OFFICE OF THE STATE AUDITOR REPORT NOTE:

Section 7-7-211, Mississippi Code Annotated (1972) gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

TOWN OF HEIDELBERG, MISSISSIPPI

Financial Statements

September 30, 2024

Table of Contents

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the
Board of Alderpersons
Town of Heidelberg, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements including the Statement of Activities and Net Position-Cash Basis and the Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances of the Town of Heidelberg, Mississippi, as of and for the year ended September 30, 2024, 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 the cash basis of accounting as described in Note 1, which includes that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in these circumstances. Management is also responsible for 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government 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 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

GranthamPoole PLLC
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P.O. Box 17986, Hattiesburg, MS 39404 P 601.271.8860

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities and the business-type activities, and each major fund of the Town of Heidelberg, Mississippi, as of September 30, 2024, and the respective changes in cash basis financial position for the year then ended in accordance with the basis of accounting as described in Note 1.

Other Matters

Omission of Required Supplementary Information

Management has omitted the Management's Discussion and Analysis and the Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary and Other Information

The Schedule of Investments - All Funds and the Schedule of Surety Bonds of Municipal Officials and Employees, for the Town of Heidelberg, Mississippi, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2026, on our consideration of the Town of Heidelberg, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 *Government Auditing Standards* in considering Town of Heidelberg, Mississippi's internal control over financial reporting and compliance.

Emphasis of Matter

As discussed in Note 1, the Town of Heidelberg, Mississippi, prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted by the United States of America.

Grantham Poole PLLC

Ridgeland, Mississippi
July 17, 2026

TOWN OF HEIDELBERG, MISSISSIPPI
Statement of Activities and Net Position - Cash Basis
Governmental and Business - Type Activities
September 30, 2024

		Program Cash Receipts				Business	
	Cash	Charges for	Operating		Governmental	Type	
Function / Programs	**Disbursements**	**Services**	**Grants**	**Grants**	**Activities**	**Activities**	**Total**
Governmental Activities:							
General Government	$ (492,338)	$ -	$ -	$ -	$ (492,338)	$ -	$ (492,338)
Public Safety	(318,674)	2,416	-	-	(316,258)	-	(316,258)
Public Works	(1,034,179)	-	-	-	(1,034,179)	-	(1,034,179)
Culture and Recreation	(24,923)	-	-	-	(24,923)	-	(24,923)
Total Governmental Activities	(1,870,114)	2,416	-	-	(1,867,698)	-	(1,867,698)
Business-Type Activities:							
Water, Sewer, and Sanitation	(380,519)	330,955	-	-	-	(49,564)	(49,564)
Total Business-Type Activities	(380,519)	330,955	-	-	-	(49,564)	(49,564)
Total Functions/Programs	$ (2,250,633)	$ 333,371	$ -	$ -	$ (1,867,698)	$ (49,564)	$ (1,917,262)
General Receipts and Transfers:							
Property Tax					$ 215,959	$ -	$ 215,959
Franchise Tax					57,183	-	57,183
Sales Tax					269,759	-	269,759
Oil Royalties and Severance Tax					83,136	-	83,136
Licenses and Permits					8,002	-	8,002
Grants not Restricted to a Specific Purpose					105,552	-	105,552
Other Revenue					275,265	-	275,265
Interest					22,195	663	22,858
Transfers					83,584	(83,584)	-
Total General Revenues					1,120,635	(82,921)	1,037,714
Change in Net Position					(747,063)	(132,485)	(879,548)
Net Position at Beginning of Year					1,844,235	339,746	2,183,981
Net Position at End of Year					$ 1,097,172	$ 207,261	$ 1,304,433

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

TOWN OF HEIDELBERG, MISSISSIPPI
Statement of Cash Receipts, Disbursements, and Changes in Cash
Basis Fund Balances
Governmental and Business - Type Activities
Year Ended September 30, 2024

	Governmental Activities							Business-Type Activities	
	General Fund	Street Project Fund	Sewer Project Fund	MS Infrastructure Fund	ARPA Fund	Other Governmental Funds	Governmental Funds (Memorandum Only)	Water, Sewer and Sanitation Fund	Totals (Memorandum Only)
Receipts:									
General Property Taxes	$ 215,959	$ -	$ -	$ -	$ -	$ -	$ 215,959	$ -	$ 215,959
Licenses and Permits:									
Privilege Licenses	8,002	-	-	-	-	-	8,002	-	8,002
Franchise Charges - Utilities	57,183	-	-	-	-	-	57,183	-	57,183
Oil Royalties and Severance Tax	83,136	-	-	-	-	-	83,136	-	83,136
Miscellaneous Tax	3,900	-	-	-	-	-	3,900	-	3,900
Intergovernmental Revenue:									
Homestead Exemption Reimbursement	10,029	-	-	-	-	-	10,029	-	10,029
State Shared Revenues:									
Sales Taxes	269,759	-	-	-	-	-	269,759	-	269,759
State Aid	92,403	-	-	-	-	-	92,403	-	92,403
Local Revenue	3,120	-	-	-	-	-	3,120	-	3,120
Charges for Services:									
Sanitation	-	-	-	-	-	-	-	63,149	63,149
Sewer	-	-	-	-	-	-	-	120,426	120,426
Water Utility	-	-	-	-	-	-	-	147,380	147,380
Interest	21,515	221	327	-	132	-	22,195	663	22,858
Fines and Forfeitures	2,416	-	-	-	-	-	2,416	-	2,416
Miscellaneous Receipts	269,572	-	-	-	-	1,793	271,365	-	271,365
Total Receipts	$ 1,036,994	$ 221	$ 327	$ -	$ 132	$ 1,793	$ 1,039,467	$ 331,618	$ 1,371,085

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

TOWN OF HEIDELBERG, MISSISSIPPI
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances - Continued
Governmental and Business - Type Activities
Year Ended September 30, 2024

	Governmental Activities							Business-Type Activities	
	General Fund	Street Project Fund	Sewer Project Fund	MS Infrastructure Fund	ARPA Fund	Other Governmental Funds	Governmental Funds (Memorandum Only)	Water, Sewer and Sanitation Fund	Totals (Memorandum Only)
Disbursements:									
General Government	$ (445,512)	$ (26)	$ -	$ (46,800)	$ -	$ -	$ (492,338)	$ -	$ (492,338)
Public Safety	(318,674)	-	-	-	-	-	(318,674)	-	(318,674)
Public Works	(225,764)	(396,056)	(197,754)	(52,164)	(162,441)	-	(1,034,179)	-	(1,079,253)
Culture and Recreation	(18,408)	-	-	-	-	(6,515)	(24,923)	-	(24,923)
Enterprise: Water, Sewer and Sanitation	-	-	-	-	-	-	-	(380,519)	(380,519)
Total Disbursements	(1,008,358)	(396,082)	(197,754)	(98,964)	(162,441)	(6,515)	(1,870,114)	(380,519)	(2,250,633)
Excess (Deficiency) of Receipts Over (Under) Disbursements	28,636	(395,861)	(197,427)	(98,964)	(162,309)	(4,722)	(830,647)	(48,901)	(879,548)
Other Financing Sources (Uses):									
Transfers	(291,622)	-	300,000	75,206	-	-	83,584	(83,584)	-
Total Other Financing Sources (Uses)	(291,622)	-	300,000	75,206	-	-	83,584	(83,584)	-
Excess (Deficiency) of Receipts and Other Financing Sources Over (Under): Disbursements and Financing Uses	(262,986)	(395,861)	102,573	(23,758)	(162,309)	(4,722)	(747,063)	(132,485)	(879,548)
Cash Basis Fund Balance - Beginning of Year	1,137,556	395,846	-	143,968	162,343	4,522	1,844,235	339,746	2,183,981
Cash Basis Fund Balance - End of Year	$ 874,570	$ (15)	$ 102,573	$ 120,210	$ 34	$ (200)	$ 1,097,172	$ 207,261	$ 1,304,433
Cash Basis Assets - End of Year:									
Cash and Cash Equivalents	$ 136,297	$ -	$ -	$ -	$ -	$ -	$ 136,297	$ 207,261	$ 343,558
Certificate of Deposit	738,273						$ 738,273		738,273
Restricted Cash	-	(15)	102,573	120,210	34	(200)	222,602	-	222,602
Total Cash Basis Assets	874,570	(15)	102,573	120,210	34	(200)	1,097,172	207,261	1,304,433
Cash Basis Fund Balances - End of Year									
Restricted:									
Restricted for Capital Projects	-	(15)	102,573	120,210	34	(200)	222,602	-	222,602
Unassigned	874,570	-	-	-	-	-	874,570	207,261	1,081,831
Total Fund Balance (Deficit)	$ 874,570	$ (15)	$ 102,573	$ 120,210	$ 34	$ (200)	$ 1,097,172	$ 207,261	$ 1,304,433

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Town of Heidelberg, Mississippi, (Town) operates under the Mayor/alderperson form of government; the following services are provided by the Town: Public Safety (Police, Fire and Protection/Inspection), Public Works, Culture and Recreation, and General Administrative Services.

The financial statements of the Town have been prepared on the basis of cash receipts and disbursement basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Town combines the Statement of Activities and Statement of Net Position.

The Statement of Activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. *Direct disbursements* are those that are clearly identifiable with a specific function or segment. *Program receipts* include (1) receipts from customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among programs receipts are reported instead as *general receipts*.

Separate financial statements are provided for governmental funds and propriety funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Government-wide financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when cash is collected and disbursements are recorded when cash is spent.

Governmental fund financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when cash is collected. Disbursements are generally recorded when cash is spent.

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. All general tax revenues and other sources of revenue used to finance the fundamental operations of the Town are included in this fund. The fund is charged with all cost of operating the government for which a separate fund has not been established.

The street project fund is used to account for a street project.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Proprietary Funds

Enterprise Funds - Enterprise Funds are 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 costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes.

D. Assets, Net Position and Fund Balances

1. *Cash and Investments.*

The government's cash and cash equivalents are considered to be cash on hand or invested in certificates of deposit. Restricted cash represents amounts restricted by grantors or by the Board of Alderpersons.

2. *Net Position.*

Restricted net position-consists of cash with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.

3. *Fund Balances.*

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Town classifies governmental fund balances as follows:

Non-spendable - Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The Town has no fund balance reported in this category.

Restricted – Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. The Town has no fund balance reported in this category.

Assigned – Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund balance may be assigned by management other than the highest decision-making authority of the Town. The Town has no fund balance reported in this category.

Unassigned – Includes positive fund balance with the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Net Position and Fund Balances (Continued)

The Town uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Town would first use committed, then assigned, and lastly, unassigned amounts of unrestricted fund balance when expenditures are made.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied as of January 1 and payable on or before February 1. Automobile ad valorem taxes are collected by Jasper County and remitted to the Town. The County retains a collection fee. Lien dates for personal and real property are in August.

Delinquent tax payments, received throughout the year, are recognized as revenue in the year received. The millage rate for the Town for January through December was 24.83 mills broken down as follows:

General Fund	24.83

Restrictions associated with property tax levies are established by state law which provide provides that the tax levy for general purposes shall no more than 110% of the amount which results from those levies' assessments of the previous year. Uncollected taxes were determined to be properly handled.

NOTE 2 CASH AND CASH EQUIVALENTS

At year-end, the Town's carrying amount of deposits was $1,304,433 and the bank balance was $1,308,715. The collateral for public entities' deposits in financial institutions are 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 town's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holdings 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 Deposit Insurance Corporation.

Custodial Credit Risk: Deposits and Investments: Custodial credit risk is defined as the risk that, in the event of a failure of a financial institution, the Town will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Town does not have a formal policy for custodial credit risk. However, the Mississippi State Treasury manages the risk on behalf of the Town. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on the behalf of the Town. As of September 30, 2024, none of the Town's bank balances of $1,308,715 was exposed to custodial risk.

Interest Rate Risk: The Town does not have a formal investment policy that limits maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Credit Risk: State law limits investments to those prescribed in Sections 27-105-33(d) and 27-105-33(e) Miss. Code Ann. (1972). The Town does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

NOTE 3 INVESTMENTS

The Town is allowed, by statute, to invest excess funds in any bonds or other direct obligations of the United States of America or the State of Mississippi, or of any county or municipality of this state, when such county or municipal bonds have been properly approved; or in interest-bearing time certificates of deposit or interest-bearing accounts with any financial institution approved for the deposit of state funds; or in any type of investment permitted by sections 27-105-33(d) and 27-105-33(e), Miss. Code Ann. (1972).

Investments are reported at fair value, which is determined using selected bases. All of the Town's investments consist of certificates of deposits, which mature over three months from the end of the fiscal year and are not considered cash or cash equivalents. These investments are reported at cost, which is the fair value.

NOTE 4 INTERFUND TRANSFERS

Inter-fund transactions during the year were as follows:

Type	To	From	Amount
Transfer	Sewer Project Fund	General Fund	$ 216,416
Transfer	Ms Infrastructure Fund	General Fund	75,206
Transfer	Sewer Project Fund	Water Fund	83,584
			$ 375,206

NOTE 5 DEFINED BENEFIT PENSION PLAN

Plan Description: The Town of Heidelberg, Mississippi, contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State Law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, at 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

Funding Policy: PERS members are required to contribute 9% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate at September 30, 2024 was 17.90% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The Town's contributions to PERS for the years ended September 30, 2024, 2023, and 2022 were $82,114, $69,778, and $64,562, respectively, which is equal to the required contributions for each year.

NOTE 6 NOTE RECEIVABLE

The Town entered into an agreement with Jasper Development, LLC, a Mississippi limited liability company, on June 8, 2010, in which the town issued a promissory note in the amount of $165,000 principal, plus interest at the annual rate of three percent. The Promissory note is secured by a deed of trust on real estate located in the First Judicial District of Jasper County, Mississippi. The said principal and interest shall be payable in fifteen annual installments of $11,000 principal each, plus interest (if any is due), with the first annual installment being due on July 15, 2011.

Interest due and payable for the first year will be waived if Jasper Development, LLC begins construction of any building on the lands secured by the deed of trust. Interest due and payable for years two through fifteen can be reduced or even waived if certain job creation target is met. The creation of ten full or part-time jobs will result in a reduction of one percent; the creation of twenty full or part-time jobs will result in a reduction of two percent; the creation of thirty or more full or part-time jobs will result in a full reduction of all interest and no interest payment will be due (principal only). Full time or part-time jobs created does not include construction-related jobs.

However, the real estate was foreclosed and returned to the Town on December 5, 2024.

NOTE 7 RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance in any of the past three fiscal years.

NOTE 8 SUBSEQUENT EVENTS

Events that occur after the Statement of Financial Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Financial Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Financial Position date require disclosure in the accompanying notes. The Town of Heidelberg has evaluated the activity of the Town through July 17, 2026, and determined that the following subsequent events require disclosure in the notes to the financial statements:

On November 12, 2024, the Board approved to accept a construction bid from a contractor in the amount of $86,750.

On January 7, 2025, the Board approved to pay the amount of $10,474 for fire equipment. $10,000 was awarded as a grant to fund the equipment with the Town’s payment to be $474. The Board also approved a contractor payment to repair the roof on two buildings in the amount of $11,503.

On January 9, 2025, the Board approved using $150,000 from the certificate of deposit to pay expenditures of the Town.

In April 2026, the Board approved a contract to a construction company in the amount of $137,875 for the NCRS Road Bank Stabilization Project.

Supplemental Information

TOWN OF HEIDELBERG, MISSISSIPPI
Schedule 1
Schedule of Investments - All Funds - Unaudited
September 30, 2024

Ownership	Type of Investment	Interest Rate	Acquisition Date	Maturity Date	Other Information	Investment Cost / Value
General Fund	Certificate of Deposit	3.45%	4/28/2024	9/28/2025	Community Bank	$ 738,273
Total General Fund Investments						738,273
Total Investments						$ 738,273

TOWN OF HEIDELBERG, MISSISSIPPI
Schedule 2
Schedule of Surety Bonds of Municipal Officials - Unaudited
Year Ended September 30, 2024

Name	Position	Surety	Bond Amount
David Taylor	Mayor	Clyde C. Scott	$ 25,000
Kim Pittman	Deputy City Clerk	St. Paul Travelers	50,000
Teresa Harvey	Town Clerk	St. Paul Travelers	50,000
Richard Ball	Alderperson	Clyde C. Scott	25,000
Dorothy Floyd	Alderperson	Clyde C. Scott	25,000
Verlina Forthner	Alderperson	Clyde C. Scott	25,000
Carolyn McFarland	Alderperson	Clyde C. Scott	25,000
Delicia Henderson	Alderperson	Clyde C. Scott	25,000
Huey Powe	Police Chief	St. Paul Travelers	50,000
Prentiss Henley, Jr.	Police Officer	St. Paul Travelers	25,000
Cornell White	Police Officer	St. Paul Travelers	25,000
Christopher Thompson	Police Officer	St. Paul Travelers	25,000
Terrance McGill	Police Officer	St. Paul Travelers	25,000

TOWN OF HEIDELBERG, MISSISSIPPI
Schedule 3
Schedule of Capital Assets, Net
September 30, 2024

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	$ 170,600	$ -	$ -	$ -	$ 170,600
Construction in Progress	-	607,776	-	-	607,776
Total Capital Assets Not Being Depreciated	170,600	607,776	-	-	778,376
Capital Assets Being Depreciated:					
Buildings	668,064	-	-	-	668,064
Improvements Other Than Buildings	122,309	-	-	1	122,310
Mobile Equipment	974,116	271,840	-	307,817	1,553,773
Other Furniture and Equipment	442,637	1,509	-	-	444,146
Infrastructure	537,915	46,800	-	575,397	1,160,112
Total Capital Assets Being Depreciated	2,745,041	320,149	-	883,215	3,948,405
Less Accumulated Depreciation For:					
Buildings	444,302	17,087	-	-	461,389
Improvements Other Than Buildings	91,945	6,274	-	-	98,219
Mobile Equipment	930,226	62,702	-	-	992,928
Other Furniture and Equipment	611,576	1,964	-	(170,600)	442,940
Infrastructure	331,102	87,421	-	-	418,523
Total Accumulated Depreciation	2,409,151	175,448	-	(170,600)	2,413,999
Total Capital Assets Being Depreciated, Net	335,890	144,701	-	1,053,815	1,534,406
Total Governmental Activities Capital Assets, Net	$ 506,490	$ 752,477	$ -	$ 1,053,815	$ 2,312,782

TOWN OF HEIDELBERG, MISSISSIPPI
Schedule 3
Schedule of Capital Assets, Net
September 30, 2024

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Business-Type Activities:					
Capital Assets Not Being Depreciated:					
Land	$ 2,815	$ -	$ -	$ -	$ 2,815
Total Capital Assets Not Being Depreciated	2,815	-	-	-	2,815
Capital Assets Being Depreciated:					
Water and Sewer Lines and Facilities	4,646,658	53,610	-	-	4,700,268
Total Capital Assets Being Depreciated	4,646,658	53,610	-	-	4,700,268
Less Accumulated Depreciation For:					
Water and Sewer Lines and Facilities	3,315,989	84,766	-	-	3,400,755
Total Accumulated Depreciation	3,315,989	84,766	-	-	3,400,755
Total Capital Assets Being Depreciated, Net	1,330,669	(31,156)	-	-	1,299,513
Total Business-Type Activities Capital Assets, Net	$ 1,333,484	$ (31,156)	$ -	$ -	$ 1,302,328

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

Honorable Mayor and
Members of the Board of Alderpersons
Heidelberg, 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 including the Statement of Activities and Net Position-Cash Basis and the Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances of the Town of Heidelberg, Mississippi, as of and for the year ended September 30, 2024, which collectively comprise the Town's basic financial statements and have issued our report thereon dated July 17, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Heidelberg, Mississippi's internal control over financial reporting 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 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses. We consider the deficiency described in the accompanying Schedule of Findings and Responses as 2024-001 to be a material weakness.

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Compliance and Other Matters

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

Town of Heidelberg's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the Town of Heidelberg, Mississippi's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Town of Heidelberg, Mississippi's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

GranthamPoole PLLC

GranthamPoole PLLC
Ridgeland, Mississippi
July 17, 2026

**INDEPENDENT ACCOUNTANTS' REPORT ON
COMPLIANCE WITH STATE LAWS AND REGULATIONS**

Honorable Mayor and Members of
the Board of Alderpersons
Town of Heidelberg, Mississippi

We have audited the Statement of Activities and Net Position - Cash Basis and the Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances of the Town of Heidelberg, Mississippi, as of and for the year ended September 30, 2024, and the related notes to the financial statements, and have issued our report thereon July 17, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards.

As required by the state 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 those procedures and our audit of the general-purpose financial statements disclosed the following material instance of noncompliance with state laws and regulations: Finding 2024-001, which is included in the Schedule of Findings and Responses.

The Office of the State Auditor or a public accounting firm will review, on subsequent year's audit engagement, the findings in this report to ensure that corrective action has been taken. This report is intended solely for the information and use of management, Town officials and the Office of the State Auditor 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.

GranthamPoole PLLC

GranthamPoole PLLC
Ridgeland, Mississippi
July 17, 2026

Schedule of Findings and Responses

Section 1: Summary of Auditors' Results

Financial Statements:

Section 1: Summary of Auditor's Results

1. Type of auditors' report issued on the financial statements:

Governmental Activities	Unmodified
Business-Type Activities	Unmodified

2. Internal Control over financial reporting:

a.	Material weakness identified?	Yes
b.	Significant deficiencies identified that are not considered to be a material weakness?	None Reported

3. Noncompliance material to the financial statements? No

Section 2: Financial Statement Findings

2024-001. Finding

Significant Deficiency - Material Weakness

As reported in prior years, there is a limited accounting staff to properly segregate the duties normally required for an efficient internal control structure. However, due to the limited number of personnel, an adequate segregation of duties is not possible without additional costs.

Repeat Finding: Yes, 2023-001 & 2022-001

Criteria: The Town should have a proper segregation of duties.

Condition: The Town does not have an adequate segregation of duties.

Cause: The size of the Town and available revenue does not allow for an adequate segregation of duties due to additional cuts.

Effect: The Town does not have a proper segregation of duties.

Recommendation: The cost of hiring additional personnel verses the benefit of a proper segregation of duties must be weighed.

View of Responsible Officials: Since the cost of hiring additional personnel is cost prohibitive, this will continue to be a deficiency in future audits. Management believes sufficient internal controls are present.