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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, 2019**

**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, 2019, 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, 2019, 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  
May 15, 2020

**Management's Discussion and Analysis  
For the Year Ended September 30, 2019  
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, 2019. 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 2019 were as follows:

The total assets of the Town exceeded its liabilities at the close of the year by \$92,508 (reported as "net position"). Of this amount (\$115,797) was "unassigned net position". Negative amount.

Total assets decreased by \$43,931 from 2018.

Total liabilities also increased by \$59,159 from 2018.

Total assets of governmental activities decreased by \$8,842 from 2018.

Total assets of business-type activities decreased by \$35,089 from 2018.

Governmental revenues for 2019 decreased by \$152,436 from 2018, and the total expenses for 2019 decreased by \$172,423 from 2018. The business type revenues for 2019 decreased by \$488,060 over 2018; whereas expenses for 2019 decreased by \$320,309 over 2018.

**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, 2019****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 2019? 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 2019 compared to 2018.

	Net Position					
	Governmental Activities		Business-type Activities		TOTAL	
	2019	2018	2019	2018	2019	2018
<b>Assets:</b>						
Current and Other Assets	\$ 23,531	70,710	\$ 202,019	238,475	\$ 225,550	\$ 309,245
Capital Assets, Net	<u>68,412</u>	<u>30,015</u>	<u>59,127</u>	<u>57,760</u>	<u>127,539</u>	<u>87,775</u>
Total Assets	<u>91,943</u>	<u>100,725</u>	<u>261,146</u>	<u>296,235</u>	<u>353,089</u>	<u>397,020</u>
<b>Liabilities:</b>						
Current and Other Liabilities	49,030	51,450	139,201	135,938	188,231	187,388
<b>Long-term Liabilities:</b>						
Due in More than One Year	<u>-0-</u>	<u>-0-</u>	<u>151,350</u>	<u>-0-</u>	<u>151,350</u>	<u>-0-</u>
Total Liabilities	<u>49,030</u>	<u>51,450</u>	<u>290,551</u>	<u>135,938</u>	<u>339,581</u>	<u>187,388</u>
<b>Net Position:</b>						
Invested in Capital Assets, Net of Debt	68,412	30,015	59,127	57,760	127,539	87,775
Restricted:						
Debt Service	-0-	-0-	59,127	-0-	-0-	-0-
Capital Projects	1,766	1,766	-0-	-0-	1,766	1,766
Unassigned	<u>(27,285)</u>	<u>17,554</u>	<u>(88,532)</u>	<u>102,537</u>	<u>(115,817)</u>	<u>120,091</u>
Total Net Position	<u>\$ 42,893</u>	<u>49,335</u>	<u>\$ (29,405)</u>	<u>160,297</u>	<u>\$ 13,488</u>	<u>\$ 209,632</u>

Management's Discussion and Analysis  
Page 4

Net position of the Town's governmental activities decreased by \$13,513 from 2018 and the net position for business-type activities decreased by \$132,751 from 2018.

The table below shows the Changes in Net Assets for the year ended September 30, 2019 and 2018.

	Changes in Net Position					
	Governmental Activities		Business-type Activities		TOTAL	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ -0-	\$ -0-	\$215,620	\$ 227,518	\$ 215,620	\$ 227,518
Operating grants and contributions	38,275	185,155	-0-	476,162	38,295	661,317
Capital grants and contributions	-0-	-0-	-0-	-0-	-0-	-0-
Total Program Revenues	<u>38,275</u>	<u>185,155</u>	<u>215,620</u>	<u>703,680</u>	<u>253,895</u>	<u>888,835</u>
<b>General Revenues:</b>						
Property taxes	132,318	145,883	-0-	-0-	132,318	145,883
Other taxes and licenses	163,051	155,042	-0-	-0-	163,051	155,042
Grants and contributions not restricted to specific programs	-0-	-0-	-0-	-0-	-0-	-0-
Investment and other revenues	<u>18,500</u>	<u>52,000</u>	<u>-0-</u>	<u>-0-</u>	<u>18,500</u>	<u>52,000</u>
Total General Revenues	<u>313,869</u>	<u>352,925</u>	<u>-0-</u>	<u>-0-</u>	<u>313,869</u>	<u>352,925</u>
Total Revenues	<u>352,144</u>	<u>538,080</u>	<u>215,620</u>	<u>703,680</u>	<u>567,764</u>	<u>1,241,760</u>
<b>Program Expenses:</b>						
General government	186,795	175,418	-0-	-0-	186,795	175,418
Public safety	98,902	131,710	-0-	-0-	98,900	131,710
Maintenance	64,780	215,773	-0-	-0-	64,780	215,773
Gas operation	-0-	-0-	-0-	-0-	-0-	-0-
Water and Sewer	-0-	-0-	384,179	739,488	384,179	739,488
Solid waste	-0-	-0-	-0-	-0-	-0-	439
Total Expenses	<u>350,477</u>	<u>522,901</u>	<u>384,179</u>	<u>739,488</u>	<u>(160,895)</u>	<u>1,262,389</u>
Increase (Decrease) in net position	<u>\$ 1,667</u>	<u>\$ 15,180</u>	<u>\$ (168,559)</u>	<u>\$ (35,808)</u>	<u>\$ (168,559)</u>	<u>\$ (20,629)</u>

## Governmental Activities

Several revenue sources fund our Governmental Activities. Under the accrual basis of accounting, the Town's property taxes accounted for \$132,318 or 39.0% of gross revenue; revenues from other taxes and charges for services and operating grants and contributions accounted for \$163,051 or 46.0% of gross revenue; and investments and other revenue accounted for \$18,500 or 7.0% of gross revenue.

The Town's major expense activity is public safety which includes police and fire. These expenses totaled \$98,902 or 20.0% 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 decreased by \$480,060 or 30.9% from 2018. Operating expenses also decreased by \$355,309 or 53.4% from 2018.

## Governmental Activity

Governmental revenues for 2019 decreased by \$185,936 over 2018; the total expenses for 2019 also decreased by \$174,424 over 2018.

## Capital Assets and Long-Term Obligations

### Capital Assets

#### Capital Assets, Net of Depreciation September 30, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	Total
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</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	58,392	19,995	-0-	-0-	58,392	19,995
Infrastructure	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Capital Assets (Net)	<u>\$ 68,392</u>	<u>29,995</u>	<u>\$ 72,393</u>	<u>72,393</u>	<u>\$ 140,785</u>	<u>\$ 102,388</u>

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

### Long-Term Obligations

At September 30, 2019, the Town had the following balance outstanding long-term notes payable to the Mississippi Department of Environment quality in the amount of \$161,337.

### **Current Financial Related Activities**

The 2020 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 2019. 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, 2019**

	<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	\$ 10,462	13,180	\$ 23,642
Cash - Restricted	7,113	25,150	32,263
Accounts Receivable, Net	5,956	13,827	19,783
Intergovernmental Receivables	-0-	149,862	149,862
<b>Total Current Assets</b>	<b>23,531</b>	<b>202,019</b>	<b>225,550</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	68,412	59,127	127,539
<b>Total Non-current Assets</b>	<b>68,412</b>	<b>59,127</b>	<b>127,539</b>
<b>Total Assets</b>	<b>91,943</b>	<b>261,146</b>	<b>353,089</b>
<b><u>LIABILITIES</u></b>			
Current Liabilities:			
Accrued Payables	4,715	6,578	11,293
Note Payable, Current	-0-	9,987	9,987
Taxes Payable	-0-	-0-	-0-
Intergovernmental Payables	44,315	105,546	149,861
Deposits Payable	-0-	17,090	17,090
<b>Total Current Liabilities</b>	<b>49,030</b>	<b>139,201</b>	<b>188,231</b>
Non-current Liabilities:			
Note Payable, Non-current	-0-	151,350	151,350
<b>Total Non-current Liabilities</b>	<b>-0-</b>	<b>151,350</b>	<b>151,350</b>
<b>Total Liabilities</b>	<b>49,030</b>	<b>290,551</b>	<b>339,581</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	68,412	59,127	127,539
Restricted - Capital Projects	1,766	-0-	1,766
Unassigned	(27,265)	(88,532)	(115,797)
<b>Total Net Position</b>	<b>\$ 42,913</b>	<b>(29,405)</b>	<b>\$ 13,508</b>

See accompanying notes to the financial statements.

**TOWN OF FRIARS POINT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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	\$ 186,795	-0-	-0-	-0-	(186,795)	-0-	\$ (186,795)
Public Safety	98,902	-0-	-0-	-0-	(98,902)	-0-	(98,902)
Care & Maintenance of Property	64,780	-0-	38,275	-0-	(26,505)	-0-	(26,505)
<b>Total Governmental Activities</b>	<b>350,477</b>	<b>-0-</b>	<b>38,275</b>	<b>-0-</b>	<b>(312,202)</b>	<b>-0-</b>	<b>(312,202)</b>
Business Type Activities:							
Water Operations	384,179	215,620	-0-	-0-	-0-	(168,559)	(168,559)
Solid Waste Operations	-0-	-0-	-0-	-0-	-0-	-0-	-0-
<b>Total Business Type Activities</b>	<b>384,179</b>	<b>215,620</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>(168,559)</b>	<b>(168,559)</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 734,656</b>	<b>215,620</b>	<b>38,275</b>	<b>-0-</b>	<b>(312,202)</b>	<b>(168,559)</b>	<b>\$ (480,761)</b>

General Revenues:

Taxes:

Real	\$ 132,318	-0-	\$ 132,318
Personal	-0-	-0-	-0-
Privilege	140	-0-	140
Franchise	18,191	-0-	18,191
Advalorem	70,548	-0-	70,548
Sales	42,411	-0-	42,411
Grand Gulf	7,783	-0-	7,783
Gaming	-0-	-0-	-0-
Fines	962	-0-	962
Homestead exemption	6,272	-0-	6,272
ABC License	1,800	-0-	1,800
Fire Fund Premium	7,082	-0-	7,082
Municipal Aid	4,124	-0-	4,124
Miscellaneous	3,738	-0-	3,738
Transfers In (Out)	18,500	(18,500)	-0-

Total general revenues and transfers	313,869	(18,500)	295,369
Change in Net Position	1,667	(187,059)	(185,392)
<b>Net Position - Beginning/Restated</b>	<b>41,246</b>	<b>157,654</b>	<b>198,900</b>
Other Changes	-0-	-0-	-0-
<b>Net Position - Ending</b>	<b>\$ 42,913</b>	<b>(29,405)</b>	<b>\$ 13,508</b>

See accompanying notes to the financial statements.

**TOWN OF FRIARS POINT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019**

<b><u>ASSETS</u></b>	<b>Governmental Funds</b>
Cash and Cash Equivalent	\$ 10,462
Cash - Restricted	7,113
Account Receivables	5,956
Interfund Receivables	<u>-0-</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>23,531</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>-0-</u></b>
<b><u>LIABILITIES &amp; FUND BALANCES</u></b>	
Liabilities:	
Accrued Payables	\$ 4,715
Interfund Payables	44,315
Total Liabilities	<u>49,030</u>
Fund Balances:	
Assigned - Capital Project	1,766
Unassigned	<u>(27,265)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>23,531</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b><u>-0-</u></b>
<b>RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION:</b>	
<b>Total Fund Balances - Governmental Funds</b>	<b>\$ (25,499)</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	401,158
Infrastructure	
Accumulated depreciation	(1,190,174)
	<u>68,392</u>
<b>Net Position of Governmental Activities</b>	<b>\$ <u>42,893</u></b>

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, 2019**

	<b>General Fund</b>	<b>Special Revenue</b>	<b>Total Governmental Funds</b>
<b>REVENUES:</b>			
Real property taxes	\$ 132,318	-0-	\$ 132,318
Municipal aid	4,124	-0-	4,124
Advalorem taxes	70,548	-0-	70,548
Franchise taxes	18,191	-0-	18,191
Sales taxes	42,411	-0-	42,411
Road taxes	-0-	-0-	-0-
Homestead exemption	6,272	-0-	6,272
Program grants	38,275	-0-	38,275
Gaming income	-0-	-0-	-0-
Miscellaneous	21,505	-0-	21,505
<b>TOTAL REVENUES</b>	<u>333,644</u>	<u>-0-</u>	<u>333,644</u>
<b>EXPENDITURES:</b>			
General government and administration	186,795	-0-	186,795
Protection of life and property	98,902	-0-	98,902
Care & maintenance of public property	64,780	-0-	64,780
<b>TOTAL EXPENDITURES</b>	<u>350,477</u>	<u>-0-</u>	<u>350,477</u>
Excess Revenues Over (Under) Expenditures	<u>(16,833)</u>	<u>-0-</u>	<u>(16,833)</u>
<b>OTHER FINANCING SOURCES:</b>			
Transfers in (out)	<u>18,500</u>	<u>-0-</u>	<u>18,500</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>1,667</u>	<u>-0-</u>	<u>1,667</u>
<b>FUND BALANCE - Beginning</b>	(113,489)	1,766	(111,723)
Other Changes	-0-	-0-	-0-
<b>FUND BALANCE - Ending</b>	<u>\$ (111,822)</u>	<u>1,766</u>	<u>\$ (110,056)</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, 2019**

<b>Net Change in Fund Balances – Total Governmental Funds</b>	<b>\$ 1,667</b>
No Reconciling Items	-0-
<b>Changes in Net Position of Governmental Activities</b>	<b><u>\$ 1,667</u></b>

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

**TOWN OF FRIARS POINT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2019**

<b><u>ASSETS</u></b>	<b>Garbage Utility Fund</b>	<b>Water Utility Fund</b>	<b>Total</b>
Current Assets:			
Cash and Cash Equivalent	\$ -0-	30,037	\$ 30,037
Cash - Restricted	-0-	8,293	8,293
Accounts Receivable, Net	-0-	13,827	13,827
Due from Other Funds	43,060	106,802	149,862
Total Current Assets	43,060	158,959	202,019
Non-current Assets:			
General Fixed Assets, Net of Accumulated Depreciaton	-0-	59,127	59,127
Total Non-current Assets	-0-	59,127	59,127
<b>TOTAL ASSETS</b>	<b>43,060</b>	<b>218,086</b>	<b>261,146</b>
<b><u>LIABILITIES</u></b>			
Current Liabilities:			
Due to Other Funds	58,870	46,676	105,546
Deposits Payable	-0-	17,090	17,090
Accounts Payable	-0-	6,578	6,578
Taxes Payable	-0-	-0-	-0-
Note Payable, Current	-0-	9,987	9,987
Total Current Liabilities	58,870	80,331	139,201
Non-current Liabilities:			
Note Payable	-0-	151,350	151,350
Total Non-current Liabilities	-0-	151,350	151,350
<b>TOTAL LIABILITIES</b>	<b>58,870</b>	<b>231,681</b>	<b>290,551</b>
<b><u>NET POSITION</u></b>			
Unassigned (Deficit)	(15,810)	(13,595)	(29,405)
Invested in Capital Assets, Net of Debt	-0-	59,127	59,127
<b>TOTAL NET POSITION</b>	<b>\$ (15,810)</b>	<b>45,532</b>	<b>\$ 29,722</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, 2019**

	<b>Garbage Utility Fund</b>	<b>Water Utility Fund</b>	<b>Total Proprietary Funds</b>
<b><u>OPERATING REVENUES:</u></b>			
Charges for Services	\$ -0-	218,620	\$ 218,620
Grants	-0-	-0-	-0-
<b>TOTAL REVENUES</b>	<u>-0-</u>	<u>218,620</u>	<u>218,620</u>
<b><u>OPERATING EXPENSES:</u></b>			
Personnel Services	-0-	82,313	82,313
Grant Expenses	-0-	129,741	129,741
Contractual Services	-0-	18,000	18,000
Repairs and Maintenance	-0-	48,087	48,087
Insurance	-0-	-0-	-0-
Purchases for Re-sale	-0-	36,006	36,006
Depreciation	-0-	6,633	6,633
Fuel and Oil	-0-	9,202	9,202
Supplies	-0-	30,091	30,091
Other Expenses	-0-	7,106	7,106
<b>TOTAL OPERATING EXPENSES</b>	-0-	367,179	367,179
Operating Income (Loss)	-0-	(151,559)	(151,559)
<b><u>Non-operating Revenues (Expenses)</u></b>			
Interest Income	-0-	-0-	-0-
Interest Expense	-0-	-0-	-0-
<b>Total Non-operating Revenues (Expenses)</b>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b><u>OPERATING TRANSFERS:</u></b>			
Transfers In	-0-	(17,000)	(17,000)
Transfers Out	-0-	168,559	168,559
<b>Change in Net Assets</b>	<u>-0-</u>	<u>(35,808)</u>	<u>(35,808)</u>
<b>NET POSITION - Beginning/Restated</b>	(15,810)	214,091	198,281
<b>Other Changes</b>	-0-	-0-	-0-
<b>NET POSITION - Ending</b>	\$ <u>(15,810)</u>	<u>45,532</u>	\$ <u>29,722</u>

See accompanying notes to the financial statements.

**TOWN OF FRIARS POINT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Garbage Utility Fund</u>	<u>Water Utility Fund</u>	<u>Total Proprietary Funds</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ -0-	216,739	\$ 216,739
Payments to suppliers	-0-	(129,322)	(129,322)
Payments to employees	-0-	(85,457)	(85,457)
Payments for contract services	-0-	(18,000)	(18,000)
Other Receipts (Payments)	-0-	-0-	-0-
	<u>-0-</u>	<u>(16,040)</u>	<u>(16,040)</u>
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	-0-	-0-	-0-
Transfers to other funds	-0-	(17,000)	(17,000)
	<u>-0-</u>	<u>33,040</u>	<u>33,040</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>			
Principal paid on capital debt	-0-	(2,972)	(2,972)
Interest paid on capital debt	-0-	(1,189)	(1,189)
	<u>-0-</u>	<u>(4,161)</u>	<u>(4,161)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	-0-	-0-	-0-
Net Cash Provided by Investing Activities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net Increase (Decrease) in Cash	-0-	(37,201)	(37,201)
<b>BALANCE - Beginning</b>	<u>-0-</u>	<u>75,531</u>	<u>75,531</u>
<b>BALANCE - Ending</b>	\$ <u><u>-0-</u></u>	<u><u>38,330</u></u>	\$ <u><u>38,330</u></u>

**TOWN OF FRIARS POINT  
STATEMENT OF CASH FLOWS (Continued)  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Garbage Utility Fund</u>	<u>Water Utility Fund</u>	<u>Total Proprietary Funds</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ -0-	(16,654)	\$ (16,654)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Cash Flows Reported in Other Categories:			
Depreciation Expense	-0-	6,633	6,633
Non Operating Revenues	-0-	-0-	-0-
Total	-0-	(10,021)	(10,021)
Change in Assets and Liabilities:			
Receivables, net	-0-	725	725
Account Payables	-0-	(7,525)	(7,525)
Due from Other Funds	-0-	-0-	-0-
Deposits Payable	-0-	781	781
Due to Other Funds	-0-	-0-	-0-
Total	-0-	(6,019)	(6,019)
Net Cash Provided by (Used) in Operating Activities	\$ -0-	(16,040)	\$ (16,040)

**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, 2019**

	<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	\$ 140,000	132,000	132,318	\$ 318
Personal	-0-	-0-	-0-	-0-
Privilege	140	140	140	-0-
Franchise	18,000	20,000	18,191	(1,809)
Ad Valorum	65,000	67,000	70,548	3,548
Sales	38,000	40,000	42,411	2,411
Grand Gulf	8,000	8,000	7,783	(217)
Gaming	-0-	-0-	-0-	-0-
Road taxes	-0-	-0-	-0-	-0-
Homestead exemption	6,000	6,000	6,272	272
ABC license	900	900	1,800	900
Fire Fund Premium	7,500	7,500	7,083	(417)
Municipal aid	4,000	4,200	4,124	(76)
Miscellaneous	40,935	56,660	4,699	(51,961)
Transfers	20,000	20,000	18,500	(1,500)
Grants	60,000	60,000	38,275	(21,725)
<b>Total Available</b>	<u>408,475</u>	<u>422,400</u>	<u>352,144</u>	<u>(70,256)</u>
<u>Expenditures</u>				
General government and administration	210,832	225,873	186,795	39,078
Protection of life and property	127,043	127,425	98,902	28,523
Care and maintenance of public property	<u>70,600</u>	<u>69,102</u>	<u>64,780</u>	<u>4,322</u>
<b>Total Charges</b>	<u>408,475</u>	<u>422,400</u>	<u>350,477</u>	<u>71,923</u>
<b>ENDING BALANCE</b>	<u>\$ -0-</u>	<u>-0-</u>	<u>1,667</u>	<u>\$ 1,667</u>

See accompanying notes to the financial statements.

**TOWN OF FRIARS POINT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019**

**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, 2019**

***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 the extent to which each program or business segment is self-financing or draws



**TOWN OF FRIARS POINT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

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.

***Proprietary Funds***

All proprietary funds are accounted for using the accrual basis of accounting.

**TOWN OF FRIARS POINT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

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 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.

**TOWN OF FRIARS POINT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

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.

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

**TOWN OF FRIARS POINT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

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, 2020, the date on which the financial statements were available to be issued.

**NOTE 2 – FUND BALANCES**

Governmental entities have several funds that are used to classify expenditures. They are as follows:

Nonspendable Fund – Amounts that are not in form nonspendable form are required to be maintained intact.

Restricted Fund – Amounts constrained to specific purpose by the provider through constitutional provision or by enabling legislation.

Committed Fund – Amounts constrained to specific purpose by the Town itself using its highest level of decision-making authority the Board of Aldermen.

Assigned Fund – Amounts the Town intends to use for a specific purpose. Intent can be expressed by the Board of Aldermen or by an official to which the board delegates.

Unrestricted Fund – Amounts that are available for any purpose.

**NOTE 3 – 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.

**TOWN OF FRIARS POINT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

**NOTE 4 – RESTRICTED CASH**

Restricted cash consisted of the following at year end:

	<b>FUND</b>		
<u>RESTRICTED CASH</u>	<u>General</u>	<u>Water &amp; Sewage</u>	<u>Total</u>
Unemployment Fund	\$ 2,376		\$ 2,376
Meter Deposits		16,856	16,856
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
Police Grant	604		604
<b>TOTAL</b>	<u>\$ 9,489</u>	<u>25,149</u>	<u>\$ 34,638</u>

**NOTE 5 – 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>47,996</u>	<u>-0-</u>	<u>401,158</u>
	1,210,570	47,996	-0-	1,258,560
Accumulated Depreciation:				
Building and improvements	740,733	-0-	-0-	740,733
Furniture and equipment	106,675	-0-	-0-	106,675
Vehicles	<u>331,167</u>	<u>9,549</u>	<u>-0-</u>	<u>342,766</u>
	1,180,575	58,397	-0-	1,190,174
<b>CAPITAL ASSETS, NET</b>	<u>\$ 29,995</u>	<u>38,397</u>	<u>-0-</u>	<u>68,392</u>
<b>Business Type Activities:</b>				
Land	\$72,393	-0-	-0-	72,393
Building and improvements	235,624	-0-	136,078	235,624
Furniture and equipment	1,407,177	-0-	-0-	1,271,099
Vehicles	1,793,736	-0-	-0-	1,657,658

**TOWN OF FRIARS POINT**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**SEPTEMBER 30, 2019**

Accumulated Depreciation:

Building and improvements	235,624	-0-	-0-	235,624
Furniture and equipment	1,407,177	-0-	136,078	1,271,099
Vehicles	<u>78,542</u>	<u>-0-</u>	<u>-0-</u>	<u>78,542</u>
	1,721,343	-0-	-0-	1,585,265
<b>CAPITAL ASSETS, NET</b>	<b>\$ <u>72,393</u></b>	<b><u>-0-</u></b>	<b><u>-0-</u></b>	<b>\$ <u>72,393</u></b>

**NOTE 6 – LONG-TERM DEBT**

The Town has a long-term debt payable to the Mississippi Department of Environment Quality in the amount of \$161,337 with the following maturity:

2020	\$ 9,987
2021	9,987
2022	9,987
2023	9,987
2024	9,987
Later years	<u>111,402</u>
	<u>\$161,337</u>

**NOTE 7 – 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 8 – LITIGATION**

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

**NOTE 9 – PENSION PLAN**

The Town does not participate in a retirement plan.

**NOTE 10 – FUND BALANCE ADJUSTMENT**

The fund balance was adjusted for a prior period tax item that needed to be adjusted.

**TOWN OF FRIARS POINT  
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS  
SEPTEMBER 30, 2019**

<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

**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, 2019, and have issued our report thereon dated May 15, 2020. 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  
May 15, 2020