



The Arbitrage Group, Inc.

3401 Louisiana Street
Suite 101
Houston, Texas 77002

Telephone 713 522 8527
Facsimile 713 522 8471

www.thearbitragegroup.com

June 12, 2013

Mr. Arthur Johnston
Chancery Clerk
Madison County
146 West Center Street
Canton, Mississippi 39046

\$23,500,000
Mississippi Development Bank
Special Obligation Bonds, Series 2001
(Madison County, Mississippi General Obligation Road and Bridge Project)

Dear Arthur:

Attached please find the final signed arbitrage rebate report for the above referenced bonds (the "Bonds"). The report covers the period from January 3, 2001 to the June 1, 2013 Final Rebate Computation Date. Based on the information provided by or on behalf of the County and the assumptions employed, the report reflects that there was no rebate liability nor yield reduction payment liability due for the Bonds as the June 1, 2013 Final Rebate Computation Date.

As there was no arbitrage rebate liability nor yield reduction payment liability, there will be no filing requirement with the IRS. Please retain a copy of this report on file for the County's records.

Also attached please find our invoice for the professional services provided. If you have any questions or comments please do not hesitate to contact me at (713) 522-8526.

Very truly yours,

The Arbitrage Group, Inc.

Joe L. Aviles
Partner



The Arbitrage Group, Inc.

\$23,500,000

Mississippi Development Bank

Special Obligation Bonds, Series 2001

(Madison County, Mississippi General Obligation Road and Bridge Project)

**Rebate Computation for the Period
January 3, 2001 to June 1, 2013**



The Arbitrage Group, Inc.

3401 Louisiana Street
Suite 101
Houston, Texas 77002

Telephone 713 522 8527
Facsimile 713 522 8471

www.thearbitragegroup.com

June 12, 2013

Mississippi Development Bank
Jackson, Mississippi

Madison County
Canton, Mississippi

Trustmark National Bank
Jackson, Mississippi

\$23,500,000
Mississippi Development Bank
Special Obligation Bonds, Series 2001
(Madison County, Mississippi General Obligation Road and Bridge Project)

The Mississippi Development Bank (the "Bank") issued the above referenced bonds (the "Bonds") dated January 1, 2001 and delivered on January 3, 2001. At the request of Madison County, Mississippi (the "County"), we have performed the procedures enumerated below for the period January 3, 2001 to June 1, 2013 (the "Computation Period"). These procedures, which were agreed to by the County, were performed solely to assist the County in evaluating compliance with the requirements of Section 148(f)(2) of the Internal Revenue Code of 1986, as amended (the "Code"). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. This report is intended solely for your information and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report is not to be quoted or referred to without our prior written consent.

Our procedures and findings are as follows:

- (1) We read the Certificate of the Bank RE: Arbitrage and Tax Matters, Federal Tax Certificate of the County, excerpts from the Official Statement, and the Trust Statements provided to us by or on behalf of the County.
- (2) A schedule of the sources and uses of funds (Exhibit A) was assembled based on the Certificate of the Bank RE: Arbitrage and Tax Matters, Federal Tax Certificate of the County, and the Trust Statements.

Madison County, Mississippi
 June 12, 2013
 Page 2

- (3) A schedule of the debt service requirements of the Bonds (Exhibit B-1) was assembled based on the Official Statement and the Certificate of the Bank RE: Arbitrage and Tax Matters.
- (4) The yield on the Bonds was computed to be the discount rate that causes the present value of all principal and interest payments on the Bonds to equal the Issue Price to the Public less the cost of bond insurance. The yield on the Bonds was computed to be 5.134686% (Exhibit B-1).
- (5) Schedules of actual earnings on the nonpurpose investments in the Construction Fund (to and from January 3, 2004), Capitalized Interest Fund, and Costs of Issuance Fund (the "Trust Funds") purchased with gross proceeds of the Bonds during the Computation Period (Exhibits C-1 through C-4) were assembled based on the Trust Statements.
- (6) The allowable earnings amounts on the nonpurpose investments in the Trust Funds were calculated to be the amounts that the nonpurpose investments in each Trust Fund would have earned if they had been invested at a rate equal to the yield on the Bonds of 5.134686% (Exhibits C-1 through C-4).
- (7) The arbitrage earnings amounts during the Computation Period for the Trust Funds were calculated to be the difference between the actual earnings and allowable earnings for the nonpurpose investments in each Trust Fund. The arbitrage earnings amounts are as follows:

Trust Fund	Exhibit	Arbitrage Earnings
Construction Fund to January 3, 2004	C-1	(\$478,700.60)
Construction Fund from January 3, 2004	C-2	(26,514.87)
Capitalized Interest Fund	C-3	(48,443.51)
Costs of Issuance Fund	C-4	(1,451.46)
Less Computation Credit Amount	D	(13,489.08)
Total Arbitrage Earnings		(\$568,599.52)

- (8) The assumptions and computational information employed in the above calculations are explained in Exhibit E.
- (9) Based on the information provided by or on behalf of the County and the assumptions employed, this report reflects that there was no rebate liability nor yield reduction payment liability due for the Bonds as of the June 1, 2013 Final Rebate Computation Date.



The Arbitrage Group, Inc.

Madison County, Mississippi
June 12, 2013
Page 3

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on any of the information referred to above. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. The terms of our engagement are such that we have no obligation to update this report because of events and transactions occurring subsequent to the date of this report.

Very truly yours,

The Arbitrage Group, Inc.

Exhibits

- A. Sources and Uses of Funds
- B. Computation of Yield on the Bonds
 - B-1. Debt Service Requirements and Proof of Yield on the Bonds
 - B-2. Computation of Net Original Issue Premium
- C. Computation of Arbitrage Earnings on the Trust Funds
 - C-1. Computation of Arbitrage Earnings on the Construction Fund to January 3, 2004
 - C-2. Computation of Arbitrage Earnings on the Construction Fund from January 3, 2004
 - C-3. Computation of Arbitrage Earnings on the Capitalized Interest Fund
 - C-4. Computation of Arbitrage Earnings on the Costs of Issuance Fund
- D. Computation of Computation Credit Amount
- E. Assumptions and Computational Information

Sources and Uses of Funds

\$23,500,000

Mississippi Development Bank

Special Obligation Bonds, Series 2001

Madison County, MS G.O. Road and Bridge Project

SOURCES

Principal Amount of the Bonds	\$23,500,000.00
Accrued Interest	6,862.40
Net Original Issue Premium	318,756.25
	<hr/>
	\$23,825,618.65
	<hr/> <hr/>

USES

Deposit to County's Construction Fund	\$21,500,000.00
Deposit to Capitalized Interest Fund	1,600,000.00
Net Deposit to Costs of Issuance Fund	69,250.00
Deposit to General Fund	15,183.65
Other Costs of Issuance	330,750.00 *
Underwriter's Discount	164,635.00 *
Bond Insurance Premium	145,800.00 *
	<hr/>
	\$23,825,618.65
	<hr/> <hr/>

* These amounts were assumed to have been spent at closing and/or never invested as represented in the Certificate of the Bank RE: Arbitrage and and Tax Matters and/or the Trust Statements.

Debt Service Requirements and Proof of Yield on the Bonds

\$23,500,000

Mississippi Development Bank

Special Obligation Bonds, Series 2001

Madison County, MS G.O. Road and Bridge Project

Date	\$23,500,000 Serial Bonds			Debt Service Requirements of the Bonds	Present Value of Future Payments at 01/03/01 Using a Rate of 5.134686%
	Principal	Coupon Rate	Interest		
12/01/01			\$1,132,296.46	\$1,132,296.46	\$1,081,182.76
06/01/02			617,616.25	617,616.25	574,974.48
12/01/02			617,616.25	617,616.25	560,582.41
06/01/03	\$465,000.00	5.750%	617,616.25	1,082,616.25	958,045.62
12/01/03			604,247.50	604,247.50	521,335.62
06/01/04	490,000.00	5.750%	604,247.50	1,094,247.50	920,468.64
12/01/04			590,160.00	590,160.00	484,009.74
06/01/05	520,000.00	5.750%	590,160.00	1,110,160.00	887,688.92
12/01/05			575,210.00	575,210.00	448,427.82
06/01/06	550,000.00	5.750%	575,210.00	1,125,210.00	855,245.10
12/01/06			559,397.50	559,397.50	414,541.89
06/01/07	585,000.00	5.750%	559,397.50	1,144,397.50	826,829.00
12/01/07			542,578.75	542,578.75	382,201.58
06/01/08	620,000.00	5.750%	542,578.75	1,162,578.75	798,441.26
12/01/08			524,753.75	524,753.75	351,371.91
06/01/09	655,000.00	5.750%	524,753.75	1,179,753.75	770,182.68
12/01/09			505,922.50	505,922.50	322,015.86
06/01/10	695,000.00	5.750%	505,922.50	1,200,922.50	745,245.14
12/01/10			485,941.25	485,941.25	294,007.78
06/01/11	735,000.00	5.000%	485,941.25	1,220,941.25	720,212.61
12/01/11			467,566.25	467,566.25	268,905.70
06/01/12	780,000.00	5.000%	467,566.25	1,247,566.25	699,538.08
12/01/12			448,066.25	448,066.25	244,951.93
06/01/13	830,000.00	5.000%	448,066.25	1,278,066.25	681,212.96
12/01/13			427,316.25	427,316.25	222,059.75
06/01/14	880,000.00	5.000%	427,316.25	1,307,316.25	662,356.77
12/01/14			405,316.25	405,316.25	200,214.83
06/01/15	930,000.00	5.000%	405,316.25	1,335,316.25	643,098.13
12/01/15			382,066.25	382,066.25	179,400.10
06/01/16	985,000.00	5.000%	382,066.25	1,367,066.25	625,841.65
12/01/16			357,441.25	357,441.25	159,540.32

Debt Service Requirements and Proof of Yield on the Bonds

\$23,500,000

Mississippi Development Bank

Special Obligation Bonds, Series 2001

Madison County, MS G.O. Road and Bridge Project

Date	\$23,500,000 Serial Bonds			Debt Service Requirements of the Bonds	Present Value of Future Payments at 01/03/01 Using a Rate of 5.134686%
	Principal	Coupon Rate	Interest		
06/01/17	1,045,000.00	5.000%	357,441.25	1,402,441.25	610,297.19
12/01/17			331,316.25	331,316.25	140,569.25
06/01/18	1,110,000.00	5.100%	331,316.25	1,441,316.25	596,207.95
12/01/18			303,011.25	303,011.25	122,204.76
06/01/19	1,175,000.00	5.100%	303,011.25	1,478,011.25	581,163.07
12/01/19			273,048.75	273,048.75	104,677.02
06/01/20	1,245,000.00	5.100%	273,048.75	1,518,048.75	567,397.97
12/01/20			241,301.25	241,301.25	87,933.13
06/01/21	1,320,000.00	5.200%	241,301.25	1,561,301.25	554,715.82
12/01/21			206,981.25	206,981.25	71,697.79
06/01/22	1,400,000.00	5.250%	206,981.25	1,606,981.25	542,720.77
12/01/22			170,231.25	170,231.25	56,052.61
06/01/23	1,485,000.00	5.250%	170,231.25	1,655,231.25	531,381.10
12/01/23			131,250.00	131,250.00	41,080.68
06/01/24	1,570,000.00	5.250%	131,250.00	1,701,250.00	519,155.37
12/01/24			90,037.50	90,037.50	26,788.20
06/01/25	1,665,000.00	5.250%	90,037.50	1,755,037.50	509,093.32
12/01/25			46,331.25	46,331.25	13,103.16
06/01/26	1,765,000.00	5.250%	46,331.25	1,811,331.25	499,448.45
	<u>\$23,500,000.00</u>		<u>\$20,324,130.21</u>	<u>\$43,824,130.21</u>	<u>\$23,679,818.65</u>

Principal Amount of the Bonds	\$23,500,000.00
Accrued Interest	6,862.40
Bond Insurance Premium	(145,800.00)
Net Original Issue Premium	318,756.25
	<u>\$23,679,818.65</u>

Computation of Net Original Issue Premium

\$23,500,000

Mississippi Development Bank

Special Obligation Bonds, Series 2001

Madison County, MS G.O. Road and Bridge Project

Date	Principal	Coupon Rate	Yield	Price	Purchase Price	Accrued Interest	Original Issue Premium(Discount)
06/01/03	\$465,000.00	5.750%	4.280%	103.329%	\$480,479.85	\$148.54	\$15,479.85
06/01/04	490,000.00	5.750%	4.310%	104.518%	512,138.20	156.53	22,138.20
06/01/05	520,000.00	5.750%	4.340%	105.601%	549,125.20	166.11	29,125.20
06/01/06	550,000.00	5.750%	4.370%	106.582%	586,201.00	175.69	36,201.00
06/01/07	585,000.00	5.750%	4.410%	107.408%	628,336.80	186.88	43,336.80
06/01/08	620,000.00	5.750%	4.450%	108.126%	670,381.20	198.06	50,381.20
06/01/09	655,000.00	5.750%	4.500%	108.668%	711,775.40	209.24	56,775.40
06/01/10	695,000.00	5.750%	4.550%	109.099%	758,238.05	222.01	63,238.05
06/01/11	735,000.00	5.000%	4.620%	103.108%	757,843.80	204.17	22,843.80
06/01/12	780,000.00	5.000%	4.720%	102.444%	799,063.20	216.67	19,063.20
06/01/13	830,000.00	5.000%	4.810%	101.755%	844,566.50	230.56	14,566.50
06/01/14	880,000.00	5.000%	4.880%*	101.102%*	889,697.60	244.44	9,697.60
06/01/15	930,000.00	5.000%	4.950%*	100.455%*	934,231.50	258.33	4,231.50
06/01/16	985,000.00	5.000%	5.000%	100.000%	985,000.00	273.61	0.00
06/01/17	1,045,000.00	5.000%	5.050%	99.442%	1,039,168.90	290.28	(5,831.10)
06/01/18	1,110,000.00	5.100%	5.100%	100.000%	1,110,000.00	314.50	0.00
06/01/19	1,175,000.00	5.100%	5.150%	99.405%	1,168,008.75	332.92	(6,991.25)
06/01/20	1,245,000.00	5.100%	5.200%	98.782%	1,229,835.90	352.75	(15,164.10)
06/01/21	1,320,000.00	5.200%	5.240%	99.497%	1,313,360.40	381.33	(6,639.60)
06/01/22	1,400,000.00	5.250%	5.260%	99.867%	1,398,138.00	408.33	(1,862.00)
06/01/23	1,485,000.00	5.250%	5.270%	99.733%	1,481,035.05	433.13	(3,964.95)
06/01/24	1,570,000.00	5.250%	5.280%	99.594%	1,563,625.80	457.92	(6,374.20)
06/01/25	1,665,000.00	5.250%	5.290%	99.450%	1,655,842.50	485.62	(9,157.50)
06/01/26	1,765,000.00	5.250%	5.300%	99.301%	1,752,662.65	514.78	(12,337.35)
	<u>\$23,500,000.00</u>				<u>\$23,818,756.25</u>	<u>\$6,862.40</u>	<u>\$318,756.25</u>

* Pursuant to Schedule A of the Bank's Certificate RE: Arbitrage and Tax Matters, Yield/Price to first optional call date of June 1, 2013.

Computation of Arbitrage Earnings on the Construction Fund to January 3, 2004

\$23,500,000

Mississippi Development Bank

Special Obligation Bonds, Series 2001

Madison County, MS G.O. Road and Bridge Project

Date	Principal Amounts	Actual Earnings		Total Nonpurpose Investment Activity	Future Value of Total Nonpurpose Investment Activity at 06/01/13 Using a Bond Yield of 5.134686%
		Interest	Gain (Loss)		
01/03/01	(\$21,500,000.00)	\$0.00	\$0.00	(\$21,500,000.00)	(\$40,337,494.39)
02/02/01	(113,396.29)	113,396.29	0.00	0.00	0.00
03/02/01	(89,698.57)	89,698.57	0.00	0.00	0.00
06/01/01	0.00	278,098.63	0.00	278,098.63	510,995.85
10/31/01	(278,098.63)	0.00	0.00	(278,098.63)	(500,385.00)
11/02/01	0.00	20.49	0.00	20.49	36.86
12/01/01	0.00	568,838.12	0.00	568,838.12	1,019,056.15
12/03/01	0.00	539.53	0.00	539.53	966.28
01/02/02	0.00	491.09	0.00	491.09	875.94
02/01/02	0.00	453.66	0.00	453.66	805.88
02/28/02	(570,342.89)	0.00	0.00	(570,342.89)	(1,009,025.32)
03/01/02	0.00	423.32	0.00	423.32	748.81
04/01/02	0.00	1,158.16	0.00	1,158.16	2,040.04
04/12/02	7,551,191.67	0.00	0.00	7,551,191.67	13,280,448.24
05/01/02	0.00	1,109.20	0.00	1,109.20	1,945.56
06/03/02	0.00	517,199.10	0.00	517,199.10	903,099.82
06/05/02	(519,889.78)	0.00	0.00	(519,889.78)	(907,542.45)
06/17/02	1,874,481.37	0.00	0.00	1,874,481.37	3,266,651.90
06/18/02	1,368,331.30	0.00	0.00	1,368,331.30	2,384,250.21
07/01/02	12,276,524.66	54,774.81	0.00	12,331,299.47	21,447,383.15
07/02/02	(12,331,299.47)	0.00	0.00	(12,331,299.47)	(21,444,362.93)
08/01/02	756,340.17	14,958.46	0.00	771,298.63	1,335,836.10
09/03/02	0.00	14,451.79	0.00	14,451.79	24,916.96
09/04/02	(14,451.79)	0.00	0.00	(14,451.79)	(24,913.45)
10/01/02	(13,822.95)	13,822.95	0.00	0.00	0.00
10/18/02	3,107,789.34	0.00	0.00	3,107,789.34	5,324,425.28
11/01/02	(12,550.45)	12,550.45	0.00	0.00	0.00
11/18/02	1,564,144.66	0.00	0.00	1,564,144.66	2,668,475.56
12/02/02	(7,590.77)	7,590.77	0.00	0.00	0.00
12/04/02	617,616.25	0.00	0.00	617,616.25	1,051,299.46
01/02/03	(5,775.49)	5,775.49	0.00	0.00	0.00
02/03/03	(5,413.43)	5,413.43	0.00	0.00	0.00

Computation of Arbitrage Earnings on the Construction Fund to January 3, 2004

\$23,500,000

Mississippi Development Bank

Special Obligation Bonds, Series 2001

Madison County, MS G.O. Road and Bridge Project

Date	Principal Amounts	Actual Earnings		Total Nonpurpose Investment Activity	Future Value of Total Nonpurpose Investment Activity at 06/01/13 Using a Bond Yield of 5.134686%
		Interest	Gain (Loss)		
03/03/03	(4,852.70)	4,852.70	0.00	0.00	0.00
03/28/03	2,609,774.29	0.00	0.00	2,609,774.29	4,371,578.09
04/02/03	(4,939.39)	4,939.39	0.00	0.00	0.00
05/01/03	(2,899.70)	2,899.70	0.00	0.00	0.00
05/29/03	12,648.30	0.00	0.00	12,648.30	21,005.67
06/02/03	1,082,616.25	2,955.12	0.00	1,085,571.37	1,802,101.82
06/03/03	(2,955.12)	0.00	0.00	(2,955.12)	(4,904.95)
07/02/03	0.00	2,026.62	0.00	2,026.62	3,350.10
07/03/03	(2,026.62)	0.00	0.00	(2,026.62)	(3,349.63)
08/01/03	0.00	1,596.83	0.00	1,596.83	2,628.88
08/04/03	(1,596.83)	0.00	0.00	(1,596.83)	(2,627.77)
08/29/03	1,152,988.74	0.00	0.00	1,152,988.74	1,890,710.09
09/02/03	0.00	1,461.83	0.00	1,461.83	2,396.15
09/03/03	(1,461.83)	0.00	0.00	(1,461.83)	(2,395.81)
10/01/03	(818.31)	818.31	0.00	0.00	0.00
11/03/03	(840.25)	840.25	0.00	0.00	0.00
12/01/03	603,420.94	826.56	0.00	604,247.50	978,110.37
01/02/04	(506.68)	506.68	0.00	0.00	0.00
01/03/04	907,360.00	0.00	0.00	907,360.00	1,462,161.88
06/01/13	0.00	0.00	0.00	(1,724,488.30)	(1,724,488.30)
	\$0.00	\$1,724,488.30	\$0.00	\$0.00	(\$2,203,188.90)

Actual Earnings	\$1,724,488.30
Allowable Earnings	(2,203,188.90)
Arbitrage Earnings	(\$478,700.60)

Computation of Arbitrage Earnings on the Capitalized Interest Fund

\$23,500,000

Mississippi Development Bank

Special Obligation Bonds, Series 2001

Madison County, MS G.O. Road and Bridge Project

Date	Principal Amounts	Actual Earnings		Total Nonpurpose Investment Activity	Future Value of Total Nonpurpose Investment Activity at 06/01/13 Using a Bond Yield of 5.134686%
		Interest	Gain (Loss)		
01/03/01	(\$1,600,000.00)	\$0.00	\$0.00	(\$1,600,000.00)	(\$3,001,860.05)
02/02/01	0.00	267.24	0.00	267.24	499.34
09/01/01	(46,764.51)	46,764.51	0.00	0.00	0.00
10/01/01	(4,006.38)	4,006.38	0.00	0.00	0.00
11/01/01	(3,463.00)	3,463.00	0.00	0.00	0.00
11/14/01	(267.24)	0.00	0.00	(267.24)	(479.90)
12/01/01	1,129,604.07	2,692.39	0.00	1,132,296.46	2,028,474.59
01/02/02	0.00	860.43	0.00	860.43	1,534.72
01/03/02	(860.43)	0.00	0.00	(860.43)	(1,534.50)
02/01/02	(857.57)	857.57	0.00	0.00	0.00
03/01/02	0.00	753.25	0.00	753.25	1,332.43
03/04/02	(753.25)	0.00	0.00	(753.25)	(1,331.87)
04/01/02	(796.09)	796.09	0.00	0.00	0.00
05/01/02	0.00	765.17	0.00	765.17	1,342.13
05/02/02	(765.17)	0.00	0.00	(765.17)	(1,341.94)
06/03/02	528,929.57	786.18	0.00	529,715.75	924,955.58
06/04/02	(786.18)	0.00	0.00	(786.18)	(1,372.58)
07/01/02	(52.81)	52.81	0.00	0.00	0.00
08/01/02	(1.23)	1.23	0.00	0.00	0.00
09/03/02	0.00	1.23	0.00	1.23	2.12
09/04/02	(1.23)	0.00	0.00	(1.23)	(2.12)
10/01/02	(1.18)	1.18	0.00	0.00	0.00
11/01/02	(1.22)	1.22	0.00	0.00	0.00
12/02/02	(0.99)	0.99	0.00	0.00	0.00
01/02/03	(0.94)	0.94	0.00	0.00	0.00
02/03/03	(0.92)	0.92	0.00	0.00	0.00
03/03/03	(0.81)	0.81	0.00	0.00	0.00
04/02/03	(1.94)	1.94	0.00	0.00	0.00
05/01/03	(0.83)	0.83	0.00	0.00	0.00
06/02/03	(0.85)	0.85	0.00	0.00	0.00

Computation of Arbitrage Earnings on the Capitalized Interest Fund

\$23,500,000

Mississippi Development Bank

Special Obligation Bonds, Series 2001

Madison County, MS G.O. Road and Bridge Project

Date	Principal Amounts	Actual Earnings		Total Nonpurpose Investment Activity	Future Value of Total Nonpurpose Investment Activity at 06/01/13 Using a Bond Yield of 5.134686%
		Interest	Gain (Loss)		
07/02/03	(0.80)	0.80	0.00	0.00	0.00
08/01/03	(0.70)	0.70	0.00	0.00	0.00
09/02/03	(0.67)	0.67	0.00	0.00	0.00
10/01/03	(0.64)	0.64	0.00	0.00	0.00
11/03/03	(0.66)	0.66	0.00	0.00	0.00
12/01/03	(0.65)	0.65	0.00	0.00	0.00
01/02/04	(0.66)	0.66	0.00	0.00	0.00
01/03/04	0.00	0.00	0.00	0.00	0.00
01/14/04	(0.12)	0.12	0.00	0.00	0.00
02/02/04	(0.65)	0.65	0.00	0.00	0.00
03/01/04	(0.56)	0.56	0.00	0.00	0.00
04/01/04	(0.38)	0.38	0.00	0.00	0.00
05/03/04	(0.39)	0.39	0.00	0.00	0.00
06/01/04	(0.41)	0.41	0.00	0.00	0.00
07/01/04	(0.38)	0.38	0.00	0.00	0.00
08/02/04	(0.53)	0.53	0.00	0.00	0.00
09/01/04	(0.61)	0.61	0.00	0.00	0.00
09/10/04	858.01	0.00	0.00	858.01	1,335.37
10/01/04	(0.26)	0.26	0.00	0.00	0.00
09/01/05	(0.01)	0.01	0.00	0.00	0.00
10/03/05	(0.01)	0.01	0.00	0.00	0.00
11/01/05	(0.01)	0.01	0.00	0.00	0.00
12/01/05	(0.01)	0.01	0.00	0.00	0.00
01/03/06	(0.01)	0.01	0.00	0.00	0.00
02/01/06	(0.01)	0.01	0.00	0.00	0.00
03/01/06	(0.01)	0.01	0.00	0.00	0.00
04/03/06	(0.01)	0.01	0.00	0.00	0.00
05/01/06	(0.01)	0.01	0.00	0.00	0.00
06/01/06	(0.01)	0.01	0.00	0.00	0.00
07/03/06	(0.01)	0.01	0.00	0.00	0.00
08/01/06	(0.01)	0.01	0.00	0.00	0.00
09/01/06	(0.01)	0.01	0.00	0.00	0.00

Computation of Arbitrage Earnings on the Capitalized Interest Fund

\$23,500,000

Mississippi Development Bank

Special Obligation Bonds, Series 2001

Madison County, MS G.O. Road and Bridge Project

Date	Principal Amounts	Actual Earnings		Total Nonpurpose Investment Activity	Future Value of Total Nonpurpose Investment Activity at 06/01/13 Using a Bond Yield of 5.134686%
		Interest	Gain (Loss)		
10/02/06	(0.01)	0.01	0.00	0.00	0.00
11/01/06	(0.01)	0.01	0.00	0.00	0.00
12/01/06	(0.01)	0.01	0.00	0.00	0.00
01/02/07	(0.01)	0.01	0.00	0.00	0.00
02/01/07	(0.01)	0.01	0.00	0.00	0.00
03/01/07	(0.01)	0.01	0.00	0.00	0.00
04/02/07	(0.01)	0.01	0.00	0.00	0.00
05/01/07	(0.01)	0.01	0.00	0.00	0.00
06/01/07	(0.01)	0.01	0.00	0.00	0.00
07/02/07	(0.01)	0.01	0.00	0.00	0.00
08/01/07	(0.01)	0.01	0.00	0.00	0.00
09/04/07	(0.01)	0.01	0.00	0.00	0.00
11/01/07	(0.01)	0.01	0.00	0.00	0.00
12/03/07	(0.01)	0.01	0.00	0.00	0.00
01/02/08	(0.01)	0.01	0.00	0.00	0.00
02/01/08	(0.01)	0.01	0.00	0.00	0.00
08/01/08	2.48	0.00	0.00	2.48	3.17
06/01/13	0.00	0.00	0.00	(62,086.52)	(62,086.52)
	\$0.00	\$62,086.52	\$0.00	\$0.00	(\$110,530.03)
		Actual Earnings			\$62,086.52
		Allowable Earnings			(110,530.03)
		Arbitrage Earnings			(\$48,443.51)

Computation of Arbitrage Earnings on the Costs of Issuance Fund

\$23,500,000

Mississippi Development Bank

Special Obligation Bonds, Series 2001

Madison County, MS G.O. Road and Bridge Project

Date	Principal Amounts	Actual Earnings		Total Nonpurpose Investment Activity	Future Value of Total Nonpurpose Investment Activity at 06/01/13 Using a Bond Yield of 5.134686%
		Interest	Gain (Loss)		
01/03/01	(\$69,250.00)	\$0.00	\$0.00	(\$69,250.00)	(\$129,924.26)
01/10/01	12,000.00	0.00	0.00	12,000.00	22,491.77
02/02/01	0.00	282.46	0.00	282.46	527.78
03/01/01	0.00	240.77	0.00	240.77	448.05
04/02/01	0.00	257.49	0.00	257.49	477.08
05/01/01	0.00	229.17	0.00	229.17	422.87
06/01/01	0.00	208.76	0.00	208.76	383.59
07/03/01	0.00	191.07	0.00	191.07	349.51
08/01/01	0.00	185.37	0.00	185.37	337.74
09/04/01	0.00	176.84	0.00	176.84	320.71
10/01/01	0.00	152.56	0.00	152.56	275.63
11/02/01	0.00	130.13	0.00	130.13	234.08
11/14/01	(2,054.62)	0.00	0.00	(2,054.62)	(3,689.61)
02/02/02	59,304.62	315.27	0.00	59,619.89	105,893.60
06/01/13	0.00	0.00	0.00	(2,369.89)	(2,369.89)
	\$0.00	\$2,369.89	\$0.00	\$0.00	(\$3,821.35)
		Actual Earnings			\$2,369.89
		Allowable Earnings			(3,821.35)
		Arbitrage Earnings			(\$1,451.46)

Computation of Computation Credit Amount

\$23,500,000

Mississippi Development Bank

Special Obligation Bonds, Series 2001

Madison County, MS G.O. Road and Bridge Project

Date	Annual Computation Credit	Future Value of Annual Computation Credit Amounts at 06/01/13 Using a Bond Yield of 5.134686%
06/01/01	(\$1,000.00)	(\$1,837.46)
06/01/02	(1,000.00)	(1,746.62)
06/01/03	(1,000.00)	(1,660.28)
06/01/04	(1,000.00)	(1,578.20)
06/01/05	(1,000.00)	(1,500.18)
06/01/06	(1,000.00)	(1,426.02)
06/01/07	(1,400.00)	(1,897.74)
06/01/08	(1,430.00)	(1,842.58)
	<u>(\$8,830.00)</u>	<u>(\$13,489.08)</u>
	<u><u>(\$8,830.00)</u></u>	<u><u>(\$13,489.08)</u></u>
Computation Credit Amount		<u><u>(\$13,489.08)</u></u>

Assumptions and Computational Information

\$23,500,000

Mississippi Development Bank

Special Obligation Bonds, Series 2001

Madison County, MS G.O. Road and Bridge Project

- (1) Pursuant to Section 8 of Federal Tax Certificate of the County, it was assumed that the Bonds represented a single bond issue for arbitrage rebate and bond yield calculation purposes.
- (2) Pursuant to Exhibit B of the Bank's Certificate RE: Arbitrage and Tax Matters, "Bond Year" means the one-year (or shorter) period beginning of the day after the expiration of the preceding Bond Year. The first Bond Year shall begin on the date of delivery and ends on June 1, 2001. Consequently, it was assumed that the first Rebate Installment Computation Date for the Bonds, the end of the fifth Bond Year, shall go to June 1, 2005.
- (3) As represented by the County, the Bonds were advance refunded by their Series 2006 Refunding Bonds and called in final form on June 1, 2013.
- (4) Pursuant to Section 3.3 of the Certificate as to Non-Arbitrage and the Verification Report for the Series 2006 Refunding Bonds, the first and only transfer date was June 1, 2013. Consequently, no unspent proceeds of the Bonds could have become transferred proceeds of the Series 2006 Refunding Bonds during the Computation Period.
- (5) The amounts denoted by an " * " on the Sources and Uses of Funds (Exhibit A) were assumed to have been spent at closing and/or never invested as represented in the Federal Tax Certificate of the County and/or the Trust Statements. Consequently, no investment activity was included in the computation for these amounts.
- (6) As represented by the County, no fees were received or paid to commence or terminate a Guaranteed Investment Contract, Investment Agreement, Forward Purchase Agreement, or similar type investment. Consequently, no such fees or payments were included in the computation.
- (7) Present value and future value computations were made on the basis of a 30/360 day year and semiannual compounding.
- (8) As represented by or on behalf of the County, it was assumed that the only funds which were funded and contained gross proceeds of the Bonds during the Computation Period were the Construction Fund, Capitalized Interest Fund, Costs of Issuance Fund, and the General Fund (the "Trust Funds").
- (9) The transaction amounts in the Principal Amounts, Interest, and Gain (Loss) columns shown in Exhibits C-1 through C-4 for each date represent the net transaction activity for that date. Net investment and interest purchases are denoted by parentheses. The Gain (Loss) columns represent the net gains and losses, if any, on investments purchased and/or sold at discounts and premiums.
- (10) It was assumed that the purchase price of each investment was at fair market value, did not include brokerage or other acquisition fees, and represented an arm's length transaction which did not reduce the rebate amount to be paid to the United States.
- (11) All amounts withdrawn from the Trust Funds were assumed to be spent for the purpose of the bond issue on the day they were withdrawn.

Assumptions and Computational Information

\$23,500,000

Mississippi Development Bank

Special Obligation Bonds, Series 2001

Madison County, MS G.O. Road and Bridge Project

- (12) The Trust Statements indicate that certain amounts in the Trust Funds were uninvested during the Computation Period. The Regulations are silent as to the treatment of imputed earnings for uninvested bond proceeds. No interest earnings were imputed on these uninvested amounts.
- (13) The General Fund was excluded from the computation pursuant to Section 148(f)(4)(A)(ii) of the Code which excludes from the rebate computation bona fide debt service funds as defined in Section 1.148-1(b) of the Regulations. Section 4 of the Federal Tax Certificate of the County indicates that the General Fund is intended to function as a bona fide debt service fund. The Trust Statements for the General Fund provided reflect that the General Fund did in fact function as a bona fide debt service fund during the Computation Period.
- (14) Pursuant to Section 1.148-3(d)(1)(iv) of the Regulations, on the last day of each bond year during which there are amounts allocated to gross proceeds of an issue that are subject to the rebate requirements, and on the final maturity date, a computation credit is allowed as a payment. The payment amount is future valued from the last day of each bond year to the Computation Date at a rate equal to the yield on the Bonds (Exhibit D).

The Arbitrage Group, Inc.

3401 Louisiana Street, Suite 101
Houston, Texas 77002
(713) 522-8527

June 12, 2013

Mr. Arthur Johnston
Chancery Clerk
Madison County Board of Supervisors
146 West Center Street
Canton, Mississippi 39046

INVOICE NUMBER
98110

Tax ID No. 76-0604182

Professional services rendered in connection with the preparation of the rebate report for the \$23,500,000 Mississippi Development Bank Special Obligation Bonds, Series 2001 (Madison County, Mississippi General Obligation Road and Bridge Project) for the period from January 3, 2001 to June 1, 2013.

\$ 1,250

Original Invoice

Due and Payable Upon Receipt

The Arbitrage Group, Inc.

3401 Louisiana Street, Suite 101
Houston, Texas 77002
(713) 522-8527

June 12, 2013

Mr. Arthur Johnston
Chancery Clerk
Madison County Board of Supervisors
146 West Center Street
Canton, Mississippi 39046

INVOICE NUMBER
98110

Tax ID No. 76-0604182

Professional services rendered in connection with the preparation of the rebate report for the \$23,500,000 Mississippi Development Bank Special Obligation Bonds, Series 2001 (Madison County, Mississippi General Obligation Road and Bridge Project) for the period from January 3, 2001 to June 1, 2013.

\$1,250

Please Return With Your Remittance

Due and Payable Upon Receipt