

OFFICIAL STATEMENT

NEW ISSUE
BOOK-ENTRY ONLY

UNDERLYING RATING: A1 (Moody's Investor Service, Inc.)
INSURED RATING: AA/Stable (S&P Global Ratings)
(See "BOND RATING" and "BOND INSURANCE" herein)

In the opinion of Bond Counsel, under existing laws, regulations, rulings, and judicial decisions, and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Bonds (defined below) is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended. Bond Counsel is further of the opinion that under existing law, interest on the Bonds earned by the respective owners thereof is exempt from State of Mississippi income taxes. For a more complete description, see "TAX MATTERS" herein.

\$12,555,000
GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2024
(PARKS AND RECREATION IMPROVEMENTS PROJECT)
CITY OF STARKVILLE, MISSISSIPPI

DATED: Date of Delivery.

DUE: February 1, as shown below

The City of Starkville, Mississippi (the "Municipality"), is issuing its \$12,555,000 General Obligation Public Improvement Bonds, Series 2024 (Parks and Recreation Improvements Project) (the "Bonds") (a) to provide funds for the Authorized Purposes (as defined herein), and (b) to pay the costs of authorization, issuance, sale, validation, and delivery of the Bonds. See "THE BONDS – Purpose and Authorization" herein for more information regarding the purposes of the Bonds.

The Bonds are issuable as fully-registered bonds in the denomination of \$5,000 or any integral multiple thereof in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds under a book-entry-only system maintained by DTC through brokers and dealers who are, or act through, DTC participants. Purchasers will not be entitled to receive physical delivery of the Bonds. The Bonds mature in each of the years and in the amounts, and bear interest at the rates as set forth on the inside cover page. Interest on the Bonds is payable semiannually each February 1 and August 1, commencing August 1, 2024. U. S. Bank Trust Company, National Association, will serve as the Registrar and Paying Agent for the Bonds.

The Bonds are being offered for sale in accordance with the official Notice of Bond Sale (the "Notice of Bond Sale").

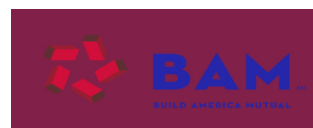
Sealed or electronic bids for the Bonds will be received until the hour of 11:00 a.m., C.D.T., on Tuesday, April 2, 2024, by the Municipality as described in the Notice of Bond Sale herein. The City Clerk will act on behalf of the Governing Body to receive sealed bids at the aforesaid date, time, and place.

The scheduled payment of principal of or interest on the Bonds maturing on February 1 of the years 2028, 2030 to 2031, 2036, and 2041 to 2042, inclusive, with CUSIP #'s 855498MZ1, 855498NB3, 855498NC1, 855498NH0, 855498NN7, and 855498NP2 (collectively, the "Insured Bonds"), when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Insured Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered subject to the final approval of the legality thereof by Watkins & Eager PLLC, Jackson, Mississippi, as Bond Counsel, and Mitchell, McNutt & Sams, Columbus, Mississippi, as Counsel to the Municipality. Stephens Inc., Ridgeland, Mississippi, is serving as the Independent Registered Municipal Advisor to the Municipality in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery in book type and entry-only form delivered to DTC, on or about April 23, 2024.

Official Statement dated April 2, 2024.



Build America Mutual Assurance Company (“BAM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “Bond Insurance” and **Appendix H – Specimen Municipal Bond Insurance Policy**.

Interest payable on August 1, 2024, and semiannually thereafter on February 1 and August 1 of each year. The Bonds, in registered form and in the denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity, will mature on February 1, with option of prior payment, in the years and principal amounts as follows:

Maturity Schedule

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP*</u>
2025	\$375,000	5.000%	3.480%	855498MW8
2026	\$395,000	5.000%	3.290%	855498MX6
2027	\$415,000	5.000%	3.110%	855498MY4
2028**	\$440,000	5.000%	2.980%	855498MZ1
2029	\$460,000	5.000%	2.940%	855498NA5
2030**	\$485,000	5.000%	2.910%	855498NB3
2031**	\$510,000	5.000%	2.840%	855498NC1
2032	\$535,000	5.000%	2.950%	855498ND9
2033	\$565,000	5.000%	2.910%	855498NE7
2034	\$590,000	5.000%	2.960%	855498NF4
2035	\$620,000	5.000%	3.050%***	855498NG2
2036**	\$655,000	5.000%	3.120%***	855498NH0
2037	\$690,000	5.000%	3.210%***	855498NJ6
2038	\$725,000	5.000%	3.310%***	855498NK3
2039	\$760,000	5.000%	3.400%***	855498NL1
2040	\$795,000	4.000%	3.790%***	855498NM9
2041**	\$830,000	5.000%	3.630%***	855498NN7
2042**	\$870,000	4.000%	4.070%	855498NP2
2043	\$905,000	4.000%	4.100%	855498NQ0
2044	\$935,000	4.000%	4.120%	855498NR8

*These CUSIP numbers have been assigned by Standard & Poor's CUSIP Service Bureau, a Division of The McGraw-Hill Companies, Inc., and are included solely for the convenience of Bondholders. The Municipality is not responsible for the selection or use of these CUSIP numbers, nor is any representation made as to their correctness on the Bonds or as indicated herein.

**Bonds Insured by Municipal Bond Insurance Policy issued by BAM.

***Yield to February 1, 2034, Call Date.

For purposes of compliance with Rule 15c2-12 (“Rule 15c2-12”) of the U.S. Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the City of Starkville, Mississippi (the “Municipality”), from time to time (collectively, the “Official Statement”), may be treated as an “Official Statement” with respect to the Bonds described herein that is deemed final as of the date hereof (or as of the date of any such supplement or correction) by the Municipality. The Official Statement, when further supplemented by a Final Official Statement specifying the interest rates, principal amounts, in the aggregate and per maturity, and delivery dates of the Bonds, together with any other information required by law, shall constitute a “Final Official Statement” of the Municipality with respect to the Bonds, as that term is defined in Rule 15c2-12. Any addendum or amendment shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, broker, salesperson, or other person has been authorized by the Mayor and Board of Aldermen of the Municipality (the “Governing Body”) to give any information or to make any representation, other than as contained in this Official Statement, in connection with the offering described herein, and if given or made, such other information or representation must not be relied upon as having been authorized by the Governing Body. This Official Statement is submitted in connection with the sale of the Bonds described herein, and may not be reproduced, used, or relied upon, in whole or in part, for any other purpose.

CERTAIN INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT MAY HAVE BEEN OBTAINED FROM SOURCES OTHER THAN RECORDS OF THE MUNICIPALITY AND, WHILE BELIEVED TO BE RELIABLE, IS NOT GUARANTEED AS TO COMPLETENESS OR ACCURACY. THE INFORMATION AND EXPRESSIONS OF OPINION IN THIS OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE MUNICIPALITY SINCE THE DATE HEREOF.

Reference herein to laws, rules, regulations, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to laws, rules, regulations, agreements, reports, and other documents are qualified in their entirety by reference to the particular laws, rules, regulations, agreements, reports, and other documents, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to this Official Statement, they will be furnished on request.

The Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law, and the same will not be listed on any stock or other securities exchange. Neither the U.S. Securities and Exchange Commission nor any other federal, state, or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale. Any representation to the contrary is a criminal offense.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE MUNICIPALITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

**CAUTIONARY STATEMENTS REGARDING
FORWARD-LOOKING STATEMENTS IN
THIS OFFICIAL STATEMENT**

This Official Statement contains statements which should be considered “forward-looking statements,” meaning they refer to possible future events or conditions. Such statements are generally identifiable by the use of the future tense or by terms such as “may,” “intend,” “will,” “expect,” “forecast,” “project,” “anticipate,” “estimate,” “plan,” “budget,” “believe,” “should,” “strategy,” “position,” or the negative of such terms or variations of such words or similar expressions. In particular, any statements, express or implied, concerning future operating results or the ability to generate funds to service indebtedness are forward-looking statements. Investors are cautioned that reliance on any of those forward-looking statements involves risks and uncertainties and that, although the Governing Body believes that the assumptions on which those forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate. Those forward-looking statements, including forecasts, projections, and estimates, are based on currently available information, expectations, estimates, assumptions, and projections, and the Governing Body’s judgment about future expenses of operations and general economic conditions. The forward-looking statements are not guarantees of future performance. Actual results may vary materially and adversely from what is contained in a forward-looking statement. Factors which may cause results different from those expected or anticipated include, among others, increases in costs of operation, decreases in levels of State financial support, general economic and business conditions, and various other events, conditions, and circumstances, many of which are beyond the control of the Municipality. As a result, the forward-looking statements based on those assumptions also could be incorrect, and actual results may differ materially and adversely from any results indicated or suggested by those assumptions.

Although the Municipality believes in making any such forward-looking statement, and its expectations are based on assumptions considered reasonable by the Municipality, any such forward-looking statement involves uncertainties and is qualified in its entirety by reference to factors both identified within this Official Statement and from publicly available sources about trends in municipal government that could cause the actual financial operating results of the Municipality to differ materially and adversely from those contemplated in such forward-looking statements.

Any forward-looking statement speaks only as of the date such statement is made, and the Municipality undertakes no obligation to update any forward-looking statement in this Official Statement to reflect events or circumstances after the date of this Official Statement or to reflect the occurrence of unanticipated events. New factors arise or emerge from time to time, and it is not possible for the Municipality to predict all such factors, nor can it assess the impact of each such factor or the extent to which any factor, or combination of factors, may cause results to differ materially and adversely from those contained in any forward-looking statement.

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CITY OF STARKVILLE, MISSISSIPPI

BOARD OF ALDERMEN

**Hamp Beatty
Mike Brooks
Kim Moreland
Roy A'. Perkins
Jeffrey Rupp
Sandra C. Sistrunk
Henry N. Vaughn, Sr.**

MAYOR

Lynn Spruill

CITY CLERK

Lesa Hardin

ATTORNEY FOR CITY OF STARKVILLE

**Berkley N. Huskison, Esq.
Mitchell McNutt & Sams, P.A.
Columbus, Mississippi**

WATKINS, WARD AND STAFFORD, PLLC

**CERTIFIED PUBLIC ACCOUNTANTS
Starkville, Mississippi**

WATKINS & EAGER PLLC

**Jackson, Mississippi
Bond Counsel**

STEPHENS INC.

**Ridgeland, Mississippi
Municipal Advisor**

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OFFICIAL STATEMENT

\$12,555,000

GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2024 (PARKS AND RECREATION IMPROVEMENTS PROJECT) CITY OF STARKVILLE, MISSISSIPPI

INTRODUCTION

The purpose of this Official Statement is to set forth certain information in connection with the sale of the General Obligation Public Improvement Bonds, Series 2024 (Parks and Recreation Improvements Project), dated and issued April 23, 2024, in the principal amount of \$12,555,000 (the “Bonds”), of the City of Starkville, Mississippi (the “Municipality”).

Reference is made to the Act as hereinafter defined, the Bond Resolution as hereinafter defined, and any and all modifications and amendments thereof for a description of the nature and extent of the security for the Bonds, the pledge of tax revenues for the payment of the principal of and interest on the Bonds, the nature and extent of said pledge and the terms and conditions under which the Bonds are issued.

THE BONDS

Purpose and Authorization. The Bonds are being issued to provide funds for the purpose of providing funds to acquire real property for and constructing, equipping, owning, operating, leasing, furnishing, maintaining, and marketing new and existing sports tournament and recreational facilities of the Municipality and for related purposes as authorized by the Authority Act, and to pay the principal of and interest on bonds issued pursuant to the Authority Act (the “Special Sales Tax Authorized Purpose”) and erecting municipal buildings, auditoriums, community centers, gymnasiums, and athletic stadiums, preparing and equipping athletic fields, and purchasing buildings or land therefor, and for repairing, improving, adorning, and equipping the same; erecting or purchasing waterworks, gas, electric, and other public utility plants or distribution systems or franchises, and repairing, improving, and extending the same; establishing sanitary, storm, drainage, or sewerage systems, and repairing, improving, and extending the same; protecting the Municipality, its streets, and sidewalks from overflow, caving banks, and other like dangers; constructing, improving, or paving streets, sidewalks, driveways, parkways, walkways, or public parking facilities, and purchasing land therefor; purchasing land for parks and public playgrounds, and improving, equipping, and adorning the same, including the constructing, repairing, and equipping of swimming pools and other recreational facilities; constructing bridges and culverts; altering or changing the channels of streams and water courses to control, deflect, or guide the current thereof; purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; purchasing machinery and equipment which have an expected useful life in excess of 10 years (the “General Municipal Improvements Authorized Purpose”) (together, the “Authorized Purposes”).

The Bonds will be issued pursuant to the provisions of House Bill 1547, as approved by the Legislature of the State of Mississippi (the “Legislature” of the “State”) in its Regular Session 2022 and signed by the Governor (the “Governor”) of the State on March 23, 2022, and

by House Bill No. 1565, as approved by the Legislature in its Regular Session 2019 and signed by the Governor on April 3, 2019 (together, the “Authority Act”), Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended (the “Municipal Improvements Act”), Section 17-1-3 Mississippi Code of 1972, as amended, Sections 55-9-1 *et seq.*, Mississippi Code of 1972, as amended, Sections 21-37-1 *et seq.*, Mississippi Code of 1972, as amended, and other applicable laws of the State (together, the “Act”), and resolutions adopted by the Mayor and Board of Aldermen (the “Governing Body”) on September 20, 2022, November 1, 2022, and April 4, 2023, authorizing and directing the issuance of the Bonds (together, the “Bond Resolution”).

In order to issue the Bonds, the Governing Body adopted a resolution declaring its intention to issue the Bonds and gave notice of such intention by publication of said resolution in a newspaper published and of general circulation in the Municipality. If 20%, or 1,500, whichever had been less, of the qualified electors of the Municipality had filed a written protest against the issuance of the Bonds on or before the date specified in said resolution, an election on the question of the issuance of the Bonds would have been held. November 1, 2022, was set by the Governing Body as the date on or before which written protest was required to have been filed. No written protest having been received on or before said date, the Governing Body is now authorized and empowered by the Act to issue the Bonds without the necessity of calling and holding an election on the question of the issuance thereof.

Security. The Bonds shall be general obligations of the Municipality payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon all the taxable property within the geographical limits of the Municipality. To the extent other moneys are not available, the Municipality will levy annually a direct and continuing tax upon all taxable property within the geographical limits of the Municipality, which tax, together with any other moneys available for such purpose, will be adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due; provided, however, that such tax levy for any year shall be abated *pro tanto* to the extent the Municipality on or prior to September 1 of that year has transferred money to the Parks and Recreation Bond Fund (as defined in the Bond Resolution), or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the Bonds due during the ensuing fiscal year of the Municipality, in accordance with the provisions of the Bond Resolution.

Provided, however, any other funds available to the Municipality which may be lawfully used for payment of the principal of, premium, if any, and interest on the Bonds, and which the Governing Body, in its discretion, may direct to be deposited into the Parks and Recreation Bond Fund, including, but not limited to, the Special Sales Tax (as defined herein), pursuant to the Act, may be used for the payment of the principal and interest due on the Bonds. Should there be a failure in any year to comply with the requirements of this Section, such failure will not impair the right of the Registered Owners of any of the Bonds in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Bonds, both as to principal and interest.

“Special Sales Tax” means, together, that portion of the 2% of the gross income of restaurants derived from retail sales of prepare food, alcoholic and nonalcoholic beverages dedicated to the Municipality to be expended for park and recreational improvements and the additional 1% economic development, tourism, and convention tax on the gross income of

restaurants derived from retail sales of prepared food, alcoholic beverages, and nonalcoholic beverages, and from gross income derived from lodging at hotels and motels within the Municipality for the purpose of the “construction, maintenance, operation, and promotion of recreation and sports tournament facilities” within the Municipality.

Redemption. Bonds maturing after February 1, 2034, are subject to redemption prior to their respective maturities at the election of the Municipality on and after February 1, 2034, either in whole or in part on any date, with the maturities and principal amounts thereof to be determined by the Municipality, at the principal amount thereof together with accrued interest to the date fixed for redemption. Notice of each such redemption shall be mailed, postage prepaid, not less than 30 days prior to the redemption date, to all Registered Owners of the Bonds to be redeemed at their addresses as they appear on the registration books of the Municipality kept by the Paying Agent (as defined herein). If less than all of the outstanding Bonds of a maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent by lot or random selection in such manner as it shall deem fair and appropriate. The Paying Agent may provide for the selection of portions of the principal of the Bonds (in integral multiples of \$5,000), and for all purposes of this Bond Resolution, all provisions pertaining to the redemption of the Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed.

1995 Constitutional Amendment. The qualified electors of the State of Mississippi (the “State”) voted in a general election held on November 7, 1995, to amend the Mississippi Constitution of 1890 to add the following new Section 172A (the “Amendment”):

SECTION 172A. Neither the Supreme Court nor any inferior court of this state shall have the power to instruct or order the state or any political subdivision thereof, or an official of the state or any political subdivision, to levy or increase taxes.

The Amendment does not affect the underlying obligation to pay the principal of and interest on the Bonds as they mature and become due nor does it affect the obligation to levy a tax sufficient to accomplish that purpose. However, even though it appears that the Amendment was not intended to affect bondholders' remedies in the event of a payment default, it potentially prevents bondholders from obtaining a writ of mandamus to compel the levying of taxes to pay the principal of and interest on the Bonds in a court of the State. It is not certain whether the Amendment would affect the right of a federal court to direct the levy of a tax to satisfy a contractual obligation. Other effective remedies are available to the bondholders in the event of a payment default with respect to the Bonds. For example, bondholders can seek a writ of mandamus to compel the Municipality to use any legally available moneys to pay the debt service on the Bonds, and if such writ of mandamus is issued and public officials fail to comply with such writ, then such public officials may be held in contempt of court. In addition, pursuant to the Mississippi Constitution §175, all public officers who are guilty of willful neglect of duty may be removed from office.

Book-Entry System. The Bonds will be available to purchasers under the Book-Entry System maintained by The Depository Trust Company, New York, New York (“DTC”), which will act as

securities depository for the Bonds. Purchasers will not be entitled to receive physical delivery of the Bonds. For so long as any purchaser is a beneficial owner of a Bond, such purchaser must maintain an account with a broker or dealer who is, or acts through, a DTC participant in order to receive payment of principal of and interest on such Bonds.

In the event the Bonds are no longer held under the Book-Entry System, bond certificates registered in the name of DTC or its nominee will be cancelled and the Municipality will execute and deliver Bonds to the Beneficial Owners as shown on the records of the DTC Participants. See **Appendix G** for a description of the payment, registration, transfer, and exchange provisions for the Bonds if the Book-Entry System is discontinued.

CONTINUING DISCLOSURE

The Municipality will enter into a Continuing Disclosure Agreement for the benefit of holders of the Bonds wherein the Municipality will agree to provide annually its audited financial statements and certain financial information and operating data relating to the Municipality (the “Annual Report”), and to provide notices through the Electronic Municipal Market Access (“EMMA”) system established by the Municipal Securities Rulemaking Board (the “MSRB”) (or such other system as may be subsequently authorized by the MSRB). The Annual Report and notices of material events will be filed by the Municipality through the EMMA system (or such other system as may be subsequently authorized by the MSRB). The specific nature of the information to be contained in the Annual Report or the notices of material events and the other provisions of the Continuing Disclosure Agreement are set forth in **Appendix E**. A failure by the Municipality to comply with the Continuing Disclosure Agreement must be reported in accordance with the Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission of the United States of America and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The Municipality is responsible for making continuing disclosure filings, which include annual reports containing certain financial information and operating data relating to the Municipality and audited financial statements for each fiscal year. Pursuant to prior written disclosure undertakings, the Municipality is responsible for filing its annual reports and audited financial statements within 12 months of the end of its fiscal year of September 30. The Municipality has consistently timely filed its annual reports containing certain financial information and operating data relating to the Municipality. The Municipality has failed in recent fiscal years to timely file its audited financial statements for the fiscal years September 30, 2018, to September 30, 2022, and has filed notices of failure to timely file audited financial statements when applicable. The Municipality will immediately file its audited financial statements for the fiscal year ended September 30, 2022, attached hereto as **Appendix C**, on EMMA after formal approval by the Auditor of the State.

The Municipality's intention is to file the information required under the continuing disclosure undertaking for the Bonds and its prior obligations in a complete and timely manner and has retained an independent agent to monitor compliance throughout the term of the Bonds.

AUDITORS

The financial statements of the City as of September 30, 2022, have been audited by Watkins, Ward and Stafford, PLLC, Certified Public Accountants, Starkville, Mississippi, independent certified public accountants, as set forth in their report attached as **Appendix C**. Watkins, Ward and Stafford, PLLC, has not performed any procedures relating to this Official Statement.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the Bonds (the “Policy”) the Bonds maturing on February 1 of the years 2028, 2030 to 2031, 2036, and 2041 to 2042, inclusive, with CUSIP #'s 855498MZ1, 855498NB3, 855498NC1, 855498NH0, 855498NN7, and 855498NP2 (collectively, the “Insured Bonds”). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut, or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (“S&P”). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to

revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2023 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$500.0 million, \$230.7 million and \$269.3 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g., general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and

coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

MISCELLANEOUS AND LEGAL INFORMATION

No Default on Securities. No securities of the Municipality have been in default as to principal or interest payments or in any other material respect at any time in at least the last 25 years. No principal or interest on any obligation of the Municipality is past due.

No Bond Proceeds for Current Operating Expenses. No proceeds from the sale of securities (except tax anticipation notes issued against revenues of a current fiscal year) have been used for current operating expenses at any time in at least the last ten years.

Legal Proceedings. There are no pending legal proceedings which might be expected to affect the Municipality's ability to fulfil its obligations to the Registered Owners of the Bonds.

Municipal Bond Insurance Policy. Pursuant to the Bond Resolution, the Governing Body has authorized prospective bidders, at their sole expense, to obtain a municipal Bond Insurance Policy (as defined and described in the Bond Resolution) to guarantee the payments of the principal of and interest on the Bonds.

Sovereign Immunity. In 1982, in *Pruett v. City of Rosedale*, the Mississippi Supreme Court (the "Supreme Court") abolished the judicial common law doctrine of sovereign immunity, effective July, 1984, and invited a legislative response by creation of statutory sovereign immunity. In 1984, the Legislature enacted a tort claims act (the "Tort Claims Act") that gave statutory sovereign immunity to the State and its political subdivisions, and then provided for a limited and capped waiver of that immunity.

The Tort Claims Act, as amended, provides a broad statutory sovereign immunity for acts and omissions of governmental entities, whether governmental, proprietary, discretionary or ministerial, including for breach of an implied contract, and without regard to whether a fee, charge or other consideration was paid. The Tort Claims Act waives this statutory sovereign

immunity up to certain maximum limits of liability, except for specified circumstances; the maximum liability arising out of a single occurrence is \$500,000 for claims arising on or after July 1, 2001. Attorney fees and punitive damages are not allowed unless otherwise specifically authorized by law; trial of claims arising under the Tort Claims Act shall be conducted without a jury; a claimant must exhaust his administrative remedies before he files suit, and he must file within one year after the cause of action arises; governmental entities and their employees acting within the course and scope of their employment shall not be liable for any claims under specified circumstances; all political subdivisions must purchase liability insurance or set up self-insurance reserves sufficient to cover risks of claims under the Tort Claims Act; all governmental entities may purchase liability insurance in excess of the maximum liability and immunity shall be waived to the extent of the excess liability insurance; and any two or more political subdivisions may enter into agreement to pool liabilities through insurance or self-insurance reserves.

Under existing law, the defense of sovereign immunity would not be available to the Municipality against a claim for payment, when due, of principal of or interest on the Bonds.

Validation. The Bonds shall be submitted to validation before the Chancery Court of Oktibbeha County, Mississippi, as provided by Sections 31-13-1 *et seq.*, Mississippi Code of 1972, as amended.

Approval of Legal Proceedings. All legal matters in connection with the authorization and issuance of the Bonds are subject to the final approval of the legality thereof by Watkins & Eager PLLC, Jackson, Mississippi ("Bond Counsel"). Copies of such opinion will be available at the time of delivery of the Bonds. No representation is made to the Registered Owners of the Bonds that Bond Counsel has verified the accuracy, completeness, or fairness of the statements in the Official Statement and Bond Counsel assumes no responsibility to the Registered Owners of the Bonds except for the matters set forth in such opinion.

TAX MATTERS

Tax Exemption.

State Tax Exemption. Bond Counsel is further of the opinion that under and pursuant to the Act, the Bonds and interest thereon are exempt from all income taxes imposed by the State and any county, municipality, and other political subdivision of the State.

Exclusion from Gross Income Pursuant to Section 103 of the Internal Revenue Code. The Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations promulgated thereunder (the "Regulations"), include requirements which the Municipality must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The Municipality's failure to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Municipality has covenanted in the Bond Resolution to comply with the requirements of the Code in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

In the opinion of Bond Counsel, assuming compliance by the Municipality with the tax covenants referred to above, under existing statutes, regulations, rulings, and court decisions, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

The opinion of Bond Counsel described in the preceding paragraph is subject to the condition that the Municipality comply with all requirements of the Code and the Regulations, including, without limitation, certain limitations on the use, expenditure, and investment of the proceeds of the Bonds and the obligation to rebate certain earnings on investments of proceeds to the United States of America, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Municipality has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the interest on the Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

Section 265(b)(1) of the Code provides that financial institutions may not deduct the portion of their otherwise allowable interest expense allocable to tax exempt obligations acquired after August 7, 1986 (other than “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code). The Municipality has not designated the Bonds as “qualified tax-exempt obligations” pursuant to Section 265(b)(3)(B) of the Code.

Bond Counsel will not address or opine with respect to any federal tax consequences arising with respect to the Bonds, other than its opinion with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code and its opinion that the Bonds are not “specified private activity bonds.” Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Original Issue Premium. Bonds purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity (or, in some cases, at their earlier call date) (the “Series 2024 Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Series 2024 Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a holder's basis in a Series 2024 Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such holder. Holders of Series 2024 Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Future Federal Legislation. The federal government is considering various legislative proposals for reducing the federal budget deficit and the federal debt and promoting economic

growth, and some of these proposals, if enacted, could affect the tax-exempt status and/or market price or marketability of state and local bonds, such as the Bonds. In addition, future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly and retroactively, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent holders from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

In addition, prospective purchasers of the Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes of the federal alternative minimum tax, the environmental tax, the branch profits tax and the tax on passive investment income of corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

United States Bankruptcy Code. The undertakings of the Municipality should be considered with reference to Chapter 9 of the Bankruptcy Code, 11 U.S.C. §§ 901, *et. seq.*, as amended, and other laws affecting creditors' rights and certain public bodies generally. Chapter 9 permits a municipality, political subdivision, public agency, or other instrumentality of a State that is insolvent or unable to meet its debts as such debts mature to file a petition in the United States Bankruptcy Court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of its creditors; provides that the filing of the petition under that Chapter operates as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; directs a petitioner to file a plan for the adjustment of its debts; permits the petitioner in its plan to modify the rights to payment of its creditors; and provides that the plan must be accepted in writing by or on behalf of creditors of each impaired class of claims holding at least two-thirds in amount and more than one-half in number of the creditors which have accepted or rejected the plan. The plan may be confirmed notwithstanding the negative vote of one or more classes of claims if the court finds that the plan is in the best interest of creditors, is feasible, and is fair and equitable with respect to the dissenting classes of creditors. A petitioner has the right to reinstate indebtedness under its plan according to the original maturity schedule of such indebtedness notwithstanding any provision in the documents under which the indebtedness arose relating to the insolvency or financial condition of the debtor before the confirmation of the plan, the commencement of a case under the Bankruptcy Code, or the appointment of or taking possession by a trustee in a case under the Bankruptcy Code or by a receiver or other custodian prior to the commencement of a case under the Bankruptcy Code.

Impact of COVID-19 on the Municipality. The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first detected in China and has since spread to other countries, including the United States, the State, and the Municipality, has been declared a pandemic by the World Health Organization.

The outbreak of the disease has affected travel, commerce, and financial markets globally and is widely expected to affect economic growth worldwide. The COVID-19 outbreak is altering the behavior of businesses and people in a manner that is having negative effects on global and local economies, including the State and the Municipality. In addition, financial markets in the United States and globally have seen significant declines and volatility attributed to concerns over COVID-19. Continued declines or volatility in the financial markets may constrain market access and credit availability to borrowers, including governmental entities such as the State and the Municipality.

On January 31, 2020, the Secretary of Health and Human Services declared COVID-19 a “public health emergency,” under Section 319 of the Public Health Service Act (42 U.S.C. 247d). On March 13, 2020, President Donald J. Trump declared the COVID-19 outbreak a “national emergency,” which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. On March 27, 2020, the Congress of the United States passed and President Trump signed the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), a \$2 trillion relief package related to responding to the COVID-19 outbreak and its impacts on the economy of the United States.

On March 24, 2020, Mississippi Governor Tate Reeves issued Executive Order No. 1463 pursuant to Section 33-15-11(b)17, Mississippi Code of 1972, as amended, declaring a State of Emergency, and issued a Supplement to Executive Order No. 1463 on March 26, 2020. On April 1, 2020, the Governor issued Executive Order No. 1466 implementing a statewide shelter-in-place, with exemptions for certain essential activities. On April 17, 2020, the Governor issued Executive Order No. 1473, extended the statewide shelter-in-place until Monday, April 27, 2020. On April 23, 2020, the Governor issued Executive Order No. 1476 implementing school closures for the remainder of the current academic year. On April 24, 2020, the Governor issued Executive Order No. 1477 establishing the statewide safer-at-home order through May 11, 2020, to balance the interests of protecting public health while reopening portions of the economy of the State. On May 8, 2020, the Governor issued Executive Order No. 1480 extending the statewide safer-at-home order through May 25, 2020, and stating certain social distancing guidelines that be adhered to in order to safely reopen certain categories of businesses. On May 28, 2020, the Governor issued Executive Order 1492 to establish the “Safe Return” protocols for restarting the economy of the State. As of 11:59 p.m. on November 20, 2021, the Governor allowed all Executive Orders declaring a COVID-19 State of Emergency related to expire. The Executive Orders and Supplements to the Executive Orders are available for review at www.sos.ms.gov. The Department of Health and Human Services declared that the federal Public Health Emergency for COVID-19, declared under Section 319 of the Public Health Service Act, to expire at the end of the day on May 11, 2023.

The finances of the Municipality may be materially adversely affected by the continued spread of COVID-19, which could affect ad valorem tax and sales collections of the Municipality, therefore potentially impacting the ability of the Municipality to pay the principal of and interest on the Bonds. The impact of the outbreak on the operations and economy of the Municipality cannot be predicted due to the dynamic nature of the outbreak, including uncertainties relating to its duration and severity, as well as what actions may be taken by governmental authorities and other institutions to attempt to contain or mitigate its impact. The

financial projections contained in this Official Statement have not been updated to reflect any potential impact of the COVID-19 outbreak.

Cyber Security Management. The Municipality, like many other public and private entities, relies on a large and complex technology environment to conduct its operations and faces multiple cyber security threats including, but not limited to, hacking, phishing, viruses, malware, and other attacks on its computing and other digital networks and systems (collectively, “Systems Technology”). As a recipient and provider of sensitive information, the Municipality may be the target of cyber security incidents that could result in adverse consequences to the Municipality and its Systems Technology, requiring a response action to mitigate the consequences. The Municipality has in place daily backup processes to help mitigate the eventuality of these risks. The Municipality has structured its “technology” environment based upon best practice Zero Trust standards to mitigate these risks. Cyber security incidents could result from unintentional events or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Municipality's Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. The Municipality has implemented certain controls, including data and network security measures, malware protection, security configuration, website filtering and protection, and user training, to mitigate the risk of cyber security breaches from internal sources or activities. The Municipality has personnel policies in place for the Municipality's computer systems and networks detailing the security of the systems by only designated personnel and password securities in place by user. The Municipality carries a cybersecurity insurance policy in the amount of \$1,000,000.

Independent Registered Municipal Advisor. Stephens Inc., Ridgeland, Mississippi is serving as the Independent Registered Municipal Advisor (the “IRMA”) to the Municipality in connection with the issuance of the Bonds. Stephens, Inc., in its capacity as the IRMA, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants, and representations contained in any of the legal documents with respect to the federal or state income tax status of the Bonds or the possible impact of any present, pending, or future actions taken by any legislative or judicial bodies. The information set forth herein has been obtained from the Municipality and other sources believed to be reliable but has not been independently verified by the IRMA.

The IRMA has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Municipality and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the IRMA does not guarantee the accuracy or completeness of such information.

Underwriting. The Bonds have been purchased by Loop Capital Markets, New York, New York (the “Underwriter”), at competitive sale from the Municipality for resale. The Underwriter has agreed to purchase the Bonds at the purchase price of \$13,547,597.47, calculated at par of \$12,555,000, plus a premium of \$1,079,490.15, less Underwriter’s discount of \$86,892.68. The initial public offering yields of the Bonds are set forth on the inside front cover of this Official Statement and may be changed from time to time by the Underwriter. The Underwriter may also allow a concession from the public offering prices to certain dealers. The Underwriter has received no fee from the Municipality for underwriting the Bonds. If the Bonds are sold at the

public offering yields as set forth on the inside front cover of this Official Statement, the Underwriter anticipates total selling compensation of \$86,892.68 for the Bonds.

Registrar and Paying Agent. U. S. Bank Trust Company, National Association, is acting as Registrar and Paying Agent for the Bonds (the “Paying Agent”). The Paying Agent has not provided, or undertaken to determine, the accuracy of, any of the information contained in this Official Statement and makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information; (ii) the validity of the Bonds; or (iii) the tax exempt status of the interest on the Bonds.

Bond Rating. As noted on the cover page of this Official Statement, Moody’s Investors Service, Inc. (“Moody’s”) has assigned the Bonds the rating of “A1.” Such rating reflects only the view of Moody’s, and an explanation of the significance of such rating may be obtained from Moody’s. The Municipality makes no representation as to the appropriateness of the rating. The Municipality has furnished to Moody’s certain information and materials regarding the Bonds. Generally, Moody’s will base the rating on such information and materials, and on investigations, studies, and assumptions furnished to and obtained and made by Moody’s. There is no assurance that such a rating will remain unchanged for any given period of time or that the rating may not be lowered or withdrawn entirely by Moody’s, if, in its judgment, circumstances warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

BAM’s financial strength is rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects S&P’s current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Miscellaneous. The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the Registered Owners thereof.

The information contained in this Official Statement has been taken from sources considered reliable, but is not guaranteed. To the best of our knowledge, information in this Official Statement does not include any untrue statement of material fact; nor does the information omit the statement of any material fact required to be stated therein or necessary to

make the statements therein, in the light of the circumstances under which they were made, not misleading.

The Municipality has prepared this Official Statement which it deems, for purposes of the Rule, to be final and complete except for the omission of the offering prices, interest rates, and any other terms of the Bonds depending on such matters, and the identity of the underwriters, subject to revision, amendment and completion in a final Official Statement. By submission of its bid, the successful bidder will be deemed to have certified that it has obtained and reviewed this Official Statement. Upon the sale and award of the Bonds, the Municipality will publish an Official Statement in substantially the same form as this Official Statement subject to minor additions, deletions, and revisions as required to complete this Official Statement. If requested, the Municipality will furnish a reasonable number of copies of the Official Statement to the successful bidder of the Bonds without charge within seven business days after the sale and award of the bid. By submission of its bid, the successful bidder will be deemed to have agreed to supply to the Municipality all necessary pricing information and any underwriter identification determined by the Municipality to be necessary for the Official Statement within 24 hours after the sale and award of the Bonds.

A copy of this Official Statement may be obtained from:

Lesa Hardin
City Clerk
City of Starkville, Mississippi
lhardin@cityofstarkville.org
(662) 323-2525

or

Brad C. Davis, Esq.
Bond Counsel
Watkins & Eager PLLC
bdavis@watkinseager.com
(601) 965-1988

City of Starkville, Mississippi

/s/ Lynn Spruill

Mayor

/s/ Lesa Hardin

City Clerk

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Appendix A

Economic and Demographic Information of the Municipality

DEMOGRAPHIC AND ECONOMIC INFORMATION

General Description.

The City of Starkville, Mississippi (the “Municipality”), the county seat of Oktibbeha County, Mississippi (the “County”), is located in the northeastern section of the County. The Municipality, originally named “Boardtown,” was renamed “Starkville” in 1834 in honor of General John Stark, a hero of the American Revolution. The Municipality is located 125 miles northeast of Jackson, Mississippi, the capital city of the State of Mississippi (the “State”), 130 miles southwest of Birmingham, Alabama, 165 miles southeast of Memphis, Tennessee, and 286 miles northeast of New Orleans, Louisiana.

Mississippi State University of Agriculture and Applied Science (the “University”) is located primarily immediately adjacent to the Municipality, with only a small portion on the western edge of the University within the boundaries of the Municipality. The University is an important factor in the Municipality’s growth and development. The University was established by the Legislature in 1878 as a Land Grant Institution and is comprised of ten colleges and schools that offer 120 majors.

The County, located in the northeastern prairie soil area of the State, was named for the Indian word meaning “bloody water,” and has a land area of 459 square miles. 26 of the existing 82 counties in the State were in existence before the County was formally organized on December 23, 1833, from a portion of the Choctaw Territory ceded by the Treaty of Dancing Rabbit Creek in 1830.

Population.

The population of the Municipality and the County have been recorded as follows:

	<u>2020</u>	<u>2010</u>	<u>2000</u>	<u>1990</u>
The Municipality	24,356	23,888	21,869	18,474
The County	51,780	47,671	42,902	38,404

SOURCE: United States Department of Commerce, Census data at www.census.gov.

Mississippi State University Enrollment.

The fall semester enrollment of the University was as follows:

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
22,649	23,086	22,986	22,226	21,974

SOURCE: Mississippi State University, Office of Institutional Research and Effectiveness.

Government.

The Municipality operates under a Code Charter approved in May of 1837 and is governed by the Mayor and Board of Aldermen (the “Governing Body”), consisting of 7 aldermen who are elected from separate precincts or wards. The Mayor is elected at-large. The Mayor and members of the Board of Aldermen are elected for 4-year terms which run concurrently.

The current Mayor and members of the Board of Aldermen are:

<u>Name</u>	<u>Occupation</u>	<u>Position Held Since</u>
Lynn Spruill	Mayor	2017
Hamp Beatty	Retired	2019
Mike Brooks	Real Estate Appraiser	2019
Kim Moreland	Commercial Real Estate	2024
Roy A’. Perkins	Attorney	1993
Jeffrey Rupp	MSU College of Business	2021
Sandra C. Sistrunk	Retired	2017
Henry N. Vaughn, Sr.	Retired	2009

Transportation.

Access to the Municipality is available by several means. U. S. Highway 82 and State Highways 12, 25, 182, and 389 serve the immediate area. A number of County highways provide access to many outlying areas in the County.

Rail service is provided to the Municipality by the Kansas City Southern Railroad. Several common carriers are authorized to serve the Municipality. The nearest commercial airport is Golden Triangle Regional Airport in Lowndes County, Mississippi, 15 miles from the Municipality. Bryan Field is located within the County a distance of 3 miles from the Municipality. The nearest port is the Lowndes County Port, which has a channel depth of nine feet and is located 22 miles away in Lowndes County, Mississippi, on the Tennessee-Tombigbee Waterway.

Per Capita Income.

<u>Year</u>	<u>County</u>	<u>Mississippi</u>	<u>United States</u>	<u>County as % of U. S.</u>
2022	\$39,127	\$46,370	\$65,470	59.76%
2021	\$39,418	\$46,577	\$64,430	61.18%
2020	\$36,752	\$42,513	\$59,153	62.13%
2019	\$34,454	\$39,445	\$56,250	61.25%
2018	\$33,942	\$37,834	\$54,446	62.34%

SOURCE: United States Department of Commerce, Bureau of Economic Analysis
www.bea.gov.

Major Employers.

The following is a partial listing of the Municipality's major employers, their products or services, and their approximate number of employees:

<u>Employer</u>	<u>Employees</u>	<u>Product/Service</u>
Mississippi State University	5,900	Education
Starkville School District	650	Education
Oktibbeha County Hospital	650	Healthcare
Wal-Mart Stores, Inc.	470	Retail
Southwire Company	261	Wire And Cable
Xerium Technologies	220	Felt
Kroger	200	Food Retailer
Golden Triangle Planning and Development District	200	Economic Development
Northeast Mississippi Coca-Cola	185	Beverage Distribution
Lowes	148	Retail

SOURCE: Greater Starkville Development Partnership. February 2024.

Gross Sales.

<u>State Fiscal Year Ended June 30</u>	<u>Municipality</u>	<u>County</u>
2023	\$737,116,751	\$974,735,310
2022	\$691,004,097	\$892,417,215
2021	\$639,340,461	\$822,965,917
2020	\$574,733,336	\$785,257,187
2019	\$573,992,394	\$816,122,535

SOURCE: Mississippi Department of Revenue website: <http://www.dor.ms.gov>

Retail Sales.

<u>State Fiscal Year Ended June 30</u>	<u>Municipality</u>	<u>County</u>
2023	\$437,419,288	\$482,728,351
2022	\$422,633,730	\$479,592,208
2021	\$402,797,306	\$456,121,337
2020	\$355,131,397	\$409,507,125
2019	\$344,492,982	\$395,762,169

SOURCE: Mississippi Department of Revenue website: <http://www.dor.ms.gov>

Sales Tax Rebates from State. The State rebates monthly 18.5% of the total State sales tax for all sales originating within the Municipality; this rebate may be used for any lawful purpose. Sales tax rebates from the State to the Municipality are as follows:

<u>State Fiscal Year Ended June 30</u>	<u>Amount</u>
2023	\$8,988,989
2022	\$8,588,523
2021	\$7,887,023
2020	\$7,244,669
2019	\$7,348,412

SOURCE: Mississippi Department of Revenue website: <http://www.dor.ms.gov>

Diversions from the State to the Municipality regarding Special Sales Tax.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Starkville Tourism and Convention Tax	\$2,169,190	\$2,074,303	\$2,224,373	\$2,674,657	\$2,880,107
Starkville-Oktibbeha Tourism Tax	\$334,602	\$318,338	\$194,004	\$326,124	\$441,975
Starkville Restaurant, Parks, & Recreation Special Tax	N/A	\$709,540	\$1,127,888	\$1,324,372	\$1,431,578
Starkville Hotel, Parks, & Recreation Special Tax	N/A	\$117,241	\$102,629	\$180,890	\$229,620
TOTAL	\$2,503,792	\$3,219,422	\$3,648,894	\$4,506,043	\$4,983,280

SOURCE: Mississippi Department of Revenue website: <http://www.dor.ms.gov>

Diversions from the State to the Municipality regarding Use Tax Collections.

(pursuant to the Mississippi Infrastructure Modernization Act of 2018)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
January Diversion	\$101,923.65	\$387,143.33	\$746,892.34	\$1,018,492.91
July Diversion	\$123,967.75	\$403,527.17	\$720,580.41	\$1,048,101.97
TOTAL	\$225,891.40	\$790,670.50	\$1,467,472.75	\$2,066,594.88

SOURCE: Mississippi Department of Revenue website: <http://www.dor.ms.gov>

Employment Statistics of the County.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<i>Residence Based Amounts.</i>					
Civilian Labor Force	22,730	21,860	22,340	22,100	22,100
Unemployed	1,280	1,670	1,220	910	730
Unemployment Rate	5.6%	7.6%	5.5%	4.1%	3.3%
Employed	21,450	20,190	21,120	21,190	21,370

SOURCE: Mississippi Department of Employment Security, website: www.mdes.ms.gov
Annual Averages, Labor Force and Establishment Based Employment.

Educational Facilities.

Starkville Oktibbeha Consolidated School District (the “District”) is one of the largest school districts in the State, with a student enrollment of more than 4,800. The Municipality’s school system merged with Oktibbeha County School District to form the District beginning in the 2015-2016 school year.

Students in preschool through grade 12 in the District are housed in 7 school plants. Emerson Preschool is a licensed preschool that provides year-round comprehensive developmentally appropriate program for young children. Emerson is currently enrolling children ages 2 to 5.

Sudduth Elementary School and West Oktibbeha Elementary School serve kindergarten through 2nd grade students. Henderson Ward Elementary School serves 3rd grade through 5th grade. East Oktibbeha Elementary School serves kindergarten through 5th grade.

Armstrong Middle School serves 6th grade through 8th grade and was constructed in 1976. An addition was completed in 1996 and additional renovations were completed in 1999.

Starkville High School serves 9th grade through 12th grade and was constructed in 1961 with additions in 1976, 1984, 1987, and 1998. Also on the Starkville High School campus is Millsaps Vocational Center which was constructed in 1972 and renovated in 1998.

The administrative office for the District is located in the Greensboro Center which is the renovated former Starkville High School. The building was constructed in 1927-29 and was extensively renovated in 1987. The facility now also serves as a civic center for the Municipality and surrounding area.

Related facilities of the District include a bus transportation complex, a maintenance building, an athletic complex, 3 gymnasiums, a baseball field, a softball field, and a newly constructed football stadium with an approximate seating capacity of 6,500.

Enrollment figures for the District for the scholastic year 2023-24 and for the 4 preceding years are as follows:

<u>Scholastic Year</u>	<u>Enrollment</u>
2023-24	4,882
2022-23	4,894
2021-22	4,902
2020-21	4,906
2019-20	5,061

SOURCE: Mississippi Department of Education website: www.mde.k12.ms.us

TAX INFORMATION

Assessed Valuation.

<u>Assessment Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Public Utility Property</u>	<u>Total</u>
2023	\$258,886,039	\$73,306,329	\$2,128,191	\$334,320,559
2022	\$252,344,846	\$66,891,533	\$1,992,409	\$321,228,788
2021	\$224,856,310	\$62,575,746	\$1,967,979	\$289,400,035
2020	\$216,939,235	\$64,413,368	\$1,998,924	\$283,351,527
2019	\$210,841,781	\$58,970,059	\$1,709,393	\$271,521,233

SOURCE: Office of the City Clerk. February 2024.

The above assessed valuations are based upon the following assessment ratios: real and personal property (excluding single-family owner-occupied residential real property and motor vehicles, respectively), 15% of true value; single-family owner-occupied residential real property, 10% of true value; motor vehicles and public utility property, 30% of true value.

Procedure For Property Assessments.

Real and personal property valuations other than motor vehicles and property owned by public utilities are determined by the County Tax Assessor. All taxable real property situated in the Municipality is assessed each year and taxes thereon paid for the ensuing year. Assessment rolls of such property subject to taxation are prepared by the County Tax Assessor and are delivered to the Governing Body on the first Monday in July. Thereafter, the assessments are equalized by the Governing Body and notice is given to the taxpayers that the Governing Body

will meet to hear objections to the assessments. After objections are heard, the Governing Body adjusts the rolls and submits them to the Mississippi Department of Revenue, which examines them on receipt. The Mississippi Department of Revenue may then accept the rolls or, if it finds a roll incorrect in any particular, return the rolls to the Governing Body to be corrected in accordance with the recommendations of the Mississippi Department of Revenue. If the Governing Body has any objections to the order of the Mississippi Department of Revenue, it may arrange a hearing before the Mississippi Department of Revenue. Otherwise, the assessment roll is finalized and submitted to the Tax Assessor and Tax Collector for the County for collection. The assessed value of motor vehicles is determined by an assessment schedule prepared each year by the Mississippi Department of Revenue. With minor exceptions the property of public utilities is assessed each year by the Mississippi Department of Revenue.

Homestead Exemption. The Mississippi Homestead Exemption Law of 1946 reduces the local tax burden on homes qualifying by law and substitutes revenues from other sources of taxation on the state level as a reimbursement to the local taxing units for such tax loss. Provisions of the homestead exemption law determine qualification, define ownership and limit the type and dollar amount of property that may come within the exemption.

Those homeowners who qualify for homestead exemption and who have reached the age of 65 years on or before January 1 of the year for which the exemption is claimed, service-connected, totally disabled American veterans who were honorably discharged from military service and those classified as disabled under the federal Social Security Act are exempt from any and all ad valorem taxes on qualifying homesteads not in excess of \$7,500 of assessed value thereof.

The tax loss resulting to local taxing units from properly qualified homestead exemptions is reimbursed by the Mississippi Department of Revenue. No taxing unit may be reimbursed an amount in excess of 106% of the total net reimbursement made to such taxing unit in the next preceding year.

Tax Levy Per \$1,000 Valuation.

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total	32.00	30.13	30.13	30.13	28.13

Pursuant to special legislative authority, the Municipality also levies a tax of 2 mills for the provision of parking facilities and the development and growth of the Downtown Business District.

SOURCE: Office of the City Clerk. February 2024.

Ad Valorem Tax Collections.

<u>Year Ended September 30</u>	<u>Taxes Due</u>	<u>Taxes Collected</u>	<u>Difference Over (Under)</u>
2023	\$9,677,210	\$9,533,615	(\$143,595)
2022	\$8,719,623	\$8,713,968	(\$5,655)
2021	\$8,155,000	\$8,393,293	\$238,293
2020	\$7,472,500	\$7,681,250	\$208,750
2019	\$6,941,411	\$6,999,740	\$58,329

SOURCE: Office of the City Clerk. February 2024.

DEBT INFORMATION**Legal Debt Limit Statement.**

(as of April 1, 2024)

	<u>15% Limit</u>	<u>20% Limit</u>
Authorized Debt Limit (Last Completed Assessment for Taxation – \$321,228,788)	\$48,184,318	\$64,245,758
Present Debt Subject to Debt Limits	<u>\$21,506,000</u>	<u>\$26,650,000</u>
Margin for Further Debt Under Debt Limits after Issuance of Bonds	<u>\$26,678,318</u>	<u>\$37,595,785</u>

Statutory Debt Limits.

The Municipality is subject to a general statutory debt limitation under which no county in the State may incur general obligation bonded indebtedness in an amount which will exceed 15% of the assessed value of all taxable property within such county according to the last completed assessment for taxation.

In computing general obligation bonded indebtedness for purposes of this 15% limitation, there may be deducted all bonds or other evidences of indebtedness issued for the construction of hospitals, ports, or other capital improvements payable primarily from the net revenues to be generated from such hospital, port, or other capital improvements in cases where such revenue is pledged to the retirement of the indebtedness, together with the full faith and credit of such county.

The total general obligation indebtedness of a county, both bonded and floating (including bonds excepted from the 15% limit above), may not exceed 20% of the assessed value of all taxable property within such county, but bonds issued for school purposes and industrial development bonds issued under the State's Balance Agriculture with Industry Program are specifically excluded from both the 15% limitation and the 20% limitation (but are subject to statutory limits applicable to bonds of each type, respectively). Bonds issued for washed-out or collapsed bridges apply only against the 20% limitation. Industrial development revenue bonds are excluded from all limitations on indebtedness, as are contract obligations subject to annual appropriations.

Outstanding General Obligation Bonded Debt Subject to Legal Debt Limits.

(as of April 1, 2024)

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Outstanding</u>
Utility Refunding Bonds, Series 2012*	10/18/12	\$744,000
Public Improvement Bonds, Series 2015	6/25/15	\$1,835,000
Public Improvement Bonds, Series 2016A	10/15/16	\$2,160,000
Public Improvement Bonds, Series 2016B	10/15/16	\$1,730,000
Taxable Development Bonds, Series 2017	10/12/17	\$4,900,000
Refunding Bonds, Series 2018	4/24/18	\$5,280,000
Public Improvement Bonds, Series 2018	4/30/18	\$3,285,000
Public Improvement Bond, Series 2019	10/30/19	\$2,316,000
Street Improvement Bonds, Series 2022*	12/6/22	\$4,400,000
TOTAL		\$26,650,000

*Subject only to the 20% legal debt limitation.

Outstanding General Obligation Bonded Debt Not Subject to Legal Debt Limits.

(as of April 1, 2024)

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Outstanding</u>
Special Obligation Bonds, Series 2020A**	4/22/20	\$14,190,000
Special Obligation Bonds, Series 2020B**	8/18/20	\$9,620,000
TOTAL		\$23,810,000

**Pursuant to the Authority Act (as defined in the Official Statements for the Series 2020A Bonds and the Series 2020B Bonds), the Series 2020A Bonds and the Series 2020B Bonds were issued as general obligations of the Municipality but not subject to the 15% debt legal limitation or the 20% legal debt limitation.

Outstanding Revenue Bonded Debt.

(as of April 1, 2024)

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Outstanding</u>
Combined Water and Sewer System Revenue Bonds, Series 2019	5/1/19	\$8,570,000
Electric System Revenue Bonds, Series 2020	3/10/20	\$6,590,000
		<u>\$15,160,000</u>

Limited Tax Bonds.

(as of April 1, 2024)

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Outstanding</u>
TIF Revenue Bonds, Series 2011	3/23/11	\$94,000
TIF Revenue Bonds, Series 2016	8/31/16	\$395,000
TIF Revenue Bonds, Series 2022	3/1/22	\$552,000
TIF Revenue Bonds, Series 2022	10/25/22	\$1,437,400
		<u>\$2,478,400</u>

Other Debt.

The Municipality has entered into agreements with the State of Mississippi for various Capital Improvements Revolving Loans, Drinking Water Improvements Revolving Loans, and Water Pollution Control Revolving Loans. The Municipality has also entered into a number of capital leases which are subject to annual appropriations. For additional information, see **Appendix C** to the Official Statement.

Pension Plan and PERS Liability.

The Municipality has no pension plan or retirement plan for employees. All full-time employees of the Municipality are members of and contribute to the Mississippi Public Employees' Retirement System ("PERS"), a cost-sharing, multiple employer retirement system administered by the State for the benefit of its local governments and State personnel. Benefit provisions, including employer contribution rates, are established by State statute and may be amended from time to time only by the State Legislature. The State statute currently provides for the PERS Board of Trustees to set employer contribution rates based on liabilities of the pension plan as determined by actuarial valuation. The percentage that an employer is required to contribute increased from 14.26% to 15.75% effective July 1, 2013. The PERS Board of Trustees voted on June 26, 2018, to increase the employer contribution requirement from 15.75% to 17.40% effective July 1, 2019, and voted on December 20, 2022, to increase the employer contribution requirement from 17.40% to 22.40% effective October 1, 2023. The PERS Board of Trustees voted on February 28, 2023, to delay the effective date of the increase to 22.40% to July 1, 2024.

In June 2012, the Government Accounting Standards Board issued Statement No. 68, Accounting and Financial Reporting for Pensions ("GASB-68"). The objective of GASB-68 is to improve accounting and financial reporting of government pensions. Also, GASB-68 improves information provided by government employers about financial support for pensions that is provided by other entities.

For more information on the Municipality's pension plan and obligations, see **Appendix C** to the Official Statement.

Appendix B

**Combined Budgets for Publication
For the Fiscal Year Ended September 30, 2023,
and For the Fiscal Year Ending September 30, 2024**

THE CITY OF STARKVILLE, MISSISSIPPI
BUDGET OF ESTIMATED REVENUES AND EXPENDITURES
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023
(ADOPTED SEPTEMBER 6, 2022)

ACCOUNT NUMBER	ACCOUNT TITLE	FY 2023 BUDGET AMOUNT	FY 2022 BUDGET AMOUNT
REVENUES			
001-000-220	Licenses & Permits	243,750	382,500
	Inter-Governmental Revenues:		
	Federal Grants	138,723	172,600
	Federal Shared Revenues	-	-
230	State Grants	74,400	73,500
241	Payments in Lieu of Taxes	719,500	825,500
260	State Shared Revenues-UNRESTRICTED	10,759,500	11,556,822
	RESTRICTED	-	-
270	Grants from Local Gov't Units	940,000	910,000
280	Charges for Governmental Services	27,500	26,500
330	Fines & Forfeits	587,000	462,500
340	Miscellaneous - UNRESTRICTED	438,677	549,248
	RESTRICTED	250	10,500
360	Charges for Services	1,500	1,500
380	Transfers and Non Revenue Receipts	1,670,000	2,274,000
	TOTAL FROM ALL SOURCES OTHER THAN TAXATION	15,600,800	17,245,170
	Cash Balance At Beginning of Year (Unrestricted)	2,750,000	2,750,000
	TOTAL CASH & REVENUE FROM SOURCES OTHER THAN TAXATION	18,350,800	19,995,170
	Amount Necessary to be Raised by Tax Levy	9,097,320	8,300,000
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	27,448,120	28,295,170
EXPENDITURES			
General Government			
001-XXX-400	Personnel Services	2,808,573	2,694,713
500	Supplies	36,600	38,450
600	Contractual Services	1,129,796	1,102,395
700	Grants, Subsidies, and Allocations	4,500	5,500
800	Debt Service	3,586	3,586
900	Capital Outlay	148,000	230,909
990	Transfers	642,833	619,833
	TOTAL GENERAL GOVERNMENT	4,773,888	4,695,386
POLICE DEPARTMENT			
001-20X-400	Personnel Services	6,159,109	5,077,905
500	Supplies	528,950	523,000
600	Contractual Services	613,350	585,750
700	Grants, Subsidies, and Allocations	93,123	67,100
800	Debt Service	146,964	147,000
900	Capital Outlay	277,700	192,700
	TOTAL POLICE DEPARTMENT	7,819,196	6,593,455
DISPATCHERS			
001-245-400	Personnel Services	333,856	295,000
600	Contractual Services	3,500	4,500
	TOTAL DISPATCH	337,356	299,500
FIRE DEPARTMENT			
001-26X-400	Personnel Services	4,051,050	4,229,761
500	Supplies	117,750	143,750
600	Contractual Services	272,500	339,000
700	Grants, Subsidies, and Allocations	15,000	205,918
800	Debt Service	126,935	113,135
900	Capital Outlay	50,000	48,977
	TOTAL FIRE DEPARTMENT	4,633,235	5,080,541
BUILDING/CODES OFFICE			
001-281-400	Personnel Services	289,977	265,565
500	Supplies	7,100	7,000
600	Contractual Services	34,000	92,000
800	Debt Service	-	6,935
	TOTAL BUILDING/CODES OFFICE	331,077	371,500
CIVIL DEFENSE/WARNING SYSTEM			
001-290-500	Supplies	-	650
600	Contractual Services	18,000	18,900
900	Capital Outlay	-	6,250
	TOTAL CIVIL DEFENSE	18,000	25,800
STREET DEPARTMENT			
001-301-400	Personnel Services	1,045,441	941,466
500	Supplies	298,000	296,250
600	Contractual Services	633,600	536,500
700	Grants, Subsidies, and Allocations	-	27,500
800	Debt Service	98,640	119,528
900	Capital Outlay/Construction	260,000	34,647
	TOTAL STREET DEPARTMENT	2,335,681	1,955,891
ANIMAL CONTROL			
001-360-400	Personnel Services	98,991	96,405
500	Supplies	7,000	6,000
600	Contractual Services	7,300	5,550
	TOTAL ANIMAL CONTROL	113,291	107,955
PARKS & RECREATION			
001-550-400	Personnel Services	-	120,854
500	Supplies	-	25,848
600	Contractual Services	1,763,950	1,720,567
800	Debt Service	8,978	17,956
	TOTAL PARKS & RECREATION	1,772,928	1,885,225
CAPITAL PROJECTS			
001-600-700	Grants, Subsidies, and Allocations	7,500	10,000
900	Capital Outlay	310,000	2,195,000
	TOTAL CAPITAL PROJECTS	317,500	2,205,000
ECONOMIC DEVELOPMENT			
001-653-700	Grants, Subsidies, and Allocations	-	-
900	Capital Outlay	-	-
	TOTAL ECONOMIC DEVELOPMENT	-	-
DEBT SERVICE			
001-800-800	Debt Service	2,547,893	2,663,412
	TOTAL DEBT SERVICE	2,547,893	2,663,412
CONTINGENCY FUND			
001-900-990	Contingency Fund	-	-
	TOTAL CONTINGENCY FUND	-	-
	TOTAL GENERAL FUND EXPENDITURES	25,000,045	25,883,664
	Year End Balance (Unrestricted)	2,448,075	2,411,505
	TOTAL EXPENDITURES AND YEAR END BALANCE	27,448,120	28,295,170

RESTRICTED POLICE FUND			
REVENUE			
002-000-230	FINES AND FOREITS	10,000	13,105
	TOTAL ALL SOURCES OTHER THAN TAXATION	10,000	13,105
	Cash Balance at Beginning of Year	-	(4,422)
	TOTAL CASH & REVENUE FROM SOURCES OTHER THAN TAXATION	10,000	8,683
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	10,000	8,683
EXPENDITURES			
002-560-500	Supplies	7,500	7,183
600	Contractual Services	2,500	1,500
900	Capital Outlay	-	-
	TOTAL RESTRICTED FIRE FUND	10,000	8,683
	Balance at End of Year	-	-
	TOTAL EXPENDITURES AND YEAR END BALANCE	10,000	8,683
RESTRICTED FIRE FUND			
REVENUE			
003-000-230	Intergovernmental Revenues	159,200	146,725
	Transfers and Non-Revenue Receipts	-	-
	TOTAL ALL SOURCES OTHER THAN TAXATION	159,200	146,725
	Cash Balance at Beginning of Year	110,000	130,000
	TOTAL CASH & REVENUE FROM SOURCES OTHER THAN TAXATION	269,200	276,725
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	269,200	276,725
EXPENDITURES			
003-560-500	Supplies	2,000	2,000
600	Contractual Services	-	-
800	Debt Service	263,248	269,475
	TOTAL RESTRICTED FIRE FUND	265,248	271,475
	Balance at End of Year	3,952	5,250
	TOTAL EXPENDITURES AND YEAR END BALANCE	269,200	276,725
MISCELLANEOUS OPERATIONS -BRYAN FIELD AIRPORT			
REVENUE			
015-000-000	Intergovernmental Revenues	70,951	70,951
	Rents and Fees	710,200	886,750
	TOTAL ALL SOURCES OTHER THAN TAXATION	781,151	957,701
	Cash Balance at Beginning of Year	750,000	700,000
	TOTAL CASH & REVENUE FROM SOURCES OTHER THAN TAXATION	1,531,151	1,657,701
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	1,531,151	1,657,701
EXPENDITURES			
015-550-400	Personnel Services	252,134	173,300
500	Supplies	561,000	743,500
600	Contractual Services	116,350	111,850
700	Grants, Subsidies, and Allocations	-	42,500
	TOTAL BRYAN FIELD AIRPORT	929,484	1,071,150
	Balance at end of year	601,667	586,551
	TOTAL EXPENDITURES AND YEAR END BALANCE	1,531,151	1,657,701
RESTRICTED AIRPORT FUND			
REVENUE			
016-000-230	Intergovernmental Revenues	23,000	145,556
	TOTAL ALL SOURCES OTHER THAN TAXATION	23,000	145,556
	Cash Balance at Beginning of Year	-	-
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	23,000	145,556
EXPENDITURES			
016-XXX-600	Contractual Services	-	49,414
700	Grants, Subsidies, and Allocations	23,000	96,142
	TOTAL RESTRICTED AIRPORT FUND	23,000	145,556
	Balance at End of Year	-	-
	TOTAL EXPENDITURES AND YEAR END BALANCE	23,000	145,556
SPECIAL REVENUE FUND: Sanitation & Enviromental Services			
REVENUE			
022-000-000	Intergovernmental Revenues	25,000	-
340	Misc.(collection fees)	3,075,000	2,988,000
380	Transfers and Non Revenue Receipts	5,000	25,000
	TOTAL FROM ALL SOURCES OTHER THAN TAXATION	3,105,000	3,013,000
	Cash Balance at Beginning of Year	200,000	275,000
	TOTAL CASH & REVENUE FROM SOURCES OTHER THAN TAXATION	3,305,000	3,288,000
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	3,305,000	3,288,000
EXPENDITURES			
022-322-400	Personnel Services	1,816,278	1,625,893
500	Supplies	274,000	378,500
600	Contractual Services	841,100	886,600
800	Debt Service	322,294	298,702
900	Capital Outlay	40,000	40,500
	TOTAL	3,293,672	3,230,195
	Balance at End of Year	11,328	57,805
	TOTAL EXPENDITURE AND YEAR END BALANCE	3,305,000	3,288,000
SPECIAL REVENUE FUND: Starkville/ Oktibbeha County Landfill			
REVENUES			
023-000-000	Landfill Revenue	250,000	221,000
	TOTAL FROM ALL SOURCES OTHER THAN TAXATION	250,000	221,000
	Cash Balance at Beginning of Year	400,000	220,000

		TOTAL CASH & REVENUE FROM SOURCES OTHER THAN TAXATION	650,000	441,000
		TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	650,000	441,000
023-323-600		EXPENDITURES		
		Contractual Services	250,000	221,000
		TOTAL LANDFILL	250,000	221,000
		Balance at End of Year	400,000	220,000
		TOTAL EXPENDITURE AND YEAR END BALANCE	650,000	441,000
		COMPUTER ASSESMENTS		
		REVENUE		
		Fines	-	50,000
		Transfer from General Fund	-	40,000
		TOTAL ALL SOURCES OTHER THAN TAXATION	-	90,000
		Cash Balance at Beginning of Year	-	-
		TOTAL CASH & REVENUE FROM SOURCES OTHER THAN TAXATION	-	90,000
		TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES		
		EXPENDITURES		
		Contractual Services	-	90,000
107-112-600		TOTAL COMPUTER ASSESMENTS	-	90,000
		Balance at End of Year		-
		TOTAL EXPENDITURES AND YEAR END BALANCE	-	90,000
		MODERNIZATION USE TAX		
		REVENUE		
120-000-230		Intergovernmental Revenues	2,000,000	1,467,473
		TOTAL ALL SOURCES OTHER THAN TAXATION	2,000,000	1,467,473
		Cash Balance at Beginning of Year	50,000	-
		TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	2,050,000	1,467,473
		EXPENDITURES		
120-XXX-900		Contractual Services	2,000,000	1,467,473
		TOTAL MODERNIZATION USE TAX	2,000,000	1,467,473
		Balance at End of Year	50,000	-
		TOTAL EXPENDITURES AND YEAR END BALANCE	2,050,000	1,467,473
		INDUSTRIAL PARK BOND FUND		
303-000-340		REVENUES		
		Miscellaneous	-	2,500
		TOTAL ALL SOURCES OTHER THAN TAXATION	-	2,500
		Cash Balance at Beginning of Year	100,000	1,010,000
		TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	100,000	1,012,500
303-600-600		EXPENDITURES		
		Contractual Services	100,000	752,500
		TOTAL INDUSTRIAL PARK BOND	100,000	752,500
		Balance at End of Year	-	260,000
		TOTAL EXPENDITURES AND YEAR END BALANCE	100,000	1,012,500
306-000-230		2022 LOCAL IMPROVEMENTS PROJECT FUND		
		REVENUES		
		Intergovernmental Revenues	1,750,000	-
		TOTAL ALL SOURCES OTHER THAN TAXATION	1,750,000	-
		Cash Balance at Beginning of Year	-	-
306-600-600		TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	1,750,000	-
		EXPENDITURES		
		Contractual Services	1,750,000	-
		TOTAL 2022 LOCAL IMPROVEMENTS PROJECT FUND	1,750,000	-
		Balance at End of Year	-	-
309-000-250		TOTAL EXPENDITURES AND YEAR END BALANCE	1,750,000	-
		AMERICAN RELIEF FUND		
		REVENUES		
		Grants	-	3,153,333
		TOTAL ALL SOURCES OTHER THAN TAXATION	-	3,153,333
309-XXX-600 900		Cash Balance at Beginning of Year	6,264,048	-
		TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	6,264,048	3,153,333
		EXPENDITURES		
		Contractual Services	6,264,048	3,150,333
		Capital Outlay	-	3,000
310-000-230 380		TOTAL AMERICAN RELIEF FUND	6,264,048	3,153,333
		Balance at End of Year	-	-
		TOTAL EXPENDITURES AND YEAR END BALANCE	6,264,048	3,153,333
		LINKAGE TAP PROJECT		
		REVENUES		
310-600-900		Intergovernmental Revenues	-	30,000
		Transfer from General Fund	-	-
		TOTAL ALL SOURCES OTHER THAN TAXATION	-	30,000
		Cash Balance at Beginning of Year		-
		TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	-	30,000
		EXPENDITURES		
		Capital Outlay	-	30,000
		TOTAL PUBLIC IMPROVEMENT BONDS	-	30,000
		Balance at End of Year	-	-
		TOTAL EXPENDITURES AND YEAR END BALANCE	-	30,000
319-000-340		PUBLIC IMPROVEMENT BONDS 2018		
		REVENUES		
		Miscellaneous	-	1,500
		TOTAL ALL SOURCES OTHER THAN TAXATION	-	1,500
		Cash Balance at Beginning of Year	400,000	440,000

	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	400,000	441,500
319-600-600 900	EXPENDITURES		
	Contractual Services	-	5,000
	Capital Outlay	400,000	436,500
	TOTAL PUBLIC IMPROVEMENT BONDS	400,000	441,500
	Balance at End of Year	-	-
	TOTAL EXPENDITURES AND YEAR END BALANCE	400,000	441,500
	PARK AND TOURISM		
375-000-260 380	REVENUES		
	Tourism Tax	2,450,000	2,117,500
	TOTAL FROM ALL SOURCES OTHER THAN TAXATION	2,450,000	2,117,500
	Cash Balance at Beginning of Year	3,600,000	1,500,000
	TOTAL CASH & REVENUE FROM SOURCES OTHER THAN TAXATION	6,050,000	3,617,500
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	6,050,000	3,617,500
375-551-600 800 950	EXPENDITURES		
	Contractual Services	-	154,500
	Debt Service	1,486,420	1,487,955
	Transfers	1,840,000	338,000
	TOTAL	3,326,420	1,980,455
	Balance at End of Year	2,723,580	1,637,045
	TOTAL EXPENDITURE AND YEAR END BALANCE	6,050,000	3,617,500
	BUILD GRANT MS 182		
377-000-230	REVENUES		
	Intergovernmental Revenues	6,500,500	3,081,225
	Transfer from General Fund	-	-
	TOTAL FROM ALL SOURCES OTHER THAN TAXATION	6,500,500	3,081,225
	Cash Balance at Beginning of Year	-	-
	TOTAL CASH & REVENUE FROM SOURCES OTHER THAN TAXATION	6,500,500	3,081,225
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	6,500,500	3,081,225
377-XX-500 600 900	EXPENDITURES		
	Supplies	500	-
	Contractual Services	500,000	900,000
	Capital Outlay	6,000,000	2,181,225
	TOTAL	6,500,500	3,081,225
	Balance at End of Year	-	-
	TOTAL EXPENDITURE AND YEAR END BALANCE	6,500,500	3,081,225
380-000-340	PARK BONDS 2020		
	REVENUES		
	Miscellaneous	2,000	10,000
	Transfer from Fund 375 Park and Rec Tourism	1,600,000	-
	TOTAL FROM ALL SOURCES OTHER THAN TAXATION	1,602,000	10,000
	Cash Balance at Beginning of Year	4,863,655	14,163,010
	TOTAL CASH & REVENUE FROM SOURCES OTHER THAN TAXATION	6,465,655	14,173,010
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	6,465,655	14,173,010
EXPENDITURES			
380-551-600 900	Contractual Services	-	103,466
	Capital Outlay	6,465,655	14,069,544
	TOTAL	6,465,655	14,173,010
	Balance at End of Year	-	-
	TOTAL EXPENDITURE AND YEAR END BALANCE	6,465,655	14,173,010
	STARK/HOSPITAL ROAD EXPANSION		
700-000-230 340	REVENUES		
	Intergovernmental Revenues	-	1,500,000
	Miscellaneous	1,500	-
	TOTAL FROM ALL SOURCES OTHER THAN TAXATION	1,500	1,500,000
	Cash Balance at Beginning of Year	1,500,676	-
	TOTAL CASH & REVENUE FROM SOURCES OTHER THAN TAXATION	1,502,176	1,500,000
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	1,502,176	1,500,000
380-300-600	EXPENDITURES		
	Contractual Services	1,502,176	1,500,000
	TOTAL	1,502,176	1,500,000
	Balance at End of Year	-	-
	TOTAL EXPENDITURE AND YEAR END BALANCE	1,502,176	1,500,000

**THE CITY OF STARKVILLE, MISSISSIPPI
BUDGET OF ESTIMATED REVENUES AND EXPENDITURES
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2024
(ADOPTED SEPTEMBER 5, 2023)**

ACCOUNT NUMBER	ACCOUNT TITLE	Final Budget For Fiscal Year 24	Estimated Total For Current Year
	REVENUES	BUDGET AMOUNT	ESTIMATED AMOUNT
001-000-220	Licenses & Permits	300,500	475,000
	Inter-Governmental Revenues:		
	Federal Grants	28,000	95,136
	Federal Shared Revenues	-	-
230	State Grants	80,655	101,690
241	Payments in Lieu of Taxes	721,300	766,140
260	State Shared Revenues-UNRESTRICTED	10,720,500	10,629,261
	RESTRICTED	-	-
270	Grants from Local Gov't Units	985,000	960,000
330	Fines & Forfeits	650,000	830,000
340	Miscellaneous - UNRESTRICTED	748,695	935,000
	RESTRICTED	1,000	1,818
360	Charges for Services	38,400	33,983
380	Transfers and Non Revenue Receipts	1,425,000	1,641,745
	TOTAL FROM ALL SOURCES OTHER THAN TAXATION	15,699,050	16,469,773
	Cash Balance At Beginning of Year (Unrestricted)	2,750,000	2,750,000
	TOTAL CASH & REVENUE FROM SOURCES OTHER THAN TAXATION	18,449,050	19,219,773
	Amount Necessary to be Raised by		
	Tax Levy	10,163,900	9,292,856
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	28,612,950	28,512,629

EXPENDITURES

General Government

001-XXX-400	Personnel Services	3,092,202	2,672,095
500	Supplies	44,900	47,872
600	Contractual Services	1,198,401	1,087,395
700	Grants, Subsidies, and Allocations	5,000	3,850
800	Debt Service	-	3,586
900	Capital Outlay	136,927	165,624
990	Transfers	3,829,300	891,104
	TOTAL GENERAL GOVERNMENT	8,306,730	4,871,526

POLICE DEPARTMENT

001-20X-400	Personnel Services	6,368,449	5,639,172
500	Supplies	532,060	517,915
600	Contractual Services	619,600	647,585
700	Grants, Subsidies, and Allocations	-	89,813
800	Debt Service	162,500	146,964
900	Capital Outlay	298,700	350,283
	TOTAL POLICE DEPARTMENT	7,981,309	7,391,732

DISPATCHERS

001-245-400	Personnel Services	350,212	295,951
500	Supplies	1,000	845
600	Contractual Services	2,500	3,420
	TOTAL DISPATCH	353,712	300,216

FIRE DEPARTMENT

001-26X-400	Personnel Services	4,338,444	4,276,486
500	Supplies	119,000	129,098
600	Contractual Services	279,500	291,398
700	Grants, Subsidies, and Allocations	40,000	38,933
800	Debt Service	226,385	126,952
900	Capital Outlay	45,000	62,140
	TOTAL FIRE DEPARTMENT	5,048,329	4,925,007

BUILDING/CODES OFFICE

001-281-400	Personnel Services	288,355	248,819
500	Supplies	7,100	3,015
600	Contractual Services	35,500	20,646
800	Debt Service	-	-
	TOTAL BUILDING/CODES OFFICE	330,955	272,480

CIVIL DEFENSE/WARNING SYSTEM

001-290-500	Supplies	-	-
600	Contractual Services	18,000	18,706
900	Capital Outlay	-	-
	TOTAL CIVIL DEFENSE	18,000	18,706

STREET DEPARTMENT

001-301-400	Personnel Services	1,013,115	940,842
500	Supplies	281,000	337,961
600	Contractual Services	620,400	598,226
700	Grants, Subsidies, and Allocations	-	-
800	Debt Service	48,075	98,640
900	Capital Outlay/Construction	75,000	121,111
	TOTAL STREET DEPARTMENT	2,037,590	2,096,780

ANIMAL CONTROL

001-360-400	Personnel Services	110,825	109,463
500	Supplies	6,500	5,021
600	Contractual Services	6,500	4,603
	TOTAL ANIMAL CONTROL	123,825	119,087

PARKS & RECREATION

001-550-400	Personnel Services	-	-
500	Supplies	-	45
600	Contractual Services	1,505,000	2,068,425
800	Debt Service	-	9,052
	TOTAL PARKS & RECREATION	1,505,000	2,077,522

CAPITAL PROJECTS

001-600-700	Grants, Subsidies, and Allocations	7,500	-
900	Capital Outlay	100,000	402,192
	TOTAL CAPITAL PROJECTS	107,500	402,192

DEBT SERVICE

001-800-800	Debt Service	15,000	2,724,159
	TOTAL DEBT SERVICE	15,000	2,724,159

CONTINGENCY FUND

001-900-990	Contingency Fund	35,000	-
	TOTAL CONTINGENCY FUND	35,000	-

TOTAL GENERAL FUND EXPENDITURES	25,862,950	25,199,407
Year End Balance (Unrestricted)	2,750,000	3,313,222
TOTAL EXPENDITURES AND YEAR END BALANCE	28,612,950	28,512,629

RESTRICTED POLICE FUND**REVENUE**

002-000-230	FINES AND FOREITS	12,000	14,300
354	MISCELLANEOUS	-	3,088
	TOTAL ALL SOURCES OTHER THAN TAXATION	12,000	17,388

Cash Balance at Beginning of Year	1,500	-
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TOTAL CASH & REVENUE FROM SOURCES OTHER THAN TAXATION	13,500	17,388
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TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	13,500	17,388
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EXPENDITURES

002-560-500	Supplies	9,000	11,369
600	Contractual Services	-	680
900	Capital Outlay	4,500	-
	TOTAL RESTRICTED FIRE FUND	13,500	12,049

Balance at End of Year	-	5,339
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TOTAL EXPENDITURES AND YEAR END BALANCE	13,500	17,388
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RESTRICTED FIRE FUND**REVENUE**

003-000-230	Intergovernmental Revenues	167,000	159,200
380	Transfers and Non-Revenue Receipts	-	110,000
	TOTAL ALL SOURCES OTHER THAN TAXATION	167,000	269,200

Cash Balance at Beginning of Year	-	-
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TOTAL CASH & REVENUE FROM SOURCES OTHER THAN TAXATION	167,000	269,200
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TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	167,000	269,200
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EXPENDITURES

003-560-500	Supplies	2,000	2,026
600	Contractual Services	750	-
800	Debt Service	163,816	263,244
	TOTAL RESTRICTED FIRE FUND	166,566	265,270

Balance at End of Year	434	3,930
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TOTAL EXPENDITURES AND YEAR END BALANCE	167,000	269,200
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MISCELLANEOUS OPERATIONS -BRYAN FIELD AIRPORT

REVENUE			
015-000-230	Intergovernmental Revenues	285,714	73,154
360	Rents and Fees	815,425	1,147,889
TOTAL ALL SOURCES OTHER THAN TAXATION		1,101,139	1,221,043
Cash Balance at Beginning of Year		550,000	750,000
TOTAL CASH & REVENUE FROM SOURCES OTHER THAN TAXATION		1,651,139	1,971,043
TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES		1,651,139	1,971,043
EXPENDITURES			
015-505-400	Personnel Services	312,499	240,357
500	Supplies	642,500	793,795
600	Contractual Services	121,350	117,793
700	Grants, Subsidies, and Allocations	-	272,246
TOTAL BRYAN FIELD AIRPORT		1,076,349	1,424,191
Balance at end of year		574,790	546,852
TOTAL EXPENDITURES AND YEAR END BALANCE		1,651,139	1,971,043
RESTRICTED AIRPORT FUND			
REVENUE			
016-000-230	Intergovernmental Revenues	458,426	358,071
TOTAL ALL SOURCES OTHER THAN TAXATION		458,426	358,071
Cash Balance at Beginning of Year		-	-
TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES		458,426	358,071
EXPENDITURES			
016-XXX-600	Contractual Services	174,277	179,122
700	Grants, Subsidies, and Allocations	284,149	178,949
TOTAL RESTRICTED AIRPORT FUND		458,426	358,071
Balance at End of Year		-	-
TOTAL EXPENDITURES AND YEAR END BALANCE		458,426	358,071
SPECIAL REVENUE FUND: Sanitation & Environmental Services			
REVENUE			
022-000-000	Intergovernmental Revenues	-	-
340	Misc.(collection fees)	3,525,000	3,044,722
380	Transfers and Non Revenue Receipts	25,000	121,378
TOTAL FROM ALL SOURCES OTHER THAN TAXATION		3,550,000	3,166,100
Cash Balance at Beginning of Year		-	200,000

TOTAL CASH & REVENUE FROM SOURCES OTHER THAN TAXATION		3,550,000	3,366,100
TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES		3,550,000	3,366,100
EXPENDITURES			
022-322-400	Personnel Services	1,961,486	1,697,415
500	Supplies	308,500	268,299
600	Contractual Services	846,000	811,035
800	Debt Service	392,146	355,796
900	Capital Outlay	40,000	4,232
TOTAL		3,548,132	3,136,777
Balance at End of Year		1,868	229,323
TOTAL EXPENDITURE AND YEAR END BALANCE		3,550,000	3,366,100
SPECIAL REVENUE FUND: Starkville/ Oktibbeha County Landfill			
REVENUES			
023-000-000	Landfill Revenue	265,000	279,750
TOTAL FROM ALL SOURCES OTHER THAN TAXATION		265,000	279,750
Cash Balance at Beginning of Year		915,000	400,000
TOTAL CASH & REVENUE FROM SOURCES OTHER THAN TAXATION		1,180,000	679,750
TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES		1,180,000	679,750
EXPENDITURES			
023-323-600	Contractual Services	265,000	288
TOTAL LANDFILL		265,000	288
Balance at End of Year		915,000	679,462
TOTAL EXPENDITURE AND YEAR END BALANCE		1,180,000	679,750
MODERNIZATION USE TAX			
REVENUE			
120-000-230	Intergovernmental Revenues	2,075,000	2,066,595
TOTAL ALL SOURCES OTHER THAN TAXATION		2,075,000	2,066,595

	Cash Balance at Beginning of Year	500,000	50,000
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	2,575,000	2,116,595
	EXPENDITURES		
120-XXX-800	Debt Service	722,200	724,028
900	Capital Outlay	1,852,800	1,071,008
	TOTAL MODERNIZATION USE TAX	2,575,000	1,795,036
	Balance at End of Year	-	321,559
	TOTAL EXPENDITURES AND YEAR END BALANCE	2,575,000	2,116,595
	DEBT SERVICE FUND		
	REVENUE		
200-000-340	Intergovernmental Revenues	116,857	-
380	Transfer from General Fund	2,706,300	-
	TOTAL ALL SOURCES OTHER THAN TAXATION	2,823,157	-
	Cash Balance at Beginning of Year	-	-
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	2,823,157	-
	EXPENDITURES		
200-XXX-800	Debt Service	2,823,157	-
	TOTAL DEBT SERVICE FUND	2,823,157	-
	Balance at End of Year	-	-
	TOTAL EXPENDITURES AND YEAR END BALANCE	2,823,157	-
	CAPITAL PROJECTS FUND		
	REVENUE		
300-000-380	Intergovernmental Revenues	-	-
	Transfer from General Fund	360,000	137,500
	TOTAL ALL SOURCES OTHER THAN TAXATION	360,000	137,500
	Cash Balance at Beginning of Year	5,637,500	-
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	5,997,500	137,500
	EXPENDITURES		
300-000-600	Capital Outlay	464,167	-
300-000-950	Transfer Out	33,333	32,150
	TOTAL CAPITAL PROJECTS FUND	497,500	32,150
	Balance at End of Year	5,500,000	105,350
	TOTAL EXPENDITURES AND YEAR END BALANCE	5,997,500	137,500

INDUSTRIAL PARK BOND FUND**REVENUES**

303-000-340	Miscellaneous	-	-
	TOTAL ALL SOURCES OTHER THAN TAXATION	-	-

Cash Balance at Beginning of Year	200,000	100,000
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TOTAL AVAILABLE CASH & ANTICIPATED	200,000	100,000
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REVENUE FROM ALL SOURCES		
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EXPENDITURES

303-600-600	Contractual Services	200,000	21,727
	TOTAL INDUSTRIAL PARK BOND	200,000	21,727

Balance at End of Year	-	78,273
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TOTAL EXPENDITURES AND YEAR END BALANCE	200,000	100,000
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2022 General Obligation Public Improvement Bond Fund**REVENUES**

305-000-391	Bond Proceeds	-	5,000,000
230	Intergovernmental Revenues	-	43,566
340	Miscellaneous	-	72,855
	TOTAL ALL SOURCES OTHER THAN TAXATION	-	5,116,421

Cash Balance at Beginning of Year	1,250,000	-
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TOTAL AVAILABLE CASH & ANTICIPATED	1,250,000	5,116,421
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REVENUE FROM ALL SOURCES		
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EXPENDITURES

305-000-600	Contractual Services		122,333
900	Capital Outlay	1,250,000	3,007,040
	TOTAL 2022 GO PUBLIC IMPROVEMENT BOND	1,250,000	3,129,373

Balance at End of Year	-	1,987,048
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TOTAL EXPENDITURES AND YEAR END BALANCE	1,250,000	5,116,421
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2022 Local Improvements Project Fund**REVENUES**

306-000-380	Transfer from 2018 Public Improvement Bonds	-	133,340
	TOTAL ALL SOURCES OTHER THAN TAXATION	-	133,340

Cash Balance at Beginning of Year	100,000	500,000
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TOTAL AVAILABLE CASH & ANTICIPATED	100,000	633,340
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REVENUE FROM ALL SOURCES		
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EXPENDITURES

306-000-600	Contractual Services	-	7,246
900	Capital Outlay	100,000	453,638
	TOTAL 2022 LOCAL IMPROVEMENTS PROJECT FUND	100,000	460,884

Balance at End of Year	-	172,456
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TOTAL EXPENDITURES AND YEAR END BALANCE	100,000	633,340
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AMERICAN RELIEF FUND**REVENUES**

309-000-230	Intergovernmental Revenues	6,666,911	-
340	Miscellaneous	205,000	162,073
	TOTAL ALL SOURCES OTHER THAN TAXATION	6,871,911	162,073
	Cash Balance at Beginning of Year	5,000,000	6,264,048
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	11,871,911	6,426,121

EXPENDITURES

309-XXX-600	Contractual Services	10,871,911	-
900	Capital Outlay	1,000,000	1,306,917
	TOTAL AMERICAN RELIEF FUND	11,871,911	1,306,917
	Balance at End of Year	-	5,119,204
	TOTAL EXPENDITURES AND YEAR END BALANCE	11,871,911	6,426,121

LINKAGE TAP PROJECT**REVENUES**

310-000-380	Transfer from General Fund	-	89,901
	TOTAL ALL SOURCES OTHER THAN TAXATION	-	89,901
	Cash Balance at Beginning of Year		-
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	-	89,901

EXPENDITURES

310-600-900	Capital Outlay	-	89,901
	TOTAL PUBLIC IMPROVEMENT BONDS	-	89,901
	Balance at End of Year	-	-
	TOTAL EXPENDITURES AND YEAR END BALANCE	-	89,901

MAIN STREET CORRIDOR**REVENUES**

311-000-230	Intergovernmental Revenue	400,000	
311-000-340	Miscellaneous	5,000	13,235
	TOTAL ALL SOURCES OTHER THAN TAXATION	405,000	13,235
	Cash Balance at Beginning of Year	2,875,000	1,331,810
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	3,280,000	1,345,045

EXPENDITURES

311-656-300	Contractual Services	377,000	351,398
900	Capital Outlay	2,903,000	-
	TOTAL MAIN STREET CORRIDOR	3,280,000	351,398

	Balance at End of Year	-	993,647
	TOTAL EXPENDITURES AND YEAR END BALANCE	3,280,000	1,345,045
	PARKS CAPITAL PROJECT FUND		
	REVENUES		
312-000-391	Bond Proceeds	13,500,000	
	TOTAL ALL SOURCES OTHER THAN TAXATION	13,500,000	-
	Cash Balance at Beginning of Year		-
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	13,500,000	-
	EXPENDITURES		
312-000-600	Contractual Services	343,820	253,207
900	Capital Outlay	13,156,180	148,308
	TOTAL PARKS CAPITAL PROJECT FUND	13,500,000	401,515
	Balance at End of Year	-	(401,515)
	TOTAL EXPENDITURES AND YEAR END BALANCE	-	-
	SPRING/HWY 12 LINKAGE TAP GRANT		
	REVENUES		
313-000-230	Intergovernmental Revenues	466,667	-
380	Transfer	33,333	32,150
	TOTAL ALL SOURCES OTHER THAN TAXATION	500,000	32,150
	Cash Balance at Beginning of Year	-	-
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	500,000	32,150
	EXPENDITURES		
313-000-900	Capital Outlay	500,000	28,817
	TOTAL SPRING/HWY 12 LINKAGE TAP GRANT	500,000	28,817
	Balance at End of Year	-	3,333
	TOTAL EXPENDITURES AND YEAR END BALANCE	500,000	32,150
	PUBLIC IMPROVEMENT BONDS 2018		
	REVENUES		
319-000-340	Miscellaneous	-	3,364
	TOTAL ALL SOURCES OTHER THAN TAXATION	-	3,364
	Cash Balance at Beginning of Year	200,000	400,000
	TOTAL AVAILABLE CASH & ANTICIPATED	200,000	403,364

REVENUE FROM ALL SOURCES

EXPENDITURES

319-600-600	Contractual Services	-	-
900	Capital Outlay	200,000	97,333
950	Transfers	-	133,340
	TOTAL PUBLIC IMPROVEMENT BONDS	200,000	230,673
	Balance at End of Year		172,691
	TOTAL EXPENDITURES AND YEAR END BALANCE	200,000	403,364

PARK AND TOURISM

REVENUES

375-000-260	Tourism Tax	2,850,000	2,854,318
	TOTAL FROM ALL SOURCES OTHER THAN TAXATION	2,850,000	2,854,318
	Cash Balance at Beginning of Year	2,100,000	3,600,000
	TOTAL CASH & REVENUE FROM SOURCES OTHER THAN TAXATION	4,950,000	6,454,318
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	4,950,000	6,454,318

EXPENDITURES

375-551-600	Contractual Services	620,000	180,464
800	Debt Service	1,364,060	1,346,263
900	Capital Outlay	465,940	351,576
950	Transfers	400,000	1,074,868
	TOTAL	2,850,000	2,953,171
	Balance at End of Year	2,100,000	3,501,147
	TOTAL EXPENDITURE AND YEAR END BALANCE	4,950,000	6,454,318

BUILD GRANT MS 182

REVENUES

377-000-230	Intergovernmental Revenues	6,450,000	735,086
380	Transfer from General Fund	100,000	300,000
	TOTAL FROM ALL SOURCES OTHER THAN TAXATION	6,550,000	1,035,086
	Cash Balance at Beginning of Year	100,000	279,534
	TOTAL CASH & REVENUE FROM SOURCES OTHER THAN TAXATION	6,650,000	1,314,620
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	6,650,000	1,314,620

EXPENDITURES

377-XXX-500	Supplies	-	-
600	Contractual Services	650,000	82,485
900	Capital Outlay	6,000,000	910,525
	TOTAL	6,650,000	993,010
	Balance at End of Year		321,610
	TOTAL EXPENDITURE AND YEAR END BALANCE	6,650,000	1,314,620
	PARK BONDS 2020		
	REVENUES		
380-000-340	Miscellaneous	-	13,610
380	Transfer from Fund 375 Park and Rec Tourism	400,000	1,641,578
	TOTAL FROM ALL SOURCES OTHER THAN TAXATION	400,000	1,655,188
	Cash Balance at Beginning of Year	-	4,475,299
	TOTAL CASH & REVENUE FROM SOURCES OTHER THAN TAXATION	400,000	6,130,487
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	400,000	6,130,487
	EXPENDITURES		
380-551-600	Contractual Services	-	84,922
900	Capital Outlay	400,000	6,045,565
	TOTAL	400,000	6,130,487
	Balance at End of Year	-	-
	TOTAL EXPENDITURE AND YEAR END BALANCE	400,000	6,130,487

STARK/HOSPITAL ROAD EXPANSION**REVENUES**

700-000-340	Miscellaneous	3,000	15,670
	TOTAL FROM ALL SOURCES OTHER THAN TAXATION	3,000	15,670
	Cash Balance at Beginning of Year	1,250,000	1,500,676
	TOTAL CASH & REVENUE FROM SOURCES OTHER THAN TAXATION	1,253,000	1,516,346
	TOTAL AVAILABLE CASH & ANTICIPATED REVENUE FROM ALL SOURCES	1,253,000	1,516,346

EXPENDITURES

700-300-501	Supplies		576
600	Contractual Services	1,253,000	222,935
	TOTAL	1,253,000	223,511
	Balance at End of Year	-	1,292,835
	TOTAL EXPENDITURE AND YEAR END BALANCE	1,253,000	1,516,346

Starkville Utilities – Electric Division		Total	Total
Board Budget Year 2024 (10/2023 – 9/2024)		2023	2024
		as Adopted	Budget
Revenues			
100	Electric Sales	41,425,000	42,238,774
110	Forfeited Customer Discounts	250,000	250,000
111	Misc. Service Revenue	250,000	250,000
112	Interest Income	15,000	3,000
120	Rent from Electric Property	315,000	315,000
130	Water Sewer Reimbursement	1,000,000	1,000,000
131	Sanitation Reimbursement	75,000	75,000
132	City Reimbursement for Lights	10,000	10,000
	Other Revenues	1,915,000	1,903,000
	Total Revenues	43,340,000	44,141,774
Expenses			
150	Purchased Power Expense	32,800,000	33,283,066
<u>Payroll Expenses</u>			
200	Employee Salaries	2,107,300	2,339,660
201	Employee Overtime	120,000	60,000
202	Employer Contributions - State Retirement	387,550	447,537
203	Employer Contributions - Social Security	170,388	183,574
204	Employer Contributions - Group Insurance	185,000	185,000
205	Payroll Expense from Other Departments	65,000	65,000
	Total Payroll Expenses	3,035,239	3,280,771
<u>Operating Expenses</u>			
300	City Administrative Cost Reimbursement	140,000	140,000
302	Billing Services	325,000	325,000
303	Contract Services	485,000	485,000
305	Insurance	250,000	260,000
306	Communications	90,000	90,000
307	Office Supplies	70,000	70,000
308	Safety Supplies	25,000	25,000
309	Uniforms	30,000	35,000
310	Utilities	15,000	15,000
311	Travel & Training	45,000	45,000
312	Dues	50,000	50,000
314	Collection & Bank Fees	15,000	30,000
315	Postage	8,000	8,000
316	Advertising	6,000	6,000
318	Miscellaneous	10,000	10,000
	Total Operating Expenses	1,564,000	1,594,000

Starkville Utilities – Electric Division Board Budget Year 2024 (10/2023 – 9/2024)		Total 2023 as Adopted	Total 2024 Budget
<u>Maintenance Expenses</u>			
400	Expensed Materials & Supplies	280,000	280,000
401	ROW Clearing	370,000	500,000
403	Gas & Fuel Expense	180,000	180,000
404	Equipment Repairs & Maintenance	200,000	200,000
405	Substation Repairs & Supplies	40,000	40,000
406	Building Maintenance	50,000	50,000
407	General Maintenance	50,000	50,000
	Total Maintenance Expenses	1,170,000	1,300,000
<u>Capital Expenses</u>			
500	Capitalized Materials & Supplies	1,200,000	930,000
501	Asset Purchases - Building & Grounds	25,000	25,000
502	Asset Purchases - Equipment & Vehicles	1,003,097	578,000
503	Capital Projects & Construction	911,200	1,289,100
	Total Capital Expenses	3,139,297	2,822,100
<u>Debt Expenses</u>			
600	Interest Expense on LTD	143,775	143,775
601	Principal Paid on LTD	485,000	485,000
	Total Debt Expenses	628,775	628,775
700	Tax Equivalency	1,365,000	1,365,000
	Total Expenses	43,702,311	44,273,712
	Total Revenues Over Expenses	(362,311)	(131,938)

Starkville Utilities – Water & Sewer Division
Board Budget Year 2024 (10/2023 – 9/2024)

	Total 2023 as Adopted	Total 2024 Budget
Revenues		
100 Water Sales Revenues	4,800,000	5,376,631
101 Sewer Sales Revenues	3,300,000	4,021,898
Total Sales Revenues	8,100,000	9,398,529
110 Forfeited Customer Discounts	100,000	100,000
111 Misc. Service Revenue	50,000	50,000
112 Interest Income	5,000	5,000
113 Tap Fees	150,000	150,000
114 Tower Lease	370,000	370,000
115 MSU Wastewater Treatment Income	1,800,000	1,000,000
116 Wastewater Revenue	40,000	40,000
117 Federal & State Grant Revenue	-	700,000
Total Other Revenues	2,515,000	2,415,000
Total Revenues	10,615,000	11,813,529
Expenses		
<u>Payroll Expenses</u>		
200 Employee Wages	1,217,000	1,265,021
201 Employee Overtime	120,000	120,000
202 Employer Contributions - State Retirement	232,638	258,306
203 Employer Contributions - Social Security	102,281	105,954
204 Employer Contributions - Group Insurance	140,000	140,000
205 Payroll Expense from Other Departments	650,000	650,000
Total Payroll Expenses	2,461,919	2,539,281
<u>Operating Expenses</u>		
300 City Administrative Costs Reimbursement	75,000	75,000
301 Rental Allocation to Electric Dept	160,000	160,000
302 Billing Services	150,000	150,000
303 Contract Services	255,000	255,000
304 Water Quality Analysis	40,000	40,000
305 Insurance	70,000	70,000
306 Communications	50,000	50,000
307 Office Supplies	20,000	30,000
309 Uniforms	20,000	20,000
310 Utilities	950,000	1,000,000
311 Travel & Training	10,000	10,000
312 Dues	5,000	5,000
316 Advertising	5,000	5,000
318 Miscellaneous	10,000	10,000
Total Operating Expenses	1,820,000	1,880,000

Starkville Utilities – Water & Sewer Division Board Budget Year 2024 (10/2023 – 9/2024)		Total 2023 as Adopted	Total 2024 Budget
<u>Maintenance Expenses</u>			
400	Expensed Materials & Supplies	800,000	800,000
401	Chemicals	180,000	180,000
403	Gas & Fuel Expense	100,000	100,000
404	Equipment Repairs & Maintenance	400,000	400,000
405	Infrastructure Repairs & Maintenance	500,000	500,000
406	Building Repairs & Maintenance	200,000	200,000
408	Tank & Well Maintenance	80,000	80,000
409	MSU Pump Operations & Maintenance	1,000,000	1,000,000
410	Remote Pump Station Maintenance	40,000	40,000
	Total Maintenance Expenses	3,300,000	3,300,000
<u>Capital Expenses</u>			
501	Asset Purchases - Building & Grounds	200,000	\$200,000
502	Asset Purchases - Equipment & Vehicles	272,000	560,000
503	Capital Projects & Construction	1,395,000	2,771,500
	Total Capital Expenses	1,867,000	3,531,500
<u>Debt Expenses</u>			
600	Interest Expense on Long-term Debt	395,168	395,168
601	Principal Paid on Long-term Debt	1,110,270	1,110,270
	Total Debt Expenses	1,505,438	1,505,438
	Total Expenses	10,954,357	12,756,219
	Total Revenues Over Expenses	(339,357)	(942,690)

Appendix C

Audited Financial Statements for the Fiscal Year Ended September 30, 2022

City of Starkville, Mississippi

Audit Report

September 30, 2022

City of Starkville, Mississippi

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City of Starkville, Mississippi

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City of Starkville, Mississippi

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT



WATKINS, WARD and STAFFORD
Professional Limited Liability Company
Certified Public Accountants

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Edward A. Maxwell, CPA
Bradley L. Harrison, CPA
Justin H. Keller, CPA

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Alderman
City of Starkville, Mississippi

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Starkville, Mississippi, as of and for the year ended September 30, 2022, and the related notes to financial statements, which collectively comprise the City of Starkville, Mississippi's basic financial statements as listed in the contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Starkville, Mississippi, as of September 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Starkville, Mississippi and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Starkville, Mississippi's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are

considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Starkville, Mississippi's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Starkville, Mississippi's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the City's proportionate share of the net pension liability and contributions, the Electric Department's proportionate share of the net pension liability and contributions, and related notes to the supplementary information on pages 4-15 and 59-70 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Starkville, Mississippi's basic financial statements. The accompanying combining general fund and individual nonmajor fund financial statements, schedule of surety bonds for municipal officials, schedule of bonded indebtedness, schedule of long-term notes, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the related notes to the schedule of federal awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining general fund and individual nonmajor fund financial statements, schedule of surety bonds for municipal officials, schedule of bonded indebtedness, schedule of long-term notes, the schedule of expenditures of federal awards, and the related notes to the schedule of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2024, on our consideration of the City of Starkville, 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 solely 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 effectiveness of the City of Starkville, Mississippi's 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 City of Starkville, Mississippi's internal control over financial reporting and compliance.

Starkville, Mississippi
February 5, 2024

Watkins Ward and Stafford, P.C.

MANAGEMENT DISCUSSION AND ANALYSIS

City of Starkville
Management Discussion and Analysis
September 30, 2022

Introduction

The discussion and analysis of the City of Starkville's financial performance provides a narrative review of the municipality's financial activities for the fiscal year ended September 30, 2022. The intent of this document is to view the City's performance during the subject year as a whole. The notes to financial statements as well as the financial statements must be considered to fully develop an understanding of the City's overall financial performance and condition.

This discussion and analysis is an element of required supplementary information specified in the "Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" issued June 1999. Certain comparative information between the current year and the prior year is mandated as part of the presentation.

The City of Starkville is located in Oktibbeha County which is in the northeastern portion of the State of Mississippi, approximately 37 miles from the Alabama state line along U.S Highway 82. The population, according to the most recent 2020 United States census, is 24,360. The current report from the United States Census Bureau for 2022 shows a population estimate of 24,657. The completion of the annexation of approximately 2.3 square miles to the east finalized in April of 2022 has increased the population base by an estimated 1,600 residents, making the population exceed 25,000. The growth in the population of the City shows a consistent pattern of an incremental, natural growth as well as the growth from the annexation process. Starkville's position within the Golden Triangle Region is as the largest municipality in the designated area. That growth trend remains strong. The local Golden Triangle economic base of which Starkville is the largest municipality is driven by retail, manufacturing, healthcare and Mississippi State University with emphasis on transportation and sciences and technology research.

Financial Highlights

The City of Starkville is financially sound and has an economic base shifting slightly to the east and toward the increased quantity of retail, commercial and residential areas. Through adoption of a new unified development code the core zoning changes for density and greater urbanization the City continues to see the results of mixed-use development in its urban core. Starkville has multiple areas being redeveloped with projects that include campus style student housing owned by the University and private commercial entities. Due to the expanded emphasis on athletics and historical attractions the alumni of the University are steadily returning to enjoy the various aspects of a university town. The City and the University are finding ways to share a focus on the quality of life available in a university town with growing proximity to new university properties and city amenities. The partnership between the University and the City has never been stronger and our continued partnership with transportation and housing projects highlights that positive approach to our mutual benefit.

The City is committed to financial responsibility. Starkville focuses on operational efficiency through ever diligent strategic planning, responsible budgeting and monitoring and improving internal controls. The City maintains a quality fiscal management structure which includes highly trained professionals whose experience in financial management is superior. The revenue stream from ad valorem taxes is steady, but the supplement of sales taxes shows the intent is to have diverse revenue sources from sports tourism to industry and retail. The City has become the strongest member of the triad of the Golden Triangle through aggressively maintaining a conservative fund balance.

City of Starkville
Management Discussion and Analysis
September 30, 2022

Financial Highlights (Continued)

Starkville enjoys strong growth in both residential and commercial real estate development. Sales tax collections continue to grow. The city derives additional revenue from a two percent (2%) tax on food and beverage sales which then supports economic development, tourism, parks, and student activity. The City recently passed an additional one percent (1%) food and beverage and hotel tax that is specifically and solely directed to parks improvements and a new sports tourism facility for baseball and softball located on the west side of the city. This project is designed to provide a strong tourism base as well as provide an enhanced recreation venue for residents thereby improving the quality-of-life aspects so necessary to attract businesses and retain residents.

Starkville's unemployment rate for September 2022 is roughly 6%. This is one of the lower rates for the State of Mississippi during this timeframe.

Capital improvement in fiscal year 2022 focused on improvements to electric, water, wastewater, road, bicycle and pedestrian infrastructure. The City has placed an emphasis on a long-term response for handling future projected growth by adding redundancy and improving reliability within our basic infrastructure systems. The commitment to replacement of infrastructure is intended to stay well ahead of the cycle of maintenance only and replacement as a last resort.

The City was the recipient of a Federal Highway BUILD grant in the amount of \$12.66 million dollars to upgrade and improve an area that is adjacent to the downtown area and that is in need of economic revitalization. That project will completely transform an area that has the potential for strong economic activity through redevelopment. Though COVID has created challenges, the project is still considered to be viable and is progressing though in a somewhat modified plan. Underground utilities and pedestrian access as well as landscaping are included with the intent to create the inclusion of the area into the downtown corridor.

The City's retail base has been stable and the demand for properties in the commercial corridors remains high. The newest mixed-use developments have filled with tenants for the additional spaces they have created. The SMART bus system contributes to increased transportation alternatives for the City of Starkville and the campus of MSU at no cost to the participants through grant funding. This city-wide service offers options for all the residents of Starkville to access the healthcare system and the multiple shopping venues.

Both the Starkville George M. Bryan field and the Golden Triangle Regional Airport continue to be the beneficiaries of significant Federal Aviation Administration grants that have provided additional space for lease revenue opportunities while also increasing potential flight capacity with commercial carriers and private aviation participation. The Golden Triangle Regional Airport is one of only three airports in Mississippi which operates a profitable passenger service and has expanded its capacity through larger aircraft from Delta to service the demand. The local airport will be extending its runway with a federal grant that recognizes the increased landing permits from businesses and alumni who return for athletic events.

City of Starkville
Management Discussion and Analysis
September 30, 2022

Financial Highlights (Continued)

Fiscal Year 2022 brought significant gains in multi-family and single-family housing. Starkville continued to experience construction starts. Steady enrollment growth and successful athletic programs at Mississippi State University create an expectation that the recent construction surge will continue. The development requests for subdivisions and business construction has been steady through the 2022 year.

The Mill conference center continues to provide options for conferences and activities for the city and the university. The organizations that are using Starkville as a meeting location is growing and allowing activities throughout the calendar year.

The City's investment with Oktibbeha County in an industrial park is the new home to Garan manufacturing. Garan has been a longtime industrial resident of the City of Starkville. They upgraded their facilities and chose to remain in our community. The property that was their site became a retail development that opened in late 2022. The plans for a new spec building in the park are in full swing and should provide an additional attraction for future industry.

Total net position increased by \$10,750,669, which includes a (\$234,503) prior period adjustment, represents a 40.51% increase from the prior fiscal year. The City's ending cash balance decreased by \$1,662,308 which represents a 3.97% decrease from the prior fiscal year which was primarily due to Park Bond funds spent.

The City had \$89,791,264 in total revenues. General revenues accounted for 35,560,885 or 39.60%. Program specific revenues in the form of charges for services and grants and contributions accounted for 54,230,379 or 60.40% of total revenues.

The City had \$78,806,092 in total expenses; only \$54,230,379 of these expenses were offset by charges for services, grants or outside contributions. General revenues of \$35,560,885 were adequate to provide for the remainder of the expenses.

Among the major funds, the General Fund, Park Bonds 2020 Fund, Parks and Rec. Tourism Fund, and ARPA Fund had \$26,284,798, \$43,780, \$2,618,418, and \$10,102 in revenues and \$28,546,737, \$9,731,491, 1,522,397, and \$1,984 in expenditures. The General Fund, Parks and Rec. Tourism Fund, and ARPA Fund's fund balance increased \$532,833, which includes a (\$234,503) prior period adjustment, 778,021, and 8,118 respectively, from the prior year. The Park Bond 2020 Fund's fund balance decreased 9,687,711 from prior year.

Capital assets, net of accumulated depreciation, increased by \$15,853,137.

Long-term debt decreased by \$6,276,907.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of 3 components: 1) Government-wide financial statements, 2) Fund financial statements and 3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

City of Starkville
Management Discussion and Analysis
September 30, 2022

Figure 1 – Required Components of the City's Annual Report

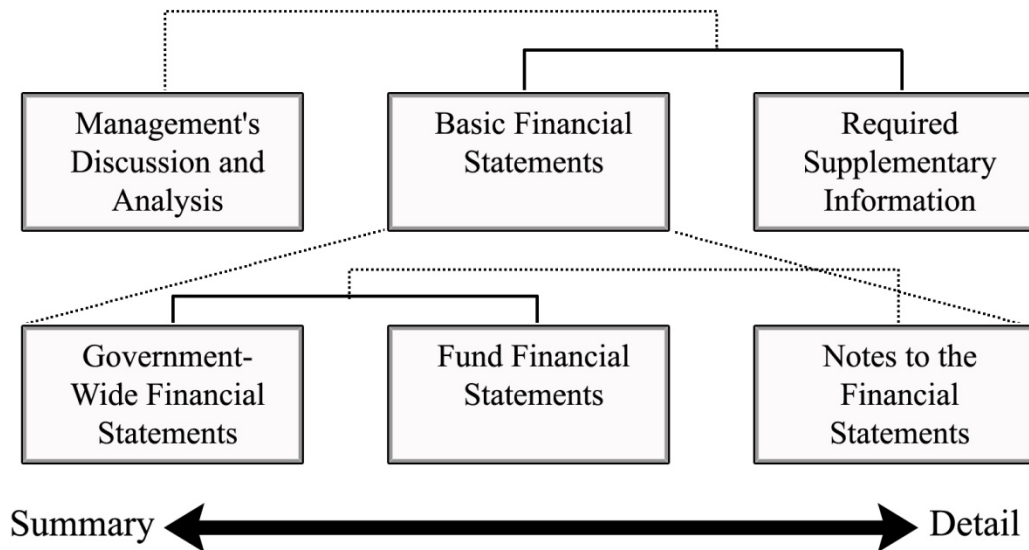


Figure 1 shows how required parts of this annual report are arranged and relate to one another.

Figure 2 summarizes the major features of the City's financial statements, including the portion of the City's government they cover and the types of information they contain. The remainder of this section of Management's Discussion and Analysis explains the structure and content of each of the statements.

City of Starkville
Management Discussion and Analysis
September 30, 2022

	Government-Wide Financial Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds) and component units	All activities of the City that are not business-type or fiduciary in nature	The City is the trustee or agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital and short and long term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short and long term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services are received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

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Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City finances, in a manner similar to private-sector businesses.

The **statement of net position** presents information on all City assets, deferred outflows of resources, deferred inflows of resources and liabilities, with the difference reported as net position. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The **statement of activities** presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or part of their costs through user fees and charges (business-type activities). The activities of the City include general government; public safety; public services (infrastructure); utilities; parks and recreation; sanitation; and interest on long-term debt.

The Government-wide Financial Statements can be found on pages 18 and 19 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a city's near-term financing requirements. Governmental funds include the general, special revenue, debt service, and capital projects funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the "Governmental Funds Balance Sheet" and the "Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances" provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 22 and 24, respectively.

The City maintains individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in

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Fund Balances for all major funds. All other non-major funds are combined together and presented in these reports as other governmental funds.

Proprietary funds are used to account for services for which the City charges customers a fee is generally reported in proprietary funds. Proprietary funds, like the government wide statements, provide both long-term and short-term financial information. The City's enterprise funds are the same as its business-type activities yet provide more detail and additional information, such as cash flows. The measurement focus of proprietary fund is upon determination of net income, financial position and change in financial position. These funds are maintained on the accrual basis of accounting. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Fund Net Position and Statement of Cash Flows are all required statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the City government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accrual basis of accounting is used for fiduciary funds. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The City's fiduciary activities are presented in a separate Statement of Fiduciary Net Position, which can be found on page 28 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 30 through 57 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents **Required Supplementary Information** concerning the City's budget process.

The City adopts an annual operating budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund and each major special revenue fund, if applicable. This required supplementary information can be found on page 59-62 of this report.

Government-wide Financial Analysis

Net Position – Net position may serve over time as a useful indicator of government's financial position. In the case of the City of Starkville, assets exceeded liabilities by \$71,666,200 as of September 30, 2022.

By far, the largest portion of the City's net position reflects its investment in capital assets (e.g. roads, bridges, land, buildings, mobile equipment, furniture & equipment, leased property under capital lease and construction in progress) less related outstanding debt used to acquire such assets. The City uses these capital assets to provide services to its citizens.

The City's financial position is a product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

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The following table presents a summary of the City's net position for the fiscal year ended September 30, 2022 and 2021.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and Other assets	\$ 32,437,092	33,076,829	23,149,586	23,383,249	55,586,678	56,460,078
Capital Assets, net	65,004,485	51,776,349	83,224,584	80,599,583	148,229,069	132,375,932
Total Assets	97,441,577	84,853,178	106,374,170	103,982,832	203,815,747	188,836,010
Deferred outflows of resources	3,481,389	2,778,262	2,664,250	2,365,034	6,145,639	5,143,296
Current and other liabilities	12,730,777	8,413,784	14,047,275	13,082,066	26,778,052	21,495,850
Long-term debt	78,574,526	71,629,577	31,298,436	31,781,541	109,872,962	103,411,118
Total Liabilities	91,305,303	80,043,361	45,345,711	44,863,607	136,651,014	124,906,968
Deferred inflows of resources	-	5,887,328	1,644,172	2,269,479	1,644,172	8,156,807
Net Position:						
Net investment						
in capital assets	12,560,964	24,726,834	60,420,451	56,446,183	72,981,415	81,173,017
Restricted	19,498,590	22,261,423	3,660,107	4,550,440	23,158,697	26,811,863
Unrestricted	(22,441,891)	(45,287,506)	(2,032,021)	(1,781,843)	(24,473,912)	(47,069,349)
Total Net Position	\$ 9,617,663	1,700,751	62,048,537	59,214,780	71,666,200	60,915,531

Changes in Net Position – The City's total revenues for the fiscal year ended September 30, 2022 was \$89,791,264. The total cost for all services provided was \$78,806,092. The increase in net position was \$10,750,669. The following table presents a summary of the change in net position for the fiscal year ended September 30, 2022.

City of Starkville
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	<u>2022</u>	<u>2021</u>
Revenues:		
Program revenues	\$ 54,230,379	51,713,779
General revenues	<u>35,560,885</u>	<u>30,852,723</u>
Total revenues	<u>89,791,264</u>	<u>82,566,502</u>
Expenses:		
Governmental Activities	27,693,164	23,567,865
Business-type Activities	<u>51,112,928</u>	<u>48,332,633</u>
Total expenses	<u>78,806,092</u>	<u>71,900,498</u>
Prior period adjustments	(234,503)	4,439,615
Increase (decrease) in net position	<u><u>\$ 10,750,669</u></u>	<u><u>15,105,619</u></u>

Governmental Activities – The following table presents the cost of five major functional activities of the City: General Government, Public Safety, Public Services, Parks & Recreation and Utilities.

The table also shows each function's net cost (total cost less charges for services generated by the activity and intergovernmental aid provided for that activity.) The net cost shows the financial burden that was placed on City of Starkville taxpayers by each of these functions.

	<u>Total Costs</u>	<u>Net Costs</u>
General Government	\$ 6,489,650	\$ 5,993,155
Public Safety	12,940,230	12,226,127
Public Services	6,524,217	6,524,217
Utilities	51,112,928	(1,906,853)
Interest on long-term debt	1,739,067	1,739,067

City of Starkville
Management Discussion and Analysis
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Financial Analysis of the City's Funds

Governmental funds – At the close of the fiscal year, the City of Starkville's governmental funds reported a combined fund balance of \$22,771,446 a decrease of \$4,541,749. The primary reasons for this decrease are highlighted in the analysis of governmental activities on page 23.

The General Fund is the principal operating fund of the City.

Budgetary Highlights of Major Funds

- Over the course of the year, the City of Starkville revised its annual operating budget on several occasions.

A schedule showing the original and final budget amounts compared to the City's actual financial activity for the General Fund and other major special revenue funds is provided in this report as required supplementary information.

Capital Assets and Debt Administration

Capital Assets – As of September 30, 2022, the City of Starkville's total capital assets were \$293,786,477. This includes infrastructure, land, buildings, mobile equipment, furniture and equipment, leased property under capital lease and construction in progress. This amount represents an increase over the previous year of \$21,930,458.

Total accumulated depreciation as of September 30, 2022 was \$145,557,408 including \$7,755,393 of depreciation expense for the year. The balance in total net capital assets was \$148,229,069 at year-end.

Additional information on the City of Starkville's capital assets can be found in Note 4 on pages 41 and 42 of this report.

Debt Administration – At September 30, 2022, the City of Starkville had \$76,411,085 in long-term debt outstanding. This includes compensated absences, general obligation bonds, other loans, and obligations under capital lease. Of this debt, \$4,922,419 is due within one year.

The State of Mississippi limits the amount of debt a City can issue to generally 15% of total assessed value. The City's outstanding debt is below its current limit.

Additional information on City of Starkville's long-term debt can be found in Note 5 on pages 42 - 44 of this report.

City of Starkville
Management Discussion and Analysis
September 30, 2022

Current and Future Items of Impact

The City of Starkville's future growth continues to be encouraging. The developments that are in progress include residential and commercial projects as well as partnership projects through grants from various sources. These projects will be of significance in their economic impact and they are geared to further increase the quality of life aspects in multiple areas of the City and University.

There continue to be strong economic forces investing in the region. There are multiple developers from around the state and as far away as New York and Texas that are viewing the local area as investment opportunities.

The Golden Triangle Region continues to be marketed and has landed a large project that will lead to the increased visibility of the region and spur further economic development for jobs and property value increases.

Starkville and Oktibbeha County and Mississippi State University continue to partner for providing infrastructure that will allow the full utilization of the undeveloped land as well as the redevelopment of areas that are currently underdeveloped.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the funds it receives. If you have questions about this report or need additional financial information, please contact the City of Starkville City Clerk's office at 110 W. Main Street, Starkville, Mississippi, 39759.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-wide financial statements
- Fund financial statements:
 - Governmental funds
 - Proprietary (enterprise) funds
 - Fiduciary funds

In addition, the notes to financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Starkville, Mississippi
Statement of Net Position
September 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Totals
<u>ASSETS</u>			
Cash and cash equivalents	\$ 11,256,424	11,088,157	22,344,581
Cash - restricted	19,498,590		19,498,590
Accounts receivable, net	1,070,119	6,300,154	7,370,273
Other receivables, net	133,260	133,815	267,075
Due from other departments	478,699	1,118,273	1,596,972
Prepaid expense		2,980,812	2,980,812
Inventory		1,316,843	1,316,843
Capital assets:			
Land and construction in progress	1,792,946	6,665,930	8,458,876
Property and equipment	140,894,090	144,433,511	285,327,601
Less: accumulated depreciation	(77,682,551)	(67,874,857)	(145,557,408)
Other assets		211,532	211,532
Total assets	<u>97,441,577</u>	<u>106,374,170</u>	<u>203,815,747</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Unamortized debt expense		421,442	421,442
Deferred outflows related to pensions	3,481,389	2,242,808	5,724,197
Total deferred outflows of resources	<u>3,481,389</u>	<u>2,664,250</u>	<u>6,145,639</u>
<u>LIABILITIES</u>			
Accounts payable	2,191,995	6,907,507	9,099,502
Accrued liabilities	1,101,643	488,249	1,589,892
Cash deficit		60,160	60,160
Due to other departments	66,836	1,027,713	1,094,549
Unearned revenue	6,305,172		6,305,172
Customer deposits		3,408,674	3,408,674
Other liabilities		297,684	297,684
Long-term liabilities:			
Due within one year	3,065,131	1,857,288	4,922,419
Due in more than one year	50,073,390	20,773,213	70,846,603
Compensated absences	562,631	79,432	642,063
Unfunded pension liability	27,938,505	10,445,791	38,384,296
Total liabilities	<u>91,305,303</u>	<u>45,345,711</u>	<u>136,651,014</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to pensions		1,644,172	1,644,172
Total deferred inflows of resources	<u>-</u>	<u>1,644,172</u>	<u>1,644,172</u>
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	12,560,964	60,420,451	72,981,415
Restricted	19,498,590	3,660,107	23,158,697
Unrestricted	(22,441,891)	(2,032,021)	(24,473,912)
Total net position	<u>\$ 9,617,663</u>	<u>62,048,537</u>	<u>71,666,200</u>

The accompanying notes to financial statements are an integral part of these financial statements.

City of Starkville, Mississippi
Statement of Activities
For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) / Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
General government	\$ 6,489,650	496,495			(5,993,155)
Public safety					
Police	7,243,830	152,669	253,545		(6,837,616)
Fire	5,371,119		307,889		(5,063,230)
Public inspection	312,518				(312,518)
Civil defense	12,763				(12,763)
Highways and streets	2,251,762				(2,251,762)
Health and sanitation	104,837				(104,837)
Culture and recreation	3,200,302				(3,200,302)
Economic development and assistance	967,316				(967,316)
Interest on long-term debt	1,739,067				(1,739,067)
Total governmental activities	27,693,164	649,164	561,434	-	(26,482,566)
Business-type Activities					
Electric utilities	40,671,852	41,432,198			760,346
Water and sewer utilities	7,253,191	8,386,166			1,132,975
Sanitation and waste	3,180,189	2,939,199			(240,990)
Sanitary landfill	7,696	262,218			254,522
Total business-type activities	51,112,928	53,019,781	-	-	1,906,853
Total primary government	\$ 78,806,092	53,668,945	561,434	-	(24,575,713)
			Governmental Activities	Business-type Activities	Total
Changes in Net Position:					
Net (expense) / revenue			\$ (26,482,566)	1,906,853	(24,575,713)
General revenues					
Taxes					
Property taxes			8,428,581		8,428,581
Sales and use taxes			13,004,585		13,004,585
Other taxes			1,153,240		1,153,240
Investment income			65,086	18,701	83,787
Other			11,765,577	908,203	12,673,780
Transfers			216,912		216,912
Total general revenues and transfers			34,633,981	926,904	35,560,885
Change in net position			8,151,415	2,833,757	10,985,172
Net position, October 1, 2021, as previous reported			1,700,751	59,214,780	60,915,531
Prior Period Adjustments (See Note 14)			(234,503)		(234,503)
Net position, October 1, 2021, as restated			1,466,248	59,214,780	60,681,028
Net position, September 30, 2022			\$ 9,617,663	62,048,537	71,666,200

The accompanying notes to financial statements are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

City of Starkville, Mississippi
Balance Sheet - Governmental Funds
September 30, 2022

	General	Park Bonds 2020	Parks and Rec. Tourism	ARPA	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash and cash equivalents	\$ 11,051,558				204,866	11,256,424
Cash - restricted	711,166	5,220,148	3,357,401	6,313,290	3,896,585	19,498,590
Receivables (Net)						
Accounts	1,070,119					1,070,119
Intergovernmental					133,260	133,260
Due from other departments	265,095				213,604	478,699
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 13,097,938	5,220,148	3,357,401	6,313,290	4,448,315	32,437,092
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>LIABILITIES</u>						
Accounts payable	\$ 1,446,110	744,850			1,035	2,191,995
Accrued liabilities	1,101,643					1,101,643
Due to other departments	66,836					66,836
Unearned revenue				6,305,172		6,305,172
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	2,614,589	744,850	-	6,305,172	1,035	9,665,646
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>FUND BALANCES</u>						
Fund balances - restricted						
Restricted for airport projects	722,606					722,606
Restricted for capital projects		4,475,298	3,357,401	8,118	4,179,689	12,020,506
Fund balances - assigned for budgetary purposes					267,591	267,591
Fund balances - unassigned	9,760,743					9,760,743
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	10,483,349	4,475,298	3,357,401	8,118	4,447,280	22,771,446
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 13,097,938	5,220,148	3,357,401	6,313,290	4,448,315	32,437,092
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes to financial statements are an integral part of these financial statements.

City of Starkville, Mississippi
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
September 30, 2022

Fund Balances - total governmental funds		\$ 22,771,446
Amounts reported for governmental activities in Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Governmental capital assets	142,687,036	
Less accumulated depreciation	<u>(77,682,551)</u>	65,004,485
Long-term liabilities are not due and payable in the current year and therefore are not reported in the governmental funds:		
Long-Term Liabilities	(81,639,657)	
Deferred Outflows of Resources	3,481,389	
Deferred Inflows of Resources	<u>-</u>	<u>(78,158,268)</u>
Net Position of Governmental Activities		<u><u>\$ 9,617,663</u></u>

The accompanying notes to financial statements are an integral part of these financial statements.

City of Starkville, Mississippi
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
For the Year Ended September 30, 2022

	General	Park Bonds 2020	Parks and Rec. Tourism	ARPA	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
General property taxes	\$ 8,428,581					8,428,581
Licenses and permits	496,495					496,495
Intergovernmental:						
Federal	754,899				913,115	1,668,014
State of Mississippi	10,813,790				3,250,000	14,063,790
State of Mississippi- 1% & 2% tax			2,618,418			2,618,418
State of Mississippi- modernization use tax					1,667,473	1,667,473
Oktibbeha County and Mississippi State	1,613,563					1,613,563
Fines and forfeits	824,475					824,475
Interest income	32,560	18,780		10,102	3,644	65,086
Penalties and interest	30,026					30,026
Other revenues	3,290,409	25,000			88,649	3,404,058
Total Revenues	<u>26,284,798</u>	<u>43,780</u>	<u>2,618,418</u>	<u>10,102</u>	<u>5,922,881</u>	<u>34,879,979</u>
EXPENDITURES						
General government	5,293,530					5,293,530
Public safety:						
Police	6,608,462					6,608,462
Fire	4,670,758					4,670,758
Public inspection	298,059					298,059
Civil defense	12,763					12,763
Highways and streets	1,680,165					1,680,165
Health and sanitation	104,837					104,837
Culture and recreation	1,943,794					1,943,794
Economic Development and Assistance	158,061			1,984	86,388	246,433
Capital outlay	4,412,244	9,731,491	101,530		2,351,951	16,597,216
Contractual services			95,384		625,500	720,884
Debt service:						
Principal	2,530,480		420,000			2,950,480
Interest	833,584		905,483			1,739,067
Total Expenditures	<u>28,546,737</u>	<u>9,731,491</u>	<u>1,522,397</u>	<u>1,984</u>	<u>3,063,839</u>	<u>42,866,448</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,261,939)</u>	<u>(9,687,711)</u>	<u>1,096,021</u>	<u>8,118</u>	<u>2,859,042</u>	<u>(7,986,469)</u>
OTHER FINANCING SOURCES (USES)						
Transfer in	318,000				272,948	590,948
Transfers out	(272,948)		(318,000)			(590,948)
Transfers from other departments	216,912					216,912
Sale of cemetery plots	1,000					1,000
Sale of property	594,019					594,019
Sale of surplus equipment	153,806					153,806
Inception of capital leases	2,018,486					2,018,486
Proceeds from bonds					695,000	695,000
Net other financing sources	<u>3,029,275</u>	<u>-</u>	<u>(318,000)</u>	<u>-</u>	<u>967,948</u>	<u>3,679,223</u>
Net change in fund balances	767,336	(9,687,711)	778,021	8,118	3,826,990	(4,307,246)
Fund balances, October 1, 2021 as previously stated	9,950,516	14,163,009	3,357,401		620,290	28,091,216
Prior Period Adjustment (See Note 14)	<u>(234,503)</u>					<u>(234,503)</u>
Fund balances, October 1, 2021 as restated	<u>9,716,013</u>	<u>14,163,009</u>	<u>2,579,380</u>	<u>-</u>	<u>620,290</u>	<u>27,078,692</u>
Fund balances, September 30, 2022	<u>\$ 10,483,349</u>	<u>4,475,298</u>	<u>3,357,401</u>	<u>8,118</u>	<u>4,447,280</u>	<u>22,771,446</u>

The accompanying notes to financial statements are an integral part of these financial statements.

City of Starkville, Mississippi
Reconciliation of Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Statement of Activities
Governmental Funds
For the Year Ended September 30, 2022

Net change in Fund Balances - total governmental funds \$ (4,307,246)

Amounts reported for governmental activities in Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives:

Expenditures for capital assets	16,597,216	
Less current year depreciation	(3,367,943)	
Less disposal of capital assets	<u>(1,137)</u>	13,228,136

Bond and loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of borrowed principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments:

Proceeds from capital leases	(2,018,486)	
Proceeds from bonds	(695,000)	
Principal payments	<u>2,950,480</u>	236,994

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental fund:

Change in unfunded pension liability	(7,616,044)	
Change in deferred outflows of resources	703,127	
Change in deferred inflows of resources	5,887,328	
Change in long-term compensated absences	<u>19,120</u>	<u>(1,006,469)</u>

Change in Net Position of Governmental Funds		<u><u>\$ 8,151,415</u></u>
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The accompanying notes to financial statements are an integral part of these financial statements.

City of Starkville, Mississippi
Statement of Fund Net Position - Proprietary Funds
September 30, 2022

	<u>June 30, 2022</u>	<u>September 30, 2022</u>			
	<u>Electric Department</u>	<u>Water & Sewer Department</u>	<u>Sanitation and Waste Fund</u>	<u>Non-major Enterprise Funds</u>	<u>Total Enterprise Funds</u>
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents	\$ 6,177,391	4,268,507		642,259	11,088,157
Accounts receivables, net	4,745,021	1,031,345	523,788		6,300,154
Other receivables, net	133,815				133,815
Due from other departments	214,562	903,711			1,118,273
Prepaid expense	2,980,812				2,980,812
Inventory	1,165,802	151,041			1,316,843
Total current assets	<u>15,417,403</u>	<u>6,354,604</u>	<u>523,788</u>	<u>642,259</u>	<u>22,938,054</u>
Non-current assets:					
Other assets	211,532				211,532
Capital assets:					
Fixed assets, net of depreciation	52,615,932	29,541,574	968,963	98,115	83,224,584
Total non-current assets	<u>52,827,464</u>	<u>29,541,574</u>	<u>968,963</u>	<u>98,115</u>	<u>83,436,116</u>
Total Assets	<u>68,244,867</u>	<u>35,896,178</u>	<u>1,492,751</u>	<u>740,374</u>	<u>106,374,170</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Unamortized debt expense	202,385	219,057			421,442
Deferred outflows related to pensions	1,455,392	422,434	364,982		2,242,808
Total Deferred Outflows of Resources	<u>1,657,777</u>	<u>641,491</u>	<u>364,982</u>	<u>-</u>	<u>2,664,250</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 69,902,644</u>	<u>36,537,669</u>	<u>1,857,733</u>	<u>740,374</u>	<u>109,038,420</u>
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	\$ 6,672,891	195,731	38,885		6,907,507
Cash deficit			60,160		60,160
Accrued liabilities	251,152	237,097			488,249
Compensated absences			79,432		79,432
Due to other departments	1,027,713				1,027,713
Accrued interest - long-term debt	49,744				49,744
Bonds payable, current	485,000	564,116			1,049,116
Notes payable, current		546,164	262,008		808,172
Other current liabilities	71,390				71,390
Total current liabilities	<u>8,557,890</u>	<u>1,543,108</u>	<u>440,485</u>	<u>-</u>	<u>10,541,483</u>
Non-current liabilities:					
Bonds payable, non-current	7,090,000	9,338,631			16,428,631
Notes payable, non-current		3,811,259	533,323		4,344,582
Customer deposits	2,966,606	442,068			3,408,674
Other liabilities	7,681	168,869			176,550
Unfunded pension liability	4,279,676	3,250,169	2,915,946		10,445,791
Total non-current liabilities	<u>14,343,963</u>	<u>17,010,996</u>	<u>3,449,269</u>	<u>-</u>	<u>34,804,228</u>
Total Liabilities	<u>22,901,853</u>	<u>18,554,104</u>	<u>3,889,754</u>	<u>-</u>	<u>45,345,711</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred inflows related to pensions	1,644,172				1,644,172
Total Deferred Inflows of Resources	<u>1,644,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,644,172</u>
<u>NET POSITION</u>					
Invested in capital assets, net of related debt	45,040,932	15,281,404		98,115	60,420,451
Restricted	315,687	2,702,161		642,259	3,660,107
Unrestricted			(2,032,021)		(2,032,021)
Total Net Position	<u>45,356,619</u>	<u>17,983,565</u>	<u>(2,032,021)</u>	<u>740,374</u>	<u>62,048,537</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 69,902,644</u>	<u>36,537,669</u>	<u>1,857,733</u>	<u>740,374</u>	<u>109,038,420</u>

The accompanying notes to financial statements are an integral part of these financial statements.

City of Starkville, Mississippi
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
For the Year Ended September 30, 2022

	<u>June 30, 2022</u>	<u>September 30, 2022</u>			
	<u>Electric Department</u>	<u>Water & Sewer Department</u>	<u>Sanitation and Waste Fund</u>	<u>Non-Major Enterprise Funds</u>	<u>Total Enterprise Funds</u>
<u>OPERATING REVENUES</u>					
Charges for services	\$ 41,432,198	8,386,166	2,939,199	262,218	53,019,781
Total operating revenues	41,432,198	8,386,166	2,939,199	262,218	53,019,781
<u>OPERATING EXPENSES</u>					
Purchased power	33,137,763				33,137,763
Operating and maintenance	5,014,147	5,650,210	2,988,052	7,696	13,660,105
Depreciation	2,519,942	1,602,981	192,137		4,315,060
Total operating expenses	40,671,852	7,253,191	3,180,189	7,696	51,112,928
Operating income (loss)	760,346	1,132,975	(240,990)	254,522	1,906,853
<u>NON-OPERATING REVENUES (EXPENSES)</u>					
Other revenue (expenses)	21,779	1,553,684	13,275		1,588,738
Interest on investments	10,801	7,900			18,701
Amortization expense	(15,978)	(13,959)			(29,937)
Interest and fiscal charges	(208,241)	(419,894)	(22,463)		(650,598)
Total non-operating revenues (expenses)	(191,639)	1,127,731	(9,188)	-	926,904
Change in net position	568,707	2,260,706	(250,178)	254,522	2,833,757
Net position, October 1, 2021	44,787,912	15,722,859	(1,781,843)	485,852	59,214,780
Net Position, September 30, 2022	<u>\$ 45,356,619</u>	<u>\$ 17,983,565</u>	<u>\$ (2,032,021)</u>	<u>\$ 740,374</u>	<u>\$ 62,048,537</u>

The accompanying notes to financial statements are an integral part of these financial statements.

City of Starkville, Mississippi
Statement of Cash Flows - Proprietary Funds
For the Year Ended September 30, 2022

	<u>June 30, 2022</u>	<u>September 30, 2022</u>			
	<u>Electric Department</u>	<u>Water & Sewer Department</u>	<u>Sanitation and Waste Fund</u>	<u>Non-Major Enterprise Funds</u>	<u>Total Enterprise Funds</u>
<u>Cash Flows from Operating Activities</u>					
Cash received from customers	\$ 41,432,198	8,386,166	2,939,199	262,218	53,019,781
Cash paid to employees	(1,984,224)	(1,223,821)	(1,706,080)		(4,914,125)
Cash paid to suppliers	(34,931,441)	(3,435,302)	(1,088,214)	(7,696)	(39,462,653)
Net Cash Provided By Operating Activities	<u>4,516,533</u>	<u>3,727,043</u>	<u>144,905</u>	<u>254,522</u>	<u>8,643,003</u>
<u>Cash Flows from Capital and Related Financing Activities</u>					
Proceeds from issuance of debt			300,672		300,672
Payment of debt	(470,000)	(1,081,495)	(306,858)		(1,858,353)
Payment of interest	(211,962)	(419,894)	(22,463)		(654,319)
Purchase of capital assets	(4,147,963)	(3,035,713)	(392,112)		(7,575,788)
Removal cost	(368,047)				(368,047)
Salvage	25,390				25,390
Other receipts (payments)	(7,949)	933,639	69,663		995,353
Net Cash Flows (Used in) Capital and Related Financing Activities	<u>(5,180,531)</u>	<u>(3,603,463)</u>	<u>(351,098)</u>	<u>-</u>	<u>(9,135,092)</u>
<u>Cash Flows from Investing Activities</u>					
Interest received on investments	10,801	7,900			18,701
Change in other investments	(14,233)				(14,233)
Collections on energy conservation loans receivable	7,869				7,869
Net Cash Flows Provided by Investing Activities	<u>4,437</u>	<u>7,900</u>	<u>-</u>	<u>-</u>	<u>12,337</u>
Net Change in Cash	(659,561)	131,480	(206,193)	254,522	(479,752)
Cash and Cash Equivalents, October 1, 2021	<u>6,836,952</u>	<u>4,137,027</u>	<u>206,193</u>	<u>387,737</u>	<u>11,567,909</u>
Cash and Cash Equivalents, September 30, 2022	<u>\$ 6,177,391</u>	<u>4,268,507</u>	<u>-</u>	<u>642,259</u>	<u>11,088,157</u>
<u>Reconciliation of Operating Income to Net Cash Flows from Operating Activities:</u>					
Operating Income (Loss)	\$ 760,346	1,132,975	(240,990)	254,522	1,906,853
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	2,593,432	1,602,981	192,137		4,388,550
Debt issuance costs			2,837		2,837
Other non-operating revenues	21,779	1,509,241			1,531,020
Changes in operating assets and liabilities:					
(Increase) decrease in receivables	566,005	3,142	59,588		628,735
(Increase) decrease in inventory	(184,278)	(49,941)			(234,219)
(Increase) decrease in other assets	(522,546)	(111,694)			(634,240)
(Increase) decrease in deferred outflows of resources	(538,555)	112,540	93,885		(332,130)
Increase (decrease) in payables	1,002,164	(563,559)	(18,907)		419,698
Increase (decrease) accrued liabilities	91,515	123,595			215,110
Increase (decrease) in deficit cash			60,160		60,160
Increase (decrease) in customer deposits	174,488	29,010			203,498
Increase (decrease) in unfunded pension liability	(523,252)	848,735	802,219		1,127,702
Increase (decrease) in other liabilities	8,637	(10,183)	(13,718)		(15,264)
Increase (decrease) in deferred inflows of resources	1,066,798	(899,799)	(792,306)		(625,307)
Total adjustments	<u>3,756,187</u>	<u>2,594,068</u>	<u>385,895</u>	<u>-</u>	<u>6,736,150</u>
Net cash provided by (used in) operating activities	<u>\$ 4,516,533</u>	<u>3,727,043</u>	<u>144,905</u>	<u>254,522</u>	<u>8,643,003</u>

The accompanying notes to financial statements are an integral part of these financial statements.

City of Starkville, Mississippi
Statement of Fiduciary Net Position
September 30, 2022

	Custodial Funds
<u>ASSETS</u>	
Cash - restricted	\$
Total Assets	-
<u>NET POSITION</u>	
Restricted - held in trust	\$ -

The accompanying notes to financial statements are an integral part of these financial statements.

City of Starkville, Mississippi
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2022

	Custodial Funds
ADDITIONS	
Investment earnings	
Interest	\$
Total investment earnings	-
Other additions	
Total Additions	-
DEDUCTIONS	
Transfer to general fund	216,232
Total Deductions	216,232
Change in Net Position	(216,232)
Net Position, October 1, 2021	216,232
Net Position, September 30, 2022	\$ -

The accompanying notes to financial statements are an integral part of these financial statements.

City of Starkville, Mississippi
Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

The City of Starkville, Mississippi's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- Financial statements prepared using full accrual accounting for all of the City's activities, including infrastructure (roads, bridges, etc.).
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

a. Reporting Entity

The citizens of Starkville, Mississippi, have elected to operate under a Code Charter as permitted by Mississippi Statutes 21-3-3, which prescribes a Mayor and Board of Aldermen form of government.

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 GAAP. 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.

City of Starkville, Mississippi
Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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 following is a brief review of each potential component unit addressed in defining the City's reporting entity.

Excluded from the reporting entity:

Starkville Oktibbeha Public Schools. The Starkville Public Schools' governing board is appointed primarily by the City's governing body (two of the five members). The City does not hold title to any of the school's assets, nor does it have any right to the school's surpluses. The City does not have the ability to exercise influence over the daily operations or approve budgets.

Starkville Public Library. The Starkville Public Library's governing board is appointed jointly by various entities. The City's governing body appoints five of the ten members but does not have the ability to exercise influence over the daily operations or approve budgets. Additionally, the City does not hold title to any of the library's assets, nor does it have any right to the library's surpluses.

b. Basic Financial Statements – Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police and fire protection, parks and recreation, public works, and general administrative services are classified as governmental activities. The City's electric, water and sewer, sanitation, and landfill services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

City of Starkville, Mississippi
Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (police, fire, etc.). The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, fire, etc.) or a business-type activity. Operating revenues include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales or use taxes, intergovernmental revenues, interest income, etc.).

The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

c. Basic Financial Statements – Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The City reports the following major Governmental Funds:

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.

The *Parks Bonds 2020 Fund* is a capital projects fund which accounts for expenditures related to the construction of Cornerstone Park, a recreational ballpark.

The *Parks and Recreation Tourism Fund* is a capital projects fund which accounts for expenditures related to infrastructure improvements, outdoor recreation, and nature-based tourism within the community.

The *ARPA Fund* is a special revenue fund which accounts for financial resources from the American Rescue Plan grant funds.

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

City of Starkville, Mississippi
Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

1. Governmental Funds

- a. **General Fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund includes General Activities, Multi-Unit Drug Task Force Operations, Airport Activities, Restricted Police Activities, Restricted Fire Activities, Accounts Payable Clearing and Payroll Clearing.
- b. **Special Revenue Funds** are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds are the CDBG Henderson Street Area Redevelopment Project Fund, the Law Enforcement Grants Fund, the Computer Assessments Fund, the CDBG Rehabilitation Loan Program Fund, Federal Forfeited Funds Fund, American Recovery Reinvestment Fund, and the TVA Hewlett Wood Products, Inc. Loan Fund.
- c. **Debt Service Funds** are used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs. The Debt Service Funds are the City Bond and Interest Fund and the School Bond and Interest Fund.
- d. **Capital Projects Funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Capital Projects Funds are the Parking Mill Project Fund, Public Improvement Bonds Fund, Parks and Recreation Bond 2020 Fund, the Parks and Recreation Tourism Fund, Industrial Park Bond Fund, Fire Station #5 Fund, Build Grant 182/MLK Corridor Fund, and Stark/Hospital Road Expansion Fund.

2. Proprietary Funds

The City reports the following major Proprietary Funds:

The *Starkville Electric Department* is a fund which accounts for the distribution of electricity to the residents of the City of Starkville and Mississippi State University.

The *Water and Sewer Fund* is a fund which accounts for the activities of the City's water and sewer distribution and collections. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt.

The *Sanitation and Waste Fund* is a fund which accounts for the activities of the City's garbage collections.

City of Starkville, Mississippi
Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

- a. **Enterprise Funds** are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs 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. The Enterprise Funds are the Electric Department Fund, the Water and Sewer Department Fund, the Sanitation Fund, and the Sanitary Landfill Fund.

3. Custodial Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds. The City's does not maintain any fiduciary funds.

d. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

City of Starkville, Mississippi
Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

e. Financial Statement Amounts

1. Cash and Cash Equivalents:

For purposes of the statement of cash flows for the proprietary funds, the City defines cash equivalents as short-term, highly liquid investments with original maturity dates of three months or less.

2. Inventory:

Inventory is valued at the lower of cost (first-in, first-out) or market.

3. Capital Assets:

Capital assets are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20 – 50 years
Water and sewer system	30 – 50 years
Machinery and equipment	5 – 10 years
Improvements	10 – 20 years
Other infrastructure	10 – 50 years

4. Revenues:

Property taxes are billed and collected within the same period in which the taxes are levied. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non-operating revenue based on GASB No. 33. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

5. Expenditures:

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

City of Starkville, Mississippi
Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

6. Compensated Absences:

The City accrues accumulated unpaid vacation and sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

7. Interfund Activity:

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

8. Basis of Budgeting:

The City prepares its governmental fund type budgets in accordance with state statutes, which require the cash basis of accounting for revenues. Expenditures are budgeted and reported on the modified accrual basis of accounting. For purposes of budgetary comparisons in the financial statements, the City has elected to compare GAAP basis revenue to budget. This presentation provides a reasonable basis of comparison because the difference in beginning and ending receivables is immaterial.

9. Deferred Outflows / Inflows

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(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then.

Deferred outflows related to pensions- This amount represents the City's proportionate share of the deferred outflows of resources reported by the pension plan in which the City participates. See Note 15 for additional details.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

City of Starkville, Mississippi
Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Deferred inflows of resources- This amount represents the City's proportionate share of the deferred inflows of resources reported by the pension plan in which the City participates. See Note 15 for additional details.

10. Long-term Liabilities

Long-term liabilities are the unmatured principal of bonds, loans, notes or other forms of noncurrent or long-term obligation indebtedness. Long-term liabilities are not limited to liabilities from debt issuances, but may also include liabilities on lease-purchase agreements and other commitments.

In the government-wide financial statements and in the Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or Proprietary Funds Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the Fund financial statements, Governmental Fund Types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Mississippi (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Starkville, Mississippi
Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

12. Net Position:

GASB 63 requires the classification of net position into three components – invested in capital assets, net of related debt, restricted and unrestricted. These classifications are defined as follows:

- a.** Invested in capital assets, net of related debt – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- b.** Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- c.** Unrestricted – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Net Position Flow Assumption

When an expense is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the City's general policy to use restricted resources first. When expenses are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the City's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

City of Starkville, Mississippi
Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

13. Fund Balance:

GASB 54 requires the classification of fund balance into five components – nonspendable, restricted, committed, assigned and unassigned. These classifications are defined as follows:

- a. Nonspendable fund balance** - amounts that cannot be spent due to form such as inventories, prepaid amounts, etc...
- b. Restricted fund balance** - amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

The City has the following restricted assets: restricted for fire protection, restricted for police protection, restricted for airport activities, restricted for parks and recreation, restricted for debt service and restricted for capital projects.

- c. Committed fund balance** - amounts constrained for a specific purpose by an entity using its highest level of decision-making authority. It would require the same group to remove or change the constraints placed on the resources. Currently, there are no committed fund balances.
- d. Assigned fund balance** - for all funds other than the general fund, any remaining positive amounts not classified as nonspendable, restricted or committed.

The City classifies unspent budgeted projects that are re-budgeted in the subsequent year to assigned for budgetary purposes.

- e. Unassigned fund balance** – the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Fund Balance Flow Assumption:

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the City's general policy to use restricted resources first. When expenditures are incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the City's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

City of Starkville, Mississippi
Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

14. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

15. Changes in Accounting Standards:

GASB 87, Leases, was implemented during fiscal year 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This guidance is intended to enhance the accountability, consistency and comparability of lease activities reported by governments.

Note 2: Cash, Other Deposits, and Investments

The collateral for public entities' deposits in financial institutions is 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. All of the City's funds eligible to be included in the state's collateral pool program were properly included and were fully collateralized as of September 30, 2022.

The carrying amount of the City's deposits with financial institutions was \$35,599,619 on September 30, 2022 and the bank balance was \$35,665,780.

The balances do not reflect cash or other deposits held in the name of Starkville Electric Department in the amount of \$6,177,391 which are separately secured.

City of Starkville, Mississippi
Notes to Financial Statements

Note 3: Interfund Transactions and Balances

Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ 272,948
General Fund	Parks and Rec. Tourism	318,000
Total		<u>\$ 590,948</u>

The principal purpose of inter-fund transfers was to provide funds for grant matches or to provide funds to pay for capital outlay. All inter-fund transfers were routine and consistent with the activities of the fund making the transfer.

Note 4: Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

	<u>Balance</u> <u>10/1/2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	<u>Balance</u> <u>9/30/2022</u>
Governmental Activities					
Land and construction in progress	\$ 1,290,892	502,054			1,792,946
Property and equipment	124,952,734	16,095,162	(153,806)		140,894,090
Less: Accumulated Depreciation	(74,467,277)	(3,367,943)	152,669		(77,682,551)
Governmental Activities Capital Assets	<u>\$ 51,776,349</u>	<u>13,229,273</u>	<u>(1,137)</u>	<u>-</u>	<u>65,004,485</u>
Business-type Activities:					
Land and construction in progress - Electric	\$ 2,721,465	955,463			3,676,928
Property and equipment - Electric	72,228,689	3,192,500	(615,410)		74,805,779
Less: Accumulated Depreciation - Electric	(24,231,410)	(2,618,822)	983,457		(25,866,775)
Business Activities Capital Assets - Electric	<u>\$ 50,718,744</u>	<u>1,529,141</u>	<u>368,047</u>	<u>-</u>	<u>52,615,932</u>
Land and construction in progress - Water - Sewer	\$ 1,404,395	2,375,449	(887,642)		2,892,202
Property and equipment - Water - Sewer	62,555,682	660,266	(587,489)		62,628,459
Less: Accumulated Depreciation - Water - Sewer	(34,944,088)	(1,576,491)	587,489	(45,997)	(35,979,087)
Business Activities Capital Assets - Water - Sewer	<u>\$ 29,015,989</u>	<u>1,459,224</u>	<u>(887,642)</u>	<u>(45,997)</u>	<u>29,541,574</u>
Land and construction in progress - Sanitation - Landfill	\$ 96,800				96,800
Property and equipment - Sanitation - Landfill	6,605,362	392,112		1,799	6,999,273
Less: Accumulated Depreciation - Sanitation-Landfill	(5,837,312)	(192,137)		454	(6,028,995)
Business Activities Capital Assets - Sanitation-Landfill	<u>\$ 864,850</u>	<u>199,975</u>	<u>-</u>	<u>2,253</u>	<u>1,067,078</u>
Business Activities Capital Assets	<u>80,599,583</u>	<u>3,188,340</u>	<u>(519,595)</u>	<u>(43,744)</u>	<u>83,224,584</u>
Total Capital Assets	<u>\$ 132,375,932</u>	<u>16,417,613</u>	<u>(520,732)</u>	<u>(43,744)</u>	<u>148,229,069</u>

City of Starkville, Mississippi
Notes to Financial Statements

Note 4: Capital Assets (Continued)

When the City of Starkville updates its fixed assets subsidiary records, the adjustment column reports the appropriate corrections to the various classes of fixed assets. The adjustments for this year were to clean up the fixed asset schedule to agree to their records.

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 920,388
Public safety - Police	317,236
Public safety - Fire	374,517
Highways and streets	503,151
Culture and recreation	<u>1,252,651</u>

Total governmental activities depreciation expense	<u><u>\$3,367,943</u></u>
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Business-type activities:

Electric	\$2,618,822
Water and sewer	1,576,491
Sanitation	<u>192,137</u>

Total business-type activities depreciation expense	<u><u>\$4,387,450</u></u>
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Note 5: Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2022, was as follows:

	Balance 10/1/2021	Additions	Reductions	Balance 9/30/2022	Amount Due Within One Year
Governmental Activities					
General obligation bonds					
TIF Revenue Bonds, Series 2011	\$ 180,000		42,000	138,000	44,000
GO Utility Refunding Bonds, Series 2015	2,075,000		120,000	1,955,000	120,000
GO Public Improvement, Series 2016A	2,545,000		125,000	2,420,000	130,000
GO Public Improvement, Series 2016B	2,035,000		100,000	1,935,000	100,000
TIF Revenue Bonds, Series 2016	635,000		115,000	520,000	120,000
GO Refunding Bond, Series 2018	2,230,000		335,000	1,895,000	350,000
GO Development Bonds, Series 2017	5,950,000		350,000	5,600,000	350,000
2018 Refunding Bond-City Hall	3,735,000			3,735,000	
Special Obligation, Series 2018	4,105,000		405,000	3,700,000	415,000
Special Obligation, Series 2018	2,836,000		169,000	2,667,000	173,000
Special Obligation, Series 2020A	14,300,000			14,300,000	55,000
Special Obligation, Series 2020B	9,765,000		85,000	9,680,000	30,000
TIF Revenue Bonds, Series 2022		695,000		695,000	67,700
Total	<u>\$ 50,391,000</u>	<u>695,000</u>	<u>1,846,000</u>	<u>49,240,000</u>	<u>1,954,700</u>

City of Starkville, Mississippi
Notes to Financial Statements

Note 5: Long-Term Liabilities (Continued)

	Balance 10/1/2021	Additions	Reductions	Balance 9/30/2022	Amount Due Within One Year
Notes payable					
Capital Improvements - F-250 and 2 Tacomas	10,682		10,682	-	
Capital Improvements - City Hall	730,000		360,000	370,000	370,000
2018 Ford F-150	4,609		4,609	-	
Asphalt Truck (Kenworth)	148,691		65,422	83,269	66,481
Fire Truck	740,996		100,610	640,386	102,310
John Deere Park Mower	26,130		17,268	8,862	8,862
Nissan Kicks	6,853		3,357	3,496	3,496
2 Pumper Trucks	831,664		71,265	760,399	73,679
Street Excavator	122,945		27,344	95,601	28,294
Police Dodge Chargers	361,945		143,593	218,352	145,170
2022 Dodge Durango		39,731	3,354	36,377	12,890
2020 Fire Truck-Bankfirst		1,441,455	141,676	1,299,779	143,949
Utility Associates-Body Cameras		310,800	77,700	233,100	77,700
FUSUS Real Time Crime Center		195,000	65,000	130,000	65,000
Harley-Davidson Motorcycles		31,500	12,600	18,900	12,600
Compensated absences	581,751		19,120	562,631	-
Total	\$ 3,566,266	2,018,486	1,123,600	4,461,152	1,110,431
Total Governmental Activities	\$ 53,957,266	2,713,486	2,969,600	53,701,152	3,065,131
	Balance 10/1/2021	Additions	Reductions	Balance 9/30/2022	Amount Due Within One Year
Business-type Activities					
Bonds and notes payable					
Utility Revenue Bonds, Series 2019	\$ 9,315,000		365,000	8,950,000	380,000
Electric System Revenue Bond, Series 2020	8,045,000		470,000	7,575,000	485,000
GO Utility Refunding Bond Series 2012	1,133,323		180,576	952,747	184,116
Drinking Water Improvements Revolving Loan	278,000		53,811	224,189	55,172
Water Pollution Control Revolving Loan	906,935		211,676	695,259	215,419
Water Pollution Control Revolving Loan	120,334		15,017	105,317	15,436
MDA Capital Improvements Loan	307,023		16,056	290,967	16,353
MDA Capital Improvements Loan	234,672		24,790	209,882	25,248
MDA Capital Improvements Loan	464,075		50,061	414,014	50,987
MDA Capital Improvements Loan	1,033,214		59,285	973,929	60,381
MDA Capital Improvements Loan	203,463		37,127	166,336	37,814
MDA Capital Improvements Loan	436,147		25,187	410,960	25,652
MDA Capital Improvements Loan	660,674		31,497	629,177	32,079
MDA Capital Improvements Loan	248,805		11,412	237,393	11,623
Street Sweeper	51,706		47,970	3,736	3,736
3 Refuse Trucks & Knuckle Boom	483,716		116,331	367,385	119,344
2021 Tractor and Cutter	66,216		28,901	37,315	19,571
Garbage Truck/Front End Loader	199,879		38,034	161,845	38,981
2021 Rear Loader Truck		225,746	69,297	156,449	56,068
2022 Kubota Tractor		74,926	6,325	68,601	24,308
Compensated absences	65,714	13,718		79,432	
Total	\$ 24,253,896	314,390	1,858,353	22,709,933	1,857,288

City of Starkville, Mississippi
Notes to Financial Statements

Note 5: Long-Term Liabilities (Continued)

All liabilities of The City of Starkville are secured by the full faith and credit of the municipality.

The five outstanding issues of General Obligation Bonds are due in annual installments ranging from \$100,000 to \$400,000 each through various dates, the last of which is the year 2035. Interest rates range from 2.75% to 5.00%.

The City has entered into bond purchase agreements to issue and sell Tax Increment Financing Revenue Bonds. The principal of the bonds is due in annual installments. The Series 2011, Series 2016, and Series 2022 Bonds were issued for the purpose of constructing various infrastructure improvements to support the projects. The City's tax increment financing bond indebtedness is recorded as a liability of the City to match revenue streams to the related debt for which they have been pledged. The obligation of the City to pay principal and interest on these bonds is limited solely to the tax increment financing (TIF) revenues generated from the project. Should TIF revenues not be sufficient to meet the required debt service obligations, the City is not obligated to make such bond payments from any other sources of its revenues. However, the City intends to annually appropriate funds sufficient to make all payments required by the bonds for the next fiscal year. Management does not anticipate that any of the City's general funds will be required to make up any deficiency in bond payments during the next fiscal year.

Legal Debt Margin

The amount of debt, excluding specific exempted debt that can be incurred by the City is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the City, according to the last completed assessment for taxation. In no case shall the total indebtedness exceed 20% of the assessed value of the property. As of September 30, 2022, the amount of outstanding debt was equal to 13.14% of the latest property assessments.

Note 6: Unemployment Compensation Fund

The City has elected to establish a revolving fund for unemployment compensation which is to be maintained in the amount of 2% of the first \$6,000 of employee wages paid in the preceding calendar year. The Unemployment Compensation Fund was fully funded at September 30, 2022.

Note 7: Defined Benefit Pension Plan – City of Starkville

General Information about the Pension Plan

Plan Description. PERS is a defined benefit cost-sharing plan administered by the PERS System that provides retirement benefits to all eligible employees. Membership in PERS is a condition of employment granted upon hiring for qualifying employees including officials of the State of Mississippi (the State), state universities, community and junior colleges, and teachers and employees of the public-school districts, and other public employees whose

City of Starkville, Mississippi
Notes to Financial Statements

Note 7: Defined Benefit Pension Plan – City of Starkville (Continued)

General Information about the Pension Plan (Continued)

employers have elected to participate. For those persons employed by political subdivisions and instrumentalities of the State, membership is contingent upon approval of the entity's participation in PERS by the System's Board of Trustees. Members and employers are statutorily required to contribute certain percentages of salaries and wages as specified by the Board of Trustees. Current rates are 17.40 percent for employers and 9.00 percent for members. PERS employers contributed \$1,211 million and members contributed \$615.4 million for fiscal year 2022. A member who terminates employment from all covered employers and who is not eligible to receive monthly retirement benefits may request a full refund of his or her accumulated member contributions plus interest.

Upon withdrawal of contributions, a member forfeits service credit represented by those contributions. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. § 25-11-1 et seq., (1972, as amended) and may be amended only by the Mississippi Legislature. The PERS plan financial report is included in the Annual Comprehensive Financial Report of the Public Employees' Retirement System available at www.PERS.ms.gov.

City of Starkville, Mississippi
Notes to Financial Statements

Note 7: Defined Benefit Pension Plan – City of Starkville (Continued)

Contributions. PERS members are required to contribute 9.00% of their annual covered salary, and the City is required to contribute at an actuarially determined rate. The employer's rate as of September 30, 2022 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The City's contributions to PERS for the fiscal years ending September 30, 2022, 2021 and 2020 were \$1,984,730, \$1,994,173, and \$1,675,067 respectively, which equaled the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2022, the City reported a liability of \$34,104,620 which was for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. At June 30, 2022, the City's proportion was 0.165688 percent. This was a decrease of .002523 percent from its proportionate share used to calculate the September 30, 2021 net pension liability, which was based on a measurement date of June 30, 2021.

For the year ended September 30, 2022, the City recognized pension expense of \$3,245,960. At September 30, 2022 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 482,870	-
Net difference between projected and actual earnings on pension plan investments	1,658,933	-
Changes of assumptions	1,197,510	-
Change in proportion percentage	374,909	-
City contributions subsequent to the measurement date	554,583	-
	<u>\$ 4,268,805</u>	<u>-</u>

\$554,583 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

City of Starkville, Mississippi
Notes to Financial Statements

Note 7: Defined Benefit Pension Plan – City of Starkville (Continued)

Year ended September 30,	
2023	1,244,435
2024	1,004,651
2025	(385,476)
2026	1,850,612
2027	-
	\$ 3,714,222

Actuarial assumptions. The total pension liability as of June 30, 2022 was determined by an actuarial valuation prepared as of June 30, 2021, and by the investment experience for the fiscal year ending June 30, 2022. The following actuarial assumptions are applied to all periods in the measurement:

Inflation	2.40 percent
Salary increases	2.65 – 17.90 percent, including inflation
Investment rate of return	7.55 percent, net of pension plan investment expense, including inflation

Mortality rates for service retirees were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95 percent of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010(B) Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the period from July 1, 2016 to June 30, 2020. This experience report is dated April 20, 2021.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class.

City of Starkville, Mississippi
Notes to Financial Statements

Note 7: Defined Benefit Pension Plan-City of Starkville (Continued)

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>		<u>Long-Term Expected Real Rate of Return</u>	
Domestic Equity	25	%	4.60	%
International Equity	20		4.50	
Global Equity	12		4.85	
Fixed Income	18		1.40	
Real Estate	10		3.65	
Private Equity	10		6.00	
Private Infrastructure	2		4.00	
Private Credit	2		4.00	
Cash Equivalents	1		(0.10)	
Total	100	%		

Discount rate. The discount rate used to measure the total pension liability was 7.55 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that Employer contributions will be made at the current employer contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.55 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55 percent) or 1-percentage-point higher (8.55 percent) than the current rate:

	<u>1% Decrease (6.55%)</u>	<u>Current Discount Rate (7.55%)</u>	<u>1% Increase (8.55%)</u>
City's proportionate share of the net pension liability	\$ 44,510,012	\$ 34,104,620	\$ 25,525,903

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

City of Starkville, Mississippi
Notes to Financial Statements

Note 8: Defined Benefit Pension Plan – Starkville Electric Department

General Information about the Pension Plan

Plan Description. PERS is a defined benefit cost-sharing plan administered by the PERS System that provides retirement benefits to all eligible employees. Membership in PERS is a condition of employment granted upon hiring for qualifying employees including officials of the State of Mississippi (the State), state universities, community and junior colleges, and teachers and employees of the public-school districts, and other public employees whose employers have elected to participate. For those persons employed by political subdivisions and instrumentalities of the State, membership is contingent upon approval of the entity's participation in PERS by the System's Board of Trustees. Members and employers are statutorily required to contribute certain percentages of salaries and wages as specified by the Board of Trustees. Current rates are 17.40 percent for employers and 9.00 percent for members. PERS employers contributed \$1,169.7 million and members contributed \$594.9 million for fiscal year 2021.

A member who terminates employment from all covered employers and who is not eligible to receive monthly retirement benefits may request a full refund of his or her accumulated member contributions plus interest. Upon withdrawal of contributions, a member forfeits service credit represented by those contributions. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary.

A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter.

City of Starkville, Mississippi
Notes to Financial Statements

Note 8: Defined Benefit Pension Plan – Starkville Electric Department (Continued)

General Information about the Pension Plan

Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. § 25-11-1 et seq., (1972, as amended) and may be amended only by the Mississippi Legislature. The PERS plan financial report is included in the Annual Comprehensive Financial Report of the Public Employees' Retirement System available at www.PERS.ms.gov.

Contributions. PERS members are required to contribute 9.00% of their annual covered salary, and the Electric Department is required to contribute at an actuarially determined rate. The employer's rate as of June 30, 2022 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The Electric Department's contributions to PERS for the fiscal years ending June 30, 2022, 2021, and 2020 were \$345,255, \$304,227, and \$294,473 respectively, which equaled the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the Electric Department reported a liability of \$4,279,676 which was for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Electric Department's proportion of the net pension liability was based on a projection of the Electric Department's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. At June 30, 2022, the Electric Department's proportion was 0.028955 percent. This was an increase of 0.004145 percent from its proportionate share used to calculate the June 30, 2021 net pension liability, which was based on a measurement date of June 30, 2020.

City of Starkville, Mississippi
Notes to Financial Statements

Note 8: Defined Benefit Pension Plan – Starkville Electric Department (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the Electric Department recognized pension expense of \$350,246. At June 30, 2022, the Electric Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 68,432	-
Net difference between projected and actual earnings on pension plan investments	-	1,288,856
Changes of assumptions	329,318	-
Change in proportion percentage	-	-
City contributions subsequent to the measurement date	712,387	355,316
	<u>345,255</u>	<u>-</u>
	<u>\$ 1,455,392</u>	<u>1,644,172</u>

\$345,255 reported as deferred outflows of resources related to pensions resulting from the Electric Department's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30,	
2023	(70,755)
2024	(22,756)
2025	(97,639)
2026	(342,885)
2027	<u>-</u>
	<u>\$ (534,035)</u>

Actuarial assumptions. The total pension liability as of June 30, 2021 was determined by an actuarial valuation prepared as of June 30, 2020, and by the investment experience for the fiscal year ending June 30, 2021.

City of Starkville, Mississippi
Notes to Financial Statements

Note 8: Defined Benefit Pension Plan – Starkville Electric Department (Continued)

The following actuarial assumptions are applied to all periods in the measurement:

Inflation	2.40 percent
Salary increases	2.65 – 17.90 percent, including inflation
Investment rate of return	7.55 percent, net of pension plan investment expense, including inflation

Mortality rates for service retirees were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95 percent of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010(B) Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the period from July 1, 2016 to June 30, 2020. This experience report is dated April 20, 2021.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>		<u>Long-Term Expected Real Rate of Return</u>	
Domestic Equity	27	%	4.60	%
International Equity	22		4.50	
Global Equity	12		4.80	
Debt Securities	20		(0.25)	
Real Estate	10		3.75	
Private Equity	8		6.00	
Cash Equivalents	1		(1.00)	
Total	100	%		

City of Starkville, Mississippi
Notes to Financial Statements

Note 8: Defined Benefit Pension Plan – Starkville Electric Department (Continued)

Discount rate. The discount rate used to measure the total pension liability was 7.55 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that Employer contributions will be made at the current employer contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Electric Department's proportionate share of the net pension liability to changes in the discount rate. The following presents the Electric Department's proportionate share of the net pension liability calculated using the discount rate of 7.55 percent, as well as what the Electric Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55 percent) or 1-percentage-point higher (8.55 percent) than the current rate:

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
Electric Department's proportionate share of the net pension liability	\$ 6,061,024	\$ 4,279,676	\$ 2,811,703

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Note 9: Joint Ventures

The City of Starkville entered into an agreement with the Golden Triangle Solid Waste Management Authority. This Authority was organized under laws of the State of Mississippi (Section 17-17-301 et seq. Miss. Code of 1972 as amended). The Authority's purpose is to operate and maintain a landfill facility. The project was permitted by DEQ in December, 1994. The City of Starkville's share of expense and liability is based on a pro rata share of waste tonnage. The City's portion of this expense was \$457,688 in 2022. The members, in addition to the City of Starkville, are Noxubee County, City of West Point, Clay County, City of Columbus, Lowndes County, City of Macon, Oktibbeha County, Webster County, City of Eupora, Choctaw County, and the Town of Ackerman. Because of the nature of the Authority's operations there is no determinable equity interest of the City of Starkville. The Authority is designed to generate revenues from its members in an amount adequate only to cover its operating costs. The Authority is audited separately and financial statements are available upon request.

City of Starkville, Mississippi
Notes to Financial Statements

Note 10: Risk Management

The City 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 City carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Under GASB Statement No. 10, *Accounting and Financial Reporting for Risks Financing and Related Insurance Issues*, a liability for claims must be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. As of the date of this audit report, there were no known claims above the amount of coverage purchased for risks of loss related to torts, theft of, damage to, and the destruction of assets, errors and omissions, injuries to employees, and natural disasters at September 30, 2022, therefore no liability has been accrued at this time.

Note 11: Property Tax

Numerous statutes exist under which the Mayor and Board of Aldermen may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the City. Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount which resulted from the assessments of the previous year.

The Mayor and Board of Aldermen, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year.

Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. The City taxes are collected and remitted to the City by the Oktibbeha County Tax Collector.

Accounting principles generally accepted in the United States of America require property taxes to be recognized at the levy date if measurable and available. All property taxes are recognized as revenue in the year for which they are levied. Motor vehicle and mobile home taxes do not meet the measurability and collectability criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

The distribution of taxes to funds was made in accordance with prescribed tax levies, and uncollected taxes were properly handled.

Delinquent taxes are not recorded as assets.

City of Starkville, Mississippi
Notes to Financial Statements

Note 12: Economic Development, Tourism, and Convention Tax

In 2004, the Legislature of the State of Mississippi passed a local and private bill on behalf of the City of Starkville authorizing a 2 % tax on the gross income of restaurants derived from the sale of prepared food and alcoholic and nonalcoholic beverages. The tax is collected by the Mississippi State Tax Commission in the same manner that sales taxes are collected. The proceeds of the tax less 3% are paid monthly to the City of Starkville to be distributed to the appropriate entities as follows:

Economic Development Authority – 15%
Visitor and Convention Council – 15%
Starkville Parks and Recreation – 40%
Mississippi State University – 20%
Used for economic and community development projects, initiatives or opportunities – 10%

The distribution of the tax is audited in the course of this audit.

Note 13: Contingent Liabilities

Federal Grants- The City has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability to the City. No provision for any liability that may result has been recognized in the City's financial statement.

Litigation –The City is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the City with respect to the various proceedings. However, the City's legal counsel believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the City.

Note 14: Prior Period Adjustments

A summary of the significant net position/fund balance adjustment(s) is as follows:

Statement of Activities – Governmental Activities

<u>Explanation</u>		<u>Amount</u>
Error in reporting 2020 Fire Truck debt for FYE 9/30/2021	\$	69,997
Error in reporting Body Camera lease for FYE 9/30/2021		(310,800)
Error in reporting Harley-Davidson Motorcycle lease for FYE 9/30/2021		<u>6,300</u>
Total prior period adjustment(s)	\$	<u><u>(234,503)</u></u>

City of Starkville, Mississippi
Notes to Financial Statements

Note 14: Prior Period Adjustments (Continued)

Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds

<u>Explanation</u>	<u>Amount</u>
Error in reporting 2020 Fire Truck debt for FYE 9/30/2021	\$ 69,997
Error in reporting Body Camera lease for FYE 9/30/2021	(310,800)
Error in reporting Harley-Davidson Motorcycle lease for FYE 9/30/2021	6,300
Total prior period adjustment(s)	<u>\$ (234,503)</u>

Note 15: Effect of Deferred Amounts on Net Position

The governmental activities' unrestricted net position amount of \$ (22,441,891) includes the effect of deferred outflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of \$498,324 resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. The \$ 2,983,065 balance of the deferred outflows of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next 4 years.

The business-type activities' unrestricted net position amount of \$ (2,032,021) includes the effect of deferred outflows of resources related to pensions. A portion of the deferred outflows of resources related to pension in the amount of \$6,347 resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. The \$ 358,635 balance of the deferred outflows of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next 4 years.

The business-type activities' restricted net position amount of \$ 3,660,107 includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pension in the amount of \$395,167 resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. The \$ 1,482,659 balance of the deferred outflows of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next 4 years.

The business-type activities' restricted net position amount of \$ 3,660,107 includes the effect of deferred inflows of resources related to pensions. The \$ 1,644,172 balance of the deferred inflows of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next 4 years.

City of Starkville, Mississippi
Notes to Financial Statements

Note 16: Subsequent Events

Events that occur after the Statement of Net 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 Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of the City of Starkville, Mississippi, evaluated the activity of the City through February 5, 2024, the date the financial statements were available to be issued, and determined that the following subsequent events should be noted in the financial statements:

- Approved TIF Bond, Series 2022 for \$1.5 million on October 25, 2022
- Approved lease purchase of 2023 Freightliner M2 on November 22, 2022
- Approved General Obligation Bond, Series 2022 for \$5 million on December 6, 2022
- Approved lease purchase of 2022 Knuckleboom Loader on January 1, 2023
- Approved lease purchase of Dell Server and Software on February 1, 2023
- Approved lease purchase of an 8 yard Rear Loader with Bankplus on January 19, 2024

REQUIRED SUPPLEMENTARY INFORMATION

City of Starkville, Mississippi
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Year Ended September 30, 2022

	Original Budget	Revisions	Revised Budget	Actual	Variance
REVENUES					
General property taxes	\$ 8,340,000	-	8,340,000	8,428,581	88,581
Licenses and permits	259,000	155,163	414,163	496,495	82,332
Intergovernmental	13,103,851	505,522	13,609,373	13,182,252	(427,121)
Fines and forfeitures	462,500	101,162	563,662	824,475	260,813
Charges for services	26,000	2,000	28,000	62,586	34,586
Other revenues	3,291,500	393,013	3,684,513	3,290,409	(394,104)
Total Revenues before Prior Year Fund Balance	25,482,851	1,156,860	26,639,711	26,284,798	(354,913)
Prior year fund balance:					
Appropriated for current year budget	-	-	-	-	-
Total Revenues and Prior Year Fund Balance	25,482,851	1,156,860	26,639,711	26,284,798	(354,913)
EXPENDITURES					
General government	4,479,134	194,517	4,673,651	5,293,530	(619,879)
Public safety:					
Police	6,347,430	643,918	6,991,348	6,608,462	382,886
Fire	4,781,285	298,256	5,079,541	4,670,758	408,783
Public inspection	369,325	2,175	371,500	298,059	73,441
Civil defense	18,150	7,650	25,800	12,763	13,037
Highways and streets	1,870,295	85,596	1,955,891	1,680,165	275,726
Health and sanitation	103,230	4,725	107,955	104,837	3,118
Culture and recreation	426,913	1,281,828	1,708,741	1,943,794	(235,053)
Other	104,850	21,241	126,091	158,061	(31,970)
Capital outlay	3,683,638	(556,032)	3,127,606	4,412,244	(1,284,638)
Debt service	2,925,662	(69,911)	2,855,751	3,364,064	(508,313)
Total Expenditures	25,109,912	1,913,963	27,023,875	28,546,737	(1,522,862)
Excess (deficiency) of revenues over (under) expenditures	372,939	(757,103)	(384,164)	(2,261,939)	(1,877,775)
OTHER FINANCING SOURCES (USES)					
Other financing sources (uses)	2,580,000	-	2,580,000	3,029,275	449,275
Net other financing sources (uses)	2,580,000	-	2,580,000	3,029,275	449,275
Excess of revenues and other sources over expenditures and other uses	\$ 2,952,939	(757,103)	2,195,836	767,336	(1,428,500)
Fund balances, October 1, 2021				9,716,013	
Fund balances, September 30, 2022 (Non-GAAP budgetary basis)				\$ 10,483,349	

The notes to required supplementary information are an integral part of this schedule.

City of Starkville, Mississippi
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - Parks Bonds 2020
For the Year Ended September 30, 2022

	Original Budget	Revisions	Revised Budget	Actual	Variance
<u>REVENUES</u>					
Interest Income	\$ 10,000	-	10,000	18,780	8,780
Other revenues	-	-	-	25,000	25,000
Total Revenues before Prior Year Fund Balance	10,000	-	10,000	43,780	33,780
Prior year fund balance:					
Appropriated for current year budget	-	-	-	-	-
Total Revenues and Prior Year Fund Balance	10,000	-	10,000	43,780	33,780
<u>EXPENDITURES</u>					
Capital outlay	17,086,534	(3,016,990)	14,069,544	9,731,491	4,338,053
Debt service	-	-	-	-	-
Total Expenditures	17,086,534	(3,016,990)	14,069,544	9,731,491	4,338,053
Excess of revenues and other sources over expenditures and other uses	<u>\$ (17,076,534)</u>	<u>3,016,990</u>	<u>(14,059,544)</u>	<u>(9,687,711)</u>	<u>4,371,833</u>
Fund balances, October 1, 2021				14,163,009	
Fund balances, September 30, 2022 (Non-GAAP budgetary basis)				<u>\$ 4,475,298</u>	

The notes to required supplementary information are an integral part of this schedule.

City of Starkville, Mississippi
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - Parks and Rec. Tourism
For the Year Ended September 30, 2022

	Original Budget	Revisions	Revised Budget	Actual	Variance
<u>REVENUES</u>					
Intergovernmental revenues	\$ 1,825,000	331,916	2,156,916	2,618,418	461,502
Total Revenues before Prior Year Fund Balance	1,825,000	331,916	2,156,916	2,618,418	461,502
Prior year fund balance:					
Appropriated for current year budget	-	-	-	-	-
Total Revenues and Prior Year Fund Balance	1,825,000	331,916	2,156,916	2,618,418	461,502
<u>EXPENDITURES</u>					
Capital outlay	1,637,045	-	1,637,045	101,530	1,535,515
Other	193,916		193,916	95,384	98,532
Debt service	1,487,955	-	1,487,955	1,325,483	162,472
Total Expenditures	3,318,916	-	3,318,916	1,522,397	1,796,519
Excess (deficiency) of revenues over (under) expenditures	(1,493,916)	331,916	(1,162,000)	1,096,021	2,258,021
<u>OTHER FINANCING SOURCES (USES)</u>					
Other financing sources (uses)	(200,000)	(138,000)	(338,000)	(318,000)	20,000
Net other financing sources (uses)	(200,000)	(138,000)	(338,000)	(318,000)	20,000
Excess of revenues and other sources over expenditures and other uses	\$ (1,693,916)	193,916	(1,500,000)	778,021	2,278,021
Fund balances, October 1, 2021				2,579,380	
Fund balances, September 30, 2022 (Non-GAAP budgetary basis)				\$ 3,357,401	

The notes to required supplementary information are an integral part of this schedule.

City of Starkville, Mississippi
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - ARPA
For the Year Ended September 30, 2022

	<u>Original Budget</u>	<u>Revisions</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES</u>					
Intergovernmental revenues	\$ 3,153,333	-	3,153,333	-	(3,153,333)
Other revenues	-	-	-	10,102	10,102
	<u>3,153,333</u>	<u>-</u>	<u>3,153,333</u>	<u>10,102</u>	<u>(3,143,231)</u>
Total Revenues before Prior Year Fund Balance					
Prior year fund balance:					
Appropriated for current year budget	-	-	-	-	-
Total Revenues and Prior Year Fund Balance	<u>3,153,333</u>	<u>-</u>	<u>3,153,333</u>	<u>10,102</u>	<u>(3,143,231)</u>
<u>EXPENDITURES</u>					
Capital outlay	3,150,333	-	3,150,333	-	3,150,333
Other	3,000		3,000	1,984	1,016
Debt service	<u>1,487,955</u>	<u>-</u>	<u>1,487,955</u>	<u>-</u>	<u>1,487,955</u>
	<u>4,641,288</u>	<u>-</u>	<u>4,641,288</u>	<u>1,984</u>	<u>4,639,304</u>
Total Expenditures					
Excess of revenues and other sources over expenditures and other uses	<u><u>\$(1,487,955)</u></u>	<u><u>-</u></u>	<u><u>(1,487,955)</u></u>	8,118	<u><u>1,496,073</u></u>
Fund balances, October 1, 2021				<u>-</u>	
Fund balances, September 30, 2022 (Non-GAAP budgetary basis)				<u><u>\$ 8,118</u></u>	

The notes to required supplementary information are an integral part of this schedule.

City of Starkville, Mississippi
Schedule of the City's Proportionate Share of the Net Pension Liability
(Excluding Starkville Electric Department)
Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	\$ 34,104,620	\$ 24,862,321	\$ 30,003,804	\$ 28,206,446	\$ 26,575,995	\$ 25,103,652	\$ 25,575,881	\$ 22,392,036
City's proportionate share of the net pension liability	0.165688%	0.168211%	0.160136%	0.161264%	0.159779%	0.151014%	0.143182%	0.144857%
City's covered-employee payroll	\$ 11,337,979	\$ 11,178,723	\$ 9,621,576	\$ 9,586,602	\$ 9,880,331	\$ 9,623,365	\$ 9,568,019	\$ 9,049,841
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	300.80%	222.41%	311.84%	294.23%	268.98%	260.86%	267.31%	247.43%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%	62.53%	61.49%	57.47%	61.70%

* The amounts for each fiscal year were determined as of the measurement date of June 30 of the fiscal year presented.

The schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 9/30/15, and, until a full 10-year trend is compiled, the City has only presented information for the years in which information is available.

The notes to required supplementary information are an integral part of this schedule.

City of Starkville, Mississippi
Schedule of the City's Contributions
(Excluding Starkville Electric Department)
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,984,730	\$ 1,994,173	\$ 1,675,067	\$ 1,706,834	\$ 1,556,152	\$ 1,515,680	\$ 1,506,965	\$ 1,425,350
Contribution in relation to the contractually required contribution	1,984,730	1,994,173	1,675,067	1,706,834	1,556,152	1,515,680	1,506,965	1,425,350
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	11,406,494	11,460,764	9,626,822	10,549,036	9,880,331	9,623,365	9,568,019	9,049,841
Contributions as a percentage of covered-employee payroll	17.40%	17.40%	17.40%	16.18%	15.75%	15.75%	15.75%	15.75%

The schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 9/30/15, and, until a full 10-year trend is compiled, the City has only presented information for the years in which information is available.

Effective 7/1/19, the employer contribution rate increased from 15.75% of covered payroll to 17.40%. The City paid all required contributions at the legal rate.

The notes to required supplementary information are an integral part of this schedule.

City of Starkville, Mississippi
Schedule of Starkville Electric Department's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015
Electric Department's proportion of the net pension liability	\$ 4,279,676	\$ 4,802,928	\$ 5,146,708	\$ 4,139,614	\$ 4,172,472	\$ 4,254,311	\$ 3,506,344	\$ 2,851,499
Electric Department's proportionate share of the net pension liability	0.028955%	0.024810%	0.029256%	0.024888%	0.025100%	0.023817%	0.022683%	0.023492%
Electric Department's covered-employee payroll	\$ 1,748,429	\$ 1,692,371	\$ 1,709,067	\$ 1,617,397	\$ 1,544,343	\$ 1,523,613	\$ 1,417,092	\$ 1,011,314
Electric Department's proportionate share of the net pension liability as a percentage of its covered-employee payroll	244.77%	283.80%	301.14%	294.23%	268.98%	260.86%	267.31%	281.96%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.53%	61.49%	57.47%	61.70%	66.77%

* The amounts for each fiscal year were determined as of the measurement date of June 30 of the fiscal year presented.

The schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 9/30/15, and, until a full 10-year trend is compiled, the Electric Department has only presented information for the years in which information is available.

City of Starkville, Mississippi
Schedule of Starkville Electric Department's Contributions
Last 10 Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 345,255	\$ 304,227	\$ 294,473	\$ 269,178	\$ 254,740	\$ 243,234	\$ 239,969	\$ 223,192
Contribution in relation to the contractually required contribution	345,255	304,227	294,473	269,178	254,740	243,234	239,969	223,192
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Electric Department's covered-employee payroll	1,984,224	1,748,429	1,692,371	1,709,067	1,617,397	1,544,343	1,523,613	1,417,092
Contributions as a percentage of covered-employee payroll	17.40%	17.40%	17.40%	15.75%	15.75%	15.75%	15.75%	15.75%

The schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 9/30/15, and, until a full 10-year trend is compiled, the Electric Department has only presented information for the years in which information is available.

Effective 7/1/19, the employer contribution rate increased from 15.75% of covered payroll to 17.40%. The Electric Department paid all required contributions at the legal rate.

City of Starkville, Mississippi
Notes to Required Supplementary Information

Budgetary Comparison Schedule

NOTE 1 – BASIS OF PRESENTATION

The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, variances between the original budget and the final budget, and variances between the final budget and the actual data.

NOTE 2 – BUDGET AMENDMENTS AND REVISIONS

The budget is adopted by the Board of Alderman. Amendments can be made on the approval of the Board. By statute, final budget revisions must be approved on or before October 15. A budgetary comparison for the general fund and each major special revenue fund is presented on a cash basis of accounting.

Pension Schedules

NOTE 1 – CHANGES OF ASSUMPTIONS

2015

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.

The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.

Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

2016

The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.

City of Starkville, Mississippi
Notes to Required Supplementary Information

NOTE 1 – CHANGES OF ASSUMPTIONS (CONTINUED)

2017

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.

The wage inflation assumption was reduced from 3.75% to 3.25%.

The percentage of active member disabilities assumed to be in the line of duty was increased from 6.00% to 7.00%.

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.

2019

The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:

- For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
- For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
- Projection Scale MP-2018 will be used to project future improvements in life expectancy generationally.

The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:

- For males, 137% of male rates at all ages.
- For females, 115% of female rates at all ages.
- Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 3.00% to 2.75%. The wage inflation assumption was reduced from 3.25% to 3.00%. Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience. The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

City of Starkville, Mississippi
Notes to Required Supplementary Information

2021

The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:

- For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
- For females, 84% of the female rates up to age 72, 100% for ages above 76.
- Projection Scale MP-2020 will be used to project future improvements in life expectancy generationally.

The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments:

- For males, 134% of male rates at all ages.
- For females, 121% of female rates at all ages.
- Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The expectation of contingent annuitant mortality was based on PubS.H-2010(B). Contingent Annuitant Table with the following adjustments:

- For males, 97% of male rates at all ages.
- For females, 110% of female rates at all ages.
- Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 2.75% to 2.40%.
- The wage inflation assumption was reduced from 3.00% to 2.65%.
- The investment rate of return assumption was changed from 7.75% to 7.55%.
- The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 9.00% to 12.00%.
- The percentage of active member deaths assumed to be in the line of duty was decreased from 6.00% to 4.00%.

NOTE 2 – CHANGES IN BENEFIT PROVISIONS

Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the *Wall Street Journal* on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

City of Starkville, Mississippi
Notes to Required Supplementary Information

NOTE 3 – METHOD AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS

Method and assumptions used in calculations of actuarially determined contributions:

The actuarially determined contribution rates in the schedule of employer contributions are calculated as June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2020 valuation for the June 30, 2022 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	27.7 years
Asset valuation method	5-year smoothed market
Price inflation	2.75%
Salary increase	3.00% to 18.25%, including inflation
Investment rate of return	7.55%, net of pension plan investment expense, including inflation

SUPPLEMENTARY INFORMATION

City of Starkville, Mississippi
Combining Balance Sheet by Activity
General Fund
September 30, 2022

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Payroll Clearing	Accounts Payable Clearing	Total General Fund
<u>Assets</u>							
Cash and cash equivalents	\$ 9,706,683				1,344,875		11,051,558
Cash - restricted			(13,815)	724,981			711,166
Receivables (Net)							
Accounts	1,070,119						1,070,119
Due from other departments	265,095						265,095
Due from other funds	100,000				73,680		173,680
Total Assets	<u>\$ 11,141,897</u>	<u>-</u>	<u>(13,815)</u>	<u>724,981</u>	<u>1,418,555</u>	<u>-</u>	<u>13,271,618</u>
<u>Liabilities</u>							
Accounts payable	\$ 1,443,735			2,375			1,446,110
Accrued Liabilities					1,101,643		1,101,643
Due to other departments	66,836						66,836
Due to other funds	73,680				100,000		173,680
Total Liabilities	<u>1,584,251</u>	<u>-</u>	<u>-</u>	<u>2,375</u>	<u>1,201,643</u>	<u>-</u>	<u>2,788,269</u>
<u>Fund Equity</u>							
Fund balances - restricted							
Restricted for fire protection							-
Restricted for police protection							-
Restricted for airport projects				722,606			722,606
Fund balances - unassigned	9,557,646		(13,815)		216,912		9,760,743
Total Fund Equity	<u>9,557,646</u>	<u>-</u>	<u>(13,815)</u>	<u>722,606</u>	<u>216,912</u>	<u>-</u>	<u>10,483,349</u>
Total Liabilities and Fund Equity	<u>\$ 11,141,897</u>	<u>-</u>	<u>(13,815)</u>	<u>724,981</u>	<u>1,418,555</u>	<u>-</u>	<u>13,271,618</u>

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2022

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Payroll Clearing	Total
<u>Revenues</u>						
Taxes						
General property taxes	\$ 8,428,581					8,428,581
Licenses and permits						
Privilege license	68,912					68,912
Permits and inspections	370,881					370,881
Franchise fees	56,702					56,702
Intergovernmental						
Federal						
DUI	47,172					47,172
JAG	14,748					14,748
FAA				502,054		502,054
Homeland security grants	36,166					36,166
Other	37,387			117,372		154,759
State of Mississippi						
General sales and use tax	8,718,694					8,718,694
Liquor licenses	79,575					79,575
Municipal aid - gas tax	24,598					24,598
Law enforcement assistance grants	181,449	10,176				191,625
Fire protection grants			307,889			307,889
Municipal aid	11,893					11,893
Homestead	242,760					242,760
Tennessee Valley Authority	330,137					330,137
Emergency road and bridge fund	894,389					894,389
Miscellaneous	12,230					12,230
Oktibbeha County and Mississippi State						
Road maintenance	823,794					823,794
Airport support				54,100		54,100

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2022

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Payroll Clearing	Total
Fire control	600,000					600,000
Lieu of tax	7,772					7,772
TIF Reimbursement	127,897					127,897
Fines and forfeits	820,718	3,757				824,475
Interest income	32,560					32,560
Penalties and interest	30,026					30,026
Miscellaneous						-
Administration/Electric	1,660,776					1,660,776
Administration/Sanitation	13,750					13,750
Atmos Energy	113,585					113,585
Rents	5,396			98,433		103,829
TV Cable Franchise	140,710					140,710
Administration/Water	75,000					75,000
Administration/Airport	15,000					15,000
Telephone Utility Tax	29,442					29,442
Parks and Recreation Fees, Donations and Grants	75,029					75,029
Housing Project Tax	47,349					47,349
Other	186,886	1,605		827,448		1,015,939
Total Revenues	<u>24,361,964</u>	<u>15,538</u>	<u>307,889</u>	<u>1,599,407</u>	<u>-</u>	<u>26,284,798</u>
<u>Expenditures</u>						
General government:						
Legislative						
Personnel services	208,845					208,845
Contractual services	11,560					11,560
Total Legislative	<u>220,405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,405</u>

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2022

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Payroll Clearing	Total
Judicial						
Personnel services	343,583					343,583
Supplies	8,157					8,157
Contractual services	119,291					119,291
Total Judicial	<u>471,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>471,031</u>
Executive						
Personnel services	495,004					495,004
Supplies	823					823
Contractual services	275,958					275,958
Capital outlay	78,589					78,589
Total Executive	<u>850,374</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>850,374</u>
City Clerk and Tax Collector						
Personnel services	415,412					415,412
Supplies	8,729					8,729
Contractual services	144,046					144,046
Capital outlay	1,958					1,958
Total City Clerk and Tax Collector	<u>570,145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>570,145</u>
Legal						
Personnel services	72,713					72,713
Contractual services	175,842					175,842
Total Legal	<u>248,555</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,555</u>
City Planner						
Personnel services	297,250					297,250
Supplies	1,005					1,005
Contractual services	41,089					41,089
Capital outlay	14,459					14,459
Total City Planner	<u>353,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>353,803</u>
Other Administrative						

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2022

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Payroll Clearing	Total
Personnel services	303,935					303,935
Supplies	1,367					1,367
Contractual services	52,931					52,931
Total Other Administrative	358,233	-	-	-	-	358,233
City Hall						
Supplies	5,009					5,009
Contractual services	91,365					91,365
Capital outlay	15					15
Total City Hall	96,389	-	-	-	-	96,389
Other Miscellaneous						
Personnel services	400,843			145,724		546,567
Supplies	6,658			681,787		688,445
Contractual services	156,502			150,819		307,321
Capital outlay	265,643			52,119		317,762
Transfer to other departments	264,500					264,500
Total Other Miscellaneous	1,094,146	-	-	1,030,449	-	2,124,595
Total General Government	4,263,081	-	-	1,030,449	-	5,293,530

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2022

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Payroll Clearing	Total
Public Safety						
Public Safety - Police and E911						
Personnel services	5,437,721					5,437,721
Supplies	358,135	5,429				363,564
Contractual services	784,998	3,308				788,306
Capital outlay	18,871					18,871
Total Public Safety - Police and E911	<u>6,599,725</u>	<u>8,737</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,608,462</u>
Public Safety - Fire						
Personnel services	4,209,005					4,209,005
Supplies	106,300		1,767			108,067
Contractual services	353,686					353,686
Total Public Safety - Fire	<u>4,668,991</u>	<u>-</u>	<u>1,767</u>	<u>-</u>	<u>-</u>	<u>4,670,758</u>
Public Safety - Public Inspection						
Personnel services	267,912					267,912
Supplies	6,307					6,307
Contractual services	23,840					23,840
Total Public Safety - Public Inspection	<u>298,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>298,059</u>
Public Safety - Civil Defense						
Contractual services	12,763					12,763
Total Public Safety - Civil Defense	<u>12,763</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,763</u>
Total Public Safety	<u>11,579,538</u>	<u>8,737</u>	<u>1,767</u>	<u>-</u>	<u>-</u>	<u>11,590,042</u>

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2022

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Payroll Clearing	Total
Highways and Streets						
City Streets						
Personnel services	815,360					815,360
Supplies	294,832					294,832
Contractual services	118,897					118,897
Capital outlay	7,416					7,416
Total City Streets	<u>1,236,505</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,236,505</u>
Street Lights						
Contractual services	443,660					443,660
Total Street Lights	<u>443,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>443,660</u>
Total Highways and Streets	<u>1,680,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,680,165</u>
Health and Sanitation						
Health and welfare - animals						
Personnel services	98,009					98,009
Supplies	2,436					2,436
Contractual services	4,392					4,392
Total Health and Welfare - Animals	<u>104,837</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,837</u>
Total Health and Sanitation	<u>104,837</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,837</u>
Culture and Recreation						
Parks and Recreation						
Personnel services	120,854					120,854
Supplies	25,579					25,579
Contractual services	1,797,361					1,797,361
Total Parks and Recreation	<u>1,943,794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,943,794</u>
Total Culture and Recreation	<u>1,943,794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,943,794</u>

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2022

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Payroll Clearing	Total
Economic Development and Assistance						
Capital Outlay	158,060					158,060
Total Economic Delopment and Assistance	158,060	-	-	-	-	158,060
Debt Service						
Principal	2,312,930		217,550			2,530,480
Interest	783,223		50,361			833,584
Total Debt Service	3,096,153	-	267,911	-	-	3,364,064
Miscellaneous						
Capital outlays	2,314,355		1,511,452	586,438		4,412,245
Total Miscellaneous	2,314,355	-	1,511,452	586,438	-	4,412,245
Total Expenditures	25,139,983	8,737	1,781,130	1,616,887	-	28,546,737
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(778,019)	6,801	(1,473,241)	(17,480)	-	(2,261,939)
<u>Other Financing Sources (Uses)</u>						
Operating transfers in	318,000	24,682		16,850		359,532
Operating transfers out	(314,480)					(314,480)
Transfers from other departments					216,912	216,912
Sale of cemetery plots	1,000					1,000
Sale of property	594,019					594,019
Sale of surplus equipment	153,806					153,806
Inception of capital leases	577,031		1,441,455			2,018,486
Total Other Financing Sources (Uses)	1,329,376	24,682	1,441,455	16,850	216,912	3,029,275
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	551,357	31,483	(31,786)	(630)	216,912	767,336

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2022

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Payroll Clearing	Total
<u>Fund Balances</u>						
September 30, 2021, as previous reported	9,310,789	(31,483)	(52,026)	723,236		9,950,516
Prior Period Adjustment (See Note 14)	(304,500)		69,997			(234,503)
September 30, 2021, as restated	<u>9,006,289</u>	<u>(31,483)</u>	<u>17,971</u>	<u>723,236</u>	<u>-</u>	<u>9,716,013</u>
September 30, 2022	<u><u>9,557,646</u></u>	<u><u>-</u></u>	<u><u>(13,815)</u></u>	<u><u>722,606</u></u>	<u><u>216,912</u></u>	<u><u>10,483,349</u></u>

City of Starkville, Mississippi
Balance Sheet - Non-Major Governmental Funds
September 30, 2022

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
<u>ASSETS</u>				
Cash and cash equivalents	135,366	69,500		204,866
Cash - restricted			3,896,585	3,896,585
Receivables (Net)				
Intergovernmental	133,260			133,260
Due from other departments			213,604	213,604
	<u>268,626</u>	<u>69,500</u>	<u>4,110,189</u>	<u>4,448,315</u>
Total Assets	<u>\$ 268,626</u>	<u>69,500</u>	<u>4,110,189</u>	<u>4,448,315</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 1,035			1,035
	<u>1,035</u>	<u>-</u>	<u>-</u>	<u>1,035</u>
Total Liabilities	<u>1,035</u>	<u>-</u>	<u>-</u>	<u>1,035</u>
<u>FUND BALANCES</u>				
Restricted for capital projects		69,500	4,110,189	4,179,689
Fund balances - assigned for budgetary purposes	267,591			267,591
	<u>267,591</u>	<u>69,500</u>	<u>4,110,189</u>	<u>4,447,280</u>
Total Fund Balances	<u>267,591</u>	<u>69,500</u>	<u>4,110,189</u>	<u>4,447,280</u>
Total Liabilities and Fund Balances	<u>\$ 268,626</u>	<u>69,500</u>	<u>4,110,189</u>	<u>4,448,315</u>

City of Starkville, Mississippi
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Non-Major Governmental Funds
For the Year Ended September 30, 2022

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
<u>Revenues</u>				
Intergovernmental:				
BUILD grant	\$		913,115	913,115
State grants			3,250,000	3,250,000
Modernization Use Tax	1,467,473		200,000	1,667,473
Interest income			3,644	3,644
Miscellaneous income	38,157		50,492	88,649
Total Revenues	<u>1,505,630</u>	<u>-</u>	<u>4,417,251</u>	<u>5,922,881</u>
<u>Expenditures</u>				
Capital outlay	1,202,923		1,149,028	2,351,951
Contractual services		625,500		625,500
Miscellaneous	65,628		20,760	86,388
Total Expenditures	<u>1,268,551</u>	<u>625,500</u>	<u>1,169,788</u>	<u>3,063,839</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>237,079</u>	<u>(625,500)</u>	<u>3,247,463</u>	<u>2,859,042</u>
<u>Other Financing Sources (Uses)</u>				
Operating transfers in	27,471		245,477	272,948
Proceeds of bonds		695,000		695,000
Total Other Financing Sources (Uses)	<u>27,471</u>	<u>695,000</u>	<u>245,477</u>	<u>967,948</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	264,550	69,500	3,492,940	3,826,990
<u>Fund Balances</u>				
September 30, 2021	<u>3,041</u>	<u>-</u>	<u>617,249</u>	<u>620,290</u>
September 30, 2022	<u>\$ 267,591</u>	<u>69,500</u>	<u>4,110,189</u>	<u>4,447,280</u>

City of Starkville, Mississippi
Statement of Net Position - Non-Major Enterprise Funds
September 30, 2022

	Landfill Fund
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 642,259
Total current assets	<u>642,259</u>
Non-current assets:	
Capital assets:	
Fixed assets, net of depreciation	98,115
Total non-current assets	<u>98,115</u>
Total Assets	<u>740,374</u>
 Total Assets and Deferred Outflows of Resources	 <u><u>\$ 740,374</u></u>
 <u>NET POSITION</u>	
Invested in capital assets, net of related debt	98,115
Unrestricted	<u>642,259</u>
Total Net Position	<u>740,374</u>
 Total Liabilities, Deferred Inflows of Resources and Net Position	 <u><u>\$ 740,374</u></u>

City of Starkville, Mississippi
Statement of Revenues, Expenses, and Changes in Fund Net Position -
Non-Major Enterprise Funds
For the Year Ended September 30, 2022

	Landfill Fund
<u>OPERATING REVENUES</u>	
Charges for services	\$ 262,218
Total operating revenues	<u>262,218</u>
<u>OPERATING EXPENSES</u>	
Operating and maintenance	<u>7,696</u>
Total operating expenses	<u>7,696</u>
Operating profit	<u>254,522</u>
Change in net position	254,522
Total net position, beginning	<u>485,852</u>
Total net position, ending	<u><u>\$ 740,374</u></u>

City of Starkville, Mississippi
Statement of Cash Flows - Non-Major Enterprise Funds
For the Year Ended September 30, 2022

	Landfill Fund
<u>Cash Flows from Operating Activities</u>	
Cash received from customers	\$ 262,218
Cash paid to suppliers	(7,696)
Net cash flows provided by operating activities	<u>254,522</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Cash deficit covered by pooled cash	
Transfers	-
Net cash flows provided by noncapital financing activities	<u>-</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Other receipts (payments)	
Net cash flows provided by capital and related financing activities	<u>-</u>
<u>Cash Flows from Investing Activities</u>	
Receipt of interest	
Net cash flows provided by investing activities	<u>-</u>
Net change in cash	254,522
Cash and cash equivalents, October 1, 2021	387,737
Cash and cash equivalents, September 30, 2022	<u>\$ 642,259</u>
<u>Reconciliation of Operating Income to Net Cash Flows from Operating Activities:</u>	
Operating Income	\$ 254,522
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	-
Changes in operating assets and liabilities:	
Decrease in receivables	
Total adjustments	<u>-</u>
Net cash used in operating activities	<u>\$ 254,522</u>

City of Starkville, Mississippi
Schedule of Surety Bonds for Municipal Officials
September 30, 2022

Name	Position	Bonding Company	Bond Amount
Lynn Spruill	Mayor	Travelers Casualty	\$ 100,000
Sandra Sistrunk	Alderman	Travelers Casualty	\$ 100,000
Ben Carver	Alderman	Travelers Casualty	\$ 100,000
Jeffrey Rupp	Alderman	Travelers Casualty	\$ 100,000
William Michael Brooks	Alderman	Travelers Casualty	\$ 100,000
Preston Beatty	Alderman	Travelers Casualty	\$ 100,000
Roy A. Perkins	Alderman	Travelers Casualty	\$ 100,000
Henry Vaughn, Sr.	Alderman	Travelers Casualty	\$ 100,000
Lesa Hardin	City Clerk	Western Surety Co.	\$ 50,000
Joanna McLaurin	Grants Coordinator	Western Surety Co.	\$ 50,000
Lashonda Wilson	Accounts Receivable Clerk	Western Surety Co.	\$ 50,000
Jameika Smith	Accounting Assistant	Western Surety Co.	\$ 50,000
Karen Patricia Crecink	Payroll Clerk	Western Surety Co.	\$ 50,000
Mary Ivy	Payroll Clerk	Western Surety Co.	\$ 50,000
Leanne McGarr	Deputy Clerk	Western Surety Co.	\$ 50,000
Alexis Robinson	Deputy Court Clerk	Western Surety Co.	\$ 50,000
Jodi Leigh Hogue	Court Clerk	Western Surety Co.	\$ 50,000
Vanyette Shay Holmes	Deputy Court Clerk	Western Surety Co.	\$ 50,000
Chana Brooks	Deputy Court Clerk	Western Surety Co.	\$ 50,000
Monica Lairy	Court Clerk	Western Surety Co.	\$ 50,000
Christopher P. Thompson	Deputy Court Clerk	Western Surety Co.	\$ 50,000
Edward Schultz	Deputy Court Clerk	Western Surety Co.	\$ 50,000
Leigh Ann Sallis	Court Clerk	Western Surety Co.	\$ 50,000
Alicia Hu	Deputy Court Clerk	Western Surety Co.	\$ 50,000
Charles Yarbrough	Fire Chief	Western Surety Co.	\$ 50,000
Lashonda Malone	Executive Admin Asst.	Western Surety Co.	\$ 50,000
Mark Ballard	Police Chief	Western Surety Co.	\$ 50,000
Paul Stratton Woods, Jr.	Police Officer	Western Surety Co.	\$ 50,000
Steven Shane Kelly	Police Officer	Western Surety Co.	\$ 50,000
Bobby Donte Thomas	Police Officer	Western Surety Co.	\$ 50,000
Thomas Roberson	Police Officer	Western Surety Co.	\$ 50,000
Jonathan Headley	Police Officer	Western Surety Co.	\$ 50,000
Scotty Carithers	Narcotics Agent	Western Surety Co.	\$ 50,000
Matthew Davis	Police Officer	Western Surety Co.	\$ 25,000
Kenneth Watkins	Police Officer	Western Surety Co.	\$ 50,000
Parker Madeen	Corporal	Western Surety Co.	\$ 50,000
James Justin Jarvis	Detective	Western Surety Co.	\$ 50,000
Garrett Peters Mittan	Detective	Western Surety Co.	\$ 50,000
Caryl Elise Pritchard	Staff Support - Police Dept.	Western Surety Co.	\$ 50,000
Donna B. Lott	Staff Support - Police Dept.	Western Surety Co.	\$ 50,000
Jerald Lyle McCaskey	Code Compliance	Western Surety Co.	\$ 50,000
Molly Bears	Permit Technician	Western Surety Co.	\$ 50,000
Rodney Lincoln	Airport Director	Western Surety Co.	\$ 50,000
Brandon Doherty	Director of Parks & Rec.	Western Surety Co.	\$ 50,000
Gerry Michael Logan, Jr.	Director of Sports & Rec.	Western Surety Co.	\$ 50,000
Preston Trent Helms	Director of Maint. Parks & Rec.	Western Surety Co.	\$ 50,000
Michael Tate	Supervisor	Western Surety Co.	\$ 50,000
Keith Thompson	Gym Supervisor Parks & Rec.	Western Surety Co.	\$ 50,000
Kaneshia Hendrix	Park Admin. Assistant	Western Surety Co.	\$ 50,000
Timothy Neal	Admin. Asst. Parks & Rec.	Western Surety Co.	\$ 50,000
Samuel Willcutt	Admin. Asst. Parks & Rec.	Western Surety Co.	\$ 50,000

City of Starkville, Mississippi
Schedule of Bonded Indebtedness
September 30, 2022

<u>Name and Date</u>	<u>Maturity Date</u>	<u>Interest Percent</u>	<u>Balance 9/30/2021</u>	<u>Transactions</u>		<u>Balance 9/30/2022</u>
				<u>Issued</u>	<u>Redeemed</u>	
General Obligation Bonds						
Governmental Activities:						
2018 Refunding Bond-City Hall						
	5/1/2022	3.00	-			-
	5/1/2023	3.00	-			-
	5/1/2024	3.00	290,000			290,000
	5/1/2025	3.00	320,000			320,000
	5/1/2026	3.00	335,000			335,000
	5/1/2027	3.00	350,000			350,000
	2028-2032	3.00	1,990,000			1,990,000
	5/1/2033	3.00	450,000			450,000
Total			3,735,000	-	-	3,735,000
TIF Revenue Bonds, Series 2011						
	5/1/2022	4.50	42,000		42,000	-
	5/1/2023	4.50	44,000			44,000
	5/1/2024	4.50	46,000			46,000
	5/1/2025	4.50	48,000			48,000
Total			180,000	-	42,000	138,000
GO Utility Refunding Bonds, Series 2015						
	6/1/2022	3.00	120,000		120,000	-
	6/1/2023	3.00	120,000			120,000
	6/1/2024	3.00	125,000			125,000
	6/1/2025	2.50	130,000			130,000
	6/1/2026	2.75	135,000			135,000
	6/1/2027	2.75	140,000			140,000
	2028-2032	2.75-3.00	775,000			775,000
	2033-2035	2.75-3.00	530,000			530,000
Total			2,075,000	-	120,000	1,955,000
TIF Revenue Bonds, Series 2016						
	7/1/2022	5.00	115,000		115,000	-
	7/1/2023	5.00	120,000			120,000
	7/1/2024	5.00	125,000			125,000
	7/1/2025	5.00	135,000			135,000
	7/1/2026	5.00	140,000			140,000
Total			635,000	-	115,000	520,000
GO Public Improvement Bonds, Series 2016A						
	7/1/2022	5.00	125,000		125,000	-
	7/1/2023	5.00	130,000			130,000
	7/1/2024	5.00	130,000			130,000
	7/1/2025	5.00	135,000			135,000
	7/1/2026	5.00	140,000			140,000
	7/1/2027	5.00	145,000			145,000
	2028-2032	5.00	800,000			800,000
	2033-2037	5.00	940,000			940,000
Total			2,545,000	-	125,000	2,420,000
GO Public Improvement Bonds, Series 2016B						
	7/1/2022	5.00	100,000		100,000	-
	7/1/2023	5.00	100,000			100,000
	7/1/2024	5.00	105,000			105,000
	7/1/2025	5.00	110,000			110,000
	7/1/2026	5.00	115,000			115,000
	7/1/2027	5.00	115,000			115,000
	2028-2032	5.00	640,000			640,000
	2033-2037	5.00	750,000			750,000
Total			2,035,000	-	100,000	1,935,000
GO Development Bonds, Series 2017						
	7/1/2022	5.00	350,000		350,000	-
	7/1/2023	5.00	350,000			350,000
	7/1/2024	5.00	350,000			350,000
	7/1/2025	5.00	350,000			350,000
	7/1/2026	5.00	350,000			350,000
	7/1/2027	5.00	350,000			350,000
	2028-2032	5.00	1,750,000			1,750,000
	2033-2037	5.00	1,750,000			1,750,000
	7/1/2038	5.00	350,000			350,000
Total			5,950,000	-	350,000	5,600,000

City of Starkville, Mississippi
Schedule of Bonded Indebtedness
September 30, 2022

GO Refunding Bonds, Series 2018						
	6/1/2022	5.00	335,000		335,000	-
	6/1/2023	5.00	350,000			350,000
	6/1/2024	5.00	380,000			380,000
	6/1/2025	5.00	375,000			375,000
	6/1/2026	5.00	390,000			390,000
	6/1/2027	5.00	400,000			400,000
Total			<u>2,230,000</u>	<u>-</u>	<u>335,000</u>	<u>1,895,000</u>
MSDB Special Obligation Bond, Series 2018						
	5/1/2022	5.00	405,000		405,000	-
	5/1/2023	5.00	415,000			415,000
	5/1/2024	5.00	430,000			430,000
	5/1/2025	5.00	440,000			440,000
	5/1/2026	5.00	455,000			455,000
	5/1/2027	5.00	470,000			470,000
	2028-2030	5.00	1,490,000			1,490,000
Total			<u>4,105,000</u>	<u>-</u>	<u>405,000</u>	<u>3,700,000</u>
MSDB Special Obligation Bond, Series 2018						
	11/1/2021	2.32	169,000		169,000	-
	11/1/2022	2.32	173,000			173,000
	11/1/2023	2.32	178,000			178,000
	11/1/2024	2.32	183,000			183,000
	11/1/2025	2.32	188,000			188,000
	11/1/2026	2.32	193,000			193,000
	2027-2031	2.32	1,752,000			1,752,000
Total			<u>2,836,000</u>	<u>-</u>	<u>169,000</u>	<u>2,667,000</u>
MSDB Special Obligation Bond, Series 2020A						
	9/30/2022					-
	9/30/2023	1.75	55,000			55,000
	9/30/2024	1.75	55,000			55,000
	9/30/2025	3.00	60,000			60,000
	9/30/2026	3.00	60,000			60,000
	9/30/2027	3.00	60,000			60,000
	2028-2032	4.00-5.00	2,900,000			2,900,000
	2033-2037	4.00	3,850,000			3,850,000
	2038-2042	4.00	3,955,000			3,955,000
	2043-2045	4.00	3,305,000			3,305,000
Total			<u>14,300,000</u>	<u>-</u>	<u>-</u>	<u>14,300,000</u>
MSDB Special Obligation Bond, Series 2020B						
	3/1/2022	3.00	85,000		85,000	-
	3/1/2023	3.00	30,000			30,000
	3/1/2024	3.00	30,000			30,000
	3/1/2025	3.00	30,000			30,000
	3/1/2026	3.00	30,000			30,000
	3/1/2027	3.00	35,000			35,000
	2028-2032	3.00-4.00	290,000			290,000
	2033-2037	4.00	520,000			520,000
	2038-2042	2.50-4.00	1,375,000			1,375,000
	2043-2047	2.50	3,065,000			3,065,000
	2048-2050	2.50	4,275,000			4,275,000
Total			<u>9,765,000</u>	<u>-</u>	<u>85,000</u>	<u>9,680,000</u>
TIF Revenue Bonds - MSU/Cottonmill						
	3/1/2022	1.82		-		-
	3/1/2023	1.82		67,700		67,700
	3/1/2024	1.82		75,300		75,300
	3/1/2025	1.82		76,700		76,700
	3/1/2026	1.82		78,100		78,100
	3/1/2027	1.82		79,600		79,600
	2028-2030	1.82		317,600		317,600
Total			<u>-</u>	<u>695,000</u>	<u>-</u>	<u>695,000</u>
Total Bond Liability, Governmental Activities			<u>50,391,000</u>	<u>695,000</u>	<u>1,846,000</u>	<u>49,240,000</u>

City of Starkville, Mississippi
Schedule of Bonded Indebtedness
September 30, 2022

Business-type Activities:

Utility Revenue Bonds, Series 2019						
	5/1/2022	3.00	365,000		365,000	-
	5/1/2023	4.00	380,000			380,000
	5/1/2024	4.00	395,000			395,000
	5/1/2025	4.00	410,000			410,000
	5/1/2026	4.00	425,000			425,000
	5/1/2027	4.00	440,000			440,000
	2028-2032	3.00-4.00	2,485,000			2,485,000
	2033-2037	3.00	3,030,000			3,030,000
	2038-2039	3.00	1,385,000			1,385,000
Total			<u>9,315,000</u>	<u>-</u>	<u>365,000</u>	<u>8,950,000</u>
Electric System Revenue Bonds, Series 2020						
	3/1/2022	2.38	470,000		470,000	-
	3/1/2023	2.25	485,000			485,000
	3/1/2024	2.25	500,000			500,000
	3/1/2025	2.25	515,000			515,000
	3/1/2026	2.13	530,000			530,000
	3/1/2027	2.00	545,000			545,000
	2028-2032	1.75-2.00	2,990,000			2,990,000
	2033-2035	2.00	2,010,000			2,010,000
Total			<u>8,045,000</u>	<u>-</u>	<u>470,000</u>	<u>7,575,000</u>
GO Utility Refunding Bond Series 2012						
	6/30/2022	2.12	180,576		180,576	-
	6/30/2023	2.12	184,116			184,116
	6/30/2024	2.12	188,058			188,058
	6/30/2025	2.12	192,083			192,083
	6/30/2026	2.12	196,195			196,195
	6/30/2027	2.12	192,295			192,295
			<u>1,133,323</u>	<u>-</u>	<u>180,576</u>	<u>952,747</u>
Total Bond Liability, Business-type Activities			<u>18,493,323</u>	<u>-</u>	<u>1,015,576</u>	<u>17,477,747</u>
Total Bond Liability			<u>\$ 68,884,323</u>	<u>695,000</u>	<u>2,861,576</u>	<u>66,717,747</u>

City of Starkville, Mississippi
Schedule of Long-Term Notes
September 30, 2022

Payee	Maturity Date	Interest Percent	Balance 9/30/2021	Transactions		Balance 9/30/2022
Notes Payable				Issued	Redeemed	
Governmental Activities:						
Capital Improvements - Ford F250 And 2 Toyota Tacomas	FY22	2.59%	10,682		10,682	-
Total			10,682	-	10,682	-
Capital Improvements - City Hall	FY22	2.50%	360,000		360,000	-
	FY23	2.75%	370,000			370,000
Total			730,000	-	360,000	370,000
2018 Ford F-150	FY22	2.17%	4,609		4,609	-
Total			4,609	-	4,609	-
2019 John Deere Park Mower	FY22	3.49%	17,268		17,268	-
	FY23	3.49%	8,862			8,862
Total			26,130	-	17,268	8,862
2019 Nissan Kicks	FY22	4.08%	3,357		3,357	-
	FY23	4.08%	3,496			3,496
Total			6,853	-	3,357	3,496
2019 Street Excavator	FY22	3.43%	27,344		27,344	-
	FY23	3.43%	28,294			28,294
	FY24	3.43%	29,277			29,277
	FY25	3.43%	30,294			30,294
	FY26	3.43%	7,736			7,736
Total			122,945	-	27,344	95,601
2 Pumper Trucks	FY22	2.59%	71,265		71,265	-
	FY23	2.59%	73,679			73,679
	FY24	2.59%	76,173			76,173
	FY25	2.59%	78,753			78,753
	FY26	2.59%	81,420			81,420
	FY27	2.59%	84,177			84,177
	2028-2031	2.59%	366,197			366,197
Total			831,664	-	71,265	760,399
Fire Truck	FY 22	1.59%	100,610		100,610	-
	FY 23	1.59%	102,310			102,310
	FY 24	1.59%	104,039			104,039
	FY 25	1.59%	105,797			105,797
	FY 26	1.59%	107,585			107,585
	FY27	1.59%	109,403			109,403
	FY28	1.59%	111,252			111,252
Total			740,996	-	100,610	640,386

City of Starkville, Mississippi
Schedule of Long-Term Notes
September 30, 2022

Pavee	Maturity	Interest	Balance	Transactions		Balance
Notes Payable	Date	Percent	9/30/2021	Issued	Redeemed	9/30/2022
Governmental Activities:						
Asphalt Turck (2021 Kenworth T370						
	FY 22	3.43%	65,422		65,422	-
	FY 23	3.43%	66,481			66,481
	FY 24	3.43%	16,788			16,788
Total			148,691	-	65,422	83,269
Police Dodge Chargers						
	FY 22	1.97%	143,593		143,593	-
	FY 23	1.97%	145,170			145,170
	FY 24	1.97%	73,182			73,182
Total			361,945	-	143,593	218,352
2022 Dodge Durango						
	FY 22	2.94%		3,354	3,354	-
	FY 23	2.94%		12,890		12,890
	FY 24	2.94%		13,273		13,273
	FY 25	2.94%		10,214		10,214
Total			-	39,731	3,354	36,377
2020 Fire Truck-Bankfirst						
	FY 22	1.59%		141,676	141,676	-
	FY 23	1.59%		143,949		143,949
	FY 24	1.59%		146,258		146,258
	FY 25	1.59%		148,604		148,604
	FY 26	1.59%		150,987		150,987
	FY 27	1.59%		153,409		153,409
	2028-2031	1.59%		556,572		556,572
Total			-	1,441,455	141,676	1,299,779
Utility Associates-Body Camera						
	FY 22	0.00%		77,700	77,700	-
	FY 23	0.00%		77,700		77,700
	FY 24	0.00%		77,700		77,700
	FY 25	0.00%		77,700		77,700
Total			-	310,800	77,700	233,100
FUSUS Real Time Crime Center						
	FY 22	0.00%		65,000	65,000	-
	FY 23	0.00%		65,000		65,000
	FY 24	0.00%		65,000		65,000
Total			-	195,000	65,000	130,000
Harley-Davidson Motorcycles						
	FY 22	0.00%		12,600	12,600	-
	FY 23	0.00%		12,600		12,600
	FY 24	0.00%		6,300		6,300
Total			-	31,500	12,600	18,900
Total Notes Payable, Governmental Activities			\$ 2,984,515	\$ 2,018,486	\$ 1,104,480	\$ 3,898,521

City of Starkville, Mississippi
Schedule of Long-Term Notes
September 30, 2022

Business-type activities:

<u>Payee</u>	<u>Maturity Date</u>	<u>Interest Percent</u>	<u>Balance 9/30/2021</u>	<u>Transactions</u>		<u>Balance 9/30/2022</u>
				<u>Issued</u>	<u>Redeemed</u>	
Water Pollution Control Revolving Loan						
	FY22	1.75%	211,676		211,676	-
	FY23	1.75%	215,419			215,419
	FY24	1.75%	219,210			219,210
	FY25	1.75%	223,977			223,977
	FY26	1.75%	36,653			36,653
Total			<u>906,935</u>	<u>-</u>	<u>211,676</u>	<u>695,259</u>
Drinking Water Systems Improvements Revolving Loan						
	FY22	2.50%	53,811		53,811	-
	FY23	2.50%	55,172			55,172
	FY24	2.50%	56,567			56,567
	FY25	2.50%	57,998			57,998
	FY26	2.50%	54,452			54,452
Total			<u>278,000</u>	<u>-</u>	<u>53,811</u>	<u>224,189</u>
Water Pollution Control Revolving Loan						
	FY22	2.75%	15,017		15,017	-
	FY23	2.75%	15,436			15,436
	FY24	2.75%	15,865			15,865
	FY25	2.75%	16,307			16,307
	FY26	2.75%	16,761			16,761
	FY27	2.75%	17,228			17,228
	2028-2029	2.75%	23,720			23,720
Total			<u>120,334</u>	<u>-</u>	<u>15,017</u>	<u>105,317</u>
MDA Capital Improvements Loan Prom Note #06-347-CP-01						
	FY22	2.00%	50,061		50,061	-
	FY23	2.00%	50,987			50,987
	FY24	2.00%	52,016			52,016
	FY25	2.00%	53,066			53,066
	FY26	2.00%	54,137			54,137
	FY27	2.00%	55,229			55,229
	2028-2030	2.00%	148,579			148,579
Total			<u>464,075</u>	<u>-</u>	<u>50,061</u>	<u>414,014</u>
Drinking Water Systems Improvements Revolving Loan						
	FY22	2.00%	24,790		24,790	-
	FY23	2.00%	25,248			25,248
	FY24	2.00%	25,758			25,758
	FY25	2.00%	26,278			26,278
	FY26	2.00%	26,808			26,808
	FY27	2.00%	27,350			27,350
	2028-2030	2.00%	78,440			78,440
Total			<u>234,672</u>	<u>-</u>	<u>24,790</u>	<u>209,882</u>

City of Starkville, Mississippi
Schedule of Long-Term Notes
September 30, 2022

Payee	Maturity	Interest	Balance	Transactions		Balance
	Date	Percent	9/30/2021	Issued	Redeemed	9/30/2022
MDA Capital Improvements Loan						
Prom Note #07-347-CP-01						
	FY22	2.00%	37,127		37,127	-
	FY23	2.00%	37,814			37,814
	FY24	2.00%	38,577			38,577
	FY25	2.00%	39,356			39,356
	FY26	2.00%	40,150			40,150
	FY27	2.00%	10,439			10,439
Total			203,463	-	37,127	166,336
MDA Capital Improvements Loan						
Prom Note #12-347-CP-01						
	FY22	2.00%	59,285		59,285	-
	FY23	2.00%	60,381			60,381
	FY24	2.00%	61,600			61,600
	FY25	2.00%	62,843			62,843
	FY26	2.00%	64,112			64,112
	FY27	2.00%	65,406			65,406
	2028-2032	2.00%	347,371			347,371
	2033-2037	2.00%	312,216			312,216
Total			1,033,214	-	59,285	973,929
MDA Capital Improvements Loan						
Prom Note #17-347-CP-01						
	FY22	2.00%	31,497		31,497	-
	FY23	2.00%	32,079			32,079
	FY24	2.00%	32,727			32,727
	FY25	2.00%	33,387			33,387
	FY26	2.00%	34,061			34,061
	FY27	2.00%	34,748			34,748
	2028-2032	2.00%	184,550			184,550
	2033-2037	2.00%	203,944			203,944
	2038-2039	2.00%	73,681			73,681
Total			660,674	-	31,497	629,177
3 Refuse Trucks & Knuckle Boom						
	FY22	2.59%	116,331		116,331	-
	FY23	2.59%	119,344			119,344
	FY24	2.59%	122,435			122,435
	FY25	2.59%	125,606			125,606
Total			483,716	-	116,331	367,385
Street Sweeper Lease						
	FY22	2.17%	47,970		47,970	-
	FY23	2.17%	3,736			3,736
Total			51,706	-	47,970	3,736
Garbage Truck/Front End Loader						
	FY22	7.00%	38,034		38,034	-
	FY23	7.00%	38,981			38,981
	FY24	7.00%	39,952			39,952
	FY25	7.00%	40,946			40,946
	FY26	7.00%	41,966			41,966
Total			199,879	-	38,034	161,845

City of Starkville, Mississippi
Schedule of Long-Term Notes
September 30, 2022

<u>Payee</u>	<u>Maturity Date</u>	<u>Interest Percent</u>	<u>Balance 9/30/2021</u>	<u>Transactions</u>		<u>Balance 9/30/2022</u>
				<u>Issued</u>	<u>Redeemed</u>	
MDA Capital Improvements Loan Prom Note #16-347-CP-01						
	FY22	2.00%	16,056		16,056	-
	FY23	2.00%	16,353			16,353
	FY24	2.00%	16,683			16,683
	FY25	2.00%	17,020			17,020
	FY26	2.00%	17,363			17,363
	FY27	2.00%	17,714			17,714
	2028-2032	2.00%	94,078			94,078
	2033-2037	2.00%	103,964			103,964
	FY38	2.00%	7,792			7,792
Total			<u>307,023</u>	<u>-</u>	<u>16,056</u>	<u>290,967</u>
MDA Capital Improvements Loan Prom Note #16-347-CP-02						
	FY22	2.00%	25,187		25,187	-
	FY23	2.00%	25,652			25,652
	FY24	2.00%	26,170			26,170
	FY25	2.00%	26,698			26,698
	FY26	2.00%	27,237			27,237
	FY27	2.00%	27,787			27,787
	2028-2032	2.00%	147,578			147,578
	2033-2037	2.00%	129,838			129,838
Total			<u>436,147</u>	<u>-</u>	<u>25,187</u>	<u>410,960</u>
MDA Capital Improvements Loan Prom Note #17-347-CP-02						
	FY22	2.00%	11,412		11,412	-
	FY23	2.00%	11,623			11,623
	FY24	2.00%	11,857			11,857
	FY25	2.00%	12,097			12,097
	FY26	2.00%	12,341			12,341
	FY27	2.00%	12,590			12,590
	2028-2032	2.00%	66,865			66,865
	2033-2037	2.00%	73,890			73,890
	2038-2040	2.00%	36,130			36,130
Total			<u>248,805</u>	<u>-</u>	<u>11,412</u>	<u>237,393</u>
2021 Tractor and Cutter						
	FY22	5.00%	28,901		28,901	-
	FY23	5.00%	19,571			19,571
	FY24	5.00%	17,744			17,744
Total			<u>66,216</u>	<u>-</u>	<u>28,901</u>	<u>37,315</u>

City of Starkville, Mississippi
Schedule of Long-Term Notes
September 30, 2022

<u>Payee</u>	<u>Maturity Date</u>	<u>Interest Percent</u>	<u>Balance 9/30/2021</u>	<u>Transactions</u>		<u>Balance 9/30/2022</u>
				<u>Issued</u>	<u>Redeemed</u>	
2021 Rear Loader Truck	FY22	1.35%		69,297	69,297	-
	FY23	1.35%		56,068		56,068
	FY24	1.35%		56,796		56,796
	FY25	1.35%		43,585		43,585
Total			-	225,746	69,297	156,449
2022 Kubota Tractor	FY22	2.94%		6,325	6,325	-
	FY23	2.94%		24,308		24,308
	FY24	2.94%		25,032		25,032
	FY25	2.94%		19,261		19,261
Total			-	74,926	6,325	68,601
Total Notes Payable, Business-type Activities			<u>5,694,859</u>	<u>300,672</u>	<u>842,777</u>	<u>5,152,754</u>
Total Notes Payable			- \$ <u>8,679,374</u>	<u>\$ 2,319,158</u>	<u>\$ 1,947,257</u>	<u>\$ 9,051,275</u>

City of Starkville, Mississippi
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2022

<u>Federal Agency/ Pass-through Entity/ Program Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Pass-through Grantor's Number</u>	<u>Pass-through to Sub- Recipients</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Justice</u>				
Passed through Mississippi Department of Public Safety:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	20HS2311	\$ -	\$ 48,749
Total U.S. Department of Justice			-	48,749
<u>U. S. Department of Transportation</u>				
Passed through Mississippi Department of Transportation:				
Airport Improvement Program (ARRA)	20.106	3-28-0068-022-2017 MDOT 3-28-0068-025-2020 3-28-0068-028-2022 FAA	-	557,340
Highway Planning and Construction (BUILD)	20.205	FBLD-7113-00(004)	-	918,115
Passed through Mississippi Department of Public Safety:				
State and Community Highway Safety	20.600	PT-2022-PT-23-11	-	8,435
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	M5X-2022-MD-23-11	-	47,172
Total U. S. Department of Transportation			-	1,531,062
<u>Appalachian Regional Commission:</u>				
Passed through Tennessee Valley Authority:				
Appalachian Area Development	23.002	N/A	-	729,094
Total Appalachian Regional Commission			-	729,094
<u>Total Expenditures of Federal Awards</u>			\$ -	\$ 2,308,905

The accompanying notes to Schedule of Expenditures of Federal Awards is an integral part of this schedule.

City of Starkville, Mississippi
Notes to Schedule of Expenditures of Federal Awards
September 30, 2022

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Starkville under programs of the federal government for the year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Starkville, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Starkville.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Entire program costs, including the City's portion, are more than shown. Such expenditures are recognized following cost principles contained in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

Note 3: Indirect Cost

The City of Starkville has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

COMPLIANCE SECTION

**INDEPENDENT AUDITORS' 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***

INDEPENDENT AUDITORS' 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*

To the Honorable Mayor and Board of Aldermen
Starkville, 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, each major fund, and the aggregate remaining fund information of the City of Starkville, Mississippi, as of and for the year ended September 30, 2022, and the related notes to financial statements, which collectively comprise the City of Starkville, Mississippi's basic financial statements and have issued our report thereon dated February 5, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Starkville, Mississippi'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 City of Starkville, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Starkville, Mississippi'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Starkville, Mississippi'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 financial statements. 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*.

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.

Starkville, Mississippi
February 5, 2024

Watkins Ward and Stafford, P.C.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**



WATKINS, WARD and STAFFORD
Professional Limited Liability Company
Certified Public Accountants

James L. Stafford, CPA	John N. Russell, CPA
Harry W. Stevens, CPA	Anita L. Goodrum, CPA
S. Keith Winfield, CPA	Ricky D. Allen, CPA
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

To the Honorable Mayor and Board of Alderman
City of Starkville, Mississippi

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Starkville, Mississippi's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Starkville, Mississippi's major federal programs for the year ended September 30, 2022. City of Starkville, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Starkville, 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 major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Starkville, Mississippi, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Starkville, Mississippi's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Starkville, Mississippi's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Starkville, Mississippi's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred

to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Starkville, Mississippi's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Starkville, Mississippi's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Starkville, Mississippi's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Starkville, Mississippi's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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 a 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Starkville, Mississippi
February 5, 2024

Watkins Ward and Stafford, P.C.

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



WATKINS, WARD and STAFFORD
Professional Limited Liability Company
Certified Public Accountants

James L. Stafford, CPA	John N. Russell, CPA
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH STATE LAWS AND REGULATIONS**

The Honorable Mayor and Board of Aldermen
Starkville, Mississippi

We have audited the financial statements of the City of Starkville, Mississippi, as of and for the year ended September 30, 2022, and have issued our report thereon dated February 5, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 our tests and our audit of the financial statements disclosed no material instances of noncompliance with state laws and regulations.

This report is intended for the information and use of the Board of Aldermen, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Starkville, Mississippi
February 5, 2024

Watkins Ward and Stafford, P.C.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

City of Starkville, Mississippi
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2022

Section 1: Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued on the financial statements:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:	
<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning & Const (BUILD)
23.002	Appalachian Area Development

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee? No

Prior fiscal year audit findings and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b) No

City of Starkville, Mississippi
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2022

Section 2: Financial Statement Findings

The results of our tests did not disclose any findings related to the financial statements that are required to be reported under *Government Auditing Standards*.

Section 3: Federal Award Findings and Questioned Costs

The results of our tests did not disclose any findings and questioned costs related to federal awards.

Appendix D

Form of Bond Counsel Opinion

[Bond Counsel letterhead]

April 23, 2024

To Whom It May Concern:

We have acted as bond counsel in connection with the issuance by City of Starkville, Mississippi (the “Municipality”), of its \$12,555,000 General Obligation Public Improvement Bonds, Series 2024 (Parks and Recreation Improvements Project), dated and issued April 23, 2024 (the “Bonds”). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion, including House Bill 1547, as approved by the Legislature of the State of Mississippi (the “Legislature” of the “State”) in its Regular Session 2022 and signed by the Governor (the “Governor”) of the State on March 23, 2022, and by House Bill 1547, as approved by the Legislature of the State of Mississippi (the “Legislature” of the “State”) in its Regular Session 2022 and signed by the Governor (the “Governor”) of the State on March 23, 2022, and by House Bill No. 1565, as approved by the Legislature in its Regular Session 2019 and signed by the Governor on April 3, 2019 (together, the “Authority Act”), Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended (the “Municipal Improvements Act”), Section 17-1-3 Mississippi Code of 1972, as amended, Sections 55-9-1 *et seq.*, Mississippi Code of 1972, as amended, Sections 21-37-1 *et seq.*, Mississippi Code of 1972, as amended, and other applicable laws of the State (together, the “Act”), and resolutions adopted by the Mayor and Board of Aldermen of the Municipality (the “Governing Body”) on September 20, 2022, November 1, 2022, and April 4, 2023, authorizing and directing the issuance of the Bonds (together, the “Bond Resolution”).

As to questions of fact material to our opinion we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation, and we express no opinion relating to the accuracy, completeness or sufficiency of any offering material relating to the Bonds.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds shall be general obligations of the Municipality payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon all the taxable property within the geographical limits of the Municipality. To the extent other moneys are not available, the Municipality will levy annually a direct and continuing tax upon all taxable property within the geographical limits of the Municipality, which tax, together with any other moneys available for such purpose, will be adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due; provided, however, that such tax levy for any year shall be abated *pro tanto* to the extent the Municipality on or prior to September 1 of that year has transferred money to the Parks and Recreation Bond Fund (as defined in the Bond Resolution), or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the Bonds due during the ensuing fiscal year of the Municipality, in

accordance with the provisions of the Bond Resolution. Provided, however, any other funds available to the Municipality which may be lawfully used for payment of the principal of, premium, if any, and interest on the Bonds, and which the Governing Body, in its discretion, may direct to be deposited into the Parks and Recreation Bond Fund, including, but not limited to, the Special Sales Tax (as defined herein), pursuant to the Act, may be used for the payment of the principal and interest due on the Bonds. Should there be a failure in any year to comply with the requirements of this Section, such failure will not impair the right of the Registered Owners of any of the Bonds in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Bonds, both as to principal and interest. “Special Sales Tax” means, together, that portion of the 2% of the gross income of restaurants derived from retail sales of prepared food, alcoholic and nonalcoholic beverages dedicated to the Municipality to be expended for park and recreational improvements and the additional 1% economic development, tourism, and convention tax on the gross income of restaurants derived from retail sales of prepared food, alcoholic beverages, and nonalcoholic beverages, and from gross income derived from lodging at hotels and motels within the Municipality for the purpose of acquiring real property for and constructing, equipping, owning, operating, leasing, furnishing, maintaining, and marketing new and existing sports tournament and recreational facilities of the Municipality and for related purposes as authorized by the Authority Act, and to pay the principal of and interest on bonds issued pursuant to the Authority Act (the “Special Sales Tax Authorized Purpose”).

2. Under existing law, regulations and court decisions, as presently interpreted and construed, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and interest on the Bonds is not treated as a specific item of tax preference under Section 57 of the Code in calculating the alternative minimum tax imposed by Section 55 of the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

3. The Governing Body has covenanted in the Bond Resolution and in the Municipality’s federal tax certificate of even date herewith that the Municipality will not make any use of the gross proceeds of the Bonds or amount that may be treated as proceeds of the Bonds or do or take or omit to take any other action that would cause: (i) the Bonds to be “arbitrage bonds” as such term is defined in Section 148(a) of the Code and the regulations promulgated thereunder; (ii) the interest on the Bonds to be includable in the gross income of the Registered Owners for federal income taxation purposes; or (iii) the interest on the Bonds to be treated as an item of tax preference under Section 57(a)(5) of the Code. Failure of the Municipality to comply with such covenants could result in the interest on the Bonds being subject to federal income tax from the date of issue.

4. In rendering the foregoing opinion, Bond Counsel has assumed the continuing compliance by the Municipality with the tax covenants and representations in the Bond Resolution and the representations in the Municipality’s federal tax certificate. These requirements relate to, *inter alia*, the use and investment of the gross proceeds of the Bonds, the use of any facility, equipment, or improvement financed or refinanced directly or indirectly with the proceeds of the Bonds, and rebate to the United States Treasury of specified arbitrage

earnings, if any. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds have resulted in a failure of the Municipality to comply with its covenants. Failure of the Municipality to comply with such covenants could result in the interest on the Bonds becoming subject to federal income tax from the date of issue. Owners of the Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes and the effect of any other collateral federal income tax consequences.

5. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. Under existing statutes, regulations, and court decisions as presently interpreted and construed, interest on the Bonds earned by the respective owners thereof is excludable from gross income for purposes of computing income taxes imposed by the State.

7. It is understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar law affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and that the enforcement thereof may be subject to the exercise of judicial discretion in appropriate cases.

8. In this opinion letter issued in our capacity as Bond Counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

9. In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certificates, resolutions, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We also have assumed the genuineness of the signatures appearing upon such public records, certifications, resolutions, documents and proceedings. This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

WATKINS & EAGER PLLC

Appendix E

Form of Continuing Disclosure Agreement

CONTINUING DISCLOSURE AGREEMENT OF THE CITY OF STARKVILLE, MISSISSIPPI

This Continuing Disclosure Agreement (the “Disclosure Certificate”) is executed and delivered by the City of Starkville, Mississippi (the “Municipality”), in connection with the issuance of its \$12,555,000 General Obligation Public Improvement Bonds, Series 2024 (Parks and Recreation Improvements Project), dated and issued April 23, 2024 (the “Bonds”). The Bonds are being issued pursuant to House Bill 1547, as approved by the Legislature of the State of Mississippi (the “Legislature” of the “State”) in its Regular Session 2022 and signed by the Governor (the “Governor”) of the State on March 23, 2022, and by House Bill No. 1565, as approved by the Legislature in its Regular Session 2019 and signed by the Governor on April 3, 2019 (together, the “Authority Act”), Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended (the “Municipal Improvements Act”), Section 17-1-3 Mississippi Code of 1972, as amended, Sections 55-9-1 *et seq.*, Mississippi Code of 1972, as amended, Sections 21-37-1 *et seq.*, Mississippi Code of 1972, as amended, and other applicable laws of the State (together, the “Act”), and resolutions adopted by the Mayor and Board of Aldermen (the “Governing Body”) on September 20, 2022, November 1, 2022, and April 4, 2023 (together, the “Bond Resolution”).

The Municipality covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Agreement is being executed and delivered by the Municipality for the benefit of the Bondholders and Beneficial Owners and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5) (as further defined herein).

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Resolution which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report provided by the Municipality pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” means a banking institution or other person or entity appointed by resolution of the Municipality as the Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Municipality and which has provided the Municipality a written acceptance of such designation.

“EMMA” means MSRB’s Electronic Municipal Market Access system on the MSRB Website.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt

obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Event” means any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board established under the 1933 Securities Act, as amended, or any successor thereto.

“MSRB Website” means www.emma.msrb.org.

“National Repository” means (a) MSRB’s EMMA, and (b) in the future, any successor repository or repositories prescribed by the SEC for the purpose of serving as repository under the Rule.

“Official Statement” means the Official Statement dated April 2, 2024, pertaining to the Bonds.

“Participating Underwriter” means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” means each National Repository and the State Repository.

“Required Electronic Format” means the electronic format then prescribed by the SEC or the MSRB pursuant to the Rule.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” means the State of Mississippi.

“State Repository” means any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Certificate, there is no State Repository.

“Submission Date” means the date on which the Annual Report is submitted to the Repositories pursuant to Section 3 of this Disclosure Certificate, which shall be a date not later than 12 months after the end of the Municipality's fiscal year (presently September 30), commencing with the report for the 2024 fiscal year.

SECTION 3. Provision of Annual Reports.

(a) The Municipality shall, or shall cause the Dissemination Agent to, not later than the Submission Date, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the

audited financial statements of the Municipality may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Municipality's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) Not later than fifteen Business Days prior to the Submission Date, the Municipality shall provide the Annual Report to the Dissemination Agent (if other than the Municipality). If the Municipality is unable to provide to the Repositories an Annual Report by the Submission Date, the Municipality shall send a notice to each Repository or the Municipal Securities Rulemaking Board and the State Repository, if any, in substantially the form attached as "Exhibit A."

(c) The Dissemination Agent shall:

(1) determine each year prior to the Submission Date the name and address of each National Repository and the State Repository, if any; and

(2) if the Dissemination Agent is other than the Municipality, file a report with the Municipality certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Municipality's Annual Report shall contain or include by reference (a) financial information of the type included in the subsections of the Official Statement entitled "Assessed Valuation," "Tax Levy Per \$1,000 Valuation," "Ad Valorem Tax Collections," and "Special Sales Tax," and (b) the audited financial statements of the Municipality for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Municipality's audited financial statements are not available by the Submission Date, the audited financial statements shall be filed in the same manner as the Annual Report. Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Municipality or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Municipality shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events. The Municipality shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, in a timely manner not in excess of 10 business days after the occurrence thereof:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;

- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) modifications to rights of security holders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership, or similar event of the Municipality;
- (13) consummation of a merger, consolidation, or acquisition involving the Municipality, the sale of all or substantially all of the assets of the Municipality other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation (as defined herein and in the Rule) of the Municipality, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Municipality, any of which may affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Municipality, any of which reflect financial difficulties.

The events listed above are quoted from the Rule and some may not be applicable to the Municipality or the Bonds.

SECTION 6. Termination of Reporting Obligation. The Municipality's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Municipality shall give notice of such termination in the manner as for a Listed Event under Section 5.

SECTION 7. Dissemination Agent. The Municipality may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Municipality pursuant to this Disclosure Certificate. From the date hereof until such time (if any) that the Municipality appoints a Dissemination Agent, or if a Dissemination Agent appointed by the Municipality resigns or is discharged and the Municipality does not appoint a successor Dissemination Agent, the Municipality, acting through the City Clerk of the Municipality, shall carry out the duties of the Dissemination Agent under this Disclosure Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Municipality may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, only if (1) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in identity, nature, or status of the Municipality, (2) the agreement, as amended, would have complied with the Rule at the date of sale of the Bonds, taking into account any amendments or interpretations of the Rule as well as any change in circumstance, and (3) the Municipality receives an opinion of nationally recognized bond counsel to the effect that the amendment or waiver does not materially impair the interests of the holders and beneficial owners of the Bonds. A copy of any amendment will be filed in a timely manner with each Repository.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Municipality from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Municipality chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Municipality shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Municipality to comply with any provision of this Disclosure Certificate, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Municipality to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the Municipality to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Municipality agrees to indemnify and save the Dissemination Agent, its officers, directors, employees, and agents, harmless against any loss, expense, and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Municipality under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Municipality, the Dissemination Agent, the Participating Underwriters and the Bondholders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: March 21, 2024

City of Starkville, Mississippi

(seal)

City Clerk

EXHIBIT A

**NOTICE TO REPOSITORIES OF
FAILURE TO FILE ANNUAL REPORT**

Name of Municipality: City of Starkville, Mississippi

Name of Issue: \$12,555,000 General Obligation Public Improvement Bonds, Series
2024 (Parks and Recreation Improvements Project)

Date of Issuance: April 23, 2024

NOTICE IS HEREBY GIVEN that the Municipality has not provided an Annual Report with respect to the above-referenced Bonds as required by the Bond Resolution. The Municipality anticipates that the Annual Report will be filed by _____, 20__.

Date: _____, 20__

Appendix F

Notice of Bond Sale

NOTICE OF BOND SALE

\$13,000,000

**GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2024
(PARKS AND RECREATION IMPROVEMENTS PROJECT)
CITY OF STARKVILLE, MISSISSIPPI**

NOTICE IS HEREBY GIVEN that the Mayor and Board of Aldermen of the City of Starkville, Mississippi (the “Governing Body” of the “Municipality”) will receive bids, which may be in electronic form, for the purchase in its entirety, at not less than par and accrued interest to the date of delivery thereof, of an issue of \$13,000,000 General Obligation Public Improvement Bonds, Series 2024 (Parks and Recreation Improvements Project), of the Municipality (the “Bonds”) on Tuesday, April 2, 2024, until the hour of 11:00 a.m., C.D.T.

The City Clerk of the Municipality (the “City Clerk”) will act on behalf of the Governing Body to receive bids at the aforesaid date, time, and place. Immediately following 11:00 a.m., C.D.T., on Tuesday, April 2, 2024, the bids will be publicly opened and read, for consideration by the Governing Body at their regular meeting at 5:30 p.m. C.D.T. on Tuesday, April 2, 2024. All bids will remain firm for eight hours after the time specified for the opening of bids, and an award of the Bonds, or rejection of bids, will be made by the Governing Body within said period of time.

THE BONDS: The Bonds will be registered as to both principal and interest; will be dated and bear interest, calculated on the 30/360 basis, from April 23, 2024; will be issued on April 23, 2024; will be delivered in definitive form as registered bonds; will be issued in the denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity; will be numbered from 1 upward in the order of issuance; will be payable as to principal at a bank or trust company to be named by the Governing Body in the manner hereinafter provided; and will bear interest, calculated on the 30/360 basis, from the date thereof, payable on August 1, 2024, and semiannually thereafter on February 1 and August 1 of each year, at the rate or rates offered by the successful bidder in its bid in accordance with this Notice of Bond Sale (this “Notice”).

MATURITIES: The Bonds will mature serially, with option of prior payment, on February 1 in each of the years and amounts as follows:

Year	Principal
2025	\$395,000
2026	\$415,000
2027	\$435,000
2028	\$455,000
2029	\$480,000
2030	\$505,000
2031	\$530,000
2032	\$555,000
2033	\$585,000
2034	\$615,000

2035	\$650,000
2036	\$680,000
2037	\$715,000
2038	\$755,000
2039	\$785,000
2040	\$820,000
2041	\$855,000
2042	\$885,000
2043	\$925,000
2044	\$960,000

REDEMPTION: Bonds maturing after February 1, 2034, are subject to redemption prior to their respective maturities at the election of the Municipality on and after February 1, 2034, either in whole or in part on any date, with the maturities and principal amounts thereof to be determined by the Municipality, at the principal amount thereof together with accrued interest to the date fixed for redemption. Notice of each such redemption shall be mailed, postage prepaid, not less than 30 days prior to the redemption date, to all Registered Owners of the Bonds to be redeemed at their addresses as they appear on the registration books of the Municipality kept by the Paying Agent (as defined herein).

REVISED MATURITY SCHEDULE AND/OR BID PARAMETERS: The aggregate principal amount of each series of the Bonds (the “Preliminary Aggregate Principal Amount”) and the annual principal amounts of each series of the Bonds (the “Preliminary Annual Principal Amounts” and collectively, with reference to the Preliminary Aggregate Principal Amounts, the “Preliminary Amounts”) set forth in this Notice may be revised before the viewing of bids for the purchase of the Bonds, as may the bid parameters set forth herein. Any such revisions (in case of revised principal amounts, the “Revised Aggregate Principal Amount”, the “Revised Annual Principal Amounts” and the “Revised Amounts”) WILL BE GIVEN BY NOTIFICATION PUBLISHED ON www.I-dealProspectus.com NOT LATER THAN 4:00 P.M., C.D.T. ON THE DAY PRECEDING THE RECEIPT OF BIDS. In the event that no such revisions are made, the Preliminary Amounts will constitute the Revised Amounts and will remain as stated in this Notice, and the bid parameters shall remain as set for the herein. **BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMOUNTS AND BID PARAMETERS, IF ANY.** Prospective bidders may request notification of any revisions in the Preliminary Amounts and bid parameters by so advising and emailing Stephens Inc., Ridgeland, Mississippi, the Municipality’s “independent registered municipal advisor” (the “Municipal Advisor”), at max.neely@stephens.com by 12:00 p.m. C.D.T., at least one day prior to the date for receipt of the bids.

CHANGES TO MATURITY SCHEDULE: The Municipality intends, but is not obligated, to adjust the Revised Aggregate Principal Amount of each series of Bonds and the Revised Annual Principal Amount of each series of Bonds in such manner as to produce approximately level debt service in years 2025 to 2044. The Municipality reserves the right to change the Revised Aggregate Principal Amount of each series of Bonds and the Revised Annual Principal Amounts of each series of Bonds after determination of the winning bidder(s), by increasing or decreasing

such Revised Aggregate Principal Amounts and such Revised Annual Principal Amounts by up to 30%. The maximum amount of the Bonds will not exceed the maximum authorized amount of \$15,000,000. No changes beyond those disclosed above will be made without the consent of the applicable Successful Bidder. Such changes, if any, will determine the final annual principal amount of each maturity of each series of Bonds (the “Final Annual Principal Amounts”) and the final aggregate principal amount of each series of Bonds (the “Final Aggregate Principal Amount”). The dollar amount bid by the successful bidder for each series of Bonds will be adjusted to reflect any adjustments in the Final Aggregate Principal Amount of such series of Bonds. The interest rates specified by the successful bidder for the various maturities at the initial reoffering prices will not change. A SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BIDS OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE PRINCIPAL AMOUNTS WITHIN THESE LIMITS.

The Municipality anticipates that the Final Annual Principal Amounts of each series of Bonds and the Final Aggregate Principal Amount of each series of Bonds will be communicated to the successful bidder(s) prior to the award of such Bonds. THE DOLLAR AMOUNT BID BY EACH SUCCESSFUL BIDDER FOR THE PURCHASE OF THE BONDS WILL BE ADJUSTED TO REFLECT ANY CHANGE IN THE ANNUAL PRINCIPAL AMOUNTS BASED UPON THE ASSUMPTION THAT THE COUPON RATES, REOFFERING PRICES, AND THE UNDERWRITER’S DISCOUNT (EXCLUDING ORIGINAL ISSUE DISCOUNT/PREMIUM) STATED AS A PERCENTAGE OF THE AGGREGATE PRINCIPAL AMOUNT, AS SPECIFIED BY SUCH SUCCESSFUL BIDDER, WILL NOT CHANGE.

BASIS OF AWARD: If an award is made, the Bonds will be awarded to the bidder whose bid results in the lowest true interest cost to the Municipality for such Bonds as determined by reference to the Revised Aggregate Principal Amounts, prior to post-sale adjustments, as discussed in the paragraph above. The lowest true interest cost will be calculated as that rate which when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the dated date of such Bonds) produces a value equal to the purchase price of such Bonds. Each bidder is required to specify its calculation of the true interest cost resulting from its bid, but such information shall not be treated as part of its proposal. In the event that two or more of the bidders offer to purchase the Bonds at the same lowest true interest cost, the Governing Body shall determine in their sole discretion (but in accordance with fact) which of the bidders shall be awarded such series of Bonds. The Governing Body reserves the right to waive any irregularity or informality in any bid, and to reject any or all bids, and notice of rejection of any bid will be made promptly. Unless all bids are rejected, award of the Bonds will be made by the Governing Body on the sale date.

AUTHORITY AND SECURITY: The Bonds will be issued pursuant to the provisions of House Bill 1547, as approved by the Legislature of the State of Mississippi (the “Legislature” of the “State”) in its Regular Session 2022 and signed by the Governor (the “Governor”) of the State on March 23, 2022, and by House Bill No. 1565, as approved by the Legislature in its Regular Session 2019 and signed by the Governor on April 3, 2019 (together, the “Authority Act”), Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended (the “Municipal Improvements Act”), and other applicable laws of the State (together, the “Act”), and the resolutions authorizing

and directing the issuance of the Bonds adopted by the Governing Body on September 20, 2022, November 1, 2022, and April 4, 2023 (together, the “Bond Resolution”), and shall be general obligations of the Municipality payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon all the taxable property within the geographical limits of the Municipality. To the extent other moneys are not available, the Municipality will levy annually a direct and continuing tax upon all taxable property within the geographical limits of the Municipality, which tax, together with any other moneys available for such purpose, will be adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due; provided, however, that such tax levy for any year shall be abated *pro tanto* to the extent the Municipality on or prior to September 1 of that year has transferred money to the Parks and Recreation Bond Fund (as defined in the Bond Resolution), or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the Bonds due during the ensuing fiscal year of the Municipality, in accordance with the provisions of the Bond Resolution. Provided, however, any other funds available to the Municipality which may be lawfully used for payment of the principal of, premium, if any, and interest on the Bonds, and which the Governing Body, in its discretion, may direct to be deposited into the Parks and Recreation Bond Fund, including, but not limited to, that portion of the 2% of the gross income of restaurants derived from retail sales of prepare food, alcoholic and nonalcoholic beverages dedicated to Municipality parks to be expended for park and recreational improvements and the additional 1% economic development, tourism, and convention tax on the gross income of restaurants derived from retail sales of prepared food, alcoholic beverages, and nonalcoholic beverages, and from gross income derived from lodging at hotels and motels within the Municipality (together, the “Special Sales Tax”) for the Authorized Purposes (as defined herein and in the Bond Resolution), pursuant to the Act, may be used for the payment of the principal and interest due on the Bonds.

PURPOSE: The Bonds are being issued to provide funds for the purpose of erecting municipal buildings, auditoriums, community centers, gymnasiums, and athletic stadiums, preparing and equipping athletic fields, and purchasing buildings or land therefor, and for repairing, improving, adorning, and equipping the same; erecting or purchasing waterworks, gas, electric, and other public utility plants or distribution systems or franchises, and repairing, improving, and extending the same; establishing sanitary, storm, drainage, or sewerage systems, and repairing, improving, and extending the same; protecting the Municipality, its streets, and sidewalks from overflow, caving banks, and other like dangers; constructing, improving, or paving streets, sidewalks, driveways, parkways, walkways, or public parking facilities, and purchasing land therefor; purchasing land for parks and public playgrounds, and improving, equipping, and adorning the same, including the constructing, repairing, and equipping of swimming pools and other recreational facilities; constructing bridges and culverts; altering or changing the channels of streams and water courses to control, deflect, or guide the current thereof; purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; purchasing machinery and equipment which have an expected useful life in excess of 10 years (the “General Municipal Improvements Authorized Purposes”), and providing funds to acquire real property for and for constructing, equipping, owning, operating, leasing, furnishing, maintaining, and marketing new and existing sports tournament and recreational facilities of the Municipality and for related purposes as authorized by the Authority Act, and to pay the principal of and interest

on bonds issued pursuant to the Authority Act (the “Special Sales Tax Authorized Purposes”) (together, “Authorized Purposes”).

FORM OF BIDS: Bids should be addressed to the Governing Body and should be plainly marked “Bid for \$13,000,000 General Obligation Public Improvement Bonds, Series 2024 (Parks and Recreation Improvements Project), of the City of Starkville, Mississippi.” All bids should be submitted in substantially the form prepared by the Municipality as the Official Bid Form. A copy of the Official Bid Form may be obtained from the City Clerk at l.hardin@cityofstarkville.org, from Stephens Inc., Ridgeland, Mississippi (the “Municipal Advisor”), at max.neely@stephens.com, or from Watkins & Eager PLLC, Jackson, Mississippi (“Bond Counsel”) at bdavis@watkinseager.com.

Electronic bids for the Bonds must be submitted to PARITY® via the BiDCOMP Competitive Bidding System. An electronic bid made through the facilities of BiDCOMP/PARITY® shall be deemed an offer to purchase in response to this Notice and shall be binding upon the bidder as if made by a signed sealed written bid made to the Municipality. To the extent any instructions or directions set forth in BiDCOMP/PARITY® conflict with the terms of this Notice, this Notice shall prevail. The Municipality shall not be responsible for any malfunction or mistake made by or as a result of the use of electronic bidding facilities. The use of such facilities is at the sole risk of the bidders. Subscription to I-Deal's BiDCOMP/PARITY® Competitive Bidding System by a bidder is required in order to submit an electronic bid. The Municipality will not confirm any subscription or be responsible for the failure of any prospective bidder to subscribe. Both written bids and electronic bids must be unconditional and received by the Municipality and/or BiDCOMP/PARITY®, respectively, on or before 11:00 a.m., C.D.T., on Tuesday, April 2, 2024, as stated above. The Municipality is not liable for any costs incurred in the preparation, delivery, acceptance, or rejection of any bid.

All bids not in electronic form should be sealed and delivered to the City Clerk at her office in the City Hall located at 110 West Main Street in the Municipality.

INTEREST RATE AND BID RESTRICTIONS: The Bonds will not bear a greater overall maximum interest rate to maturity than 11% per annum, nor will the interest rate for any one maturity exceed 11% per annum. No Bond will bear more than 1 rate of interest; each Bond will bear interest, calculated on the 30/360 basis, from its date to its stated maturity date at the interest rate specified in the bid; all Bonds of the same maturity will bear the same rate of interest from date to maturity; and the lowest interest rate specified will not be less than 70% of the highest interest rate specified. Each interest rate specified in any bid must be a multiple of 1/8th of 1% or 1/10th of 1% and a 0% rate of interest cannot be named.

GOOD FAITH DEPOSIT: Each bid must be accompanied by a wire transfer, cashier's check, certified check, or exchange, issued or certified by a bank, payable to the “Mayor and Board of Aldermen of the City of Starkville, Mississippi,” in the amount of \$260,000 as a guaranty that the bidder will carry out its contract and purchase the Bonds if its bid be accepted. All wire transfers, cashier's checks, certified checks, or exchanges of unsuccessful bidders will be returned immediately after award of the Bonds. If the successful bidder fails to purchase the Bonds pursuant to its bid and contract, then the amount of such good faith deposit will be retained by the

Municipality as liquidated damages for such failure. No interest will be allowed on the amount of the good faith deposit.

DTC BOOK-ENTRY: Unless specifically declined by the purchaser, the Bonds are being initially offered as registered in the name of Cede & Co., as Registered Owner and nominee for The Depository Trust Company, New York, New York ("DTC") under DTC's Book-entry system of registration. Purchasers of interests in the Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates and ownership by the Beneficial Owners of the Bonds will be evidenced by book-entry. As long as Cede & Co. is the Registered Owner of the Bonds as nominee of DTC, payments of principal and interest will be made directly to such Registered Owner which will in turn remit such payments to the DTC participants for subsequent disbursement to the Beneficial Owners.

AWARD OF BONDS: If an award of the Bonds is made, the Bonds will be awarded to the bidder whose bid results in the lowest true interest cost to the Municipality. The lowest true interest cost of the Bonds will be calculated as that rate which when used in computing the present worth of all payments of principal and interest on the Bonds (compounded semi-annually from the dated date of the Bonds) produces a value equal to the purchase price of the Bonds. For the purpose of calculating the true interest cost, the principal amount of any term bonds scheduled for mandatory sinking fund redemption (if any) shall be treated as a serial maturity in each year. Each bidder is required to specify its calculation of the true interest cost resulting from its bid, but such information shall not be treated as part of its proposal. All bids will remain firm for eight hours after the time specified for the opening of bids, and an award of the Bonds, or rejection of bids, will be made by the Governing Body within said period of time, and the Governing Body will give a verbal notice to the winning bidder, if any, within approximately one hour of such decision.

RIGHT OF REJECTION, CANCELLATION: The Governing Body reserves the right to reject any or all bids submitted, as well as to waive any irregularity or informality in any bid. The successful bidder will have the right, at its option, to cancel its agreement to purchase the Bonds if the Bonds are not tendered for delivery within 60 days from the date of sale thereof, and in such event the Governing Body will return to said bidder its good faith deposit. The Governing Body will have the right, at its option, to cancel its agreement to sell the Bonds if within 5 days after the tender of the Bonds for delivery the successful bidder will not have accepted delivery of and paid for the Bonds, and in such event the Governing Body will retain the successful bidder's good faith deposit as liquidated damages as hereinabove provided.

PAYING AGENT, TRANSFER AGENT, AND REGISTRAR: The Governing Body's approval of the paying agent for the Bonds (the "Paying Agent") shall be contingent on a determination as to the willingness and ability of the Paying Agent to perform the duties of registrar and transfer agent and on the satisfactory negotiation of service fees. The Paying Agent shall be subject to change by order of the Governing Body under the conditions and in the manner provided in the Bond Resolution under which the Bonds are issued. Both principal of and interest on the Bonds will be payable by check or draft mailed to Registered Owners of the Bonds as of the fifteenth day of the month preceding the maturity date for such principal or interest payment at the addresses appearing in the registration records of the Municipality maintained by the Paying Agent. The Bonds will be transferable only upon the books of the Paying Agent, and payment of

principal at maturity shall be conditioned on the proper presentation and surrender of the Bonds to the Paying Agent.

DELIVERY: The successful bidder must designate within 30 days of the date of sale, or at such other later date as may be designated by the Governing Body, the names and addresses of the Registered Owners of the Bonds and the denominations in which the Bonds of each maturity are to be issued. If the successful bidder fails to submit such information within the required time, one Bond may be issued for each maturity in the full amount maturing on that date registered in the name of the successful bidder. The Bonds will be delivered at a place to be designated by the purchaser and without cost to the purchaser, and payment therefor will be made in immediately available funds.

CUSIP NUMBERS: Unless specifically declined by the purchaser, the Municipal Advisor will request that the CUSIP Service Bureau assign CUSIP identification numbers to the Bonds, which numbers will be printed on the Bonds. The successful bidder will be responsible for the costs of assigning CUSIP numbers to the Bonds. Neither the failure to print a CUSIP number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with this Notice.

LEGAL OPINION; CLOSING DOCUMENTS: The Bonds are offered subject to the unqualified approval of the legality thereof by Bond Counsel. In the opinion of Bond Counsel, interest on the Bonds is exempt from federal and Mississippi income taxes under existing laws, regulations, rulings, and judicial decisions with such exceptions as will be described in the Official Statement for the Bonds. A copy of the opinion of Bond Counsel, together with the usual closing papers, including a no-litigation certificate dated the date of delivery of the Bonds, evidencing that no litigation is pending in any way affecting the legality of the Bonds or the taxes to be levied for the payment of the principal thereof and interest thereon, and a transcript of the proceedings relating to the Bonds will be delivered to the successful bidder without charge. The Municipality will pay for all legal fees and will pay for the printing and validation of the Bonds.

BONDS AS “QUALIFIED TAX-EXEMPT OBLIGATIONS”: The Municipality has *not* designated the Bonds as “qualified tax-exempt obligations” within the meaning and for purposes of Section 265(b)(3) of the Code.

FURTHER INFORMATION: The Municipality has prepared a Preliminary Official Statement which it deems, for purposes of S.E.C. Rule 15(c)2-12, to be final and complete as of its date except for the omission of the offering prices, interest rates, and any other terms of the Bonds depending on such matters, and the identity of the underwriters, subject to revision, amendment and completion in a final Official Statement. By submission of its bid, the successful bidder will be deemed to have certified that it has obtained and reviewed the Preliminary Official Statement. Upon the award of the Bonds, the Municipality will publish an Official Statement in substantially the same form as the Preliminary Official Statement, subject to minor additions, deletions, and revisions as required to complete the Preliminary Official Statement.

ISSUE PRICE: The successful bidder shall assist the Municipality in establishing the issue price of the Bonds and shall execute and deliver to the Municipality at the closing for the Bonds an “issue price” or similar certificate setting forth the reasonably expected initial offering

price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, in a form reasonably required by the Municipality and Bond Counsel. The Municipality intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because: (a) the Municipality shall disseminate this Notice to potential underwriters in a manner that is reasonably designed to reach potential underwriters; (b) all bidders shall have an equal opportunity to bid; (c) the Municipality may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and (d) the Municipality anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice. Any bid submitted pursuant to this Notice shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. In the event that the competitive sale requirements are not satisfied, the Municipality shall advise the winning bidder. The Municipality shall treat the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price on that maturity applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Municipality if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The Municipality will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test in order to establish the issue price of the Bonds. If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the Municipality the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing of the Bonds has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold. By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth

in the related pricing wires. Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for the purposes of this Notice. Further, for purposes of this Notice: (a) “public” means any person other than an underwriter or a related party, (b) “underwriter” means (A) any person that agrees pursuant to a written contract with the Municipality (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public), (c) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or Interests by one entity of the other), and (d) “sale date” means the date that the Bonds are awarded by the Municipality to the winning bidder.

CONTINUING DISCLOSURE: In order to assist bidders in complying with S.E.C. Rule 15(c)2-12(b)(5), the Municipality will undertake, pursuant to the Bond Resolution and a Continuing Disclosure Agreement, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. Failure of the Municipality to deliver the Continuing Disclosure Agreement at the time of issuance and delivery of the Bonds will relieve the successful bidder from its obligation to purchase the Bonds.

MUNICIPAL BOND INSURANCE: The Municipality has provided information to prospective bond insurance companies in order to qualify the Bonds under their respective optional bidding programs. If the successful bidder or bidders for the Bonds desires to purchase a municipal bond insurance policy insuring payment of all or a portion of the debt service payable on the Bonds, the successful bidder or bidders does so at its own risk and its own expense. The obligation of the successful bidder to pay for the Bonds shall not be conditioned on the issuance of a municipal bond insurance policy. The Municipality will cooperate with the successful bidder in obtaining such insurance, but the Municipality will not enter into any additional agreements with a bond insurer. Without limiting the generality of the foregoing, the successful bidder will be responsible for all costs, expenses, and charges associated with the issuance of such insurance, including but not limited to the premium for the bond insurance policy.

**By order of the Mayor and Board of Aldermen of the City of Starkville, Mississippi,
on April 4, 2023.**

City of Starkville, Mississippi

/s/ Lesa D. Hardin, City Clerk

Publication Instructions:

Starkville Daily News

March 19, 2024, and March 26, 2024

Appendix G

Bond Resolution

RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI, AUTHORIZING AND DIRECTING THE ISSUANCE OF GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2023 (PARKS AND RECREATION IMPROVEMENTS PROJECT), OF THE CITY OF STARKVILLE, MISSISSIPPI, IN THE MAXIMUM PRINCIPAL AMOUNT OF \$15,000,000, IN ONE OR MORE FEDERALLY TAXABLE OR TAX-EXEMPT SERIES, TO PROVIDE FUNDS FOR THE AUTHORIZED PURPOSES AS DESCRIBED HEREIN; PRESCRIBING THE FORM AND INCIDENTS OF THE BONDS; PROVIDING FOR THE LEVY OF TAXES FOR THE PAYMENT OF THE BONDS; PROVIDING FOR THE SALE OF THE BONDS; MAKING PROVISION FOR MAINTAINING THE TAX-EXEMPT STATUS OF THE BONDS; APPROVING AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING TO THE SALE OF THE BONDS; AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE AGREEMENT PERTAINING TO THE BONDS; ACKNOWLEDGING AND AUTHORIZING THE EXECUTION OF POST ISSUANCE COMPLIANCE PROCEDURES; AND FOR RELATED PURPOSES.

WHEREAS, the Mayor and Board of Aldermen of the City of Starkville, Mississippi (the “Governing Body” of the “Municipality”), acting for and on behalf of the Municipality hereby finds, determines, adjudicates and declares as follows:

1. (a) Definitions. In addition to any words and terms elsewhere defined herein, the following words and terms will have the following meanings, unless some other meaning is plainly intended:

“Act” shall mean House Bill 1547, as approved by the Legislature of the State of Mississippi (the “Legislature” of the “State”) in its Regular Session 2022 and signed by the Governor (the “Governor”) of the State on March 23, 2022, and by House Bill No. 1565, as approved by the Legislature in its Regular Session 2019 and signed by the Governor on April 3, 2019 (together, the “Authority Act”), Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended (the “Municipal Improvements Act”), and other applicable laws of the State.

“Authorized Purposes” shall mean the General Municipal Improvements Authorized Purposes and the Special Sales Tax Authorized Purposes.

“Bank” shall mean the Mississippi Development Bank.

“Bond” or “Bonds” shall mean the General Obligation Public Improvement Bonds, Series 2023 (Parks and Recreation Improvements Project), of the Municipality, in the maximum principal amount of \$15,000,000, in one or more federally taxable or tax-exempt series, authorized and directed to be issued in this Bond Resolution.

“Bond Counsel” shall mean Watkins & Eager PLLC, Jackson, Mississippi.

“Bond Insurance Policy” shall mean a municipal bond insurance policy, if any, issued by the Bond Insurer, if any, guaranteeing the scheduled payment of the principal of and interest on the Bonds when due.

“Bond Insurer” shall mean a municipal bond insurance company, if any, guaranteeing the guaranteeing the scheduled payment of the principal of and interest on the Bonds when due.

“Bond Resolution” shall mean this resolution authorizing and directing the issuance of the Bonds.

“Bondholder” or “Holder” shall mean the Registered Owner or Owners of any Bond issued pursuant to this Bond Resolution.

“Business Day” shall mean a day of the year on which banks located in the city in which the principal office of the Paying Agent is located are not required or authorized to remain closed.

“City Clerk” shall mean the City Clerk of the Municipality.

“Code” shall mean the Internal Revenue Code of 1986, as amended, supplemented or superseded.

“Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement to be executed by the Municipality and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“DTC” shall mean The Depository Trust Company, New York, New York.

“Event of Default” shall mean an event of default as described in Section 17 of this Bond Resolution.

“General Municipal Improvements Authorized Purposes” shall mean providing funds for the purpose of erecting municipal buildings, auditoriums, community centers, gymnasiums, and athletic stadiums, preparing and equipping athletic fields, and purchasing buildings or land therefor, and for repairing, improving, adorning, and equipping the same; erecting or purchasing waterworks, gas, electric, and other public utility plants or distribution systems or franchises, and repairing, improving, and extending the same; establishing sanitary, storm, drainage, or sewerage systems, and repairing, improving, and extending the same; protecting the Municipality, its streets, and sidewalks from overflow, caving banks, and other like dangers; constructing, improving, or paving streets, sidewalks, driveways, parkways, walkways, or public parking facilities, and purchasing land therefor; purchasing land for parks and public playgrounds, and improving, equipping, and adorning the same, including the constructing, repairing, and equipping of swimming pools and other recreational facilities; constructing bridges and culverts; altering or changing the channels of streams and water courses to control, deflect, or guide the current thereof; purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; purchasing machinery and equipment which have an expected useful life in excess of 10 years.

“Governing Body” shall mean the Mayor and Board of Aldermen of the Municipality.

“Improvement Fund” shall mean the Improvement Fund of the Municipality provided for in Section 13 hereof for the payment of the costs, fees, and expenses incurred by the Municipality in connection with the Authorized Purposes and with the authorization, issuance, sale, validation, and delivery of the Bonds.

“Mayor” shall mean the Mayor of the Municipality.

“Municipality” shall mean the City of Starkville, Mississippi.

“Notice” shall mean the Notice of Bond Sale set out in Section 22 hereof.

“Parks and Recreation Bond Fund” shall mean the fund of the Municipality provided for in Section 12 hereof for the payment of the principal of and interest on the Bonds, and the payment of fees in connection with the issuance of the Bonds.

“Paying Agent” shall mean any bank, trust company, or other institution designated, whether herein or hereafter, by the Governing Body to make payments of the principal of and interest on the Bonds, to serve as registrar and transfer agent for the registration of owners of the Bonds, and for the performance of other duties as may be herein or hereafter specified by the Governing Body.

“Person” shall mean an individual, partnership, corporation, trust, or unincorporated organization or government or any agency or political subdivision thereof.

“Procedures” shall mean the Post Issuance Compliance Procedures in substantially the form attached hereto as **Attachment A**.

“Purchaser” shall mean the successful bidder for the Bonds, to be hereafter designated by the Governing Body.

“Record Date” shall mean, as to interest payments, the 15th day of the month preceding the dates set for payment of interest on the Bonds and, as to payments of principal, the 15th day of the month preceding the date on which such principal will be due and payable, whether at maturity or upon redemption prior to maturity.

“Record Date Registered Owner” shall mean the Registered Owner as of the Record Date.

“Registered Owner” shall mean the Person whose name will appear in the registration records of the Municipality maintained by the Paying Agent.

“Representation Letter” shall mean the blanket representation letter to DTC pertaining to book-entry obligations of the Municipality.

“Series 2020 Bonds” shall mean, together, the Bank’s \$14,130,000 Special Obligation Bonds, Series 2020 (Starkville, Mississippi, Parks and Recreation General Obligation Bond Project), dated and issued April 22, 2020, and its \$9,835,000 Special Obligation Bonds, Series

2020B (Starkville, Mississippi, Parks and Recreation Project General Obligation Bond), dated and issued August 18, 2020, issued on behalf of the Municipality.

“Special Sales Tax” means, together, that portion of the 2% of the gross income of restaurants derived from retail sales of prepare food, alcoholic and nonalcoholic beverages dedicated to the Municipality to be expended for park and recreational improvements and the additional 1% economic development, tourism, and convention tax on the gross income of restaurants derived from retail sales of prepared food, alcoholic beverages, and nonalcoholic beverages, and from gross income derived from lodging at hotels and motels within the Municipality for the purpose of the “construction, maintenance, operation, and promotion of recreation and sports tournament facilities” within the Municipality.

“Special Sales Tax Authorized Purposes” shall mean providing funds to acquire real property for and constructing, equipping, owning, operating, leasing, furnishing, maintaining, and marketing new and existing sports tournament and recreational facilities of the Municipality and for related purposes as authorized by the Authority Act, and to pay the principal of and interest on bonds issued pursuant to the Authority Act.

“Subsection 148(f)” shall mean Subsection 148(f) of the Code.

“Subsection 148(f) Regulations” shall mean any regulations promulgated from time to time pursuant to Subsection 148(f).

(b) Number and Gender; Interpretation. Words of the masculine gender will be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context will otherwise indicate, words and terms herein defined will be equally applicable to the plural as well as the singular form of any of such words and terms.

2. On November 6, 2018, the Governing Body adopted a resolution stating its intent to levy the Special Sales Tax for the Special Sales Tax Authorized Purposes.

3. The Authority Act was approved by the Legislature of the State.

4. On April 16, 2019, the Governing Body adopted a resolution calling for a special election on the issue of levying the Special Sales Tax for the Special Sales Tax Authorized Purposes. After adoption of the resolution of April 16, 2019, and publication of notice of such election pursuant to the Authority Act, the citizens of the Municipality approved the aforesaid tax levy by election on May 30, 2019. On June 4, 2019, the Governing Body adopted a resolution calling for the levy of the Special Sales Tax beginning on August 1, 2019, and forwarded a copy of the resolution to the Mississippi Department of Revenue.

5. Pursuant to the Authority Act, the proceeds of the Special Sales Tax shall not be considered as general fund revenues but shall be dedicated to and expended solely for the Special Sales Tax Authorized Purposes.

6. Pursuant to the Authority Act, the Governing Body is authorized to issue general obligation bonds of the Municipality or incur other indebtedness in an aggregate principal amount that is not in excess of an amount for which debt service is capable of being funded by the proceeds

of the Special Sales Tax. The general obligation bonds issued pursuant to the Authority Act shall not be included in the limitation on indebtedness imposed in the Municipal Improvements Act or any other limitation on indebtedness of the Municipality.

7. Pursuant to the Act, the Bank has previously issued the Series 2020 Bonds.

8. Heretofore, on September 20, 2022, the Governing Body adopted a resolution entitled **“RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI, DECLARING THE INTENTION TO ISSUE GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS OF THE MUNICIPALITY, TO ISSUE A GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND OF THE MUNICIPALITY FOR SALE TO THE MISSISSIPPI DEVELOPMENT BANK, OR TO ENTER INTO A LOAN AGREEMENT WITH THE MISSISSIPPI DEVELOPMENT BANK, ALL IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$15,000,000, IN ONE OR MORE FEDERALLY TAXABLE OR TAX-EXEMPT SERIES, AND FOR A TERM OF ANY INDIVIDUAL SERIES NOT TO EXCEED 30 YEARS, TO PROVIDE FUNDS FOR THE AUTHORIZED PURPOSES; DIRECTING PUBLICATION OF NOTICE OF SUCH INTENTION; AND FOR RELATED PURPOSES”** (the “Resolution of Intent”), wherein the Governing Body found, determined, and adjudicated that it is necessary that the Bonds of the Municipality be issued in the amount and for the purpose aforesaid, declared its intention to issue the Bonds, and fixed 5:30 p.m. on November 1, 2022, as the date and hour on which it proposed to authorize the issuance of the Bonds, on or prior to which date and hour any protests to be made against the issuance of such Bonds were required to be filed.

9. As required by law and as directed by the Resolution of Intent, the Resolution of Intent was published once a week for at least 3 consecutive weeks in the *Starkville Daily News*, a newspaper published in and of general circulation in the Municipality, and qualified under the provisions of Section 13-3-31, Mississippi Code of 1972, as amended, the 1st publication having been made not less than 21 days prior to November 1, 2022, and the last publication having been made not more than 7 days prior to November 1, 2022, said Resolution of Intent having been published in the *Starkville Daily News* on October 5, 2022, October 12, 2022, October 19, 2022, and October 26, 2022, as evidenced by the publisher's affidavit, attached hereto as **Attachment B**.

10. The Governing Body finds, determines, and adjudicates that on or prior to November 1, 2022, at 5:30 p.m., the aforesaid hour and date set for the receipt of protests, no written protest or other objection of any kind or character against the issuance of the Bonds described in the Resolution of Intent had been filed or presented by qualified electors of the Municipality.

11. The Governing Body is now authorized and empowered by the provisions of the Act to issue the Bonds without an election on the question of the issuance thereof and is authorized to issue bonds registered as to principal and interest in the form and manner hereinafter provided for by Sections 31-21-1 *et seq.*, Mississippi Code of 1972, as amended.

12. The assessed value of all property within the Municipality, according to the last completed assessment for taxation, is \$289,400,035; the Municipality has outstanding bonded

indebtedness subject to the 15% debt limit prescribed by the Act in the amount of \$23,154,000, and outstanding bonded and floating indebtedness subject to the 20% debt limit prescribed by the Act (which amount includes the sum set forth above subject to the 15% debt limit), in the amount of \$29,135,000; the issuance of the Bonds hereinafter proposed to be issued, when added to the outstanding bonded indebtedness of the Municipality, will not result in bonded indebtedness, exclusive of indebtedness not subject to the aforesaid 15% debt limit, of more than 15% of the assessed value of taxable property within the Municipality, and will not result in indebtedness, both bonded and floating, exclusive of indebtedness not subject to the aforesaid 20% debt limit, in excess of 20% of the assessed value of taxable property within the Municipality and will not exceed any constitutional or statutory limitation upon indebtedness which may be incurred by the Municipality.

13. The proceeds of the Special Sales Tax are sufficient to pay the debt service on the Bonds on a parity of payment with the Series 2020 Bonds and the Bonds shall be on a parity of payment with the revenues of the Special Sales Tax with the Series 2020 Bonds.

14. The machinery and equipment will not include any motor vehicle weighing less than 12,000 pounds, and the life of the Bonds will not exceed the expected useful life of machinery and equipment financed with the proceeds of the Bonds.

15. It is advisable and in the public interest to authorize the Mayor to arrange for a municipal bond rating for the Bonds in the event that said officer determines that any such municipal bond rating is in the best interests of the Municipality. The Governing Body should authorize the obtaining of such municipal bond rating and the distribution or execution of any legal or financial documents necessary or appropriate for such purpose pertaining to any such municipal bond rating by the Mayor if such officer or officer determines any such municipal bond rating to be in the best interest of the Municipality.

16. It is advisable and in the public interest to authorize the Mayor to arrange for a Bond Insurance Policy in the event that said officer determines that any such Bond Insurance Policy is in the best interests of the Municipality. The Governing Body should authorize the obtaining of such Bond Insurance Policy and the distribution or execution of any legal or financial documents necessary or appropriate for such purpose pertaining to any such Bond Insurance Policy by the Mayor if such officer or officer determines any such Bond Insurance Policy to be in the best interest of the Municipality.

17. The Code provides that noncompliance with the provisions thereof may cause interest on obligations to become taxable retroactive to the initial date of issuance, and provides that the tax-exempt status of interest on obligations such as the Bonds is contingent on a number of future actions by the Municipality. It is necessary to make certain covenants pertaining to the exemption of the interest on the Bonds from federal income taxes since such exemption may depend, in part, upon continuing compliance by the Municipality with certain requirements of the Code.

18. The Bonds are not "private activity bonds" as such term is defined in Section 141 of the Code.

19. The Municipality is a governmental unit with general taxing powers; no obligation which is a part of the issue of the Bonds is a "private activity bond;" 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Municipality.

20. The Municipality reasonably expects that not less than 85% of the spendable proceeds of the Bonds will be used to carry out the governmental purposes of the Bonds within a three-year period beginning on the date of issuance of the Bonds.

21. It is now necessary to direct the issuance of and offer for sale the Bonds, in the maximum principal amount of \$15,000,000, out of the authorized maximum principal amount of \$15,000,000.

22. It has now become necessary to make provision for the preparation, execution, issuance, and sale of the Bonds.

23. The Preliminary Official Statement pertaining to the sale of the Bonds should be approved by the Governing Body, and copies thereof distributed to prospective purchasers of the Bonds, in substantially the form attached hereto as **Attachment C**.

24. The execution and distribution of the Official Statement pertaining to the sale of the Bonds should be approved by the Governing Body, and it is necessary and appropriate for the Governing Body to authorize the execution and distribution thereof.

25. It is necessary and appropriate for this Governing Body to approve the Continuing Disclosure Agreement attached to the Preliminary Official Statement and to authorize the execution thereof.

26. The Governing Body desires to approve and adopt the Post Issuance Compliance Procedures, in substantially the form attached hereto as **Attachment A**.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND BOARD OF ALDERMEN, ACTING FOR AND ON BEHALF OF THE CITY OF STARKVILLE, MISSISSIPPI, AS FOLLOWS:

SECTION 1. Bond Resolution as Contract. In consideration of the purchase and acceptance of any and all of the Bonds by the Registered Owners thereof, this Bond Resolution will constitute a contract between the Municipality and the Registered Owners from time to time of the Bonds. The pledges made herein and the covenants and agreements herein set forth to be performed on behalf of the Municipality will be for the equal benefit, protection, and security of the Registered Owners of any and all of the Bonds, all of which, regardless of the time or times of their authentication, delivery, or maturity, will be of equal rank without preference, priority, or distinction.

SECTION 2. Amount; Purpose. The Bonds are hereby authorized and ordered to be prepared and issued in the maximum principal amount of \$15,000,000 to provide funds for the Authorized Purposes as authorized by the Act.

SECTION 3. (a) Payments. Payments of interest on the Bonds will be made to the Record Date Registered Owner, and payments of principal will be made upon presentation and surrender thereof at the principal office of the Paying Agent to the Record Date Registered Owner in lawful money of the United States of America. Interest will be paid on the principal amount of each Bond from the date of such Bond or from the most recent interest payment date to which interest has been paid at the rate of interest per annum set forth therein.

(b) Bond Details. The Bonds will be registered as to both principal and interest; will be dated the date of delivery thereof; will be issued in the denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity; will be numbered from 1 upward in the order of issuance; will bear interest, calculated on the 30/360 basis, from the date thereof at the rate or rates specified by further order of the Governing Body, payable on such date as detailed in the Notice, and semiannually thereafter on such dates as detailed in the Notice; and will mature and become due and payable, with option of prior payment, in the years and in the principal amounts as detailed in the Notice.

(c) Prior Redemption. The Bonds shall be subject to redemption prior to their respective maturities at the election of the Municipality as detailed in the Notice, either in whole or in part on any date, with the maturities and principal amounts thereof to be determined by the Municipality, at the principal amount thereof together with accrued interest to the date fixed for redemption. Notice of each such redemption shall be mailed, postage prepaid, not less than 30 days prior to the redemption date, to all Registered Owners of the Bonds to be redeemed at their addresses as they appear on the registration books of the Municipality kept by the Paying Agent.

SECTION 4. (a) Bonds Registered as Obligations; Registration and Validation Certificate. When the Bonds will have been validated and executed as herein provided, they will be registered as an obligation of the Municipality in the office of the City Clerk in a book maintained for that purpose, and the City Clerk will cause to be imprinted upon or accompany each of the Bonds, over his manual or facsimile signature and manual or facsimile seal, the certificate in substantially the form set out in Section 6 hereof.

(b) Execution. The Bonds will be executed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the City Clerk, with the seal of the Municipality imprinted or affixed thereto; provided, however, all signatures and seals appearing on the Bonds, other than the signature of an authorized signatory of the Paying Agent hereafter provided for, may be facsimile and will have the same force and effect as if manually signed or impressed. In case any official of the Municipality whose signature or a facsimile of whose signature will appear on the Bonds will cease to be such official before the delivery or reissuance thereof, such signature or such facsimile will nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery or reissuance.

(c) Delivery; Bond Transcript; Legal Opinion. The Bonds will be delivered to the Purchaser upon payment of the purchase price therefor in accordance with the terms and conditions of their sale and award, together with a complete certified transcript of the proceedings had and done in the matter of the authorization, issuance, sale, and validation of the Bonds, and the final, unqualified approving opinion of Bond Counsel.

(d) Items Filed with Paying Agent. Prior to or simultaneously with the delivery by the Paying Agent of any of the Bonds, the Municipality will file with the Paying Agent:

(1) a copy, certified by the City Clerk, of the transcript of proceedings of the Governing Body in connection with the authorization, issuance, sale, and validation of the Bonds; and

(2) an authorization to the Paying Agent, signed by the Mayor and/or the City Clerk, to authenticate and deliver the Bonds to the Purchaser.

(e) Authentication. The Paying Agent acting through its officers, employees, or agents, will authenticate the Bonds and deliver them to the Purchaser thereof upon payment of the purchase price of the Bonds to the Municipality.

(f) Bond Certificates. Certificates, blank as to denomination, rate of interest, date of maturity, and CUSIP number (if any), and sufficient in quantity in the judgment of the Municipality to meet the reasonable transfer and reissuance needs for the Bonds, may be printed and delivered to the Paying Agent in generally-accepted format, and held by the Paying Agent until needed for transfer or reissuance, whereupon the Paying Agent will imprint the appropriate information as to denomination, rate of interest, date of maturity, and CUSIP number (if any) prior to the registration, authentication and delivery thereof to the transferee holder. The Paying Agent is hereby authorized upon the approval of the Governing Body to have printed from time to time as necessary additional certificates bearing the manual or facsimile seal of the Municipality and manual or facsimile signatures of the persons who were the officials of the Governing Body as of the date of original issue of the Bonds.

SECTION 5. (a) Designation of Paying Agent. A Paying Agent for the Bonds, which shall serve as paying agent, registrar, and transfer agent, shall be designated by further resolution of the Governing Body, authorizing the Mayor and/or the City Clerk to approve the engagement thereof.

(b) Paying Agent as Transfer Agent. So long as any of the Bonds remain outstanding, the Municipality will maintain with the Paying Agent records for the registration and transfer of the Bonds. The Paying Agent is hereby appointed registrar for the Bonds, in which capacity the Paying Agent will register in such records and permit to be transferred thereon, under such reasonable regulations as may be prescribed, any Bond entitled to registration or transfer.

(c) Fees and Expenses of Paying Agent. The Municipality will pay or reimburse the Paying Agent for reasonable fees for the performance of the services normally rendered and the incurring of normal expenses reasonably and necessarily paid as are customarily paid to paying agents, transfer agents and bond registrars, subject to agreement between the Municipality and the Paying Agent. Fees and reimbursements for extraordinary services and expenses, so long as not occasioned by the negligence, misconduct or willful default of the Paying Agent, will be made by the Municipality on a case-by-case basis, subject, where not prevented by emergency or other exigent circumstances, to the prior written approval of the Governing Body.

(d) Change of Paying Agent. (1) A Paying Agent may at any time resign and be discharged of its duties and obligations as Paying Agent by giving written notice to the

Municipality at least 60 days in advance, and may be removed as Paying Agent at any time by resolution of the Governing Body delivered to the Paying Agent. The resolution will specify the date on which such removal will take effect and the name and address of the successor Paying Agent, and will be transmitted to the Paying Agent being removed within a reasonable time prior to the effective date thereof. Provided, however, that no resignation or removal of a Paying Agent will become effective until a successor Paying Agent has been appointed pursuant to this Bond Resolution.

(2) Upon receiving notice of the resignation of a Paying Agent, the Municipality will promptly appoint a successor Paying Agent by resolution of the Governing Body. Any appointment of a successor Paying Agent will become effective on the effective date of the resignation or removal of the predecessor Paying Agent upon acceptance of appointment by the successor Paying Agent. If no successor Paying Agent will have been so appointed and have accepted appointment within 30 days after the notice of resignation, the resigning Paying Agent may petition any court of competent jurisdiction for the appointment of a successor Paying Agent, which court may thereupon, after such notice as it may deem appropriate, appoint a successor Paying Agent.

(3) In the event of a change of Paying Agents, the predecessor Paying Agent will cease to be custodian of any funds held pursuant to this Bond Resolution in connection with its role as such Paying Agent, and the successor Paying Agent will become such custodian; provided, however, that before any such delivery is required to be made, all fees, advances, and expenses of the retiring or removed Paying Agent will be fully paid. Every predecessor Paying Agent will deliver to its successor Paying Agent all records of account, registration records, lists of Registered Owners and all other records, documents and instruments relating to its duties as such Paying Agent.

(4) Any successor Paying Agent appointed under the provisions hereof will be a bank, trust company or national banking association having Federal Deposit Insurance Corporation insurance of its accounts, duly authorized to exercise corporate trust powers and subject to examination by and in good standing with the federal and/or state regulatory authorities under the jurisdiction of which it falls.

(5) Every successor Paying Agent appointed hereunder will execute, acknowledge and deliver to its predecessor Paying Agent and to the Municipality an instrument in writing accepting such appointment hereunder, and thereupon such successor Paying Agent, without any further act, will become fully vested with all the rights, immunities, and powers, and subject to all the duties and obligations, of its predecessor.

(6) Should any transfer, assignment, or instrument in writing be required by any successor Paying Agent from the Municipality to more fully and certainly vest in such successor Paying Agent the estates, rights, powers, and duties hereby vested or intended to be vested in the predecessor Paying Agent, any such transfer, assignment, and written instruments will, on request, be executed, acknowledged, and delivered by the Municipality.

(7) The Municipality will provide any successor Paying Agent with certified copies of all resolutions, orders, and other proceedings adopted by the Governing Body relating to the Bonds.

(8) All duties and obligations imposed hereby on a Paying Agent or successor Paying Agent will terminate upon the accomplishment of all duties, obligations, and responsibilities imposed by law or required to be performed by this Bond Resolution.

(e) Successor Corporation or Association as Paying Agent. Any corporation or association into which a Paying Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party, will be and become successor Paying Agent hereunder and vested with all the powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of either the Municipality or the successor Paying Agent, anything herein to the contrary notwithstanding, provided only that such successor Paying Agent will be satisfactory to the Municipality and eligible under the provisions of this Section.

SECTION 6. Bond Form. The Bonds will be in substantially the following form, with such appropriate variations, omissions, and insertions as are permitted or required by this Bond Resolution:

**UNITED STATES OF AMERICA
STATE OF MISSISSIPPI
CITY OF STARKVILLE, MISSISSIPPI
GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES 2023
(PARKS AND RECREATION IMPROVEMENTS PROJECT)**

No. R-_____ \$ _____

<u>Rate of Interest</u>	<u>Maturity</u>	<u>Dated Date</u>	<u>CUSIP</u>
_____ %	_____, 20__	_____, 20__	_____

Registered Owner: Cede & Co.

Principal Amount: _____ Dollars

The Mayor and Board of Aldermen of the City of Starkville, Mississippi (the "Governing Body" of the "Municipality"), a body politic existing under the Constitution and laws of the State of Mississippi (the "State"), acknowledges itself to owe and for value received, promises to pay in lawful money of the United States of America to the Registered Owner identified above, on the maturity date stated above, upon the presentation and surrender of this bond, at the principal office of _____, _____, _____, or its successor, as paying agent (the "Paying Agent") for the \$ _____ General Obligation Public Improvement Bonds, Series 2023 (Parks and Recreation Improvements Project), of the Municipality (the "Bonds"), on the maturity date

identified above, the principal amount identified above. Payment of the principal amount of this Bond will be made to the Registered Owner hereof whose name will appear in the registration records of the Municipality maintained by the Paying Agent, which will also serve as registrar and transfer agent for the Bonds, as of the 15th day of the calendar month preceding the maturity date hereof.

The Municipality further promises to pay interest, calculated on the 30/360 basis, on such principal amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the rate of interest per annum set forth above payable on _____, 20__, and semiannually thereafter on _____ 1 and _____ 1 of each year, until said principal sum is paid, to the Registered Owner hereof whose name will appear in the registration records of the Municipality maintained by the Paying Agent as of the 15th day of the calendar month preceding the applicable interest payment date.

All capitalized terms not otherwise defined herein will have the meaning set forth in the resolutions authorizing and directing the issuance of the Bonds adopted by the Governing Body on September 20, 2022, November 1, 2022, and _____, 20__ (together, the "Bond Resolution").

Payments of principal of and interest on this Bond will be made by check or draft delivered directly to or mailed on the date on which interest or principal and interest will be due and payable (or, with respect to principal, such later date on which any Bond will be presented and surrendered for payment as provided herein) to such Registered Owner at his address as it appears on such registration records. The Registered Owner hereof may change such address by written notice to the Paying Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Paying Agent, such notice to be received by the Paying Agent not later than the 15th day of the calendar month preceding the applicable principal or interest payment date.

Bonds maturing after _____, 20__, are subject to redemption prior to their respective maturities at the election of the Municipality on and after _____, 20__, either in whole or in part on any date, with the maturities and principal amounts thereof to be determined by the Municipality, at the principal amount thereof together with accrued interest to the date fixed for redemption. Notice of each such redemption shall be mailed, postage prepaid, not less than 30 days prior to the redemption date, to all Registered Owners of the Bonds to be redeemed at their addresses as they appear on the registration books of the Municipality kept by the Paying Agent.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to denomination, number, rate of interest and date of maturity, issued in the aggregate authorized principal amount of \$_____, out of an authorized amount of \$15,000,000, to provide funds for the purpose of erecting municipal buildings, auditoriums, community centers, gymnasiums, and athletic stadiums, preparing and equipping athletic fields, and purchasing buildings or land therefor, and for repairing, improving, adorning, and equipping the same; erecting or purchasing waterworks, gas, electric, and other public utility plants or distribution systems or franchises, and repairing, improving, and extending the same; establishing sanitary, storm, drainage, or sewerage systems, and repairing, improving, and extending the same; protecting the Municipality, its streets, and sidewalks from overflow, caving banks, and other like dangers; constructing, improving, or

paving streets, sidewalks, driveways, parkways, walkways, or public parking facilities, and purchasing land therefor; purchasing land for parks and public playgrounds, and improving, equipping, and adorning the same, including the constructing, repairing, and equipping of swimming pools and other recreational facilities; constructing bridges and culverts; altering or changing the channels of streams and water courses to control, deflect, or guide the current thereof; purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; purchasing machinery and equipment which have an expected useful life in excess of 10 years (the "General Municipal Improvements Authorized Purposes") and providing funds to acquire real property for and for constructing, equipping, owning, operating, leasing, furnishing, maintaining, and marketing new and existing sports tournament and recreational facilities of the Municipality and for related purposes as authorized by the Authority Act, and to pay the principal of and interest on bonds issued pursuant to the Authority Act (the "Special Sales Tax Authorized Purposes") (together, the "Authorized Purposes").

This Bond is issued under the authority of the Constitution and statutes of the State, including House Bill 1547, as approved by the Legislature of the State of Mississippi (the "Legislature" of the "State") in its Regular Session 2022 and signed by the Governor (the "Governor") of the State on March 23, 2022, and by House Bill No. 1565, as approved by the Legislature in its Regular Session 2019 and signed by the Governor on April 3, 2019 (together, the "Authority Act"), Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended (the "Municipal Improvements Act"), and other applicable laws of the State (together, the "Act"), and by the further authority of proceedings duly had by the Governing Body, including the Bond Resolution.

The Bonds are registered as to both principal and interest and are to be issued or reissued in the denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity.

This Bond may be transferred or exchanged by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Paying Agent, but only in the manner provided by and subject to the limitations in the Bond Resolution, and upon surrender and cancellation of this Bond. Upon such transfer or exchange, a new Bond or Bonds of like aggregate principal amount in authorized denominations of the same maturity will be issued.

The Municipality and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the Municipality nor the Paying Agent will be affected by any notice to the contrary.

The Bonds shall be general obligations of the Municipality payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon all the taxable property within the geographical limits of the Municipality. To the extent other moneys are not available, the Municipality will levy annually a direct and continuing tax upon all taxable property within the geographical limits of the Municipality, which tax, together with any other moneys available for such purpose, will be adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due; provided, however, that such tax levy for any year

shall be abated *pro tanto* to the extent the Municipality on or prior to September 1 of that year has transferred money to the Parks and Recreation Bond Fund, or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the Bonds due during the ensuing fiscal year of the Municipality, in accordance with the provisions of the Bond Resolution.

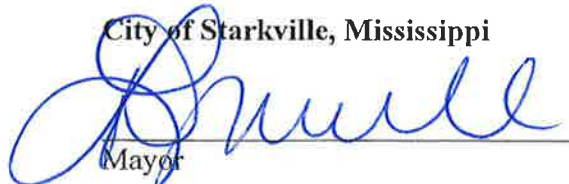
Provided, however, any other funds available to the Municipality which may be lawfully used for payment of the principal of, premium, if any, and interest on the Bonds, and which the Governing Body, in its discretion, may direct to be deposited into the Parks and Recreation Bond Fund, including, but not limited to, that portion of the 2% of the gross income of restaurants derived from retail sales of prepare food, alcoholic and nonalcoholic beverages dedicated to Municipality parks to be expended for park and recreational improvements and the additional 1% economic development, tourism, and convention tax on the gross income of restaurants derived from retail sales of prepared food, alcoholic beverages, and nonalcoholic beverages, and from gross income derived from lodging at hotels and motels within the Municipality for the Authorized Purposes (together, the "Special Sales Tax"), pursuant to the Act, may be used for the payment of the principal and interest due on the Bonds.

This Bond will not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Resolution until the "Certificate of Registration and Authentication" hereon will have been signed by the Paying Agent, acting through its officers, employees, or agents.

IT IS HEREBY CERTIFIED, RECITED, AND REPRESENTED that all conditions, acts, and things required by law to exist, to have happened, and to have been performed precedent to and in the issuance of the Bonds, in order to make the same legal and binding general obligations of the Municipality, according to the terms thereof, do exist, have happened and have been performed in regular and due time, form, and manner as required by law. For the performance in apt time and manner of every official act herein required, and for the prompt payment of this Bond, both principal and interest, the full faith and credit of the Municipality are hereby irrevocably pledged.

IN WITNESS WHEREOF, the Municipality has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor of the Municipality, countersigned by the manual or facsimile signature of the City Clerk of the Municipality, under the manual or facsimile seal of the Municipality, which said facsimile signatures of said officials adopt as and for their own proper signatures, all as of 4-4, 2023.

City of Starkville, Mississippi


Mayor

Countersigned:


City Clerk



REGISTRATION AND VALIDATION CERTIFICATE

I, the undersigned City Clerk of the City of Starkville, Mississippi, do hereby certify that the within Bond has been duly registered by me as an obligation of said Municipality pursuant to law in a book kept in my office for that purpose, and has been validated and confirmed by Validation Judgment of the Chancery Court of Oktibbeha County, Mississippi, rendered on _____, 20__.

City of Starkville, Mississippi

(seal)

City Clerk

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Bond Resolution and is one of the \$_____ General Obligation Public Improvement Bonds, Series 2023 (Parks and Recreation Improvements Project), of the City of Starkville, Mississippi.

_____, _____, _____,
as Paying Agent

Authorized Signatory

Date of Registration and Authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____ as Paying Agent to transfer the Bond on the records kept for registration thereof with full power of substitution in the premises.

Signature guaranteed:

(Bank, Trust Company or Paying Agent)

NOTICE: The signature to this
Assignment must correspond with
the Registered Owner as it appears upon the

(Authorized Signatory)

NOTICE: Signature(s) must
be guaranteed by an institution
that is a participant in a
Securities Transfer Association
recognized signature guarantee
program.

face of the within Bond in
every particular, without
alteration or enlargement or any
change whatsoever.

Date of Assignment: _____

Insert Social Security Number or Other Tax Identification Number of Assignee: _____

[END OF BOND FORM]

SECTION 7. Replacement of Bond Certificates. In case any Bond will become mutilated or be stolen, destroyed, or lost, the Municipality will, if not then prohibited by law, cause to be authenticated and delivered a new Bond of like date, number, maturity, and tenor in exchange and substitution for and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond stolen, destroyed, or lost, upon the Registered Owner's paying the reasonable expenses and charges of the Municipality in connection therewith, and in case of a Bond stolen, destroyed, or lost, his filing with the Municipality or Paying Agent evidence satisfactory to them that such Bond was stolen, destroyed, or lost, and of his ownership thereof, and furnishing the Municipality or Paying Agent with such security or indemnity as may be required by law or by them to save each of them harmless from all risks, however remote.

SECTION 8. Security for Payment. The Bonds shall be general obligations of the Municipality payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon all the taxable property within the geographical limits of the Municipality. To the extent other moneys are not available, the Municipality will levy annually a direct and continuing tax upon all taxable property within the geographical limits of the Municipality, which tax, together with any other moneys available for such purpose, will be adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due; provided, however, that such tax levy for any year shall be abated *pro tanto* to the extent the Municipality on or prior to September 1 of that year has transferred money to the Parks and Recreation Bond Fund, or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the Bonds due during the ensuing fiscal year of the Municipality, in accordance with the provisions of the Bond Resolution. Provided, however, any other funds available to the Municipality which may be lawfully used for payment of the principal of, premium, if any, and interest on the Bonds, and which the Governing Body, in its discretion, may direct to be deposited into the Parks and Recreation Bond Fund, including, but not limited to, the Special Sales Tax", pursuant to the Act, may be used for the payment of the principal and interest due on the Bonds. Should there be a failure in any year to comply with the requirements of this Section, such failure will not impair the right of the Registered Owners of any of the Bonds in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Bonds, both as to principal and interest.

SECTION 9. Certificate of Registration and Authentication. Only such of the Bonds as will have endorsed thereon a "Certificate of Registration and Authentication" in substantially the form hereinabove set forth, duly executed by the Paying Agent, will be entitled to the rights, benefits, and security of this Bond Resolution. No Bond will be valid or obligatory for any purpose unless and until such "Certificate of Registration and Authentication" will have been duly executed by the Paying Agent, which executed certificate will be conclusive evidence of registration, authentication, and delivery under this Bond Resolution. The Paying Agent's "Certificate of Registration and Authentication" on any Bond will be deemed to have been duly executed if signed by an authorized signatory of the Paying Agent, but it will not be necessary that the same signatory sign said certificate on all of the Bonds that may be issued hereunder at any one time.

SECTION 10. (a) Initial Registration. In the event the Purchaser will fail to designate the names, addresses, and social security or tax identification numbers of the Registered Owners of the Bonds within 30 days of the date of sale, or at such other later date as may be designated by the Municipality, 1 Bond registered in the name of the Purchaser may be issued in the full amount for each maturity. Ownership of the Bonds will be in the Purchaser until the initial Registered Owner has made timely payment and, upon request of the Purchaser within a reasonable time of the initial delivery of the Bonds, the Paying Agent will re-register any such Bond upon its records in the name of the Registered Owner to be designated by the Purchaser in the event timely payment has not been made by the initial Registered Owner.

(b) Registered Owner as Owner. Except as hereinabove provided, the Person in whose name any Bond will be registered in the records of the Municipality maintained by the Paying Agent may be deemed the absolute owner thereof for all purposes, and payment of or on account of the principal of or interest on any Bond will be made only to or upon the order of the Registered Owner thereof, or his legal representative, but such registration may be changed as hereinafter provided. All such payments will be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

SECTION 11. (a) Transfers. Each Bond will be transferable only in the records of the Municipality, upon surrender thereof at the office of the Paying Agent, together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the Registered Owner or his attorney duly authorized in writing. Upon the transfer of any Bond, the Municipality, acting through its Paying Agent, will issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond or Bonds.

(b) Paying Agent to Transfer in Accordance with Bond Resolution. In all cases in which the privilege of transferring Bonds is exercised, the Paying Agent, acting through its officers, employees, or agents, will authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution.

(c) Expenses of Transfer. The Municipality or the Paying Agent may require payment by the Registered Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer of Bonds. All other expenses incurred by the Municipality or the Paying Agent in connection with any transfer of Bonds will be paid by the Municipality.

SECTION 12. (a) Parks and Recreation Bond Fund. The Municipality will maintain with a qualified depository thereof the "Parks and Recreation Bond Fund," in its name for the payment of the principal of and interest on the Bonds, and the payment of Paying Agents' fees in connection therewith. There will be deposited into the Parks and Recreation Bond Fund as and when received:

- (1) The accrued interest, if any, received upon delivery of the Bonds;
- (2) The avails of any of the ad valorem taxes levied and collected pursuant to Section 8 hereof;
- (3) Any income received from investment of moneys in the Parks and Recreation Bond Fund; and
- (4) Any other funds available to the Municipality which may be lawfully used for payment of the principal of and interest on the Bonds, and which the Governing Body, in its discretion, may direct to be deposited into the Parks and Recreation Bond Fund, including the Special Sales Tax.

(b) Payments by City Clerk. As long as any principal of and interest on the Bonds remains outstanding, the City Clerk is hereby irrevocably authorized and directed to withdraw from the Parks and Recreation Bond Fund sufficient moneys to make the payments herein provided for and to transfer same to the account of the Paying Agent in time to reach said Paying Agent prior to the date on which said interest or principal and interest shall become due, and in accordance with any statutory requirements.

(c) Bond Fund Options. Notwithstanding anything herein to the contrary, the Municipality at its option may maintain 1 "Bond Fund" for all general obligation bonds of the Municipality, or as many as it will deem to be appropriate.

SECTION 13. Improvement Fund. The principal proceeds, and premium, if any, received upon the sale of the Bonds will be deposited with a qualified depository of the Municipality in a special public improvement fund, the "Improvement Fund," hereby created, in the name of the Municipality. From the Improvement Fund there will be first paid the costs, fees, and expenses incurred by the Municipality in connection with the authorization, issuance, sale, validation, and delivery of the Bonds. The balance thereof will be held and disbursed for the Authorized Purposes, as authorized by the Act. Any proceeds of the Bonds remaining in the Improvement Fund after the completion of the projects to be financed within the Authorized Purposes shall be transferred to the Parks and Recreation Bond Fund.

SECTION 14. (a) Payments of Principal. Payment of principal on the Bonds will be made, upon presentation and surrender of the Bonds at the principal office of the Paying Agent, to the Record Date Registered Owner thereof whose name will appear in the registration records of the Municipality maintained by the Paying Agent as of the Record Date.

(b) Payments of Interest. Payment of each installment of interest on the Bonds will be made to the Record Date Registered Owner thereof. Interest will be payable in the aforesaid

manner irrespective of any transfer or exchange of such Bond subsequent to the Record Date and prior to the due date of the interest.

(c) Method of Payment; Change of Address. Principal of and interest on the Bonds will be paid by check or draft delivered directly to or mailed on the date on which interest or principal and interest will be due and payable (or, with respect to principal, such later date on which any Bond will be presented and surrendered for payment as provided herein) or such other method as may be mutually satisfactory to the Paying Agent and Bond Holders, to the Registered Owners at the addresses appearing in the registration records of the Paying Agent. Any such address may be changed by written notice from the Registered Owner to the Paying Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Paying Agent, such notice to be received by the Paying Agent not later than the 15th day of the calendar month preceding the applicable principal or interest payment date to be effective as of such date.

SECTION 15. Validation. The Bonds shall be submitted to validation as provided by Sections 31-13-1 *et seq.*, Mississippi Code of 1972, as amended, and to that end the City Clerk is hereby directed to make up a transcript of all legal papers and proceedings relating to the Bonds and to certify and forward the same to the State Bond Attorney for the institution of validation proceedings.

SECTION 16. Validation of Certain Amendments, Revisions, or Supplements. It is specifically provided, notwithstanding the dates set out in this Bond Resolution for the date of the Bonds and the payment dates for principal and interest, that in the event the delivery of the Bonds is delayed by a contest of the validation of the Bonds or otherwise, and the initial Purchaser will decline to take delivery of the Bonds, then the Bonds may be reoffered for sale. In such event, all principal maturities may be adjusted so that such maturities will fall due in the same amounts and intervals as herein provided, but beginning on the next principal payment date following the issuance of the Bonds as provided by the subsequent resolution directing the offer for sale thereof, and continuing through the 20th annual payment. The interest payments may also be adjusted accordingly, with interest payments due semiannually, commencing on the next principal payment date or interest payment date (whichever occurs first) following the date of the Bonds. After the validation of the Bonds, no amendment, revision or supplement contemplated by this Section will be cause for the re-submission of the proceedings for the issuance of the Bonds, as amended, revised or supplemented, to any further validation proceedings, it being the intent of this Bond Resolution that any such amendments, revisions or supplements be covered by the initial validation proceeding.

SECTION 17. Events of Default; Remedies. An "Event of Default" as used in this Resolution shall mean any of the following: (a) failure to pay the principal of, premium, if any, or interest on any of the Bonds when such payments will become due, (b) failure to comply with any other of the covenants of the Municipality set out in this Bond Resolution and the continuation thereof for 30 days after written notice specifying such failure will have been given to the Municipality by any Bondholder or (c) filing by the Municipality of a petition under federal bankruptcy laws or a petition seeking composition of indebtedness under any other applicable federal or state laws. Notwithstanding the foregoing, the Municipality's noncompliance with its

obligations under Section 20 hereof and the Continuing Disclosure Agreement will not constitute an Event of Default within the meaning of this Section.

The Holders of not less than 25% of the aggregate principal amount of the outstanding Bonds may, upon an Event of Default, by suit, action, mandamus or other proceedings at law or in equity take action to enforce and compel performance by the appropriate official or officials of the Municipality of any or all of the acts or duties to be performed by the Municipality under the provisions of the Act and this Bond Resolution. The Holders of not less than 51% in aggregate principal amount of the Bonds then outstanding may appoint a trustee for the Holders of all outstanding Bonds issued under this Bond Resolution with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders under this Bond Resolution.

Nothing in this Bond Resolution will, however, affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the obligation of the Municipality to pay the principal of and interest on each of the Bonds issued hereunder to the respective Bondholders thereof at the time and place and in the manner in expressed in the Bonds.

SECTION 18. Preliminary Official Statement. The Governing Body hereby approves the Preliminary Official Statement pertaining to the sale of the Bonds, and the distribution of said Preliminary Official Statement is hereby authorized in substantially the form attached hereto as **Attachment C**.

SECTION 19. Official Statement.

(a) The Governing Body hereby approves and adopts the Official Statement pertaining to the sale of the Bonds in substantially the form of the Preliminary Official Statement with such completions, changes, insertions, and modifications as shall be approved by the officers of the Municipality executing and delivering the same, the execution thereof by such officers to be conclusive evidence of such approval.

(b) The Governing Body hereby approves the execution by the Mayor and the City Clerk of the Official Statement for and on behalf of this Governing Body, and the distribution of such Official Statement pertaining to the sale of the Bonds is hereby approved.

SECTION 20. Continuing Disclosure Agreement. The Governing Body hereby approves and adopts the Continuing Disclosure Agreement attached to the Preliminary Official Statement, and approves and authorizes the execution of said Continuing Disclosure Agreement by the City Clerk of the Municipality for and on behalf of the Municipality in substantially the form attached to the Preliminary Official Statement, with such completions, changes, insertions, and modifications as shall be approved by the officer of the Municipality executing and delivering the same, the execution thereof to be conclusive evidence of such approval.

SECTION 21. (a) Offer for Sale as Provided in Notice. The Bonds will be offered for sale on sealed bids at a meeting of the Governing Body to be held at the place, on the date, and at the hour specified and upon the terms and conditions set out in the Notice in Section 22 hereof. On or before said date and hour, such sealed bids must be filed with the City Clerk at the place

specified in the Notice. The Governing Body reserves the right to reject any and all bids submitted, and if all bids are rejected, to sell the Bonds at a private sale at any time within 60 days after the date advertised for the receipt of bids, at a price not less than the highest bid which will have been received at the advertised sale.

(b) Interest Rate Limit; Requirements of Act. In no event will the Bonds be issued at a rate of interest in excess of that allowed in the Notice, and the Bonds will in all other respects comply with the requirements of the Act.

SECTION 22. Notice of Bond Sale: Publication and Form. As required by Section 31-19-25, Mississippi Code of 1972, as amended, the City Clerk is hereby authorized and directed to give the Notice by publishing an advertisement at least 2 times in the *Starkville Daily News*, a newspaper published in and of general circulation in the Municipality, the first publication thereof to be made at least 10 days preceding the date fixed herein for the receipt of bids. The Notice will be in substantially the following form:

NOTICE OF BOND SALE

**\$ _____ GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, SERIES
2023
(PARKS AND RECREATION IMPROVEMENTS PROJECT)
CITY OF STARKVILLE, MISSISSIPPI**

NOTICE IS HEREBY GIVEN that the Mayor and Board of Aldermen of the City of Starkville, Mississippi (the "Governing Body" of the "Municipality") will receive bids, which may be in electronic form, for the purchase in its entirety, at not less than par and accrued interest to the date of delivery thereof, of an issue of \$ _____ General Obligation Public Improvement Bonds, Series 2023 (Parks and Recreation Improvements Project), of the Municipality (the "Bonds") on Tuesday, _____, 20__, until the hour of 3:00 p.m. The City Clerk will act on behalf of the Governing Body to receive bids at the aforesaid date, time, and place. Immediately following said time on said date, said bids will be publicly opened and read, for consideration by the Governing Body at their regular meeting at 5:30 p.m. on Tuesday, _____, 20__. All bids will remain firm for 4 hours after the time specified for the opening of bids, and an award of the Bonds, or rejection of bids, will be made by the Governing Body within said period of time.

THE BONDS: The Bonds will be registered as to both principal and interest; will be dated and bear interest, calculated on the 30/360 basis, from _____, 20__; will be issued on _____, 20__; will be delivered in definitive form as registered bonds; will be issued in the denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity; will be numbered from 1 upward in the order of issuance; will be payable as to principal at a bank or trust company to be named by the Governing Body in the manner hereinafter provided; and will bear interest, calculated on the 30/360 basis, from the date thereof, payable on _____, 20__, and semiannually thereafter on _____ 1 and _____ 1 of each year, at the rate or rates offered by the successful bidder in its bid in accordance with this Notice of Bond Sale (the "Notice").

MATURITIES: The Bonds will mature serially, with option of prior payment, on _____ 1 in each of the years and amounts as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2024	\$ _____
2025	\$ _____
2026	\$ _____
2027	\$ _____
2028	\$ _____
2029	\$ _____
2030	\$ _____
2031	\$ _____
2032	\$ _____
2033	\$ _____
2034	\$ _____
2035	\$ _____
2036	\$ _____
2037	\$ _____
2038	\$ _____
2039	\$ _____
2040	\$ _____
2041	\$ _____
2042	\$ _____
2043	\$ _____

REDEMPTION: Bonds maturing after _____, 20__, are subject to redemption prior to their respective maturities at the election of the Municipality on and after _____, 20__, either in whole or in part on any date, with the maturities and principal amounts thereof to be determined by the Municipality, at the principal amount thereof together with accrued interest to the date fixed for redemption. Notice of each such redemption shall be mailed, postage prepaid, not less than 30 days prior to the redemption date, to all Registered Owners of the Bonds to be redeemed at their addresses as they appear on the registration books of the Municipality kept by the Paying Agent.

AUTHORITY AND SECURITY: The Bonds will be issued pursuant to the provisions of House Bill 1547, as approved by the Legislature of the State of Mississippi (the "Legislature" of the "State") in its Regular Session 2022 and signed by the Governor (the "Governor") of the State on March 23, 2022, and by House Bill No. 1565, as approved by the Legislature in its Regular Session 2019 and signed by the Governor on April 3, 2019 (together, the "Authority Act"), Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended (the "Municipal Improvements Act"), and other applicable laws of the State (together, the "Act"), and the resolutions authorizing and directing the issuance of the Bonds adopted by the Governing Body on September 20, 2022, November 1, 2022, and _____, 20__ (together, the "Bond Resolution"), and shall be general obligations of the Municipality payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without

limitation as to rate or amount upon all the taxable property within the geographical limits of the Municipality. To the extent other moneys are not available, the Municipality will levy annually a direct and continuing tax upon all taxable property within the geographical limits of the Municipality, which tax, together with any other moneys available for such purpose, will be adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due; provided, however, that such tax levy for any year shall be abated *pro tanto* to the extent the Municipality on or prior to September 1 of that year has transferred money to the Parks and Recreation Bond Fund (as defined in the Bond Resolution), or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the Bonds due during the ensuing fiscal year of the Municipality, in accordance with the provisions of the Bond Resolution. Provided, however, any other funds available to the Municipality which may be lawfully used for payment of the principal of, premium, if any, and interest on the Bonds, and which the Governing Body, in its discretion, may direct to be deposited into the Parks and Recreation Bond Fund, including, but not limited to, that portion of the 2% of the gross income of restaurants derived from retail sales of prepare food, alcoholic and nonalcoholic beverages dedicated to Municipality parks to be expended for park and recreational improvements and the additional 1% economic development, tourism, and convention tax on the gross income of restaurants derived from retail sales of prepared food, alcoholic beverages, and nonalcoholic beverages, and from gross income derived from lodging at hotels and motels within the Municipality for the Authorized Purpose (as defined herein and in the Bond Resolution) (together, the "Special Sales Tax"), pursuant to the Act, may be used for the payment of the principal and interest due on the Bonds.

PURPOSE: The Bonds are being issued to provide funds for the purpose of erecting municipal buildings, auditoriums, community centers, gymnasiums, and athletic stadiums, preparing and equipping athletic fields, and purchasing buildings or land therefor, and for repairing, improving, adorning, and equipping the same; erecting or purchasing waterworks, gas, electric, and other public utility plants or distribution systems or franchises, and repairing, improving, and extending the same; establishing sanitary, storm, drainage, or sewerage systems, and repairing, improving, and extending the same; protecting the Municipality, its streets, and sidewalks from overflow, caving banks, and other like dangers; constructing, improving, or paving streets, sidewalks, driveways, parkways, walkways, or public parking facilities, and purchasing land therefor; purchasing land for parks and public playgrounds, and improving, equipping, and adorning the same, including the constructing, repairing, and equipping of swimming pools and other recreational facilities; constructing bridges and culverts; altering or changing the channels of streams and water courses to control, deflect, or guide the current thereof; purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; purchasing machinery and equipment which have an expected useful life in excess of 10 years (the "General Municipal Improvements Authorized Purposes"), and providing funds to acquire real property for and for constructing, equipping, owning, operating, leasing, furnishing, maintaining, and marketing new and existing sports tournament and recreational facilities of the Municipality and for related purposes as authorized by the Authority Act, and to pay the principal of and interest on bonds issued pursuant to the Authority Act (the "Special Sales Tax Authorized Purposes") (together, "Authorized Purposes").

FORM OF BIDS: Bids should be addressed to the Governing Body and should be plainly marked "Bid for \$_____ General Obligation Public Improvement Bonds, Series 2023 (Parks

and Recreation Improvements Project), of the City of Starkville, Mississippi.” All bids should be submitted in substantially the form prepared by the Municipality as the Official Bid Form. A copy of the Official Bid Form may be obtained from the City Clerk of the Municipality at l.hardin@cityofstarkville.org, from Stephens Inc., Ridgeland, Mississippi (the “Municipal Advisor”), at pierce.moore@stephens.com and max.neely@stephens.com, or from Watkins & Eager PLLC, Jackson, Mississippi (“Bond Counsel”) at bdavis@watkinseager.com. All bids submitted in electronic form should be delivered via email to the Municipal Advisor at pierce.moore@stephens.com and max.neely@stephens.com. All bids not in electronic form should be sealed and delivered to the City Clerk at her office in the City Hall located at 110 West Main Street in the Municipality.

INTEREST RATE AND BID RESTRICTIONS: The Bonds will not bear a greater overall maximum interest rate to maturity than 11% per annum, nor will the interest rate for any one maturity exceed 11% per annum. No Bond will bear more than 1 rate of interest; each Bond will bear interest, calculated on the 30/360 basis, from its date to its stated maturity date at the interest rate specified in the bid; all Bonds of the same maturity will bear the same rate of interest from date to maturity; and the lowest interest rate specified will not be less than 70% of the highest interest rate specified. Each interest rate specified in any bid must be a multiple of 1/8th of 1% or 1/10th of 1% and a 0% rate of interest cannot be named.

GOOD FAITH DEPOSIT: Each bid must be accompanied by a cashier's check, certified check, or exchange, issued or certified by a bank located in the State of Mississippi, payable to the “Mayor and Board of Aldermen of the City of Starkville, Mississippi,” in the amount of \$256,000 as a guaranty that the bidder will carry out its contract and purchase the Bonds if its bid be accepted. All checks of unsuccessful bidders will be returned immediately on award of the Bonds. If the successful bidder fails to purchase the Bonds pursuant to its bid and contract, then the amount of such good faith check will be retained by the Municipality as liquidated damages for such failure. No interest will be allowed on the amount of the good faith deposit.

DTC BOOK-ENTRY: Unless specifically declined by the purchaser, the Bonds are being initially offered as registered in the name of Cede & Co., as Registered Owner and nominee for The Depository Trust Company, New York, New York (“DTC”) under DTC’s Book-entry system of registration. Purchasers of interests in the Bonds (the “Beneficial Owners”) will not receive physical delivery of bond certificates and ownership by the Beneficial Owners of the Bonds will be evidenced by book-entry. As long as Cede & Co. is the Registered Owner of the Bonds as nominee of DTC, payments of principal and interest will be made directly to such Registered Owner which will in turn remit such payments to the DTC participants for subsequent disbursement to the Beneficial Owners.

AWARD OF BONDS: The award, if any, will be made to the bidder complying with the terms of sale and offering to purchase the Bonds at the lowest net interest cost to the Municipality, which will be determined by computing the aggregate interest on the Bonds over the life of the issue at the rate or rates of interest specified by the bidder, less premium offered, if any. It is requested that each bid be accompanied by a statement of the net interest cost (computed to 6 decimal places), but such statement will not be considered a part of the bid. All bids will remain firm for 4 hours after the time specified for the opening of bids, and an award of the Bonds, or rejection of bids, will be made by the Governing Body within said period of time.

RIGHT OF REJECTION, CANCELLATION: The Governing Body reserves the right to reject any or all bids submitted, as well as to waive any irregularity or informality in any bid. The successful bidder will have the right, at its option, to cancel its agreement to purchase the Bonds if the Bonds are not tendered for delivery within 60 days from the date of sale thereof, and in such event the Governing Body will return to said bidder its good faith deposit. The Governing Body will have the right, at its option, to cancel its agreement to sell the Bonds if within 5 days after the tender of the Bonds for delivery the successful bidder will not have accepted delivery of and paid for the Bonds, and in such event the Governing Body will retain the successful bidder's good faith deposit as liquidated damages as hereinabove provided.

PAYING AGENT, TRANSFER AGENT, AND REGISTRAR: The successful bidder may designate a bank or trust company located within the State to serve as paying agent (the "Paying Agent") for the Bonds within 48 hours of the date of sale of the Bonds, subject to the approval of the Governing Body. The Governing Body's approval of the Paying Agent shall be contingent on a determination as to the willingness and ability of the Paying Agent to perform the duties of registrar and transfer agent and on the satisfactory negotiation of service fees. The Paying Agent shall be subject to change by order of the Governing Body under the conditions and in the manner provided in the Bond Resolution under which the Bonds are issued. Both principal of and interest on the Bonds will be payable by check or draft mailed to Registered Owners of the Bonds as of the 15th day of the month preceding the maturity date for such principal or interest payment at the addresses appearing in the registration records of the Municipality maintained by the Paying Agent. The Bonds will be transferable only upon the books of the Paying Agent, and payment of principal at maturity shall be conditioned on the proper presentation and surrender of the Bonds to the Paying Agent.

DELIVERY: The successful bidder must designate within 30 days of the date of sale, or at such other later date as may be designated by the Governing Body, the names and addresses of the Registered Owners of the Bonds and the denominations in which the Bonds of each maturity are to be issued. If the successful bidder fails to submit such information within the required time, one Bond may be issued for each maturity in the full amount maturing on that date registered in the name of the successful bidder. The Bonds will be delivered at a place to be designated by the purchaser and without cost to the purchaser, and payment therefor will be made in immediately available funds.

CUSIP NUMBERS: Unless specifically declined by the purchaser, it is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any bond nor any error with respect thereto will constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid by the Municipality; the CUSIP Service Bureau charge for the assignment of said numbers will be the responsibility of and will be paid for by the purchaser.

LEGAL OPINION; CLOSING DOCUMENTS: The Bonds are offered subject to the unqualified approval of the legality thereof by Bond Counsel. In the opinion of Bond Counsel, interest on the Bonds is exempt from federal and Mississippi income taxes under existing laws, regulations, rulings, and judicial decisions with such exceptions as will be described in the Official Statement for the Bonds. A copy of the opinion of Bond Counsel, together with the usual closing

papers, including a no-litigation certificate dated the date of delivery of the Bonds, evidencing that no litigation is pending in any way affecting the legality of the Bonds or the taxes to be levied for the payment of the principal thereof and interest thereon, and a transcript of the proceedings relating to the Bonds will be delivered to the successful bidder without charge. The Municipality will pay for all legal fees and will pay for the printing and validation of the Bonds.

BONDS AS "QUALIFIED TAX-EXEMPT OBLIGATIONS": The Municipality has not designated the Bonds as "qualified tax-exempt obligations" within the meaning and for purposes of Section 265(b)(3) of the Code.

FURTHER INFORMATION: The Municipality has prepared a Preliminary Official Statement which it deems, for purposes of S.E.C. Rule 15(c)2-12, to be final and complete as of this date except for the omission of the offering prices, interest rates, and any other terms of the Bonds depending on such matters, and the identity of the underwriters, subject to revision, amendment and completion in a final Official Statement. By submission of its bid, the successful bidder will be deemed to have certified that it has obtained and reviewed the Preliminary Official Statement. Upon the award of the Bonds, the Municipality will publish an Official Statement in substantially the same form as the Preliminary Official Statement, subject to minor additions, deletions, and revisions as required to complete the Preliminary Official Statement.

ISSUE PRICE: The successful bidder shall assist the Municipality in establishing the issue price of the Bonds and shall execute and deliver to the Municipality at the closing for the Bonds an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, in a form reasonably required by the Municipality and Bond Counsel. The Municipality intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because: (a) the Municipality shall disseminate this Notice to potential underwriters in a manner that is reasonably designed to reach potential underwriters; (b) all bidders shall have an equal opportunity to bid; (c) the Municipality may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and (d) the Municipality anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice. Any bid submitted pursuant to this Notice shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. In the event that the competitive sale requirements are not satisfied, the Municipality shall advise the winning bidder. The Municipality shall treat the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price on that maturity applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Municipality if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The Municipality will not require bidders to comply with the "hold-the-offering-price rule" and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test in order to establish the issue price of the Bonds. If the competitive sale

requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the Municipality the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing of the Bonds has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold. By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires. Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for the purposes of this Notice. Further, for purposes of this Notice: (a) "public" means any person other than an underwriter or a related party, (b) "underwriter" means (A) any person that agrees pursuant to a written contract with the Municipality (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public), (c) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or Interests by one entity of the other), and (d) "sale date" means the date that the Bonds are awarded by the Municipality to the winning bidder.

CONTINUING DISCLOSURE: In order to assist bidders in complying with S.E.C. Rule 15(c)2-12(b)(5), the Municipality will undertake, pursuant to the Bond Resolution and a Continuing Disclosure Agreement, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. Failure of the Municipality to deliver the Continuing Disclosure

Agreement at the time of issuance and delivery of the Bonds will relieve the successful bidder from its obligation to purchase the Bonds.

MUNICIPAL BOND RATING: _____

MUNICIPAL BOND INSURANCE: _____

By order of the Mayor and Board of Aldermen of the City of Starkville, Mississippi, on _____, 20__.

City of Starkville, Mississippi

City Clerk

(seal)

Publication Instructions:

Starkville Daily News

_____, 20__, and _____, 20__

[END OF FORM OF NOTICE]

SECTION 23. Proof of Publication. The City Clerk will obtain from the publisher of the aforesaid newspaper the customary publisher's affidavit proving publication of the Notice for the times and in the manner required by law, and such proof of publication will be filed in the City Clerk's office and exhibited before the Governing Body at the hour and date aforesaid.

SECTION 24. Continuing Disclosure. The Municipality hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Bond Resolution, failure of the Municipality to comply with the Continuing Disclosure Agreement will not be considered an Event of Default pursuant to Section 17 hereof; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Municipality to comply with its obligations under this Section.

SECTION 25. Book-Entry Only System. Notwithstanding anything herein to the contrary, the Bonds will be initially issued in the form of a separate, single and fully registered Bond for each of the maturities thereof. In such case, upon initial issuance, the ownership of each such Bond will be registered in the Bond Register in the name of Cede & Co., as nominee of DTC, and except as provided in Section 26 hereof, all of the outstanding Bonds will be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the Municipality and the Paying Agent will have no responsibility or obligation to any participant for whom DTC is a security depository nominee ("DTC participants") or to any Person on behalf of whom such a DTC participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Municipality and the Paying Agent will have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or

any DTC participant with respect to any ownership interest in the Bonds, (b) the delivery to any DTC participant or any other Person, other than a Registered Owner, as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (c) the payment to any DTC participant or any other Person, other than a Registered Owner, as shown in the Bond Register, of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Bond Resolution to the contrary, the Municipality and the Paying Agent will be entitled to treat and consider the Person in whose name each Bond is registered in the Bond Register as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent, will pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Registered Owners, as shown in the Bond Register as provided in this Bond Resolution, or their respective attorneys duly authorized in writing, and all such payments will be valid and effective to fully satisfy and discharge the Municipality's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Bond Register, will receive a Bond certificate evidencing the obligation of the Municipality to make payments of principal, premium, if any, and interest pursuant to this Bond Resolution. Upon delivery by DTC to the Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Bond Resolution with respect to interest checks or drafts being mailed to the Registered Owner at the close of business on the Record Date, the words "Cede & Co." in this Bond Resolution will refer to such new nominees of DTC.

SECTION 26. Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Municipality and the Paying Agent determine that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter or that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Municipality and the Paying Agent will (a) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC participants of the appointment of such successor securities depository and transfer one or more separate Bond certificates to such successor securities depository or (b) notify DTC and DTC participants of the availability through DTC of Bond certificates and transfer one or more separate Bond certificates to DTC participants having Bonds credited to their DTC accounts. In such event, the Bonds will no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Bonds will designate, in accordance with the provisions of this Bond Resolution.

SECTION 27. Payments and Notices to Cede & Co. Notwithstanding any other provision of this Bond Resolution to the contrary, so long as any of the Bonds is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond will be made and given, respectively, in the manner provided in the Representation Letter.

SECTION 28. Non-arbitrage Bond Covenants; Non-arbitrage and Federal Tax Certificate.

(a) The Municipality covenants and certifies to and for the benefit of the owners of the Bonds that it will neither take any action nor omit to take any action nor make any investment or use of the proceeds from the issue and sale of the Bonds, including amounts treated as proceeds, if any, which will cause the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code, and any regulations thereunder as such may be applicable to the Bonds, at the time of such action, investment, or use.

(b) (1) The Governing Body has made the findings indicating that no rebate relating to the Bonds will be required to be made under the Code. However, in the event it is subsequently determined for any reason that rebates should be made on the Bonds, then the Municipality will take all actions necessary in order to comply with the requirements of paragraphs (2) and (3) of Subsection 148(f) in order that none of the Bonds will be treated as an "arbitrage bond" pursuant to paragraph (1) of Subsection 148(f), including payment of all amounts, if any, required to be paid to the United States of America in accordance with and within the time limits prescribed in Subsection 148(f) and the Subsection 148(f) Regulations, the making of any and all calculations, computations, and filings required pursuant to Subsection 148(f) and the Subsection 148(f) Regulations, and the maintenance of all such records as may be required pursuant to Subsection 148(f) and the Subsection 148(f) Regulations.

(2) In order to effectuate the foregoing covenants, the Municipality hereby covenants and certifies that: (A) prior to delivery of the Bonds, it will have received written instructions from "nationally-recognized bond counsel" with respect to specific actions which will, under Subsection 148(f) and such regulations as may have been promulgated prior to delivery of the Bonds, assure compliance with such covenants; and (B) the Municipality will comply with such instructions until the Municipality will have received from "nationally-recognized bond counsel" written advice that continued compliance with such instructions is not necessary in order to avoid adversely affecting the tax-exempt status of the Bonds or alternative written instructions with respect to certain actions which will assure compliance with the covenants set forth above, in which event the Municipality will thereafter comply with all such alternative instructions.

(c) The Municipality will not intentionally use any portion of the proceeds (within the meaning of Subsection 148(a) of the Code and any regulations promulgated pursuant thereto) of the Bonds to acquire higher yielding investments (as defined in Subsection 148(a) of the Code and all regulations promulgated pursuant thereto) or to replace funds which were used directly or indirectly to acquire higher yielding investments, except to the extent specifically permitted pursuant to Section 148 of the Code and any regulations promulgated thereunder.

(d) The Municipality will not purchase or acquire any investment property with proceeds (within the meaning of Section 148 of the Code) of the Bonds in a manner or for a price which would cause any of the Bonds to be or become an "arbitrage bond" within the meaning of Section 148 of the Code and all regulations promulgated thereunder, including, without limitation, to the extent prescribed by applicable regulations, investments (regardless of yield) which do not comply with the provisions of any regulations intended to assure that obligations are acquired at their "market price" or "fair market value."

(e) The Mayor and/or the City Clerk are hereby authorized to execute a “non-arbitrage and federal tax certificate” in connection with the sale and delivery of the Bonds, setting forth the reasonable expectations of the Municipality with respect to the investment and use of proceeds of the Bonds and also setting forth certain covenants, stipulations, and certifications with respect to the investment and expenditures of the proceeds of the Bonds, and the Municipality will comply with all certifications, stipulations, and covenants set forth in such certificate. In addition, such officials are authorized to make such elections on behalf of the Municipality as are necessary or appropriate under the Code or the Subsection 148(f) Regulations.

SECTION 29. Private Activity Bond Covenants; Tax Covenants. (a) The Municipality will take such actions as may be necessary in order to assure that the Bonds are not “private activity bonds” within the meaning of Section 141 of the Code.

(b) No more than 10% of the Bond proceeds will be used, directly or indirectly, in a trade or business carried on by any person other than a governmental unit.

(c) No more than 10% of any property with respect to which all or any part of the Bond proceeds will be used, directly or indirectly, in a trade or business carried on by any person other than a governmental unit.

(d) None of the Bond proceeds will be used for any private business use (within the meaning of Section 141 of the Code) which is not related to the governmental use (within the meaning of Section 141 of the Code) of such Bond proceeds.

(e) The amount of Bond proceeds used with respect to any private business use which is related to a governmental use of such Bond proceeds will not exceed the amount of Bond proceeds which are used for the governmental use to which such private business use relates.

(f) None of the proceeds of the Bonds will be used to make or finance loans for persons other than governmental units.

(g) In no event will the payment of the principal of or the interest on more than 10% of the proceeds of the Bonds be (under the terms of the Bond or any underlying arrangement) directly or indirectly secured (within the meaning of Section 141 of the Code) by any interest in property used or to be used in a private business use or payments in respect to such property or to be derived from payments (whether or not to the Municipality) in respect of property or borrowed money used or to be used for a private business use.

(h) The Municipality covenants and certifies that there are no other obligations heretofore issued or to be issued by or on behalf of any state, territory, or possession of the United States of America, or political subdivision of any of the foregoing, or of the District of Columbia, by or for the benefit of the Municipality, which (1) were or are to be sold at substantially the same time as the Bonds, (2) were or are to be sold pursuant to the same plan of financing as the financing plan for the Bonds and (3) are payable directly or indirectly by the Municipality or from the source from which the Bonds are payable. The Municipality covenants and certifies that there are no additional facts or circumstances which may further evidence that the Bonds are part of any other issue of obligations.

(i) The Municipality covenants and certifies that no payment of principal or interest on the Bonds is or will be guaranteed (in whole or in part, directly or indirectly) by the United States of America, or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States of America. The Municipality represents, warrants, and covenants that none of the bond proceeds will be: (1) used to make loans, the payment of principal or interest on which is or will be guaranteed (in whole or in part, directly or indirectly) by the United States of America or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States of America; or (2) invested (directly or indirectly) in any deposit or account which is insured under federal law by the Federal Deposit Insurance Corporation, the National Credit Union Administration or any similar federally chartered corporation other than: (A) the investment of the bond proceeds for an initial temporary period (within the meaning of subparagraph 3(B) of Subsection 149(b) of the Code) until such proceeds are needed for the purpose for which the Bonds are being issued; (B) investments of a bona fide debt service fund (within the meaning of Subparagraph 3(B) of Subsection 149(b) of the Code); (C) investments of a reserve which meets the requirements of Subsection 148(d) of the Code; (D) investments in bonds issued by the Treasury of the United States of America; or (E) other investments permitted under regulations promulgated by the Internal Revenue Service pursuant to Subsection 149(b) of the Code.

(j) The Municipality covenants and certifies that, notwithstanding any provision of this Bond Resolution or the rights of the Municipality hereunder, the Municipality will not take or permit to be taken on its behalf any action which would impair the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, and it will take such reasonable action as may be necessary to continue such exclusion, including, without limitation, the preparation and filing of any statements required to be filed by it in order to maintain such exclusion.

SECTION 30. When Computations, Deposits, or Rebate Payments Are Not Required. In the event it is determined the Bonds do not meet the requirements of paragraph (4) of Subsection 148(f), but in the event the Municipality receives an opinion of "nationally-recognized bond counsel" to the effect that any of the computations, deposits, or payments referenced herein are not required to be made in order to maintain the tax-exempt status of interest on the Bonds, the Municipality need not make such computations, deposits, or payments.

SECTION 31. Covenant Regarding Hedge Bonds. The Municipality reasonably expects that not less than 85% of the spendable proceeds of the Bonds will be used to carry out the governmental purposes of the Bonds within a three-year period beginning on the date of issuance of the Bonds. No more than 50% of the proceeds of the Bonds will be invested in non-purpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more.

SECTION 32. Modification or Amendment. (a) No material modification or amendment of this Bond Resolution or of any resolution amendatory hereof or supplemental hereto, may be made without the consent in writing of the Holders of 2/3rds or more in principal amount of the Bonds then outstanding; provided, however, that no modification or amendment will permit a change in the maturity of the Bonds or a reduction in the rate of interest thereon, or affect the unconditional promise of the Municipality to levy taxes in an amount sufficient to pay the interest

and principal on the Bonds, as the same mature and become due, or reduce such percentage of Holders of the Bonds required above for such modification or amendment without the consent of the Holders of all of the Bonds.

(b) The foregoing will not be construed to prohibit supplemental amendments of this Bond Resolution without the consent of Bondholders for the following purposes:

(1) to add to the covenants and agreements of the Municipality herein contained other covenants and agreements thereafter to be observed and performed by the Municipality, provided that such other covenants and agreements will not either expressly or implicitly limit or restrict any of the obligations of the Municipality contained in this Bond Resolution;

(2) to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provision contained in this Bond Resolution or in any supplemental resolution or to make any provisions with respect to matters arising under this Bond Resolution or any supplemental resolution for any other purpose if such provisions are necessary or desirable and are not inconsistent with the provisions of this Bond Resolution or any supplemental resolution and do not adversely affect the interests of the Holders of the Bonds; or

(3) to subject to the pledge herein contained additional revenues or receipts.

(c) Notwithstanding any provision herein to the contrary, this Bond Resolution may be amended by resolution of the Municipality prior to the delivery of any of the Bonds with the consent of the Purchaser.

SECTION 33. Payments Due on Days Other Than Business Days. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds, or the date on which any funds are required to be deposited into a fund pursuant hereto, will be in the city in which the principal office of the Paying Agent is located a day other than a Business Day, then payment of interest or principal, and premium, if any, or deposit into the funds pursuant hereto, need not be made on such date but will be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, or the date fixed for deposit into a fund, and no interest will accrue for the period after such date.

SECTION 34. Severability; Ministerial Changes. (a) If any section, paragraph, clause, or provision of this Bond Resolution shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any other provision hereof.

(b) In the event the Bonds are delivered in a year other than is shown as the year identifying the series of the Bonds, then the year identifying the series of the Bonds shall be changed to the year of delivery thereof.

SECTION 35. Post Issuance Compliance Procedures. The Municipality hereby approves and adopts the Post Issuance Compliance Procedures, in substantially the form set out in **Attachment A** hereto.

SECTION 36. Bond Insurance. The Mayor is hereby authorized within her discretion to arrange for an "Insurance Policy Commitment" from a Bond Insurer for a Bond Insurance Policy. The fees and expenses of said Insurance Policy Commitment and Bond Insurance Policy may be paid for by the Municipality and may be paid for by prospective bidders for the Bonds and the Purchaser of the Bonds. The Mayor is further authorized to execute and deliver the Insurance Policy Commitment for the provision of the Bond Insurance Policy and any additional documents and certificates which are required by the Bond Insurer to provide credit enhancement in connection with the issuance of the Bonds. Any reasonable changes, insertions, and omissions, as may be required by the Bond Insurer as conditions to the issuance of its Bond Insurance Policy, to any documents are to be approved by the Mayor, such approval being hereby authorized and the execution of the Insurance Policy Commitment for said Bond Insurance Policy being conclusive evidence of such approval. In anticipation of the issuance of the Insurance Policy Commitment by the Bond Insurer for its Bond Insurance Policy, the Municipality hereby approves (1) the engagement of the Bond Insurer and (2) the references to said Bond Insurer, the Bond Insurance Policy, and the documents related to the issuance of the Bonds in all documents associated therewith and the deletion of said references if the Bond Insurer should not provide the Insurance Policy Commitment for its Bond Insurance Policy.

SECTION 37. Municipal Bond Rating. The Mayor is hereby authorized within his discretion to arrange for a municipal bond rating. The fees and expenses of said municipal bond rating shall be paid for by the Municipality. The Mayor is further authorized to execute and deliver any required documents for the provision of the municipal bond rating and any additional documents and certificates which are required by the municipal bond rating agency or agencies. Any reasonable changes, insertions, and omissions, as may be required by the municipal bond rating agency or agencies as conditions to the issuance of its municipal bond rating, to any documents are to be approved by the Mayor, such approval being hereby authorized and the execution of the documents related to such municipal bond rating being conclusive evidence of such approval. In anticipation of the municipal bond rating by the municipal bond rating agency or agencies, the Municipality hereby approves (1) the engagement of the municipal bond rating agency or agencies and (2) the references to said municipal bond rating agency or agencies and the documents related to the issuance of the Bonds in all documents associated therewith and the deletion of said references if the municipal bond rating agency or agencies should not provide the municipal bond rating.

SECTION 38. Repealer; Effective Date. All orders, resolutions, or proceedings of the Governing Body in conflict with any provision hereof will be, and the same are hereby repealed, rescinded, and set aside, but only to the extent of such conflict. For cause, this Bond Resolution will become effective upon the adoption hereof.

Following the reading of the foregoing resolution and discussion thereof, Alderman Sistrunk moved and Alderman Rupp seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

Alderman Hamp Beatty	voted: <u>yea</u>
Alderman Mike Brooks	voted: <u>yea</u>
Alderman Ben Carver	voted: <u>yea</u>
Alderman Roy A'. Perkins	voted: <u>yea</u>
Alderman Jeffrey Rupp	voted: <u>yea</u>
Alderman Sandra C. Sistrunk	voted: <u>yea</u>
Alderman Henry N. Vaughn, Sr.	voted: <u>yea</u>

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted this day, April 4, 2023

City of Starkville, Mississippi


Mayor

ATTEST:


City Clerk



Attachment A

Post Issuance Compliance Procedures

Attachment B

Proof of Publication

Starkville Daily News

October 5, 2022; October 12, 2022; October 19, 2022; October 26, 2022

AFFP

RESOLUTION OF THE MAYOR

Affidavit of Publication

STATE OF MISSISSIPPI } SS
COUNTY OF OKTIBBEHA }

Ashley Doss, being duly sworn, says:

That she is Classified Clerk of the Starkville Daily News, a daily newspaper of general circulation, printed and published in Starkville, Oktibbeha County, Mississippi; that the publication, a copy of which is attached hereto, was published in the said newspaper on the following dates:

October 05, 2022, October 12, 2022, October 19, 2022,
October 26, 2022

That said newspaper was regularly issued and circulated on those dates.

SIGNED:

Ashley Doss

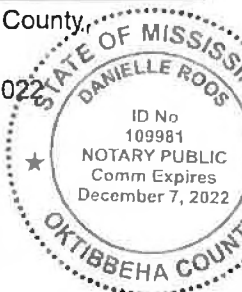
Classified Clerk

Subscribed to and sworn to me this 26th day of October 2022.

Danielle Roos

Danielle Roos, Notary Public, Oktibbeha County, Mississippi

My commission expires: December 07, 2022



00001631 00098883

Melinda Ryan
Watkins & Eager, PLLC (SDN)
P.O. Box 650
Jackson, MS 39205

RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI, DECLARING THE INTENTION TO ISSUE GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS OF THE MUNICIPALITY, TO ISSUE A GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND OF THE MUNICIPALITY FOR SALE TO THE MISSISSIPPI DEVELOPMENT BANK, OR TO ENTER INTO A LOAN AGREEMENT WITH THE MISSISSIPPI DEVELOPMENT BANK, ALL IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$15,000,000, IN ONE OR MORE FEDERALLY TAXABLE OR TAX-EXEMPT SERIES, AND FOR A TERM OF ANY INDIVIDUAL SERIES NOT TO EXCEED 30 YEARS, TO PROVIDE FUNDS FOR THE AUTHORIZED PURPOSES; DIRECTING PUBLICATION OF NOTICE OF SUCH INTENTION; AND FOR RELATED PURPOSES.

WHEREAS, the Mayor and Board of Aldermen of the City of Starkville, Mississippi (the "Governing Body" of the "Municipality"), acting for and on behalf of the Municipality, hereby finds, determines, adjudicates, and declares as follows:

In addition to any words and terms elsewhere defined herein, the following words and terms shall have the following meanings, unless some other meaning is plainly intended:

1. "Act" shall mean Senate Bill 3012, as approved by the Legislature of the State of Mississippi (the "Legislature" of the "State") in its Regular Session 2018 and signed by the Governor (the "Governor") of the State on March 27, 2018, and by House Bill No. 1565, as approved by the Legislature in its Regular Session 2019 and signed by the Governor on April 3, 2019 (together, the "Authority Act"), Sections 21-33-301 et seq., Mississippi Code of 1972, as amended (the "Municipal Improvements Act"), Sections 31-25-1 et seq., Mississippi Code of 1972, as amended (the "Bank Act"), and other applicable laws of the State (together, the "Act").

2. "Special Tax Authorized Purpose" shall mean providing funds to acquire real property and constructing, equipping, owning, operating, leasing, furnishing, maintaining, and marketing new and existing sports tournament and recreational facilities of the Municipality and for related purposes as authorized by the Authority Act, and to pay the principal of and interest on bonds issued pursuant to the Authority Act.

3. "General Municipal Improvements Authorized Purpose" shall mean providing funds for the purpose of erecting municipal buildings, auditoriums, community centers, gymnasiums, and athletic stadiums, preparing and equipping athletic fields, and purchasing buildings or land therefor, and for repairing, improving, adorning, and equipping the same; erecting or purchasing waterworks, gas, electric, and other public utility plants or distribution systems or franchises, and repairing, improving, and extending the same; establishing sanitary, storm, drainage, or sewerage systems, and repairing, improving, and extending the same; protecting the Municipality, its streets, and sidewalks from overflow, caving banks, and other like dangers; constructing, improving, or paving streets, sidewalks, driveways, parkways, walkways, or public parking facilities, and purchasing land therefor; purchasing land for parks and public playgrounds, and improving, equipping, and adorning the same, including the constructing, repairing, and equipping of swimming pools and other recreational facilities; constructing bridges and culverts; altering or changing the channels of streams and water courses to control, deflect, or guide the current thereof; purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; purchasing machinery and equipment which have an expected useful life in excess of 10 years.

4. On November 6, 2018, the Governing Body adopted a resolution stating its intent to levy an additional 1% economic development, tourism, and convention tax on the gross income of restaurants derived from retail sales of prepared food, alcoholic beverages, and nonalcoholic beverages, and from gross income derived from lodging at hotels and motels within the Municipality (the "Special Sales Tax") for the "construction, maintenance, operation, and promotion of recreation and sports tournament facilities" within the Municipality.

5. On April 16, 2019, the Governing Body adopted a resolution calling for a special election on the issue of levying the Special Sales Tax for the Special Tax Authorized Purpose. After adoption of the resolution of April 16, 2019, and publication of notice of such election pursuant to the Authority Act, the citizens of the Municipality approved the aforesaid tax levy by election on May 30, 2019. On June 4, 2019, the Governing Body adopted a resolution calling for the levy of the Special Sales Tax beginning on August 1, 2019, and forwarded a copy of the resolution to the Mississippi Department of Revenue.

6. Pursuant to the Authority Act, the proceeds of the Special Sales Tax shall not be considered as general fund revenues but shall be dedicated to and expended solely for the Special Tax Authorized Purpose.

7. Pursuant to the Authority Act, the Governing Body is authorized to issue general obligation bonds of the Municipality or incur other indebtedness in an aggregate principal amount that is not in excess of an amount for which debt service is capable of being funded by the proceeds of the Special Sales Tax. The general obligation bonds issued pursuant to the Authority Act shall not be included in the limitation on indebtedness imposed in the Municipal Improvements Act or any other limitation on indebtedness of the Municipality.

8. Pursuant to the Act, the Mississippi Development Bank (the "Bank") has previously issued its \$14,130,000 Special Obligation Bonds, Series 2020 (Starkville, Mississippi, Parks and Recreation General Obligation Bond Project), dated and issued April 22, 2020, and its \$9,835,000 Special Obligation Bonds, Series 2020B (Starkville, Mississippi, Parks and Recreation Project General Obligation Bond) (together, the "Series 2020 Bonds").

9. Pursuant to the Act, the Municipality is authorized to undertake activities for the General Municipal Improvements Authorized Purpose and the Special Tax Authorized Purpose (together, the "Authorized Purposes"), and to provide for the payment of the costs thereof, or any portion of such costs, by issuing general obligation bonds of the Municipality (the "Bonds"), issuing a general obligation bond of the Municipality (the "Qualified Obligation") for sale to the Mississippi Development Bank (the "Bank"), or entering into a loan agreement and obtaining a loan from the Bank (the "Loan"), all in the maximum aggregate principal amount of \$15,000,000, issued in one or more federally taxable or tax-exempt series, and for a term of any individual series not to exceed 30 years.

10. The proceeds of the Special Sales Tax is sufficient to pay the debt service on the Bonds, the Qualified Obligation, or the Loan, on a parity with the Series 2020 Bonds.

11. The Municipality is authorized by the Municipal Improvements Act to issue the Bonds, the Qualified Obligation, or the Loan for the purpose of providing funds for the General Municipal Improvements Authorized Purpose. It is necessary and in the public interest to issue the Bonds, the Qualified Obligation, or the Loan to provide funds for the General Municipal Improvements Authorized Purpose.

12. The Bonds, the Qualified Obligation, or the Loan shall be on a parity of payment with the revenues of the Special Sales Tax with the Series 2020 Bonds.

13. The Municipality reasonably expects that it will incur expenditures for the Authorized Purposes for which the Municipality will advance internal funds prior to the issuance of the Bonds, the Qualified Obligation, or the Loan, issued in one or more federally taxable or tax-exempt series, and for a term of any individual series not to exceed 30 years, and that it should declare its official intent to reimburse its general fund or special tax fund for all or a portion of such expenditures of the Authorized Purposes made in anticipation of the issuance of the Bonds, the Qualified Obligation, or the Loan.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE MUNICIPALITY AS FOLLOWS:

SECTION 1. This resolution is adopted pursuant to the provisions of the Act.

SECTION 2. The Governing Body, acting for and on behalf of the Municipality, does hereby declare its intention to issue and sell the Bonds pursuant to the Authority Act and the Municipal Improvements Act, to issue and sell the Qualified Obligation pursuant to the the Authority Act, the Municipal Improvements Act, and the Bank Act, or enter into the Loan with the Bank pursuant to the the Authority Act, the Municipal Improvements Act, and the Bank Act, issued in one or more federally taxable or tax-exempt series, and for a term of any individual series not to exceed 30 years, all in the maximum aggregate principal amount of \$15,000,000, for the

Authorized Purposes.

SECTION 3. The Bonds, the Qualified Obligation, or the Loan, may be issued in one or more federally taxable or tax-exempt series, and for a term of any individual series not to exceed 30 years, and, if issued, may be payable from legally available revenues of the Municipality, including the Special Sales Tax, provided that the Bonds, the Qualified Obligation, or the Loan shall be on a parity of payment with the revenues of the Special Sales Tax with the Series 2020 Bonds.

SECTION 4. The Bonds and the Qualified Obligation may be general obligations of the Municipality payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a tax to be levied annually upon all the taxable property within the geographical limits of the Municipality, which tax, together with any other moneys available for such purpose, shall be sufficient to provide for the payment of the principal of and the interest on the Bonds or the Qualified Obligation according to the terms thereof; provided, however, that the Bonds and the Qualified Obligation issued pursuant to the Authority Act shall not be included in the limitation on indebtedness imposed in the Municipal Improvements Act or any other limitation on indebtedness of the Municipality.

SECTION 5. The Bonds, the Qualified Obligation, or the Loan, in the amount, for the purpose, and secured as aforesaid, will be authorized to be issued at a meeting of the Governing Body to be held at the City Hall located at 110 West Main Street in the Municipality on Tuesday, November 1, 2022, at 5:30 p.m. Pursuant to the Act, if a petition signed by not less than 10% of the qualified electors of the Municipality, or 1,500, whichever is the lesser, be filed objecting to and protesting the issuance of the Bonds, the Qualified Obligation, or the Loan, on or before the aforesaid date and hour, then an election on the question of the issuance of the Bonds, the Qualified Obligation, or the Loan may be called and held as provided by law. If no such protest be filed, then the Bonds, the Qualified Obligation, or the Loan may be issued without an election on the question of the issuance thereof, at any time within a period of 2 years after the date above specified, and may be sold under the regular procedure for issuing and selling the Bonds, the Qualified Obligation, or the Loan.

SECTION 6. This resolution shall be published once a week for at least 3 consecutive weeks in the Starkville Daily News, a newspaper published in and having a general circulation in the Municipality and qualified under the provisions of Section 13-3-31, Mississippi Code of 1972, as amended. The first publication of this resolution shall be made not less than 21 days prior to the date fixed herein for the issuance of the Bonds, the Qualified Obligation, or the Loan, and the last publication shall be made not more than 7 days prior to the date fixed herein for the issuance of the Bonds, the Qualified Obligation, or the Loan.

SECTION 7. The City Clerk is hereby directed to procure from the publisher of the Starkville Daily News the customary proof of publication of this resolution and to have the same before the Governing Body on the date and hour specified in Section 5 hereof.

SECTION 8. Pursuant to Section 1.150-2 of the Treasury Regulations (the "Reimbursement Regulations"), the Governing Body hereby declares its official intent to reimburse the Municipality's general fund or special tax fund for expenditures made for the Authorized Purposes prior to the issuance of the Bonds, the Qualified Obligation, or the Loan, with proceeds of the Bonds, the Qualified Obligation, or the Loan, to the extent permitted by the Reimbursement Regulations.

SECTION 9. The Municipality by subsequent resolution shall take such actions as may be necessary to specify the terms and conditions of the issuance and sale of the Bonds, the Qualified Obligation, or the Loan.

SECTION 10. If any one or more of the provisions of this resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any of the other provisions of this resolution, but this resolution shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained herein. All resolutions in conflict with this resolution are hereby amended and repealed, but only to the extent of any such conflict. For cause, this resolution shall become effective immediately upon its adoption.

Following the reading of the foregoing resolution and discussion thereof, Alderman Mike Brooks moved and Alderman Jeffrey Rupp seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

Alderman Hamp Beatty voted: Aye
Alderman Mike Brooks voted: Aye

Alderman Ben Carver voted: Aye
Alderman Roy A'. Perkins voted: Aye
Alderman Jeffrey Rupp voted: Aye
Alderwoman Sandra C. Sistrunk voted: Aye
Alderman Henry N. Vaughn, Sr. voted: Aye

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted this day, September 20, 2022.

City of Starkville, Mississippi

/s/ Lynn Spruill

Mayor

ATTEST:

/s/ Lesa Hardin

City Clerk

Publication:

October 5, 2022; October 12, 2022; October 19, 2022; and October 26, 2022

Attachment C

Preliminary Official Statement

Appendix H

Specimen Municipal Bond Insurance Policy



MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor

New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN