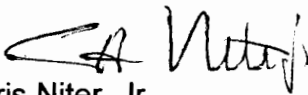
We have audited the general purpose financial statements of the Town of Friars Point, Mississippi, as of and for the year ended September 30, 2016, and have issued our report thereon dated January 20, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*.

As required by the state compliance and by the 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.

The results of those procedures and our audit, the general purpose financial statements disclosed no material instances of noncompliance with state laws and regulations.

In connection with our audit, nothing came to our attention that caused us to believe that the Town of Friars Point, Mississippi had not complied with the requirements of the Office of the State Auditors, as set forth in the Municipal Compliance Questionnaire.

This report is intended for the information of the Town's management and the Office of the State Auditors and is not intended to be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

  
Atris Niter, Jr.  
Memphis, TN  
January 20, 2017



