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TOWN OF METCALFE

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Working Together To Reach Its Potential

February 2, 2017

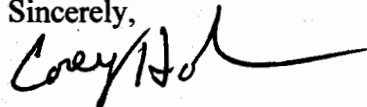
Office of the State Auditor
P. O. Box 956
Jackson, MS 39205

RE: Audited Financial Statement and Supplemental Information

Accompanying this letter is a copy of the annual audit of the financial statements and supplemental information of Town of Metcalfe, Mississippi, for the fiscal year ending September 30, 2015.

If you have any question, please call me at 662-335-0212.

Sincerely,



Corey Holmes
Mayor

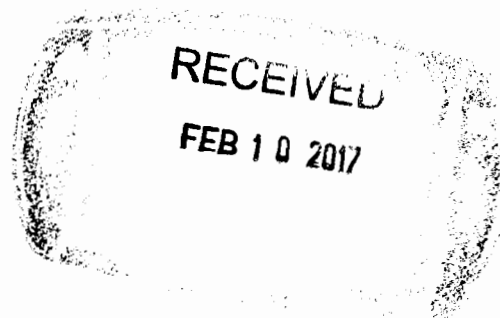


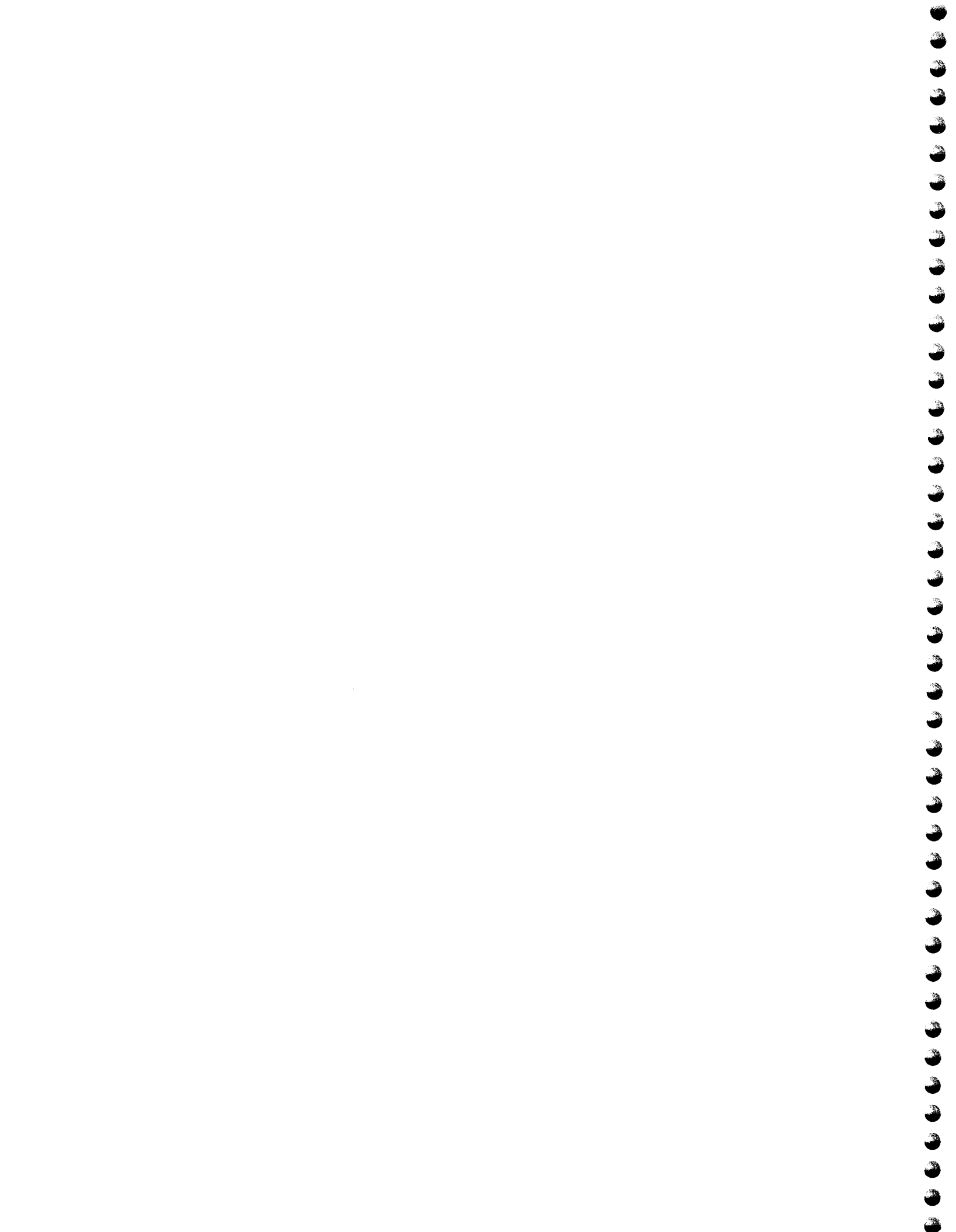
Corey Holmes, Mayor • Rosie Chillis, Town Clerk • Tamara Carter, Deputy Clerk
Board of Alderpersons: James Johnson • Pamela Jimson • Raymond Scott • Jarvis Ware • Cora Green
Marcus Davis, Chief of Police
Phillipe King, Public Works Supervisor • Melvin Carter, Public Works Assistant

TOWN OF METCALFE, MISSISSIPPI

**Financial Statement and
Supplemental Information**

For the Year Ended September 30, 2015





TOWN OF METCALFE, MISSISSIPPI
FINANCIAL STATEMENT AND SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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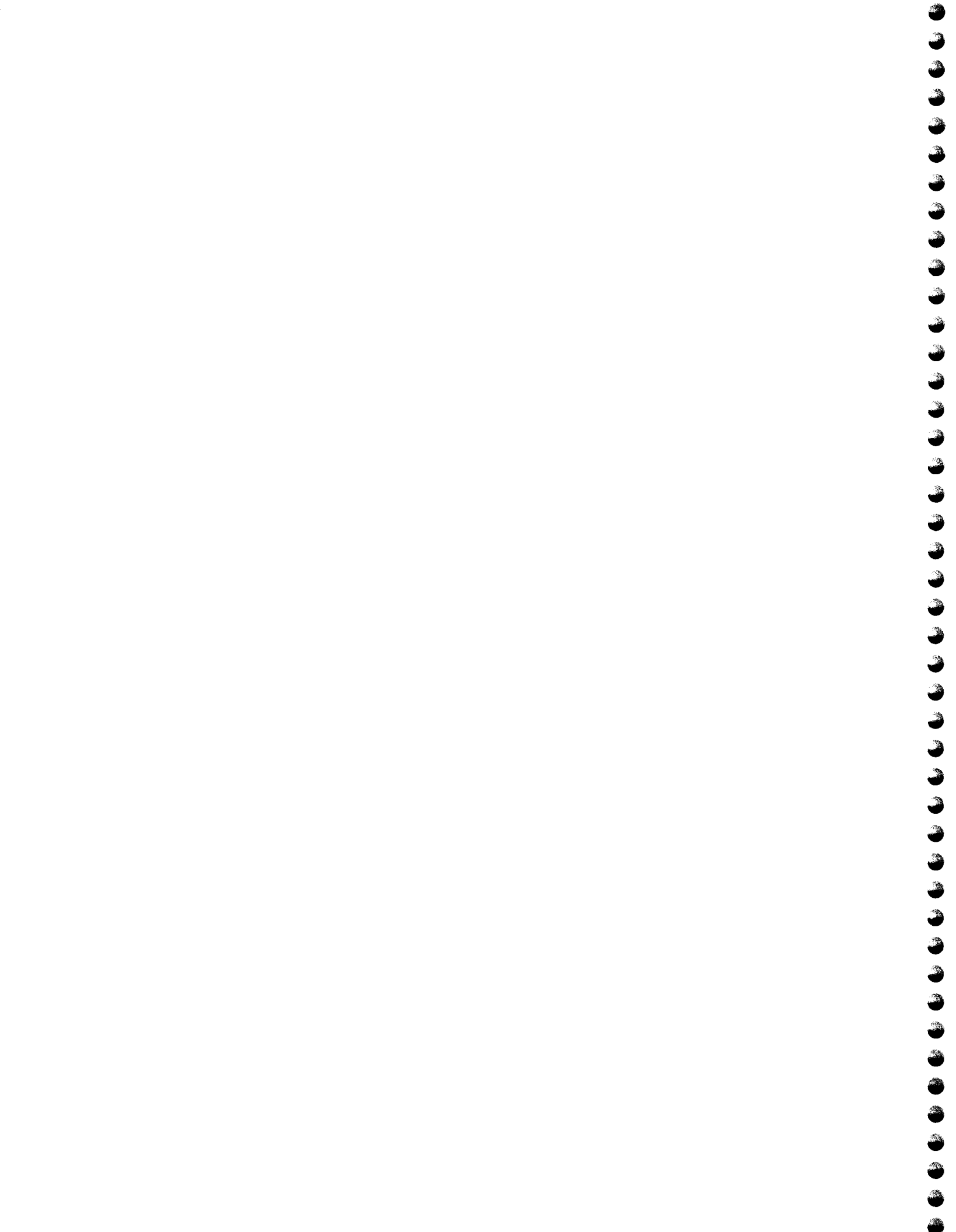
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**BANKS, FINLEY,
WHITE & CO.**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Alderpersons
Town of Metcalfe, Mississippi

We have audited the accompanying combined statement of cash receipts and disbursements for each fund of the Town of Metcalfe for the year ended September 30, 2015. These financial statements are the responsibility of the Town of Metcalfe's management. Our responsibility is to express an opinion on these financial statements based upon our audit.

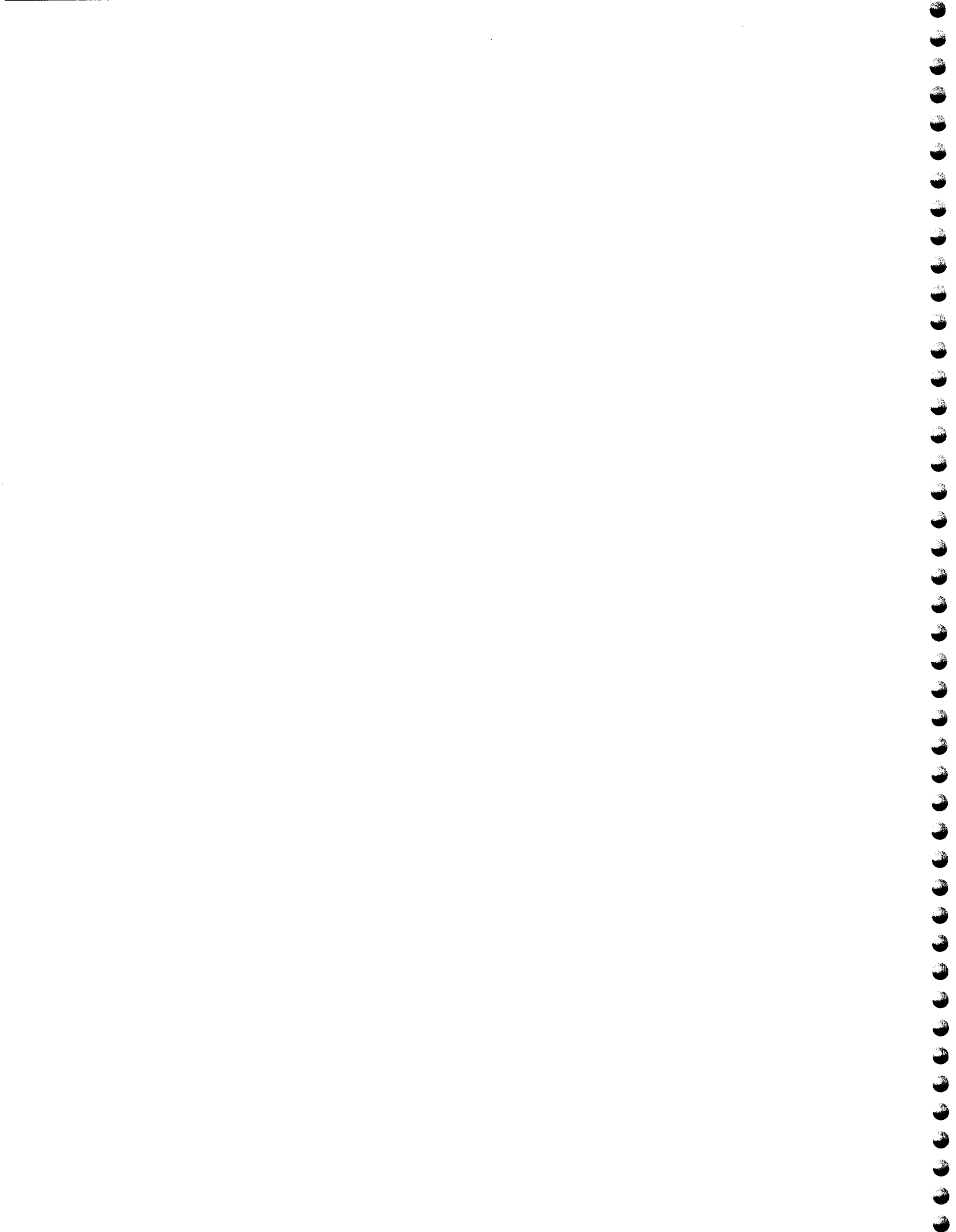
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described in Note 1, the financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements of the Town of Metcalfe, for the year ended September 30, 2015 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2016, on our consideration of the Town of Metcalfe's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with the *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management has not presented government-wide financial statements to display the cash basis financial position and changes in cash basis financial position of its governmental activities and business-type activities. Accounting principles generally accepted in the United States of America, as applied to the Town's cash basis of accounting, require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements resulting from the cash basis transactions for the Town's governmental activities and business-type activities are not reasonably determinable.



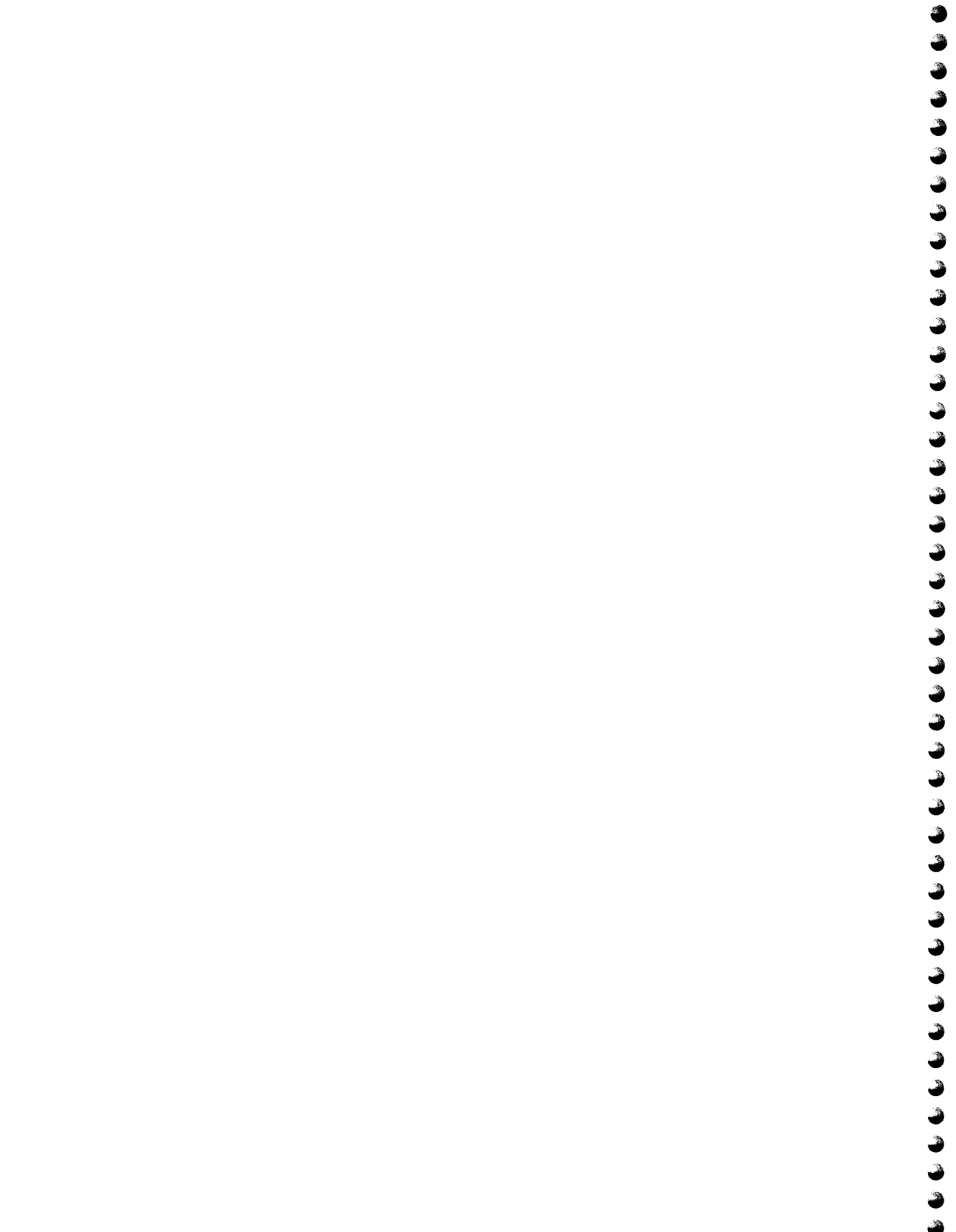
Management also has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relations to the financial statements taken as a whole.

Banks, Finley, White & Co.

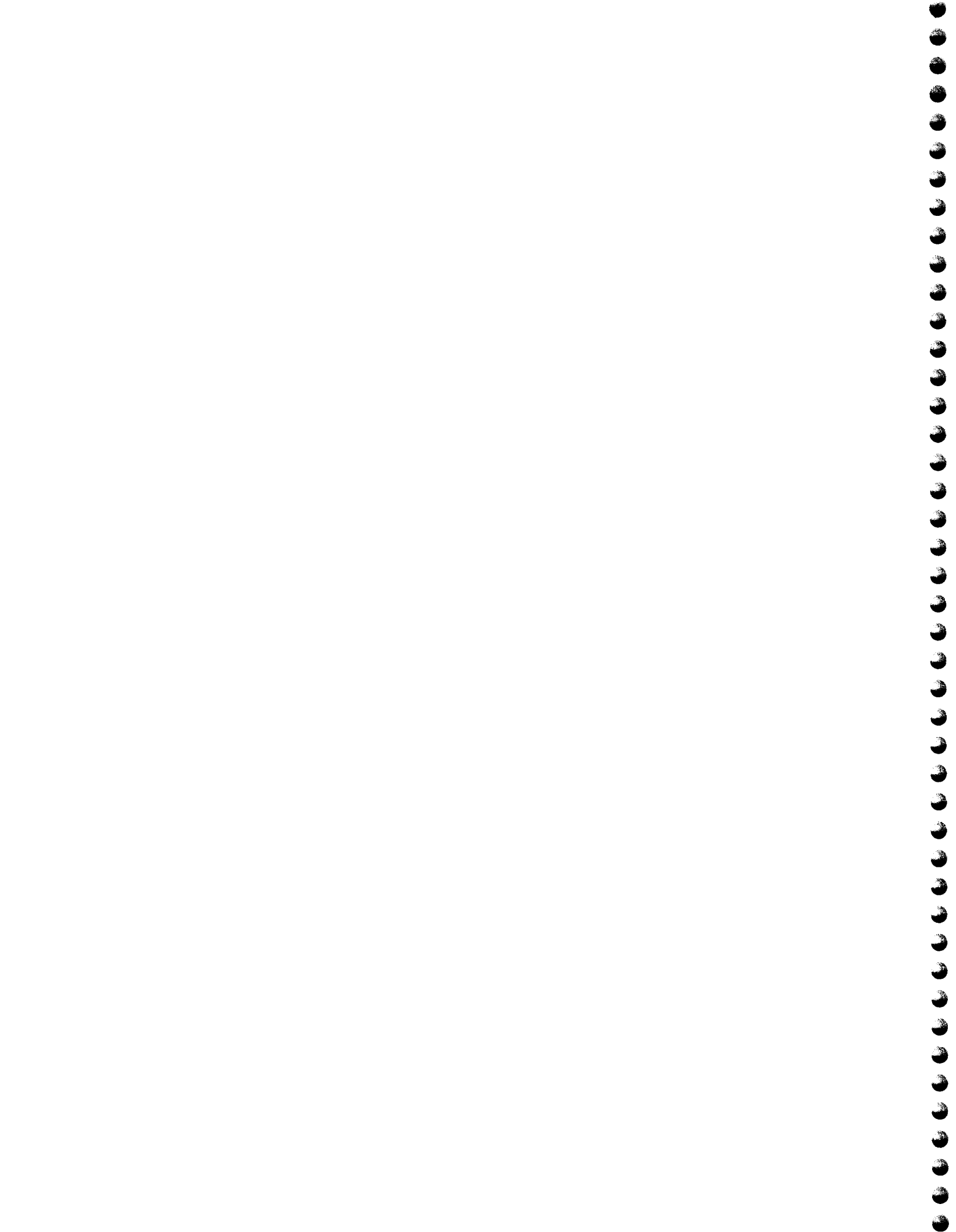
Jackson, Mississippi
December 31, 2016

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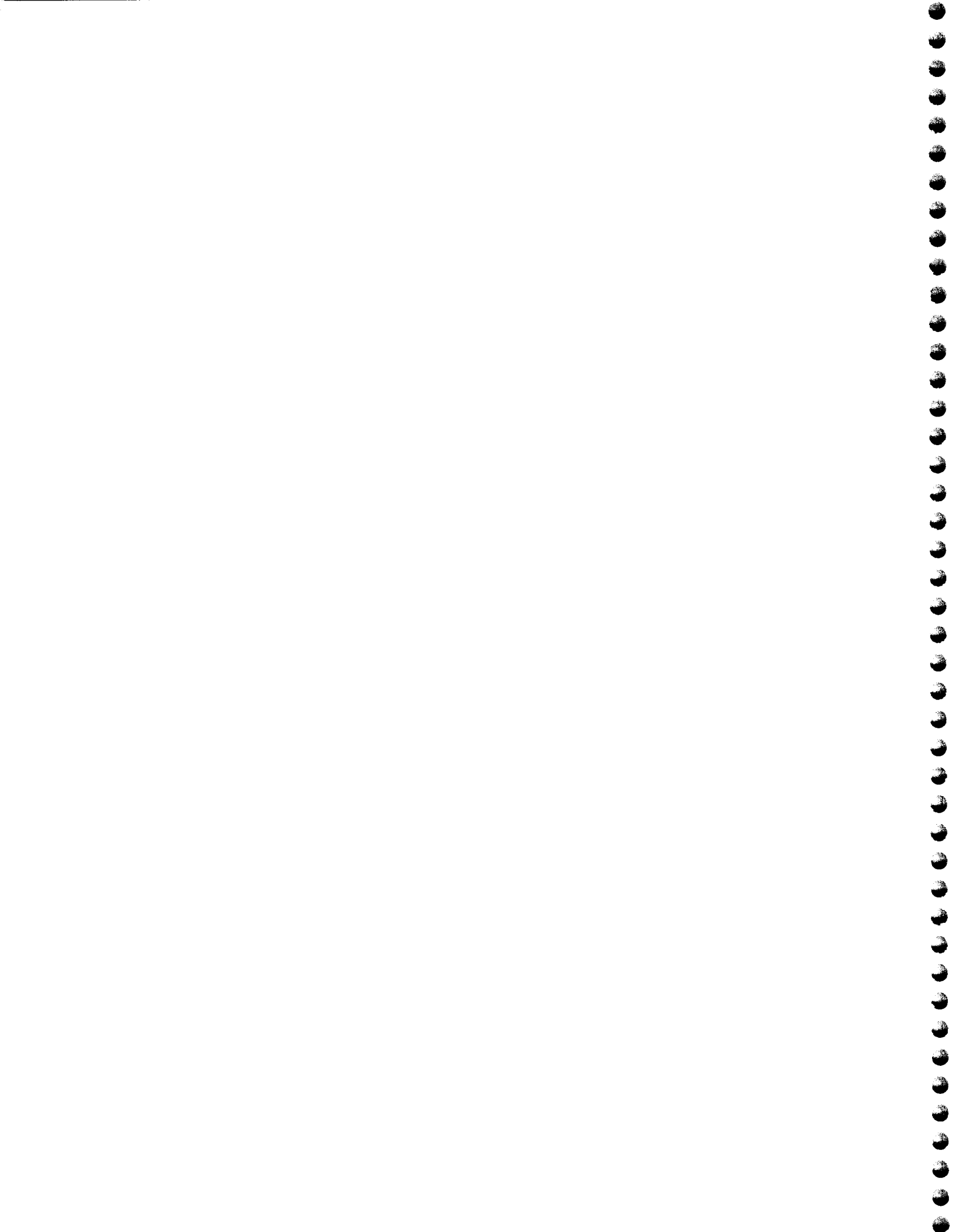
TOWN OF METCALFE, MISSISSIPPI
Combined Statement of Cash Receipts
and Disbursements (All Funds)
For the Year Ended September 30, 2015

	<u>Governmental Funds</u>			Total Memo Only
	<u>General</u>	<u>Special Revenue</u>	<u>Proprietary Funds</u>	<u>2015</u>
Revenue receipts:				
General property taxes	\$ 84,208	\$ -	\$ -	\$ 84,208
Licenses and permits	8,162	-	-	8,162
Federal grants	-	691,369	-	691,369
State shared revenues:				
Municipal aid	532	-	-	532
Sales tax	14,547	-	-	14,547
Gasoline tax	3,001	-	-	3,001
Fire rebates	5,806	-	-	5,806
Other				
Franchise tax	16,519	-	-	16,519
Nuclear plant	882	-	-	882
Fines and bonds	2,367	-	-	2,367
Interest income	3,937	-	-	3,937
Miscellaneous	12,532	5,966	-	18,498
Charges for services:				
Water/sewer	-	-	140,214	140,214
Natural gas	-	-	283,621	283,621
Garbage	-	-	35,302	35,302
Total revenue receipts	<u>152,493</u>	<u>697,335</u>	<u>459,137</u>	<u>1,308,965</u>
Other receipts:				
Interfund loans and transfers	<u>278,492</u>	<u>101,846</u>	<u>35,546</u>	<u>415,884</u>
Total other receipts	<u>278,492</u>	<u>101,846</u>	<u>35,546</u>	<u>415,884</u>
Total receipts	430,985	799,181	494,683	1,724,849
Cash balance - beginning of year	<u>110,941</u>	<u>10,205</u>	<u>24,112</u>	<u>145,258</u>
TOTAL AMOUNT TO ACCOUNT FOR	<u>\$ 541,926</u>	<u>\$ 809,386</u>	<u>\$ 518,795</u>	<u>\$ 1,870,107</u>



TOWN OF METCALFE, MISSISSIPPI
Combined Statement of Cash Receipts
and Disbursements (All Funds) - Continued
For the Year Ended September 30, 2015

	<u>Governmental Funds</u>			Total (Memo Only) 2015
	<u>General</u>	<u>Special Revenue</u>	<u>Proprietary Funds</u>	
Operating disbursements:				
General government (executive and financial)	\$ 362,452	\$ 6,962	\$ -	\$ 369,414
Public safety:				
Police	40,258	-	-	40,258
Fire	-	31,225	-	31,225
Summer feeding program	-	21,633	-	21,633
Community development	-	427,572	-	427,572
Enterprise:				
Water/sewer	-	-	78,366	78,366
Natural gas	-	-	128,720	128,720
Interest on loans and bonds	297	64,549	3,323	68,169
Total operating disbursements	<u>403,007</u>	<u>551,941</u>	<u>210,409</u>	<u>1,165,357</u>
Other disbursements:				
Loans repaid	29,573	-	-	29,573
Capital outlay	1,268	234,852	7,606	243,726
Interfund loans and transfers	-	-	282,835	282,835
Total other disbursements	<u>30,841</u>	<u>234,852</u>	<u>290,441</u>	<u>556,134</u>
Total disbursements	433,848	786,793	500,850	1,721,491
Cash balance - end of year	<u>108,078</u>	<u>22,593</u>	<u>17,945</u>	<u>148,616</u>
TOTAL AMOUNT ACCOUNTED FOR	<u>\$ 541,926</u>	<u>\$ 809,386</u>	<u>\$ 518,795</u>	<u>\$ 1,870,107</u>



TOWN OF METCALFE, MISSISSIPPI
Notes to the Financial Statements
September 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Metcalfe operates under a Mayor - Board of Alderpersons form of government, and provides services as authorized by law.

A. Fund Accounting

The financial statement consist of all the funds of the Town of Metcalfe: General Fund, Special Revenue Funds, and the Enterprise Funds.

The accounts of the Town of Metcalfe are organized on the basis of funds, each of which is considered a separate accounting entity.

GOVERNMENTAL FUNDS

General Fund: The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The Special Revenue Funds are used to account for the proceeds of special revenue sources that are legally restricted for specific expenditure purposes. The Special Revenue Fund in this financial statement is used to account for receipts and disbursements of the Town's restricted resources.

PROPRIETARY FUNDS

Enterprise Fund: The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost and expenses of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. The Town's Water and Sewer and Natural Gas Funds are included in this category.

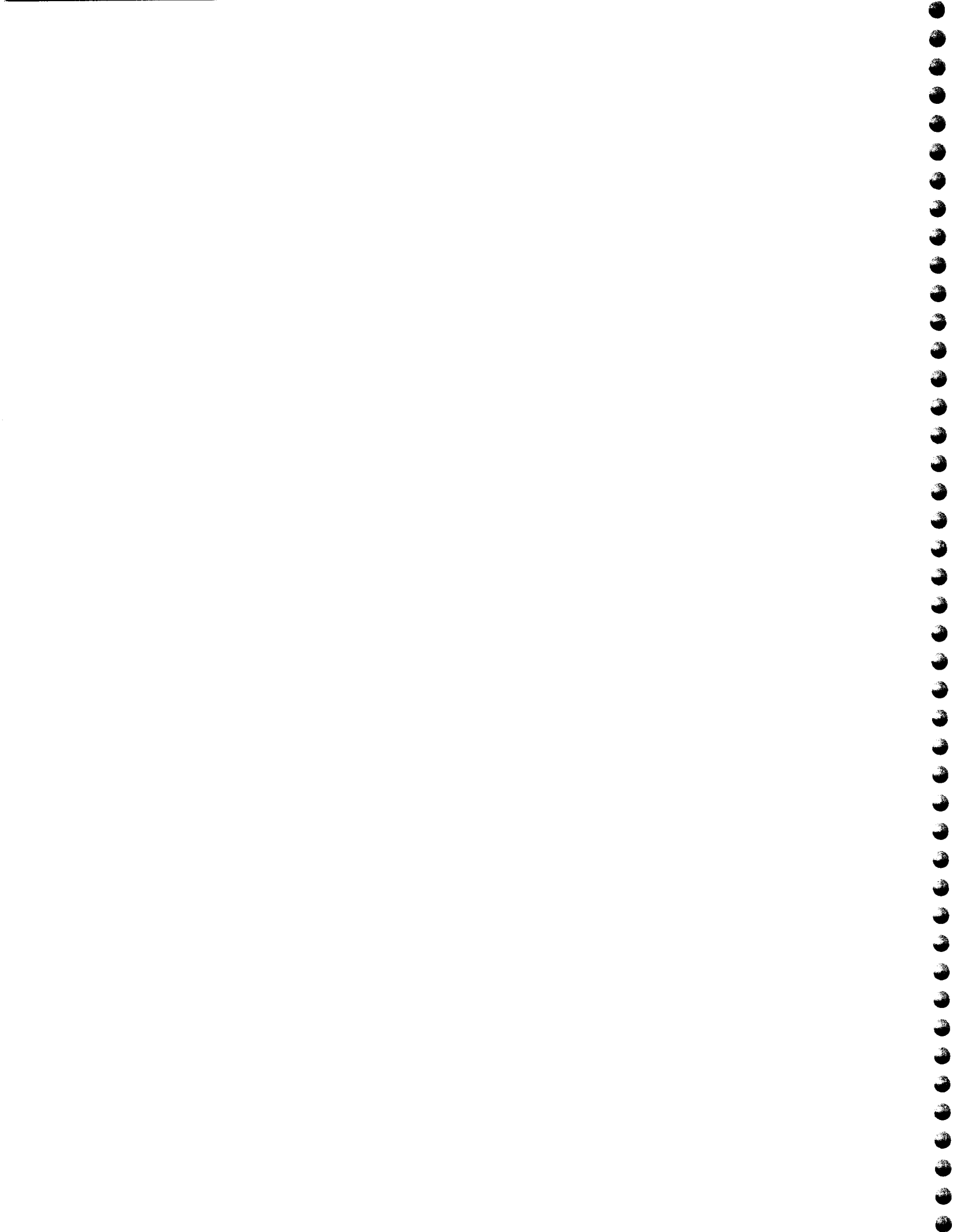
B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The financial statements are prepared on a cash receipts and disbursements basis, according to requirements for small towns in the State of Mississippi as prescribed by the Office of the State Auditor. Consequently, certain revenues are recognized when received rather than when earned, and certain expenditures or expenses are recognized when paid rather than when the obligation is incurred.

C. Total Columns on Combined Statement

The total column on the Combined Statement of Cash Receipts and Disbursements is captioned Memorandum Only to indicate that it is presented only to facilitate analysis. Data in this column is not meant to present fairly the cash receipts and disbursements of consolidated financial information for the Town as a whole in conformity with the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles.



TOWN OF METCALFE, MISSISSIPPI
Notes to the Financial Statements
September 30, 2015

NOTE 2 - REPORT CLASSIFICATIONS

Receipts and disbursements were classified according to requirements for small Towns in the State of Mississippi as prescribed by the Office of the State Auditor.

NOTE 3 - PROPERTY TAX

Property taxes attached as an enforceable lien on property January 1. The millage rate for the Town for the fiscal year ended September 30, 2015 was 28.00 mills for general purposes.

NOTE 4 - LONG-TERM DEBT

Long-term debt consist of the following at September 30, 2015 :

A. GOVERNMENTAL FUNDS:

Bank Loan

On June 21, 2013, the Mayor and Board of Alderman executed a bank loan with Planters Bank and Trust Company in the amount of \$48,800. The loan bears an interest rate of 6.50% maturing on June 15, 2016. The loan is payable in monthly installments of \$395 which includes principal and interest. The Proceeds from this loan were used to purchase a diesel mower and is collateralized by certain real estate owned by the Town. This debt will be retired from the general fund.

\$ 3,458

B. ENTERPRISE FUNDS:

Water/Sewer Fund - Rural Development Revenue Bonds:

On August 18, 1995, the Mayor and Board of Alderman authorized the issuance of \$82,400 in combined water and sewer system revenue disposal bonds with interest rates of 5.125% maturing on October 1, 2029. Proceeds from these bonds were used to make improvements to the natural gas system facility. This debt will be retired from the water/sewer proprietary fund.

53,447

On December 4, 1980, the Mayor and Board of Alderman authorized the issuance of \$193,700 in combined water and sewer system revenue disposal bonds with interest rates of 5.00% maturing on November 1, 2029. Proceeds from these bonds were used to make improvements to the natural gas system facility. This debt will be retired from the water/sewer proprietary fund.

30,642

Total Long-Term Debt

\$ 84,089



TOWN OF METCALFE, MISSISSIPPI
Notes to the Financial Statements
September 30, 2015

The following is a schedule by years of the total payment due on the above debt for the Governmental Funds:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 3,458	99	\$ 3,557
Total	\$ 3,458	99	\$ 3,557

The following is a schedule by years of the total payment due on the above debt for the Enterprise Funds:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 4,254	4,122	\$ 8,376
2017	4,478	3,898	8,376
2018	4,710	3,666	8,376
2019	4,953	3,423	8,376
2020	13,570	3,002	16,572
2021-2025	18,839	7,321	26,160
2026-2030	33,285	2,082	35,367
Total	\$ 84,089	27,514	\$ 111,603

NOTE 5 - CAPITAL OUTLAY DISBURSEMENTS

The Town of Metcalfe had \$243,726 capital outlay disbursements during the current fiscal year for equipment and other capital assets.

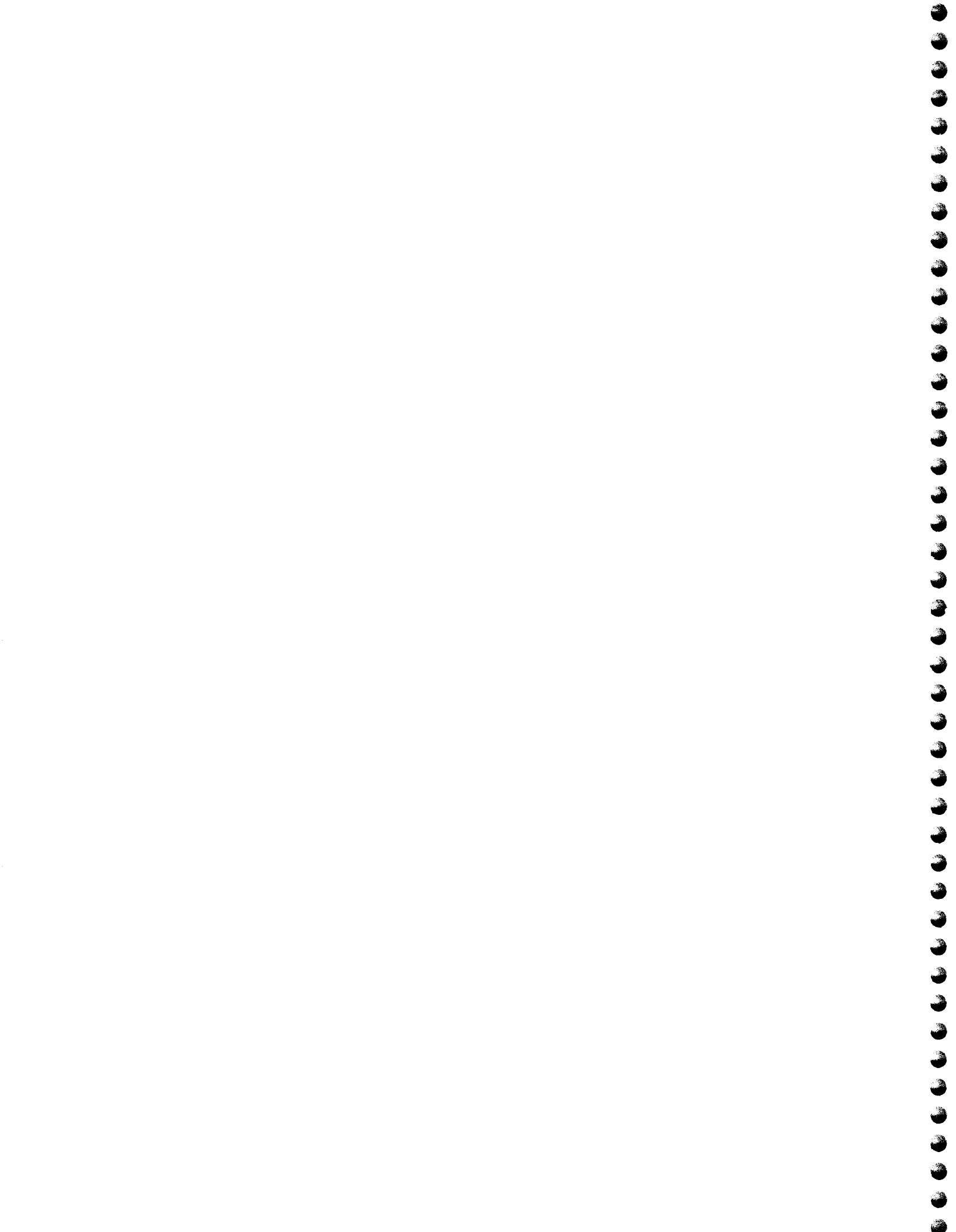
NOTE 6 - FEDERAL GRANTS

During the fiscal year ended September 30, 2015, the Town received federal grant funds in the amount of \$684,057 and incurred grant expenditures in the same amount.

<u>Funding Source</u>	<u>Grant Name</u>	<u>Grant Number</u>	<u>CFDA Number</u>	<u>Amount Expended</u>
MS Dept. of Education	Summer Feeding Program	V0000723160	10.559	\$ 21,633
Mississippi Dev. Authority	HOME Investment Partnership Program	1225-M13-SG-280-191	14.239	427,572
Mississippi Dev. Authority	Community Development Block Grant	1129-12-412-PF-01	14.228	234,852
				<u>\$ 684,057</u>

A single audit in accordance with OMB Circular A-133 was required for the year ended September 30, 2015.

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TOWN OF METCALFE, MISSISSIPPI
Notes to the Financial Statements
September 30, 2015

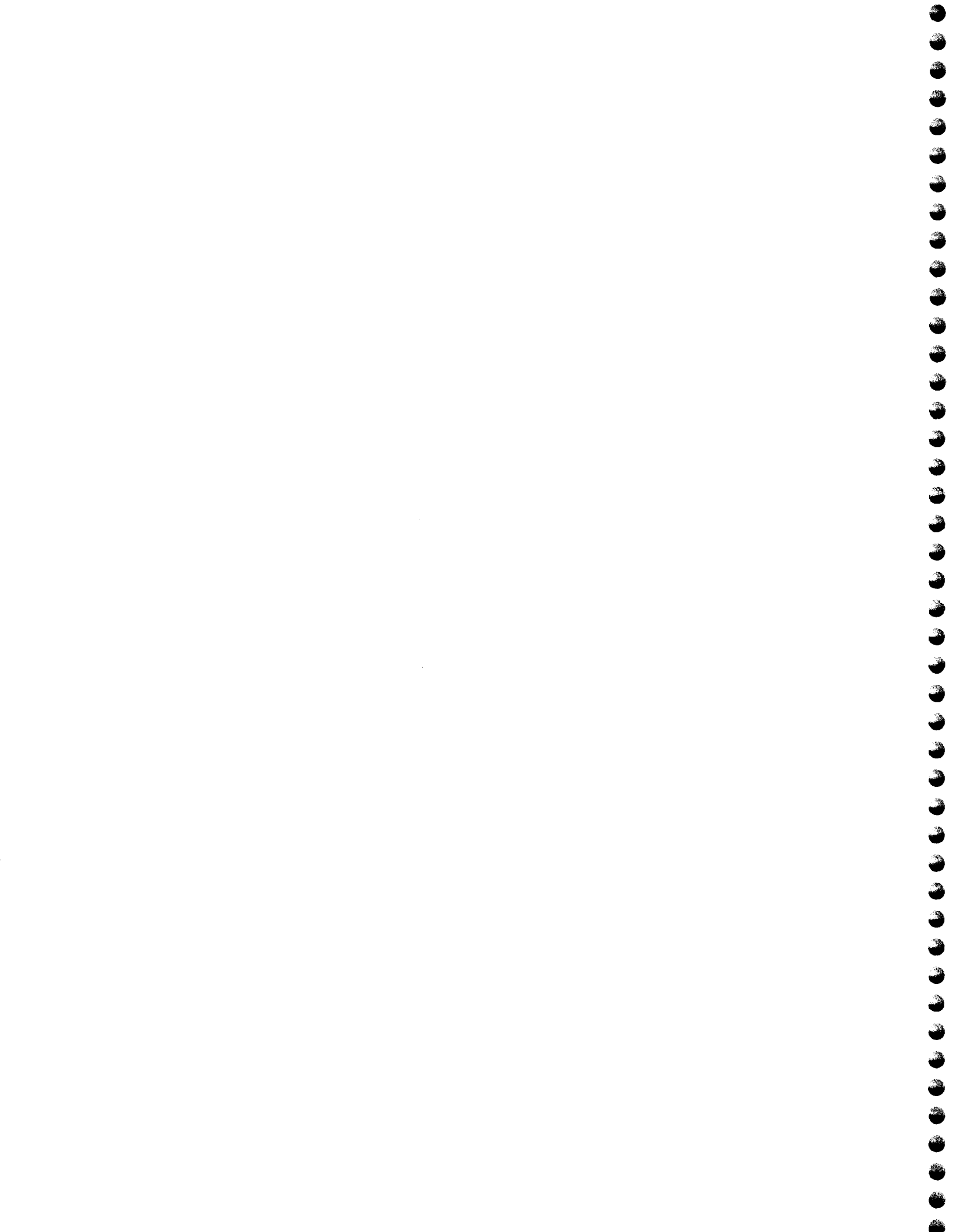
NOTE 7 - FEDERAL PAYROLL TAXES

At September 30, 2015, the Town had an outstanding federal payroll tax liability penalty during a ten (10) year period dating back to 1999 through 2009. A breakdown of the federal payroll tax liability is listed as follows:

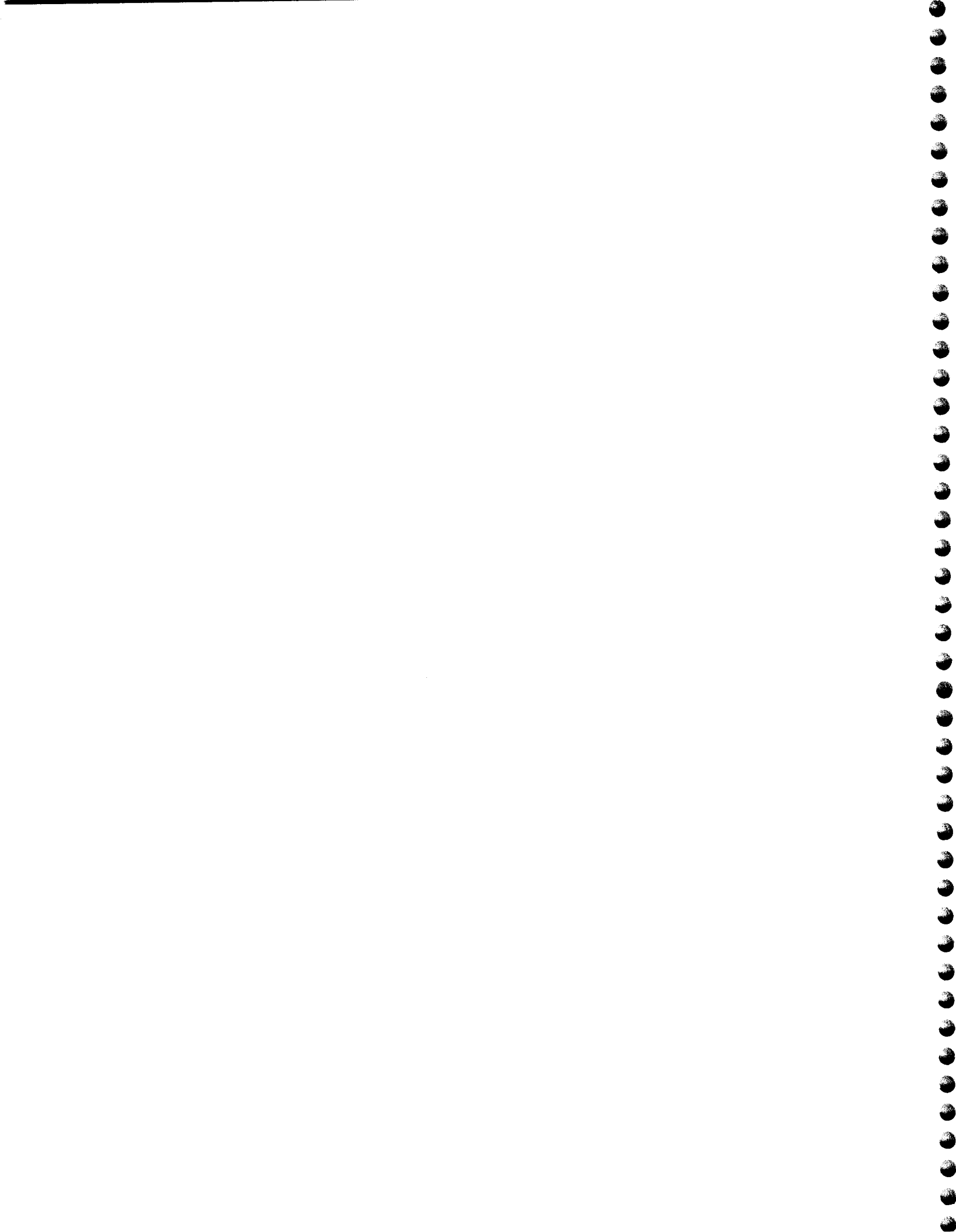
<u>Liability Breakdown</u>	<u>Amount</u>
Federal payroll taxes	\$ 477,584
Penalty	5,544
Interest charges	<u>105,437</u>
Total Federal Payroll Taxes Due	<u>\$ 588,565</u>

NOTE 8 - CASH RESERVE PAYROLL TAX ACCOUNT

During March 2012, the Town received \$100,000 from Ohio Casualty Insurance Company resulting from a claim filed by the Town against the former Mayor and Town Clerk. The Town used the proceeds to establish a cash account which will allow the Town to pay the back federal taxes owed the Internal Revenue Service. The Town has entered into an agreement with Internal Revenue Service to pay such tax liability over a period of time and is making monthly transfers to the cash account in the amount of \$350. At September 30, 2015 the cash reserve balance was \$100,129.

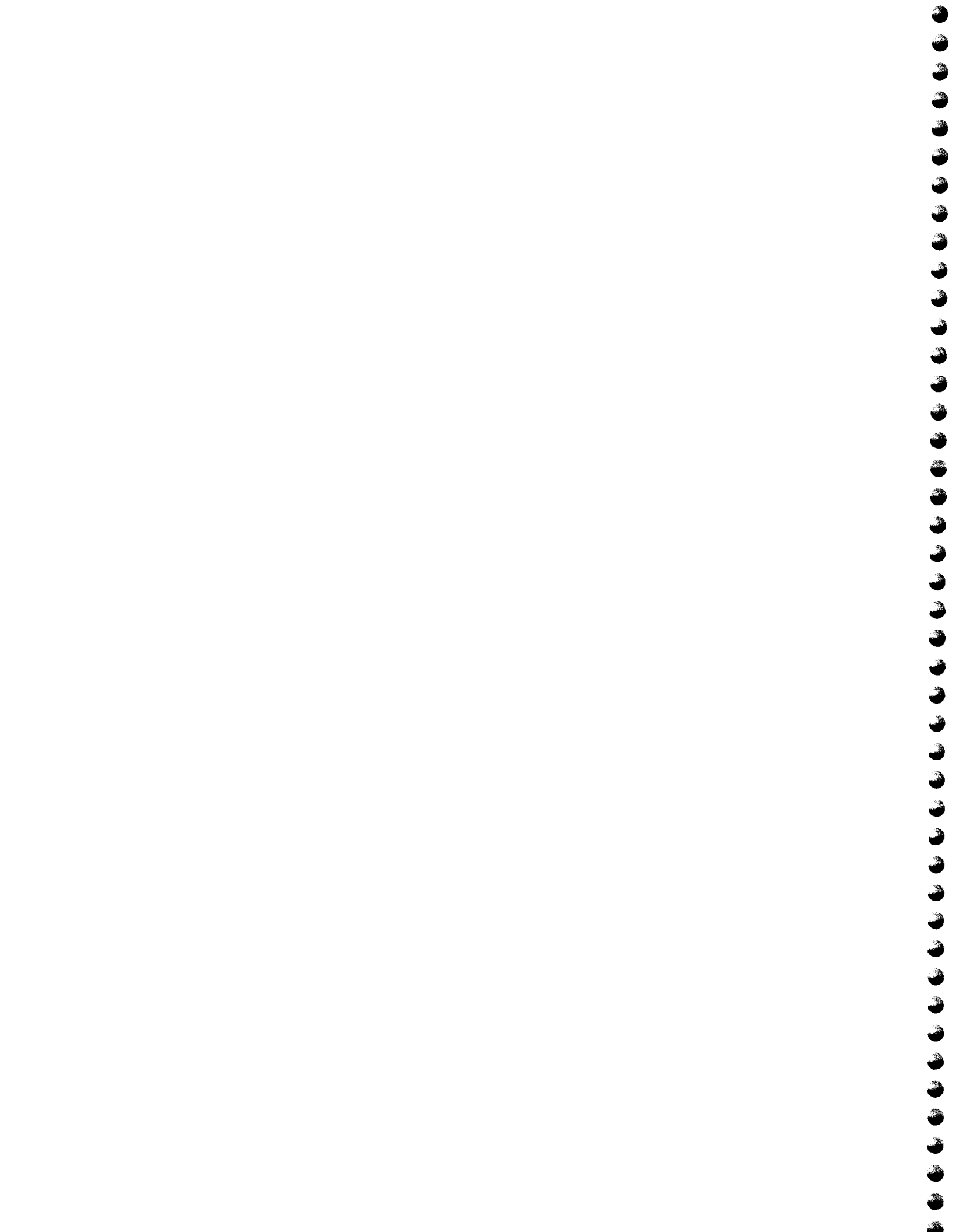


SINGLE AUDIT SECTION



TOWN OF METCALFE, MISSISSIPPI
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2015

Federal Grant/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grant Number	Current Year Federal Expenditures
U.S. Department of Housing and Urban Development			
Pass through Mississippi Development Authority			
Home Investment Partnerships Program (HOME)	14.239	1225-M13-SG-280-191	\$ 427,572
Community Development Block Grant	14.228	1129-12-412-PF-01	<u>234,852</u>
			<u>662,424</u>
U. S. Department of Education			
Pass through Mississippi Department of Education			
Summer feeding program	10.559	V0000723160	<u>21,633</u>
			<u>21,633</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>684,057</u>



TOWN OF METCALFE, MISSISSIPPI
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2015

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Town of Metcalfe, Mississippi and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.





**BANKS, FINLEY,
WHITE & CO.**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S 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

Honorable Mayor and Board of Alderpersons
Town of Metcalfe, Mississippi

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Metcalfe, (the Town) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 31, 2016.

Internal Control Over Financial Reporting

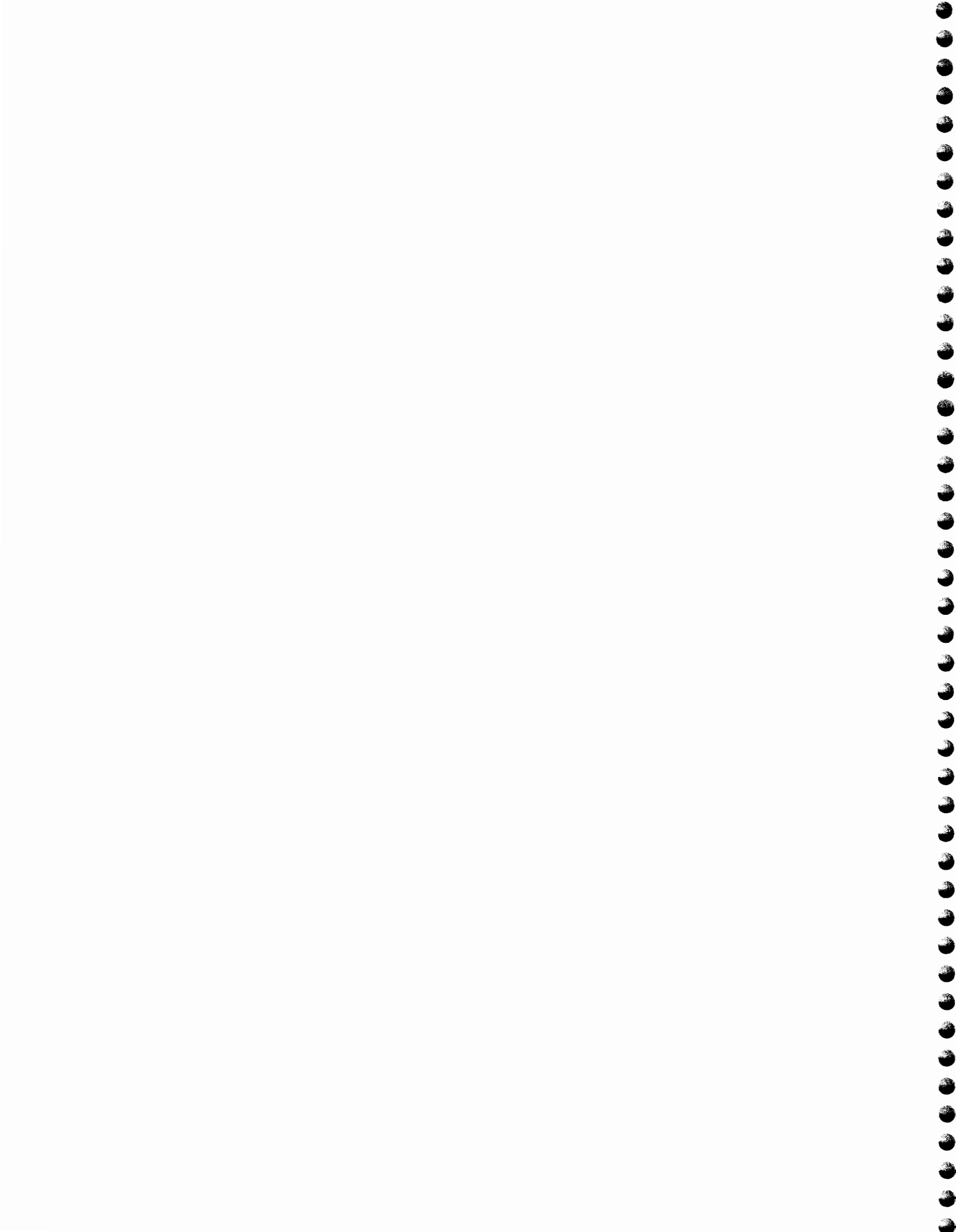
In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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Compliance and other Matters

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

Purpose of this Report

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

Banks, Finley, White & Co.
Jackson, Mississippi
December 31, 2016





**BANKS, FINLEY,
WHITE & CO.**
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

The Honorable Mayor and
Members of the Board of Aldermen
Town of Metcalfe, Mississippi

Report on Compliance for Each Major Federal Program

We have audited the Town of Metcalfe's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town of Metcalfe's major federal programs for the year ended September 30, 2015. The Town of Metcalfe's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Town of Metcalfe's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Metcalfe's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Town of Metcalfe's compliance.



Basis for Qualified Opinion on the Community Development Block Grant and HOME Grant

As described in the accompanying schedule of findings and questioned costs, the Town of Metcalfe did not comply with requirements regarding the following:

<u>Finding #</u>	<u>CFDA #</u>	<u>Program (or Cluster) Name</u>	<u>Compliance Requirement</u>
2015-01	14.224	Community Development Block Grant	Reporting
2015-01	14.239	Home Investment Partnership Program	Reporting

Compliance with such requirement is necessary, in our opinion, for the Town of Metcalfe, Mississippi to comply with the requirements applicable to that program.

Qualified Opinion on the Community Development Block Grant and Home Investment Partnership Programs

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Town of Metcalfe, Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Community Development Block Grant and Home Investment Partnership Programs for the year ended September 30, 2015.

Unmodified Opinion on Each of the Other Major Federal Programs

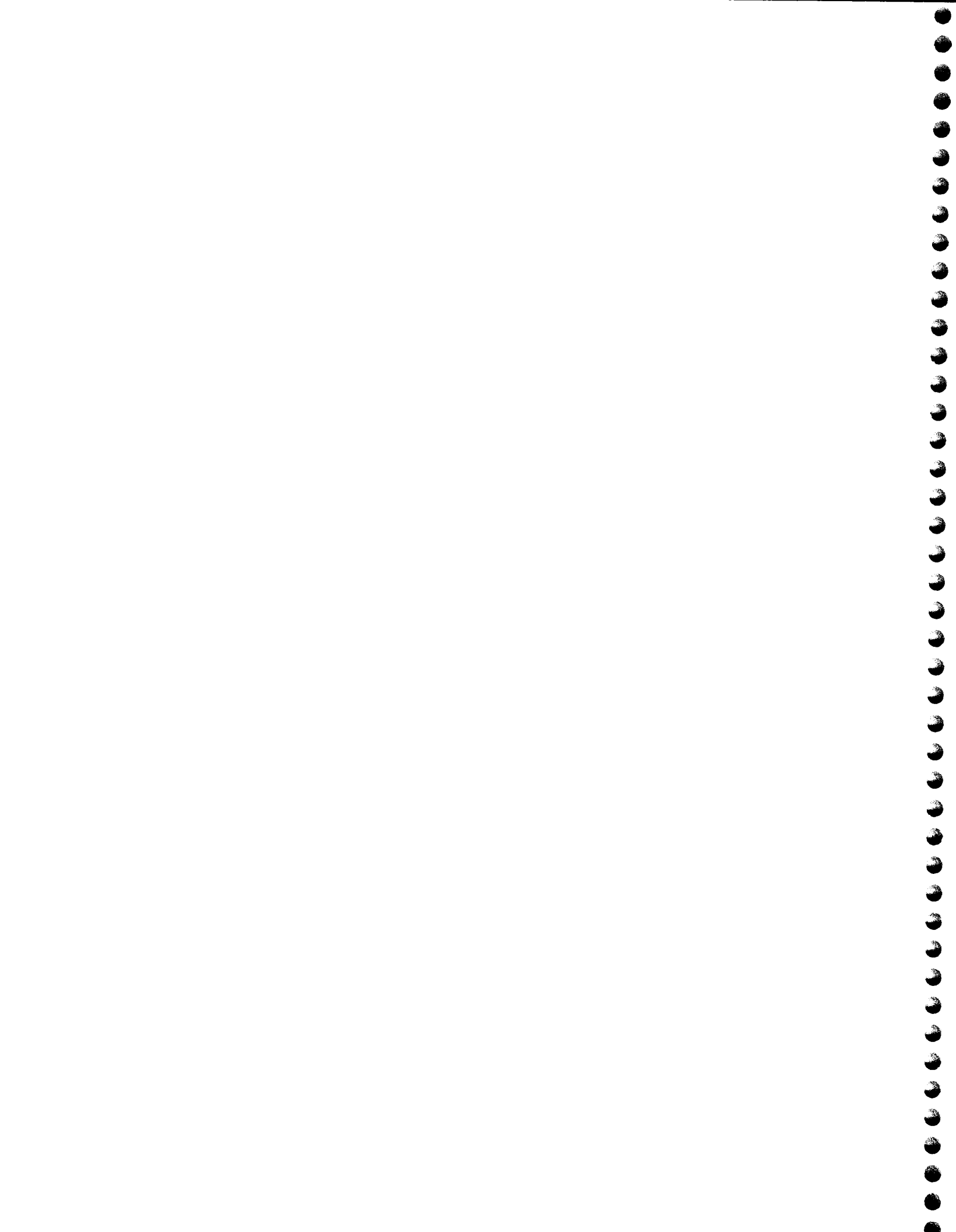
In our opinion, the Town of Metcalfe, Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended September 30, 2015.

Report on Internal Control Over Compliance

Management of the Town of Metcalfe, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Metcalfe's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Metcalfe's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.



A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Town of Metcalfe, Mississippi's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Town of Metcalfe's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Banks, Finley, White & Co.

Jackson, Mississippi
December 31, 2016



TOWN OF METCALFE, MISSISSIPPI
AUDITEE'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended September 30, 2015

There were no findings noted in the Town's fiscal year 2014 financial statements.

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TOWN OF METCALFE, MISSISSIPPI
Schedule of Findings and Questioned Costs
Year Ended September 30, 2015

Section 1 - Summary of Auditor's Results

- | | | |
|----|---|---------------|
| 1. | Type of auditor's report issued on the basic financial statements. | Unmodified |
| 2. | Material noncompliance relating to the basic financial statements. | None |
| 3. | Internal control over financial reporting: | |
| | a. Material weaknesses identified? | No |
| | b. Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |

Federal Awards:

- | | | |
|----|---|---------------|
| 4. | Type of auditor's report issued on compliance for major federal programs | Qualified |
| 5. | Internal control over major programs: | |
| | a. Material weaknesses identified? | No |
| | b. Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| 6. | Any audit findings reported as required by Section __.510(a) of Circular A-133? | Yes |
| 7. | Federal programs identified as major programs: | |

<u>Federal Grant/Pass-Through Grantor</u>	<u>CFDA Number</u>
U. S. Department of Housing and Urban Development	
Community Development Block Grant	14.228
U. S. Department of Housing and Urban Development	
Home Investment Partnership Program (HOME)	14.239
8. The dollar threshold used to distinguish between Type A and Type B programs: \$300,000	
9. Auditee did qualify as a low-risk auditee.	

Section 2 - Finding Financial Statements Audit

NONE



TOWN OF METCALFE, MISSISSIPPI
Schedule of Findings and Questioned Costs
Year Ended September 30, 2015

Section 3 - Findings and Questioned Costs - Major Federal Award Program Audit

Finding 2015-01 – REPORTING

Grant Program/CFDA#: 14.224, Community Development Block Grant and CFDA #: 14.239, Home Investment Partnership Program:

Statement of Condition

The Town did not ensure that its Single Audit was completed within nine (9) months of its fiscal year end.

Cause of Condition

The Town failed to provide for a timely Single Audit.

Effect of Condition

The Town's Single Audit was filed late.

Criteria

OMB Circular A-133 Subpart C- Auditee's, section .320 requires that the deadline for submission of audits and the reporting packages to the central clearinghouse is nine (9) months from the Town's fiscal year end.

Auditor's Recommendation

The Town should adopt internal administrative controls to ensure that when a Single Audit is required, the proper steps are taken to provide for a timely audit.

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Town of Metcalfe, Mississippi

315 MLK Drive
P. O. Box 250
Metcalfe, Mississippi 38760
Phone (662) 335-0212

**CORRECTIVE ACTION PLAN
December 31, 2016**

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The Town of Metcalfe respectfully submits the following corrective action plan for the year ended September 30, 2015.

Name and address of independent public accounting firm: Banks, Finley, White & Company 308 Highland Park Cove, Ridgeland, MS 39157.

Audit period: Year Ended September 30, 2015.

The findings from September 30, 2015 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule, Section 1 of the schedule, Summary of Audit Results, does not include findings and are not addressed.

FINDINGS - FINANCIAL STATEMENT AUDIT

Reporting

Finding 2015-01

Recommendation: The Town should adopt internal administrative controls to ensure that when a Single Audit is required, the proper steps are taken to provide for a timely audit.

Action Taken: The Town has implemented internal control procedures to ensure that all future audits are submitted within the nine (9) months as required by the Single Audit Act.

If you have any questions regarding this plan, please call the Town's Clerk's office at (662) 335-0212.

Sincerely,

Rosie Chillis

Rosie Chillis
Town Clerk





**BANKS, FINLEY,
WHITE & CO.**
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Mayor
and Members of the Board of Aldermen
Town of Metcalfe, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business activities, each major fund and the aggregate remaining fund information of the Town of Metcalfe (the Town) as of and for the year ended September 30, 2015, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 31, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of procedures performed to test compliance with certain other state laws and regulations and our audit of the financial statements disclosed no instances of noncompliance with other state laws and regulations.

This report is intended solely for the information of the Mayor, Board of Aldermen, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Banks, Finley, White & Co.

Jackson, Mississippi
December 31, 2016



SUPPLEMENTAL INFORMATION



TOWN OF METCALFE, MISSISSIPPI
Schedule of Long-Term Debt
For the Year Ended September 30, 2015

DEFINITION AND PURPOSE

	Outstanding Balance Oct. 1, 2014	New Debt Issued	Principal Retired	Outstanding Balance Sept. 30, 2015
Governmental Funds:				
<u>Notes Payable:</u>				
Note payable to Planters Bank	\$ 7,819	\$ -	\$ (4,361)	\$ 3,458
Total Governmental Funds	<u>\$ 7,819</u>	<u>\$ -</u>	<u>\$ (4,361)</u>	<u>\$ 3,458</u>
Enterprise Funds:				
<u>Revenue Bonds Payable:</u>				
Natural gas Rural Development revenue bond; 5.125% ; 8/1995 to 4/2013	\$ 31,659	-	(1,017)	\$ 30,642
Water/sewer Rural Development revenue bond; 5.125%; 8/1995 to 10/2029	55,804	-	(2,357)	53,447
Water/sewer Rural Development revenue bond; 5.00%; 12/1980 to 11/2014	<u>2,292</u>	<u>-</u>	<u>(2,292)</u>	<u>-</u>
Total Enterprise Funds	<u>\$ 89,755</u>	<u>\$ -</u>	<u>\$ (5,666)</u>	<u>\$ 84,089</u>



TOWN OF METCALFE, MISSISSIPPI
Schedule of Surety Bonds for Municipal Officials
For the Year Ended September 30, 2015

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond Amount</u>
Corey Holmes	Mayor	Travelers	\$ 25,000
James Johnson	Vice-Mayor	Travelers	25,000
Raymond Scott	Alderman	Travelers	25,000
Pamela Jimson	Alderwoman	Travelers	25,000
Cora Green	Alderwoman	Travelers	25,000
Javis Ware	Alderman	Travelers	25,000
Rosie L. Chillis	Town Clerk	Travelers	50,000
Tamara Carter	Deputy Clerk	Travelers	50,000
Charles Patterson	Police Chief	Travelers	50,000

