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Town of Friars Point, Mississippi

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Mayor

Allean Thomas
Town Clerk

Tanita Tate
Deputy Clerk

Alderpersons

Ralph Scott

Carltonez Done

Marva J. Sawyer

Erich Johnson

Thomas Williams

September 10, 2019

Mississippi Department of State Auditor
P. O. Box 956
Jackson, MS 39205-0956

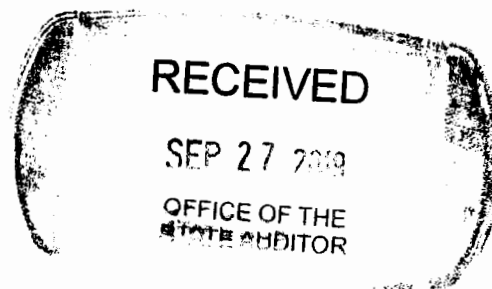
Dear Sir/Madam:

Enclosed please find the Town of Friars Point fiscal year 2018 Audit Report.

If more information is needed, please contact me at 662-383-2233.

Sincerely,

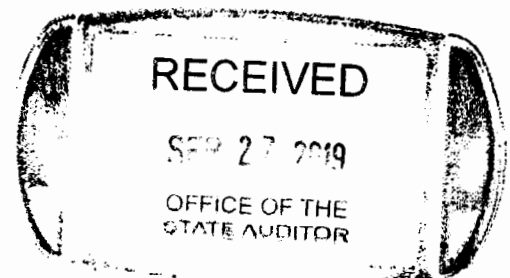
Allean Thomas
Allean Thomas
Town Clerk



TOWN OF FRIARS POINT
Friars Point, Mississippi

REPORT ON AUDIT OF FINANCIAL STATEMENTS

SEPTEMBER 30, 2018



**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

I 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, 2018, 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

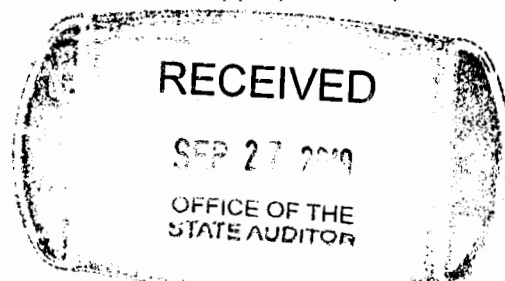
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.



Opinions

In my 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, 2018, 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

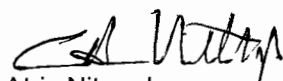
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1-6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I 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

My 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 are 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 my 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, I do not express an opinion or provide any assurance on them.


Atris Niter, Jr.
Memphis, TN
June 30, 2019

**Management's Discussion and Analysis
For the Year Ended September 30, 2018
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, 2018. 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 2018 were as follows:

The total assets of the Town exceeded its liabilities at the close of the year by \$209,632 (reported as “net position”). Of this amount \$120,091 was “unassigned net position”.

Total assets decreased by \$60,534 from 2017.

Total liabilities also decreased by \$3,505 from 2017.

Total assets of governmental activities decreased by \$17,744 from 2017.

Total assets of business-type activities decreased by \$42,810 from 2017.

Governmental revenues for 2018 increased by \$25,415 from 2017, and the total expenses for 2018 decreased by \$20,981 from 2017. The business type revenues for 2018 increased by \$465,508 over 2017; whereas expenses for 2018 increased by \$462,816 over 2017.

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.

September 30, 2018

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 2018? 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 Town Water and Sewer 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.

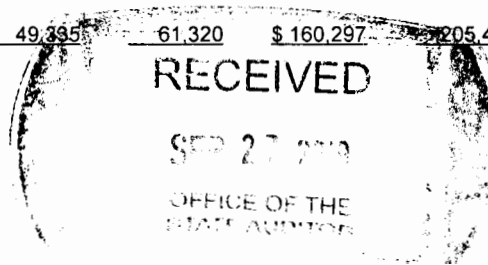
Proprietary Funds

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 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 2018 compared to 2017.

	Net Position					
	Governmental Activities		Business-type Activities		TOTAL	
	2018	2017	2018	2017	2018	2017
Assets:						
Current and Other Assets	\$ 70,710	59,267	\$ 238,475	266,732	\$ 309,345	\$ 325,999
Capital Assets, Net	<u>30,015</u>	<u>59,262</u>	<u>57,760</u>	<u>72,393</u>	<u>87,775</u>	<u>131,655</u>
Total Assets	<u>100,725</u>	<u>118,529</u>	<u>296,235</u>	<u>339,125</u>	<u>397,120</u>	<u>457,654</u>
Liabilities:						
Current and Other Liabilities	51,450	57,209	135,938	133,684	187,388	190,893
Long-term Liabilities:						
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>51,450</u>	<u>57,209</u>	<u>135,938</u>	<u>133,684</u>	<u>187,388</u>	<u>190,893</u>
Net Position:						
Invested in Capital Assets, Net of Debt	30,015	59,262	57,760	72,393	87,775	131,655
Restricted:						
Debt Service	-0-	-0-	-0-	-0-	-0-	-0-
Capital Projects	1,766	1,766	-0-	-0-	1,766	1,766
Unassigned	<u>17,554</u>	<u>292</u>	<u>102,537</u>	<u>133,048</u>	<u>120,091</u>	<u>133,340</u>
Total Net Position	<u>\$ 49,335</u>	<u>61,320</u>	<u>\$ 160,297</u>	<u>205,441</u>	<u>\$209,632</u>	<u>\$ 266,761</u>



Net position of the Town's governmental activities increased by \$46,397 from 2017 and the net position for business-type activities increased by \$2,692 from 2017.

The table below shows the Changes in Net Assets for the year ended September 30, 2018 and 2017.

	Changes in Net Position					
	Governmental Activities		Business-type Activities		TOTAL	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for services	\$ -0-	\$ -0-	\$227,518	\$ 238,172	\$ 227,518	\$ 238,172
Operating grants and contributions	185,155	173,350	476,162		661,317	173,350
Capital grants and contributions	-0-	-0-	-0-	-0-	-0-	-0-
Total Program Revenues	<u>185,155</u>	<u>173,350</u>	<u>703,680</u>	<u>238,172</u>	<u>888,835</u>	<u>411,522</u>
General Revenues:						
Property taxes	145,883	137,260	-0-	-0-	145,883	137,260
Other taxes and licenses	155,042	164,734	-0-	-0-	155,042	164,734
Grants and contributions not restricted to specific programs	-0-	-0-	-0-	-0-	-0-	-0-
Investment and other revenues	<u>52,000</u>	<u>37,321</u>	<u>-0-</u>	<u>-0-</u>	<u>52,000</u>	<u>37,321</u>
Total General Revenues	<u>352,925</u>	<u>339,315</u>	<u>-0-</u>	<u>-0-</u>	<u>352,925</u>	<u>339,315</u>
Total Revenues	<u>538,080</u>	<u>512,665</u>	<u>703,680</u>	<u>238,172</u>	<u>1,241,760</u>	<u>750,837</u>
Program Expenses:						
General government	175,418	187,960	-0-	-0-	175,418	187,960
Public safety	131,710	137,882	-0-	-0-	131,710	137,882
Maintenance	215,773	218,040	-0-	-0-	215,773	218,040
Gas operation	-0-	-0-	-0-	9,069	-0-	9,069
Water and Sewer	-0-	-0-	739,488	267,164	739,488	267,164
Solid waste	-0-	-0-	-0-	439	-0-	439
Total Expenses	<u>522,901</u>	<u>543,882</u>	<u>739,488</u>	<u>276,672</u>	<u>1,262,389</u>	<u>820,554</u>
Increase (Decrease) in net position	<u>\$ 15,180</u>	<u>\$ (31,217)</u>	<u>\$ (35,808)</u>	<u>\$ (38,500)</u>	<u>\$ (20,629)</u>	<u>\$ (69,717)</u>

Governmental Activities

Several revenue sources fund our Governmental Activities. Under the accrual basis of accounting, the Town's property taxes accounted for \$145,883 or 27.0% of gross revenue; revenues from other taxes and charges for services and operating grants and contributions accounted for \$155,042 or 29.0% of gross revenue; and investments and other revenue accounted for \$237,155 or 44.0% of gross revenue.

The Town's major expense activity is public safety which includes police and fire. These expenses totaled \$131,710 or 25.0% of total governmental activity expenses. The maintenance expenses were higher this year.

Business-type Activities

Charges for services fund our Business-type activities. Our proprietary funds include the Water and Sewer Fund and the Solid Waste Fund. Total operating revenues increased by \$465,508 or 34.4% from 2017. Operating expenses also increased by \$462,816 or 8.8% from 2017.

Governmental Activity

Governmental revenues for 2018 increased by \$25,415 over 2017; the total expenses for 2018 also decreased by \$20,981 over 2017.

Capital Assets and Long-Term Obligations

Capital Assets

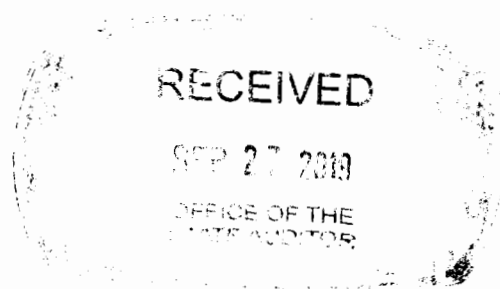
Capital Assets, Net of Depreciation September 30, 2018 and 2017

	Governmental Activities		Business-Type Activities		Total	Total
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 10,000	10,000	\$ 72,393	72,393	\$ 82,393	\$ 82,393
Buildings (includes Construction in Progress)	-0-	-0-	-0-	-0-	-0-	-0-
Furniture and Equipment	-0-	-0-	-0-	-0-	-0-	-0-
Vehicles	19,995	49,262	-0-	-0-	19,995	49,262
Infrastructure	-0-	-0-	-0-	-0-	-0-	-0-
Total Capital Assets (Net)	<u>\$ 29,995</u>	<u>59,262</u>	<u>\$ 72,393</u>	<u>72,393</u>	<u>\$ 102,388</u>	<u>\$ 131,655</u>

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

Long-Term Obligations

At September 30, 2018, the Town had no outstanding long-term notes payable.

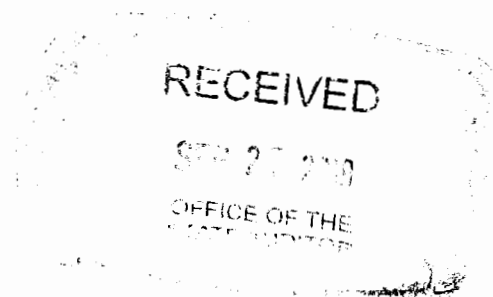


Current Financial Related Activities

The 2019 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 2018. 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.



**TOWN OF FRIARS POINT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018**

	PRIMARY GOVERNMENT		
	Governmental Activities	Business- Type Activities	Total
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalent	\$ 56,247	51,132	\$ 107,379
Cash - Restricted	8,885	24,379	33,264
Accounts Receivable, Net	5,638	13,102	18,740
Intergovernmental Receivables	-0-	149,862	149,862
Total Current Assets	70,770	238,475	309,245
DEFERRED OUTFLOWS OF RESOURCES	-0-	-0-	-0-
Non-current Assets:			
Capital Assets			
General Fixed Assets, Net	30,015	57,760	87,775
Total Non-current Assets	30,015	57,760	87,775
Total Assets	100,785	296,235	397,020
<u>LIABILITIES</u>			
Current Liabilities:			
Accrued Payables	7,135	14,103	21,238
Note Payable, Current	-0-	-0-	-0-
Taxes Payable	-0-	-0-	-0-
Intergovernmental Payables	44,315	105,546	149,861
Deposits Payable	-0-	16,289	16,289
Total Current Liabilities	51,450	135,938	187,388
Non-current Liabilities:			
Note Payable, Non-current	-0-	-0-	-0-
Total Non-current Liabilities	-0-	-0-	-0-
Total Liabilities	51,450	135,938	187,388
DEFERRED INFLOWS OF RESOURCES	-0-	-0-	-0-
<u>NET POSITION</u>			
Invested in Capital Assets - Net of debt	30,015	57,760	87,775
Restricted - Capital Projects	1,766	-0-	1,766
Unassigned	17,554	102,537	120,091
Total Net Position	\$ 49,335	160,297	\$ 209,632

See accompanying notes to the financial statements.

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OFFICE OF THE
STATE AUDITOR

**TOWN OF FRIARS POINT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				Net (Expenses) Revenues & Change in Net Position PRIMARY GOVERNMENT		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Primary Government:							
Government Activities:							
Administration	\$ 175,418	-0-	-0-	-0-	(175,418)	-0-	\$ (175,418)
Public Safety	131,710	-0-	-0-	-0-	(131,710)	-0-	(131,710)
Care & Maintenance of Property	215,773	-0-	185,155	-0-	(30,617)	-0-	(30,617)
Total Governmental Activities	522,901	-0-	185,155	-0-	(337,745)	-0-	(337,745)
Business Type Activities:							
Water Operations	731,488	227,518	476,162	-0-	-0-	(27,808)	(27,808)
Solid Waste Operations	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total Business Type Activities	731,488	227,518	476,162	-0-	-0-	(27,808)	(27,808)
TOTAL PRIMARY GOVERNMENT	\$ 1,254,389	227,518	661,317	-0-	(337,745)	(27,808)	\$ (365,553)

General Revenues:

Taxes:

Real	\$ 142,168	-0-	\$ 142,168
Personal	3,715	-0-	3,715
Privilege	120	-0-	120
Franchise	22,691	-0-	22,691
Advalorem	60,748	-0-	60,748
Sales	37,813	-0-	37,813
Grand Gulf	7,864	-0-	7,864
Gaming	-0-	-0-	-0-
Fines	-0-	-0-	-0-
Homestead exemption	12,935	-0-	12,935
ABC License	900	-0-	900
Fire Fund Premium	6,850	-0-	6,850
Municipal Aid	4,123	-0-	4,123
Miscellaneous	998	-0-	998
Transfers In (Out)	52,000	(52,000)	-0-

Total general revenues and transfers	352,925	(52,000)	300,925
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Change in Net Position	15,180	(79,808)	(64,628)
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Net Position - Beginning/Restated	34,155	240,105	274,260
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Other Changes	-0-	-0-	-0-
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Net Position - Ending	\$ 49,335	160,297	\$ 209,632
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See accompanying notes to the financial statements.

**TOWN OF FRIARS POINT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018**

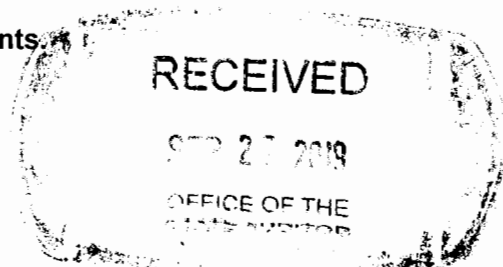
	Governmental Funds
<u>ASSETS</u>	
Cash and Cash Equivalent	\$ 56,247
Cash - Restricted	8,885
Account Receivables	5,638
Interfund Receivables	<u>-0-</u>
TOTAL ASSETS	\$ <u>70,770</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-0-</u>
<u>LIABILITIES & FUND BALANCES</u>	
Liabilities:	
Accrued Payables	\$ 7,135
Interfund Payables	44,315
Total Liabilities	<u>51,450</u>
DEFERRED INFLOWS OF RESOURCES	<u>-0-</u>
Fund Balances:	
Unassigned	<u>19,320</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>70,770</u>
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION:	
Total Fund Balances - Governmental Funds	\$ 19,320
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	<u>(1,180,555)</u>
Accumulated depreciation	<u>30,015</u>
Net Position of Governmental Activities	\$ <u>49,335</u>

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, 2018**

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total Governmental Funds</u>
REVENUES:			
Real property taxes	\$ 142,168	-0-	\$ 142,168
Personal property taxes	3,715	-0-	3,715
Municipal aid	4,123	-0-	4,123
Advalorem taxes	60,748	-0-	60,748
Franchise taxes	22,691	-0-	22,691
Sales taxes	37,813	-0-	37,813
Road taxes	-0-	-0-	-0-
Homestead exemption	12,935	-0-	12,935
Program grants	185,155	-0-	185,155
Gaming income	-0-	-0-	-0-
Miscellaneous	16,732	-0-	16,732
TOTAL REVENUES	<u>486,080</u>	<u>-0-</u>	<u>486,080</u>
EXPENDITURES:			
General government and administration	175,418	-0-	175,418
Protection of life and property	131,710	-0-	131,710
Care & maintenance of public property	215,772	-0-	215,772
TOTAL EXPENDITURES	<u>522,900</u>	<u>-0-</u>	<u>522,900</u>
Excess Revenues Over (Under) Expenditures	<u>(36,820)</u>	<u>-0-</u>	<u>(36,820)</u>
OTHER FINANCING SOURCES:			
Transfers in (out)	<u>52,000</u>	<u>-0-</u>	<u>52,000</u>
NET CHANGE IN FUND BALANCE	<u>15,180</u>	<u>-0-</u>	<u>15,180</u>
FUND BALANCE - Beginning	(128,669)	1,766	(126,903)
Other Changes	-0-	-0-	-0-
FUND BALANCE - Ending	<u>\$ (113,489)</u>	<u>1,766</u>	<u>\$ (111,723)</u>

See accompanying notes to the financial statements.



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, 2018

Net Change in Fund Balances – Total Governmental Funds	\$ 15,180
No Reconciling Items	-0-
Changes in Net Position of Governmental Activities	<u>\$ 15,180</u>

See accompanying notes to the financial statements.

**TOWN OF FRIARS POINT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2018**

<u>ASSETS</u>	Garbage Utility Fund	Water Utility Fund	Total
Current Assets:			
Cash and Cash Equivalent	\$ -0-	51,132	\$ 51,132
Cash - Restricted	-0-	24,379	24,379
Accounts Receivable, Net	-0-	13,102	13,102
Due from Other Funds	43,060	106,802	149,862
Total Current Assets	43,060	195,415	238,475
Non-current Assets:			
General Fixed Assets, Net of Accumulated Depreciaton	-0-	57,760	57,760
Total Non-current Assets	-0-	57,760	57,760
TOTAL ASSETS	43,060	253,175	296,235
<u>LIABILITIES</u>			
Current Liabilities:			
Due to Other Funds	58,870	46,676	105,546
Deposits Payable	-0-	16,289	16,289
Accounts Payable	-0-	14,103	14,103
Taxes Payable	-0-	-0-	-0-
Note Payable, Current	-0-	-0-	-0-
Total Current Liabilities	58,870	77,068	135,938
Non-current Liabilities:			
Note Payable	-0-	-0-	-0-
Total Non-current Liabilities	-0-	-0-	-0-
TOTAL LIABILITIES	58,870	77,068	135,938
<u>NET POSITION</u>			
Unassigned (Deficit)	(15,810)	118,347	102,537
Invested in Capital Assets, Net of Debt	-0-	57,760	57,760
TOTAL NET POSITION	\$ (15,810)	176,107	\$ 160,297

See accompanying notes to the financial statements.

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**TOWN OF FRIARS POINT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Garbage Utility Fund	Water Utility Fund	Total Proprietary Funds
<u>OPERATING REVENUES:</u>			
Charges for Services	\$ -0-	227,518	\$ 227,518
Grants	-0-	476,162	-0-
TOTAL REVENUES	-0-	703,680	703,680
<u>OPERATING EXPENSES:</u>			
Personnel Services	-0-	84,068	84,068
Grant Expenses	-0-	475,992	475,992
Contractual Services	-0-	19,902	19,902
Repairs and Maintenance	-0-	18,441	18,441
Insurance	-0-	8,309	8,309
Purchases for Re-sale	-0-	29,102	29,102
Depreciation	-0-	8,000	8,000
Fuel and Oil	-0-	6,983	6,983
Supplies	-0-	24,121	24,121
Other Expenses	-0-	12,570	12,570
TOTAL OPERATING EXPENSES	-0-	687,488	687,488
Operating Income (Loss)	-0-	16,192	16,192
<u>Non-operating Revenues (Expenses)</u>			
Interest Income	-0-	-0-	-0-
Interest Expense	-0-	-0-	-0-
Total Non-operating Revenues (Expenses)	-0-	-0-	-0-
<u>OPERATING TRANSFERS:</u>			
Transfers In	-0-	-0-	-0-
Transfers Out	-0-	(52,000)	(52,000)
Change in Net Assets	-0-	(35,808)	(35,808)
NET POSITION - Beginning/Restated	(15,810)	211,915	196,105
Other Changes	-0-	-0-	-0-
NET POSITION - Ending	\$ (15,810)	176,107	\$ 160,297

See accompanying notes to the financial statements.

**TOWN OF FRIARS POINT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Garbage Utility Fund</u>	<u>Water Utility Fund</u>	<u>Total Proprietary Funds</u>
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers	\$ -0-	267,886	\$ 267,886
Payments to suppliers	-0-	(116,627)	(116,627)
Payments to employees	-0-	(95,205)	(95,205)
Payments for contract services	-0-	(27,000)	(27,000)
Other Receipts (Payments)	-0-	-0-	-0-
	<u>-0-</u>	<u>29,054</u>	<u>29,054</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-0-	-0-	-0-
Transfers to other funds	-0-	(52,000)	(52,000)
	<u>-0-</u>	<u>(22,946)</u>	<u>(22,946)</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES			
Principal paid on capital debt	-0-	-0-	-0-
Interest paid on capital debt	-0-	-0-	-0-
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	-0-	-0-	-0-
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net Increase (Decrease) in Cash	-0-	(22,946)	(22,946)
BALANCE - Beginning	<u>-0-</u>	<u>98,457</u>	<u>98,457</u>
BALANCE - Ending	<u>-0-</u>	<u>75,511</u>	<u>\$ 75,511</u>

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**TOWN OF FRIARS POINT
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Garbage Utility Fund	Water Utility Fund	Total Proprietary Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ -0-	(35,808)	\$ (35,808)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Cash Flows Reported in Other Categories:			
Depreciation Expense	-0-	8,000	8,000
Non Operating Revenues	-0-	-0-	-0-
Total	-0-	(27,808)	(27,808)
Change in Assets and Liabilities:			
Receivables, net	-0-	-0-	-0-
Account Payables	-0-	3,063	3,063
Due from Other Funds	-0-	-0-	-0-
Deposits Payable	-0-	1,799	1,799
Due to Other Funds	-0-	-0-	-0-
Total	-0-	4,862	4,862
Net Cash Provided by (Used) in Operating Activities	\$ -0-	(22,946)	\$ (22,946)

See accompanying notes to the financial statements.

**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, 2018**

	<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>
RESOURCES:				
<u>Revenues</u>				
Taxes				
Real	\$ 126,000	144,000	142,168	\$ (1,832)
Personal	20,500	3,000	3,715	715
Privilege	250	250	120	(130)
Franchise	16,000	22,000	22,691	691
Ad Valorum	63,000	63,000	60,748	(2,252)
Sales	53,000	35,000	37,813	2,813
Grand Gulf	8,000	8,000	7,864	(136)
Gaming	-0-	-0-	-0-	-0-
Road taxes	175	175	-0-	(175)
Homestead exemption	9,500	9,500	12,935	3,435
ABC license	900	900	900	-0-
Fire Fund Premium	6,500	6,500	6,850	350
Municipal aid	4,000	4,000	4,123	123
Miscellaneous	66,777	60,127	998	(59,129)
Transfers	32,000	59,000	52,000	(7,000)
Grants	188,150	188,150	185,155	(2,995)
Total Available	<u>594,752</u>	<u>603,602</u>	<u>538,080</u>	<u>(65,522)</u>
<u>Expenditures</u>				
General government and administration	220,787	223,022	175,418	47,604
Protection of life and property	153,466	148,416	131,710	16,706
Care and maintenance of public property	<u>220,499</u>	<u>232,164</u>	<u>215,772</u>	<u>16,392</u>
Total Charges	<u>594,752</u>	<u>603,602</u>	<u>522,900</u>	<u>80,702</u>
ENDING BALANCE	\$ <u>-0-</u>	<u>-0-</u>	<u>15,180</u>	\$ <u>15,180</u>

See accompanying notes to the financial statements.

**TOWN OF FRIARS POINT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2018**

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.

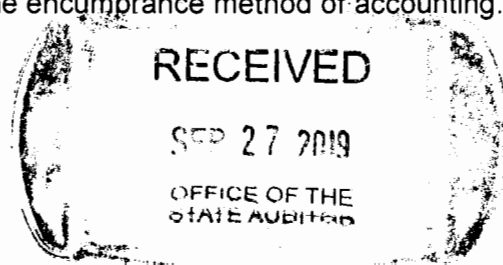
B. Reporting Entity:

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, 2018**

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, 2018

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.

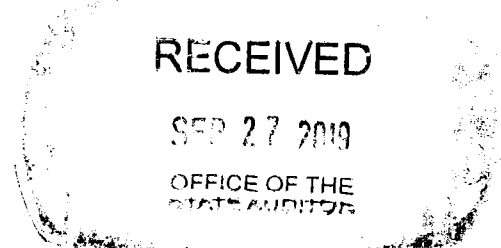
F. Revenue Recognition:

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, 2018

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 1st. 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, 2018

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.

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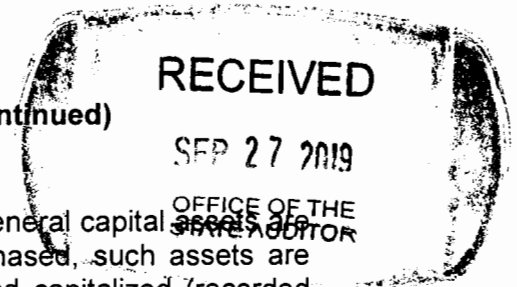
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2. A public hearing is conducted at the Town Hall.
3. At the September board meeting, the budget is legally enacted through passage of ordinance.
4. The Town's Clerk is authorized to transfer budgeted amounts between departments within any fund; however, 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.
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The accounting and reporting treatment applied to the capital assets associated

**TOWN OF FRIARS POINT
NOTES TO THE FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018**



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, 2018

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 June 30, 2019, 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:

<u>RESTRICTED CASH</u>	<u>FUND</u>		
	<u>General</u>	<u>Water & Sewage</u>	<u>Total</u>
Unemployment Fund	\$ 2,376		\$ 2,376
Meter Deposits		16,086	16,086
Rural Housing Fund		8,293	8,293
Public Safety	2,242		2,242
Urban Renewal	2,939		2,939
Historical Preservation	1,183		1,183
HOME Program	145		145
TOTAL	<u>\$ 8,885</u>	<u>24,379</u>	<u>\$ 33,264</u>

TOWN OF FRIARS POINT
NOTES TO THE FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018

NOTE 4 – CAPITAL ASSETS

Capital assets consist of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
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>303,900</u>	<u>29,267</u>	<u>-0-</u>	<u>333,167</u>
	1,151,308	29,267	-0-	1,180,575

CAPITAL ASSETS, NET	<u>\$ 59,262</u>	<u>29,267</u>	<u>-0-</u>	<u>\$ 29,995</u>
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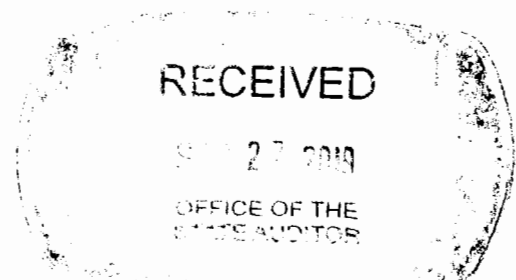
Business Type Activities:

Land	\$ 72,393	-0-	-0-	\$ 72,393
Building and improvements	235,624	-0-	-0-	235,624
Furniture and equipment	1,407,177	-0-	-0-	1,407,177
Vehicles	<u>78,542</u>	<u>-0-</u>	<u>-0-</u>	<u>78,542</u>
	1,793,736	-0-	-0-	1,793,736

Accumulated Depreciation:

Building and improvements	235,624	-0-	-0-	235,624
Furniture and equipment	1,407,177	-0-	-0-	1,407,177
Vehicles	<u>78,542</u>	<u>-0-</u>	<u>-0-</u>	<u>78,542</u>
	1,721,343	-0-	-0-	1,721,343

CAPITAL ASSETS, NET	<u>\$ 72,393</u>	<u>-0-</u>	<u>-0-</u>	<u>\$ 72,393</u>
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**TOWN OF FRIARS POINT
NOTES TO THE FINANCIAL STATEMENTS (continued)
SEPTEMBER 30, 2018**

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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OFFICE OF THE
STATE AUDITOR

**TOWN OF FRIARS POINT
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
SEPTEMBER 30, 2018**

<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.	\$10,000
Utility Clerk	Western Surety Co.	\$10,000
Police Chief	Western Surety Co.	\$50,000
Police Officers	Western Surety Co.	\$50,000 each

RECEIVED

SEP 27 2018

OFFICE OF THE
STATE AUDITOR

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Memphis, Tennessee 38104
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Fax (901) 726-9708
aniter1378@bellsouth.net

**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

I 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, 2018 which collectively comprise the Town of Friars Point, Mississippi's basic financial statements and have issued my report thereon dated June 30, 2019. I conducted my 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 my audit, I considered the Town of Friars Point, Mississippi's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my 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, I do not express an opinion on the effectiveness of the Town of Friars Point, Mississippi's internal control over financial reporting.

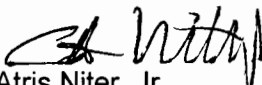
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination 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.

My 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. I did not identify any deficiencies in internal control over financial reporting that I 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, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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
June 30, 2019

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OFFICE OF THE
STATE AUDITOR

ATRIS NITER, JR.

CERTIFIED PUBLIC ACCOUNTANT

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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

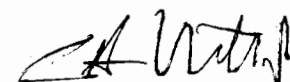
I have audited the general purpose financial statements of the Town of Friars Point, Mississippi, as of and for the year ended September 30, 2018, and have issued our report thereon dated June 30, 2019. I conducted my audit in accordance with auditing standards generally accepted in the United States 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, I have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of my audit and, accordingly, I do not express such an opinion.

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

In connection with my audit, nothing came to my attention that caused me 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
June 30, 2019

